

NATIONAL DEVELOPMENT COMPANY

Guidelines for the Accreditation of Real Estate Brokers

1. PREREQUISITES FOR ACCREDITATION

- 1.1. Brokers who wish to be accredited by the National Development Company (NDC) for the purpose of selling and leasing NDC land and building Assets must submit to NDC the following requirements for accreditation:
 - 1.1.1. Letter of request for accreditation as broker (Proforma attached) signifying the broker's undertaking to comply with NDC's policies, terms and conditions on the sale and lease of NDC Land and Building Assets;
 - 1.1.2. Photocopy of valid Professional Identification Card/License Number for Real Estate Broker issued by the Professional Regulatory Board of Real Estate Service (PRBRES);
 - 1.1.3. Photocopy of Certificate of Registration issued by the PRBRES;
 - 1.1.4. Certificate of Good Standing from a broker's association;
 - 1.1.5. List of the applicant's past and existing clients stating company's name, contact person and contact numbers;
 - 1.1.6. Notarized certification that the applicant is not related up to the third degree of consanguinity to the officers and employees of NDC who have direct participation in the disposition and approval of the land and building assets;
 - 1.1.7. Notarized certification of no pending cases before the courts or quasi-judicial bodies;
 - 1.1.8. Notarized authorization for NDC to inquire or verify the documents submitted by the applicant with the issuing or originating agency or entity;
 - 1.1.9. Photocopy of Value Added Tax (VAT) Registration Certificate issued by the Bureau of Internal Revenue (BIR);
 - 1.1.10. Photocopy of Tax Identification Number (TIN) Card issued by BIR;

- 1.1.11. Photocopy of latest Income Tax Return duly stamped and received by the BIR;
- 1.1.12. Photocopy of current Privilege Tax Receipt (PTR);
- 1.1.13. A duly concurred and signed copy of this guideline.
- 1.2. The requirements for accreditation must be accomplished in triplicate, arranged in a folder in the above order and enclosed in one sealed envelope.
- 1.3. Notwithstanding the complete submission of the foregoing requirements, a broker shall not be deemed authorized to sell or offer for lease NDC Land and Building Assets without the written approval by NDC of the broker's application for accreditation.

2. SUBMISSION OF APPLICATION

- 2.1. All applications must be sealed, addressed and delivered to:

The Chairman
Committee for Accreditation of Real Estate Brokers
NATIONAL DEVELOPMENT COMPANY
6th Floor, NDC Building 116 Tordesillas St.
Salcedo Village, Makati City, 1227

Code: Application for Broker's Accreditation

- 2.2. The sealed envelope shall be submitted by the broker/applicant by dropping the same in the sealed and locked box marked and provided for the purpose.
- 2.3. Application should be submitted on _____ from 8:00 in the morning to 2:00 in the afternoon (NDC Clock). No application shall be accepted after 2:00 in the afternoon of _____.

For applicants outside Metro Manila, applications may be sent through courier and must be received by the Committee for Accreditation of Real Estate Brokers on or before 2:00 in the afternoon of _____.

3. INTERPRETATION OF THE GUIDELINES FOR ACCREDITATION

- 3.1. Any other questions regarding the broker's accreditation should be submitted in writing not later than _____ to:

The Chairman
Committee for Accreditation of Real Estate Brokers
NATIONAL DEVELOPMENT COMPANY
6th Floor, NDC Building 116 Tordesillas St.
Salcedo Village, Makati City, 1227

- 3.2. No verbal agreement or conversation with nor any verbal clarification from any officer or employee of NDC shall affect or modify any of the terms and conditions contained in the guidelines and those herein stated.

4. EVALUATION OF BROKERS' CREDENTIALS

4.1. The following criteria serves as a guide in evaluating brokers' credentials:

- 4.1.1. Number of perfected sales based on previous transactions
- 4.1.2. Average annual value of properties sold
- 4.1.3. Number of real estate salespersons employed or supervised
- 4.1.4. Commendations from previous clients and affiliated associations or organizations
- 4.1.5. Extent of market area coverage

5. ACCREDITATION OF BROKERS

- 5.1. The Committee for Accreditation of Real Estate Brokers shall accredit a maximum of Sixty (62) licensed Real Estate Brokers distributed by coverage areas in proportion to the number of available NDC real properties for sale or lease:

- 5.1.1. Distribution of Real Estate Brokers by coverage area vis-à-vis number of real properties:

Coverage Area	No. of Properties	No. of Brokers
Luzon	21	42
Visayas	6	12
Mindanao	4	8
Grand Total	31	62

- 5.1.2. The Real Estate Brokers shall be allowed to operate or transact exclusively on the areas they are assigned, i.e. brokers from Luzon can

not operate or transact properties in the Visayas and Mindanao or vice-versa.

- 5.1.3. Additional Real Estate Brokers may be accredited in proportion to the increase in number of properties available for sale or lease. In determining the additional number of Real Estate Broker to accredit, the allowable ratio shall be 2 brokers per property.
- 5.2. The Committee for Accreditation of Real Estate Brokers shall advise in writing the prospective brokers/applicants on the action taken on their applications within thirty (30) days from its submission.
- 5.3. A broker/applicant who has fully complied with the requirements shall be issued with written notice of approval for accreditation and a Non-Exclusive Authority to Sell and/or Negotiate Lease which is valid for a period of one (1) year, upon payment of accreditation fee of Pesos: Three Thousand Pesos (₱3,000.00).
- 5.4. Accredited brokers may renew his accreditation with NDC upon favorable performance review and submission of updated copies of the aforementioned requirements and such other documents as may be required by NDC. The renewal of the broker's accreditation shall be effective only upon written approval of NDC.

6. PROPERTIES OFFERED

- 6.1. All accredited brokers shall be provided with a list of :
 - 6.1.1. Lands and buildings that are available for lease; and
 - 6.1.2. Land assets scheduled for negotiated sale or have undergone at least two (2) failed public biddings.
- 6.2. The accreditation of a broker is not a blanket authority to sell or offer for lease any and all NDC land and building assets. NDC reserves the right to restrict or limit the sale/lease or marketing activities to be conducted by a broker or brokers to those land and building assets of which the broker shall be advised from time to time.

7. PROCEDURE ON THE SALE AND LEASE OF NDC LAND AND BUILDING ASSETS

The sale and lease of the NDC land and building assets through accredited brokers shall be on a **first-come-first-served basis**.

- 7.1. Accredited brokers must register their prospective buyers/lessees to NDC indicating their preferred property(ies).
- 7.2. Accredited brokers shall conduct detailed discussion with its client in order to understand the nature of the requirements, as contained in NDC guidelines on leases and biddings.
- 7.3. Client, through its authorized broker and duly accredited by NDC, shall submit its Letter of Intent and price/lease offer to NDC.
- 7.4. NDC shall not allow a buyer/lessee to be represented by two or more accredited brokers for the sale/lease of the same piece of property.
- 7.5. NDC shall review, evaluate the offer and award the sale/lease in accordance with the existing government rules and regulations on asset disposal as well as the NDC Manual of Approvals.
 - 7.5.1. Sale of all NDC land assets, regardless of amount, is subject to approval by the Board of Directors. A Notice of Award shall be issued to the successful buyer after receipt of NDC Board approval.
 - 7.5.2. Prices for the sale of the NDC land assets are **net** to NDC and shall not be lower than the minimum bid price as approved by the NDC Board. **Terms of payment for the sale of NDC land assets would be exclusively on cash basis.**
 - 7.5.3. Successful buyer shall proceed with the signing of the Deed of Sale with NDC and tender full payment to NDC within thirty (30) days from receipt of Notice of Award.
 - 7.5.4. Short-term leases (less than 5 years) require approval by the NDC's General Manager up to P5 M; any two Assistant General Managers up to P2 M.; and AGM up to P.5 M), while long-term leases (5 years and above) are subject to the Board of Director's approvals.
 - 7.5.5. Lease rates for the NDC lands and buildings shall not be lower than the lease rates as approved by the NDC Board. Payment shall be based on the provisions of the Contract of Lease.
 - 7.5.6. After securing aforesaid approval, NDC and the lessee may proceed with the signing of the Contract of Lease.

8. COMMISSION

A broker is entitled to a graduated rate of commission based on the selling price of the property. For property leases, the commission is based on the contracted lease rate for the property.

8.1. Commission schemes shall be as follows:

8.1.1. Commission rates on the sale of properties are as follows:

Contract Price	Broker's Fee
Over P100.0M	3%
Above P40.0M – P100.0M	3.5%
Above P20.0M – P40.0M	4%
Above P4.0M – P20.0M	4.5%
P4.0M and below	5%

8.1.2. Broker's fee for a successful lease is equivalent to a **maximum of one month's rent.**

8.2. NDC shall recognize the broker who delivers the following:

8.2.1. Buyer's check or Lessee's rental deposit;

8.2.2. Duly executed documents covering the sale or lease; and

8.2.3. Copy of Letter of Intent signed by both the buyer/lessee and the broker.

8.3. The following are not entitled to commission:

8.3.1. Brokers without authority to sell/negotiate lease from NDC;

8.3.2. Brokers who negotiated sale/lease to a government institution;

8.3.3. Brokers who had transacted the sale/lease to an NDC employee or his relative within the first degree of consanguinity or affinity;

8.3.4. Brokers who had transacted sale to the former owner(s) or present occupant(s) of the properties subject of sale; and

8.3.5. Brokers who did not perform all the duties and responsibilities stated in the guidelines for accreditation.

- 8.4. Broker's commission shall be released after the buyer's/lessee's check has been cleared and upon submission by the broker of a request for payment of the commission and upon presentation of his broker's license.
- 8.5. All taxes accruing on the receipt by an accredited broker on the commission, which may be due to said broker, shall be for the broker's account. The broker authorizes NDC to withhold the corresponding creditable withholding tax due on the commission and to remit the same to the Bureau of Internal Revenue or its successor agency.
- 8.6. Upon release of the commission, accredited broker(s) shall be required to issue in favor of NDC a receipt or invoice duly registered with the Bureau of Internal Revenue indicating therein the Taxpayer's Identification Number (TIN) and VAT-registration number of said accredited broker.

9. ACCREDITED BROKER'S RESPONSIBILITY

- 9.1. Accreditation by NDC is a privilege granted by NDC which can be withdrawn at any time at the sole discretion of NDC. All accredited brokers are therefore expected to act with utmost integrity and professionalism always upholding the interest of NDC above their own.
- 9.2. Brokers should duly inform their prospective buyers/lessees of the terms and conditions of the sale and lease as contained in this general policy and the NDC guidelines on leases and biddings. In this connection, the broker shall be responsible for obtaining updates and other information from NDC, particularly on procedures, guidelines, property nuances and dues, as well as new developments on the subject property(ies), particularly the status of the negotiations, if any.
- 9.3. The broker shall conduct negotiations as to details of the terms through non-informal, non-binding letter.
- 9.4. The brokers shall submit to NDC of all pertinent information on the buyer/lessee and documents required to effect the sale/lease and registration thereof.
- 9.5. Expenses incurred during site inspections with prospective buyer/lessee shall be for the sole account of the broker.

10. ADVERTISEMENTS

- 10.1. Accredited brokers are strictly prohibited in advertising in various media such as newspapers, internet, radio, television and others without prior written approval of NDC. In case of approved request, all expenses incurred in the advertisement of the properties shall be for the sole account of the broker.

11. BROKER'S PROHIBITED ACTS

- 11.1. Brokers are not authorized to collect or receive any payment in behalf of NDC.
- 11.2. Accredited brokers are strictly prohibited from participating in public auctions conducted by NDC as well as soliciting business from direct clients of NDC (a client is considered a direct buyer/lessee upon submission of the Letter of Intent that states they do not have a broker).
 - 11.2.1. Buyers/Lessees who had initially negotiated with NDC without the assistance of a broker for the purchase/lease of the property shall not be allowed to introduce a broker in the course of the negotiation proceedings thereafter.
 - 11.2.2. A broker may, however, be recognized as the official representative of an existing NDC buyer/lessee for any succeeding purchases/lease provided that he/she is given due recognition by the buyer/lessee as indicated in the Letter of Intent.
 - 11.2.3. In the same light, a broker's recognized client for one sale/lease may become a direct buyer/lessee of NDC for any succeeding sales/leases should the client feel it to be in his/her best interest to do so.

12. GENERAL PROVISIONS

- 12.1. Any violations of the terms herein and the guidelines governing the sale and lease of NDC land and building assets which may be mandated by NDC from time to time, or behavior deemed detrimental to the corporate image of NDC shall be grounds for the automatic cancellation of the accreditation of the broker including forfeiture of commissions in favor of NDC, without prejudice to the right of NDC to pursue other remedies to which it may be entitled under Philippine laws.

- 12.2. NDC reserves the right to cancel at any time the accreditation of a broker or any other authorization granted thereto, upon due notice.
- 12.3. The grounds for revocation of accreditation are as follows:
 - 12.3.1. The broker is no longer a member of good standing of the Association/Organization of which the broker is a member;
 - 12.3.2. The broker has been found by NDC to have violated the Code of Ethics and Responsibilities for Real Estate Practitioners;
 - 12.3.3. The broker did not perform the duties as stated in the Notice of Accreditation;
 - 12.3.4. The broker is a defendant/respondent in a case involving moral turpitude filed in court or quasi-judicial body; and
 - 12.3.5. The broker has been convicted of a crime penalized by the Revised Penal Code or special criminal laws.
 - 12.3.6. The broker was a party to the submission of false data or documents to the NDC;
 - 12.3.7. The broker no longer possesses any of the NDC qualifications for accreditation; and
 - 12.3.8. The broker committed any act analogous to the foregoing or detrimental to the interest of the NDC.
- 12.4. Pursuant to item 5.1 above, NDC reserves the right to refuse to sell or lease any NDC Land and Building Assets to a buyer or lessee who is referred by a broker for any reason whatsoever.
- 12.5. Each broker shall hold NDC free and harmless from any action or claim which may be brought by any person or entity against NDC if the suit is caused by an act of misrepresentation, fault and negligence of the broker.
- 12.6. There shall be no employer-employee relationship between NDC and the broker and the employees of the broker. The broker will be exclusively responsible for the implementation and compliance with the provisions of the Labor Code of the Philippine, Minimum Wage Laws, Employees Compensation Act, Social Security Laws, and similar laws or rules and regulations with regard to its employees.

- 12.7. Any of the foregoing terms and conditions may be amended by NDC, of which accredited brokers will be notified and shall be deemed to be bound hereby.

I/We have read and accept the terms and conditions herein and agree to be bound by and observe the foregoing terms and conditions in case I/We am/are accredited as broker of the National Development Company.

CONFORME:

Signature over printed name

Date