



## FREQUENTLY ASKED QUESTIONS:

1. **Q: What are the qualifications to lease a GSIS property?**

A: Interested lessee must be a Filipino citizen who is legally authorized to enter into an agreement and must have a regular source of income that could guarantee payment of his/her rental obligations.

2. **Q: Where can I find the properties available for lease?**

A: The properties available for lease are posted on the GSIS website. Follow this link, <https://www.gsis.gov.ph/opportunities/acquired-assets/>.

3. **Q: Can I use the leased properties for business purposes?**

A: No. The lessee shall **use the leased premises for residential purposes only. It should not be used for commercial purposes** like an apartment, room for rent, store (where things are sold), warehouse, as a venue for religious activities, etc., Sublease/assignment to another person are strictly prohibited.

4. **Q: Can the lot only GSIS property be leased?**

A: Yes. It can be leased for **parking purposes only**. It cannot be used for poultry, piggery, or backyard animal farming, and other commercial purposes.

5. **Q: What is the term of the lease?**

A: The term of rent shall be 12 months or **one year, renewable every year at the sole option of GSIS**, provided that such renewal shall be in writing and is subject to an annual increase/escalation at a rate to be determined by GSIS based on existing market condition. **The lessee shall notify GSIS in writing of his intent to renew at least three (3) months before the lease agreement expires.** GSIS shall promptly notify the lessee of its decision either to renew or not renew the lease agreement within one (1) month from receipt of the lessee's letter of intent.

6. **Q: What are the needed requirements to submit?**

A: Qualified lessees must submit and accomplish the following requirements:

- 1) LWOB Application Form, properly accomplished and signed by the applicant/s; (form is downloadable)
- 2) Photocopy of any two (2) of the following Identification Card (original to be presented):
  - i. Employee's ID/Company ID
  - ii. Driver's License
  - iii. Professional Regulation Commission (PRC) ID
  - iv. Senior Citizen's ID
  - v. SSS ID
  - vi. COMELEC/Voters ID;
  - vii. Passport
  - viii. Any government-issued ID
- 3) Proof of income;

7. **Q: What are the modes of payment available?**

A: The lessee may choose for any of the following modes of payments:

- a. Cash
- b. Manager's or Cashier's check; or
- c. Post-dated checks;

8. Q: How do I pay the monthly rental?

A: Monthly rent due shall be paid at GSIS Central Office or any nearest GSIS Branch Office where the property is located.

9. Q: Is the lease rate subject to 12% VAT?

A: Yes. If the monthly rental rate is **above PHP15,000.00, it is subject to twelve percent (12%) Value Added Tax (VAT).**

10. Q: When is the due for rental payment?

A: The monthly rental fee shall be paid within the **first five (5) days** of the rent period covered. The schedule of lease payment shall be based on the following:

- For lease agreement executed every **1st to 15th day of the month**, lease payments shall be from the **1st to 5th day of the following month**; and
- For lease agreements executed every **16th to the end of the month**, lease payments shall be from the **16th to the 20th day of the following month.**

Example:

- If the monthly rental period covered is 1/1/2021 – 01/31/2021, the due date shall be from 02/01/2021 to 02/05/2021
- If the monthly rental period covered is 1/16/2021-2/15/2021, the due date shall be from 2/16/2021 to 2/20/2021

Should the 5<sup>th</sup> day fall on a weekend or non-working day in the GSIS Branch Office where the LWOB account is maintained, the monthly rental fee shall be paid on the next banking or working day without penalty.

11. Q: How do I know if my application for Lease with Option to Buy (LWOB) is approved?

A: A Notice of Approval of Lease with Option to Buy (NALWOB) shall be issued to qualified lessees which is valid for 30 calendar days from receipt.

12. Q: When to pay the advance rental and security deposit?

A: Simultaneous to the execution of the lease agreement, the lessee shall pay **two (2) months advance rental and two (2) months security deposit.**

The two (2) months advance rental fee shall be applied as payment for the last two (2) months of the term of the lease agreement if there is no renewal of the Lease Agreement

In case of renewal of lease agreement, the advance rent and security deposit shall be adjusted to correspond to the adjusted rental fee as provided for in the Rent Escalation Rate. Payment of the difference shall be made not later than the date of execution of the renewal of the lease agreement.

13. Q: Who will pay the Real Property Tax?

A: The **lessee shall pay Real Property Tax (RPT)** of the leased premises being the beneficial user of the leased property. The lessee shall provide GSIS with a photocopy of the official receipt (OR) of payment of RPT not later than the first month of the following year. The lessee shall not withhold taxes, fees, or other expenses from the monthly rent due GSIS.

14. Q: Who will pay the utility bills?

A: The **lessee shall pay all utility bills** (water, electricity, telephone, cable TV, and internet subscriptions) and association dues, if applicable, within the given due date. The lessee shall submit to RPAMD a copy of proof of payment of monthly bills or dues (via postal service, or e-mail) within five (5) working days from the date of payment.

15. Q: Do I shoulder the notarial fee and other expenses for the execution of the Lease Agreement?

A: Yes. All expenses relative to the execution of the Lease Agreement, such as documentary stamps, notarial fees, and other related expenses shall be shouldered by the lessee.

16. Q: Can the lessee pre-terminate the contract?

A: No. The GSIS shall have the prerogative to pre-terminate the lease agreement on the following conditions:

- a. If the pre-termination is **due to the fault or negligence of the lessee**, all advance rentals shall be forfeited. Any amount in excess of the security deposit, after utility bills, applicable association dues, and other damages to the leased premises caused by the lessee has been deducted, shall be returned to the lessee within three (3) months from receipt of a written request from lessee with attached proof of payment of monthly bills and other obligations to GSIS.
- b. If the pre-termination is at the instance of the GSIS without fault or negligence on the part of the lessee, all unused portions of the advance rentals shall be returned to the lessee within three (3) months from effectivity of the pre-termination. The security deposit shall be returned after deducting payment of utility bills, if any. The GSIS shall hold the security deposit for three (3) months from the effectivity of the pre-termination, and return the same to the Lessee, less the amount paid for utility bills, if any.

17. Q: How can I avail the **OPTION TO BUY (OTB)** policy?

A: The lessee has the following option:

- a. The lessee **has the Option to Buy (OTB) the leased premises at any time during the effectivity of the lease agreement but not exceeding thirty (30) days before expiration of the lease**. During this period, and provided that the lessee has no outstanding unpaid rental, he may send GSIS a written proposal to buy the leased premises in cash. In such a case, the public bidding provision in the policy on disposition of Investment Properties - Retail Units (IP-RUs) through public bidding shall not be applied.

Upon approval of the OTB, the lessee shall pay the **purchase price in manner provided in policy on disposition of IP-RUs**, which is CMV of the property at the time of its approval or any offered amount received for same property, whichever is higher, within thirty (30) days from the receipt of the letter of approval. Failure to fully pay the purchase price within the specified period shall cancel the OTB. In this case, the remaining lease term of the lease agreement, if any, will still be in effect.

- b. The lessee **shall still be liable for all its obligations under the lease agreement**, including payment of rentals, during the 30-day period to exercise the OTB and the actual date of full-payment. Lease Agreement shall be terminated upon full-payment.
- c. This OTB is **no longer available to the lessee once the lease has expired or is terminated** in accordance with the provisions thereof.
- d. However, if the lessee is willing to purchase the property after the expiration of lease agreement, the lessee may participate in its public bidding in accordance with the applicable policy on disposition of retail units.

For leasing inquiries, you may call the **Real Property Accounts Management Department (RPAMD)** at trunk line numbers **(02) 8479-3600**, and **(02) 7976-4900** local numbers **3374, 3396, and 3425** or send an email at **gsisrpamdcst@gsis.gov.ph**.