



Department of Budget and Management
GOVERNMENT PROCUREMENT POLICY BOARD
TECHNICAL SUPPORT OFFICE

NPM No. 86-2014

27 October 2014

MS. CHERYL W. PENA

Division Chief IV, Management Services Division

PHILIPPINE HEALTH INSURANCE CORPORATION (PHILHEALTH)

10th Floor, Sunnymede IT Center Bldg.,

1614 Quezon Avenue, Quezon City.

Re: Definition of Rentable Area under the Guidelines for Lease of Privately-Owned Real Estate and Venue

Dear Ms. Pena:

This refers to your letter seeking clarification on whether a lobby and comfort room located in one floor that is solely occupied by a particular office, and only the latter's officer, employees and clients are going to and from the said floor, are considered *rentable area* as defined under the implementing *Guidelines for Lease of Privately-Owned Real Estate and Venue (Guidelines)*.

Under Appendix B of the *Guidelines*, the Rentable Area is defined as the total area of the real estate in square meters being occupied or to be occupied by the Lessee less the common area like lobby, stairway, elevator hall, common comfort room, machine room for air conditioner, and other areas of common use by the public or upper floor occupants.

It bears stressing that the exception refers to the common areas being used by the public or upper floor occupants, and not to those exclusively used by the government agency as lessee. Thus, if only the officers, employees and clients of the agency can use the comfort room and lobby, to the exclusion of the public as stipulated in the contract of lease, these should form part of the Rentable Area.

Accordingly, the lobby and comfort room that are being used exclusively by the government agency occupying the whole floor as lessee, under the contract of lease, should be included within the definition of the Rentable Area under Appendix B of the *Guidelines*.

We hope that this opinion issued by the GPPB-TSO provided sufficient guidance on the matter. Note that this is issued on the basis of particular facts and situations presented, and may not be applicable given a different set of facts and circumstances. Should there be other concerns, please do not hesitate to contact us.

Very truly yours,


DENNIS S. SANTIAGO

Executive Director



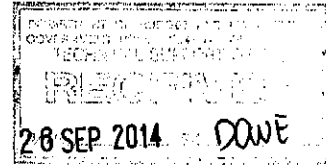
01/09/15



Republic of the Philippines
PHILIPPINE HEALTH INSURANCE CORPORATION
10th Floor, Suntrystade IT Center Bldg., 1614 Quezon Avenue, Quezon City
Healthline 441-5256 or 7097020 www.philhealth.gov.ph



September 26, 2014



ATTY. DENNIS S. SANTIAGO
Executive Director V
Government Procurement Policy Board

*Jan [redacted]
please prepare OPINION -
Lemuel premises may also be
defined by the DPH [redacted] [redacted]*

Dear Atty. Santiago,

This has reference to the interpretation on the definition of rentable area for the lease of privately-owned real estate and venue.

In the Appendix B of Resolution No. 08-2009 re: Approving By Referendum, The Implementing Guidelines for Lease of Privately-Owned Real Estate and Venue, rentable area is defined as *"the total area of the real estate in square meters being occupied or to be occupied by the Lessee less the common area like lobby, stairway, elevator hall, common comfort room, machine room for air conditioner and other areas of common use by the public or upper floor occupants"*.

In view of this definition, may we be clarified if the lobby and comfort room in one floor (say the top floor) is considered as rentable area when that particular floor is solely used/occupied by a particular office. Only the officer, employees and the clients who have business with that particular office are going to and from that particular floor.

Your immediate reply on this matter will be greatly appreciated.

Thank you.

Very truly yours,

CHERYLL W. PENA
Division Chief IV, Management Services Division
PhilHealth Regional Office-NCR