

**HOUSING DEMAND AND SUPPLY IN THE CITIES OF CAVITE:  
INTEGRATING MARKET MECHANISMS**

**THESIS**

**MARIA CECILIA C. OLIVA  
RONNA RUTH P. PENUS  
SHENA MARIE A. PENUS**

**College of Economics, Management and Development Studies**

**CAVITE STATE UNIVERSITY**

**Indang, Cavite**

**June 2018**

# **HOUSING DEMAND AND SUPPLY IN THE CITIES OF CAVITE: INTEGRATING MARKET MECHANISMS**

Undergraduate Thesis  
Submitted to the Faculty of the  
College of Economics, Management and Development Studies  
Cavite State University  
Indang, Cavite

In partial fulfilment  
of the requirements for the degree  
Bachelor of Science in Business Management  
major in Business Economics



*Housing demand and supply in the cities of  
Cavite*  
363.505 O13 2018  
T.7496

**MARIA CECILIA C. OLIVA**  
**RONNA RUTH P. PENUS**  
**SHENA MARIE A. PENUS**  
June 2018

## ABSTRACT

**OLIVA, MARIA CECILIA C., PENUS, RONNA RUTH P., PENUS, SHENA MARIE A., Housing Demand and Supply in the Cities of Cavite: Integrating Market Mechanisms.** Undergraduate Thesis, Bachelor of Science in Business Management major in Business Economics. Cavite State University, Indang, Cavite. June 2018. Adviser: Ms. Reinalene Joy M. Ayos.

The study was aimed to analyze and evaluate the present condition of the housing demand and supply in Cavite. Specifically, the study was conducted to determine the housing demand in the cities of Cavite, determine the housing supply in the cities of Cavite; assess the market mechanism of housing industry in the cities of Cavite; determine the relationship of market criteria to housing demand; determine the relationship of market criteria in the cities of Cavite.

The province of Cavite is home of the most number of established subdivisions. The subdivisions in 7 cities have a total of 886 subdivisions. The city of Bacoor has the most number of established subdivisions with 300, followed by Imus with 268 established subdivisions followed closely by Dasmariñas with 133 established subdivisions, General Trias with 105 established subdivisions, Trece with 52 established subdivisions. Next is Tagaytay with 21 established subdivisions and 6 in Cavite City. Housing industry in Cavite started in 1993 with 7 subdivisions. Over the 24 years' period, 2009 peaked its highest number of established subdivisions in the province with 118 subdivisions.

The housing backlog in the Philippines with a total of 3.9 million housing units and Cavite is one of the province with the highest number of people that belong to the housing backlog. In reducing the problem, the national government implemented and coordinated with private sectors such as the housing developers to have a balance of housing industry

in Cavite by strengthening the policies and regulations in creating subdivisions for a developer and for them to construct a socialized housing for the homeless and underprivileged citizens who cannot afford to buy a housing property.



## TABLE OF CONTENTS

	Page
<b>BIOGRAPHICAL DATA</b> .....	iii
<b>ACKNOWLEDGMENT</b> .....	vi
<b>ABSTRACT</b> .....	ix
<b>LIST OF TABLES</b> .....	xiii
<b>LIST OF FIGURES</b> .....	xiv
<b>LIST OF APPENDICES</b> .....	xv
<b>INTRODUCTION</b> .....	1
Statement of the Problem.....	3
Objectives of the Study.....	5
Hypotheses.....	6
Significance of the Study.....	6
Scope and Limitations of the Study.....	7
Definition of Terms.....	7
Conceptual Framework of the Study.....	10
<b>THEORETICAL FRAMEWORK</b> .....	11
<b>REVIEW OF RELATED LITERATURE</b> .....	15
<b>METHODOLOGY</b> .....	28
Research Design.....	28
Sources of Data.....	28
Participants of the Study.....	29

Sampling Technique.....	29
Data Gathered.....	30
Statistical Treatment of Data.....	30
<b>RESULTS AND DISCUSSION.....</b>	<b>32</b>
<b>SUMMARY, CONCLUSION, AND RECOMMENDATIONS.....</b>	<b>80</b>
<b>REFERENCES.....</b>	<b>84</b>
<b>APPENDIX TABLES.....</b>	<b>90</b>
<b>APPENDIX FIGURES.....</b>	<b>100</b>
<b>APPENDICES.....</b>	<b>104</b>

## LIST OF TABLES

Table	Page
1 Distributions of participants in the cities of Cavite.....	30
2 Households in occupied housing units by tenure status of the housing unit and city, 2010.....	34
3 Socio-demographic profile of all the respondents in the cities of Cavite.....	36
4 Subdivisions of NGG Properties Inc. in selected cities Cavite.....	42
5 Classifications of housing, NGG Properties Inc.....	43
6 Subdivisions of Delfin Hermanos Inc. in selected cities of Cavite.....	44
7 Classifications of housing, Delfin Hermanos Inc.....	44
8 Subdivisions of RCD Land Inc. in selected cities of Cavite.....	45
9 Classifications of Housing, RCD Land Inc.....	46
10 Subdivisions of Moldex Realty Inc. in selected cities of Cavite.....	47
11 Classifications of Housing, Moldex Realty Inc.....	47
12 Subdivisions of ACM Woodstock Homes in selected cities of Cavite.....	48
13 Classifications of Housing, ACM Woodstock Homes.....	49
14 Subdivisions of Masaito Homes in selected cities of Cavite.....	50
15 Classifications of Housing, Masaito Homes.....	50

<b>Table</b>	<b>Page</b>
16 Subdivisions of Axeia Development Corporation in selected cities of Cavite.....	51
17 Classifications of Housing, Axeia Development Corporation.....	52
18 Subdivisions of Gold Star Realty and Development Corp. in selected cities of Cavite.....	53
19 Classifications of Housing, Gold Star Realty and Development Corp.....	53
20 Subdivisions of Crown Asia in the selected cities of Cavite.....	54
21 Classifications of Housing, Crown Asia.....	54
22 Subdivisions of CitiHomes Builder and Development Inc. in the selected cities of Cavite.....	55
23 Classifications of Housing, CitiHomes Builder and Development Inc.....	56
24 Subdivisions of Stateland Investment Corporation in the selected cities of Cavite.....	56
25 Classifications of Housing, Stateland Investment Corporation.....	57
26 Subdivisions of Sta. Lucia Realty & Devt. Inc.....	58
27 Classifications of Housing, Sta. Lucia Realty & Development Inc.....	59
28 Subdivisions of Solar Resources Inc. in the selected cities of Cavite.....	60
29 Classifications of Housing, Solar Resources Inc.....	60
30 Subdivisions of Newhall Realty Group Corp. in the selected cities of Cavite.....	61



<b>Table</b>	<b>Page</b>
31 Classifications of Housing, Newhall Realty Group Corporation.....	61
32 Total allotted area of each city for the subdivisions and the total units of housing per city.....	64
33 Total number of housing supply of selected developers in the cities of Cavite.....	70
34 Summary of Unit Root Test.....	71
35 The regression result using least square regression in the relationship of market criteria in the demand side of housing in the cities of Cavite.....	73
36 Breusch-Godfrey serial correlation LM Test.....	73
37 Heteroskedaricity test: ARCH.....	74
38 Heteroskedaricity test: White.....	74
39 Summary of Chow Breakpoint Test.....	74

## LIST OF FIGURES

Figure		Page
1	Conceptual framework of housing demand and Supply in the cities of Cavite: Integrating Market Mechanisms.....	10
2	Number of subdivisions built in all cities of Cavite, 1993-2017.....	40
3	Number of total classifications of housing in all cities of Cavite.....	41
4	Framework of Assessment at Market Mechanism.....	66
5	Process to establish a subdivision for a developer.....	68

## LIST OF APPENDICES

Appendix		Page
A.	Unit Root Test.....	91
B.	Diagnostic Test.....	95
C.	Ramsey Reset Test.....	96
D.	Chow Breakpoint Test.....	97
E.	Heteroskedasticity Test: ARCH.....	97
F.	Heteroskedasticity Test: White.....	98
G.	Breusch-Godfrey Serial Correlation LM Test.....	99
H.	Pictures on gathering data in the selected developers and subdivisions.....	101
I.	Jarque-Bera Graph.....	103
J.	Survey questionnaire for the consumer .....	105
K.	Survey questionnaire for each developer.....	108
L.	Letter of request in each municipality .....	112
M.	Letter of request to each subdivision.....	113
N.	Letter of request in each developer.....	114

# **HOUSING DEMAND AND SUPPLY IN THE CITIES OF CAVITE: INTEGRATING MARKET MECHANISMS**

**Maria Cecilia C. Oliva  
Ronna Ruth P. Penu  
Shena Marie A. Penu**

---

An undergraduate thesis manuscript submitted to the faculty of the Department of Management, College of Economics, Management and Development Studies, Cavite State University, Indang, Cavite in partial fulfillment of the requirements for the degree of Bachelor of Science in Business Management major in Business Economics with Contribution No. 245. Prepared under the supervision of Prof. Reinalene Joy M. Ayos.

---

## **INTRODUCTION**

Shelter is the basic human requirement that needs to be met on priority basis. It is much broader concept than housing. It is a fundamental human need. Housing plays an important role in people's wellbeing, contributing to the physical and mental health, education, employment and security outcomes for individuals. Still, to date, the major challenge is the housing issue particularly on the establishment of adequate affordable livable home standards for the nation; and failure to achieve that will lead to a housing stress.

Investments in shelter not only improve and expand the available stock of housing units, but also improve both the working and living environment. While it may be difficult to prove, there are impressionistic links between improvements in housing and increased