



The Actual Facts on the Sunvar Case

In light of conversations around the allegations of illegal occupancy, and the government bid to eject Sunvar Realty Development Corporation (Sunvar) from the 2.9-hectare property located between De la Rosa and Arnaiz streets in Legazpi Village, we at Sunvar wish to clarify that:

ON THE PROPERTY AND EXPANDED LEASE-AREA

- Back in December 1977, National Power Corporation and the government leased its 125,607 square meters of undeveloped property, located from Bangkal to Dasmariñas Village in Makati City, to Technology Resource Center Foundation Inc. (TRCFI). Sunvar was interested in sub-leasing only 3,000 sq. m. of the TRCFI-leased property to serve as parking and access for its Makati Square shoppers and movie goers. TRCFI, however, insisted on having the entire 22,924 sq. m. property rented by Sunvar.
- This expanded hectareage would not boost Sunvar's needed access as this property's only entrance is a narrow opening facing Arnaiz Street, with the front blocked by Amorsolo creek, and part of the area across Makati Medical Center occupied by informal settlers. But needing the Amorsolo access, Sunvar agreed in August 1980 to the all-or-nothing long-term sub-lease agreement with TRCFI—leasing a strip that had no road, clean water, drainage, electricity or communication.

FULL ADVANCE PAYMENT FOR 50-YEAR CONTRACT

- Sunvar paid TRCFI the full advance of P16.8 million to cover the entire lease period; an initial period of nearly 25 years, renewable for another 25 years at Sunvar's exclusive option. This payment is equivalent to acquiring 14,000 sq. m. of buildable property in Legaspi Village.
- The sub-lease agreements between Sunvar and TRCFI—annotated in the title of the government to inform land owners and the public—provided that should Sunvar decide to exercise the option to renew the sublease, it shall notify the lessor in writing not less than 6 months before end-2002. Last April 2002, 8 months before the first 25 year lease expired, Sunvar notified Napocor, the government as well as TRCFI (since dissolved, with functions assumed by the Philippine Development Alternatives Foundation or PDAF) on exercising its exclusive option to extend the lease for another 25 years. Sunvar likewise tendered payment of rentals for the extended period.

RESPECTING THE SANCTITY OF PUBLIC-PRIVATE CONTRACTS

- Napocor, mandated by the government to privatize all its assets, informed PDAF of the non-renewal of the sub-lease. PDAF subsequently informed Sunvar. Sunvar responded that Napocor and the government must honor the lease agreement contract.

MORE-THAN-FAIR LEASE PRICE

- The lease price paid by Sunvar is comparably more than fair, around equal to purchasing the property at the time, and despite limits on only 50% of the entire area being usable for building construction. Sunvar developed where possible and subleased the rest to other building developers with the same rights it had under the TRCFI lease agreement. And so besides the original intent of Makati Square Amorsolo side access and parking area, the once barren land was improved with The Gallery building, Mile Long Theme Center building, Premiere THX Cinema, and more.

SUNVAR OCCUPIES ONLY A FRACTION OF THE PROPERTY

- The occupants on the government-owned 125,000 sq. m. property include not only Sunvar but also Ecology Village residents; Makati police headquarters, fire station and post office; Don Bosco parking lot; and informal settlers. As of this writing, the government has only publicly stated wanting to eject the occupant that advanced a P16.8 million lease with a contract until December 2027.