

14th CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

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SENATE

RECEIVED BY: 

S.B.No. 787

Introduced by Senator Ramon Bong Revilla, Jr.

EXPLANATORY NOTE

Condominiums became popular and were developed to accommodate urban living in areas in which the cost of land was high and building a single-detached house seemed economically impossible. Build-To-Own is the latest concept in property development that has piqued the interest of hopeful homeowners

Condominiums are located in business districts and accessibility to one's place of work is a common criterion in opting to live in one. They are usually high-rise, although a row of houses can also be a condominium. The condominium association in which all unit owners automatically become members manages the operation and management of the common spaces and utilities.

The government has been encouraging private sector investments by creating business centers such as economic zones, industrial estates, and export processing zones, among others.

This bill seeks to amend RA 4627 otherwise known as the Condominium Act as amended by RA 7899, to include industrial estate in the definition of the Condominium. It basically expand the definition of condominium to include multiple units in a horizontal building such as pre-built standard factory buildings and community facilities within the industrial estates and economic zones, and consequently allows foreign investors to hold condominium certificates of title in their name.

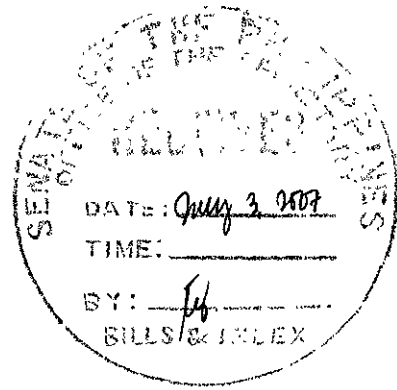
In view of the foregoing, the immediate passage of this bill is highly recommended.


RAMON BONG REVILLA, JR.

14th CONGRESS OF THE REPUBLIC)
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AN ACT
MODIFYING THE DEFINITION OF A CONDOMINIUM UNIT, AMENDING
FOR THE PURPOSE REPUBLIC ACT NUMBERED FOUR THOUSAND SEVEN
HUNDRED TWENTY-SIX, AS AMENDED, OTHERWISE KNOWN AS THE
CONDOMINIUM ACT, TO APPLY TO INDUSTRIAL ESTATES AND FOR
OTHER PURPOSES

Be it enacted by the Senate and the House of the Representatives of the Philippines in Congress assembled:

SECTION 1. Section 2 of the Republic Act No. 4726, as amended, entitled "An Act to Define Condominium, Establish Requirements for its Creation and Govern its Incidents," hereinafter referred to as the Act, is hereby amended and read a follows:

Section 2. A condominium is an interest in real property consisting of a separate interest in a unit in a residential, industrial or commercial building OR INDUSTRIAL ESTATE and an undivided interest in common areas of the building OR INDUSTRIAL ESTATE. A condominium may include, in addition, a separate interest in other portions of such real property. Tide to the common areas, including the land, or the appurtenant interest in such areas, may be held by a corporation specially formed for the purpose, hereinafter known as the "condominium corporation," I which the holders of the separate interests shall automatically be embers or shareholders, to the exclusion of others, in proportion to the appurtenant interest of their respective units in the common areas."

"The real rights n condominium may be ownership or any other interest in real property recognized by law, on property in the Civil Code and other pertinent laws."

SECTION 2. Subsections (b) and (c) of Section 3 of the Act also amended to read as follows:

" (b) " Unit" means a part of the condominium project intended for any type of independent use of ownership, including one or more room or spaces located in one or more floors (or part or parts of floors) in a building or buildings and such accessories as may be appended thereto: **PROVIDED, THAT IN THE**

CASE OF INDUSTRIAL ESTATES, THE BUILDINGS, PLANTS, HOUSES, RECREATIONAL FACILITIES AND FACTORIES IN A CONDOMINIUM PROJECT SHALL BE CONSIDERED AS SEPARATE UNITS AS HEREIN DEFINED.”

“(c) “Project” means the entire parcel of real property divided into condominium UNITS, including all structures thereon: **PROVIDED, THAT IN THE CASE OF AN INDUSTRIAL ESTATE, PROJECT REFERS TO A TRACT OF LAND SUBDIVIDED AND DEVELOPED ACCORDING TO A COMPREHENSIVE PLAN UNDER A UNIFIED CONTINUOUS MANAGEMENT AND WITH PROVISIONS FOR BASIC INFRASTRUCTURE AND UTILITIES WITH OR WITHOUT PRE-BUILT STANDARD FACORY BUILDING AND COMMUNITY FACILITIES FOR THE USE OF THE COMMUNITY OF INDUSTRIES.”**

SECTION 3. A new subsection, subsection (f), is hereby inserted after Section 3 of the Act and shall read as follows:

“(F) “INDUSTRIAL ESTATE “MEANS A LARGE AND SUITABLE TRACT OF LAND WHICH HAS BEEN SUBDIVIDED AND DEVELOPED PRIMARILY FOR THE USE OF A COMMUNITY OF INDUSTRIES WHICH MAY ICLUDE PROVISIONS FOR STAFF HOUSING AND RECREATIONAL FACILITIES PROVIDED WITH ROADS, WATER SUPPLY FACILITIES, ELECTRICAL FACIITIES, COMMUNICATION FACILITIES, SEWERAGE AND DRAINAGE SYSTEMS, AND THER INFRASTRUCTURES. THE ESTATE SHALL BE SO PLANNED BASED ON SOUND PLANNING PRINCIPLES AS TO PROVIDE GOOD LAYOUT AND JUDICIOUS ALLOCATION OF AREAS. INDUSTRIAL ESTATES MAY ALSO INCLUDE SCIENCE AND TECHNOLOGY PARKS.”

SECTION 4. Subsections (a), (b) and (c) of Section 6 of the Act are hereby amended to read as follows:

“(a) The boundary of the unit granted are the interior surfaces of the perimeter walls, floors, ceilings, windows and doors thereof: **PROVIDED, THAT IN THE CASE OF AN INDUSTRIAL ESTATE, THE WHOLE BUILDINGS, PLANTS OR FACTORIES IN A CONDOMINIUM PROJECT MAY BE CONSIDERED AS SEPARATE UNITS DEFINED UNDER SECTION 3 HEREOF.**

“(b) **THE BOUNDARY OF A UNIT SHALL NCLUDE THE OUTER SURFACES OF THE PERIMETER WALLS OR FENCES, EXCEPT IN CONDOMINIUM PROJECTS LOCATED INSIDE THE INDUSTRIAL ESTATES.** The following are not part of the unit bearing walls, columns, floors, roof, foundations and other common structural elements of the buildings, lobbies, hallways, and other areas of common use, elevator equipment and shafts, central refrigeration and central air conditioning equipment, reservoir, tanks, pumps and other central services and facilities, pipes, ducts, flues, chutes, conduits, wires and other utility installations, wherever located, except the outlets thereof when located within the unit.”

“(c) Each condominium owner shall have the exclusive right to paint, repaint, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows and doors bounding his on unit: **PROVIDED, HOWEVER, THAT IN THE CASE OF A CONDOMINIUM UNIT AN**

INDUSTRIAL ESTATE SUCH RIGHT MAY BE EXERCISED OVER THE EXTERNAL SURFACES OF THE SAID UNIT.”

SECTION 5. Section 11 of the Act is hereby amended to read as follows:

“Section 11. **THE DESIGN STANDARDS OF A CONDOMINIUM PROJECT SHALL BE REGULATED BY THE HOUSING AND LAND USE REGULATORY BOARD (HLURB); PROVIDED, THAT THE PROJECTS LOCATED IN AN ECOZONE SHALL BE REGULATED BY THE PHILIPPINE ECONOMIC ZONE AUTHORITY (PEZA), WITHOUT PREJUDICE TO THE AUTHORITY OF THE SECURITIES AND EXCHANGE COMMISSION CORPORATION IN ACCORDANCE WITH THE PROVISIONS OF THE CORPORATION CODE.** The term of the said corporation shall be coterminous with the duration of the condominium projects, the provisions of the Corporation law to the contrary notwithstanding.”

SECTION 6. Section 12 of the Act is hereby amended to read as follows:

Section 12. [In case of involuntary dissolution of a condominium corporation for any of the causes by the law, the common areas owned or held by the corporation shall, by way of liquidation, be transferred pro-indiviso and in proportion to their interest in corporation to the members or stockholders thereof, subject to the superior rights of the corporation creditors. Such transfer or conveyance shall be deemed to be a liquidation of the interest of such members or stockholders in the corporation. After such transfer or conveyance, the provisions of this Act governing undivided co-ownership of, or undivided interest in, the common areas in the condominium projects shall fully apply.] **THE DISSOLUTION OF THE CONDOMINIUM CORPORATION IN ANY MANNER AND FOR ANY OF THE CAUSES PROVIDED BY LAW SHALL BE GOVERNED BY THE PROVISIONS OF THE TITLE XIV OF THE CORPORATION CODE.”**

SECTION 7. A new section, Section 25, is hereby inserted after Section 24 of the Act shall read as follows”

“SECTION 25. THE BUILDING AND DESIGN STANDARDS FOR THE CONDOMINIUM PROJECTS SHALL BE BASED ON SOUND PLANNING PRINCIPLES AS TO PROVIDE GOOD LAYOUT AND JUDICIOUS LOCATION OF AREAS AMONG OTHERS, ACCESSIBILITY FEATURES OR DISABLED PERSONS PURSUANT TO BATAS PAMBANSA BILANG 344 OF 1984. THE DESIGN STANDARDS FOR CONDOMINIUM PROJECTS SHALL, INCLUDE A SYSTEM OF LAND UTILIZATION SPECIFIED IN THE FRAMEWORK PLAN SET BY THE HOUSING AND LAND USE REGULATORY BOARD (HLURB) AND OTHER EXISTING LAWS. THE EXISTING LAWS ON BALANCED HOUSING DEVELOPMENT AND OPEN SPACES SHALL APPLY ON ECOZONES.”

SECTION 8. Sections of the Act subsequent to the new Section 25 are hereby renumbered accordingly.

SECTION 9. Separability Clause – if any provision of this Act is held unconstitutional or invalid, all other provisions not affected thereby shall remain valid.

SECTION 10. Effectivity – This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in at least two (2) newspapers of general circulation whichever comes first.

Approved,