

Republic of the Philippines
House of Representatives
Quezon City

Thirteenth Congress

First Regular Session

HOUSE BILL NO. 126



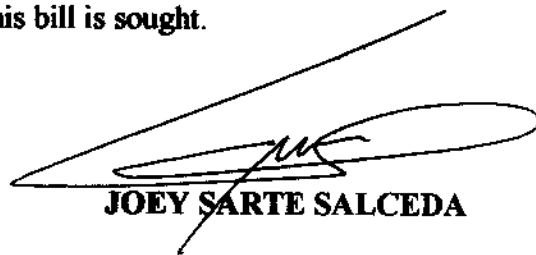
Introduced by **Representative JOEY SARTE SALCEDA**

EXPLANATORY NOTE

Republic Act No. 4726, otherwise known as the Condominium Law provides the statutory definition of a condominium, the established requirements for its creation as well as other matters to govern the incidents thereof. However, this measure does not include the industrial estate as one form of a condominium where a single factory, building or plant may essentially comprise a single unit. Moreover, the said law implicitly allows only multi-unit or vertical buildings. Hence, there is a need to amend the present law to extend its application to industrial estates.

The bill seeks to amend R.A. 4726 to include the industrial estates in the definition of the condominium. This will give investors more flexibility especially in planning in order for them to maximize the use of space according to the needs of their operations. Also, the buildings and other structures within the industrial estates can be considered as collateral for loans and thereby improve the cash-flow position of firms.

In view of this, the immediate approval of this bill is sought.



JOEY SARTE SALCEDA

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Introduced by **Representative JOEY SARTE SALCEDA**

AN ACT
MODIFYING THE DEFINITION OF A CONDOMINIUM UNIT, AMENDING FOR THE
PURPOSE REPUBLIC ACT NO. 4726, OTHERWISE KNOWN AS THE CONDOMINIUM
LAW TO APPLY TO INDUSTRIAL ESTATES AND FOR OTHER PURPOSES

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

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

SEC.2. Subsection (b) and (c) of Section 3 of the Act are 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 the 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 FACTORY BUILDING AND COMMUNITY FACILITIES FOR THE USE OF THE COMMUNITY OF INDUSTRIES."

SEC.3. A new subsection, subsection (f) is hereby inserted after Section 3 (e) 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 INCLUDE PROVISIONS FOR STAFF HOUSING AND RECREATIONAL FACILITIES PROVIDED WITH ROADS, WATER, SUPPLY FACILITIES, ELECTRICAL FACILITIES, COMMUNICATON FACILITIES, SEWERAGE AND DRAINAGE SYSTEMS, AND OTHER 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."

SEC.4. Subsections (a) and (b) 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 WHEREIN THE WHOLE BUILDINGS, PLANTS OR FACTORIES IN A CONDOMINIUM PROJECT MAY BE CONSIDERED AS SEPARATE UNITS DEFINED UNDER SECTION 3 (b) HEREOF, THE BOUNDARY OF A UNIT SHALL INCLUDE THE OUTER SURFACES OF THE PERIMETER WALLS OR FENCES. EXCEPT IN CONDOMINIUM PROJECTS LOCATED INSIDE THE INDUSTRIAL ESTATE, the following are not part of the unit: bearing walls, columns floors, roof, foundations and other common structural elements of the buildings; lobbies, stairways, hallways, and other areas of common use, elevator equipment and shafts, central heating, 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, whenever located, except the outlets thereof when located within the unit."

"(e) 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 own unit: **PROVIDED, HOWEVER, THAT IN THE CASE OF A CONDOMINIUM UNIT IN AN INDUSTRIAL ESTATE SUCH RIGHT MAY BE EXERCISED OVER THE EXTERNAL SURFACES OF THE SAID UNIT.**"

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

"Sec.11. THE DESIGN STANDARDS OF A CONDOMINIUM PROJECT SHALL BE REGULATED BY THE HOUSING AND LAND USE REGULATORY BOARD (HLURB), PROVIDED THAT THE PROJECTS LOCATES IN AN ECOZONE SHALL BE REGULATED BY THE PHILIPPINE ECONOMIC ZONE AUTHORITY OF THE SECURITIES AND EXCHANGE COMMISSION TO REGISTER A CONDOMINIUM 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."

SEC.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 provided 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 full 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."

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

"SECTION 25. THE BUILDING AND DESIGN STANDARDS FOR CONDOMINIUM PROJECTS SHALL BE BASED ON SOUND PLANNING PRINCIPLES AS TO PROVIDE

GOOD LAYOUT AND JUDICIOUS ALLOCATION OF AREAS AMONG OTHERS, ACCESSIBILITY FEATURES FOR 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."

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

SEC. 9. All laws, acts presidential decrees, executive orders, proclamations and/or administrative regulations which are inconsistent with the provisions of this Act, are hereby amended, modified, superseded or repealed accordingly.

SEC. 10. This Act shall take effect immediately upon its approval.

Approved,