



HOUSE OF REPRESENTATIVES

H. No. 2286

REPRESENTATIVES CO-PILAR, DE LIMA, GUINTU, GATCHALIAN, PADIERNOS, ROMULO, TERENG,
OAMINAL (H.), ORETA, LABADLABAD, GALANG, FERRER (A.), SAN FERNANDO, MERCADO-REVILLA,
RIDON, ODUKADO, GONZALES (R.), LAGON (S.), SOLON AND LOYOLA

AN ACT
PROVIDING FOR THE REDEVELOPMENT OF CONDOMINIUMS,
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 4726, AS AMENDED,
OTHERWISE KNOWN AS "THE CONDOMINIUM ACT"

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

1 **SECTION 1. Short Title.** – This Act shall be known as the "Condominium Redevelopment
2 Act".

3
4 **SEC. 2. Declaration of Policy.** – It is hereby declared the policy of the State to establish
5 livable communities that provide equitable, inclusive, and resilient opportunities for the
6 improvement of human well-being while contributing to the economic vitality of the
7 community.

8
9 It is likewise the policy of the State to ensure the safety and integrity of existing and future
10 condominium developments to protect the public against hazards of aged buildings that
11 pose threats to the owners and the general public.

12
13 To this end, the State shall establish rules for the proper maintenance, repair,
14 reconstruction, and redevelopment of condominium projects, ensuring that the property
15 rights of unit owners are respected while addressing the needs of the community and
16 improving the overall quality of life of Filipinos.

17
18 **SEC. 3. Scope.** – This Act shall cover all condominium projects as defined in Republic Act
19 No. 4726, otherwise known as "The Condominium Act", which are now in existence,
20 under construction, or which may be constructed hereinafter.

21
22 **SEC. 4.** Section 4 of Republic Act No. 4726, as amended, is hereby further amended to
23 read as follows:

24
25 "Section 4. x x x

1 "The enabling or master deed may be amended or revoked **THROUGH**
2 **A SPECIAL POWER GRANTED BY THE REGISTERED OWNERS,**
3 **OR** upon registration of an instrument executed by a simple majority of
4 the registered owners of the property: *Provided*, That in a condominium
5 project [exclusively] for [either] residential, [or] commercial, **OR MIXED**
6 use, simple majority shall be on a per unit of ownership basis, **OR** [and
7 that in the case of mixed use, simple majority shall be] on a floor area of
8 ownership basis, **AS DETERMINED IN THE MASTER DEED: Provided,**
9 *further*, That prior notifications to all registered owners are done: and
10 *Provided, finally*, That any amendment or revocation already decided by a
11 simple majority of all registered owners shall be submitted to the
12 [Housing and Land Use Regulatory Board] **DEPARTMENT OF HUMAN**
13 **SETTLEMENTS AND URBAN DEVELOPMENT** and the
14 city/municipal engineer for approval before it can be registered. Until
15 registration of a revocation, the provisions of this Act shall continue to
16 apply to such property."
17

18 **SEC. 5.** Section 6 of Republic Act No. 4726 is hereby amended to read as follows:
19

20 "Section 6. Unless otherwise expressly provided in the enabling or master
21 deed or the declaration of restrictions, the incidents of a condominium
22 grant are as follows:
23

- 24 (a) The boundary of the unit granted are the interior surfaces of the
25 perimeter walls, floors, ceilings, windows and doors thereof. The
26 following are not part of the unit bearing walls, columns, floors, roofs,
27 foundations and other common structural elements of the building;
28 lobbies, stairways, hallways, and other areas of common use, elevator
29 equipment and shafts, central heating, central refrigeration and
30 central air-conditioning equipment, reservoirs, tanks, pumps and
31 other central services and facilities, pipes, ducts, flues, chutes,
32 conduits, wires and other utility installations, wherever located,
33 except the outlets thereof when located within the unit. **UNIT AREAS**
34 **WRITTEN ON ALL CONDOMINIUM CERTIFICATES OF TITLE**
35 **SHALL BE DEEMED TO BE PRECEDED BY "APPROXIMATELY"**
36 **AND FOLLOWED BY "SQUARE METERS, MORE OR LESS."**

37 x x x
38

39 **SEC. 6.** Section 9 of Republic Act No. 4726 is hereby amended to read as follows:
40

41 "Section 9. x x x
42

43 Such declaration of restrictions, among other things, may also provide:
44

- 45 (a) As to any such management body:
46

47 x x x

(8) For entry by its officers, [and] THE DEVELOPER, THEIR agents AND REPRESENTATIVES into any unit DURING EMERGENCY SITUATIONS WHERE THERE IS DANGER OF DAMAGE TO LIFE OR PROPERTY, when necessary in connection with the maintenance or construction for which such body is responsible, OR FOR MAINTENANCE AND REPAIRS RELATIVE TO COMMON AREAS AND OTHER CONDOMINIUM UNITS ARE CONCERNED, AND THE MANAGEMENT BODY OR DEVELOPER AND THEIR RESPECTIVE AUTHORIZED REPRESENTATIVES SHALL NOT, BY REASON THEREOF, BE LIABLE FOR TRESPASS FOR SUCH ENTRY. IN THE EVENT ENTRY IS NOT GRANTED DESPITE REASONABLE NOTICE GIVEN THE PREVAILING CIRCUMSTANCES, SUCH CONDOMINIUM UNIT OWNER SHALL BE DEEMED AS HAVING ACTED IN BAD FAITH AND SHALL BE RESPONSIBLE FOR ALL DAMAGES WHICH MAY BE REASONABLY ATTRIBUTED TO NOT HAVING ALLOWED ENTRY FOR THE PREVENTION OF DAMAGE OR PERFORMANCE OF MAINTENANCE, CONSTRUCTION AND REPAIR WORKS."

SEC. 7. Section 10 of Republic Act No. 4726 is hereby amended to read as follows:

"Section 10. Whenever the common areas in a condominium project are [held] USED by a condominium corporation, such corporation shall constitute the management body of the project. The corporate purposes of such a corporation shall be limited to the holding of the common areas, either in ownership or any other interest in real property recognized by law, to the management of the project, and to such other purposes as may be necessary, incidental or convenient to the accomplishment of said purposes. CONDOMINIUM DUES BASED ON THE ACTUAL USE, ACCESS AND ENJOYMENT BY THE MEMBERSHIP OR STOCKHOLDING OF THE COMMON AREAS OF THE PROJECT, WHETHER WHOLLY OR PARTIALLY, MAY BE ASSESSED BY THE CONDOMINIUM CORPORATION UPON INCORPORATION FOR MAINTENANCE OF THE COMMON AREAS.

The articles of incorporation or by-laws of the corporation shall not contain any provision contrary to or inconsistent with the provisions of this Act, the enabling or master deed, or the declaration of restrictions of the project. UNLESS PROVIDED OTHERWISE IN THE BY-LAWS, QUORUM FOR MEETING PURPOSES SHALL BE DETERMINED BY THE SIMPLE MAJORITY OF THE TOTAL CONDOMINIUM UNITS HELD BY MEMBERS IN GOOD STANDING. Membership in a condominium corporation, regardless of whether it is a stock or non-stock corporation, shall not be transferable separately from the condominium unit of which it is an appurtenance. When a member or stockholder ceases to own a unit in the project in which the condominium corporation owns or holds the common areas, he shall automatically cease to be a member or stockholder of the condominium corporation. UNLESS PROVIDED OTHERWISE IN THE ARTICLES OF INCORPORATION

1 AND BY-LAWS, JURIDICAL UNIT OWNERS MAY NAME,
2 CONSTITUTE AND APPOINT AN ATTORNEY-IN-FACT WHO
3 SHALL REPRESENT THE SAME IN THE CONDOMINIUM
4 CORPORATION AND WHO MAY LIKEWISE RUN FOR AND BE
5 ELECTED AND APPOINTED TO THE BOARD OR ANY
6 OFFICERSHIP POSITION: *PROVIDED*, THAT SUCH ATTORNEY-
7 IN-FACT WILL NOT CAUSE THE ALIEN INTEREST IN SUCH
8 CORPORATION TO EXCEED THE LIMITS IMPOSED BY
9 EXISTING LAWS."

10
11 SEC. 8. Section 13 of Republic Act No. 4726 is hereby amended to read as follows:

12
13 "Section 13. Until the enabling or the master deed of the project in
14 which the condominium corporation owns or holds the common area
15 is revoked, the corporation shall not be voluntarily dissolved through
16 an action for dissolution under Rule 104 of the Rules of Court except
17 upon a showing: x x x

18
19 (d) That the project or a material part thereof has been condemned or
20 expropriated and that the project is no longer viable, [or that the
21 members holding in aggregate more than seventy percent interest in
22 the corporation, if non-stock, or the stockholders representing more
23 than seventy percent of the capital stock entitled to vote, if a stock
24 corporation,] OR THAT THE CONDOMINIUM OWNERS, BY A
25 VOTE OF A MAJORITY (50% PLUS 1) OF THE STOCKHOLDERS
26 OR MEMBERS THEREOF AT A GENERAL OR SPECIAL
27 MEETING DULY CALLED FOR THE PURPOSE, are opposed to the
28 continuation of the condominium regime after expropriation or
29 condemnation of a material portion thereof; or"

30
31 SEC. 9. Section 14 of Republic Act No. 4726 is hereby amended to read as follows:

32
33 "Section 14. The condominium corporation may also be dissolved
34 [by the affirmative vote of all the stockholders or members thereof
35 at a general or special meeting duly called for the purpose:
36 *Provided*, That all the requirements of Section sixty-two of the
37 Corporation Law are complied with.] IN THE FOLLOWING
38 MANNER:

39
40 (A) IF THE PROJECT HAS BEEN IN EXISTENCE FOR THIRTY (30)
41 YEARS OR MORE BUT LESS THAN FIFTY (50) YEARS, BY THE
42 AFFIRMATIVE VOTE OF 2/3 OF THE STOCKHOLDERS OR
43 MEMBERS THEREOF AT A GENERAL OR SPECIAL MEETING
44 DULY CALLED FOR THE PURPOSE: *PROVIDED*, THAT ALL THE
45 REQUIREMENTS OF TITLE XIV OF THE REVISED CORPORATION
46 CODE OF THE PHILIPPINES ARE COMPLIED WITH; OR

47
48 (B) IF THE PROJECT HAS BEEN IN EXISTENCE FOR FIFTY (50) YEARS
49 OR MORE, BY THE AFFIRMATIVE VOTE OF A SIMPLE MAJORITY
50 OF THE STOCKHOLDERS OR MEMBERS THEREOF AT A
51 GENERAL OR SPECIAL MEETING DULY CALLED FOR THE

PURPOSE: *PROVIDED*, THAT ALL THE REQUIREMENTS OF TITLE XIV OF THE REVISED CORPORATION CODE OF THE PHILIPPINES ARE COMPLIED WITH.

FOR PURPOSES OF THIS SECTION, THE VOTES OF EACH UNIT OWNER SHALL BE DETERMINED AND IN ACCORDANCE WITH SECTION 4 ABOVE."

SEC. 10. Section 15 of Republic Act No. 4726 is hereby amended to read as follows:

"Section 15. Unless otherwise provided for in the declaration of restrictions upon voluntary dissolution of a condominium corporation in accordance with the provisions of Sections thirteen and fourteen of this Act, the corporation shall be deemed to hold a power of attorney from all the members or stockholders to sell and dispose of their separate interests in the project and liquidation of the corporation shall be effected by a sale of the entire project as if the corporation owned the whole thereof, subject to the rights of the corporate and of individual condominium creditors. **A MEMBER OR STOCKHOLDER SHALL BE ENTITLED TO AN ADVANCED PAYMENT OF THEIR PRO RATA SHARE FROM THE PROCEEDS OF THE SALE OF THE ENTIRE PROJECT BASED ON AN AGREED VALUATION BETWEEN THE CONDOMINIUM CORPORATION AND THE BUYER OF THE PROJECT. SUCH ADVANCED PAYMENT SHALL BE DEDUCTED FROM THE FINAL AMOUNT TO BE PAID TO THE MEMBER OR STOCKHOLDER.**"

SEC. 11. Section 16 of Republic Act No. 4726 is hereby further amended to read as follows:

"Section 16. A condominium corporation shall not, during its existence, sell, exchange, [lease,] or otherwise dispose of the common areas owned or held by it in the condominium project unless authorized by the affirmative vote of a simple majority of the registered owners: *Provided*, That prior notifications to all registered owners are done: and *Provided*, *further*, That the condominium corporation may expand or integrate the project with another upon the affirmative vote of a simple majority of the registered owners, subject only to the final approval of the [Housing and Land Use Regulatory Board] **DEPARTMENT OF HUMAN SETTLEMENTS AND URBAN DEVELOPMENT. THE CONDOMINIUM CORPORATION MAY LEASE A PORTION OF THE COMMON AREAS OWNED OR HELD BY IT IN THE CONDOMINIUM PROJECT PROVIDED THAT SUCH DOES NOT INTERFERE WITH THE OPERATIONS AND SAFETY OF THE COMMUNITY AS WELL AS WITH THE USE THEREOF BY THE UNIT OWNERS, AND ALL NET RENTAL INCOME THEREOF INURE TO THE BENEFIT OF THE MEMBERS OR STOCKHOLDERS, AS THE CASE MAY BE.**"

SEC. 12. Section 18 of Republic Act No. 4726 is hereby amended to read as follows:

"Section 18. Upon registration of an instrument conveying a condominium, the Register of Deeds shall, upon payment of the proper

1 fees, enter [and annotate] the conveyance [on the certificate of title
2 covering the land included within the project] and the transferee shall be
3 entitled to the issuance of a "condominium owner's" copy [of the
4 pertinent portion of such certificate of title]. Said "condominium
5 owner's" copy need not reproduce the ownership status or series of
6 transactions in force or annotated with respect to other condominiums in
7 the project. A copy of the description of the land, a brief description of the
8 condominium conveyed, name and personal circumstances of the
9 condominium owner would be sufficient for purposes of the
10 "condominium owner's" copy of the certificate of title. No conveyance of
11 condominiums or part thereof, subsequent to the original conveyance
12 thereof from the owner of the project, shall be registered unless
13 accompanied by a certificate of the management body of the project that
14 such conveyance is in accordance with the provisions of the declaration
15 of restrictions of such project **AND THERE ARE NO OUTSTANDING**
16 **CONDOMINIUM DUES OR ARREARS OWED FROM SUCH UNIT.**

17
18 In cases of condominium projects registered under the provisions of the
19 Spanish Mortgage Law or Act 3344, as amended, the registration of the
20 deed of conveyance of a condominium shall be sufficient if the Register
21 of Deeds shall keep the original or signed copy thereof, together with the
22 certificate of the management body of the project, and return a copy of
23 the deed of conveyance to the condominium owner duly acknowledge
24 and stamped by the Register of Deeds in the same manner as in the case
25 of registration of conveyances of real property under said laws."
26

27 **SEC. 13. *Implementing Rules and Regulations.*** – The Department of Human Settlements and
28 Urban Development and the Human Settlements Adjudication Commission shall
29 promulgate within six (6) months from the effectivity of this Act the rules and regulations
30 to implement the provisions of this Act.
31

32 **SEC. 14. *Repealing Clause.*** – All laws, decrees, orders, issuances, or rules and regulations
33 or parts thereof inconsistent with the provisions of this Act are hereby repealed,
34 amended, or modified accordingly.
35

36 **SEC. 15. *Separability Clause.*** – If any portion or provision of this Act is declared
37 unconstitutional, the remainder of this Act or any provisions not affected thereby shall
38 remain in force and effect.
39

40 **SEC. 16. *Effectivity.*** – This Act shall take effect fifteen (15) days after its publication in the
41 *Official Gazette* or in a newspaper of general circulation.

Approved,