

Rights and duties of joint owners in a condominium project

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Condominiums are a particularly desirable form of residence for those living in the city because they offer convenience and often a variety of common facilities. There are, however, several obligations and duties that joint owners of condominium units should be aware of and comply with.

Under the Condominium Act of 1979, "condominium" is defined as a building where persons hold ownership separately according to the unit, and each unit consists of personal ownership in the property and joint ownership in common property (such as the land where the condominium is located and the land or other properties that are for the use or joint benefit of joint owners).

All unit owners have the rights and duties to manage and use the common property jointly.

The Act outlines the following rights and duties of joint owners:

Compliance with condominium regulations: Management and use of the common property must be in accordance with the Act and the condominium's regulations.

Attending and voting in general meetings: Joint owners can attend and vote in ordinary or extraordinary general meetings. A quorum at a general meeting requires those attending to have not less than one-quarter of the total number of votes.

In the case of a tied vote, each joint owner will have a vote based on his or her ownership ratio in the common property.

An ordinary general meeting of joint owners must be held annually to:

- approve the balance sheet;
- consider the annual report;
- appoint an auditor; and
- consider other business, if any.

In addition to the annual ordinary general meeting, a general meeting must also be convened to consider and approve the following:

1. Appointment or removal of the condominium juristic person committee;
2. Appointment or removal of the juristic person manager;
3. Designation of business that the juristic person manager has the power to assign to others to act on his or her behalf;
4. Buying of immovable property or acceptance of immovable property with liens as common property;
5. Sale of common property that is immovable property;
6. Permission to allow joint owners to construct, decorate, improve, modify or add to their own condominium units if it affects the common property or the exterior of the condominium building at the expense of these joint owners;
7. Amendment of regulations concerning the use or management of common property;
8. Amendment of the ratio of joint expenses in the regulations;
9. Construction that is a change, addition or improvement to the common property;
10. Seeking of benefits in the common property;
11. Establishment of a fund to do anything under the regulations or the resolution of a general meeting;
12. Determination of the amount for carrying out a resolution of a general meeting according to the conditions prescribed by the general meeting;
13. Revocation of the condominium.

Rights to call for an extraordinary general meeting: To call an extraordinary general meeting, joint owners who constitute not less than 20% of the total votes must sign a letter and submit it to the condominium juristic person committee.

The committee must hold an extraordinary general meeting within 15 days of receiving the request.

If it fails to do so, the joint owners can hold the meeting on their own by appointing a joint owner to issue a notice calling for one.

Payment of common property taxes, duties and expenses: Joint owners must jointly pay the taxes and duties of their condominium project that arise from the maintenance and management of the common property in accordance with their ownership ratio. This is based on the ratio between the area of each condominium unit and the total area of all units in the building.

In addition, joint owners must jointly pay for expenses that arise from the rendering of common services and tools and equipment including facilities provided for joint use or benefit.

Joint owners must also pay for expenses that arise from the maintenance and management of common property in accordance with their ownership ratio or their benefits as stipulated in the condominium regulations.

Payment for carrying out juristic person business: In order for the condominium juristic person to carry out its business, joint owners must pay for the following:

- expenses of the condominium juristic person, which each owner must pay in advance;
- funds upon initiating anything under the condominium's regulations or the resolution of a general meeting;
- other monies for carrying out a resolution of a general meeting according to the conditions prescribed by the meeting.

Before purchasing and becoming an owner of a condominium unit, potential buyers should carefully review a condominium's regulations to ensure the rights, duties, terms and conditions including the joint owners' required payments are acceptable and can be complied with.