

## SPECIAL TWELFTH DIVISION

[ CA-G.R. SP. No. 127803, February 14, 2014 ]

**GILMAR PLACE, INC., PETITIONER, V. CATALINA COSME AND  
ALL PERSONS CLAIMING RIGHTS UNDER HER, RESPONDENTS.**

### D E C I S I O N

**ELBINIAS, J.:**

For disposition is a Petition for Review<sup>[1]</sup> filed under Rule 42 of the Rules of Court. The Petition assails the Decision<sup>[2]</sup> dated April 24, 2012 of the Regional Trial Court ("RTC" for brevity) of Caloocan City, Branch 122 in Civil Case No. C- 22912, which affirmed the Decision<sup>[3]</sup> dated June 30, 2011 of the Metropolitan Trial Court ("MeTC" for brevity) of Caloocan City, Branch 49 in Civil Case No. 10-29878 for "Unlawful Detainer"<sup>[4]</sup>. The Petition also questions the RTC's Resolution<sup>[5]</sup> dated October 28, 2012, which denied petitioner's eventual Motion for Reconsideration<sup>[6]</sup>.

The salient facts are those as stated in the RTC's Decision<sup>[7]</sup> dated April 24, 2012, as follows:

"In support of it (*sic*) stand, appellant (*petitioner here*) narrated its case in this fashion:

'that its President, Gilbert G. Young is the registered owner of two parcels of land covered by Transfer Certificate of Title Nos. C-364207 (referred to as the 1st parcel of land) and 364211 (referred to as the 2nd parcel of land), both of the Registry of Deeds for Caloocan City, as well as the housing units built thereon. These two parcels of land are located within Gilmar Place Subdivision located at Deparo, Caloocan City. On **June 22, 2005[,]** (*Emphasis was made in the original*) **Gilmar and Catalina** (*respondent here*) **executed a contract to sell over the first parcel of land with house model Erika worth P2,989,000.00 built thereon. As agreed, Catalina** (*respondent*) **will pay P896,700.00 as down payment.** Balance is to be paid in ten (10) years with a monthly amortization of P41,831.70 at the interest of 21% per year. **Later, Catalina** (*respondent*) **became interested with the second parcel of land, with the same model of house, but smaller in size by four meters. On March 3, 2008, she** (*respondent*) **withdrew her contract to sell and proceeded with the buying of the second parcel of land, with the same terms as the first contract. She** (*respondent*) **then occupied the house and lot found on the second parcel of land. She was able to pay 10 monthly amortizations, i.e. from July 2008 to April 2009. As of April 2009[,]** **Catalina** (*respondent*) **was able to pay ten (10) monthly amortizations on top of her down payment of P896,700.00. Since May 2009, she** (*respondent*) **failed to pay amortizations, thus prompting Gilmar to send a Notarial**

**Cancellation of their Contract to Sell.** As per computation, Catalina's (*respondent's*) total unpaid obligation is P1,787,950.00, inclusive of interests and penalties. Having failed to pay said amount, a demand to pay P35,000.00 per month as rental starting October 2009 was made until she (*respondent*) vacates the premises. **The said demand remained unheeded, hence, the complaint.** (*Emphasis Supplied*)

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Catalina (*respondent*) remained steadfast in saying that the decision should be upheld, therefore the case against her should be DISMISSED.

She (*respondent*) narrated her case as follows:

**'She bought a house and lot from appellant (*petitioner*). The purchase price for said property is P2,989,000.00, payable in installment[s] and with a down payment of 30% of the price or in the amount of P896,700.00. The down payment itself may be payable in installments while the balance of P2,092,300.00 is payable in 10 years at a monthly rate of P41,831.70 from June 22, 2008** (*Emphasis Supplied*) with an interest rate of 21% per annum. On June 25, 2004, appellee (*respondent*) paid appellant (*petitioner*) P50,000.00 as reservation fee for **Lot 10, Block 5** located at the subdivision of appellant (*petitioner*). A contract to Sell over a house and lot (**Lot 10, Block 5**, of the subdivision of the appellant) (*Emphasis was made in the original*) was then entered. **On May 23, 2008, she** (*respondent*) **completed the down payment** (*Emphasis Supplied*) and was made to occupy **Lot 16, Block 2** and not **Lot 10, Block 5** (*Emphasis was made in the original*) the property supposedly bought by her. To be more specific, **on October 15, 2008 she** (*respondent*) **was made to sign a Contract to Sell, and pursuant to the said Contract to Sell, she paid eleven (11) monthly instal[l]ments at P54,274.00 per month. To cover more installments, she** (*respondent*) **issued twelve (12) checks postdated January 30, 2010 to December 30, 2010, in the amount of P54,274.00 each. However, after the first check was encashed, she** (*respondent*) **stopped the payment of the rest of the checks because she** (*respondent*) **discovered that the house delivered to her is located at the back of a gasoline station which she** (*respondent*) **finds hazardous. After the 'stopped payment' order, she** (*respondent*) **received a Notarial Cancellation of the Contract to Sell she** (*respondent*) **executed with appellant** (*petitioner*). **Subsequently, she** (*respondent*) **received a demand letter from the appellant** (*petitioner*). **In answer, she** (*respondent*) **wrote back appellant invoking the provisions of the Maceda Law and consequently demanded the return of at least 1/2 of P1,126,888.00 or the total amount actually paid by her** (*respondent*). **Her** (*respondent's*) **demand for reimbursement was unheeded. Instead, she** (*respondent*) **was sued for ejectment.**"<sup>[8]</sup> (*Emphasis Supplied*)

On June 30, 2011, the MeTC rendered a Decision<sup>[9]</sup>, which, among others, dismissed petitioner Gilmar Place Inc.'s ("petitioner" for brevity) Complaint for<sup>[10]</sup>

"Unlawful Detainer" against respondent Catalina Cosme ("respondent" for brevity). The dispositive portion of the MeTC's Decision read:

"WHEREFORE, premises considered, judgment is hereby rendered against the plaintiff and in favor of defendant Catalina Cosme. Accordingly, the instant complaint is hereby DISMISSED and the counter-claim of the defendant is hereby GRANTED. Thus, the plaintiff is hereby ORDERED TO PAY the defendant the amount of Twenty Thousand Pesos (Php20,000.00) as attorney's fees.

SO ORDERED."<sup>[11]</sup>

Upon petitioner's Appeal, the RTC rendered the Decision<sup>[12]</sup> appealed from, which affirmed *in toto* the Decision of the MeTC dated June 30, 2011.

After petitioner's Motion for Reconsideration<sup>[13]</sup> was denied by the RTC in its assailed Resolution<sup>[14]</sup> dated October 28, 2012, petitioner filed the Petition at bench praying that:

"**WHEREFORE**, premises considered, it is most respectfully prayed of this Honorable Court, that the herein Petition For Review be given due course, and that judgment be rendered **REVERSING** and **SETTING ASIDE** the Decision of the Regional Trial Court, Branch 122, Caloocan City, and another one be issued **GRANTING** what are prayed for in the Complaint for Unlawful Detainer filed by petitioner against respondent Catalina Cosme and all persons claiming rights and title under her before [the] Metropolitan Trial Court of Metro-Manila, Branch 49, Caloocan City.

Petitioner prays for such other reliefs as this Honorable Court may deem just and equitable in the premises."<sup>[15]</sup> (*Emphasis was made in the original*)

Petitioner raised this sole assigned ground:

"WITH DUE RESPECT, THE LOWER COURT COMMITTED A REVERSIBLE ERROR OF FACT OR LAW IN AFFIRMING THE DECISION OF THE METROPOLITAN TRIAL COURT THAT THE HEREIN RESPONDENT CANNOT BE EJECTED FROM THE HOUSE AND LOT 6, UNLESS SHE IS PAID THE CASH SURRENDER VALUE OF THE INSTALLMENT PAYMENTS SHE HAS MADE ON THE DISPUTED PROPERTY BY APPLYING THE PROVISIONS OF R.A. 6552 OR THE MACEDA LAW."<sup>[16]</sup>

Contrary to petitioner's arguments in its sole assigned *ground*, the RTC properly affirmed the findings of the MeTC.

Petitioner had argued as follows:

"The only question therefore in the case at bar, that would decide whether or not petitioner should prevail against the respondent, is the interpretation made by the lower court *a quo* which agrees with the respondent that her full payment of the down payment of P896,700.00 made in the **Second Contract to Sell** of House and Lot 6 should be counted as several installments instead of one lump sum payment as

contended by herein petitioner, hence, should only be counted as one installment payment.

If the answer is, that it should be counted as several installments payments, then obviously she would be covered by the Maceda Law having made more than twenty-four (24) installments payments. On the other hand if the down payment of P896,700.00 should be considered as only one (1) lump sum installment payment for the **Second Contract To Sell** of House and Lot 6, then she would have made only twelve (12) installment payments which is less than the twenty-four (24) installments payments to be covered by the Maceda Law.

Petitioner submits that its interpretation is the correct one, on the premise that the **First Contract To Sell** had been extinguished by novation, thus, we would be talking only of the **Second Contract To Sell** for which under its provision, respondent had only made twelve (12) installment payments, including the down payment of P896,700.00. This is because the down payment in the **Second Contract To Sell** does not provide for payment in installments, hence, it is considered as to be paid not in installments. xxx

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It is clear from the aforesaid provisions of the **Second Contract To Sell** which should govern the relations between the petitioner and respondent, that the P896,700.00 was considered as a single down payment and is not a down payment by installments. This being the case, it cannot be considered as a payment by installments under the Maceda Law. Undoubtedly, therefore, insofar as the **Second Contract To Sell** is concerned, respondent has only made twelve (12) installments, thus respondent is not covered by the Maceda Law to avail of the 50% cash surrender value of the total payments she has made for the House and Lot 6.”<sup>[17]</sup> (*Emphasis was made in the original*)

Defeating petitioner's arguments however, is that the applicable provision in the case is not, as contended by petitioner, Section 4, but Section 3 (b) of Republic Act 6552<sup>[18]</sup> (“R.A. No. 6552” for brevity), otherwise known as the “Maceda Law”. This is because respondent had already made a total of twenty seven (27) monthly installment payments or more than two (2) years of installment payments on the subject property as was properly found by the MeTC, and as was affirmed by the RTC.

The records revealed that, apart from the eleven (11) monthly installments admitted by petitioner to have been paid by respondent<sup>[19]</sup>, respondent had paid petitioner a downpayment in the amount of Php 896,700.00. Such downpayment in turn, respondent likewise paid via monthly installments<sup>[20]</sup>, as was reflected in petitioner's Position Paper<sup>[21]</sup> dated May 23, 2011, to wit:

“Down Payment Details:

Mar. 30, 2005	P620,913.26
to	
Nov. 30, 2006	