

FIRST DIVISION

[G.R. No. 156850, October 24, 2008]

NATIONAL HOUSING AUTHORITY, PETITIONER, VS. PERICO V. JAO, REPRESENTING THE ESTATE OF THE LATE SPOUSES ANDREA AND IGNACIO JAO TAYAG, RESPONDENTS.

R E S O L U T I O N

CARPIO, J.:

The Case

This is a petition for review^[1] of the 16 July 2002 Decision^[2] and 10 January 2003 Resolution^[3] of the Court of Appeals in CA-G.R. SP No. 66408.

The Facts

On 28 July 1982, the National Housing Authority (NHA) filed with the Regional Trial Court, National Capital Judicial Region, Manila, Branch 28, a case for expropriation against the property of Ignacio and Andrea Jao Tayag (Spouses Jao Tayag) located on Juan Luna Street, Tondo, Manila. The property measured 1,660.60 square meters and was covered by Transfer Certificate of Title (TCT) No. 95355. The NHA deposited P66,400 with the Philippine National Bank (PNB).

On 29 December 1982, the trial court issued a writ of possession, control, and disposition in favor of the NHA and, on 10 March 1983, the NHA took possession of the property. On 30 March 1984, the trial court upheld the NHA's right to expropriate the property. According to the NHA, the trial court set the amount of just compensation at P66,400.^[4] TCT No. 95355 was canceled and a new one in the name of the NHA was issued.

For more than 15 years, the NHA abandoned the property and failed to pay the Spouses Jao Tayag just compensation. The NHA failed to develop or utilize the property for any public purpose and left it to deteriorate. Squatters occupied and destroyed the improvements on the property.

On 20 May 1997, Perico V. Jao (Jao), representing the estate of the Spouses Jao Tayag, filed with the trial court a case for recovery of possession and damages against the NHA. In its 4 September 1998 Order, ^[5] the trial court ruled in favor of Jao. The trial court held and ordered that:

1. **The defendant NHA** from March 10, 1983 when actual possession of subject lot was transferred to it by Sheriff Mangahas of the City Sheriff of Manila to the present or a period of fourteen (14) years, **has not devoted the same to any kind of public purpose or**

use; on the contrary it is now occupied by squatters[;]

2. **There has been no actual payment of just compensation** to the plaintiffs landowners; the mere deposit with the [Philippine National Bank] Heart Center Branch of the amount of [P66,400.00] could not legally be considered payment, it is the job and responsibility of the defendant NHA to effect and facilitate payment by initiating a case for the settlement of the estate of the deceased Ignacio Jao Tayag[;]
3. x x x x
4. **The Plaintiffs obviously suffered damages** by reason of their dispossession from subject lot without any concrete moves on the part of NHA to develop the same for any public purpose; **ten thousand [pesos (P10,000.00)] a month to compensate for the deprivation of the occupancy and use thereof from March 1983 up to the present is reasonable[;]**
5. Not having paid the just compensation for subject lot and not having devoted the same for any kind of public use for the last fifteen (15) years, **defendant NHA should reconvey the same to the plaintiff.**

WHEREFORE, judgment is hereby rendered in favor of the plaintiff and against the defendants:

1. **Declaring and finding that defendant NHA has utterly failed to comply with the provisions of our Constitution and Article 435 of the Civil Code on Eminent Domain in the expropriation of subject lot, that is, there was taking but there was no payment of just compensation of subject lot until the present; NHA has not also devoted the subject lot for any kind of public use or purpose during the last fifteen years.**
2. **Ordering NHA to reconvey subject lot to the plaintiff.**
3. **Ordering the defendants to pay the plaintiff the sum of ten thousand [pesos (P10,000.00)] a month for the loss of possession and use of the subject property and the further sum of five hundred thousand [pesos (P500,000.00)] as damages to the destroyed improvements thereon with legal interest, until the property is restored to the plaintiffs.**
4. **Ordering defendant NHA to pay plaintiff the sum of twenty thousand pesos (P20,000.00) for attorney's fees and costs of suit.** (Emphasis supplied)

On 11 November 1998, the NHA filed a motion for reconsideration of the 4 September 1998 Order. In its 10 May 1999 Order,^[6] the trial court denied the motion for reconsideration. The trial court held that, "Sadly and regretablely, until today, defendant [NHA's] socialized housing project envisioned for subject lot is still

a dreamer's dream and only heaven knows when this dream becomes a reality."

On 7 June 1999, the NHA appealed to the Court of Appeals. In a Resolution dated 11 February 2000, the Court of Appeals dismissed the appeal for failure to pay the docket and other lawful fees. On 9 March 2000, the 11 February 2000 Resolution became final and executory. The Entry of Judgment^[7] dated 9 March 2000 stated:

This is to certify that on February 11, 2000 a decision/resolution rendered in the above-entitled case was filed in this Office, the dispositive part of which reads as follows:

"WHEREFORE, in view of the foregoing, the motion for reconsideration filed by plaintiff-appellee, is hereby GRANTED and accordingly, our Resolution of November 8, 1999 allowing defendants-appellants to pay the required docket fees hereby recalled and set aside and the instant appeal ordered DISMISSED.

SO ORDERED."

and that **the same has, on March 9, 2000 become final and executory** and is hereby recorded in the Book of Entries of Judgments. (Emphasis supplied)

On 12 April 2000, Jao filed a motion for the issuance of a writ of execution.^[8] In the writ of execution dated 29 June 2000, the trial court commanded Sheriff Benjamin E. Garvida (Sheriff Garvida) to cause the NHA to (1) reconvey the property; (2) pay P10,000 for every month that Jao was deprived of possession and use of the property; (3) pay P500,000 for the damages to the improvements on the property, with 6% annual interest; (4) pay P20,000 attorney's fees and costs of suit, and (5) pay the legal fees for the execution of judgment. Sheriff Garvida furnished the PNB a notice of garnishment against the P66,400 deposit.

On 31 July 2000, the NHA filed a motion to quash the writ of execution and notice of garnishment.^[9] The NHA alleged that the writ was unlawful because all damages suffered by Jao should be answered by, and limited to, the P66,400 deposit.

The Regional Trial Court's Ruling

In its Order^[10] dated 14 September 2000, the trial court denied the motion to quash the writ of execution and notice of garnishment. The trial court held that:

Rule 67, Section 11 of the Rules of Court provides, x x x, "*But if the appellate court determines that the plaintiff has no right of expropriation, judgment shall be rendered ordering the Regional Trial Court to forthwith enforce the restoration to the defendant of the possession of the property and to determine the damages which the defendant sustained and may recover by reason of the possession taken by the plaintiff.*" This provision applies to the instant case as **the annulment of the expropriation proceedings as found by this court is tantamount to a finding that the NHA has no right of condemnation, ergo, damages can be recovered. And, speaking of damages, the aforequoted provision of law does not provide for a limitation.** In the same wise, **the Court**