

SECOND DIVISION

[G.R. NO. 158840, October 27, 2006]

**PILAR DEVELOPMENT CORPORATION, PETITIONER, VS. SPS.
CESAR VILLAR AND CHARLOTTE VILLAR AND JOHN DOES,
RESPONDENTS.**

D E C I S I O N

GARCIA, J.:

An ejectment suit originating from the Metropolitan Trial Court (MeTC) of Las Piñas City, Branch 79, therein docketed as Civil Case No. 5397, was decided in favor of herein petitioner Pilar Development Corporation (PDC). However, on appeal, the Regional Trial Court (RTC) of Las Piñas City, Branch 253, in its decision of April 25, 2002, reversed and set aside that of the MeTC and ordered the dismissal of the case, allegedly for want of jurisdiction thereon on the part of the MeTC. The RTC held that it is the Housing and Land Use Regulatory Board (HLURB), not the regular courts, which has jurisdiction over the suit. Directly elevating the issue to this Court on pure question of law, this petition for review on *certiorari* seeks the reversal of the RTC decision and the reinstatement of that of the MeTC.

We **GRANT**.

But first, the undisputed facts as narrated by the RTC:

On December 28, 1994, a Contract to Sell (subject contract/contract) was executed by and between the [petitioner] and the [respondents] whereby the former sold to the latter a house and lot located at Block 4, Lot 15, B.F. Resort Village Subdivision, Las Piñas City with an area of 253 square meters (subject property) for a consideration of P960,750.00 payable on installment with a downpayment of P288,255.00 and the balance of P672,525.00 in one hundred twenty (120) monthly amortizations at P13,446.00 a month. Parenthetically, the certificate of title over the subject property, which is Transfer Certificate of Title (TCT) No. T-51834 of the Registry of Deeds of Las Piñas City, was issued in the name of the [petitioner] only after the execution of the subject contract and the consolidation and re-subdivision of a number of parcels of land enumerated in the contract.

[Respondents] paid the required downpayment and some monthly amortizations up to October 1997 after which they defaulted in the payment of the succeeding monthly amortizations. For this reason, the [petitioner] cancelled the subject contract thru a *Notice of Cancellation* dated August 31, 1997 (sic)^[1] personally delivered and received by a certain Corita Villar on September 5, 1998 and by Cathy Villar, daughter of the [respondents] on September 7, 1998. The [petitioner], however,

did not refund the cash surrender value to the [respondents].

Despite demands to vacate, the [respondents] still refused to surrender possession of subject premises to the [petitioner].

In their *Answer*, the [respondents] primarily assailed the jurisdiction of the court *a quo* over the subject matter and the propriety of the cancellation of the subject contract. Further, the [respondents] put in issue the identity of the property covered by TCT No. T-518314, alleging that there was no showing that the residential lot stated therein subject of the complaint is similar to that provided in the contract.

On January 28, 2000, the court *a quo* issued an Order requiring the parties to submit their respective position papers and thereafter, the case was deemed submitted for decision.

On June 21, 2000, the court *a quo* rendered the decision subject of the appeal, the dispositive portion of which is herein quoted as follows:

WHEREFORE, PREMISES CONSIDERED, the Court renders judgment for the plaintiff [now petitioner PDC] and against the defendants and John Does [now respondents], as follows:

- 1. Ordering defendants spouses, John Does, and all persons claiming rights under them to vacate the subject premises and deliver possession thereof to the plaintiff;*
- 2. Ordering defendants spouses, jointly and severally, to pay plaintiff the sum of P7,000.00 by way of rental for their use and occupation of the subject property from the date of execution of the Contract to sell on December 28, 1994 and every month thereafter until the subject property is finally vacated and possession thereof turned over to the plaintiff;*
- 3. Ordering defendants spouses, jointly and severally, to pay plaintiff by way of attorney's fees, the amount of P30,000.00;*
- 4. Ordering defendants spouses to pay the costs of this case.*

SO ORDERED.

On August 12, 2000, the [respondents] filed a *Notice of Appeal* xxx.
(Bracketed words supplied.)

While the respondents raised four (4) issues in their appeal before the RTC, the said appellate court deemed it proper to limit its decision in favor of the respondents on the issue of jurisdiction. Thus, after the denial of its motion for reconsideration, the petitioner came directly to this Court via this petition for review on *certiorari* on the sole legal question of whether it is the HLURB or the regular courts that has jurisdiction over the subject matter of the case. It is the petitioner's submission

that the MeTC correctly assumed jurisdiction over the suit.

In holding that jurisdiction lies on the HLURB and not on the MeTC, the RTC explained:

[A]s borne out by the facts aforestated, the present controversy is not a simple unlawful detainer case albeit denominated as such. This Court takes cognizance of the fact that there are pending issues on the validity of the cancellation of the subject contract based on the non-payment of the cash surrender value and the right of the [respondents] to refund thereof, the determination of which are exclusively lodged with the Housing and Land Use Regulatory Board (HLURB) under Presidential Decree Nos. 957 and 1344.

The RTC cited Presidential Decree (P.D.) No. 1344, which defines the jurisdiction of the HLURB (formerly National Housing Authority), as follows:

Section 1. In the exercise of its functions to regulate the real estate trade and business and in addition to its powers provided for in Presidential Decree No. 957, the National Housing Authority shall have exclusive jurisdiction to hear and decide cases of the following nature:

- (a) Unsound real estate business practices;
- (b) Claims involving refund and any other claims filed by subdivision lot or condominium unit buyer against the project owner, developer, dealer, broker or salesman; and
- (c) Cases involving specific performance of contractual and statutory obligations filed by buyers of subdivision lot or condominium unit against the owner, developer, dealer, broker or salesman.

The issue of whether an action filed by a subdivision owner against a lot buyer involving their contract to sell is within the jurisdiction of the HLURB is not one of first impression. That issue had been previously resolved by this Court in *Roxas vs. Court of Appeals*, 439 Phil. 966 (2002), citing earlier cases, to wit:

In our view, the mere relationship between the parties, *i.e.*, that of being subdivision owner/developer and subdivision lot buyer, does not automatically vest jurisdiction in the HLURB. For an action to fall within the exclusive jurisdiction of the HLURB, the decisive element is the nature of the action as enumerated in Section 1 of P.D. 1344. On this matter, we have consistently held that the concerned administrative agency, **the National Housing Authority (NHA) before and now the HLURB, has jurisdiction over complaints aimed at compelling the subdivision developer to comply with its contractual and statutory obligations.**

Thus, in *Arranza vs. B.F. Homes, Inc.*, we sustained the HLURB's jurisdiction over petitioners' complaint for specific performance to enforce their rights as purchasers of subdivision lots as regards rights of way,