

SECOND DIVISION

[G.R. No. 110297, August 07, 1996]

**CONSOLACION DE VERA, PETITIONER, VS. COURT OF APPEALS,
HON. BENJAMIN A.G. VEGA, PRESIDING JUDGE, REGIONAL
TRIAL COURT OF MANILA, BRANCH 39 AND QUAYALAY REALTY
CORPORATION, RESPONDENTS.**

DECISION

MENDOZA, J.:

Petitioner Consolacion de Vera is the tenant of a unit of an apartment building at 1067 Bilbao St., Tondo, Manila. She leased the apartment unit in 1967 from its original owner, Llantos, Lim & Sons, Inc., paying the rentals on a monthly basis. The original rental was P150.00 a month. Upon the termination of the lease on December 30, 1990, the monthly rental had risen to P924.00.

In 1990, the owner of the apartment sold it to private respondent Quayalay Realty Corporation, giving notice on December 5, 1990 to petitioner that in view of the sale of the property, the month-to-month contract of lease "will no longer be renewed at its expiration on December 30, 1990." Petitioner was advised that if she wanted to continue the lease, she could discuss the matter with the new owner, respondent Quayalay Realty.

On December 29, 1990, petitioner received notice from Quayalay Realty asking her to vacate the premises not later than January 5, 1991, otherwise, the realty firm would be compelled to file action against her. Petitioner pleaded for time to stay in the premises but her request was denied.

As petitioner and the other lessees of the apartment refused to vacate, Quayalay Realty filed ejectment suits against them on January 9, 1991 in the Metropolitan Trial Court of Manila. The cases were consolidated in Branch 25 of the said court.^[1] Quayalay Realty alleged that the month-to-month oral lease contract had already expired on December 30, 1990 and had not been renewed and that a demand had been made on the lessees to vacate but the latter refused to leave the property.

Petitioner averred that the oral contract of lease was for an indefinite period of time, and consequently the lease did not expire at the end of the month. Quayalay Realty had no cause of action against her.

On March 22, 1991, the MeTC gave judgment^[2] for private respondent Quayalay realty. It ruled that the lease was on a month-to-month basis and since it was not renewed, the ejectment of petitioner was in order. Petitioner was ordered to vacate the leased premises, pay the rentals from January 1991 up to the finality of the judgment, the amount of P5,000.00 for attorney's fees, and the costs of the suit.

Petitioner appealed to the Regional Trial Court, which on May 5, 1992, affirmed the decision of the MeTC,^[3] but increased the award of attorney's fees to P8,000.00. On appeal the Court of Appeals affirmed the decision of the RTC although it deleted the award of attorney's fees.^[4] Petitioner filed a motion for reconsideration but her motion was dismissed for lack of merit.

Hence, this petition for review on certiorari, alleging that:

I. THE COURT OF APPEALS ERRED IN CONCLUDING THAT PETITIONER'S VERBAL CONTRACT OF LEASE IS ONE WITH A DEFINITE PERIOD THEREBY RENDERING NUGATORY THE PROVISION OF SECTION 5 AND 6 [OF] BATAS PAMBANSA BLG. 877.

II. THE COURT OF APPEALS FURTHER ERRED IN NOT HOLDING THAT INDEPENDENTLY OF THE GROUND FOR JUDICIAL EJECTMENT ENUMERATED IN BATAS PAMBANSA BLG. 25 AS AMENDED BY BATAS PAMBANSA BILANG 877, THE OWNER-LESSOR CANNOT EJECT THE TENANT BY REASON OF EXPIRATION OF THE PERIOD OF LEASE AS FIXED OR DETERMINED UNDER ARTICLE 1687 OF THE CIVIL CODE.

III. THE COURT OF APPEALS FURTHER ERRED IN NOT APPRECIATING THAT THE PRIVATE RESPONDENT IS FULLY AWARE THAT THE PROPERTY IT PURCHASED WAS SUBJECT OF AN EXISTING AND INDEFINITE LEASE CONTRACT AND THEREFORE BOUND TO RESPECT THE SAME.

IV. FINALLY, THE RESPONDENT COURT ERRED IN NOT HOLDING THAT EVEN THOUGH A MONTHLY RATE IS PAID BUT NO PERIOD FOR THE LEASE HAS BEEN SET, IT MAY FIX THE TERM FOR THE LEASE ONLY IF SUCH IS PRAYED FOR IN THE COMPLAINT WHICH DOES NOT OBTAIN IN THE CASE AT BAR.

These contentions will be discussed seriatim.

First. The issue in this case is whether the oral contract of lease was on a month-to-month basis which is terminated at the end of every month. We hold that it is. We have already ruled in a number of cases^[5] that a lease on a month-to-month basis is, under Art. 1687, a lease with a definite period, upon the expiration of which upon demand made by the lessor on the lessee to vacate, the ejectment of the lessee may be ordered.

Art. 1687 of the Civil Code provides:

Art. 1687. If the period for the lease has not been fixed, it is understood to be from year to year, if the rent agreed upon is annual; from month to month, if it is monthly; from week to week, if the rent is weekly; and from day to day, if the rent is to be paid daily. However, even though a monthly rent is paid, and no period for the lease has been set, the Courts may fix a longer term for the lease after the lessee has occupied the premises for over one year. If the rent is weekly, the Courts may likewise determine a longer period after the lessee has been in possession for over six months. In case of daily rent, the courts may also fix a longer period after the lessee has stayed in the place for over one month.