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**SUPREME COURT
THIRD DIVISION**

**UNITED HOUSING CORPORATION,
*Petitioner,***

-versus-

**G.R. No. 76422
January 22, 1990**

**HON. ABELARDO M. DAYRIT,
SPOUSES JOSE M. TAPIA, JR. and
LYDIA C. TAPIA,**

Respondents.

X-----X

DECISION

FERNAN, C.J.:

Petitioner United Housing Corporation seeks by this petition for certiorari and prohibition: (1) to annul the Order dated October 27, 1986 of the Regional Trial Court of Manila, Branch XXXIX, denying petitioner's motion to dismiss Civil Case No. 37432 and (2) to restrain respondent judge from proceeding with the hearing of aforesaid case. Petitioner likewise prays for a preliminary injunction and/or restraining order to preserve the status quo.

The undisputed facts of this case are as follows:

Jose M. Tapia, Jr. bought Lot 19, Block 28 from United Housing Corporation, owner and developer of UPS-5A Subdivision, under a Novated Contract to Sell a Parcel of Land dated July 27, 1974. Tapia has long fully paid the purchase price of said lot but petitioner corporation has not executed the Absolute Deed of Sale nor transferred the title in favor of Tapia despite repeated demands.^[1]

Tapia filed a complaint (docketed as HSRC Case No. REM-830184-1947) against petitioner corporation before the Human Settlements Regulatory Commission (now Housing and Land Use Regulatory Board).^[2] A compromise agreement was arrived at later by the parties wherein petitioner corporation promised among others, to deliver the title of the subject lot within two (2) months from the date of the compromise agreement (April 25, 1984).^[3] A judgment upon compromise was rendered on May 30, 1984.^[4]

Petitioner corporation, however, failed to honor its commitment under said compromise agreement to secure the release of subject title and to deliver the same to the private respondents. Respondent Tapia moved for the execution of the judgment but was opposed by petitioner corporation. Instead of acting on the motion, the then Regulatory Commission forwarded the records of HSRC Case No. REM-030184-1947 entitled "Jose M. Tapia, Jr. vs. United Housing Corporation" to Senior State Prosecutor Melquiades Gabriel for violation by herein petitioner of Section 25 of P.D. 957, consisting in its failure to deliver the subject title to private respondent and to comply with the Compromise Agreement submitted by the parties and approved by the Commission. As a result, the corresponding information for violation of P.D. 957 was filed before the Regional Trial Court of Manila, Branch XXV, in Criminal Case No. 84-31256 against the petitioner corporation's president and general manager.^[5]

Having failed to the effect the execution of the judgment upon compromise, private respondents Spouses Jose M. Tapia, Jr. and Lydia C. Tapia filed a complaint for specific performance with damages dated August 23, 1986 (docketed as Civil Case No. 86-37432) before the Regional Trial Court of Manila. In their complaint, they prayed for, inter alia, the execution of a deed of absolute sale

over Lot 19, Block 28, United Parañaque Subdivision V, purchased by them from the United Housing Corporation (petitioner herein), and for the transfer and delivery of the title thereto.

On October 7, 1986, petitioner-corporation moved for the dismissal of the aforesaid complaint on the ground of lack of jurisdiction by virtue of PD 1344, as amended by EO 648 (Charter of the Human Settlements Regulatory Commission).

The Honorable Abelardo M. Dayrit, then presiding judge of Branch XXXIX of the Regional Trial Court of Manila, to whom said complaint was assigned, and after having considered the allegations set forth in petitioner's dismissal motion and those in respondent's opposition thereto, issued an Order dated October 27, 1986 denying the motion, hereunder quoted, as follows:

“Finding the Motion to Dismiss filed by the defendant to be not studiedly in order and taking into consideration the opposition to said motion, the motion to dismiss is therefore denied.”^[6]

Hence, this petition.

Petitioner's motion for issuance of a temporary restraining order received by this Court on December 12, 1986, was denied.^[7]

The main issue in this petition is whether or not a case of specific performance decided by the Human Settlements Regulatory Commission whose decision has already become final, may be relitigated in the Regional Trial Court on the same issue and between the same parties.

In this petition, it is petitioner's position, as it was in its motion to dismiss in the court below, that an action for specific performance instituted by buyers of subdivision lots against the owner or developer thereof falls under section 1 of PD 1344, as amended by EO 648.

Petitioner further argues that private respondents' having filed at some previous time a similar complaint (sans damages) before the HSRC (docketed as HSRC Case No. REM-030184-1947) which is an

explicit recognition of the Commission’s jurisdiction^[8] brings into play the principle of estoppel. In addition, petitioner insists that private respondents cannot even bring their complaint to any tribunal because the judgment upon compromise has the effect of res judicata.^[9]

On the other hand, citing the case of De Jesus vs. Hon. Garcia, 19 SCRA 554, private respondents maintain that jurisdiction resides in the RTC, the subject action being that of specific performance coupled with the fact that in actions of such nature, the subject of litigation is incapable of pecuniary estimation. Private respondents, for the foregoing purpose, invoke the provisions of the following laws:

“A. Judiciary Reorganization Act of 1980 —

X X X

“Sec. 19. Jurisdiction in Civil Cases. Regional Trial Courts shall exercise exclusive original jurisdiction:

“(1) In all other cases in which the subject of the litigation is incapable of pecuniary estimation;

X X X

“(8) In all other cases in which the demand, exclusive of interest and costs or the value of the property in controversy, amounts to more than twenty thousand pesos (P20,000.00).”

“B. Presidential Decree No. 957 —

“Sec. 41. Other remedies — The rights and remedies provided in this Decree shall be in addition to any and all other rights and remedies that may be available under existing laws.”

X X X

Private respondents, while admitting that they had previously filed a complaint with the HSRC where a compromise agreement was eventually arrived at between them and petitioner and upon which

agreement a judgment was based, contend that it is petitioner's failure to honor its commitment under the said agreement to secure the release of the subject title and deliver the same to private respondents that prompted them to seek judicial relief.

It is also private respondents' averment that the motion for execution that they had filed before the HSRC, as opposed by petitioner, was never resolved; that instead, the Commission decided to forward to Senior Prosecutor Melquiades Gabriel the records of HSRC Case No. REM-030184-1947 entitled "Jose M. Tapia, Jr. vs. UHC" for petitioner's (respondent herein) failure to comply with the aforesaid agreement, in violation of Section 25 of PD 957; that as a result of said indorsement, the corresponding information was filed before the RTC of Manila, Br. XXV in Criminal Case No. 84-31256 against petitioner's President and General Manager.^[10]

In short, it is on this seeming "helplessness of the Commission in enforcing its orders and decisions for lacking the necessary machinery"^[11] that private respondents decided to resort to the courts for relief.

There is merit in this petition.

As explicitly provided by law, jurisdiction over actions for specific performance of contractual and statutory obligations filed by buyers of subdivision lot or condominium unit against the owner or developer, is vested exclusively in the HSRC. Section 1 of PD 1344, in no uncertain terms, provides:

"Section 1. In the exercise of its functions to regulate 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.”
(Emphasis Ours)

This is reinforced by section 8 of EO 648 (otherwise known as the Charter of the Human Settlements Regulatory Commission) which took effect on February 7, 1981, thus: ^[12]

Section 8. Transfer of Functions. — The Regulatory functions of the National Housing Authority pursuant to Presidential Decree Nos. 957, 1216, 1344 and other related laws are hereby transferred to the Human Settlements Regulatory Commission. Among the regulatory functions are (11) Hear and decide cases of unsound real estate business practices, claims involving refund filed against project owners, developers, dealers, brokers, or salesmen and cases of specific performance”
(Emphasis Ours).

Private respondents’ reliance, therefore, on sections 1 and 8 of the Judiciary Reorganization Act of 1980 is untenable. Thus, as correctly pointed out by petitioner, section 19, paragraph 6 of said law is material to the issue of where jurisdiction lies, and We quote:

“Section 19. x x x

“(6) In all other cases not within the exclusive jurisdiction of any court, tribunal, persons or body exercising judicial or quasi-judicial functions.”

x x x

Neither can We accede to private respondents’ claim that resort to the courts is justified under section 41 of PD 957 specifically under the phrase “legal remedies that may be available to aggrieved subdivision lot buyers.”^[12]

There is no question that a statute may vest exclusive original jurisdiction in an administrative agency over certain disputes and controversies falling within the agency's special expertise. The constitutionality of such grant of exclusive jurisdiction to the National Housing Authority (now Housing and Land Use Regulatory Board) over cases involving the sale of lots in commercial subdivisions was upheld in *Tropical Homes Inc. vs. National Housing Authority* (152 SCRA 540 [1987]) and again sustained in a later decision in *Antipolo Realty Corporation vs. National Housing Authority* (153 SCRA 399 [1987]) where We restated that the National Housing Authority (now HLURB) shall have exclusive jurisdiction to regulate the real estate trade and business in accordance with the terms of PD No. 957 which defines the quantum of judicial or quasi-judicial powers of said agency.

Moreover, We should not be oblivious to the stark fact that the parties herein had arrived at a compromise agreement, hereinbelow reproduced as:

“Compromise Agreement

X X X

- “1. Respondent acknowledges that it has not yet delivered the title over a parcel of land particularly described as lot 19, Block 28 of United Parañaque Subdivision V, to the complainant;
- “2. That respondent acknowledges that the complainant has already paid in full all the amount due on the subject parcel of land;
- “3. That the title over the said parcel of land cannot, as yet, be delivered to the complainant because the SIHI is unable to release the same due to the fact that it is now under receivership;
- “4. That respondent undertakes to secure the release of the subject title from the SIHI, free from all liens, and

encumbrances, within a two (2) month period from date herein.”^[13]

and that in fact, upon the aforestated agreement, a judgment was rendered dated May 30, 1984.^[14]

No one can dispute that the “essence of compromises, being mutual concessions by the parties, is to avoid or end litigation. It is therefore a well-settled rule that a compromise, once approved by final orders of the court has the force of res judicata between the parties and should not be disturbed except for vices of consent or forgery”^[15]

In a string of decisions, this Court has repeatedly held that a judgment upon compromise which is a judgment embodying a compromise agreement entered into by the parties in which they make reciprocal concessions in order to terminate a litigation already instituted^[16] is not appealable, is immediately executory^[17] and has the effect of res judicata.^[18]

A judgment rendered upon a compromise agreement, not contrary to law or public policy or public order has all the force and effect of any other judgment, it being a judgment on the merits, hence, conclusive upon the parties and their privies.^[19] As such, it can be enforced by writ of execution.^[20]

In the matter of execution of decisions of the HSRC, PD 1344 cannot be any less categorical, where it is stated:

“Whereas, under PD 957, the National Housing Authority is vested with the exclusive jurisdiction over the real estate trade and business;

“Whereas, the Decree did not expressly provide the means to enforce its decisions in favor of the prevailing party, thereby rendering such decisions inutile;

“Whereas, many subdivision lot buyers have been appalled by the inability of the National Housing Authority to enforce decisions rendered in their favor, thereby giving rise to

disillusionment and skepticism about the noble objectives of PD No. 957; and

“Whereas, it has become necessary to strengthen the powers of the NHA to enable it to enforce and execute its decisions.”
(Emphasis Ours)

Thus, under Section 3 of the said P.D. it is specifically provided that: “As soon as the decision has become final and executory, the National Housing Authority” (now Housing and Land Use Regulatory Board), “shall on motion of the interested party, issue a writ of execution, enforceable in accordance with the provisions of the Rules of Court of the Philippines”.

Upon failure then of the HSRC to act on their motion for execution of the judgment dated May 30, 1984, private respondents should have instituted mandamus proceedings to compel the HSRC to perform its purely ministerial duty of enforcing its final and executory decision. For the reasons hereinabove discussed a new complaint in court for specific performance was untenable.

Be that as it may, We cannot rest easy with the iniquitous situation that the granting of this petition would help perpetuate. It is not seriously denied by petitioner that private respondents’ resort to the courts was made necessary primarily by petitioner’s continued refusal to abide by its commitment embodied in the Compromise Agreement and approved by the HSRC; and secondarily only by the HSRC’s failure to take proper action on private respondents’ motion for execution. It is unfortunate that the latter agency is not a party to this case and therefore beyond our jurisdiction.

Petitioner, however, is before us. Considering that it is actually petitioner’s omission that has spawned this needless complication, it cannot be deemed to have come to us with clean hands. To accord petitioner the relief sought and thereby aid and abet it in its obstinate failure to abide by the Compromise Agreement is to allow it to profit by its own wrongdoing. That, indeed would be the height of injustice.

The undeniable fact is that the Compromise Agreement has long become final and executory. Its terms can no longer be changed and

petitioner cannot seek to defer its execution indefinitely. The day of reckoning must come soon if justice is to acquire real meaning. To require private respondents to plead anew before the Housing and Land Use Regulatory Board for the execution of the Compromise Agreement would be circuitous and time-consuming. The fairest and most equitable course to take under the circumstances is to write *finis* to the controversy between the parties, who are both within the jurisdiction of the court, by ordering petitioner to perform its obligation under the long final and executory Compromise Agreement.

WHEREFORE, the petition is hereby **GRANTED**. The assailed Order of October 27, 1986 is annulled and set aside. Civil Case No. 37432 of the Regional Trial Court of Manila, Branch XXXIX is ordered dismissed. Petitioner United Housing Corporation is however ordered to deliver to private respondents Spouses Jose M. Tapia, Jr. and Lydia C. Tapia the title to Lot 19, Block 28 of United Parañaque Subdivision within thirty (30) days from the finality of this decision. No costs.

SO ORDERED.

Gutierrez, Jr., Feliciano, Bidin and Cortes, JJ., concur.

[1] Rollo, pp. 10-11.

[2] Rollo, pp. 29-30.

[3] Rollo, pp. 33-34.

[4] Rollo, pp. 35-36.

[5] Rollo, pp. 30-32.

[6] p. 21, Rollo.

[7] p. 26, Rollo.

[8] Memorandum for Petitioner, p. 65, Rollo.

[9] Rollo p. 47.

[10] Comment, pp. 31-32, Rollo.

[11] p. 32, Rollo.

[12] *supra*.

[13] Annex "A", Comment, p. 33, Rollo.

[14] Annex "B", Comment, p. 35, Rollo.

Case is considered closed by approval of compromise agreement, *GO vs. TROCINO*, 114 SCRA 443.

[15] *Binamira vs. Ogan-Occena*, 148 SCRA 677 (1987).

- [16] Article 2037, New Civil Code of the Philippines.
- [17] De los Reyes vs. Ugarte, 75 Phil. 505; Enriquez vs. Padilla, 77 Phil. 373; Samonte vs. Samonte, 64 SCRA 524.
- [18] Binamira vs. Ogan-Occena, supra.
- [19] Ramos vs. Pangasinan Trans., Co., Inc. and Romeo Ferrer, 79 SCRA 170.
- [20] Paredes vs. CA, 132 SCRA 501 (1984); Canonizado vs. Benitez, 127 SCRA 610 (1984).

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