

Title: Solid Homes, Inc. vs. Teresita Payawal and Court of Appeals

Facts:

Teresita Payawal filed a complaint against Solid Homes, Inc. in the Regional Trial Court (RTC) of Quezon City on August 31, 1982, alleging failure by Solid Homes to deliver the title of a subdivision lot in Marikina after full payment. The agreement, dated June 9, 1975, involved a total payment of P38,949.87 by September 10, 1981. Despite full payment and Solid Homes executing a deed of sale, the title was not delivered due to the property being mortgaged in bad faith. Payawal sought either delivery of the title or a refund of payments plus interest, damages, attorney's fees, and costs.

Solid Homes contended the RTC lacked jurisdiction, arguing the case fell under the National Housing Authority (now Housing and Land Use Regulatory Board, HLURB) as mandated by PD No. 957. The motion was denied, and after trial, the RTC ruled in favor of Payawal, ordering Solid Homes to either deliver the title or refund payments, with additional compensation for damages.

Solid Homes appealed, but the Court of Appeals affirmed the RTC's decision, stating RTC had jurisdiction and chastising Solid Homes for its conduct.

Issues:

The legal issues centered on:

1. Whether the Regional Trial Court had jurisdiction over the dispute.
2. The applicability of PD No. 957 and PD No. 1344 vis-à-vis BP No. 129 regarding jurisdiction.
3. The capability of the National Housing Authority/HLURB to award damages.

Court's Decision:

The Supreme Court reversed the Court of Appeals and RTC decisions based on jurisdictional grounds. The Court determined that exclusive jurisdiction lay with the National Housing Authority, as per PD No. 957 and PD No. 1344. The Court highlighted that in conflicts between a general and special law, the special law prevails, making PD No. 1344 predominant over BP No. 129. Furthermore, the Court dismissed the argument that Section 41 of PD No. 957 allowed for concurrent jurisdiction, maintaining that grants of power should not be implied without clear legislative intent. The Supreme Court ruled the proceedings in the RTC null for lack of jurisdiction, directing the filing of the appropriate complaint with the HLURB, without costs.

Doctrine:

Exclusive jurisdiction over cases involving specific performance of contractual obligations by subdivision or condominium buyers against developers is vested in the National Housing Authority (now HLURB), as per PD No. 957 as amended by PD No. 1344. In conflict between a general law and a special law, the latter prevails.

Class Notes:

- **Jurisdiction**: Understanding the distinction between the jurisdiction vested in regular courts versus specialized administrative bodies.
- **PD No. 957 & PD No. 1344 vs. BP No. 129**: Special laws (PD No. 957 & PD No. 1344) take precedence over general laws (BP No. 129) in matters of specific jurisdiction.
- **Exclusive Jurisdiction of the National Housing Authority/HLURB**: The NHA/HLURB has the exclusive power to resolve disputes involving subdivision or condominium sales, including claims for damages arising from such disputes.

Historical Background:

This case reflects the nuances of judicial and quasi-judicial processes in resolving real estate disputes in the Philippines, underscoring the importance of jurisdiction in administrative law. It illustrates the evolving role of specialized regulatory bodies like the HLURB in addressing specific sectors, highlighting the significance of legal frameworks in adjudicating sector-specific controversies.