

Title:

Solid Homes, Inc. v. Evelina Laserna and Gloria Cajipe

Facts:

The detailed sequence of events began on 1 April 1977 when Evelina Laserna and Gloria Cajipe, represented by Proceso F. Cruz, entered into a Contract to Sell with Solid Homes, Inc. (petitioner) for a lot in Quezon City. After making a down payment and several installments, the respondents demanded the execution and delivery of the Deed of Sale and the Transfer Certificate of Title (TCT) upon their alleged final payment. The petitioner's refusal led the respondents to lodge a complaint with the Housing and Land Use Regulatory Board (HLURB) on 28 June 1990. The HLURB Arbiter directed SHI to execute and deliver the Deed of Sale and TCT once the purchase price was fully settled, a decision modified by the HLURB Board of Commissioners to include the precise remaining balance. Solid Homes, Inc appealed to the Office of the President, which upheld the HLURB's decision. Unconvinced, SHI moved to the Court of Appeals via Petition for Review, alleging errors in adherence to procedural standards by the lower adjudicatory bodies, but the appellate court dismissed this petition. Following a denied Motion for Reconsideration, the petitioner sought recourse from the Supreme Court, raising issues on procedural improprieties and the respondents' cause of action due to incomplete payment.

Issues:

1. Whether the Court of Appeals erred in affirming the Office of the President's decision, which adopted the findings and conclusions of the HLURB Board of Commissioners.
2. Whether the Court of Appeals erred by not finding that the respondents' complaint to the HLURB lacked cause of action due to incomplete payment.

Court's Decision:

The Supreme Court denied the petition for review, affirming the decisions of the lower courts and adjudicatory bodies. It highlighted the validity of "memorandum decisions," acceptable when they provide direct access to adopted findings and ensure an informed appeal process. It was determined that the Decision of the Office of the President, adopting the HLURB Board of Commissioners' findings, complied with constitutional and administrative due process requirements. Further, the Court noted that the respondent's failure to fully pay the purchase price does not preclude them from filing a complaint with the HLURB due to wrongful rescission by petitioner and under the protective provisions of PD 957 and RA 6552.

Doctrine:

This case reiterates the doctrine on the validity of “memorandum decisions” by superior adjudicatory bodies, provided they attach and directly refer to the findings of fact and conclusions of law from the decisions of lower courts or tribunals. It also clarifies the applicability of constitutional requirements on decision-writing to administrative bodies, noting that such requirements are not mandatory for administrative decisions. Furthermore, the case discusses the conditions under which incomplete payment of purchase price does not invalidate a cause of action for specific performance under real estate laws.

Class Notes:

- **Memorandum Decisions**: Valid if they include direct access to the findings of fact and conclusions of law adopted by reference, intended for judicial efficiency.
- **Application of Constitutional Provisions**: Section 14, Article VIII of the 1987 Philippine Constitution, mandating clear expression of facts and law in decisions, does not directly apply to administrative proceedings.
- **Rights under Administrative Proceedings**: Adherence to procedural due process is satisfied so long as parties are afforded the opportunity to be heard and the decision is based on substantial evidence with reasons for the decision made known.
- **Cause of Action in Payment Disputes**: Under PD 957 and RA 6552, the failure to fully pay the purchase price under a Contract to Sell does not necessarily preclude the filing of a complaint against wrongful rescission by the seller.

Historical Background:

The procession through various administrative and judicial avenues in this case provides insight into the procedural mechanisms available to parties in real estate disputes in the Philippines. It underscores the protective legislative framework established by PD 957 (The Subdivision and Condominium Buyers’ Protective Decree) and RA 6552 (Realty Installment Buyer Protection Act), reflecting the Philippine government’s intention to safeguard buyers against premature and wrongful rescission by developers or sellers.