

Title: Goldcrest Realty Corporation vs. Cypress Gardens Condominium Corporation

Facts:

Goldcrest Realty Corporation (Goldcrest), the developer of Cypress Gardens, a ten-story building in Makati City, established the Cypress Gardens Condominium Corporation (Cypress) to manage the project and hold title to common areas, retaining ownership of the penthouse unit. Post-1995 management turnover to Cypress' board, unauthorized common area occupations and structure constructions by Goldcrest were discovered, leading to Cypress' 1998 HLURB complaint seeking eviction and damages. HLURB inspections revealed unauthorized constructions by Goldcrest, including a permanent structure on the roof deck. The initial HLURB decision mandated Goldcrest to remove obstructions and pay fines for unauthorized alterations, a decision partially modified on appeal to exclude actual damages over measurement issues. The Office of the President upheld this modification. On further appeal, the Court of Appeals partly granted Cypress' appeal, ordering removal of structures on the roof deck, a decision Goldcrest challenged, raising issues on measurement inaccuracies and their easement rights.

Issues:

1. Whether Goldcrest's construction on the roof deck's limited common area was authorized under the benefits of the Master Deed despite not being measured accurately.
2. Whether Goldcrest impaired the easement of the roof deck's limited common area by constructing structures and leasing them to third parties.

Court's Decision:

The Supreme Court denied Goldcrest's petition, affirming the Court of Appeals' decision, which found substantial evidence of unauthorized construction by Goldcrest on the roof deck's limited common area, despite the lack of precise measurements. The Court held that construction and lease of structures by Goldcrest on the limited common area were beyond the easement's contemplation, amounting to an illegal alteration of the condominium's plan and breaching restrictions under Section 22 of Presidential Decree No. 957, thereby impairing the easement.

Doctrine:

The Court reiterated principles regarding easement restrictions, highlighting that any alterations or constructions not necessary for the use or preservation of the easement, or those making the easement more burdensome, constitute an impairment. It emphasized the owner's obligation to notify and minimize inconvenience to the servient estate's owner in

conducting necessary works for the easement.

**Class Notes:**

- Construction or alteration in condominium common areas must comply with the original easement agreements and legal provisions under Presidential Decree No. 957.
- Unauthorized alterations or constructions that expand beyond the easement's intended use or make it burdensome violate the servient estate's restrictions.
- Legal disputes involving common areas in condominiums highlight the importance of clear easement agreements and adherence to condominium plans approved by relevant authorities.

**Historical Background:**

This case underscores the complexities involved in condominium management and ownership, particularly regarding the use and alteration of common and limited common areas. It emphasizes the legal framework governing condominium developments in the Philippines, especially the responsibilities of developers and unit owners for maintaining the intended use of common spaces as per established agreements and regulatory guidelines. The decision reinforces the authority of regulatory bodies and courts in addressing disputes over property rights and the use of common areas in condominium settings, reflecting on the broader context of urban property management and real estate development practices in the country.