

Title: Sandoval vs. Cañeba, et al., 268 Phil. 72 (1990)

Facts:

- **August 20, 1987**: Estate Developers & Investors Corporation (respondent) filed a complaint in the Regional Trial Court (RTC) of Manila for the collection of unpaid installments for a subdivision lot against Nestor Sandoval (petitioner), pursuant to a promissory note, plus interest.
- **January 29, 1988**: RTC Manila rendered a decision against Sandoval, who was declared in default. The court ordered him to pay the sum of ₱73,867.42 with interest, ₱2,000 or 25% of the amount of delinquency for attorney's fees, and the costs of the suit.
- **September 28, 1988**: RTC issued an order for a writ of execution to enforce the decision which had become final and executory.
- **September 30, 1988**: Sandoval filed a motion to vacate the judgment and dismiss the complaint on the grounds of lack of jurisdiction. He also filed a motion for reconsideration of the writ of execution. Estate Developers & Investors Corporation opposed both motions.
- **February 17, 1989**: RTC denied the motion to vacate judgment, stating that it did not have the jurisdiction to overturn its decision at this stage and directed the issuance of a writ of execution anew.
- **Petition to the Supreme Court**: Sandoval filed a petition asserting that RTC committed grave abuse of discretion in taking jurisdiction over the complaint and in issuing the writ of execution, emphasizing that jurisdiction belonged to the Housing and Land Use Regulatory Board (HLURB), not the RTC, in accordance with Presidential Decree No. 957.

Issues:

1. Whether the RTC had jurisdiction over the collection of unpaid installments for a subdivision lot.
2. Whether the denial to vacate the judgment by the RTC was valid.
3. Whether the RTC's issuance of a writ of execution was lawful.

Court's Decision:

1. **Jurisdiction Over the Complaint**:
 - The Supreme Court ruled that under Presidential Decree No. 957, the National Housing Authority (NHA) (renamed HLURB) has exclusive jurisdiction over cases involving unsound real estate business practices, claims involving refunds, and other claims by subdivision lot buyers against developers. Therefore, the RTC did not have jurisdiction over Sandoval's case.
2. **Denial to Vacate Judgment**:

- Since the RTC lacked jurisdiction, its decision was null and void ab initio (from the beginning). Therefore, the RTC should have vacated the judgment upon learning of its lack of jurisdiction.

3. **Writ of Execution**:

- Any action for writ of execution based on a null and void decision is likewise void. As the RTC's decision itself was invalid, its writ of execution was also null and void, and the RTC should have recalled and canceled the writ.

Doctrine:

- **Exclusive Jurisdiction of HLURB**: Under Presidential Decree No. 957, the HLURB has exclusive jurisdiction to decide cases concerning unsound real estate practices, claims for refunds, and specific performance filed by subdivision lot or condominium unit buyers against developers.

- **Nullity of Void Judgment**: A judgment rendered without jurisdiction is null and void from the outset. Such judgments cannot become final and executory and cannot be enforced by a writ of execution.

Class Notes:

- **Jurisdiction**: Know the provisions under Presidential Decree No. 957, specifically Section 1, which confers exclusive jurisdiction to the HLURB over certain real estate-related disputes.

- **Void Judgments**: Understand that judgments rendered without proper jurisdiction are considered null and void and cannot be enforced, as reaffirmed in multiple cases (e.g., Antipolo Realty Corp., Solid Homes, Inc., Estate Developers & Investors Corp.).

- **Enforcement of Court Orders**: Review the procedural steps to challenge wrongful court orders, including vacating judgments and opposing writs of execution.

Historical Background:

- **Presidential Decree No. 957**: Enacted to regulate the real estate trade and business in response to numerous complaints by buyers regarding fraudulent practices and failure of developers to comply with their obligations. The decree empowers specific bodies like the HLURB to have exclusive jurisdiction over these matters to ensure effective enforcement of real estate regulations and buyer protection. The law was part of the broader reforms in the Philippines' housing sector during the late 20th century.