

LUCAS BARASI, PETITIONER, VS. HON. COURT OF APPEALS AND ROBERTO ASISTIDO, RESPONDENTS.

G.R. No. L-57518. November 25, 1983

Ponente: MELENCIO-HERRERA, J.

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MELENCIO-HERRERA, J.:

This is a Petition for Review on Certiorari of the Decision of the then Court of Appeals (now Intermediate Appellate Court) in CA-G.R. No. SP-10690 entitled Roberto Asistido vs. Hon. Florelia Castro-Bartolome, et al., reversing the questioned judgment of the Court of First Instance of Rizal, Branch XV, at Makati, in an Ejectment case.

The facts are: On November 1, 1976, petitioner bought a residential house from Jose L. Manzano, Sr., located at 652-B Escuela St., Guadalupe, Makati, Metro Manila, because he and his family were being ejected by their landlord from premises they were leasing at 398 Tanguile Street, Fort Bonifacio, Metro Manila. Petitioner was aware that, at the time of purchase, private respondent was renting said residential house under a verbal lease agreement on a month-to month basis for P110.00. Petitioner and Jose L. Manzano, Sr. informed private-respondent--lessee of the sale and requested the latter to vacate the premises. Private respondent promised to vacate in February, 1977, and petitioner agreed to condone all rentals from December 1976 to February 1977. At the end of February, private respondent asked for a grace period of one (1) month for the sake of his children who were studying, to which petitioner agreed and further condoned the rental for March 1977. Thereafter, petitioner demanded that private respondent vacate the premises. Private respondent refused.

On September 13, 1977, petitioner filed a complaint for ejectment, on the ground of personal use and failure to pay rent, before the Municipal Court of Makati, Branch I. On June 25, 1979, said Court sustained petitioner on the basis of Batas Pambansa Blg. 25. This was affirmed by the Court of First Instance of Rizal, Branch XV, at Makati, on January 26, 1980 in a Decision, the dispositive portion of which reads:

"WHEREFORE, judgment is hereby rendered in favor of plaintiff Lucas P. Barasi and against defendant Roberto Asistido, ordering defendant; and any and all persons claiming under him or in a representative capacity or in any capacity whatsoever, to immediately vacate the premises he is occupying at 652-B Escuela St., Guadalupe, Makati, Metro Manila, and to turn over possession thereof to plaintiff, and to pay plaintiff the sum of P110.00 a month as reasonable compensation for the use and occupation of the premises from April 1977 until he finally vacates, and to pay P500.00 as reasonable attorney's fees and costs of suit.

SO ORDERED."

However, the then Court of Appeals, on review, reversed the decision of the Courts below upon the following ratiocination:

"However, the courts below erred applying Batas Blg. 25 in favor of the private respondent even granting that he needs the house for his own and his family's use, for the following reasons:

1. Letter of Instruction No. 768, issued on November 16, 1978 for the proper implementation of Presidential

Decree No. 20, the quondam Rental Law, had used the single word 'lessor' while par. (c) of Sec. 5 of Batas Blg. 25 uses the term 'owner/lessor'. In Reyes, et al vs. Hon. Emeterio Cui, et al., CA-G.R. No. SP-08974-R, decided September 24, 1979, this Court gave the reason why the new law should not extend to the buyer of leased property, as follows:

'Furthermore, We accept petitioners' contention that the provisions of par. 3, sub-par. (b) of LOI No. 768, allowing the lessor to seek judicial ejectment of the lessee if he can prove he has no other dwelling unit available for his own use or his immediate family, should be construed and have reference only to the original owner or original lessor and not to a subsequent transferee of the latter. Any other consideration, as to include the transferee by purchase such as in this instance the private respondents herein, who before buying the property were even fully aware of the lease of the premises long enjoyed by the petitioners for more than ten years, would allow the circumvention of and negate the intent and spirit of Pres. Decree No. 20, the avowed purpose of which is to protect and assist the low income families comprising the bulk of rented dwelling place occupants.'

2. In light of the avowed policy of the New Society to give protection and shelter to low-income families in the leasing of residential units, We believe and so hold that the buyer of leased property, like the herein private respondent, is just the same not within the ambit or contemplation of the broader term 'owner/lessor' in par. (c) of Sec. 5 of Batas Blg. 25 because:

(1) Section 2, par. e, Batas Blg. 25, definition of terms provides that the term 'owner/lessor' includes 'the owner or administrator's or agents of the owner of the residential unit.' It does not mention the buyer or transferee of the property from the original owner or original lessor; and,

(2) Section 2, par. b, Batas Blg. 25, definition of terms, provides that the term 'residential unit' refers to an apartment, house and or land on which another's dwelling is located used for residential purposes x x x' The term 'owner/lessor' should be limited and have reference only to the lessor under a contract of lease and to the owner of the land on which the dwelling of another has been built."

Petitioner's Motion for Reconsideration having been denied by the Appellate Court, he filed the instant Petition contending that:

(a) The respondent Court of Appeals committed grave error in law when it declared that petitioner is not within the ambit or meaning of the term 'owner/ lessor' as the term is used in Par. 5(a) [should be 5(c)] of Batas Pambansa Blg. 25; and

(b) The respondent Court of Appeals committed grave abuse of discretion when it held that private respondent had validly deposited the unpaid rentals with the bank.

The pivotal question to resolve is whether or not a new owner of leased premises purchased from the original owner/lessor can avail of the right to recover possession of the property on the ground of personal use under BP Blg. 25. Stated differently, is the term owner/lessor as used in said statute confined only to the original owner/lessor?

The pertinent provision of Batas Pambansa Blg. 25, reads:

Sec. 5. Grounds for Judicial Ejectment. - Ejectment shall be allowed on the following grounds:

x x x

c. Need of owner/lessor to repossess his property for his own use or for the use of any immediate member of his family as a residential unit, such owner or immediate member not being the owner of any other available residential unit: Provided, however, that the period of lease has expired: Provided, further, that the lessor has given the lessee notice three months in advance of the lessor's intention to repossess the property; and

Provided, finally, That the owner/lessor or immediate member stays in the residential unit for at least one year, except for justifiable cause. (Emphasis supplied)

Following the ruling in *Tan Tok Lee vs. CFI of Kalookan City*, 121 SCRA 438 (1983), with almost identical facts, we hold that a bona fide buyer of leased property, like the herein petitioner, who proves that he needs the leased property for his own use or for that of his family, may avail of the right of ejectment.

In that case, the leased premises were bought by the new owner for her and her family's use since they were also being ejected from the house they were then occupying. The new owner informed the lessees that she needed the premises badly and wanted to transfer her residence thereat. Despite repeated demands, however, the lessees refused to vacate. A complaint for ejectment was filed by the new owner before the City Court of Kalookan, which rendered judgment ordering the lessees to vacate. On appeal, the Court of First Instance of Kalookan affirmed the City Court judgment holding that the lessees were not covered by the protective mantle of PD No. 20.

The lessees elevated the case to this Court on a Petition for Review and presented two issues for resolution:

"1. Whether or not under PD No. 20 and other existing laws, the private respondent can eject petitioners from the premises in question on the ground that she is the new owner of the leased premises, with no lease contract with petitioners.

"2. Whether or not this case is covered by PD No. 20."

We sustained the right of the new owner to recover possession and use of her property and held that ejectment was proper.

"Petitioners relied heavily on the provisions of PD No. 20 and its implementing orders, memoranda and letters of instructions, suspending the provisions of Art. 1673 (1) of the Civil Code for judicial ejectment of lessees.

PD No. 20 was promulgated precisely for the purpose of alleviating the living conditions of the poor people who have no homes of their own but 'it was not so designed to be so stringent and inflexible as to totally deprive an owner of his right to take possession and dispose of his property in case of extreme necessity.'

The new owner, respondent Dulay has established her right to possess the property during the hearing in the court below. She bought the premises in question for her and her family's own use since they were also being ejected from the house they are presently occupying.

Witnesses also testified that petitioners promised to look for another place and to vacate the premises, which testimony remains undisputed. With the refusal of petitioners to move out of the premises, respondent is greatly prejudiced for she has no other place to live in, for at any time now she and her family could also be evicted.

Petitioners' reliance on the provisions of PD No. 20 is not well-taken. It could not have been the intention of said decree to deprive the owner of the rightful use of her home, more so, when petitioners re-neged on their promise to look for another house in the mistaken belief that PD No. 20 gave her a preferred right over that of the owner. To deny the owner of the use and possession of her property would tantamount to depriving her of her constitutional right to abode.

Moreover, the rigid suspension of the Civil Code on judicial ejectment has been relaxed with the enactment of Batas Pambansa Blg. 25 which allows as one of the grounds for judicial ejectment the need of the owner/lessor to repossess his property for his own use or for the use of immediate members of his family as a residential unit.

Thus, Batas Pambansa Blg. 25 upholds the right of respondent to recover possession and use of her property

which was unjustifiably occu-pied by petitioners."

In the case at bar, petitioner has likewise established that he bought the premises in question for his and his family's own use since they were also being ejected from the house they were leasing. This was corroborated by Emilio Fonacier, petitioner's landlord who testified that he was ejecting petitioner because he himself needed the premises. Private respondent-lessee had also agreed to vacate the leased property but reneged on his promise thereby depriving petitioner of the use of his own home. As in the Tan Tok Lee case, therefore, we uphold petitioner's right to recover possession of the leased premises. Contrary to the opinion of the Appellate Court, a new owner is embraced within the broad term owner/lessor in BP Blg. 25.

The law could not have intended to prevent bona fide sales from owner/lessors, who wish to dispose of their property, to third persons in need of their own residence. This would be an unreasonable construction contrary to the fundamental philo-sophy underlying the right to property. And to give a preferen-tial right to a tenant over and above a new owner's need of the premises for his use and that of his family is, as stated in the Tan Tok Lee case, to impair the new owner's liberty of abode (Sec. 5, Article IV, 1973 Constitution).

Having arrived at the above conclusion, the other issue raised by the parties becomes inconsequential.

WHEREFORE, the judgment under review is hereby REVERSED and SET ASIDE and the Decision of the Court of First Instance of Rizal, Branch XV, at Makati, is reinstated. This Decision is immediately executory.

No costs.

SO ORDERED.

Teehankee, (Chairman), Plana, Relova, and Gutierrez, Jr., JJ., concur.

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