

DANIEL A. BETTS, PETITIONER, VS. EVA MATIAS, RESPONDENT.*G.R. No. L-45566. April 30, 1980*

Ponente: TEEHANKEE, J.

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The Court reaffirms its recent pronouncement^[1] that Presidential Decree No. 20 does not sanction the deprivation of a lessor of residential property in extreme need of the leased premises for his own use of his right to terminate the lease and recover possession of his property. The challenged order dismissing the complaint "for the fixing of a definite limited period of the lease" as being in indirect violation of Presidential Decree No. 20 is thus set aside and the case remanded to the court a quo for further proceedings in consonance with the directives herein made.

The complaint filed on June 1, 1976 in the lower court by the herein petitioner as therein plaintiff avers that he is the owner of a residential lot with a two-storey building thereon situated in Legaspi City which was his own dwelling; that on September, 1971, in view of plaintiff's employment outside the city, he leased the said building to defendant, herein respondent, for a period of one year, commencing September 15, 1971 and "renewable for another year at the option of the parties"; that in the early part of 1973 when plaintiff retired from his employment and he had to return to the aforesaid building as his own dwelling, it was agreed between him and defendant (respondent) that defendant thenceforth would lease and occupy only the second storey of the house for a monthly rental of P180.00 with plaintiff and his wife to live on the ground floor, which agreement had prevailed since then; that sometime during the early part of 1976, plaintiff and his wife -- who are both of advanced age "and feeling the usual physical weakness and ailments that are common to people who are of advanced age, found out that the cold and dampness of the first floor where they are living, have adverse effects, and continue to give adverse effects to their health" -- proposed to defendant in virtue thereof that they change places with petitioner and his wife to occupy the second storey and the defendant to move to the ground floor and pay a lesser rental, and defendant agreed thereto with the exchange of places to be made on April 30, 1976; that defendant did not comply with their agreement and instead wrote plaintiff's wife a handwritten letter on May 3, 1976 that "This is to formally inform you that I am not moving down as requested by you. I have arrived at this decision last April 30 afternoon. Since my decision is final, I see no need for further explanations and discussions."; and that in the face of this unexpected development, and plaintiff's and his wife's deteriorating health, plaintiff notified defendant in writing since her lease was on a month to month basis that her lease was to be terminated as of May 31, 1976 but the latter re-fused to terminate the lease, invoking the provisions of P.D. 20; and in turn, plaintiff countered that "It is clear and evident from the purposes stated in P.D. 20 that the same is intended and meant for poor people who have no homes of their own, but this is not true (of) the Defendant who is a landed proprietor in her own right and owns and drives her own Volkswagen sedan." Plaintiff thus prayed in his complaint that the court fix a definite period for the termination of defendant's lease of the second storey of his house and suggested September 15, 1976 as the termination date taking into account the original contract of 1971 and his health and that of his wife.

Invoking the provision of Presidential Decree No. 20 suspending the provisions of paragraph (1) of Art. 1673 of the Civil Code for judicial ejectment of a lessee to which Article 1687 of same Code, on the fixing of the period

of lease[2] is related, defendant moved to dismiss the complaint for lack of cause of action and for lack of jurisdiction.

After plaintiff had filed an opposition to the said motion, the court issued the order of dismissal "it appearing that for the Court to fix a period would be tantamount to allowing the lessor to terminate the lease and/or eject the lessee in indirect violation of Presidential Decree No. 20 as there would then be a conversion of the status of the lease from an indefinite one where ejectment is not allowed to one with a def-inite period upon the expiration of which ejectment may legally be made."

"Without disagreeing with movant and his counsel that the instant order may result in some form of inequity" the lower court subsequently denied petitioner's motion for reconsideration of the dismissal order.

Hence, this petition for review which the Court finds to be meritorious.

In the recent case of *Onchengco vs. City Court of Zamboanga, et al.*,[3] the Court cited the introductory clauses of Presidential Decree No. 20 itself in support of its conclusion that the decree was issued for the precise purpose of alleviating the living conditions of those in need owing to the effects of calamities, and that "it was not 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 cases of extreme neces-sity." The Court therein held that in the same humanitarian and equitable spirit of P.D. No. 20, the therein lessor was exempted from the suspension of the provisions of Article 1673 (1) of the Civil Code and was entitled to the judicial ejectment prayed for, since as a sick and disabled old man of seventy-five years, "the denial to him of the return of his property would be tantamount to depriving him not only of his cons-titutional right to his property but his right of survival."

Similarly in the case at bar, petitioner and his wife are alleged to be of advanced age such that the cold and dampness of the concrete ground floor where they are presently living adversely affect their health. Considering that the property in question is their own home, it would be inhuman and iniquitous to deny to this aged couple in the remaining years of their lives the occupancy of that part of their own dwelling where they would not be unnecessarily exposed to colds and their serious consequences for old folks. The point is well taken that it could not have been the intention of Presidential Decree No. 20 to deprive a homeowner of the rightful use of his own home, more so, where he had made available to his lessee the ground floor of his dwelling, but the lessee had according to the complaint reneged on her agreement to move thereto, in the mistaken belief that said P.D. 20 gave her a better and preferred right than the owners themselves.

As was stated in *Onchengco, supra*, *Batas Pambansa Blg. No. 25*, which supersedes said P.D. 20 and is the latest statute governing resid-ential rentals and ejectment, has relaxed the rigid suspension of the pro-vision of the Civil Code on judicial ejectment and now allows as one of the grounds for judicial ejectment, the following:

"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 imme-diate 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 members stay in the residential unit for at least one year, except for justifiable cause."

which squares with the ground relied upon in the complaint for the fixing of a limited period of lease, in order to recover the possession of the property by petitioner-owner for his and his wife's use as their own dwelling.

In the application here of the *Onchengco* ruling, the fact that the nature of the action filed in the court below was purportedly not one for ejectment but for the fixing of a limited period of lease, (to expire on September 15, 1976)

is of no consequence since the ultimate objective is clearly to recover possession of the leased premises for the owner's own dwelling.

Parenthetically, there is an apparent disagreement between petitioner and respondent as to which of Articles 1197[4] and 1687 of the Civil Code supra[5] is applicable as they both provide for the fixing of a period, the former in contracts in general and the latter in leases. Obviously, the specific codal provision on lease contracts, Article 1687 prevails. At any rate, the two articles are not irreconcilable insofar as the fixing of the period of lease is concerned as they may be read in relation with each other.[6] But we need not dwell at length on this question for whichever of the two articles is invoked, the issue is moot, in view of our ruling recognizing petitioner's right to recover the premises for the reasons already stated hereinabove.

As the lower court, however, granted respondent's motion and wrongfully dismissed the complaint (on the erroneous ground that the averments thereof hypothetically admitted did not constitute a cause of action) before any evidence could be submitted on the case, we cannot at this instance outrightly rule in favor of the petitioner and order the surrender of the premises[7] (as in *Onchengco*) although the allegations of the complaint appear to be straightforward and based on the actual facts. The case shall be forthwith remanded to the lower court for disposition in accordance with the Court's pronouncements and directives herein made. At this instance, the Court further directs that since according to petitioner's own complaint below, the parties had agreed that respondent would move to the ground floor (although respondent later reneged on the agreement, in her mistaken reliance that she had a better right than petitioner under P.D. No. 20) said respondent, if she so wishes, should be preferentially accommodated as lessee of the ground floor, for an additional period of one year from notice hereof and at the same monthly rental of P160.00, taking into consideration that the original agreement between the parties provided for a lease period of only one year renewable for another year at their option.

ACCORDINGLY, the order of dismissal under review is hereby set aside and the case is remanded to the court a quo for further proceedings and disposition in consonance with the pronouncements and directives hereinabove made and with specific instructions that upon notice hereof, the trial court forthwith hold a pre-trial or preliminary hearing and if the allegations of the complaint as to petitioner's urgent personal need of the premises are duly shown therein and are not overcome by preponderant evidence adduced by respondent, the trial court shall forthwith cause the immediate possession of the residential building to be delivered to petitioner, but, simultaneously, shall also allow respondent, should she so desire, to contract for the lease, and occupancy of the ground floor area at a monthly rental of P160.00 and for a fixed period of one year from notice hereof. The trial court is further directed to comply herewith within one (1) month from notice hereof and to inform the Court of the action taken hereon within five (5) days thereafter. The Clerk of Court is directed to furnish the judge presiding over the trial court (Branch IV of the CFI of Albay) a copy of the decision for immediate compliance. No costs. This decision shall be immediately executory upon promulgation.

SO ORDERED.

Makasiar, Fernandez, Guerrero, De Castro, and Melencio-Herrera, JJ., concur.

[1] *Onchengco vs. City Court of Zamboanga, et al.*, G.R. No. L-44657, January 22, 1980.

[2] Section 4 of P.D. No. 20 reads:

"Except when the lease is for a definite period, the provisions of paragraph (1) of Article 1673 of the Civil Code of the Philippines insofar as they refer to dwelling unit or land on which another's dwelling is located shall be suspended until otherwise provided; but other provisions of the Civil Code and the Rules of Court of the

Philippines on lease contracts, insofar as they are not in conflict with the provisions of this Act, shall apply." (emphasis supplied)

Article 1687, Civil Code, provides: "If the period for the lease has not been fixed, it is understood to be from year to year, if the rent agreed upon is annual; from month to month, if it is monthly, from week to week, if the rent is weekly; and from day to day, if the rent is to be paid daily. However, even though a monthly rent is paid, and no period for the lease has been set, the courts may fix a longer term for the lease after the lessee has occupied the premises for over one year. If the rent is weekly, the courts may likewise determine a longer period after the lessee has been in possession for over six months. In case of daily rent, the courts may also fix a longer period after the lessee has stayed in the place for over one month."

[3] *supra*.

[4] Article 1197, Civil Code reads: "If the obligation does not fix a period, but from its nature and the circumstances it can be inferred that a period was intended, the courts may fix the duration thereof."

The courts shall also fix the duration of the period when it depends upon the will of the debtor.

In every case, the courts shall determine such period as may under the circumstances have been probably contemplated by the parties. Once fixed by the courts, the period cannot be changed by them.

[5] See footnote 2 for text.

[6] *Divino v. Fabie de Marcos, et al.*, L-13924, January 31, 1962.

[7] *Abeleda vs. Court of First Instance, etc., et al.*, G.R. No. L-35173, February 28, 1973.

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