

**PRETINES REAL ESTATE AND MANAGEMENT CORPORATION,
PETITIONER, VS. MA. EDITHA LEILANI LITAN-BRISTOL AND CARSON
REAL ESTATE AND MANAGEMENT CORPORATION, RESPONDENTS.**

Ponente: REYES, JR., J.C., J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/85a84743c9fe/>

REYES, JR., J.C., J.:

Before this Court is a Petition for Review from the August 16, 2011 Order (Rollo, pp. 18-20) of the Office of the President, in O.P. Case No. 07-D-129, which denied the Motion for Reconsideration of its October 31, 2007 Decision (Rollo, pp. 21-24), the latter affirming the Decision and Resolution of the Housing and Land Use Regulatory Board (HLURB) dated July 18, 2005 and February 22, 2007, respectively (Rollo, pp. 27-30; 25-26).

The instant case involves the cancellation/revocation of a contract to sell between petitioner Pretines Real Estate and Management Corporation (Pretines Realty) and respondent Ma. Editha Leilani Litan-Bristol (Litan-Bristol) over a property located at the Southern Plains Subdivision in Canlubang, Calamba, Laguna designated as Lot 14, Block 48, Phase 1, with an area consisting of 230 square meters. Records show that petitioner Pretines Realty was the original land owner of Southern Plains. It entered into a joint venture agreement with respondent Carson Real Estate and Management Corporation (Carson Realty) for the development of the said property into a residential subdivision. Fil-Estate Sales, Inc. is the authorized broker.

On July 4, 1995, respondent Litan-Bristol paid Pretines Realty the sum of Php20,000.00 as reservation fee for the purchase of residential lot identified as Lot 14, Block 48 of Southern Plains Subdivision containing an area of 230 square meters. On August 17, 1995, respondent Litan-Bristol paid Pretines Realty the sum of Php159,400.00 representing the full down payment of the contract price of Php598,000.00. Provisional Receipt was issued by Fil-Estate and an Official Receipt was subsequently issued by Pretines Realty. On October 4, 1995, respondent Litan-Bristol formally entered into a contract to sell with Pretines Realty. The contract stipulates that respondent Litan-Bristol would pay the remaining balance in the amount of Php410,600.00 in 46 monthly installments of Php11,323.123 per month. Respondent Litan-Bristol had paid Pretines Realty the total amount of Php700,264.00, inclusive of reservation fee, down payment, 46 monthly installments and interests.

On October 26, 1995, respondent Litan-Bristol also entered into a similar Contract to Sell with Carson Realty under the same terms and conditions with Pretines Realty. Provisional receipt was also issued by Fil-estate and an official receipt was subsequently issued by Carson Realty. Respondent Litan-Bristol was also able to pay Carson Realty the total amount of Php700,264.00, inclusive of reservation fee, down payment, 46 monthly installments and interests.

The last paragraph of Section 14 of the Contract to Sell entered into by and between respondent Litan-Bristol, Pretines Realty and Carson Realty provides that the construction of residential house on the property shall start not later than 36 months from the date of the contract to sell.

On June 17, 1996, respondent Litan-Bristol wrote the President of Fil-Estate inquiring when the title to the property would be available and the estimated completion date of the Clubhouse at Southern Plains. The

Marketing Manager of Southern Plains informed respondent Litan-Bristol that individual titles to the property are being processed and completion of the Clubhouse would be by the end of 1996.

On June 6, 1999, respondent Litan-Bristol wrote a letter to Southern Plains noting the fact that after 4 years from the execution of the contract to sell, the development of the property is less than 50% complete. Respondent Litan-Bristol also stated that she already had architectural plans drawn up for a house that she should have built and should have been completed by September 1998.

After several exchanges of correspondence between the parties, the Southern Plains Subdivision project, to date, had remained substantially incomplete despite promises and undertakings to do so, making it impractical, unwise and unjustified to construct a residential house therein. Thus, the failure of Pretines Realty and Carson Realty to fully develop the project despite their promises to do so, has caused undue and unwarranted losses to herein respondent Litan-Bristol in terms of financial and other opportunities.

Thereafter, respondent Litan-Bristol filed a complaint for the cancellation and revocation of the contract to sell between the parties and for the refund of any and all amounts paid by respondent Litan-Bristol, inclusive of legal interest and for the payment of moral and exemplary damages, attorney's fees, appearance fees and litigation expenses. The said complaint was grounded on the alleged failure of Pretines Realty and Carson Realty to complete the development of the project within the period stipulated in the license to sell in violation of PD No. 957.

In their defense, Pretines Realty and Carson Realty explained that the delay in the completion of the project was due to the following: (1) legal impediments beyond their control; (2) the Asian financial crisis; (3) the increase in construction costs; and (4) change in the contractor. Fil Estate, on the other hand, denies any violation claiming that it merely acted as agent/broker for the project when it issued the provisional receipts.

In a Decision dated January 7, 2004, the HLURB, thru its Arbiter, Atty. Raymundo Foronda, ruled in favor of respondent Litan-Bristol and found no merit on the defense raised by Pretines Realty and Carson Realty as to the delay in the completion of the project. On the part of the Fil-Estate, he ruled that the former is not liable to respondent Litan-Bristol because it acted only as a mere sales agent in the transactions. The dispositive portion of the Decision reads as follows:

“WHEREFORE, premises considered, judgment is hereby rendered in favor of the complainant and against respondents' Pretines and Carson, to read as follows:

- Ordering the rescission of the Contract to Sell between the complainant and Pretines Real Estate and Management Corporation;
- Ordering the rescission of the Contract to Sell between the complainant and Carson Realty and Management Corporation;
- Ordering Pretines Real Estate and Management Corporation to pay complainant the amount of SEVEN HUNDRED THOUSAND TWO HUNDRED SIXTY FOUR PESOS (Php700,264.00) by way of refund, plus legal interest at 12% per annum from August 28, 2002 until full payment;
- Ordering Carson Realty and Management Corporation to pay complainant the amount of SEVEN HUNDRED THOUSAND TWO HUNDRED SIXTY FOUR PESOS (Php700,264.00) by way of refund, plus legal interest at 12% per annum from August 28, 2002 until full payment;
- Ordering Pretines Real Estate and Management Corporation, Carson Realty and Management Corporation to jointly and severally pay complainant the following:
 - a) moral damages of P20,000.00

b) exemplary damages of P20,000.00

c) Attorney's fees of P20,000.00

- Ordering Pretines and Carson to jointly and severally pay this Board P10,000.00 as administrative fine for violation of Section 20 of P.D. No. 957." (Rollo, pp. 92-93).

Pretines Realty and Carson Realty filed a Joint Petition for Review (Rollo, pp. 95-132) questioning the aforesaid January 7, 2004 Decision. Thus, in a Decision dated July 18, 2005, the HLURB affirmed the questioned decision but modified the portion with respect to the rate of interest on the refund (amending it to legal interest), and to the award of moral and exemplary damages, which was set aside.

Pretines Realty and Carson Realty moved for the reconsideration (See: Rollo, pp. 133-145) of the said Decision but said Motion was denied in HLURB Resolution dated February 22, 2007. Dissatisfied, Pretines Realty and Carson Realty filed an appeal with the Office of the President arguing in main that the construction and development of the project was already completed before the filing of the complaint with the HLURB.

The Office of the President is however not convinced, noting that the defense raised by Pretines Realty and Carson Realty is inconsistent with its previous defense before the HLURB wherein they impliedly admitted that there was indeed a delay in the development of the project. Thus, the Office of the President denied Pretines Realty and Carson Realty's appeal and affirmed the HLURB Board of Commissioner's Decision and Resolution dated July 18, 2005 and February 22, 2007, respectively (See: Decision dated October 31, 2007, Rollo, pp. 21-24).

Pretines Realty and Carson Realty thereafter filed a Motion for Reconsideration with the Office of the President. But just the same, the Motion was denied in the now assailed Order dated August 16, 2011 (Rollo, pp. 18-19).

Undaunted, petitioner Pretines Realty elevated their case with this Court via a Petition for Review, assailing the August 16, 2011 Order of the Office of the President. In the said Petition, petitioner Pretines Realty joined Carson Real Estate and Management Corporation as one of the respondents, together with Mrs. Litan-Bristol. Pretines Realty argued that it is not obligated to perform the provisions of P.D. No. 957 because it is not them but Carson Realty who is the developer of the project. Effectively therefore, it cannot be considered as in delay in the performance of any obligation to respondent Litan-Bristol. Petitioner Pretines Realty argued that it merely relied on the representation of Carson Realty as to their ability to complete the project within schedule. From time to time, Carson Realty made updates as to the progress of the development work and in turn, Pretines Realty would merely echo said updates to its buyers. It insisted therefore that if there were delays in the project, they were never caused by petitioner Pretines Realty and so, it should not be held liable under P.D. No. 957.

Thus, in the light of petitioner Pretine's argument, the issue boils down to whether or not Carson Realty, being the developer of the Southern Plains Subdivision Project, must be the one solely liable for violation of P.D. No. 957 and that the validity of the Contract to Sell between petitioner Pretines Realty and respondent Litan-Bristol be upheld and must be complied with by the latter.

It bears to stress that the argument raised in the instant Petition for Review is something new and was never raised before the HLURB and the Office of the President. As in fact, during the proceedings below, petitioner Pretines Realty and Carson Realty were at the same side, both arguing on the same line of defense. In no instance did petitioner Pretines Realty intimate with the HLURB that it has no liability whatsoever for violation of P.D. No. 957 because they are not developer. Now, in this Petition for Review before this Court, petitioner Pretines Realty is singing a different tune, ascribing sole liability to Carson Realty, who it (Pretines Realty) claimed to be the actual developer of the subdivision project hence, must be solely liable for the breach.

It is well-settled that no question will be entertained on appeal unless it has been raised in the proceedings below (S.C. Megaworld Construction and Development Corporation v. Parada, G.R. No. 183804, September 11, 2013). For this Court to accept petitioner Pretines Realty's new theory would run counter to the settled doctrine that "points of law, theories, issues and arguments not brought to the attention of the trial court, administrative agency or quasi-judicial body, need not be considered by a reviewing court, as they cannot be raised for the first time at that late stage" (Domingo v. Colina, G. R. No. 173330, June 17, 2013). Basic consideration of due process impels this rule (S.C. Megaworld Construction and Development Corporation vs. Parada, supra). It would be unfair to the adverse party who would have no opportunity to present further evidence material to the new theory, which it could have done had it been aware of it at the time of the hearing before the trial court (Vda. De Figuracion v. Figuracion-Gerilla, G.R. No. 151334, February 13, 2013).

At any rate, even if we allow this kind of defense, the same must be given scant consideration. It cannot be denied that petitioner Pretines Realty duly entered with a joint venture agreement with Carson Realty. The former is the owner of a certain portion of land and the latter is likewise the owner of a certain portion and at the same time the developer of the said entire project. This fact was made clear to the HLURB when it found:

"Pretines and Carson are the joint venture partners of the Southern Plain – Canlubang, a residential subdivision situated at Silangan, Canlubang, Laguna. One half of the total residential lots offered for sale is owned by Pretines while the other half is owned by Carson which is the developer of the project." (Rollo, p. 86).

Also the two Contracts to Sell (Rollo, pp. 38-40; 41-44) also show that the two lots purchased by respondent Litan-Bristol were owned by petitioner Pretines Realty (as to Lot No. 14, Block No. 18 of the subdivision plan) and Carson Realty (as to Lot No. 12, Block No. 18 of the subdivision plan). This fact remained undisputed.

This being said, the remedy of respondent Litan-Bristol in case of failure to develop the subdivision project according to the approved plans and within the time limit for complying the same can be directed against the owner or developer. This is clearly provided under Section 23 of P.D. No. 957, thus:

"SECTION 23. Non-Forfeiture of Payments. — No installment payment made by a buyer in a subdivision or condominium project for the lot or unit he contracted to buy shall be forfeited in favor of the owner or developer when the buyer, after due notice to the owner or developer, desists from further payment due to the failure of the owner or developer to develop the subdivision or condominium project according to the approved plans and within the time limit for complying with the same. Such buyer may, at his option, be reimbursed the total amount paid including amortization interests but excluding delinquency interests, with interest thereon at the legal rate."

From the foregoing, the law provides two remedies in case of incomplete development of the subdivision project: (1) reimbursement of the total amount paid, including amortization interests but excluding delinquency interests, with interest thereon at the legal rate; or (2) for the buyer to suspend amortization payments until the completion of the project (Zamora Realty and Development Corporation vs. Office of the President, 506 SCRA 591, 605 [2006]). These remedies are available to the prospective buyer to give effect to the law's intent to protect the buyers from abusive owners/developers of subdivisions (ibid.). As clearly inferred from the wordings of the law, it uses the word "or". In its elementary sense, "or", as used in a statute, is a disjunctive article indicating an alternative. It often connects a series of words or propositions indicating a choice of either (Centeno v. Villalon-Pornillos, 236 SCRA 197, 206 [1994]). Verily, the remedies available to the buyer (in case of failure to develop the project) is directed interchangeably either against the owner or the developer.

Petitioner Pretines Realty is precluded from raising the defense that they are merely owners of the land and that they merely relied on the representations made by the developer as to when and how the construction of the improvements could be completed. As can be noted, petitioner Pretines Realty is a signatory to the Contract to

Sell which was executed between it and respondent Litan-Bristol. By signing said contract, petitioner Pretines Realty bound itself to perform its undertakings written therein. And also whatever is the arrangement between Pretines and Carson Realty as to their business relationship and as to their exposure in the subdivision project cannot be binding on respondent Litan-Bristol considering that the latter was never privy to any agreement that they may have.

Indeed, this Court cannot deviate from the factual findings of the HLURB when it ruled that based on the evidence on record, there was a showing that there was failure to complete the development of the Subdivision Project within the time specified in the License to Sell. Then again, the Courts generally accord great respect, if not finality, to factual findings of administrative agencies, because of their special knowledge and expertise over matters falling under their jurisdiction (*A.Z. Arnaiz Realty Incorporated v. Office of the President*, 646 SCRA 624, 507-508 [2010]). The only exception is when they are not borne out by the records or are not based on substantial evidence. In the case at bar, there was no reason for this Court to apply the exception as the factual findings of the HLURB as affirmed by the Office of the President are well supported by substantial evidence.

Respondent Litan-Bristol pointed out that she constantly inquired as to the construction progress of the project and based on the several reply-letters sent to her as well as her own observation, the project was far from substantial completion on the target date or three years from the execution of the Contract to Sell, thus:

- Letter-reply dated July 2, 1996 – Marketing Manager of Southern Plains intimated that the scheduled completion of the club house would be by the end of the year 1996.
- Letter dated February 3, 1999 – Project Manager of Southern Plains stated that with respect to Lot 14, Block 48, total accomplishment is now 45.12% with a request for extension of time until June 30, 2001.
- Letter dated February 16, 1999 - Project Manager of Southern Plains stated that with respect to Lot 12, Block 48, total accomplishment is now 45.12% with a request for extension of time until June 30, 2001.
- Letter dated June 6, 1999 – Complainant wrote that the development of the property is less than 50% complete.
- Letter dated July 12, 2000 – SVP Legal and Licensing and Permits Division of Fil-estate admitted that the project is 62.24% complete, again with a request for extension (See: Complaint, Rollo, pp. 49-51).

Respondent Litan-Bristol's assertion that there was incomplete development of the Subdivision Project was never rebutted by petitioner Pretines by contrary and convincing evidence. The exchange of correspondence between the parties has showed the progress of the development of the subdivision which in a way is an implied admission on the part of the owners/developers that ever since the execution of the deed of sale up to the time the instant complaint was filed, the project has not yet reached its completion.

As per the Contract to Sell between the parties, the completion period indicated is three years or up to October 1996. However, several extensions were requested. Notwithstanding the said extensions asked by the developer, it remained incomplete at the time of the filing of the instant complaint in 2002. This effectively shows a clear violation of Section 20[1] of P.D. No. 957, justifying the cancelation of the two Contracts to Sell (pertaining to Lot 12, Block 18 and Lot 14, Block 18 of the subdivision project) and the refund of the payment made by respondent Litan-Bristol.

WHEREFORE, the Petition for Review is DENIED. The questioned Order dated August 16, 2011 of the Office of the President, in O.P. Case No. 07-D-129, which denied the petitioner's Motion for Reconsideration is hereby AFFIRMED.

SO ORDERED.

Lopez, M.V., and Inting, S.B., JJ., concur.

[1] SECTION 20. Time of Completion. — Every owner or developer shall construct and provide the facilities, improvements, infrastructures and other forms of development, including water supply and lighting facilities, which are offered and indicated in the approved subdivision or condominium plans, brochures, prospectus, printed matters, letters or in any form of advertisement, within one year from the date of the issuance of the license for the subdivision or condominium project or such other period of time as may be fixed by the Authority.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.