

**REPUBLIC OF THE PHILIPPINES, PLAINTIFF AND APPELLEE, VS.
AMPARO NABLE JOSE LICHAUCO, ET AL., DEFENDANTS AND
APPELLANTS.***G.R. No. L-18001. July 30, 1965*

Ponente: BAUTISTA ANGELO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/8c876596f447/>**BAUTISTA ANGELO, J.:**

This is an expropriation case commenced by the Land Tenure Administration on July 6, 1957 against Amparo Nable Jose-Lichauco, Asuncion Nable Jose and Luis Lichauco concerning a parcel of agricultural land known as Hacienda El Porvenir which is owned pro-indiviso by the first two in the proportion of one-half each, which portion is also known as Hacienda Hermanas Nable Jose, the last of the three being included in the complaint merely as guardian ad litem of Amparo Nable Jose-Lichauco. The complaint was superseded by an amended one dated September 2, 1967.

Defendants filed identical motions to dismiss wherein they embodied both their answer and special defenses. In the motions to dismiss they disputed the validity of Republic Act No. 1400 under which the expropriation was under taken while at the same time they averred that, even if said Act is declared constitutional, the expropriation could not be effected because there was no agrarian conflict contemplated in the law and the alleged petition for expropriation filed by persons constituting allegedly a majority of the tenants did not comply with the requirements of said Act.

The trial court denied the motions to dismiss in an order entered on February 19, 1959 declaring the Land Tenure Administration authorized to undertake the expropriation upon payment of just compensation.

In an order issued on March 11, 1959, the trial court set up a Commission on Appraisal for the purpose of determining the fair market value of the hacienda, two members of which to be nominated by the parties and the third by the court. Then, on September 23, 1959, the trial court Axed the provisional value of the hacienda at P1,000,000.00, which was deposited by the plaintiff. After this amount was deposited defendants withdrew the same, whereupon plaintiff took possession of the hacienda on November 4, 1959.

The Commission on Appraisal conducted hearings and made ocular inspections of the hacienda and later rendered two reports. The majority report fixed its value at P3,554,413.90, while the minority fixed it at P4,032,981.60. Plaintiff submitted its written objections to both majority and minority reports while defendants submitted their reply to said objections.

After due trial, the court a quo rendered decision on November 10, 1960 wherein it held that plaintiff was entitled under Republic Act No. 1400 to expropriate the northern half of the hacienda with an area of 9,113,191 1/2 sq. m., at a price of P2,000.00 per hectare, after deducting the portion eroded by the river and those taken by streets, roads and school sites, the area of which was therein specified. In the same decision, plaintiff was ordered to pay to defendants for the expropriated area the sum of P1,822,638.30, from which should be deducted the amount of P1,000,000.00 which was previously deposited, thus leaving a balance of P822,638.30 which plaintiff was

ordered to pay with legal interest thereon from November 4, 1959, the date when the hacienda was actually placed in the possession of the plaintiff, provided that should there be an increase in the area to be expropriated as a result of an approved relocation survey, plaintiff should make additional payments therefor based on the price herein set forth.

Defendants interposed the present appeal assigning several errors which in substance may be boiled down to two, to wit: (1) whether plaintiff has the right under the law to expropriate the hacienda in question; and (2) whether the price fixed by the trial court may be said to be the fair market value of the hacienda.

We consider the first question academic it appearing that the Land Tenure Administration has already been abolished and superseded by the Land Authority which took over its functions under Section 73 of Republic Act No. 3844 which came into effect on August 8, 1963. This government agency is given express authority to expropriate private agricultural lands where one-third of the tenants working therein file a petition for their expropriation (Section 53, Id.). There can, therefore, be no doubt as to the authority of the plaintiff, as substituted, to institute the present action for expropriation.

Anent the second issue, it should be stated at the outset that in view of the uncertainty in the boundary limits of the hacienda to be expropriated which at the time of its expropriation was pending litigation in court, which fact is one of the reasons why defendants were reluctant in agreeing to the expropriation until the litigation on the matter shall have been finally decided, the trial court was constrained to delimit the approximate area of the hacienda to be expropriated as a basis for the determination of the market value to be paid to the owners. And after dividing the whole hacienda into two portions because the government merely desires to acquire the northern one-half, and after deducting the portions eroded by the river, and those taken by the streets, roads and school sites, as well as the portion to be retained by the defendants, the court *quo* concluded that the total area to be expropriated for the purposes of this case is 9,113,191 1/2 sq. m. without prejudice to such future additional payment that may be made in the event that the area is later increased as a result of the litigation and the government gets the corresponding increase. This delimited area is not now subject of review for apparently it is admitted by both parties.

Coming now to the evaluation of the property subject of expropriation, let it be stated that while plaintiff, after asking for the rejection of the report of the commissioners, insists on a value based on the P1,200.00 per hectare, defendants want a total price of more than P4,000,000.00, which is practically the very sum recommended by the dissenting commissioner. On the other hand, the trial court, disregarding both contentions and making a computation of its own based on certain factors, reached the conclusion that the fair market value of the property should be fixed on an average of P2,000.00 per hectare without prejudice to making additional payments later should there be an increase in the area as a result of an approved relocation survey of the property. And the factors considered by the trial court in arriving at this evaluation are now disputed by defendants as being unfair and contrary to well-known precedents on matters of expropriation.

We agree with defendants that the factors considered by the trial court in evaluating the property in question are not well-taken. To begin with, we consider it improper to consider as basis the value of the three haciendas mentioned in the decision, namely, the Hacienda de Leon, the Hacienda Ongsiako and the Hacienda Esperanza (Chito Gonzales) not only because their nature are not similar to the Hacienda El Provenir but their location is quite far to come within the vicinity of the property to be expropriated. Thus, it appears that the Hacienda de Leon is about 70 kilometers away from the hacienda in question, while the Hacienda Ongsiako is even worse for it is nearly 100 kilometers distant. The Hacienda Esperanza is situated a little nearer, or 19 kilometers distant from Hacienda El Provenir, but its area is so small that its price can hardly be taken as basis for determining the value of a big hacienda.

Another factor that was considered by the trial court is the buying power of the tenants in whose favor the expropriation is made plus the fact that the transaction would be exempt from income tax. This is likewise an improper basis for determination of the value of the land for authorities there are holding that the value to the owner, or the loss caused to him, and not the value to the condemnor, that needs to be taken into consideration. Neither should the fact that the land is desired for a particular public use be considered, for the main factor involved in an expropriation is that the owner is entitled to a just compensation (*Broadway Coal Mining Company, et al. vs. Charles Smith, et al.*, 26 LRA NS pp. 570-571; *Olson vs. U.S.* 292 U.S. 246, 78 L. ed., 1236, 54 S. Ct. 704; *Bauman vs. Ross*, 167 U.S., 548, 42 L. ed., 270, 17 S. Ct. 966).

Finally, the trial court also considered the price of P2,700,000.00 offered by the owners for the hacienda in an effort to negotiate its sale without resorting to court litigation being the ceiling price the owners would go in accepting the award because in its opinion this kind of evidence is of the highest order. We also do not consider this factor proper bearing in mind that that price was offered merely by way of compromise to avoid protracted and expensive litigation and subject to the condition that the owners should be allowed to retain 600 hectares for their use. And since the same was not accepted and the government initiated this proceeding, it is obvious that that offer became *functus officio*.

While the factors abovementioned cannot be considered for the reasons already advanced, we believe, however, that the report submitted by the two commissioners on appraisal is worth our analysis and scrutiny considering the data therein contained which cannot be entirely disregarded. It should be noted that these commissioners conducted several hearings and made several ocular inspections of the hacienda and of other properties as well adjacent to or in the vicinity thereof which recently or coetaneously had been the subject of sale or transaction bearing in mind not only their proximity to the hacienda but their nature and similarities. More specifically, they took into consideration the prevailing prices of similar lands in adjacent areas, the soil condition of the hacienda, together with their accessibility, improvements and climate. They also examined all the deeds of sale submitted, together with the testimonial evidence presented by both parties. And on the basis of the evidence thus submitted, and after classifying the lands into irrigated lands, subdivided into 1st, 2nd and 3rd classes, and unirrigated lands also subdivided into three classes, they made the following findings:

"The evidence presented shows that first class irrigated rice lands have been sold in 1957 for P4,400.00 per hectare (Exhibit 10). There were even sales for such type of land for P4,960.00 and P5,900.00 (Exhibits 4 and 13). Under this evidence, we believe that first class irrigated riceland should be valued at P3,500.00 per hectare only. We believe that this is a reasonable price although the sales of the adjacent parcels are very much higher, because these sales covered small parcels only. Since there are 565.42 hectares of irrigated first class riceland in the Hacienda Hermanas Nable Jose under expropriation, we respectfully submit that this price of P3,500.00 per hectare is fair and reasonable to the government and the landowners.

"As to the second class irrigated riceland, we believe that a reduction of P600.00 per hectare is fair to both parties. On a valuation of P1,500.00 per hectare, the LTA valued this type of land P300.00 less. Therefore, second class irrigated riceland should be valued at P2,900.00 per hectare, although Exhibit 12 of the defendants shows the price of said land at P3,858.00 per hectare.

"As to the third class irrigated riceland, Exhibits 2 and 11 of the defendants show the price of P3,000.00 per hectare in 1952 and P3,226.00 per hectare in 1951, but we believe that this type of land should be valued at P600.00 less than second class irrigated. Therefore, the price of third class irrigated riceland should be P2,300.00.

"UNIRRIGATED RICELAND has been sold in 1953 at P3,759.00 per hectare (Exhibit 6), and P4,164.00 per hectare in 1956 (Exhibit 8). However, for the same reason stated above, these sales covered small parcels of land, we believe that the price of unirrigated first class riceland should be P2,000.00 per hectare. Reducing this

price by P500.00 per hectare, we arrived at the reasonable value of P1,500.00 per hectare for unirrigated second class land. Third class unirrigated riceland should also be P500.00 less than second class unirrigated riceland. We believe that this reduction in value of P500.00 per hectare for each type of unirrigated riceland is reasonable although there is evidence showing sales of adjacent parcels of unirrigated land in 1959 at prices ranging from P5,500.00 per hectare to P6,076.00 (Exhibits 9 and 3).

"It is clear from Exhibit 'A' of the LTA which is the classification map that not all lands bordering provincial and barrio roads have been classified as residential land. It has also been proven that only actually occupied areas where people built houses are classified residential. However, the LTA gives a valuation at P0.15 to P0.30 per square meter. On the other hand, Mr. Juan Boncata of barrio Evangelista (Exhibit 5) testified that the residential land in 1959 was sold at P0.86 per square meter (TSN, pages 202, Feb. 16, 1960). Considering that barrio Evangelista is not alongside any of the three provincial roads traversing the hacienda, we believe that an average price of all residential areas in the hacienda including those along the provincial roads should be valued at P0.70 per square meter. This valuation is fair to both, the government and the landowners, who asked for P1.20 per square meter of first class residential lots

"The two-hundred ninety-six (296) fruit bearing mango trees which Mr. Raguini valued at P20.00 per tree should also be considered. The defendants claimed a valuation of P120.00 per tree. It is believed that the product of one full-grown mango tree per year is over P80.00. However, considering the whole orchard is going to be purchased by the government, we believe that P80.00 per tree is very cheap and reasonable and the valuation of P20.00 per tree cannot be considered fair because the firewood value of said trees alone is more than P20.00 per tree.

"The defendants have signified their intention to donate to the plaintiff the plaza in barrio San Vicente and seven (7) school lot inside the hacienda with a total area of 13.4600 hectares (pages 72 to 73 of defendants memorandum). Therefore, the valuation for this area at P0.70 per square meter or P94,22000 should be deducted from the amount to be paid to the landowners."

Consequently, the majority made the following evaluation:

VALUATION

IRRIGATED RICELAND:

1st class—565,4200 Ha. at P3,500.00

P1,978,970.00

2nd class—180,6800 Ha. at 2,900.00

523,972.00

3rd class— 17,4800 Ha. at 2,300.00

40,204.00

P2,643,146.00

UNIRRIGATED RICELAND:

1st class—107,5400 Ha. at P2,000.00

P215,080.00

2nd class— 48,2000 Ha. at 1,500.00

72,300.00

3rd class— 30,8000 Ha. at 1,000.00

30,800.00

P 318,180.00

Total

P2,661,326.00

TOTAL BROUGHT FORWARD

P2,861,326.00

RESIDENTIAL LAND:

1,090,897 sq. m. at P0.70

763,627.90

IMPROVEMENTS:

296 Fruit bearing Mango Trees at P80.00

23,860.00

Total

P3,648,633.90

LESS:

Fair market value of 7 school lots and Bo. San Vicente Plaza to be donated: 134,600 sq.m. at P0.70

94,220.00

TOTAL NET VALUATION

P 3,554,413.90"

Considering that the sales taken into account by the commissioners were mostly made in the neighborhood of the year 1957, or much earlier, and at that time the value of our currency was much higher, we believe that the evaluation made by the commissioners in their majority report is fair enough and may be said to reflect the fair market value of the hacienda in question. Hence, taking into account all surrounding circumstances, we are constrained to accept the price fixed in the majority report, and with this in mind we are of the opinion that the hacienda as delimited by the trial court which calls for an area of 9,113,191-1/2 sq. m., should be given a value of not less than P3,322.42 per hectare, instead of the value fixed by the trial court. More specifically, the owners should be paid the sum of P3,027,784.80, as fair compensation for their land minus the amount of P1,000,000.00 already paid to them, thereby leaving a balance of P2,027,784.80.

Wherefore, modified as above indicated, the decision appealed from is hereby affirmed in all other respects, with out pronouncement as to costs.

Bengzon, C. J., Reyes, J. B. L., Dizon, Regala, Makalintal, and Zaldivar, JJ., concur.
Concepcion, J., concurs in the result.

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.