

TERESA REALTY, INC., PLAINTIFF AND APPELLEE, VS. CARMEN PREYSLER VDA. DE GARRIZ, DEFENDANT AND APPELLANT.*G. R. No. L-14717. July 31, 1962*

Ponente: PADILLA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/aea98a3308cc/>**PADILLA, J.:**

On 19 May 1948 Carmen Preysler Vda. de Garriz acquired by purchase from the successors-in-interest of D. M. Fleming a residential house and a leasehold right on a parcel of land (Lot 11-K) where the house stands (Exhibit A-2) Situated on 35 Manga Avenue, Santa Mesa, Manila, the parcel of land contains an area of 1,492.59 square meters described in transfer certificate of title No. 30061 issued in the name of Teresa Realty Inc. by the Register of Deeds in and for the City of Manila, and assessed at P22,540. On 21 March 1918 D. M. Fleming acquired by purchase the leasehold right from John W. Haussermann (Exhibit A-1) who on 3 June 1910 had entered into a contract of lease with Demetrio Tuason y de la Paz, the manager (administrator) of the Estate of Santa Mesa y Diliman (Exhibit A). Under the original lease agreement (Exhibit A), the term thereof was to expire on 31 December 1953.

Effective 1954 the parcel of land above referred to was assessed at P22,540 by the City Assessor of Manila in the name of Teresa Realty, Inc. (Exhibit B).

On 22 December 1953, or before the expiration of the lease on 31 December 1953, the Teresa Realty, Inc. notified in writing Carmen Preysler Vda. de Garriz that it would agree to a new lease for five years at an increased rental from P135 a year plus tax on the land to P225.40 a month, which is 12% of the assessed value of the parcel of land. Despite such offer to enter into a new lease contract the lessee refused to have it renewed for five years at an increased rental as offered by the lessor. For that reason, the Teresa Realty, Inc. brought a detainer action against Carmen Preysler Vda. de Garriz in the Municipal Court of Manila. After trial, the court rendered judgment ordering Carmen Preysler Vda. de Garriz or any person claiming under her to vacate the parcel of land subject of the lease and to pay P225.40 as reasonable monthly rental for the use of the parcel of land from 1 January 1954 until possession of the same shall have been restored to the plaintiff, and costs. She appealed to the Court of First Instance of Manila.

Whereupon, the complaint filed in the Municipal Court was reproduced. On 17 January 1955 the defendant lessee answered anew the reproduced complaint and alleged further by way of special defenses that she was holding possession of the parcel of land waiting for the Court to decide the action she had brought for the purpose of asking the Court to fix the reasonable rental and the period of extension of the lease contract, the rental demanded by the plaintiff being speculative and excessive (civil case No. 21897); that the parcel of land the possession of which the plaintiff seeks to recover is part of the Hacienda of Santa Mesa and Diliman; and that pursuant to Republic Act No. 1162 all detainer cases had to be suspended until expropriation proceedings are terminated, provided the current rentals are paid by the tenant. Upon these premises she prayed for the dismissal of the complaint or suspension of the proceedings in the detainer case and for any other just and equitable relief. After trial, on 1 October 1955 the Court of First Instance of Manila rendered judgment which, aside from reiterating

what the Municipal Court had adjudged, ordered the defendant Carmen Preysler Vda. de Garriz to remove from the parcel of land her improvement or construction thereon. Her motion for reconsideration and/or new trial having been denied on 27 October 1955, she appealed to the Court of Appeals. The appeal was certified to this Court, because the appellee Teresa Realty, Inc., in objecting to the appellant's motion to suspend the detainer proceedings under the provisions of Republic Act No. 1599, had raised the question of constitutionality and applicability of the statute. On 7 November 1956 this Court returned the case to the Court of Appeals for the latter to ascertain the number of houses built on the leased parcel of land which was necessary for the determination as to whether the case would come under Republic Act No. 1599. Pursuant to this directive, the Court of Appeals designated its Deputy Clerk Esperidion M. Ventura as commissioner to receive evidence on such number of houses built thereon. On 5 August 1958 the commissioner rendered a report that more than 50 houses were on the tract of land belonging to the plaintiff, or, as admitted by the assistant manager of the Teresa Realty, Inc., there were about 460 tenants, and that 53 tenants, he had interviewed, had, in their own right or together with their predecessors-in-interest, occupied their respective parts of the tract of land for more than ten years before Republic Act No. 1599 was approved. On 12 November 1958 the Court of Appeals again certified the case to this Court.

The appellant contends that the trial court erred in not suspending the detainer proceedings against her and in ordering her to vacate the lot leased by her and her predecessors-in-interest since 3 June 1910 and to pay a monthly rental equivalent to 12 % of the assessed value of the parcel of land. According to her, the requisites of section 1 of Republic Act No. 1599, namely, that the parcel of land in litigation (1) be part of a landed estate or hacienda—the former Hacienda de Santa Mesa y Diliman in Manila; (2) had been leased for at least ten years; and (3) that the landed estate had more than fifty houses of tenants, are present; hence the law invoked by her applies and the detainer proceedings against her should have been suspended as provided for in section 5 of Republic Act No. 1599. Said section partly provides:

From the approval of this Act, and even before the commencement of the expropriation herein provided, ejectment proceedings against any tenant or occupant of any landed estates or haciendas or lands herein authorized to be expropriated, shall be suspended for a period of two years, upon motion of the defendant, if he pays his current rentals, * * *.

The appellant's contention cannot be sustained. The authority granted by section 1 of Republic Act No. 1599 approved on 17 June 1956, amending Republic Act No. 1162, which took effect on 18 June 1954, to expropriate "landed estates or haciendas; or lands which formerly formed part thereof, in the City of Manila, which are and have been leased to tenants for at least ten years," "Provided, That such lands shall have at least fifty houses of tenants erected thereon," does not mean that once these conditions or requisites are present, Republic Act No. 1599 or Republic Act No. 1162 would readily be applied. Before either Act together with the remedies therein provided, such as suspension of detainer proceedings, installment payment of rentals, or maximization of rentals, could be availed of, it is necessary that proceedings for the expropriation of the parcel of land must have been instituted.[1] Otherwise, the law could not be availed of. In the case at bar, the parcel of land subject of the litigation is not being expropriated.

The rental of P225.40 a month, which is 12% per annum of the assessed value of the parcel of land involved herein, is reasonable.[2]

The judgment appealed from is affirmed, with costs against the appellant.

Bengzon, C.J., Bautista Angelo, Labrador, Concepcion, Barrera, Paredes, Dizon, Regala and Makalintal, JJ., concur.

[1] Teresa Realty, Inc. vs. Maxima Blouse de Potenciano, Supra.

[2] Id.

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.