

NILO R. JUMALON, PETITIONER, VS. COURT OF APPEALS, HON. RUBEN D. TORRES, IN HIS CAPACITY AS EXECUTIVE SECRETARY, HOUSING AND LAND USE REGULATORY BOARD, AND MA. ASUNCION DE LEON,...

G.R. No. 127767. January 30, 2002

Ponente: PARDO, J.

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PARDO, J.:

The Case

The case is an appeal via certiorari from the decision of the Court of Appeals,[1] affirming in full that of the Executive Secretary (Office of the President) affirming with modification the decision of the Housing and Land Use Regulatory Board (HLURB) declaring the rescission of the contract of sale between the parties.

The Facts

The facts, as found by the Court of Appeals, as follows:

“On 16 July 1991, complainant De Leon and herein petitioner, Nilo R. Jumalon, executed a Conditional Sales Agreement whereby the former purchased from the latter a house and lot located at Block 20, Lot 24-A, Bathaluman St., Doña Amada Subdivision, Rosario, Pasig, consisting of 102 square meters at a price of P500,000.00. On 24 July 1991, Jumalon executed in favor of De Leon a Deed of Absolute Sale. Title was transferred to De Leon on 29 July 1991.

“Of the P500,000.00 total purchase price, P135,000.00 was paid in cash by De Leon on different occasions. Vendee De Leon likewise obtained a loan in the amount of P280,000.00 using the house and lot as collateral from Majalco Finance and Investments Inc. (or Majalco). Majalco’s rights and interest in the loan and its collateral was subsequently assigned and transferred to the National Home Mortgage Finance Corporation (NHMFC) a government financing institution. The proceeds of the loan minus the interest amounted to P62,294.36. Thus, De Leon further issued a check in the amount of P11,705.64 to complete the amount of P80,000.00. Another check in the amount of P5,000.00 was also issued. De Leon, however, was not able to deposit sufficient funds in the bank to cover the checks. As a consequence of which a criminal case for violation of BP 22 was filed against her.

“Meanwhile, De Leon learned from neighboring residents that the presence of high-tension wires generate tremendous static electricity and produce electric sparks whenever it rains. Such that on 13 March 1992, De Leon made an inquiry with MERALCO regarding the danger posed by the wires over the property. In a letter dated 3 April 1992, MERALCO informed De Leon that the high-tension electrical wires:

“x x x was erected sometime in 1930 and a 30-meter wide right-of-way was secured from the landowner at that time, the document of right-of-way granted having been burned or destroyed during the World War II.”

“In this connection, please be informed that the building of any structures underneath the high tension wires is prohibited because the line carries 115,000 volts which is hazardous to life and property.”

“Through inquiries to the HLURB Enforcement Center, De Leon was informed that construction of houses and buildings of whatever nature is strictly prohibited within the right-of-way of the transmission line; that HLURB requires subdivision owners/developers to first secure clearance from the National Power Corporation (NPC) before their application for a subdivision project within MERALCO’s right-of-way easement can be acted upon; that Jumalon’s subdivision project is not, per HLURB record, registered with the Board; and, that Jumalon never applied for development permit project, nor secured subdivision plan approved.

“Consequently, sometime in November 1992, De Leon filed a case for declaration of nullity or annulment of sale of real property before the RTC which was subsequently dismissed on 18 August 1993. Within the same period or on 16 March 1993, De Leon filed a complaint before the HLURB seeking the rescission of the Conditional Sales Agreement and the Absolute Deed of Sale. The complaint alleged that vendor Jumalon with fraud and evident bad faith misrepresented: a) that the property is free from all liens and encumbrances when the same lies within the 30-meter right-of-way of the Manila Electric Company (Meralco); b) that the existence of the high-tension wires posed no serious risks on the property and/or its occupants when Meralco itself certified the same is hazardous to life and property; and, c) that Jumalon had the necessary license to sell from the HLURB when in fact he had none.

“HLURB Arbiter Paras rendered judgment in favor of De Leon, the dispositive portion of which reads:

“WHEREFORE, premises considered, judgment is hereby rendered declaring the rescission of the Contract of Sale between complainant and respondent and ordering respondent Jumalon:

“1. To refund complainant the amount of One Hundred Thirty Thousand Pesos (P130,000.00) representing complainant’s downpayment and partial payments, with legal interest to herein complainant;

“2. To refund complainant the amount of Two Hundred Eighty Thousand Pesos (P280,000.00) representing her loan proceeds from Majalco which was assigned to respondent, plus interest, penalties and other charges imposed by NHMFC;

“3. To pay complainant Ten Thousand Pesos (P10,000.00) as moral damages;

“4. To pay this Board Five Thousand Pesos (P5,000.00) as administrative fine for violation of Sections 4 and 5 of P.D. No. 957;

“5. To return to complainant the following:

“a) BPI Check No. 93833 dated November 30, 1991 in the amount of P11,705.64; and

“b) BPI Check No. 93834 dated December 31, 1991 in the amount of P95,000.00.

“Complainant, in turn, is hereby ordered to fully settle her account with NHMFC after respondent has satisfied the above amount and to immediately cause the Register of Deeds to effect the transfer of title over the subject property back to respondent’s name.

“SO ORDERD.

“The arbiter’s decision was appealed to the Board of Commissioners of HLURB which affirmed it. On appeal to the Office of the President, the decision was likewise affirmed but the award of moral damages was deleted being without basis.”[2]

On November 23, 1995, petitioner filed with the Court of Appeals a petition for review of the decision of the Office of the President.[3]

On May 15, 1996, the Court of Appeals promulgated a decision affirming the appealed decision in all respects.[4]

Hence, this appeal.[5]

The Issues

The issues raised are (1) whether the Court of Appeals erred in affirming the decision of Executive Secretary Ruben D. Torres and the HLURB declaring the rescission of the contract of sale of a house and lot between the petitioner and private respondent and (2) whether the right of the private respondent to demand for the rescission of the sale has prescribed.

The Court's Ruling

We find the petition without merit. The issues raised are factual. In an appeal via certiorari, we may not review the factual findings of the Court of Appeals.[6] When supported by substantial evidence, the findings of fact of the Court of Appeals are conclusive and binding on the parties and are not reviewable by this Court,[7] unless the case falls under any of the recognized exceptions to the rule.[8]

Nonetheless, we agree with the Court of Appeals that respondent de Leon was entitled to annul the sale. There was fraud in the sale of the subject house. It is not safely habitable. It is built in a subdivision area where there is an existing 30-meter right of way of the Manila Electric Company (Meralco) with high-tension wires over the property, posing a danger to life and property. The construction of houses underneath the high tension wires is prohibited as hazardous to life and property because the line carries 115,000 volts of electricity, generates tremendous static electricity and produces electric sparks whenever it rained.[9]

On the issue of prescription of action, we find that the action to annul the sale was filed a year and four months from the execution of the contract, hence, within the prescriptive period prescribed under the law.[10]

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WHEREFORE, the petition is hereby DENIED for lack of merit. The decision of the Court of Appeals[11] is AFFIRMED in toto.

No costs.

SO ORDERED.

Davide, Jr., C.J., (Chairman), Puno, Kapunan, and Ynares-Santiago, JJ., concur.

[1] In CA-G. R. SP No. 39077, promulgated on May 15, 1996. Petition, Annex "A", Rollo, pp. 32-40. Martinez, A. M., J., ponente, Galvez and Solano, JJ., concurring.

[2] Petition, Annex "A", supra, Note 1, at pp. 32-35.

[3] Docketed as CA-G. R. SP No. 39077, CA Rollo, pp. 1-32.

[4] Supra, Note 1.

[5] Petition filed on March 3, 1997, Petition, Rollo, pp. 9-30.

[6] Cristobal v. Court of Appeals, 353 Phil. 320, 326 [1998]; Sarmiento v. Court of Appeals, 353 Phil. 834, 845-846 [1998]; Concepcion v. Court of Appeals, 324 SCRA 85, 91 [2000], citing Congregation of the Virgin Mary v. Court of Appeals, 353 Phil. 591, 597 [1998] and Sarmiento v. Court of Appeals, supra; Arriola v. Mahilum, 337 SCRA 464, 469 [2000]; Bolanos v. Court of Appeals, 345 SCRA 125, 130-131 [2000].

[7] Atillo v. Court of Appeals, 334 Phil. 546, 555 [1997].

[8] Cebu Shipyard and Engineering Works, Inc. v. William Lines, Inc., 366 Phil. 439, 452 [1999].

[9] Rollo, pp. 36-40.

[10] Article 1391, Civil Code; Lebrilla v. Intermediate Appellate Court, 180 SCRA 188, 192-193 [1989]; Bael v. Intermediate Appellate Court 116 SCRA 617,624 [1989].

[11] In CA-G. R. SP No. 30077.

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