

**NOLITO D. SOLMAYOR, VICENTE LASTIMA, JUANITO B. SUAREZ,
GERVACIO BATAUSA (DEC.) REPRESENTED BY ANTONIO BATAUSA,
VICTORIANO CANDIA, PRIMITIVO BORRES (DEC.) REPRESENTED BY
ROGELIO...**

G.R. NO. 153817. March 31, 2006

Ponente: CHICO-NAZARIO, J.

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CHICO-NAZARIO, J.:

Before Us is a Petition for Review on Certiorari under Rule 45 of the Rules of Civil Procedure assailing the Decision[1] of the Court of Appeals which affirmed the Decision[2] of the Office of the President reversing the Order[3] of the Department of Agrarian Reform (DAR) which dismissed herein respondent's appeal from the order dated 19 May 1989 of the Regional Director of DAR Region XI dismissing the petition filed by Antonio Arroyo for the cancellation of Certificates of Land Transfer (CLTs) issued to herein petitioners.

On 23 November 1978, respondent Arroyo received a letter from the legal officer of the then Ministry of Agrarian Reform (now DAR) informing him that his land with an aggregate area of 9.8038 hectares situated at Matina, Davao City, was the subject of Operation Land Transfer (OLT) under Presidential Decree No. 27, which took effect on 21 October 1972. Likewise, he was advised that he could apply for the conversion of the land to residential or other urban purposes in accordance with applicable laws. In a letter dated 16 January 1979, then Team Leader I of the Ministry of Agrarian Reform notified respondent that based on the parcellary map sketching conducted by the Agrarian Reform and the Bureau of Lands, the subject property was covered by the OLT program since the area thereof, which was tenanted at that time, was more than seven hectares.

Based on an Indorsement issued by the City Zoning and Development Officer on 5 July 1979 certifying that the property is "partly zonified as Residential Class "A" and "B," Commercial and Open Space x x x as per existing Zoning Ordinance of Davao City," respondent applied for the conversion of the land to residential subdivision on 24 July 1979. Attached to the said application were documents issued by different government agencies such as the Human Settlements Regulatory Commission (precursor of the Housing and Land Use Regulatory Board [HLURB]), Bureau of Soils and the City of Davao, showing that said land has been classified as residential.

Acting on said application, DAR local officials conducted a series of conferences between respondent, through his representative, and herein petitioners as occupants of the property, purposely to reach a settlement for the latter's relocation, award of respective homelots, and the payment of disturbance compensation as a consequence of the conversion. However, no final agreement was reached between the parties. This prompted the Agrarian Reform Technologist of Davao City to propose that the tenants on the land be accorded the benefits of Presidential Decree No. 27 or that the matter be referred to the Bureau of Agrarian Legal Assistance for proper action.

Without first resolving respondent's application for conversion, the then Ministry of Agrarian Reform issued in November 1984 the questioned CLTs in favor of petitioners. Upon knowledge of said issuance, respondent filed a petition for the cancellation of said CLTs on 27 August 1985 on the ground that the subject land was, and still is,

residential property and thus, beyond the coverage of Presidential Decree No. 27. Furthermore, respondent denies the existence of a tenancy relationship between him and petitioners.

On 8 August 1988, respondent, through his attorney-in-fact, made a Voluntary Offer to Sell his entire landholding, including the subject property, to the government in accordance with the provisions of Republic Act 6657 or the Comprehensive Agrarian Reform Law of 1988. As a consequence thereof, the Regional Director of DAR Region XI issued an Order dated 19 May 1989 dismissing respondent's petition for cancellation of CLTs. According to said Order, "with the offer made by petitioner, the issue in this petition, whether or not the subject properties are within the land transfer coverage, becomes moot and academic." [4] Respondent appealed said Order to the Office of the Secretary of Agrarian Reform praying that it be set aside and that the CLTs be cancelled. Meanwhile, in 1990, the DAR issued Emancipation Patents to petitioners as the identified farmer-beneficiaries on the land.

In an Order dated 19 July 1994, then DAR Secretary Ernesto Garilao dismissed respondent's appeal and upheld the validity of the Emancipation Patents awarded to petitioners. According to the Secretary:

Going to the first issue, this Office so holds that the landholding in question are agricultural as of October 21, 1972 despite the fact that the same have been declared for tax purposes as residential. The Memorandum dated May 17, 1993 which contains the investigation report of the DAR personnel who conducted the ocular inspection and investigation explicitly shows that when Presidential Decree No. 27 took effect the actual use of the land is agricultural. This fact is further buttressed when petitioner, in his letter dated August 8, 1988 manifested his desire to voluntarily offer to sell the properties in question to the Department of Agrarian Reform, declaring that the subject landholdings are productive and suitable to agricultural production.

The fact that there is a certification from the HLURB that the property has been rezoned to residential use is of no moment. It must be observed that the notion that real property which is already classified as residential or commercial, is no longer agricultural land, is found in Section 3 of R.A. 6657. In other words, the property was still agricultural at the time of the promulgation of P.D. 27, and the rights of the tenant farmers shall have vested by then, and future reclassification could not derogate such vested rights.

Anent the second issue, records show that sharing was established as per receipts submitted during the investigation by Primitivo J. Borres, overseer of the subject landholding. Records further disclosed that the agricultural produce were received by Melencio A. Gumtang and Bonifacio P. Bernardino, administrators of Antonio Arroyo's properties in Matina, Davao City. The contention of the petitioner that there was no consent extended by him to the respondents is not well-taken. As borne out by the records, overseer Primitivo J. Borres permitted the tilling of the land by the respondents hence, the landowner-petitioner in the present case is chargeable with knowledge through his overseer of such cultivation. Under Section 7 of Republic Act No. 1199, as amended, tenancy relationship may be established either verbally or in writing, expressly or impliedly.

x x x x

WHEREFORE, premises considered, Order is hereby issued dismissing the instant petition for utter lack of merit. The validity of the issuance of the Emancipation Patents (EPs) to the tenants is hereby affirmed. [5]

Respondent's Motion for Reconsideration was subsequently denied in an Order dated 7 August 1996, prompting respondent to file an appeal before the Office of the President. In a Decision dated 17 November 2000, the Office of the President reversed the order of the DAR Secretary and declared the 9.8 hectares outside the coverage of Presidential Decree No. 27, to wit:

The crux of this case is whether or not grounds exist to warrant the cancellation of CLTs and EPs issued to appellees as the identified tenant-beneficiaries on the land. The determination of this issue in turn hinges on the

question of whether or not the subject land is exempt under OLT coverage of PD 27.

In the recent case of *Eudisia Daez vs. Court of Appeals*, G.R. No. 133507, February 17, 2000, the Supreme Court set forth the requirements for coverage under the OLT program in this wise:

"PD 27, which implemented the Operation Land Transfer (OLT) Program, covers tenanted rice or corn lands. The requisites for coverage under the OLT Program are the following: (1) the land must be devoted to rice or corn crops; and (2) there must be a system of share-crop or lease tenancy obtaining therein. If either requisite is absent, a landowner may apply for exemption. If either for [sic] those requisites is absent, the land is not covered under OLT.

x x x x

Thus, on one hand, exemption from coverage of OLT lies if: (1) the land is not devoted to rice or corn crops even if it is tenanted; or (2) the land is untenanted even though it is devoted to rice or corn crops."

Guided by the foregoing, it is essential to determine whether or not tenancy relationship exists between Mr. Arroyo and the appellees. In the absence of the all important element of tenancy, the subject land falls outside OLT coverage of PD 27 even if incidentally it is devoted to rice and/or corn. In the case of *Prudential Bank vs. Gapultos*, 181 SCRA 160 [1990], the Supreme Court lists the requisites essential for the establishment of tenancy relationship, thus:

"The essential requisites of tenancy relationship are: (1) the parties are the landowner and the tenant; (2) the subject is agricultural land; (3) there is consent; (4) the purpose is agricultural production; (5) there is personal cultivation; and (6) there is sharing of harvests. All these requisites must concur in order to create a tenancy relationship between the parties. The absence of one does not make an occupant of a parcel of land, or a cultivator thereof, or a planter thereon, a de jure tenant. Unless a person has established his status as a de jure tenant, he is not entitled to security of tenure nor is he covered by Land Reform Program of the government under existing tenancy laws."

x x x x

Applying the above-stated requirements in the case at bar, we find the absence of tenancy relationship between the parties. Firstly, subject land is not an agricultural land, as the term is understood. Uncontroverted evidence shows that the subject land had been classified as residential/commercial even prior to the effectivity of PD 27. Per Official Zoning Map of the City of Davao adopted under Resolution No. 711, Ordinance No. 281, s. of 1972 (p. 243, Records), the land was classified as "Commercial Zone and Residential Zone Class B". This classification confirmed the residential character of the subject land as appearing in Mr. Arroyo's tax declarations filed way back in 1968 (pp. 187-190, Records). x x x

The residential character of the subject property is likewise confirmed by the following government agencies or offices:

1. The Housing and Land Use Regulatory Board (HLURB), Davao City, which issued a Zoning Certification to the effect that the subject land is within the Residential/Commercial Zone under the Zoning Ordinance of Davao City adopted through a Sangguniang Bayan Resolution and ratified by the HLURB, through Board Resolution No. 39-4, s. of 1980 dated July 31, 1980 (p. 208, Records).
2. The Office of the Zoning Administrator, City of Davao, certifying to the effect that the subject land is within a Residential Zone Class "B" in the Zonification Ordinance of Davao City (p. 126, Records).
3. The Bureau of Soils of then Ministry of Agriculture, Davao City, which submitted a Certification to the effect that the subject land is suitable for urban use/housing projects (p. 127, Records).
4. The Office of the City Planning and Development Coordinator, Office of the Zoning Administrator, certifying to the effect that the subject land was classified as Major Commercial Zone (C-2) and High Density Residential Zone (R-2) in the City Ordinance No. 363, s. of 1982 or better known as Expanded Zoning

Ordinance of Davao City (p. 160, Records). To cap it all, even the DAR Provincial Task Force on Illegal Conversion, after conducting on April 10, 2000 an investigation on the reported illegal conversion of the subject land, admitted on its report of June 2, 2000 that it is no longer agricultural, it being classified as commercial and residential zones. Consequently, they ruled out any act of illegal conversion.

Secondly, the records show that the land in dispute was never intended for agricultural production. For one, no agricultural improvements were introduced upon the land since its acquisition by Mr. Arroyo in 1951. In fact, for more than a decade since 1972, the disputed land was subject of numerous business proposals (attached to Appeal/Memorandum) from various land developers for purposes of developing it into a residential and commercial area. For another, the subject property is situated in a commercial and residential area. As the records show, it is adjacent to the Government Service and Insurance System (GSIS) subdivision and other residential or commercial establishments, and surrounded by GSIS Heights, Villa Josefina Subdivision, Flores Village, Central Park Subdivision, Poly Subdivision, San Miguel Village, New Matina Golf Club, Davao Memorial Park, Shrine of the Infant Jesus, Matina Public Market and Venees hotel.

The fact that appellees may perhaps have planted rice or corn on the said land, situated in the middle of what appears to be a fast growing residential and business area in the heart of a metropolitan area, is of little moment. Such agricultural activity cannot, by any strained interpretation of law, amount to converting the land in question into agricultural land and subject it to the agrarian reform program of the government. The Supreme Court in *Hilario vs. Intermediate Appellate Court* (supra) held that:

"x x x. But even if the claim of the private respondent that some corn was planted on the lots is true, this does not convert residential land into agricultural land.

The presumption assumed by the appellate court, that a parcel of land which is located in a poblacion is not necessarily devoted to residential purposes, is wrong. It should be the other way around. A lot inside the poblacion should be presumed residential, or commercial or non-agricultural unless there is clearly preponderant evidence to show that it is agricultural." (underlining supplied)

Clearly, therefore, two (2) requisites — that the land is agricultural and that the purpose thereof is agricultural production — necessary to establish the existence of tenancy relationship between Mr. Arroyo and the appellees are absent. On the other requirements for the creation of tenancy relationship, suffice it to reiterate the well-established rule that "[A]ll these requisites must concur in order to create a tenancy relationship between the parties. The absence of one does not make an occupant of a parcel of land, or a cultivator thereof, or a planter thereon, a de jure tenant. Unless a person has established his status as a de jure tenant, he is not entitled to security of tenure nor is he covered by Land Reform Program of the government under existing tenancy laws" (*Prudential Bank v. Gapultos*, supra).

As appellees are not de jure tenants of Mr. Arroyo, the ineluctable conclusion is that the subject land is outside OLT coverage under PD 27. The issuance, therefore, of CLTs and EPs in favor of the appellees was without legal basis. They must perforce be cancelled. It should be stressed that the recipients of CLT and EP issued pursuant to PD 27 do not necessarily acquire vested rights over the landholding subject thereof. The propriety of canceling a CLT and EP, in case of a finding that the land is outside the coverage of PD 27, is recognized and is in fact provided for in DAR Administrative Order No. 02, s. of 1994 entitled Rules Governing the Correction and Cancellation of Registered/Unregistered Emancipation Patents (EPs), and Certificates of Land Ownership Award (CLOAs) Due to Unlawful Acts and Omissions or Breach of Obligations of Agrarian Reform Beneficiaries (ARBs) and for Other Causes, which provides that:

"Under Presidential Decree No. 27, Executive Order No. 228, and Republic Act No. 6657, tenants, farmers, and regular farmworkers have the right to own directly the land they till. Ownership shall be evidenced by either an Emancipation Patent (EP) or Certificate of Landownership Award (CLOA)

x x x x

EPs/CLOAs issued to ARBs may be corrected and cancelled for violations of agrarian laws, rules and regulations. This includes cases of lands which are found to be exempt/excluded from P.D. No. 27/E.O. No. 228 or CARP coverage, or part of the landowner's retained areas. All rights which accrue to the ARB upon cancellation may be forfeited and the amortization they have paid may be refunded."

WHEREFORE, foregoing premises considered, the assailed DAR orders dated July 19, 1994 and August 7, 1996 are hereby REVERSED and SET ASIDE and a new one entered declaring the 9.8-hectare land in question outside the Operation Land Transfer coverage of Presidential Decree No. 27.[6]

Aggrieved by the decision of the Office of the President, petitioners filed a Petition for Review before the Court of Appeals, maintaining that the Office of the President erred in finding that the subject landholding has been classified as non-agricultural prior to the effectivity of Presidential Decree No. 27 and not primarily devoted to rice or corn crops, and that the farmer-beneficiaries are not tenants of respondent.

In a decision dated 11 January 2002, the appellate court denied petitioners' appeal and affirmed the decision of the Office of the President. The Court of Appeals disposed of the issues in this wise:

The petition is bereft of merit.

x x x x

For Us to determine whether the subject property is within the coverage of Presidential Decree No. 27, We are lifting the pertinent provision of paragraph 5 of P.D. 27 which states in no uncertain terms that:

x x x x

This (P.D. 27) shall apply to tenant farmers of private agricultural lands primarily devoted to rice and corn under a system of share-crop or lease tenancy, whether classified as landed or not."

Thus, from the provision of the above-cited decree, as amended by R.A. 6657, land coverage thereof only applies when two (2) conditions concur, a) the agricultural land is planted with rice and corn; and b) the existence of a tenancy relationship between the landowner and the tenant-farmer.

As correctly argued by the respondent herein, and so ruled by the Office of the President, the subject property is not a private agricultural land as specifically required under the aforequoted provision of P.D. 27, as amended. Uncontroverted evidence shows that the subject property had already been classified as residential/commercial even prior to the effectivity of P.D. 27. Per Official Zoning Map of the City of Davao adopted under Resolution No. 711, Ordinance No. 281, s. of 1972 (p. 243, Records), the land was classified as "Commercial Zone and Residential Zone Class B". This classification confirmed the residential character of the subject land as appearing in Mr. Arroyo's tax declarations filed way back in 1968 (pp. 187-190, Records). Furthermore, in support of its factual findings, the Office of the President rightfully considered several certifications issued by various government agencies, both local and national, which confirmed the residential character of the property in question, to wit:

- The Housing and Land Use Regulatory Board (HLURB), Davao City, which issued a Zoning Certification to the effect that the subject land is within the Residential/Commercial Zone under the Zoning Ordinance of Davao City adopted through a Sangguniang Bayan Resolution and ratified by the HLURB, through Board Resolution No. 39-4, s. of 1980 dated July 31, 1980 (p. 208, Records).
- The Office of the Zoning Administrator, City of Davao, certifying to the effect that the subject land is within a Residential Zone Class "B" in the Zonification Ordinance of Davao City (p. 126, Records).
- The Bureau of Soils of then Ministry of Agriculture, Davao City, which submitted a Certification to the effect

that the subject land is suitable for urban use/housing projects (p. 127, Records).

- The Office of the City Planning and Development Coordinator, Office of the Zoning Administrator, certifying to the effect that the subject land was classified as Major Commercial Zone (C-2) and High Density Residential Zone (R-2) in the City Ordinance No. 363, s. of 1982 or better known as Expanded Zoning Ordinance of Davao City (p. 160, Records).

- DAR Provincial Task Force on Illegal Conversion Report dated 02 June 2000, which unequivocally stated that the subject land is no longer agricultural, it being classified as commercial and residential zones. Consequently, said Task Force ruled out any act of illegal conversion.

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As We have already exhaustively discussed above, and in the light of Our findings sustaining the stance of the Office of the President, that the subject property is not classified as an agricultural land, such fact alone is sufficient justification that the petitioners are not de-jure tenants. Apropos thereto, the petitioners are not entitled to the Emancipation Patents issued in their favor. It must perforce be nullified and cancelled.

x x x x

WHEREFORE, in view of the foregoing, the instant petition is DENIED. Accordingly, the decision of the Office of the President dated 17 November 2000 in OP Case No. 96-L-6682 is hereby AFFIRMED.[7]

Petitioners' Motion for Reconsideration having been denied, petitioners filed the instant petition before us raising the following assignments of error:

- That the Court of Appeals has palpably erred in ruling that the parcels of land covered by various Emancipation Patents issued in favor of the Petitioners, pursuant to Presidential Decree No. 27, were non-agricultural;
- That the Court of Appeals has palpably erred in basing its determination of the classification of the subject land on its "actual land classification" rather than its "actual use";
- That the Court of Appeals has palpably erred and gravely abused its discretion in not properly and correctly appreciating the acts of Respondent Arroyo — seeking conversion of the subject landholdings to residential subdivision and in making a Voluntary Offer to Sell the subject parcels of land to the government pursuant to the provision of the Comprehensive Agrarian Reform Law (CARL) of 1988 — as admissions of the fact that subject landholdings were indeed agricultural;
- That the Court of Appeals has palpably and gravely abused its discretion in dismissing the claim of petitioners that they were tenants of the lands covered by the said Emancipation Patents.

Preliminarily, respondent, in his Comment, and again reiterated in his Memorandum, argues that the instant petition is defective and must be dismissed for failure to comply with Section 5, Rule 7 of the Rules of Court which requires the plaintiff or principal party to make a certification under oath in the initiatory pleading against forum shopping. Respondent maintains that since the signatures of only four of the twelve petitioners appear on the certification against forum shopping attached to the petition, the petition is defective as petitioners have failed to comply with the requirements of the aforementioned Rule and thus warrants the dismissal of the case.

While we may agree with respondent's contention that the absence of the signatures of the eight other petitioners in the certification against forum shopping causes the petition to be defective and is therefore a valid cause for the dismissal of the instant petition, this conclusion, however, will not deter this Court from proceeding with the

judicial determination of the important legal issues herein. The Court has stressed that the rules on forum shopping were designed to promote and facilitate the orderly administration of justice and thus should not be interpreted with such absolute literalness as to subvert its own ultimate and legitimate objective.[8] The strict compliance with the provisions regarding the certificate of non-forum shopping merely underscores its mandatory nature in that the certification cannot be altogether dispensed with or its requirements completely disregarded.[9] It does not thereby prohibit substantial compliance with provisions under justifiable circumstances.[10] All petitioners as occupants of respondent's land filed the instant petition as a collective group, raising the same arguments to defend their rights. There is sufficient basis, therefore, for the four petitioners to speak for and in behalf of their co-petitioners that they have not filed any action or claim in another court or tribunal involving the same issues.[11] Thus, the execution of the certificate against forum shopping by only four petitioners in behalf of the co-petitioners constitute substantial compliance.[12]

Furthermore, we must bear in mind that procedural rules are intended to ensure the proper administration of law and justice. The rules of procedure ought not to be applied in a very rigid, technical sense, for they are adopted to help secure, not override, substantial justice.[13] A deviation from its rigid enforcement may thus be allowed to attain its prime objective, for after all, the dispensation of justice is the core reason for the existence of courts.[14] Moreover, we cannot shy away from our constitutionally mandated duty to questions of law set forth in this petition which hinges on the determination of the rights of herein litigants in the light of a very important piece of social legislation, Presidential Decree No. 27, which aims for the equitable distribution and ownership of land, without disregarding the property rights of landowners. Thus, for pragmatic reasons and consideration of justice and equity, the Court must put to rest the issues presented before us.

Respondent further contends, and the same is admitted by petitioners, that the settlement of the issues assailed in this petition centers on the review of certain facts which, as a general rule, may not be raised in petitions for review under Rule 45 of the Rules of Court. This Court, in numerous instances have had occasion to explain that it is not the function of this Court to analyze or weigh evidence all over again. As a rule, the Court respects the factual findings of the Court of Appeals and quasi-judicial agencies like the DAR, giving them a certain measure of finality.[15] However, we have ruled that factual findings of a quasi-judicial institution which are not supported by substantial and credible evidence do not bind this Court, e.g. the findings and conclusions have no basis in the records or are contrary to the evidence on record or the factual determinations of an appellate body are contrary to those of the initial fact-finding agency.[16] Moreover, we have outlined several instances when this Court may resolve factual issues, such as: 1) when the findings are grounded entirely on speculation, surmises, or conjectures; 2) when the inference made is manifestly mistaken, absurd or impossible; 3) when there is grave abuse of discretion; 4) when the judgment is based on a misapprehension of facts; 5) when the findings of facts are conflicting; 6) when in making its findings, the Court of Appeals went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee; 7) when the findings are contrary to the trial court; 8) when the findings are conclusions without citation of specific evidence on which they are based; 9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondent; 10) when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; or 11) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion.[17]

Records demonstrate that the findings of fact of the DAR, the quasi-judicial agency which first resolved the instant case, differ from that of the Office of the President and the Court of Appeals, the appellate bodies which reviewed such findings. Therefore, based on the exceptions enumerated above, it is clear that due to the disparity between the findings of fact of the DAR on one hand and the Office of the President and the Court of Appeals on the other, the Court may review the facts of this case based on the evidence presented by both parties.

Having discussed the preliminary matters, we now endeavor to resolve the crux of this case. As pointed out by the Office of the President, the pivotal issue which must be settled in this petition is whether or not the subject landholding is covered by the Operation Land Transfer under Presidential Decree No. 27. Simply put, we must determine whether or not respondent's property is agricultural land devoted primarily to rice and/or corn and whether or not there is a tenancy relationship between petitioners and respondent.

We agree with the petitioners that the date of reckoning as to whether or not the subject property is classified as agricultural is before or at the time of passage of Presidential Decree No. 27 on 21 October 1972 and not after such date. Thus, it is only proper that the Court examine the pieces of evidence that could shed light to the proper classification of the subject property at the time, or at the very least within close proximity in point of time, of the passage of the aforementioned law.

To support their stance, petitioners maintain that the landholding has been more than substantially established as agricultural by virtue of a Memorandum dated 17 May 1993 containing the Investigation Report of the DAR personnel who conducted the ocular inspection and investigation showing that the actual use of the land is agricultural being primarily devoted to rice and corn crops.

In contrast, respondent offers for consideration several documents to bolster its position that subject land is residential, namely: 1) copies of the Declaration of Real Property (tax declaration) filed by respondent as early as 1968 indicating therein that the subject property is residential;^[18] 2) a Certification dated 3 July 1979 by the Bureau of Soils stating that the land is suitable for urban use and for housing projects;^[19] 3) a copy of the Preliminary Approval and Locational Clearance granted by the Human Settlements Regulatory Commission dated 12 January 1982 indicating therein that the land is primarily coco land and residential and suitable for the proposed residential subdivision;^[20] 4) a Certification from the Office of the Zoning Administrator of Davao City dated 10 December 1981 to the effect that the property per Zonification Ordinance of Davao City is within a Residential Zone Class "B";^[21] 5) a Zoning Certification issued by the Housing and Land Use Regulatory Board (HLURB) dated 4 March 1991 certifying that the land is within the Residential/Commercial Zones under zoning ordinance of Davao City adopted through a Sangguniang Bayan Resolution and ratified by the HLURB, through Board Resolution No. 39-4, s. of 1980, dated 31 July 1980;^[22] 6) a Certification from the Office of the City Planning and Development Coordinator, Office of the Zoning Administrator, dated 26 March 1991 to the effect that the subject land was classified as Major Commercial Zone (C-2) and High Density Residential Zone (R-2) in the City Ordinance No. 363, s. of 1982, or better known as Expanded Zoning Ordinance of Davao City;^[23] 7) a Certification from the Office of the City Planning and Development Coordinator of Davao City dated 16 February 1996 that per Official Zoning Map of the City of Davao adopted under Resolution No. 711, Ordinance No. 281, Series of 1972, the subject property is within two zones classification namely: Commercial Zone and Residential Zone Class B;^[24] and 8) the Report of the DAR Provincial Task Force on Illegal Conversion dated 2 June 2000, ruling out any act of illegal conversion as the subject land is classified as commercial and residential zones.

Although this Court will not disregard the evidence presented by petitioners that the land is devoted to rice and corn crops in 1993, when the ocular inspection by the DAR personnel was conducted, it must be noted that around the time of the passage of Presidential Decree No. 27 up to 1978, when the subject property was placed under the coverage of Operation Land Transfer, the available evidence issued and certified by the different government agencies, closer in time to the mentioned time frame will show that respondent's property has, indeed, been classified as within the residential and commercial zones of Davao City. It cannot escape the notice of this Court that more than a decade before the issuance of the said ocular investigation report stating that the land is devoted to agricultural production, government agencies equipped with the technical expertise to determine the proper classification of the subject land have already determined that the land is part of the residential and commercial

zones of Davao City making it suitable for other urban use. Therefore, it is only reasonable to conclude, based on the certification of various executive agencies issued when this controversy arose, that at the time of the passage of Presidential Decree No. 27, respondent's property was not agricultural.

Well settled is the principle that by reason of the special knowledge and expertise of administrative agencies over matters falling under their jurisdiction, they are in a better position to pass judgment thereon; thus their findings of fact in that regard are generally accorded great respect, if not finality, by the courts.[25] Accordingly, since specialized government agencies tasked to determine the classification of parcels of land, such as the Bureau of Soils and the HLURB, among other agencies, have already certified that the subject land is residential/commercial, the Court must accord such conclusions great respect, if not finality, in the absence of evidence to the contrary.

Based on the foregoing, we thus conclude that at the time of the passage of Presidential Decree No. 27, the subject land consisting of 9.8038 hectares was not agricultural.

As to the issue of whether or not there exists a tenancy relationship between petitioners and respondents, we sustain the findings of both the Court of Appeals and the Office of the President that petitioners are not de jure tenants of respondent.

The case of *Caballes v. Department of Agrarian Reform*[26] outlines the essential requisites of a tenancy relationship which must all concur in order to create a tenancy relationship between parties, to wit:

1. The parties are the landowner and the tenant;
2. The subject is agricultural land;
3. There is consent;
4. The purpose is agricultural production;
5. There is personal cultivation; and
6. There is sharing of harvests.

The absence of one does not make an occupant of a parcel of land, or a cultivator thereof, or a planter thereon, a de jure tenant.[27] This is so because unless a person has established his status as a de jure tenant, he is not entitled to security of tenure nor is he covered by the Land Reform Program of the Government under existing tenancy laws.[28] The subject land not being agricultural, the requirements for the creation of a tenancy relationship is thus lacking. Moreover, the Court has had the occasion to state that the key factor in ascertaining whether or not there is a landowner-tenant relationship in this case is the nature of the disputed property.[29] Accordingly, having earlier concluded that the subject landholding is not agricultural, we must conclude that petitioners are not de jure tenants of respondent and are, therefore, not entitled to the benefits of Presidential Decree No. 27.

WHEREFORE, premises considered, the instant petition is hereby DENIED. The Decision of the Court of Appeals is hereby AFFIRMED. Costs against petitioner.

SO ORDERED.

Panganiban, CJ, (Chairperson), Ynares-Santiago, Austria-Martinez, Callejo, Sr., and Chico-Nazario, JJ., Concur.

[1] CA-G.R. SP No. 63180, dated 11 January 2002, penned by Associate Justice Bienvenido L. Reyes with Associate Justices Cancio C. Garcia (now a member of this Court) and Roberto A. Barrios, concurring.

[2] OP Case No. 96-L-6682, dated 17 November 2000.

[3] Dated 19 July 1994, penned by then Secretary of the Department of Agrarian Reform Ernesto D. Garilao.

[4] See DAR Order dated 19 July 1994, Annex "C" of Petition, rollo, p. 48.

[5] Id., pp. 50-52.

[6] CA Rollo, pp. 33-36.

[7] Rollo, pp. 37-45.

[8] HLC Construction and Development Corporation v. Emily Homes Subdivision Homeowners Association, G.R. No. 139360, 23 September 2003, 411 SCRA 504, 508, citing Bank of the Philippine Islands v. Court of Appeals, 450 Phil. 532, 540 (2003); Cavile v. Heirs of Cavile, 448 Phil. 302, 311 (2003); Twin Towers Condominium Corporation v. Court of Appeals, 446 Phil. 208, 298 (2003).

[9] Cavile v. Heirs of Cavile, 448 Phil. 302, 311 (2003).

[10] Id.

[11] Id.

[12] Id.

[13] Morales v. The Board of Regents of the University of the Philippines, G.R. No. 161172, 13 December 2004, 446 SCRA 227, 238-239, citing A-One Feeds, Inc. v. Court of Appeals, G.R. No. L-35560, 30 October 1980, 100 SCRA 590, 594.

[14] Morales v. the Board of Regents of the University of the Philippines, G.R. No. 161172, 13 December 2004, 446 SCRA 227, 239; citing Tamayo v. Court of Appeals, G.R. No. 147070, 17 February 2004, 423 SCRA 175, 178.

[15] Orcino v. Civil Service Commission, G.R. No. 92869, 18 October 1990, 190 SCRA 815, 819.

[16] Id., citing Insular Life Assurance Co. Ltd. Employees Association-Natu v. Insular Life Assurance Co. Ltd., G.R. No. L-25291, 10 March 1977, 76 SCRA 50, 53.

[17] Almendrala v. Ngo, G.R. No. 142408, 30 September 2005, 471 SCRA 311, 322.

[18] Records, pp. 183-190.

[19] Id., p. 127.

[20] Id., p. 128.

[21] Id., p. 126.

[22] Id., p. 208.

[23] Id., p. 160.

[24] Id., p. 243.

[25] Bulilan v. Commission on Audit, 360 Phil. 626, 634 (1998), citing Villaflor v. Court of Appeals, 345 Phil. 524, 562 (1997).

[26] G.R. No. L-78214, 5 December 1988, 168 SCRA 247, 254.

[27] Id.

[28]Spouses Cayetano and Patricia Tiongson v. Court of Appeals, 215 Phil. 430, 437 (1984).

[29] Id.

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