

REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE SOCIAL SECURITY SYSTEM, PETITIONER, VS. JERRY V. DAVID, RESPONDENT.

G.R. No. 155634. August 16, 2004

Ponente: PANGANIBAN, J.

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PANGANIBAN, J.:

Under the terms of the subject Contract, “actual possession” cannot be equated with “actual occupancy.” Inasmuch as the housing unit was physically occupied by parties other than those intended to be benefited by the housing program of the Social Security System, there was a clear violation of the Contract. Since respondent did not comply with his obligations, rescission is proper.

The Case

Before us is a Petition for Review[1] under Rule 45 of the Rules of Court, assailing the October 9, 2002 Decision[2] of the Court of Appeals (CA) in CA-GR CV No. 61374. The appellate court disposed as follows:

“WHEREFORE, the instant appeal is DENIED for lack of merit. The decision of the Regional Trial Court, Quezon City, Branch 105, in Civil Case No. Q-96-27031 is hereby AFFIRMED.”[3]

The Facts

The CA narrated the facts thus:

“x x x [Respondent] Jerry V. David is an employee of the SSS, formerly assigned at its Membership (Backroom) Department. Pursuant to its Employees’ Housing Loan Program, SSS awarded David a house and lot located at North Fairview, Quezon City. A Deed of Conditional Sale over the subject property was thereafter executed between the parties.

“On reports that numerous violations have been committed by some of the housing awardees in connection with the conditions governing their sales, SSS conducted an investigation on the matter. The investigation revealed that in the case of [Respondent] David, he committed two (2) violations of his deed of conditional sale, to wit: (1) neither the [respondent] nor his immediate family resided and/or occupied the said housing unit, and (2) he allowed a certain Buenaventura Penus to possess and occupy the property.

“As a consequence of these violations, SSS sent a letter to David formally revoking, terminating and/or rescinding the deed of conditional sale. However, the latter refused to vacate and surrender possession of the subject property, prompting SSS to institute a complaint with the Quezon City RTC on March 28, 1996 revoking the deed of conditional sale and likewise praying for the issuance of a writ of possession in its favor.

“During the pre-trial of the case, the court observed that while the complaint was captioned ‘Petition for Recovery of Possession with [P]rayer for Issuance of a Writ of Possession,’ an examination of its body shows that the prayer was actually for the rescission of the deed of conditional sale. For this reason, the court ordered the amendment of the complaint and in compliance thereto, [petitioner] submitted its amended complaint on March 19, 1997.

“[Respondent] David denied the alleged violations of the deed of conditional sale, stating that Buenaventura Penus, alluded to by the [petitioner] as possessor-occupant of the subject property, was in fact a caretaker until and after the necessary renovations and modifications on the house were made.

“In a [D]ecision dated July 1, 1998, the court a quo dismissed the complaint and adjudged the [petitioner] liable for costs. The dispositive portion of the trial court’s decision reads:

‘WHEREFORE, in the light of the foregoing, the Amended Complaint is dismissed, with costs against the plaintiff.

‘SO ORDERED.’

“In dismissing the complaint, the court ruled that the [petitioner] failed to prove that the [respondent] purchased the subject property for the use and benefit of another undisclosed party and not for his exclusive use, or that the defendant sold, assigned, encumbered, mortgaged, leased, subleased or in any manner altered or disposed of the subject property or his rights thereto at any other time. In arriving at its [D]ecision, the lower court considered the testimony of the [respondent] that when the subject property was delivered to him on October 23, 1992, the unit was not habitable so he had to make a few constructions thereon. He secured the services of his cousin, Buenaventura Penus, to be the caretaker while construction on the house was going on. With this, the court concluded that possession, as a condition of the deed of sale between the parties, was sufficiently satisfied.

“Aggrieved, [Petitioner] SSS brought [an] appeal [to the CA], arguing that the court a quo erred in holding that [respondent] did not violate the terms and conditions of the Deed of Conditional Sale and in consequently dismissing the case.”[4]

Ruling of the Court of Appeals

Affirming the trial court, the CA ruled that while other persons had been found occupying the subject property, no proof was adduced by petitioner to prove that they had taken possession of it on their own behalf and not merely as respondent’s caretakers. The appellate court added that because of the squalid condition of the property when it was delivered, respondent had to make improvements thereon as well as ask Penus, and later on Oden Domingo, to stay there as caretakers.

Through his caretakers, respondent was deemed to have occupied and possessed the property as required by the Deed of Sale between him and petitioner. The CA concluded that the property had clearly been subject to respondent’s will, a fact equivalent to possession under Article 531[5] of the Civil Code.

Hence, this Petition.[6]Issues

In its Memorandum, petitioner raises this sole issue: “whether the Court of Appeals committed reversible error in affirming the Decision of the trial court holding that respondent did not violate the terms and conditions of the Deed of Conditional Sale.”[7]

The Court’s Ruling

The Petition is meritorious.

Sole Issue:

Violation of the Terms and Conditions
of the Deed of Conditional Sale

Petitioner avers that respondent violated the terms and conditions of the Deed of Conditional Sale, when he failed to “actually occupy and possess the property at all times”[8] and allowed other persons to do so.[9]

It argues that contrary to the rulings of the trial and the appellate courts, the Deed of Conditional Sale required “actual physical possession at all times,” not just simple possession. It contends that the material occupation of the property by other persons ran counter to the objective of the Social Security System (SSS) housing program to restrict the use and enjoyment of the housing units to SSS employees and their immediate families only.

Petitioner likewise submits that the appellate court erred in believing the claim of respondent that the house was uninhabitable when it was delivered to him in 1992. His claim was belied by his acceptance of the property without protest, as well as by the fact that his alleged caretakers had lived there from 1992 to 1996. Petitioner adds that he should have used his available money to improve the property, if the unit was indeed unlivable, instead of fully settling in advance in December 1992 the unpaid balance of its purchase price.

Propriety of Review

At the outset, the Court stresses that a question of law has arisen from petitioner’s contention that simple possession under Article 531 of the Civil Code is not the same as “actual occupancy and possession at all times,” as required of respondent under the Deed. Such question -- of what law, rule or principle is to govern a given state of facts -- is decidedly one of law.[10] It may be raised in this appeal by certiorari under Rule 45 of the Rules of Court.

Rules of Contract Interpretation

Certain rules of contract interpretation come to mind at this point. First, in construing a contract, it is a fundamental task to ascertain the intention of the contracting parties.[11] As a rule, such intention is determined by looking at the words used -- at all the words rather than at a particular word or two; and at words in context rather than just words standing alone.[12]

Indeed, under Article 1374 of the Civil Code, “the various stipulations of a contract shall be interpreted together, attributing to the doubtful ones that sense which may result from all of them taken jointly.” Second, the ascertained intention of the parties is deemed an integral part of the contract, as though it has been originally expressed in unequivocal terms.[13] And third, the reasonableness of the result obtained, after analysis and construction of a contract, must also be carefully considered.[14]

The conditions that were allegedly violated by respondent are contained in paragraph 10 of the Deed of Conditional Sale, as follows:

“10. The Contract shall further [provide] the following terms and conditions:

(a) The VENDEE is making this purchase for his/her own exclusive use and benefit and not for the use and benefit of another undisclosed party/parties;

(b) The purpose of the sale shall be to aid the VENDEE in acquiring a house and lot for himself/herself and/or his/her immediate family, and not to provide him/her with a means for speculation or profit by a future assignment of his/her right herein acquired or the resale of the PROPERTY subject of this Contract. Therefore, the VENDEE, within the first FIVE (5) years of the existence of this contract agrees not to sell, assign, encumber, mortgage, lease, sub-let or in any manner alter or dispose of the property subject hereof, or his rights thereto, at any time, in whole or in part. After the FIVE (5) year period, VENDEE shall have the right to the full disposal of the property, provided that, VENDEE has been able to fully pay all of his/her obligations herein. However, the foregoing notwithstanding, the VENDEE may x x x at any time with prior consent of the VENDOR transfer his right to the PROPERTY to any eligible employee of the VENDOR, subject, however, to the right of first refusal by the VENDOR who may refund to the VENDEE all of his/her installment payments and the value of substantial improvements introduced by him/her if any, as appraised by the VENDOR;

(c) The VENDEE, and his heirs and/or successors, shall actually occupy and be in possession of the

PROPERTY at all times;

(d) The VENDEE shall not obstruct or interfere in any manner whatsoever with the right of the VENDOR or any of its duly authorized representatives to inspect, survey, repair, lay water pipes, gas, electric and telephone lines or other works of similar purposes;

(e) The VENDEE shall abide by and comply with the Vendor's Occupancy Rules and Regulations the terms and conditions of which are made an integral part hereof by reference, as well as that issued by any other governmental authority which may, from time to time, be promulgated in regard to the use and preservation of the house and lot;

(f) The VENDEE warrants in full the truth of the representation made in his/her Application For EMPLOYEE HOUSING LOAN, the terms of which are likewise made an integral part hereof by reference.

"The violation of any of the conditions herein stipulated shall be considered as a breach of this Contract, and shall subject the VENDEE to the penalties provided for in paragraphs (11) and (12) hereof, including administrative sanctions, when warranted, in the event x x x the VENDEE has been found to have committed a misrepresentation/falsification in his/her application for an Employee Housing Loan." [15]

Actual Occupancy and Possession at All Times

Plainly, the primary intention behind the above-quoted stipulations is to restrict the sale, the use and the benefit of the housing units to SSS employees and their immediate families only. This objective is in line with that of the SSS housing loan program -- to aid its employees in acquiring their own dwelling units at a low cost. [16] Such intent, draws life also from the social justice policy of RA 1161, as amended, otherwise known as the "Social Security System Law" granting direct housing loans to covered employees and giving priority to low-income groups. [17]

Indeed, the above goal is confirmed by the requirement that respondent-vendee and his heirs or assigns must actually occupy and possess the property at all times; by the proscription that he must not sell, assign, encumber, mortgage, lease, sublet or in any manner alter or dispose of the property for the first five (5) years; and by the further proviso that he may alienate or transfer his rights thereto at any time prior to full payment, but only to petitioner under its right of first refusal or to any other eligible SSS employee. These restrictive covenants are undeniably valid under Article 1306 [18] of the Civil Code.

The use of the conjunctive and in subparagraph (c) is not by any chance a surplusage. Neither is it meant to be without any legal signification. Its use is confirmatory of the restrictive intent that the houses provided by petitioner should be for the exclusive use and benefit of the SSS employee-beneficiary.

It is easily discernible, therefore, that both "actual occupancy" and "possession at all times" -- not just one or the other -- were imposed as conditions upon respondent. The word and -- whether it is used to connect words, phrases or full sentences -- must be accepted in its common and usual meaning as "binding together and as relating to one another." [19] And implies a conjunction, joinder or union. [20]

Thus, respondent had to comply with not one, but two, concurring conditions -- actual occupancy and possession at all times. The question is, did he?

We rule that he did not.

No Actual Occupancy

First, actual possession is not the same as actual occupancy. Hence, it was an error on the part of the lower courts

to hold that the requirement of possession alone was a sufficient compliance with the conditions under subparagraphs (a) and (c).

Under the law,[21] “[p]ossession is acquired by the material occupation of a thing or the exercise of a right, or by the fact that it is subject to the action of our will, or by the proper acts and legal formalities established for acquiring such right.” As such, actual possession consists in the manifestation of acts of dominion over property of such a nature as a party would naturally exercise over his own[22] -- as when respondent himself is physically in occupation of the property, or even when another person who recognizes the former’s rights as owner is in occupancy.[23] In short, possession can be either “actual” or merely constructive.

On the other hand, actual occupancy connotes “something real, or actually existing, as opposed to something merely possible, or to something which is presumptive or constructive.”[24] Unlike possession, it can only be actual or real, not constructive.

Second, the uncontroverted fact remains that it was not respondent and/or his immediate family, but Penus and his wife, who had lived in the property since 1992; and that it was from Penus that Domingo took over possession in 1996. Thus, while it may be conceded that respondent “possessed” the property through his caretakers, there is no escaping the fact that he and/or his immediate family did not “actually occupy” it; and that he allowed other persons to benefit from its use. In his letter to SSS Assistant Administrator Amador Monteiro on January 24, 1996,[25] respondent admitted as much, but tried to justify his noncompliance by saying that the property was not in a habitable condition at the time of delivery. This line of defense was sustained by the trial court on the ground of respondent’s allegedly “uncontroverted or un rebutted evidence.”[26]

The RTC’s finding, however, is neither borne out by the records nor by substantial evidence. Hence, it constitutes an exception to the rule that this Court cannot review factual findings.[27]

Indeed, a thorough review of the records reveals that the averments of respondent were ably controverted by denials made by petitioner. Negating his claim that the house was located adjacent to a creek,[28] it lengthily argued against it in the Memorandum it submitted to the trial court. Likewise, it must be stressed that under the Rules of Court,[29] the defense alleged in his Answer is deemed controverted, whether or not petitioner filed a reply.

Moreover, it is a basic rule of evidence that the party asserting an affirmative allegation must prove it.[30] However, all that there is to back up the defense of respondent in this case is his self-serving testimony and that of his witness, Domingo. As to the latter’s testimony, it suffices to say that he could not have affirmed the alleged condition of the unit in 1992, as he took possession of it only in 1996, four years after it had lain exposed to the elements with no improvements whatsoever.

For four years, respondent likewise kept his silence about the purported condition of the unit. He accepted it without any whimper of protest on October 23, 1992, and even paid the housing loan in full in December of the same year. If it was indeed uninhabitable, he should have refused to accept it or immediately protested its condition.

On the other hand, there is enough documentary evidence to debunk his claim. The report of petitioner’s Internal Audit Service[31] significantly established that 509 of the 728 awardees -- presumably situated similarly as he was -- had occupied their units in compliance with the assailed requirement. The Interview Slip[32] submitted in evidence by petitioner also showed that Penus and his wife, and later Domingo, had lived in the unit since 1992. In the face of these facts, it is difficult to believe the defense of respondent. For how could the units be habitable to many others, but not to him?

Likewise, this Court takes judicial notice of the fact that low-cost houses such as those offered by petitioner[33] are usually core or shell units without adequate divisions, ceilings, cabinets, paint and, in some cases, electrical connections -- features that have to be installed, completed or refurbished by the awardees. The idea, of course, is to provide immediate but affordable living spaces that they can work at improving, according to their needs and finances and while living therein. Certainly, at P172,978.85 (the cost of the house and lot in this case), it is but fair to accept the lack of amenities.

Neither can respondent assail the validity of the Contract as a one-sided “take it or leave it” agreement. To begin with, a contract of adhesion -- wherein one party imposes a ready-made form of contract on the other -- is not strictly against the law.[34] The terms of the agreement cannot be modified, but can be freely rejected in its entirety, by the other party. On the other hand, the latter’s adherence thereto would mean consent.[35] We need only to remind respondent that contractual obligations between the parties have the force of law and must be complied with in good faith.[36]

We therefore do not see any reason to discuss respondent’s added arguments, other than to say that the objectives of low-cost housing -- mandated under the social justice provisions of the Constitution[37] -- are too important to be sidetracked by lame, untimely and unfounded excuses. Such excuses do nothing but harm to the salutary efforts of providing the underprivileged and the homeless with cheap but decent houses. It is for this reason that we regard this case as no ordinary skirmish over contractual relations.

Rescission

In view of the foregoing discussion, we rule that rescission of the Contract is the proper recourse. Article 1191 of the Civil Code provides:

“Art. 1191. The power to rescind obligations is implied in reciprocal ones, in case one of the obligors should not comply with what is incumbent upon him.

“The injured party may choose between fulfillment and the rescission of the obligation, with the payment of damages in either case. He may also seek rescission even after he has chosen fulfillment, if the latter should become impossible.”

As noted in previous cases, the rescission contemplated under Article 1191 is a principal action for “resolution,” which is based on a breach by a party of its reciprocal obligations.[38] The present Contract is one of conditional sale -- oftentimes referred to as a contract to sell, wherein ownership or title is retained by the vendor[39] until “full payment by the VENDEE of the full purchase price of the PROPERTY, with all the interest due thereon, as well as taxes and other charges AND upon their faithful compliance with all the conditions of this Contract x x x.”[40]

Although a transfer of ownership or title from the seller to the buyer is normally predicated upon the payment of the purchase price, the parties are nevertheless free to stipulate other lawful conditions by which they bind themselves and upon which transfer of ownership depends.[41] In this case, that other obligation was faithful compliance with the conditions of the Contract. Respondent did not faithfully comply with the conditions under subparagraphs (10)(a) and (c). His noncompliance also constituted a breach of his reciprocal obligations under the Deed.

The Deed itself provides for its annulment and cancellation by reason of a breach of the terms and conditions stipulated therein. Paragraphs 11 and 12 provide thus:

“11. Should the VENDEE violate, refuse or fail to comply with any of the terms and conditions stipulated herein, for whatever reason, or is found to have committed any misrepresentation in his/her application for

EMPLOYEE HOUSING LOAN, this Contract shall be deemed annulled and cancelled without prejudice of the rights of the parties under Republic Act No. 6652, otherwise known as the Maceda Law, and shall entitle the VENDOR to immediately repossess the property as if this Contract was never made; for this purpose, the VENDEE shall be considered and treated as a tenant holding the property without the permission of the VENDOR, and must peacefully vacate the premises immediately upon repossession thereof by the VENDOR. The annulment and cancellation of this Contract and the right of the VENDOR to repossess the property shall become effective upon mere written notice thereof to the VENDEE.

“12. In addition to the consequences stated in the immediately preceding paragraph, the VENDEE shall forfeit in favor of the VENDOR all the installments made, to stand as rent for his/her occupation of the property, likewise subject to the provisions of Republic Act No. 6552.”[42] (*Italics supplied*)

However, this Court holds that the forfeiture provision under paragraph 12 does not apply to the payment made by respondent. The plain and simple reason is that he did not pay the purchase price by installment, but instead paid it in full in December 1992 -- two months after the delivery of the unit. Hence, that payment was beyond the ambit of Republic Act 6552, otherwise known as the Realty Installment Buyer Act or the Maceda Law.

Doctrinally, mutual restitution must follow rescission. Under Article 1385 of the Civil Code, “rescission creates the obligation to return the things which were the object of the contract, together with their fruits, and the price with its interests x x x.”[43] Moreover, “[t]o rescind is to declare a contract void at its inception and to put an end to it as though it never was.”[44] Hence, rescission restores the parties to their relative positions, as if no contract has been made. Paragraph 11, cited above, supports the mutual restitution required in rescission.

Respondent is thus obliged to return the house and lot sold, as well as rental payments he may have earned, if any. On the other hand, petitioner is mandated to refund to him his full payment of P172,978.85 plus legal interest of 6 percent per annum, as well as the value of substantial improvements introduced by him, as appraised by petitioner. Indeed, stipulated in the Deed is such appraisal by the vendor,[45] upon transfer of the property to petitioner or to any of its eligible employees. This condition is reasonably and justly applicable and proper in the present case.

WHEREFORE, this Petition is hereby GRANTED and the assailed Decision SET ASIDE. The Deed of Conditional Sale is CANCELLED. Petitioner is ORDERED to pay respondent P172,978.85, plus the legal interest and the value of any substantial improvements thereon. Respondent is ORDERED to vacate immediately Block 18, Lot 8, SSS Housing, North Fairview, Quezon City; and to surrender possession thereof to petitioner. No costs.

SO ORDERED.

Corona, and Carpio-Morales, JJ., concur.
Sandoval-Gutierrez, J., on leave.

[1] Rollo, pp. 18-63.

[2] *Id.*, pp. 65-70. Penned by Justice Elvi John S. Asuncion and concurred in by Justices Portia Aliño-Hormachuelos (Division chair) and Juan Q. Enriquez Jr. (member).

[3] CA Decision, p. 5; rollo, p. 69.

[4] *Id.*, pp. 1-3 & 65-67.

[5] Article 531 of the Civil Code provides:

“Art. 531. Possession is acquired by the material occupation of a thing or the exercise of a right, or by the fact that it is subject to the action of our will, or by the proper acts and legal formalities established for acquiring such right.”

[6] The Petition was deemed submitted for decision on October 27, 2003, upon the Court’s receipt of petitioner’s Memorandum, signed by Solicitor General Alfredo L. Benipayo, Assistant Solicitor General Fernanda Lampas Peralta and Solicitor Elma M. Rafallo-Lingan. Respondent’s Memorandum, received on September 29, 2003, was signed by Atty. D. D. Fregillana Jr.

[7] Petitioner’s Memorandum, p. 10; rollo, p. 307. Original in upper case.

[8] Condition 10(c) of the Conditional Deed of Sale; rollo, p. 79.

[9] This allegedly violated subparagraph (a) of paragraph (10); *ibid.*

[10] *Western Shipyard Services, Inc. v. CA*, 358 SCRA 257, 264, May 28, 2001; *China Road and Bridge Corporation v. CA*, 348 SCRA 401, 408, December 15, 2000; *Spouses Santos v. CA*, 391 Phil. 739, 748, August 1, 2000.

[11] *American Home Assurance Company v. Tantuco Enterprises, Inc.*, 419 Phil. 201, 211, October 8, 2001; *University Physicians Services, Inc. v. CA*, 381 Phil. 54, 72, January 31, 2000; *Cruz v. CA*, 354 Phil. 1036, 1050, July 27, 1998. See also §12, Rule 130 of the Rules of Court.

[12] *Limson v. CA* 357 SCRA 209, 216, April 20, 2001; *China Banking Corporation v. CA*, 333 Phil. 158, 168, December 5, 1996.

[13] *Carceller v. CA*, 362 Phil. 332, 340, February 10, 1999.

[14] *Id.*, p. 339.

[15] Deed of Conditional Sale, p. 3; rollo, p. 79.

[16] The objective is stated in the Report of the SSS Internal Audit Service dated May 29, 1995, Audit Findings No. 1(b); *id.*, p. 83.

[17] §26(d) of the SSS Law, as amended. The “Proposed Investment in Housing Project for SSS Employees” was approved by four members of the Social Security Commission in their meeting on August 27, 1987, per Resolution No. 487-Series of 1987; *id.*, pp. 72-73.

[18] Article 1306 of the Civil Code provides:

“Art. 1306. The contracting parties may establish such stipulations, clauses, terms and conditions as they may deem convenient, provided they are not contrary to law, morals, good customs, public order or public policy.”

[19] *Kintanar v. Bell Telecommunication Philippines, Inc.*, 271 SCRA 790, 808, April 30, 1997, per *Hermosisima Jr., J.*

[20] *Solanda Enterprises, Inc. v. CA*, 365 Phil. 194, 206, April 14, 1999; *Philippine Constitution Association, Inc. v. Mathay*, 124 Phil. 890, 924, October 4, 1966, per the Concurring Opinion of *Castro, J.*

[21] Article 531 of the Civil Code.

[22] *Republic of the Philippines v. CA*, 390 Phil. 1041, 1050, July 14, 2000; *Reyes v. CA*, 374 Phil. 236, 242-243, September 30, 1999.

[23] Ibid.

[24] *Manacop v. CA*, 342 Phil. 735, 744, August 11, 1997, per Panganiban, J.

[25] Rollo, p. 91.

[26] RTC Decision, p. 6; rollo, p. 139.

[27] *Potenciano v. Reynoso*, 401 SCRA 391, 398, April 22, 2003; *Milestone Realty and Co., Inc. v. CA*, 381 SCRA 406, 415, April 19, 2002. For other exceptions, see also *Lagon v. Hooven Comalco Industries, Inc.*, 349 SCRA 363, 371, January 17, 2001.

[28] Petitioner's Memorandum to the trial court, p. 5; rollo, p. 117.

[29] Under §10 of Rule 6 of the Rules of Court, all the new matters alleged in the answer are deemed controverted even if a party does not file a reply. The said Section reads:

“SEC. 10. Reply.- A reply is a pleading, the office or function of which is to deny or allege facts in denial or avoidance of new matters alleged by way of defense in the answer and thereby join or make issue as to such new matters. If a party does not file such reply, all the new matters alleged in the answer are deemed controverted. x x x.”

[30] *Philippine Fruit & Vegetable Industries, Inc. v. National Labor Relations Commission*, 369 Phil. 929, 938, July 20, 1999.

[31] Rollo, pp. 82-87.

[32] *Id.*, p. 89.

[33] This is clearly provided under the second Whereas clause of the Deed of Conditional Sale, which reads:

“Whereas, Pursuant to Development Permit No. 8-0334 issued by the Housing and Land Use Regulatory Board (HLURB) dated July 7, 1988, the VENDOR has developed the foregoing property to serve as a low cost housing project site, exclusively for qualified SSS employees, x x x.” (Italics supplied)

[34] *National Development Company v. Madrigal Wan-Hail Lines Corporation*, GR No. 148332, September 30, 2003; *Pan American World Airways, Inc. v. Intermediate Appellate Court*, 164 SCRA 268, 274, August 11, 1988; *Ong Yiu v. CA*, 91 SCRA 223, 231, June 29, 1979.

[35] Ibid.

[36] *San Antonio v. CA*, 371 SCRA 536, 543, December 7, 2001; *Rizal Commercial Banking Corporation v. Alfa RTW Manufacturing Corp.*, 368 SCRA 611, 618, November 14, 2001; *Laureano v. CA*, 381 Phil 403, 412-413, February 2, 2000.

[37] §9 of Article XIII (Social Justice and Human Rights) of the Constitution mandates:

“Sec. 9. The State shall, by law, and for the common good, undertake, in cooperation with the private sector, a continuing program of urban land reform and housing which will make available at affordable cost decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlement areas. x x x.”

[38] *Ong v. CA*, 369 Phil. 243, 252, July 6, 1999; *Uy v. CA*, 314 SCRA 69, 81, September 9, 1999; *Romero v. CA*, 320 Phil. 269, 283, November 23, 1995.

[39] This is provided under paragraph 15, which reads:

“15. Title to the property subject of this contract remains with the VENDOR and shall pass to, and be transferred in the name of the VENDEE only upon the execution of the final deed of absolute sale mentioned in the next succeeding paragraph.”

[40] Paragraph 16 of the Deed of Conditional Sale; rollo, p. 79.

[41] *Gomez v. CA*, 340 SCRA 720, 727-728, September 21, 2000.

[42] Rollo, p. 79.

[43] See also *Equatorial Realty Development, Inc. v. Mayfair Theater, Inc.*, 421 Phil. 709, 733, November 21, 2001; *Velarde v. CA*, 413 Phil. 360, 375, July 11, 2001.

[44] *Velarde v. CA*, *supra*, p. 375, per Panganiban, J.

[45] 10(b) of Deed of Conditional Sale; rollo, p. 79.

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