

**VICENTA CANTEMPRATE, ZENAIDA DELFIN, ELVIRA MILLAN,
FEVITO G. OBIDOS, MACARIO YAP, CARMEN YAP, LILIA CAMACHO,
LILIA MEJIA, EMILIA DIMAS, ESTRELLA EUGENIO, MILAGROS L.
CRUZ, LEON...**

G.R. No. 171399. May 08, 2009

Ponente: TINGA, J.

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TINGA, J.:

This is a petition for review on certiorari[1] under Rule 45 of the 1997 Rules of Civil Procedure assailing the decision[2] and resolution[3] of the Court of Appeals in CA-G.R. SP No. 81859. The Court of Appeals decision affirmed the decision[4] of the Office of the President, which adopted the decision[5] of the Housing Land Use and Regulatory Board (HLURB) dismissing petitioners' complaint for lack of jurisdiction, while the resolution denied petitioners' motion for reconsideration.

The following factual antecedents are matters of record.

Herein petitioners Vicenta Cantemprate, Zenaida Delfin, Elvira Millan, Fevito G. Obidos, Macario Yap, Carmen Yap, Lilia Camacho, Lilia Mejia, Emilia Dimas, Estrella Eugenio, Milagros L. Cruz, Leonardo Ecat, Nora Masangkay, Jesus Ayson, Nilo Samia, Carmencita Morales and Lorna Ramirez were among those who filed before the HLURB a complaint[6] for the delivery of certificates of title against respondents CRS Realty Development Corporation (CRS Realty), Crisanta Salvador and Cesar Casal.[7]

The complaint alleged that respondent Casal was the owner of a parcel of land situated in General Mariano Alvarez, Cavite known as the CRS Farm Estate while respondent Salvador was the president of respondent CRS Realty, the developer of CRS Farm Estate. Petitioners averred that they had bought on an installment basis subdivision lots from respondent CRS Realty and had paid in full the agreed purchase prices; but notwithstanding the full payment and despite demands, respondents failed and refused to deliver the corresponding certificates of title to petitioners. The complaint prayed that respondents be ordered to deliver the certificates of title corresponding to the lots petitioners had purchased and paid in full and to pay petitioners damages.[8]

An amended complaint[9] was subsequently filed impleading other respondents, among them, the Heirs of Vitaliano and Enrique Laudiza, who were the predecessors-in-interest of respondent Casal, herein respondents Bennie Cuason and Caleb Ang, to whom respondent Casal purportedly transferred the subdivision lots and one Leticia Ligon. The amended complaint alleged that by virtue of the deed of absolute sale executed between respondent Casal and respondents Ang and Cuason, Transfer Certificate of Title (TCT) No. 669732 covering the subdivided property was issued in the names of respondents Ang and Cuason as registered owners thereof.[10]

The amended complaint prayed for additional reliefs, namely: (1) that petitioners be declared the lawful owners of the subdivision lots; (2) that the deed of absolute sale executed between respondent Casal and respondents Cuason and Ang and TCT No. 669732 be nullified; and (3) that respondents Cuason and Ang be ordered to reconvey the

subdivision lots to petitioners.[11]

In his answer,[12] respondent Casal averred that despite his willingness to deliver them, petitioners refused to accept the certificates of title with notice of lis pendens covering the subdivision lots. The notice of lis pendens pertained to Civil Case No. BCV-90-14, entitled "Heirs of Vitaliano and Enrique Laudiza, represented by their Attorney-In-Fact Rosa Medina, Plaintiffs, v. Cesar E. Casal, CRS Realty and Development Corporation and the Register of Deeds of Cavite, Defendants," which was pending before the Regional Trial Court (RTC), Branch 19, Bacoor, Cavite. Leticia Ligon was said to have intervened in the said civil case.[13]

By way of special and affirmative defenses, respondent Casal further averred that the obligation to deliver the certificate of titles without encumbrance fell on respondent CRS Realty on the following grounds: (1) as stipulated in the subdivision development agreement between respondents Casal and CRS Realty executed on 06 September 1988, the certificates of title of the subdivision lots would be transferred to the developer or buyers thereof only upon full payment of the purchase price of each lot; (2) the contracts to sell were executed between petitioners and respondent CRS Realty; and (3) the monthly amortizations were paid to respondent CRS Realty and not to respondent Casal.[14]

Respondent Casal also alleged that he subsequently entered into a purchase agreement over the unsold portions of the subdivision with respondents Ang, Cuason and one Florinda Estrada who assumed the obligation to reimburse the amortizations already paid by petitioners.[15]

In her answer, respondent Salvador alleged that the failure by respondent Casal to comply with his obligation under the first agreement to deliver to CRS or the buyers the certificates of title was caused by the annotation of the notice of lis pendens on the certificate of title covering the subdivision property. Respondent Salvador further averred that the prior agreements dated 6 September 1988 and 08 August 1989 between respondents Casal and CRS Realty were superseded by an agreement dated 30 August 1996 between respondents Casal and Salvador. In the subsequent agreement, respondent Casal purportedly assumed full responsibility for the claims of the subdivision lot buyers while respondent Salvador sold her share in CRS Realty and relinquished her participation in the business.

Respondents Ang and Cuason claimed in their answer with counterclaim[16] that respondent Casal remained the registered owner of the subdivided lots when they were transferred to them and that the failure by petitioners to annotate their claims on the title indicated that they were unfounded. Respondent CRS Realty and the Heirs of Laudiza were declared in default for failure to file their respective answers.[17]

On 18 December 1998, HLURB Arbitrator Ma. Perpetua Y. Aquino rendered a decision[18] primarily ruling that the regular courts and not the HLURB had jurisdiction over petitioners' complaint, thus, the complaint for quieting of title could not be given due course. The Heirs of Laudiza and Ligon were dropped as parties on the ground of lack of cause of action. However, she found respondents CRS Realty, Casal and Salvador liable on their obligation to deliver the certificates of title of the subdivision lots to petitioners who had paid in full the purchase price of the properties. She also found as fraudulent and consequently nullified the subsequent transfer of a portion of the subdivision to respondents Ang and Cuason.

The dispositive portion of the decision reads:

WHEREFORE, in view of the foregoing, judgement [sic] is hereby rendered as follows:

- 1) For respondents CRS Realty and Development Corp., Crisanta Salvador, and Cesar Casal to, jointly and severally:
 - a) cause the delivery or to deliver the individual titles, within thirty (30) days from the finality of the decision,

to the following complainants who have fully paid the purchase price of their lots, and to whom Deeds of Sale were issued, to wit:

1. Vicenta Cantemprate = Lots 1 to 8 Block 2
= Lots 5 & 6 Block 13
2. Leonardo/Felicidad Ecat = Lots 21, 23 & 25 Block 11
3. Jesus Ayson = Lot 2 Block 9
4. Lilia Camacho = Lot 4 Block 11
5. Zenaida Delfin = Lot 2 Block 3
6. Natividad Garcia = Lot 8 Block 11
7. Nora Masangkay = Lot 7 Block 13
8. Elvira Millan = Lot 10 Block 13
9. Fevito Obidos = Lot 1 Block 3
10. Josefina Quinia = Lot 1 & 2 Block 12
11. Nilo Samia = Lot 1 Block 9
12. Rosel Vedar = Lot 10 Block 4
13. Macario/Carmen Yap = Lot 14 Block 4
14. Estrella/Danilo Eugerio = Lot 10 Block 5
15. Nerissa Cabanag = Lot 5 Block 4
16. Milagros Cruz = Lots 11 & 13 to 16 Block 3
17. Erlinda Delleva = Lot 6 Block 4
18. Lilia Mejia = Lot 2 & 3 Block 4
19. Carmen Yap/H. Capulso = Lot 13 Block 11
20. Mercedes Montano = Lot 4 Block 4
21. Teresita Manuel = Lot 11 Block 5
22. Amalia Sambile = Lot 3 Block 3
23. Carmencita Lorna Ramirez = Lot 13 Block 13
24. Emilia Dimas = Lot 16 Block 13
25. Rosita Torres = Lot 2 Block 13
26. Alladin Abubakar = Lot 9 Block 6
27. Manuel Andaya = Lot 5 & 6 Block 11
28. Remigio Araya = Lot 11 Block 4
29. J. Ayson/R. Elquiero = Lot 5 Block 3

30. L. Bernal/D. Morada = Lot 19 Block 11
31. Rosa Nely Buna = Lot 9 Block 5
32. Nestor Calderon = Lot 6 Block 3
33. Ernesto Capulso = Lot 15 Block 11
34. Jorge Chiuco = Lots 12, 13 & 15 to 17 Block 4
35. Carolina Cruz = Lot 4 Block 14
36. Erna Daniel = Lot 6 Block 5
37. Zenaida De Guzman = Lots 19, 20 & 21 Block 10
38. Joselito De Lara = Lot 1 Block 11
39. J. De Lara/N. Gusi = Lot 11, Block 11
40. Virginia De La Paz = Lot 22, Block 11
41. Anastacia De Leon = Lot 10, Block 11
42. Salvador De Leon = Lot 7 & 8 Block 4
43. Josefina De Vera = Lot 20 Block 11
44. Julieta Danzon = Lot 4 Block 13
45. Constanca Diestro = Lot 17 Block 13
46. Corazon Ducusin = Lots 14, 16 & 18 Block 11
47. Juanita Flores = Lots 2 & 4 Block 5
48. Remedios Galman = Lot 12 Block 11
49. Mila Galamay = Lot 12 Block 5
50. Grace Baptist Church = Lot 24 Block 11
51. Rizalina Guerrero = Lot 26 Block 10
52. Nema Ida = Lot 9 Block 4
53. Milagros Jamir = Lot 8 Block 13
54. Violeta Josef = Lots 3 & 5 Block 5
55. Marivic Ladines = Lot 3 Block 13
56. Eulogio Legacion = Lots 8 & 9 Block 3
57. Emerita Mauri = Lot 12 Block 3
58. Mina Mary & Co. = Lot 1 Block 4
59. Babyrose Navarro = Lot 22 Block 10
60. Laurretto Nazarro = Lots 14 to 18 Block 10

61. Amelia Nomura = Lots 4 & 5 Block 9
62. Virgilio Ocampo = Lot 5 Block 12
63. Norma Paguagan = Lot 8 Block 12
64. Nicostrato Pelayo = Lots 7 & 9 Block 11
65. Gloria Racho = Lot 1 Block 5
66. Pepito Ramos = Lot 9 Block 13
67. Pedro Rebutillo = Lot 8 Block 5
68. S. Recato/A. Rebullar = Lot 11 Block 13
69. Laura Regidor = Lot 4 Block 3
70. Zenaida Santos = Lot 7 Block 5
71. R. Sarmiento/H. Eugenio = Lot 1 Block 13
72. Lourdes Teran = Lot 17 Block 6
73. R. Valdez/F. Corre = Lot 3 Block 9
74. Teodoro Velasco = Lot 17 Block 11
75. Edgardo Villanueva = Lots 1 to 5 Block 1
76. Gregorio Yao = Lots 2 & 3 Block 11
77. Willie Atienza = Lot 3 Block 12
78. Z. Zacarias/A. Guevarra = Lot 6 Block 12

That as concern[ed] complainant LEONARDO/FELICIDAD ECAT, whose total lost area is deficient by 278 square meters from the 2,587 square meters provided for in the Contract to Sell and that covered by the Deed of Sale which is 2,309 square meters, for respondents to deliver the deficiency by the execution of the Deed of Sale on the said portion and the delivery of the titles on their three (3) lots.

b) submit to the Register of Deeds of Trece Martires City, Cavite a certified true copy of the approved subdivision plan of CRS Farm Estate, as well as photocopies of the technical description of complainants' individual lots, blue prints and tracing cloth: In the event that said respondents cannot surrender said documents, complainants are hereby ordered to secure said documents and be the ones to submit them to the Register of Deeds;

c) to refund to complainants the expenses they've incurred in registering their individual Deeds of Sale with the Register of Deeds of Trece Martires City, Cavite;

d) pay each of the complainants the sum of P10,000.00[,] as actual damages; the sum of P15,000.00[,] as moral damages; and the sum of P20,000.00[,] as exemplary damages;

e) pay complainants the sum of P30,000.00 as and by way of attorney's fees;

f) pay to the Board the sum of P20,000.00 as administrative fine for violation of section 25 of P.D. No. 957 in relation to sections 38 and 39 of the same decree.

2.) The sale of the subject property in whole to respondents Caleb Ang and Bennie Cuason is hereby declared

annulled and of no effect especially that which pertains to the portion of the subdivision which have already been previously sold by the respondent CRS Realty to herein complainants, prior to the sale made by respondent Cesar Casal to Caleb Ang and Bennie Cuason. As a consequence thereof, respondents Ang and Cuason are hereby ordered to surrender to the Register of Deeds of Trece Martires City, Cavite, the owner's duplicate copy of TCT No. 669732 in order for the said Register of Deeds to issue the corresponding certificates of title to all complainants named herein;

3.) The Register of Deeds of Trece Martires City, Cavite is hereby ordered to cancel TCT No. 669732 and reinstate TCT No. T-2500 in the name of Cesar Casal, from which the individual titles of herein complainants would be issued, with all the annotations of encumbrances inscribed at the back of TCT No. 669732 carried over to the said reinstated title.

All other claims and counterclaims are hereby dismissed.

SO ORDERED.[19]

From the decision of the HLURB Arbiter, respondents Casal, Cuason and Ang, as well as Leticia Ligon, filed separate petitions for review before the Board of Commissioners (Board).

On 22 November 1999, the Board rendered a decision,[20] affirming the HLURB Arbiter's ruling that the HLURB had no jurisdiction over an action for the quieting of title, the nullification of a certificate of title or the reconveyance of a property. Notably, the Board referred to an earlier case, HLURB Case No. REM-A-0546, involving respondent Casal and the Heirs of Laudiza, where the Board deferred the issuance of a license to sell in favor of CRS Farm Estate until the issue of ownership thereof would be resolved in Civil Case No. BCV-90-14 pending before the RTC of Bacoor, Cavite.

Furthermore, the Board ruled that to allow petitioners to proceed with the purchases of the subdivision lots would be preempting the proceedings before the RTC of Bacoor, Cavite and compounding the prejudice caused to petitioners. Thus, the Board dismissed the complaint for quieting of title but ordered the refund of the amounts paid by petitioners and other buyers to CRS Realty, to wit:

WHEREFORE, premises considered, judgment is hereby rendered, MODIFYING the Decision dated December 18, 1998 by the Office below, to wit:

- The complaint for quieting of title against Cesar Casal, Bennie Cuason, Caleb Ang, Heirs of Vitaliano and Enrique Laudiza, and Leticia Ligon is DISMISSED for lack of jurisdiction.
- Ordering CRS Realty and/or any of the Officers to refund to complainants for all payments made plus 12% from the time the contract to sell is executed until fully paid.
- All other claims and counterclaims are hereby DISMISSED.
- Directing CRS to pay P10,000.00 as administrative fine for each and every sale without license.

Let case be referred to the Legal Services Group (LSG) for possible criminal prosecution against the Officers of CRS Realty and Casal.

SO ORDERED.[21]

Ligon, respondent Casal and herein petitioners filed separate motions for reconsideration. On 28 November 2000, the Board issued a resolution,[22] modifying its Decision dated 22 November 2009 by imposing the payment of damages in favor of petitioners, thus:

WHEREFORE, based on the foregoing:

1. The decision of this Board dated November 22, 1999 is hereby MODIFIED to read as follows:

WHEREFORE, premises considered, judgment is hereby rendered, MODIFYING the Decision dated December 18, 1998 by the Office below, thus:

1. The complaint for quieting of title against Cesar Casal, Bennie Cuason, Caleb Ang, Heirs of Vitaliano and Enrique Laudiza and Leticia Ligon is DISMISSED for lack of jurisdiction;

2. CRS Realty and/or any of the officers jointly and severally is/are ordered to refund to complainants, at the complainant's option, all payments made for the purchase of the lots plus 12% interest from the time the contract to sell is executed until fully paid and cost of improvement, if any;

3. CRS Realty and/or any of its officers jointly and severally is/are ordered [to] pay each of the complainants the sum of P30,000.00 as and by way [of] moral damages, P30,000.00 as and by way of exemplary damages, and P20,000.00 as attorney's fees;

4. CRS Realty and/or any of its officers is/are hereby ordered to pay this Board P10,000.00 as administrative fine for each and every sale executed without license

5. All other claims and counterclaims are hereby DISMISSED.

Let the case be referred to the Legal Services Group (LSG) for possible criminal prosecution against the officers of CRS Realty and Casal.

2. Complainants' Motion for Reconsideration, save in so far as we have above given due course, is hereby DISMISSED.

3. Likewise respondents' Motion for Reconsideration are hereby DISMISSED for lack of merit.

4. Respondent Bennie Cuason's Motion to Cancel Lis Pendens is hereby DENIED, the same being premature.

Let the records be elevated to the Office of the President in view of the appeal earlier filed by complainants.

SO ORDERED.[23]

Upon appeal, the Office of the President (OP) on 03 December 2003 affirmed in toto both the decision and resolution of the Board.[24] Aggrieved, petitioners elevated the matter to the Court of Appeals via a Rule 43 petition for review.

Before the Court of Appeals, petitioners argued that the OP erred in rendering a decision which adopted by mere reference the decision of the HLURB and that the HLURB erred in ruling that it had no jurisdiction over petitioners' complaint, in not nullifying the deed of absolute sale executed between respondent Casal and respondents Cuason and Ang and in ordering the refund of the amounts paid by petitioners for the subdivision lots.[25]

On 21 June 2005, the Court of Appeals rendered the assailed decision,[26] affirming the OP Decision dated 03 December 2003. On 03 February 2006, the appellate court denied petitioners' motion for reconsideration for lack of merit.[27]

Hence, the instant petition, essentially praying for judgment ordering the cancellation of the deed of absolute sale entered between respondent Casal, on the one hand, and respondents Ang and Cuason, on the other, the delivery of the certificates of title of the subdivision lots, and the payment of damages to petitioners.

Petitioners have raised the following issues: (1) whether or not the absence of a license to sell has rendered the

sales void; (2) whether or not the subsequent sale to respondent Cuason and Ang constitutes double sale; (3) whether or not the HLURB has jurisdiction over petitioners' complaint; and (4) whether a minute decision conforms to the requirement of Section 14, Article VIII of the Constitution.[28]

We shall resolve the issues in seriatim.

Petitioners assail the Court of Appeals' ruling that the lack of the requisite license to sell on the part of respondent CRS Realty rendered the sales void; hence, neither party could compel performance of each other's contractual obligations.

The only requisite for a contract of sale or contract to sell to exist in law is the meeting of minds upon the thing which is the object of the contract and the price, including the manner the price is to be paid by the vendee. Under Article 1458 of the New Civil Code, in a contract of sale, whether absolute or conditional, one of the contracting parties obliges himself to transfer the ownership of and deliver a determinate thing, and the other to pay therefor a price certain in money or its equivalent.[29]

In the instant case, the failure by respondent CRS Realty to obtain a license to sell the subdivision lots does not render the sales void on that ground alone especially that the parties have impliedly admitted that there was already a meeting of the minds as to the subject of the sale and price of the contract. The absence of the license to sell only subjects respondent CRS Realty and its officers civilly and criminally liable for the said violation under Presidential Decree (P.D.) No. 957[30] and related rules and regulations. The absence of the license to sell does not affect the validity of the already perfected contract of sale between petitioners and respondent CRS Realty.

In *Co Chien v. Sta. Lucia Realty and Development, Inc.*,[31] the Court ruled that the requisite registration and license to sell under P.D. No. 957 do not affect the validity of the contract between a subdivision seller and buyer. The Court explained, thus:

A review of the relevant provisions of P.D. [No.] 957 reveals that while the law penalizes the selling subdivision lots and condominium units without prior issuance of a Certificate of Registration and License to sell by the HLURB, it does not provide that the absence thereof will automatically render a contract, otherwise validly entered, void. Xxx

As found by the Court of Appeals, in the case at bar, the requirements of Sections 4 and 5 of P.D. [No.] 957 do not go into the validity of the contract, such that the absence thereof would automatically render the contract null and void. It is rather more of an administrative convenience in order to allow a more effective regulation of the industry. x x x[32]

The second and third issues are interrelated as they pertain to whether the HLURB has jurisdiction over petitioners' complaint for the delivery of certificates of titles and for quieting of title.

Petitioners are partly correct in asserting that under Section 1 of P.D. No. 1344,[33] an action for specific performance to compel respondents to comply with their obligations under the various contracts for the purchase of lots located in the subdivision owned, developed and/or sold by respondents CRS Realty, Casal and Salvador is within the province of the HLURB.

The HLURB has exclusive jurisdiction over the complaint for specific performance to compel respondents CRS Realty, Casal and Salvador as subdivision owners and developers to deliver to petitioners the certificates of title after full payment of the subdivision lots. On this score, the Court affirms the findings of HLURB Arbiter Aquino with respect to the obligation of respondents Casal, Salvador and CRS Realty to deliver the certificates of title of the subdivision to petitioners pursuant to their respective contracts to sell.

Indeed, under Section 25 of P.D. No. 957, among the obligations of a subdivision owner or developer is the

delivery of the subdivision lot to the buyer by causing the transfer of the corresponding certificate of title over the subject lot.[34] The provision states:

Sec. 25. Issuance of Title.—The owner or developer shall deliver the title of the lot or unit to the buyer upon full payment of the lot or unit. No fee, except those required for the registration of the deed of sale in the Registry of Deeds, shall be collected for the issuance of such title. In the event a mortgage over the lot or unit is outstanding at the time of the issuance of the title to the buyer, the owner or developer shall redeem the mortgage or the corresponding portion thereof within six months from such issuance in order that the title over any fully paid lot or unit may be secured and delivered to the buyer in accordance herewith.

In the instant case, the contract to sell itself expressly obliges the vendor to cause the issuance of the corresponding certificate of title upon full payment of the purchase price, to wit:

3. Title to said parcel of land shall remain in the name of the VENDOR until complete payment of the agreed price by the VENDEE and all obligations herein stipulated, at which time the VENDOR agrees to cause the issuance of a certificate of title in the Land Registration Act and the restrictions as may be provided in this Contract.[35]

From the foregoing it is clear that upon full payment, the seller is duty-bound to deliver the title of the unit to the buyer. Thus, for instance, even with a valid mortgage over the lot, the seller is still bound to redeem said mortgage without any cost to the buyer apart from the balance of the purchase price and registration fees.[36]

There is no question that respondents Casal, Salvador and CRS Realty breached their obligations to petitioners under the contracts to sell. It is settled that a breach of contract is a cause of action either for specific performance or rescission of contracts.[37] Respondents Casal, Salvador and CRS Realty have the obligation to deliver the corresponding clean certificates of title of the subdivision lots, the purchase price of which have been paid in full by petitioners. That the subject subdivision property is involved in a pending litigation between respondent Casal and persons not parties to the instant case must not prejudice petitioners.

Respondents' obligation to deliver the corresponding certificates of title is simultaneous and reciprocal. Upon the full payment of the purchase price of the subdivision lots, respondents' obligation to deliver the certificates of title becomes extant. Respondents must cause the delivery of the certificates of title to petitioners free of any encumbrance. But since the lots are involved in litigation and there is a notice of lis pendens at the back of the titles involved, respondents have to be given a reasonable period of time to work on the adverse claims and deliver clean titles to petitioners. The Court believes that six (6) months is a reasonable period for the purpose.

Should respondents fail to deliver such clean titles at the end of the period, they ought to pay petitioners actual or compensatory damages. Article 1191 of the Civil Code sanctions the right to rescind the obligation in the event that specific performance becomes impossible, to wit:

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 the 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.

The court shall decree the rescission claimed, unless there be just cause authorizing the fixing of a period.

This is understood to be without prejudice to the rights of third persons who have acquired the thing, in accordance with Articles 1385 and 1388 and the Mortgage Law.[38]

Rescission creates the obligation to return the object of the contract. It can be carried out only when the one who

demands rescission can return whatever he may be obliged to restore. Rescission abrogates the contract from its inception and requires a mutual restitution of the benefits received.[39] Thus, respondents Casal, Salvador and CRS Realty must return the benefits received from the contract to sell if they cannot comply with their obligation to deliver the corresponding certificates of title to petitioners.

Under Article 2199 of the Civil Code, actual or compensatory damages are those awarded in satisfaction of, or in recompense for, loss or injury sustained. They proceed from a sense of natural justice and are designed to repair the wrong that has been done, to compensate for the injury inflicted and not to impose a penalty.[40] Also, under Article 2200, indemnification for damages shall comprehend not only the value of the loss suffered, but also that of the profits which the obligee failed to obtain. Thus, there are two kinds of actual or compensatory damages: one is the loss of what a person already possesses, and the other is the failure to receive as a benefit that which would have pertained to him.[41]

In the event that respondents Casal, Salvador and CRS Realty cannot deliver clean certificates of title to petitioners, the latter must be reimbursed not only of the purchase price of the subdivision lots sold to them but also of the incremental value arising from the appreciation of the lots. Thus, petitioners are entitled to actual damages equivalent to the current market value of the subdivision lots.

In *Solid Homes, Inc. v. Spouses Tan*,[42] the Court ordered instead the payment of the current market value of the subdivision lot after it was established that the subdivision owner could no longer comply with its obligation to develop the subdivision property in accordance with the approved plans and advertisements.

On this score, in its Decision dated 28 November 2000 which was affirmed by the OP and the Court of Appeals, the Board found respondent CRS Realty and its officers solidarily liable to refund the complainants or herein petitioners the installments paid by them including interest, to pay them moral and exemplary damages and attorney's fees and to pay the corresponding fine to the Board. The decision, however, failed to name the responsible officers of respondent CRS Realty who should be solidarily liable petitioners.

The 18 December 1998 Decision of the HLURB Arbiter is quite instructive on this matter, thus:

Obviously, respondents CRS Realty Development Corporation, Crisanta R. Salvador and Cesar E. Casal, avoided responsibility and liability for their failure to comply with their contractual and statutory obligation to deliver the titles to the individual lots of complainants, by "passing the buck" to each other. The Board[,] however, is not oblivious to the various schemes willfully employed by developers and owners of subdivision projects to subtly subvert the law, and evade their obligations to lot buyers, as it finds the justifications advanced by respondents CRS Realty Development Corp., Crisanta R. Salvador, and Cesar E. Casal grossly untenable. The failure in the implementation of the agreement dated 06 September 1998 entered into by respondent CRS, Salvador and Casal involving the subject property should not operate and work to prejudice complainants, who are lot buyers in good faith and who have complied with their obligations by paying in full the price of their respective lots in accordance with the terms and conditions of their contract to sell. Respondent Casal is not without recourse against respondents CRS Realty or Salvador for the violation of their agreement and as such, the same reason could not be made and utilized as a convenient excuse to evade their obligation and responsibility to deliver titles to complainants.

Under the so called "doctrine of estoppel," where one of two innocent persons, as respondents CRS Development Corp./Crisanta R. Salvador and Cesar E. Casal claimed themselves to be, must suffer, he whose acts occasioned the loss must bear it. In the herein case, it is respondents' CRS Realty Development Corp./Crisanta Salvador and Cesar E. Casal who must bear the loss. x x x[43]

In denying any liability, respondent Salvador argues that even before the filing of the case before the HLURB, the agreements between her and respondent Casal involving the development and sale of the subdivision lots were

superseded by an agreement dated 30 August 1996, whereby respondent Casal purportedly assumed full responsibility over the claims of the subdivision lot buyers while respondent Salvador sold her share in CRS Realty and relinquished her participation in the business.

The subsequent agreement which purportedly rescinded the subdivision development agreement between respondents Casal and Salvador could not affect third persons like herein petitioners because of the basic civil law principle of relativity of contracts which provides that contracts can only bind the parties who entered into it, and it cannot favor or prejudice a third person, even if he is aware of such contract and has acted with knowledge thereof.[44] The fact remains that the contracts to sell involving the subdivision lots were entered into by and between petitioners, as vendees, and respondent Salvador, on behalf of respondent CRS Realty as vendor. As one of the responsible officers of respondent CRS Realty, respondent Salvador is also liable to petitioners for the failure of CRS Realty to perform its obligations under the said contracts and P.D. No. 957, notwithstanding that respondent Salvador had subsequently divested herself of her interest in the CRS Realty.

One of the purposes of P.D. No. 957 is to discourage and prevent unscrupulous owners, developers, agents and sellers from reneging on their obligations and representations to the detriment of innocent purchasers.[45] The Court cannot countenance a patent violation on the part of the said respondents that will cause great prejudice to petitioners. The Court must be vigilant and should punish, to the fullest extent of the law, those who prey upon the desperate with empty promises of better lives, only to feed on their aspirations.[46]

As regards petitioners' prayer to declare them the absolute owners of the subdivision lots, the HLURB correctly ruled that it had no

jurisdiction over the same. Petitioners' amended complaint[47] included a cause of action for reconveyance of the subdivision lots to petitioners and/or the quieting of petitioners' title thereto and impleaded a different set of defendants, namely, the Heirs of Laudiza and respondents Ang and Cuason, who allegedly bought the subdivision lots previously sold to petitioners.

In *Spouses Suntay v. Gocolay*,[48] the Court held that the HLURB has no jurisdiction over the issue of ownership, possession or interest in the condominium unit subject of the dispute therein because under Section 19 of Batas Pambansa (B.P.) Blg. 129,[49] the Regional Trial Courts shall exercise exclusive original jurisdiction in all civil actions which involve the title to, or possession of, real property, or any interest therein.

In view of the aforequoted delineation of jurisdiction between the HLURB and the RTCs, the HLURB has no jurisdiction to declare petitioners as absolute owners of the subdivision lots as against the Heirs of Laudiza who filed an action for reconveyance against respondent Casal, which is still pending before the RTC.

However, nothing prevents the HLURB from adjudicating on the issue of whether the alleged subsequent sale of the subdivision lots to respondents Ang and Cuason constituted a double sale because the issue is intimately related to petitioners' complaint to compel respondents CRS Realty, Casal and Salvador to perform their obligation under the contracts to sell. Considering that the alleged subsequent sale to respondents Ang and Cuason apparently would constitute a breach of respondents' obligation to issue the certificate of title to petitioners, if not an unsound business practice punishable under Section 1 of P.D. No. 1344,[50] the HLURB cannot shirk from its mandate to enforce the laws for the protection of subdivision buyers.

In *Union Bank of the Philippines v. Housing and Land Use Regulatory Board*,[51] the Court upheld HLURB's jurisdiction over a condominium unit buyer's complaint to annul the certificate of title over the unit issued to the highest bidder in the foreclosure of the mortgage constituted on the unit by the condominium developer without the consent of the buyer.

The remand of the instant case to the HLURB is in order so that the HLURB may determine if the alleged subsequent sale to respondents Ang and Cuason of those lots initially sold to petitioners constituted a double sale and was tainted with fraud as opposed to the respondents' claim that only the unsold portions of the subdivision property were sold to them.

One final note. Contrary to petitioners' contention, the decision of the OP does not violate the mandate of Section 14, Article VIII of the Constitution, which provides that "No decision shall be rendered by any court without expressing therein clearly and distinctly the facts and the law on which it is based."

The OP decision ruled that "the findings of fact and conclusions of law of the office a quo are amply supported by substantial evidence" and that it is "bound by said findings of facts and conclusions of law and hereby adopt(s) the assailed resolution by reference."

The Court finds these legal bases in conformity with the requirements of the Constitution. The Court has sanctioned the use of memorandum decisions, a species of succinctly written decisions by appellate courts in accordance with the provisions of Section 40, B.P. Blg. 129 on the grounds of expediency, practicality, convenience and docket status of our courts. The Court has declared that memorandum decisions comply with the constitutional mandate.[52]

As already discussed, the Court affirms the ruling of the HLURB Arbiter insofar as it ordered respondents Casal, Salvador and CRS Realty, jointly and severally, to cause the delivery of clean certificates of title to petitioners at no cost to the latter. Said respondents have six months from the finality of this decision to comply with this directive, failing which they shall pay petitioners actual damages equivalent to the current market value of the subdivision lots sold to them, as determined by the HLURB.

However, the Court finds in order and accordingly affirms the Board's award of moral and exemplary damages and attorney's fees in favor of each petitioner, as well as the imposition of administrative fine, against respondents Casal, Salvador and CRS Realty.

WHEREFORE, the instant petition for review on certiorari is PARTLY GRANTED. The decision and resolution of the Court of Appeals in CA-G.R. SP No. 81859, which upheld the decisions of the Office of the President and the Housing and Land Use Regulatory Board, are AFFIRMED in all respects except for the following MODIFICATIONS, to wit:

- (1) Respondents CRS Realty, Cesar E. Casal and Crisanta R. Salvador are ORDERED to secure and deliver to each of petitioners the corresponding certificates of titles, free of any encumbrance, in this names for the lots they respectively purchased and fully paid for, within six (6) months from the finality of this Decision and, in case of default, jointly and severally to pay petitioners the prevailing or current fair market value of the lots as determined by the Housing and Land Use Regulatory Board; and
- (2) Without prejudice to the implementation of the other reliefs granted in this Decision, including the reliefs awarded by the HLURB which are affirmed in this Decision, this case is REMANDED to the HLURB for the purpose of determining (a) the prevailing or current fair market value of the lots and (b) the validity of the subsequent sale of the lots to respondents Bennie Cuason and Caleb Ang by ascertaining whether or not the sale was attended with fraud and executed in bad faith. No costs.

SO ORDERED.

Carpio-Morales,[*] (Acting Chairperson), Velasco, Jr., Leonardo-De Castro,[**] and Brion, JJ., concur.

[*] Acting Chairperson in lieu of Senior Associate Justice Leonardo A. Quisumbing, who is on official leave, per Special Order No. 618.

[**] Additional member of the Second Division per Special Order No. 619.

[1] Rollo, pp. 9-50.

[2] Dated 21 June 2005 and penned by Justice Hakim S. Abdulwahid and concurred in by Justices Remedios A. Salazar-Fernando, Acting Chairperson of the Special Former Division, and Vicente S.E. Veloso; id. at 693-709.

[3] Id. at 737-738.

[4] Id. at 459-460.

[5] Id. at 159-171.

[6] Id. at 51-58.

[7] Id. at 51.

[8] Id. at 52-53.

[9] Id. at 63-69.

[10] Id. at 66.

[11] Id. at 68-69.

[12] Id. at 70-75.

[13] Id. at 71.

[14] Id. at 695.

[15] Id. at 73.

[16] Id. at 76-82.

[17] Supra note 13.

[18] Id. at 111-122.

[19] Id. at 117-122.

[20] Supra note 4.

[21] Id. at 170-171.

[22] Id. at 191-198.

[23] Id. at 197-198.

[24] Supra note 3.

[25] Id. at 504-505.

[26] Supra note 1.

[27] Id. at 24.

[28] Id. at 24.

[29] *Boston Bank of the Philippines v. Manalo*, G.R. No. 158149, 09 February 2006, 482 SCRA 108, 129.

[30] ENTITLED, "REGULATING THE SALE OF SUBDIVISION LOTS AND CONDOMINIUMS, PROVIDING PENALTIES FOR VIOLATIONS THEREOF."

[31] G.R. No. 162090, 31 January 2007, 513 SCRA 570.

[32] *Co Chien v. Sta. Lucia Realty and Development, Inc.*, supra note 29 at 518-519.

[33] P.D. No. 1344, Sec. 1. In the exercise of its function to regulate the real estate trade and business and in addition to its powers provided for in Presidential Decree No. 957, the National Housing Authority shall have exclusive jurisdiction to hear and decide the cases of the following nature:

- Unsound real estate business practices;
- Claims involving refund and any other claims filed by subdivision lot or condominium unit buyer against the project owner, developer, dealer, broker or salesman; and
- Cases involving specific performance of contractual and statutory obligations filed by buyers of subdivision lot or condominium unit against the owner, developer, dealer, broker or salesman.

[34] PRESIDENTIAL DECREE NO. 957(1976), Sec. 25.

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