ALLIED BANKING CORPORATION, PETITIONER, VS. THE LAND BANK OF THE PHILIPPINES AND THE SECRETARY OF THE DEPARTMENT OF AGRARIAN REFORM, RESPONDENTS.

G.R. No. 175422. March 13, 2009

Ponente: CHICO-NAZARIO, J.

Read online (full-text search, related cases, audio case brief): https://batas.org/library/g-r-no-175422/

CHICO-NAZARIO, J.:

This Petition for Review under Rule 45 of the Rules of Court seeks to reverse and set aside the 29 June 2006 Decision[1] and the 07 November 2006 Resolution[2] of the Court of Appeals in CA-G.R. CV No. 74738 which annulled the Decision of the Regional Trial Court (RTC) of Balanga City, Bataan, Branch 1. The Court of Appeals likewise remanded the case to the RTC, ordering the latter to determine the just compensation of the subject parcels of land acquired by the Department of Agrarian Reform (DAR) from Allied Banking Corporation (Allied) pursuant to Republic Act No. 6657, as amended, otherwise known as the Comprehensive Agrarian Reform Law of 1988.

Allied owned two abutting parcels of land located at Mabiga, Hermosa, Bataan, which were covered by Transfer Certificates of Title (TCT) No. 97975 and No. 97976, with respective land areas of 20.4840 hectares (204,840 square meters) and 21.3835 hectares (214,860 square meters). The two parcels of land were compulsorily acquired by the DAR pursuant to Republic Act No. 6657.

In its Notices of Valuation dated 30 July 1997 and 23 October 1997, and by using the formula under DAR Administrative Order (DAO) No. 17, Series of 1989, as amended by DAO No. 06, Series of 1992, and further amended by DAO No. 11, Series of 1994, the Land Bank of the Philippines (Landbank) pegged the value of the 20.4840-hectare land covered by TCT No. 97975 at P1,170,683.70 or P57,151.123 per hectare, while the second land with the area of 21.3835[3] hectares covered under TCT No. 97976 was valued at P1,427,030.73 or at P66,735.13 per hectare. On 30 October 1997, Landbank informed Allied that it had increased the valuation of the 20.4840[4] hectares under TCT No. 97975 to P1,171,714.29 or P57,201.44 per hectare.

After allegedly having conducted a survey on the prevailing market value of the lots within the vicinity, Allied rejected the valuation and insisted that the two parcels of land in question be valued at P180,000.00 per hectare, hence, the 20.4840 hectares should be valued at P3,687,120, and the 21.3835 hectares at P3,867,489.

Allied presented its arguments before the Provincial Agrarian Reform Adjudicator. The Provincial Agrarian Reform Adjudicator upheld the valuation of the Landbank.

On 19 January 1999, Allied filed a Petition for Just Compensation with the RTC of Dinalupihan, Bataan, Branch 5. Later the case was re-raffled to the RTC of Balanga City, Bataan, Branch 1, acting as Special Agrarian Court (SAC) pursuant to Administrative Circular No. 80 dated 18 July 1989.

On 23 March 2000, upon the agreement of the parties, commissioners were appointed, namely: 1) Gilbert S. Argonza, the chairman and commissioner of the RTC; 2) Hilario M. Pariña, nominated by Allied; 3) Engr. Moises

L. Petero, nominated by Landbank; and 4) Crispin O. Dominguez, nominated by the DAR.

On 2 March 2001, the commissioners were ordered by the RTC to submit their report on their respective recommendations as to the just compensation for the subject lands.

For unknown reasons, only Hilario M. Pariña, the commissioner nominated by Allied, submitted his report. The report, which adopted the findings of the Asian Appraisal Company that was earlier commissioned by Allied, made use of the Market Data Approach, which is explained and illustrated in the said report:

> The value of the land was arrived at by the Market Data Approach. In this approach the value of the land is based on sales and listings of comparable property registered within the vicinity. The technique of this approach requires the establishing of comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The property used as basis of comparison was premised on the factors of location, size and shape of the lot, and time element.
>
> In valuing the land, records of recent sales and offerings of similar land are analyzed and comparison made for such factors as size, characteristics of the lot, location, quality, and prospective use. Although no sales of truly comparable land have occurred, the following are believed to provide reasonable bases for comparison:
> Listings:
>
> - Currently, an 18-hectare (180,000 sq. m.) property located along Barangay Road, within Barangay Mabiga, Hermosa, Bataan is being offered for sale thru a certain Mr. Paolo Hermoso, a local resident, at an asking price of P80 per sq.m.
>
> - Currently, a 4-hectare (40,000 sq. m.) property located along Barangay Road, beside Mabiga Elementary School, within Mabiga, Hermosa, Bataan is being offered for sale thru a certain Ms. Liway, Grumal, Barangay Chairman and resident of Mabiga, at an asking price of P40 per sq. m.

The abovementioned listings are located along Barangay Road and within a more desirable neighborhood, and are free of tenants/squatters. They are, therefore, considered superior to the subject property.

Due to the scarcity of market data that may be used for direct comparison purposes, we have sought the opinion of some local residents, the municipal assessor, bank appraisers and other knowledgeable individuals who, in our opinion, may be considered as generally conversant with land values in the area and gathered that fairly large tracts of land along Barangay Road command a selling price of P30 to as much as P80 per sq. m., while interior parcels of agricultural land in the vicinity of the subject property are ranging from P10 to P20 per sq. m., depending on size, shape, terrain, proximity to roadways and other physical attributes of the land.[5]

Based on the Market Data Approach, the report valued the subject properties at P15.00 per square meter (P150,000.00 per hectare), thus:

> After an analysis of the market data, considering such factors as location, desirability, neighborhood, utility, size and time element, the market value of the land, x x x is estimated as at P15 per sq.m. or a total value of P6,296,000 for a total land area of 419,700 sq.m.[6]

In a Decision dated 14 January 2002, the RTC adopted the valuation submitted by Commissioner Hilario M. Pariña, who fixed the value of the lands in question at P15.00 per square meter or at P150,000.00 per hectare. The decretal portion reads:

> WHEREFORE, in view of the foregoing, the two (2) lots belonging to the petitioner located at Mabiga, Hermosa, Bataan, containing a total area of 419,700 square meters be valued at Six Million Two Hundred Ninety Six Thousand Pesos (P6,296,000.00), Philippine Currency.[7]

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

Landbank and DAR appealed the RTC decision.

In a Decision dated 29 June 2006, the Court of Appeals nullified the RTC Decision and remanded the case to the RTC for determination of just compensation. In setting aside the RTC Decision, the Court of Appeals stated that the RTC failed to observe the basic rules of procedure and the fundamental requirements in determining just compensation, namely: (1) that the RTC relied solely upon the report of Allied's nominated commissioner when there were four commissioners; (2) that there was no showing that Landbank and DAR were notified of the filing of the report of Allied's commissioner, thereby depriving the other parties of the opportunity to object to the said report; (3) that the report of Allied's commissioner was not substantiated by competent evidence; and (4) that the RTC erred in adopting the Market Data Approach, which method was not sanctioned by the pertinent administrative orders of DAR in relation to the determination of just compensation. The dispositive portion of the Court of Appeals' Decision provides:

> WHEREFORE, in view of the foregoing, the Decision dated January 14, 2002 of the RTC of Balanga City, Branch 1, is hereby ANNULLED and SET ASIDE. Civil Case No. 6885 is REMANDED to the RTC for determination of just compensation for the subject parcels of land in strict compliance with the provisions of R.A. 6657, as amended, the DAR Administrative Orders, and the Rules of Court.[8]

Allied filed a motion for reconsideration, which was denied by the Court of Appeals in its Order dated 7 November 2006.

Hence, the instant case.

Allied maintains that Landbank and DAR are barred from questioning the determination made by its commissioner since they agreed to such appointment and conceded to be bound by the findings of such commissioners. Although only the findings of Allied's commissioner was considered, owing to the fact that the other commissioners failed to submit their reports, said findings are binding on the parties.

Allied likewise insists that Landbank and DAR need not be separately notified of the submission of the report of the former's commissioner as the latter are given ample opportunity to meet with said commissioner during the several hearings set by the RTC and to question his report. According to Allied, this opportunity to meet and to question its commissioner, which Landbank and DAR squandered, is considered sufficient notice.

Allied takes exception to the Court of Appeals' statement that the RTC findings were uncorroborated by evidence. Allied argues that the RTC's decision is supported by evidence through the report of Allied's commissioner.[9]

Allied also contends that the Court of Appeals erred in ruling that the basic formula in DAO No. 6, Series of 1992, as amended by DAO No. 11, Series of 1994, should have been invoked instead of the Market Data Approach. It stresses that when an agrarian case for the determination of just compensation is elevated to the RTC, the court, acting as a special agrarian court, is not bound by Sections 17[10] of the Comprehensive Agrarian Law and its implementing rules, DAO No. 6, Series of 1992. As the RTC made its own evaluation in arriving at the just compensation of the subject lands, said evaluation should be followed, even if it disregarded Section 17 of the Comprehensive Agrarian Law and the pertinent rules and regulations of DAR.

Allied's arguments fail to persuade.

The procedure for the determination of compensation cases under Republic Act No. 6657, as synthesized by this Court,[11] commences with the Landbank determining the value of the lands under the land reform program. Making use of the Landbank valuation, the DAR makes an offer to the landowner by way of a notice sent to the latter, pursuant to Section 16(a) of Republic Act No. 6657. In case the landowner rejects the offer, a summary administrative proceeding is held and afterward the Provincial Agrarian Reform Adjudicator (PARAD), the

Regional Agrarian Reform Adjudicator (RARAD) or the Department of Agrarian Reform Adjudication Board (DARAB) adjudicator as the case may be, depending on the value of the land, fixes the price to be paid for the land. If the landowner does not agree to the price fixed, he may bring the matter to the RTC acting as Special Agrarian Court.

In the process of determining the just compensation due to landowners, it is a necessity that the RTC must take into account several factors enumerated in Section 17 of Republic Act No. 6657, as amended, thus:

> Sec. 17. Determination of Just Compensation. - In determining just compensation, the cost of acquisition of the land, the current value of like properties, its nature, actual use and income, the sworn valuation by the owner, the tax declarations, and the assessment made by government assessors shall be considered. The social and economic benefits contributed by the farmers and the farmworkers and by the Government to the property, as well as the non-payment of taxes or loans secured from any government financing institution on the said land shall be considered as additional factors to determine its valuation.

Being the government agency primarily charged with the implementation of the agrarian reform program, DAR issued DAO No. 6 to fill out the details necessary for the implementation of Section 17 of Republic Act No. 6657. DAR converted these factors specified in Section 17 into a basic formula in DAO No. 6, as amended, in this wise:

> LV = (CNI x 0.6) + (CS x 0.3) + (MV x 0.1)
>
> LV = Land Value
>
> CNI = Capitalized Net Income
>
> CS = Comparable Sales
>
> MV = Market Value per Tax Declaration
>
> The above formula shall be used if all the three factors are present, relevant and applicable.
>
> A.1 When the CS factor is not present and CNI and MV are applicable, the formula shall be:
>
> LV = (CNI x 0.9) + (MV x 0.1)
>
> A.2 When the CNI factor is not present, and CS and MV are applicable, the formula shall be:
>
> LV = (CS x 0.9) + (MV x 0.1)
>
> A.3 When both the CS and CNI are not present and only MV is applicable, the formula shall be:
>
> LV = MV x 2

The pivotal issue at hand is whether the RTC, acting as a special agrarian court, can disregard the factors mentioned under Section 17 of the agrarian law, detailed by DAO No. 6, and adopt the market data approach submitted by a court-appointed commissioner.

While the determination of just compensation is essentially a judicial function which is vested in the RTC acting as Special Agrarian Court,[12] nevertheless, this Court disregarded the determination of just compensation made by the RTC in Land Bank of the Philippines v. Spouses Banal,[13] Land Bank of the Philippines v. Celada,[14] and in Land Bank of the Philippines v. Lim,[15] when, as in this case, the judge gravely abused his discretion by not taking into full consideration the factors enumerated in the agrarian law and further detailed by the DAR administrative order implementing the same.

Jurisprudence has not been wanting in reminding special agrarian courts to resolve just determination cases

judiciously and with utmost observance of Section 17 of the agrarian law and the administrative orders issued by the DAR implementing the said provision.

In Land Bank of the Philippines v. Spouses Banal[16] this Court pointed out that factors spelled out in Section 17 of Republic Act No. 6657 and the formula stated in DAO No. 6 must be adhered to by the RTC in fixing the valuation of lands subjected to agrarian reform, thus:

> In determining just compensation, the RTC is required to consider several factors enumerated in Section 17 of R.A. 6657, as amended, thus:
> "Sec. 17. Determination of Just Compensation. - In determining just compensation, the cost of acquisition of the land, the current value of like properties, its nature, actual use and income, the sworn valuation by the owner, the tax declarations, and the assessment made by government assessors shall be considered. The social and economic benefits contributed by the farmers and the farmworkers and by the Government to the property, as well as the non-payment of taxes or loans secured from any government financing institution on the said land, shall be considered as additional factors to determine its valuation."

These factors have been translated into a basic formula in [DAR AO 6-92], as amended by [DAR AO 11-94], issued pursuant to the DAR's rule-making power to carry out the object and purposes of R.A. 6657, as amended.

The formula stated in [DAR AO 6-92], as amended, is as follows:

> LV = (CNI x 0.6) + (CS x 0.3) + (MV x 0.1)
>
> LV = Land Value
>
> CNI = Capitalized Net Income
>
> CS = Comparable Sales
>
> MV = Market Value per Tax Declaration

The above formula shall be used if all the three factors are present, relevant and applicable.

A.1 When the CS factor is not present and CNI and MV are applicable, the formula shall be:

LV = (CNI x 0.9) + (MV x 0.1)

x x x x

While the determination of just compensation involves the exercise of judicial discretion, however, such discretion must be discharged within the bounds of the law. Here, the RTC wantonly disregarded R.A. 6657, as amended, and its implementing rules and regulations. ([DAR AO 6-92], as amended by [DAR AO 11-94]).

x x x x

WHEREFORE, x x x. The trial judge is directed to observe strictly the procedures specified above in determining the proper valuation of the subject property. (Emphasis supplied.)

Again, in Land Bank of the Philippines v. Celada,[17] this Court stressed that the special agrarian court cannot ignore, without violating the agrarian law, the formula provided by the DAR for the determination of just compensation. This Court rejected the valuation fixed by the RTC because it failed to follow the DAR formula:

> While SAC is required to consider the acquisition cost of the land, the current value of like properties, its nature, actual use and income, the sworn valuation by the owner, the tax declaration and the assessments made by the government assessors to determine just compensation, it is equally true that these factors have been translated into a basic formula by the DAR pursuant to its rule-making power under Section 49 of RA No.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

> 6657. As the government agency principally tasked to implement the agrarian reform program, it is the DAR's duty to issue rules and regulations to carry out the object of the law. DAR AO No. 5, s. of 1998 precisely "filled in the details" of Section 17, RA No. 6657 by providing a basic formula by which the factors mentioned therein may be taken into account. The SAC was at no liberty to disregard the formula which was devised to implement the said provision.
>
> It is elementary that rules and regulations issued by administrative bodies to interpret the law which they are entrusted to enforce, have the force of law, and are entitled to great respect. Administrative issuances partake of the nature of a statute and have in their favor a presumption of legality. As such, courts cannot ignore administrative issuances especially when, as in this case, its validity was not put in issue. Unless an administrative order is declared invalid, courts have no option but to apply the same.

Instead, it upheld the valuation made by Landbank which was patterned after the applicable administrative order issued by the DAR, viz:

> [Landbank] arrived at its valuation by using available factors culled from the Department of Agriculture and Philippine Coconut Authority, and by computing the same in accordance with the formula provided, thus -
>
> COMPUTATION (Applicable Formula): LV = 0.90 CNI + 0.10 MV
>
> Comparable Land Transactions (P x x x x ____) = P x-x-x
>
> CapitalizedNet Income:
>
> Cassava
>
> 16,666.67 x 0.90
>
> = 15,000.00
>
> Corn/Coco
>
> 26,571.70
>
> = 23,914.53
>
> Market Value
>
> Cassava
>
> 8,963.78 x 0.10
>
> = 896.38
>
> per Tax Declaration:
>
> Corn/Coco
>
> 10,053.93
>
> = 1,005.39
>
> Computed Value per
>
> Hectare:
>
> Cassava 15,896.38; Corn/Coco - 24,919.92
>
> x x x x

Value per hectare used:

Cassava 15,896.38x6.0000 has. = 95,378.28

Corn/Coco24,919.92x8.1939 has.= 204,191.33

Payment due to LO :

P299, 569.61

The above computation was explained by Antero M. Gablines, Chief of the Claims, Processing, Valuation and Payment Division of the Agrarian Operations Center of the Land Bank, to wit:

ATTY. CABANGBANG: (On direct):

x x x x

q.

What are the items needed for the Land Bank to compute?

a.

In accordance with Administrative Order No. 5, series of 1998, the value of the land should be computed using the capitalized net income plus the market value. We need the gross production of the land and its output and the net income of the property.

q.

You said "gross production." How would you fix the gross production of the property?

a.

In that Administrative Order No. 5, if the owner of the land is cooperative, he is required to submit the net income. Without submitting all his sworn statements, we will get the data from the DA (Agriculture) or from the coconut authorities.

x x x x

q.

In this recommended amount which you approved, how did you arrive at this figure?

a.

We used the data from the Philippine (Coconut) Authority and the Agriculture and the data stated that Cassava production was only 10,000 kilos per hectare; corn, 2,000 kilos; and coconuts, 15.38 kilos per hectare. The data stated that in the first cropping of 1986, the price of cassava was P1.00 per kilo; corn was sold at P7.75 per kilo; and the Philippine Coconut Authority stated that during that time, the selling price of coconuts was P8.23 per kilo.

q.

After these Production data and selling price, there is here a "cost of operation," what is this?

a.

It is the expenses of the land owner or farmer. From day one of the cultivation until production. Without the land owner's submission of the sworn statement of the income, production and the cost, x x x Administrative

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

> Order No. 5 states that x x x we will use 20% as the net income, meaning 80% of the production in peso. This is the cost of valuation.
>
> q.
>
> 80 % for what crops?
>
> a.
>
> All crops except for coconuts where the cost of expenses is only 20%.
>
> q.
>
> Summing all these data, what is the value per hectare of the cassava?
>
> a.
>
> The cassava is P15,896.38.
>
> q.
>
> How about the corn x x x intercropped with coconuts?
>
> a.
>
> P24,919.92.

Under the circumstances, we find the explanation and computation of [Landbank] to be sufficient and in accordance with applicable laws. [Landbank's] valuation must thus be upheld.[18]

Apo Fruits Corporation v. Court of Appeals[19] yet again accentuated the necessity of giving paramount importance to the criteria found in Section 17 of the agrarian law and the pertinent DAR administrative order. In affirming therein the special agrarian court's valuation, it reasoned in this fashion:

> [T]he Court affirmed the due consideration given by the RTC of the factors specified in Section 17, Republic Act No. 6657. Again, the proper valuation of the subject premises was reached with clear regard for the acquisition cost of the land, current market value of the properties, its nature, actual use and income, inter alia -- factors that are material and relevant in determining just compensation. These are the very same factors laid down in a formula by DAR A.O. No. 5. Due regard was thus given by the RTC to Republic Act No. 6657, DAR A.O. No. 5 and prevailing jurisprudence when it arrived at the value of just compensation due to AFC and HPI in this case.

The Court En Banc in Land Bank of the Philippines v. Lim[20] was confronted with the question whether the RTC can resort to any other means of determining just compensation apart from Section 17 of Republic Act No. 6657 and DAO No. 6. The Court resolved the issue in the negative and pronounced therein that Section 17 of Republic Act No. 6657 and DAO No. 6 are mandatory and are not mere guides that the RTC may disregard. Basing its ruling on the pronouncements of Land Bank of the Philippines v. Spouses Banal and Land Bank of the Philippines v. Celada, the Court enunciated:

> In Land Bank of the Philippines v. Spouses Banal, this Court underscored the mandatory nature of Section 17 of RA 6657 and DAR AO 6-92, as amended by DAR AO 11-94, viz:
>
> In determining just compensation, the RTC is required to consider several factors enumerated in Section 17 of R.A. 6657, as amended, thus:
>
> "Sec. 17. Determination of Just Compensation. -- In determining just compensation, the cost of acquisition of

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

> the land, the current value of like properties, its nature, actual use and income, the sworn valuation by the owner, the tax declarations, and the assessment made by government assessors shall be considered. The social and economic benefits contributed by the farmers and the farmworkers and by the Government to the property, as well as the non-payment of taxes or loans secured from any government financing institution on the said land, shall be considered as additional factors to determine its valuation."
>
> These factors have been translated into a basic formula in [DAR AO 6-92], as amended by [DAR AO 11-94], issued pursuant to the DAR's rule-making power to carry out the object and purposes of R.A. 6657, as amended.
>
> x x x x
>
> While the determination of just compensation involves the exercise of judicial discretion, however, such discretion must be discharged within the bounds of the law. Here, the RTC wantonly disregarded R.A. 6657, as amended, and its implementing rules and regulations. ([DAR AO 6-92], as amended by [DAR AO 11-94]).
>
> x x x x
>
> WHEREFORE, x x x Civil Case No. 6806 is REMANDED to the RTC x x x. The trial judge is directed to observe strictly the procedures specified above in determining the proper valuation of the subject property. x x x.
>
> And in LBP v. Celada, this Court set aside the valuation fixed by the RTC of Tagbilaran, which was based solely on the valuation of neighboring properties, because it did not apply the DAR valuation formula. The Court explained:
>
> While [the RTC] is required to consider the acquisition cost of the land, the current value of like properties, its nature, actual use and income, the sworn valuation by the owner, the tax declaration and the assessments made by the government assessors to determine just compensation, it is equally true that these factors have been translated into a basic formula by the DAR pursuant to its rule-making power under Section 49 of R.A. No. 6657. As the government agency principally tasked to implement the agrarian reform program, it is the DAR's duty to issue rules and regulations to carry out the object of the law. The DAR [Administrative Order] precisely "filled in the details" of Section 17, R.A. No. 6657 by providing a basic formula by which the factors mentioned therein may be taken into account. The [RTC] was at no liberty to disregard the formula which was devised to implement the said provision.
>
> x x x x
>
> Consequently, as the amount of P2,232,868 adopted by the RTC in its December 21, 2001 Order was not based on any of the mandatory formulas prescribed in DAR AO 6-92, as amended by DAR AO 11-94, the Court of Appeals erred when it affirmed the valuation adopted by the RTC. (Emphases supplied.)

In the instant case, the RTC did not consider Section 17 of Republic Act No. 6657 as well as DAO No. 6 and instead adopted, hook line and sinker, the market data approach introduced by the commissioner nominated by Allied. This undoubtedly constitutes a glaring departure from the established tenet discussed above on the mandatory nature of Section 17 of Republic Act No. 6657 and DAO No. 6, as amended. It is worthy to note that Allied did not provide any evidence that the market data approach, which based the value of the land in question on sales and listings of similar properties situated within the area, conformed to the subject administrative order, and it is not also clear if same approach took into consideration the said administrative order. Such being the case, the market data approach espoused by Allied cannot be a valuation that complies with the requirements under the agrarian law. Besides, this Court has once refused to accept the market data approach as a method of valuation compliant with the agrarian law and enforced by the DAR:

> We find that the factors required by the law and enforced by the DAR Administrative Order were not observed by the SAC when it adopted wholeheartedly the valuation arrived at in the appraisal report. According to the appraisal company, it "personally inspected the property, investigated local market conditions, and have given consideration to the extent, character and utility of the property; sales and holding prices of similar land; and highest and best use of the property." The value of the land was arrived at using the market data approach, which bases the value of the land on sales and listings of comparable property registered within the vicinity. In fact, as noted by the Court of Appeals, a representative of the company admitted that it did not consider the CARP valuation to be applicable.[21] (Emphases supplied.)

In fine, this Court defers to the findings of the Court of Appeals, there being no cogent reason to veer away from such findings.

Lastly, since Landbank and the DAR failed to submit their respective reports and have them substantiated during the hearings, and since the valuation of Landbank remains unsubstantiated, the Court is left with no recourse but to remand the case to the RTC.

WHEREFORE, premises considered, the instant petition is hereby DENIED. The Decision of the Court of Appeals dated 29 June 2006 and its Resolution dated 7 November 2006 annulling the 14 January 2002 Decision of the Regional Trial Court of Balanga City, Bataan, Branch 1, and remanding the case to the same trial court are hereby AFFIRMED. Costs against petitioner.

SO ORDERED.

Ynares-Santiago, (Chairperson), Austria-Martinez, Nachura, and Peralta, JJ., concur.

---

[1] Penned by Associate Justice Estela M. Perlas-Bernabe with Associate Justices Andres B. Reyes, Jr. and Hakim S. Abdulwahid, concurring. Rollo, pp. 60-69.

[2] Rollo, p. 71.

[3] 1 hectare of the 21.3835 hectares was valued at P113,746.20; 3 hectares were valued at P56,873.10; 11.4506 hectares at P71,877.90; 5.9329 hectares at P53,872.50.

[4] 8.0830 hectares was valued at P53,872.50 per hectare, while the 12.4010 hectares were valued at P59,371.25.

[5] Records, pp. 208-209.

[6] Id. at 208.

[7] Id. at 229.

[8] Rollo, p. 49.

[9] Id. at 363.

[10] Sec. 17. Determination of Just Compensation. - In determining just compensation, the cost of acquisition of the land, the current value of like properties, its nature, actual use and income, the sworn valuation by the owner, the tax declarations, and the assessment made by government assessors shall be considered. The social and economic benefits contributed by the farmers and the farmworkers and by the Government to the property, as well as the non-payment of taxes or loans secured from any government financing institution on the said land shall be considered as additional factors to determine its valuation.

[11] Land Bank of the Philippines v. Spouses Banal, G.R. No. 143276, 20 July 2004, 434 SCRA 543, 550-551.

[12] Land Bank of the Philippines v. Wycoco, 464 Phil. 83, 94 (2004); Export Processing Zone Authority v. Dulay, 233 Phil. 313, 326 (1987).

[13] Supra note 11.

[14] G.R. No. 164876, 23 January 2006, 479 SCRA 495.

[15] G.R. No. 171941, 2 August 2007, 529 SCRA 129.

[16] Supra note 11 at 549-554.

[17] Supra note 14 at 506-507.

[18] Id. at 510-512.

[19] G.R. No. 164195, 30 April 2008, 553 SCRA 237.

[20] Supra note 15 at 134-136.

[21] Lee v. Land Bank of the Philippines, G.R. No. 170422, 7 March 2008, 548 SCRA 52, 61.

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.