

MIRACLE HEIGHTS DEVELOPMENT CORPORATION AND ERNESTO LIM, PETITIONERS, VS. COURT OF APPEALS-FORMER NINTH DIVISION AND SPS. MARIO AND ADELAIDA AMPARO, RESPONDENTS.

G.R. No. 270086, September 30, 2025

Ponente: LOPEZ, J.

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LOPEZ, J.:

This Court resolves the Petition for Certiorari[1] assailing the Decision[2] and Resolution[3] of the Court of Appeals (CA), which reversed and set aside the Decision[4] and Resolution[5] of the Office of the President (OP). The CA reinstated the Decision[6] and Resolution[7] of the Housing and Land Use Regulatory Board (HLURB), and dismissed the Complaint[8] filed by Spouses Mario and Adelaida Amparo (Spouses Amparo) for the suspension and/or revocation of Miracle Heights Development Corporation's (MHDC) Certificate of Registration and/or License to Sell (CR/LS).

Facts

Spouses Amparo filed a Complaint[9] against MHDC and Ernesto Lim (Lim) before the HLURB Regional Field Office No. IV for the suspension and/or the revocation of MHDC's CR/LS with prayer for the imposition of fines and/or other penalties, alleging unsound real estate business practices on the part of MHDC.[10]

According to Spouses Amparo, they are the lawful and registered owners of two parcels of land at Barangay Antipolo (Brgy. Antipolo), Lipa City, which are adjacent to and located at the lower portion of MHDC. These parcels of land are covered by Transfer Certificates of Title (TCT) Nos. 67020 and 61214 issued by the Registry of Deeds for Lipa City. Spouses Amparo protested MHDC's construction of a cemented canal directly descending to and pointing toward their properties. In their Complaint, they alleged that the construction would cause great damage to their properties and expose their health and well-being to the hazard of floods and waste matter that come with it.[11]

Since MHDC and Lim failed to timely file their answer, Spouses Amparo moved for MHDC and Lim to be declared in default.[12]

The HLURB then issued an order declaring MHDC and Lim in default.[13]

Spouses Amparo submitted their position paper and draft decision in line with the HLURB Rules. They emphasized that MHDC's CR/LS should be suspended and/or revoked because its issuance and its continuing grant "is predicated on the proper observance of the law and due regard for the property rights of others." [14] They also argued that MHDC's construction of the cemented canal constitutes as an unsound real estate business practice.[15]

The HLURB issued a Judgment by Default[16] in favor of Spouses Amparo, the dispositive portion of which reads:

WHEREFORE, premises considered, judgment is hereby rendered ordering [MHDC and Lim] to cease and desist from selling lots or units at Miracle Heights Subdivision until further ordered by this Office.

Further, [MHDC] is hereby ordered to pay this Board [PHP 10,000.00] as administrative fine for violation of Section 20 of [Presidential Decree No.] 957.

SO ORDERED.[17]

The Housing and Land Use arbiter ruled that the issues posed by Spouses Amparo involved the CR/LS in relation to the development of Miracle Heights Subdivision, particularly, the drainage outfall. According to the arbiter, since MHDC and Lim are the developer and owner, respectively, of the Miracle Heights Subdivision, they are obliged to complete the project in accordance with the approved development plan. However, it was found that MHDC did not submit a subdivision development plan. In its absence, the arbiter had to rely on the ocular inspection and other documents submitted by MHDC. The arbiter was convinced that there was a valid ground to issue a Cease and Desist Order until an Approved Development Plan or Alteration Plan indicating the proper draining system and drainage outfall has been submitted to the HLURB.[18]

The HLURB then issued a writ of execution upon Spouses Amparo's motion.[19]

MHDC and Lim subsequently filed a compliance with motion to lift the cease and desist order. MHDC and Lim averred that they have paid the administrative fine imposed upon them, and that they re-submitted the Development Plans for Miracle Heights Subdivision to the HLURB Region IV-A. They also prayed to be allowed to sell lots or units at Miracle Heights Subdivision.[20]

The arbiter directed the Development Monitoring Group of the HLURB to conduct another ocular inspection at the Miracle Heights Subdivision to determine whether MHDC and Lim have complied with the proper drainage system, in accordance with the development plan.[21]

A second ocular inspection was conducted.[22]

The arbiter denied MHDC and Lim's motion to lift the cease and desist order. According to the arbiter, MHDC and Lim's payment of administrative fine and submission of a new set of engineering development plans without the concerned local government unit's approval does not amount to compliance with the writ of execution. The findings of the Development Monitoring Group in their ocular inspection showed that MHDC had not complied with the writ of execution to warrant the lifting of the cease and desist order.[23]

MHDC and Lim then filed an appeal memorandum before the HLURB Board of Commissioners. MHDC and Lim averred in their appeal that the CA already previously ruled on a similar case also filed by Spouses Amparo.

Spouses Amparo had previously instituted a complaint against MHDC, contending that the latter's act of cementing the existing waterway increased the burden of the easement imposed on their property to receive the waters descending from the higher estates, entitling them to recover damages.[24] In that case, the Regional Trial Court (RTC) decided in favor of Spouses Amparo and ordered the removal and/or destruction of the cemented waterway. The CA in CA-G.R. CV No. 70164 dismissed Spouses Amparo's complaint for lack of merit.[25] They then sought recourse before this Court, docketed as G.R. No. 179304. However, their Petition was denied in this Court's October 8, 2007 Resolution. It became final and executory on June 5, 2008.

MHDC argued that the action before the HLURB should have already been barred by res judicata. MHDC also argued that the Development Monitoring Group in the ocular inspection's findings are contrary to the CA's findings, as affirmed by this Court in G.R. No. 179304.[26] According to MHDC, they have submitted the development plans, which have already been approved by the local government unit.[27]

Spouses Amparo interposed their counter memorandum.[28]

The HLURB Board of Commissioners rendered a Decision[29] that denied MHDC and Lim's appeal. According to the Board, the issues were not barred by *res judicata*. There was no identity of issues and the relief sought because the case filed before the regular court was a civil case for damages, while the case before the HLURB sought the suspension of MHDC and Lim's CR/LS. As for MHDC and Lim's compliance with the requirements for the lifting of the cease and desist order, the Board pointed out that the submitted development plan did not bear the local government unit's approval.[30]

MHDC and Lim filed their motion for reconsideration, which was denied by the HLURB in its Decision.[31]

MHDC and Lim appealed[32] to the OP. First, MHDC and Lim argued that the HLURB had no jurisdiction over the complaint because under Resolution No. 81.1., series of 2011, entitled "Promulgating the 2011 Revised Rules of Procedure of the [HLURB,]" actions concerning unsound real estate business must be filed by buyers of real estate. Since Spouses Amparo were not buyers of lots by MHDC, the HLURB has no jurisdiction over the complaint.[33] Second, the previous CA decision should be deemed conclusive upon the HLURB by reason of *res judicata*. [34] Third, MHDC had already submitted the development plans, which has been approved by the local government unit.[35] Lastly, MHDC and Lim argued that MHDC was not engaged in unsound business practice.[36]

In their Comment,[37] Spouses Amparo assailed MHDC and Lim's appeal before the OP for being filed out of time, pursuant to Section 1 of Administrative Order (A.O.) No. 18, Series of 1987 and Rule 20, Section 1(6) of the 2009 HLURB Rules of Procedure. They also argued that: (1) HLURB has jurisdiction over the case because Spouses Amparo were neighboring property owners of MHDC; (2) the CA's decision did not categorically rule on the propriety of the drainage system found in Miracle Heights Subdivision and that the principle of *res judicata* cannot be invoked because the previous civil case for damages have different issues and reliefs involved, as compared to the case at bar; (3) MHDC and Lim are guilty of unsound real estate business practices based on the findings from the ocular inspection; and (4) the denial of the lifting of the cease and desist order was justified in view of MHDC and Lim's failure to submit an approved development plan or alteration plan.[38]

In its Decision,[39] the OP dismissed Spouses Amparo's Complaint before the HLURB. The OP ruled upon the issues of *res judicata* and the HLURB's jurisdiction over Spouses Amparo's complaint. According to the OP:

To start with, this Office finds that the issues raised in the final and executory decision of the Court of Appeals are different from the issues raised in the instant complaint. In the former, the Amparos had alleged bad faith on the part of the developer in building the subject cemented waterway, and prayed for damages or account thereof as a principal relief. In the latter case, the Amparos, alleging damages arising from the same act of the developer, is principally seeking the suspension of the developer's certificate of registration and license to sell. It is clear that the instant complaint is hardly barred by [*res judicata*] because it raises a different issue and springs from a cause of action different from that obtaining in the final decision of the Court of Appeals.

Be that as it may, this Office finds that the HLURB has no jurisdiction over the complaint. The Amparos based their cause of action on unsound real estate business practice under Section 1(a), [Presidential Decree No.] 1344. They are, however, not buyers of any lot in the subdivision but are, rather, merely owners of a property adjacent to it.

....

Hence, the Amparos may not invoke Section 1(a), [Presidential Decree No.] 1344 as they are not buyers of a lot in MHDC's subdivision project.[40]

Spouses Amparo filed a motion for reconsideration, which the OP denied.[41]

Spouses Amparo then filed a Petition for Review[42] under Rule 43 before the CA, which it granted as follows:

WHEREFORE, premises considered, the Petition for Review is hereby GRANTED. The Decision dated April 26, 2016 and Resolution dated April 7, 2022 issued by the Office of the President in OP Case No. 11-I-280 are REVERSED and SET ASIDE. The Decision dated June 9, 2011 and Resolution dated July 21, 2011 of the HLURB Board of Commissioners Second Division in HLURB Case No. REM-A-110107-01333 are REINSTATED.

SO ORDERED.[43]

The CA found that the OP incorrectly took cognizance of MHDC and Lim's appeal. The "fresh period" in *Neypes v. Court of Appeals*[44] states that a litigant is allowed a fresh period of 15 days within which to file a notice of appeal from the previous court which decided the case, counted from the receipt of the dismissal of a motion for a new trial or motion for reconsideration. However, the *Neypes* ruling only covers judicial proceedings under the 1997 Rules of Civil Procedure, and not those cases which are administrative in nature.[45] Where the subject appeal is administrative in nature such as an appeal from a decision of the HLURB Board of Commissioners to the OP, the *Neypes* ruling does not apply. Section 1 of A.O. No. 18[46] provides that the time during which a motion for reconsideration has been pending with the ministry or agency concerned shall be deducted from the period for filing an appeal.[47]

The CA found that MHDC and Lim received a copy of the HLURB Board of Commissioners' Decision on June 17, 2011. They had 15 days from receipt or until July 2, 2011 to file their appeal. Instead of filing an appeal, MHDC and Lim filed their motion for reconsideration on July 1, 2011, or 14 days after receipt of the HLURB Decision. MHDC received the Resolution denying their Motion for Reconsideration on August 19, 2011. Applying Section 1 of A.O. No. 18, MHDC and Lim only had one day from August 19, 2011 or until August 20, 2011 to file their appeal to the OP because the filing of the motion for reconsideration merely suspended the running of the 15-day period. However, MHDC and Lim filed their appeal only on September 2, 2011. Thus, their appeal to the OP was already 13 days late and the HLURB Decision had become final and executory.[48]

Hence, MHDC and Lim filed a Petition for Certiorari[49] before this Court.

This Court resolves the issue of whether the Court of Appeals erred when it held the Housing and Land Use Regulatory Board's findings against petitioners Miracle Heights Development Corporation and Ernesto Lim, and when it held that Miracle Heights Development Corporation and Ernesto Lim's appeal before the Office of the President was filed out of time.

This Court's Ruling

The Petition is meritorious.

Petitioners aver that the HLURB has no jurisdiction over the Complaint filed by respondents Spouses Amparo.[50]

In respondents' Comment, they argue that: (1) the Petition for Certiorari should be dismissed considering that there is an appeal available to petitioners;[51] (2) HLURB has jurisdiction over the complaint filed by respondents;[52] (3) the HLURB ruled against petitioners based on the absence of an approved development plan;[53] (4) petitioners' appeal before the OP was filed out of time and hence the HLURB's decision became final and executory;[54] and (5) the completion of the development plan of the Miracle Heights Subdivision does not render the issues raised before the HLURB moot and academic.[55]

The filing of a Petition for Certiorari before this Court was proper

A petition for certiorari will prosper only if grave abuse of discretion is manifested.[56] Grave abuse of discretion is present "when respondent acts in a capricious or whimsical manner in the exercise of its judgment as to be equivalent to lack of jurisdiction." [57] The distinction between a petition for certiorari and a petition for review are as follows:

A petition for [certiorari] seeks to correct errors of jurisdiction while a petition for review seeks to correct errors of judgment committed by the court. Errors of judgment include errors of procedure or mistakes in the court's findings. Where a court has jurisdiction over the person and subject matter, the decision on all other questions arising in the case is an exercise of that jurisdiction. Consequently, all errors committed in the exercise of such jurisdiction are merely errors of judgment.[58] (Citation omitted)

Here, petitioners properly availed of the remedy of certiorari for the following reasons: (1) the writ is directed against the CA, which exercised its judicial functions; (2) the CA has acted without jurisdiction when it gave due course to petitioners' appeal; and (3) petitioners could not have successfully availed of the remedy of appeal by certiorari or the filing of a petition for review on certiorari, or any plain, speedy and adequate remedy in the ordinary course of law.[59]

The HLURB's jurisdiction to hear and decide cases is determined by the nature of the cause of action, the subject matter or property involved, and the parties

Jurisdiction is defined as "the power and authority of a court to hear, try, and decide a case." [60] In *Bilag v. Ay-ay*, [61] this Court emphasized that:

[F]or the court or an adjudicative body to have authority to dispose of the case on the merits, it must acquire, among others, jurisdiction over the subject matter. It is axiomatic that jurisdiction over the subject matter is the power to hear and determine the general class to which the proceedings in question belong; it is conferred by law and not by the consent or acquiescence of any or all of the parties or by erroneous belief of the court that it exists. Thus, when a court has no jurisdiction over the subject matter, the only power it has is to dismiss the action.[62] (Citation omitted)

Before a court should decide on the merits of the case, it is essential that a court or tribunal first determine whether it has jurisdiction over the subject matter.[63] A judgment rendered by a court without jurisdiction is null and void and may be attacked anytime,[64] even for the first time on appeal.[65]

This is because a void judgment creates no rights and produces no legal effect.[66] By exception, the doctrine of estoppel by laches may operate to bar jurisdictional challenges, pursuant to the ruling in *Tijam v. Sibonghanoy*. [67]

Records reveal that it was in 2008 when respondents filed a Complaint against petitioners before the HLURB for unsound real estate business practices. When the HLURB Board of Commissioners ruled in favor of respondents, and denied petitioner's appeal and motion for reconsideration, petitioners appealed to the OP.[68] In petitioners' appeal before the OP, they raised that the HLURB does not have jurisdiction over the case. While it took petitioners from year 2008 when the complaint was filed until 2011, We find that the lapse of three years is a reasonable length of time to raise the issue of jurisdiction. This may even be raised for the first time on appeal as it is not barred by estoppel. The general rule that a void judgment may be attacked anytime is applicable to this case.

An overview of the HLURB's jurisdiction as regards unsound real estate business practices

On July 31, 1975, the National Housing Authority (NHA) was created by virtue of Presidential Decree No.

757.[69] One of the powers vested upon the NHA is to "[p]rescribe and enforce guidelines, standards[,] and rules in the manner provided for in such rules and regulations promulgated and adopted by the [NHA] designed to protect home and lot buyers through the regulation of the real estate trade and business[.]"[70]

A year after, or on May 13, 1976, Presidential Decree No. 933[71] created the Human Settlements Commission to formulate human settlements perspectives and policies, and to adopt and to implement measures for ensuring the safety and wholesomeness of life in our communities, in consideration of space, efficient land use, equity in resources distribution, and rational relationship amongst our communities.[72]

On April 2, 1978, Presidential Decree No. 1344[73] defined the NHA's exclusive jurisdiction to hear and decide cases involving unsound real estate business practices.[74]

Through Presidential Decree No. 1396,[75] the Department of Human Settlements was founded to supervise government corporations, authorities and agencies relating to housing, including the Human Settlements Commission and the NHA.[76] The Human Settlements Commission was subsequently converted to the Human Settlements Regulatory Commission,[77] while the Department of Human Settlements was converted to the Ministry of Human Settlements when the Philippines shifted to a parliamentary form of government under Ferdinand E. Marcos's regime.[78]

As to the NHA, its powers were transferred to the Human Settlements Regulatory Commission pursuant to Executive Order No. 648.[79] One of the NHA's regulatory functions that was transferred to the Human Settlements Regulatory Commission include the "[r]egulation of the real estate trade and business[.]"[80]

In 1986, Executive Order No. 90 abolished the Ministry of Human Settlements[81] and created the Housing and Urban Development Coordinating Council.[82] The Human Settlements Regulatory Commission was renamed as the HLURB.[83] The former HLURB was reconstituted as the Human Settlements Adjudication Commission (HSAC) to which the adjudicatory functions of the HLURB were transferred.[84] At present, the Housing and Urban Development Coordinating Council and the HLURB have been consolidated into the Department of Human Settlements and Urban Development pursuant to Republic Act No. 11201.[85]

Having discussed the history of the Human Settlements Commission, We now focus the discussion on the exclusive jurisdiction to hear and decide cases involving unsound real estate business practices.

The first mention of the NHA's exclusive jurisdiction to hear and decide cases involving unsound real estate business practices was in Section 1 of Presidential Decree No. 1344, which provides:

SECTION 1. In the exercise of its functions 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 cases of the following nature:

A. Unsound real estate business practices[.]

Other relevant resolutions, law, and implementing rules and regulations (IRR) pertaining to jurisdiction in resolving unsound real estate business practices are as follows: (1) HLURB Resolution No. 871-11; (2) HSAC En Banc Resolution No. 8, s. 2021; (3) Republic Act No. 11201; and (4) the IRR of Republic Act No. 11201.

In 2011, the HLURB issued HLURB Resolution No. 871-11. Rule 1, Section 2 of this resolution limits the applicability of the HLURB Rules to disputes or controversies involving "actions concerning unsound real estate business practices filed by buyers." [86]

In 2021, the HSAC issued HSAC En Banc Resolution No. 8, s. 2021, Section 2(a)(1)[87] of this resolution specifies that actions concerning unsound real estate business practices filed by buyers or homeowners are within

the jurisdiction of the HSAC:

SECTION 2. Coverage. — These Rules shall govern the proceedings before the HSAC, and shall apply to the following disputes or controversies:

(a)

Cases involving subdivisions, condominiums, memorial parks, and similar real estate developments:

(1)

Actions concerning unsound real estate business practices filed by buyers or homeowners against the project owner or developer, which cause prejudice to the buyers, or which are committed with bad faith and in disregard of the buyer's rights[.]

As regards the law, the most recent amendment on the jurisdiction of the Department of Human Settlements and Urban Development is Republic Act No. 11201. Section 16 (a)(1) of Republic Act No. 11201 provides:

SECTION 16. Jurisdiction of Regional Adjudicators. — The Regional Adjudicators shall exercise original and exclusive jurisdiction to hear and decide cases involving the following:

(a)

Cases involving subdivisions, condominiums, memorial parks and similar real estate developments:

(1)

Actions concerning unsound real estate business practices filed by buyers or homeowners against the project owner or developer, which cause prejudice to the buyers or committed with bad faith and disregard of the buyers' rights[.]

Similarly, the IRR of Republic Act No. 11201 states that the regional adjudicators of the Department of Human Settlement and Urban Development have original and exclusive jurisdiction to hear and decide cases involving subdivisions where the action concerns unsound real estate business practices filed by buyers or homeowners against the project owner or developer. Section 34 of the IRR provides:

SECTION 34. Jurisdiction of Regional Adjudicators. — The Regional Adjudicators shall exercise original and exclusive jurisdiction to hear and decide cases involving the following:

34.1

Cases involving subdivisions, condominiums, memorial parks and similar real estate developments:

(a)

Actions concerning unsound real estate business practices filed by buyers or homeowners against the project owner or developer, which cause prejudice to the buyers or committed with bad faith and disregard of the buyers' rights[.]

The series of issuances from the HLURB Resolution, the HSAC En Banc Resolution, and Section 16 of Republic Act No. 11201 evinces the intent of Congress to protect the buyers and homeowners of the subdivision from

unsound real estate business practices and, thus, limit the jurisdiction of the HLURB (now HSAC) to cases filed by them.

Since respondents had no legal personality to sue when they filed a complaint for unsound real estate business practices before the HLURB, their Complaint must be dismissed

Legal personality to sue refers to the fact that plaintiff is the real party in interest to the case.[88] Rule 3, Section 2[89] of the Rules of Court states that "[a] real party in interest is the party who stands to be benefited or injured by the judgment in the suit, or the party entitled to the avails of the suit." "A real party in interest is one who possesses a substantial interest in the case as a result of breach of a legal right." [90] The lack of legal personality to sue or where the respondents are not the real parties-in-interest is a ground for the dismissal of the case, related to the ground that the complaint evidently states no cause of action.[91]

In case of unsound real estate business practices, it is not just the act complained of but also the party complaining that must be examined before the HLURB (now HSAC) may exercise its jurisdiction. As shown by the enactments and issuances mentioned above, the complaint for unsound real estate practice must emanate from buyers of a subdivision lot or condominium unit. This serves as a protection to buyers to give them an exclusive venue to resolve their grievances against subdivision or condominium developers.

In *Ortigas & Company, Ltd. Partnership v. Court of Appeals*, [92] this Court interpreted Section 1 of Presidential Decree No. 1344 as regards the HLURB's power to hear and decide complaints for unsound real estate business practices against land developers. We ruled in *Ortigas & Co., Ltd. Partnership* that the offended party in a complaint for unsound real estate business practices must be a buyer of lands involved in development. Otherwise, the complaint must be filed before a court of general jurisdiction, as follows:

Section 1 of [Presidential Decree No.] 1344 vests in the HLURB the exclusive jurisdiction to hear and decide the following cases:

(a)

unsound real estate business practices;

(b)

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

(c)

cases involving specific performance of contractual and statutory obligations filed by buyers of subdivision lots or condominium units against the owner, developer, dealer, broker or salesman.

Unlike paragraphs (b) and (c) above, paragraph (a) does not state which party can file a claim against an unsound real estate business practice. But, in the context of the evident objective of Section 1, it is implicit that the "unsound real estate business practice" would, like the offended party in paragraphs (b) and (c), be the buyers of lands involved in development. The policy of the law is to curb unscrupulous practices in real estate trade and business that prejudice buyers.

....

Obviously, the City had not bought a lot in the subject area from Ortigas which would give it a right to seek HLURB intervention in enforcing a local ordinance that regulates the use of private land within its jurisdiction in the interest of the general welfare. It has the right to bring such kind of action but only before a court of general jurisdiction such as the RTC. (Emphasis supplied, citation omitted)

Similarly in this case, respondents based their cause of action on unsound real estate business practice under Section 1(a) of Presidential Decree No. 1344. Thus, respondents, who are merely owners of a property adjacent to Miracle Heights Subdivision and are not buyers of any lot in the subject subdivision, erred in filing their complaint with the HLURB (now HSAC). Respondents, who are not buyers of any lot in the subject subdivision, are not the interested parties contemplated under the law and jurisprudence who can file a suit for unsound real estate business practices before the HLURB (now HSAC). Their cause of action lies with the courts of general jurisdiction such as the RTC.

Applying *Ortigas & Company, Ltd. Partnership*, and as can be gleaned from the amendments of Presidential Decree No. 1344 through Republic Act No. 11201 and other issuances of the HLURB and the HSAC, this Court finds that the CA committed grave abuse of discretion in reversing the Decision of the OP.

WHEREFORE, the Petition for Certiorari is GRANTED. The March 28, 2023 Decision and September 4, 2023 Resolution of the Court of Appeals in CA-G.R. SP No. 173447 are REVERSED and SET ASIDE. The Complaint of respondents Spouses Mario and Adelaida Amparo in HLURB Case No. RIV6-102908-3084 is DISMISSED.

SO ORDERED.

Hernando, Inting, Zalameda, Gaerlan, Rosario, Dimaampao, Marquez, Kho, Jr., Singh, and Villanueva, JJ., concur.

Gesmundo,[*] C.J., on official leave.

Leonen,[*][*] (Acting C.J.), dissent. See separate opinion.

Caguioa,[*][*][*] J., on official business but left a concurring vote.

Lazaro-Javier, J., please see concurrence.

[*] On official leave.

[*][*] Per Special Order No. 3223 dated September 15, 2025.

[*][*][*] On official business but left a concurring vote.

[1] Rollo, pp. 4-27.

[2] Id. at 160-172. The March 28, 2023 Decision in CA-G.R. SP No. 173447 was penned by Associate Justice Ramon A. Cruz and concurred in by Associate Justices Louis P. Acosta and Jaime Fortunato A. Caringal of the Ninth Division, Court of Appeals, Manila.

[3] Id. at 28-30. The September 4, 2023 Resolution in CA-G.R. SP No. 173447 was penned by Associate Justice Ramon A. Cruz and concurred in by Associate Justices Louis P. Acosta and Jaime Fortunato A. Caringal of the Former Ninth Division, Court of Appeals, Manila.

[4] Id. at 115-118. The April 26, 2016 Decision in OP Case No. 11-1-280 was penned by Executive Secretary Paquito N. Ochoa, Jr. of the Office of the President, Manila.

[5] Id. at 160.

[6] Id. at 90-92. The June 9, 2011 Decision in HLURB Case No. REM-A-110107-01333 was penned by Commissioner Ria Corazon Golez-Cabrera and concurred in by Commissioner Felix William Fuentebella and DPWH Representative and Ex-Officio Commissioner Jaime A. Pacanan of the Second Division, Housing and Land Use Regulatory Board, Quezon City.

[7] Id. at 93-94. The July 21, 2011 Resolution was penned by DPWH Representative Jaime A. Pacanan and concurred in by Commissioner and Chief Executive Officer Antonio M. Bernardo of the Second Division, Housing and Land Use Regulatory Board, Quezon City.

[8] Id. at 31-36.

[9] Id.

[10] Id. at 160-161.

[11] Id. at 161.

[12] Id.

[13] Id.

[14] Id.

[15] Id.

[16] Id. at 67-71. The July 10, 2009 Judgement by Default in HLURB Case No. RIV6-102908-3084 was penned by Arbiter Raymundo A. Foronda and concurred in by Director Architect Antonio B. Decatoria, Sr. of the Regional Field Office No. IV, Housing and Land Use Regulatory Board, Quezon City.

[17] Id. at 71.

[18] Id. at 162.

[19] Id.

[20] Id.

[21] Id.

[22] Id.

[23] Id. at 162-163.

[24] Id. at 195.

[25] Id. at 199.

[26] Id. at 205-206.

[27] Id. at 163.

[28] Id.

[29] Id. at 90-92.

[30] Id. at 91-92.

[31] Id. at 90-92.

[32] Id. at 98-114.

[33] Id. at 102-103.

[34] Id. at 104-110.

[35] Id. at 110-111.

[36] Id. at 111-112.

[37] Id. at 262-292.

[38] Id. at 164.

[39] Id. at 115-118.

[40] Id. at 117-118.

[41] Id. at 165.

[42] Id. at 123-159.

[43] Id. at 170.

[44] 506 Phil. 613 (2005) [Per J. Corona, En Banc].

[45] *San Lorenzo Ruiz Builders and Developers Group, Inc. v. Bayang*, 758 Phil. 368,373 (2015) [Per J. Brion, Second Division].

[46] Administrative Order No. 18 (1987), sec. 1(2) states:

SECTION 1. . . .

The time during which a motion for reconsideration has been pending with the Ministry/agency concerned shall be deducted from the period for appeal. But where such a motion for reconsideration has been filed during office hours of the last day of the period herein provided, the appeal must be made within the day following receipt of the denial of said motion by the appealing party.

[47] Rollo, pp. 168-169.

[48] Id. at 169-170.

[49] Id. at 4-27.

[50] Id. at 10-13.

[51] Id. at 273-275.

[52] Id. at 275-280.

[53] Id. at 281-285.

[54] Id. at 285-286.

[55] Id. at 288.

[56] *Microsoft Corp. v. Best Deal Computer Center Corp.*, 438 Phil. 408, 414 (2002) [Per J. Bellosillo, Second Division].

[57] Id. (Citation omitted)

[58] Id. at 415.

[59] *Patdu v. Ombudsman Carpio Morales*, 911 Phil. 62, 96 (2021) [Per J. Hernando, Second Division].

[60] *Bilag v. Ay-ay*, 809 Phil. 236, 243 (2017) [Per J. Perlas-Bernabe, First Division].

[61] 809 Phil. 236 (2017) [Per J. Perlas-Bernabe, First Division]

[62] Id. at 243.

[63] Id.

[64] Id.

[65] *Victoria Manufacturing Corporation Employees Union v. Victoria Manufacturing Corporation*, 857 Phil. 673, 684 (2019) [Per J. A. Reyes, Jr., Third Division].

[66] Id. at 681.

[67] 131 Phil. 556 (1968) [Per J. Dizon, En Banc].

[68] *Rollo*, pp. 93-114.

[69] Otherwise known as *Creating the National Housing Authority and Dissolving the Existing Housing Agencies, Defining its Powers and Functions, Providing Funds Therefor, and for Other Purposes*.

[70] Presidential Decree No. 757 (1975), sec. 6(p).

[71] Otherwise known as *Creating the Human Settlements Commission*.

[72] Presidential Decree No. 933 (1976), par. 4 states:

WHEREAS, our programs or reform now call for the organization of a body that is adequate and responsive to the manifold tasks of formulating human settlements perspectives and policies, designing operational programs for the control of all forms of environmental blight or deterioration, and adopting and implementing measures for ensuring the safety and wholesomeness of life in our communities with due regard to consideration of space, efficient land use, equity .in resources distribution, and rational relationship amongst our communities.

[73] Otherwise known as *Empowering the National Housing Authority to Issue Writ of Execution in the Enforcement of its Decision Under Presidential Decree No. 957 (1978)*.

[74] Presidential Decree No. 1344 (1973), sec. 1(a) states:

Section 1. In the exercise of its functions 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 cases of the following nature:

(a) Unsound real estate business practices[.]

[75] Presidential Decree No. 1396 (1978), *Creating the Department of Human Settlements and the Human Settlement Development Corporation, Appropriation Funds Therefor, and Accordingly Amending Certain Presidential Decrees*.

[76] Presidential Decree No. 1396 (1978), secs. 2 and 14(a)(h) states:

Section 2. Creation of the Department of Human Settlements. In order to carry out the above stated policy, there is hereby established the Department of Human Settlements, hereinafter referred to as the Department.

The Department shall be headed by a Secretary. For purposes of coordination, the Secretary shall serve ex-officio as Chairman of each of the governing boards of the corporation, commissions, and authorities which are placed under the supervision of the Department.

The Secretary shall be assisted by one Undersecretary, unless otherwise determined by the President.

....

Section 14. Corporations, Authorities and Agencies Under the Supervision of the Department. The following corporations, authorities and agencies are hereby placed under the supervision of the Department and their respective charters are correspondingly amended to the extent that the pertinent provisions thereof are inconsistent with the provisions of this Decree. The specific amendments to be affected in the respective charters of the affected corporations and authorities shall be provided for in the Letters of Implementation to be issued by the President to implement this Decree, which legal issuance shall form part of this Decree.

(a) National Housing Authority

....

(h) Human Settlements Commission[.]

[77] Presidential Decree No. 1396 (1978), sec. 18 states:

Section 18. Conversion of the Human Settlements Commission. The Human Settlements Commission established pursuant to Presidential Decree No. 933 is hereby renamed as the Human Settlements Regulatory Commission and shall accordingly be the regulatory arm of the Department.

[78] Presidential Decree No. 1397 (1978), sec. 1, Providing for the Conversion of Departments into Ministries and for the Senior Administrative Organization Therefore states:

Section 1. The departments of the government shall henceforth be converted into and known as ministries, and the Secretaries of such departments now designated as Ministers.

[79] Otherwise known as the Chapter of the Human Settlements Regulatory Commission.

[80] Executive Order No. 648 (1981), sec. 8(1) states:

Sec. 8. Transfer of Functions. The regulatory functions of the National Housing Authority pursuant to Presidential Decrees No. 957, 1216, 1344 and other related laws are hereby transferred to the Commission, together with such applicable personnel, appropriation, records, equipment and property necessary for the enforcement and implementation of such functions. Among these regulatory functions are:

(1) Regulation of the real estate trade and business[.]

[81] History of the Human Settlements Adjudication Commission, available at <https://hsac.gov.ph/history/> (last accessed on August 9, 2024).

[82] Executive Order No. 90 (1986), sec. 3. states:

SECTION 3. Creation; Main Function; Principal Office. There is hereby created a Housing and Urban Development Coordinating Council, hereinafter referred to as the Council, under the immediate control and supervision of the President of the Philippines, charged with the main function of coordinating the activities of the government housing agencies to ensure the accomplishment of the National Shelter Program. The Council shall have its principal office in Metropolitan Manila.

[83] Executive Order No. 90 (1986), sec. 1(c) states:

SECTION 1. Key Agencies. To ensure the accomplishment of the National Shelter Program, the following

primary government housing agencies, any provision of existing laws and their respective charters to the contrary notwithstanding, are hereby mandated to:

....

c. Human Settlements Regulatory Commission — The Human Settlements Regulatory Commission, renamed as the Housing and Land Use Regulatory Board, shall be the sole regulatory body for housing and land development. It is charged with encouraging greater private sector participation in low-cost housing through liberalization of development standards, simplification of regulations and decentralization of approvals for permits and licenses.

[84] Republic Act No. 11201 (2019), sec. 12 states:

Section 12. Reconstitution of the HLURB as the Human Settlements Adjudication Commission (HSAC). — The HLURB is hereby reconstituted and shall henceforth be known as the Human Settlements Adjudication Commission, hereinafter referred to as the "Commission."

The adjudicatory function of the HLURB is hereby transferred to the Commission and shall be attached to the Department for policy, planning and program coordination only.

[85] Republic Act No. 11201, Department of Human Settlements and Urban Development Act (2019), sec. 4 states:

Section 4. Creation and Mandate of the Department of Human Settlements and Urban Development. — There is hereby created the Department of Human Settlements and Urban Development, hereinafter referred to as the Department, through the consolidation of the Housing and Urban Development Coordinating Council (HUDCC) and the Housing and Land Use Regulatory Board (HLURB). The Department shall act as the primary national government entity responsible for the management of housing, human settlement and urban development. It shall be the sole and main planning and policy-making, regulatory, program coordination, and performance monitoring entity for all housing, human settlement and urban development concerns, primarily focusing on the access to and the affordability of basic human needs. It shall develop and adopt a national strategy to immediately address the provision of adequate and affordable housing to all Filipinos, and shall ensure the alignment of the policies, programs, and projects of all its attached agencies to facilitate the achievement of this objective.

[86] HLURB Resolution No. 871-11(2011), sec. 2(a) states:

Section 2. Coverage. — This Rules shall be applicable to the following disputes or controversies:

(a) Actions concerning unsound real estates business practices filed by buyers.

[87] HSAC En Banc Resolution No. 8 (2021), sec. 2.

[88] *Ambrose v. Suque-Ambrose*, 905 Phil. 149, 154 (2021) [Per J. Gaerlan, First Division].

[89] RULES OF COURT, Rule 3, sec. 2.

[90] *Ambrose v. Suque-Ambrose*, 905 Phil. 149, 154 (2021) [Per J. Gaerlan, First Division].

[91] *Republic of the Phils. (Civil Aeronautics Administration) v. Yu*, 519 Phil. 391, 398 (2006) [Per J. Quisumbing, Third Division].

[92] 688 Phil. 367 (2012) [Per J. Abad, Third Division].

DISSENTING OPINION

LEONEN, S.A.J.:

The right to adequate housing is a human right.[1] To be truly adequate, housing must be characterized by security of tenure; availability of services, materials, facilities, and infrastructure; affordability; habitability; accessibility; suitable location; and cultural adequacy.[2] The 1987 Constitution affirms the State's commitment to make available, at affordable cost, decent housing and basic services to underprivileged and homeless citizens in urban centers and resettlement areas.[3] Yet, millions of Filipinos still lack access to housing—much less adequate housing.[4]

To respond to this crisis, the government has established several specialized bodies tasked with housing and urban development.

This case resolves whether the Housing and Land Use Regulatory Board (HLURB)[5] had jurisdiction over respondents' Complaint seeking the suspension and revocation of the petitioners' registration certificate and license to sell on the ground of unsound real estate business practices.

The ponencia rules that the jurisdiction of the HLURB over cases involving unsound real estate business practices is limited to those filed by buyers of subdivision lots or condominium units.

Petitioners are the developers and owners of Miracle Heights Subdivision,[6] while respondents are owners of parcels of land adjacent to the lower portion of the subdivision.[7] Petitioners constructed a cemented canal that discharged water and waste matter onto respondents' property,[8] prompting them to file a Complaint for damages before the Regional Trial Court.[9] The Complaint alleged that petitioners increased the burden of the easement.[10] While the trial court ruled in favor of respondents, both the Court of Appeals and this Court later reversed the ruling.[11]

Meanwhile, respondents filed a Complaint before the HLURB seeking the suspension and revocation of petitioners' registration certificate and license to sell,[12] alleging that petitioners engaged in unsound real estate business practices.[13] The HLURB ruled in respondents' favor,[14] finding that petitioners had failed to submit a subdivision development plan.[15] Upon ocular inspection, the HLURB also determined that the subdivision lacked a proper drainage system.[16]

The Office of the President reversed the HLURB's ruling,[17] holding that the HLURB had no jurisdiction over the Complaint.[18] The Court of Appeals reinstated the HLURB Decision, finding that petitioners' appeal to the Office of the President was filed out of time.[19] Hence, the Petition.

Petitioners principally argue that the HLURB had no jurisdiction over respondents' Complaint because respondents are not buyers of any subdivision lots.[20]

The HLURB's jurisdiction over cases involving unsound real estate business practices is rooted in Section 1 of Presidential Decree No. 1344, which provides:

SECTION 1. In the exercise of its functions 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 cases of the following nature:

(a)

Unsound real estate business practices;

(b)

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

(c)

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.

Applying *Ortigas & Co., Ltd. Partnership v. Court of Appeals*,^[21] the ponencia interprets Section 1(a) of Presidential Decree No. 1344 to mean that only cases for unsound real estate business practices filed by buyers fall within the HLURB's jurisdiction.^[22] According to the ponencia, the "[r]espondents, who are merely owners of a property adjacent to Miracle Heights Subdivision and not buyers of any lot in the subject subdivision, do not have the legal personality to sue [the] petitioners for unsound real estate business practices before the HLURB."^[23]

The ruling in *Ortigas* grounded its restrictive reading of the scope of Section 1(a) on what it described as the "evident objective of Section 1" and on the limitation of paragraphs (b) and (c), which expressly referred to buyers.^[24]

However, the supposed "evident objective of Section 1"^[25] of Presidential Decree No. 1344 is not to confine, but to expand the HLURB's functions to regulate the real estate trade and business. By declaring that "[t]he policy of the law is to curb unscrupulous practices in real estate trade and business that prejudice buyers,"^[26] *Ortigas* unduly restricted the HLURB's jurisdiction and effectively excluded third parties from seeking redress for unsound real estate business practices without any textual or policy basis in the decree itself.

In *Badillo v. Court of Appeals*,^[27] the Court ruled that when an administrative agency such as the HLURB is conferred quasi-judicial functions, all controversies relating to the subject matter of its specialization fall within its jurisdiction.^[28] Thus, the HLURB's competence necessarily extends to all cases involving unsound real estate business practices, regardless of whether the complainant is a buyer or not.

In *Spouses Osea v. Ambrosio*,^[29] the Court adopted a broad appreciation of HLURB's jurisdiction:

The provisions of P.D No. 957 were intended to encompass all questions regarding subdivisions and condominiums. The intention was aimed at providing for an appropriate government agency, the HLURB, to which all parties aggrieved in the implementation of provisions and the enforcement of contractual rights with respect to said category of real estate may take recourse. The business of developing subdivisions and corporations being imbued with public interest and welfare, any question arising from the exercise of that prerogative should be brought to the HLURB which has the technical know-how on the matter. In the exercise of its powers, the HLURB must commonly interpret and apply contracts and determine the rights of private parties under such contracts. This ancillary power is no longer a uniquely judicial function, exercisable only by the regular courts.

As observed in *C.T. Torres Enterprises, Inc. v. Hibionada*:

The argument that only courts of justice can adjudicate claims resolvable under the provisions of the Civil Code is out of step with the fast-changing times. There are hundreds of administrative bodies now performing this function by virtue of a valid authorization from the legislature. This quasi-judicial function, as it is called, is exercised by them as an incident of the principal power entrusted to them of regulating certain activities falling under their particular expertise.

In the *Solid Homes* case for example the Court affirmed the competence of the Housing and Land Use Regulatory Board to award damages although this is an essentially judicial power exercisable ordinarily only by the courts of justice. This departure from the traditional allocation of governmental powers is justified by

expediency, or the need of the government to respond swiftly and competently to the pressing problems of the modern world.[30] (Citations omitted)

The HLURB has the power to determine and compel compliance with both laws and private contracts.[31]

While Presidential Decree No. 957 is titled the "Subdivision and Condominium Buyers' Protective Decree," the scope of HLURB jurisdiction has long extended beyond buyer protection. Since 1986, the HLURB has served as the sole regulatory-body for housing and land development.[32]

That paragraphs (b) and (c) of Section 1 of Presidential Decree No. 1344 specifically refer to "buyers" does not warrant reading the same restriction into paragraph (a). The omission of such a qualifier from paragraph (a) demonstrates that it was deliberately intended to be broader.

Philippine Bank of Communications v. Pridisons Realty Corp.[33] clarified:

While paragraphs (b) and (c) limit the HLURB cases to those between the buyer and the subdivision or condominium owner, developer, dealer, broker or salesman, paragraph (a) is broad enough to include third parties to the sales contract. It appears that the complaints filed before the HLURB were precisely for the unsound real estate business practices of Pridisons and/or Ivory Crest, which not only failed to secure and submit an affidavit of undertaking by PBComm, but also sold the same condominium units to more than one buyer. PBComm was impleaded on the basis of the allegation that the mortgage failed to meet the requirements of PD No. 957.[34]

Thus, HLURB's jurisdiction was recognized even over mortgagee banks and third parties to sales contracts.[35] Similarly, in *Geronimo v. Spouses Calderon*,[36] the Court upheld HLURB's jurisdiction over a complaint involving a church built by the developer in violation of the approved subdivision plan.[37]

In *Spouses Lim v. Ruby Shelter Builders and Realty Development Corp.*,[38] the Court again affirmed HLURB's expansive quasi-judicial powers. There, although the complainants were buyers of lots not part of an approved subdivision development—the subject property was a portion of a lot that was merely subdivided into four smaller lots—the Court still upheld HLURB's jurisdiction since the seller was a licensed land developer.[39]

Applying the plain text of the law, HLURB had jurisdiction over respondents' complaint. It was granted exclusive jurisdiction to regulate housing and land development.[40] "[W]hen an administrative agency or body is conferred quasi-judicial functions, all controversies relating to the subject matter pertaining to its specialization are deemed to be included within the jurisdiction of said administrative agency or body." [41]

All cases involving unsound real estate business practices should thus fall under HLURB's jurisdiction, including those filed by adjacent lot owners such as respondents.

The Court has had occasion to explain the rationale behind the expansive quasi-judicial powers of the HLURB in *Antipolo Realty Corp. v. National Housing Authority*. [42] In that case, the Court drew an analogy between the jurisdiction of the HLURB and that of the National Labor Relations Commission as justified in *Spouses Abejo v. De la Cruz*: [43]

In the fifties, the Court taking cognizance of the move to vest jurisdiction in administrative commissions and boards the power to resolve specialized disputes in the field of labor (as in corporations, public transportation and public utilities) ruled that Congress in requiring the Industrial Court's intervention in the resolution of labor-management controversies likely to cause strikes or lockouts meant such jurisdiction to be exclusive, although it did not so expressly state in the law. The Court held that under the 'sense-making and expeditious doctrine of primary jurisdiction . . . the courts cannot or will not determine a controversy involving a question which is within the jurisdiction of an administrative tribunal, where the question demands the exercise of

sound administrative discretion requiring the special knowledge, experience, and services of the administrative tribunal to determine technical and intricate matters of fact, and a uniformity of ruling is essential to comply with the purposes of the regulatory statute administered.'

In this era of clogged court dockets, the need for specialized administrative boards or commissions with the special knowledge, experience and capability to hear and determine promptly disputes on technical matters or essentially factual matters, subject to judicial review in case of grave abuse of discretion, has become well nigh indispensable. Thus, in 1984, the Court noted that 'between the power lodged in an administrative body and a court, the unmistakable trend has been to refer it to the former. 'Increasingly, this Court has been committed to the view that unless the law speaks clearly and unequivocally, the choice should fall on [an administrative agency.]' The Court in the earlier case of *Ebon vs. De Guzman*, noted that the lawmaking authority, in restoring to the labor arbiters and the NLRC their jurisdiction to award all kinds of damages in labor cases, as against the previous P.D. amendment splitting their jurisdiction with the regular courts, 'evidently, . . . had second thoughts about depriving the Labor Arbiters and the NLRC of the jurisdiction to award damages in labor cases because that setup would mean duplicity of suits, splitting the cause of action and possible conflicting findings and conclusions by two tribunals on one and the same claim.'"[44]

There is no reason for the HLURB's technical expertise to be invoked only in cases filed by buyers. Cases of similar nature likewise involving real estate developers, owners, dealers, or brokers filed by other affected parties are relegated to regular courts, resulting in inconsistent rulings and duplicity of suits. The HLURB's domain is the regulation of housing and land development,[45] not merely the protection of buyers. If the case involves unsound real estate business practices, it should be immaterial whether the complainant has purchased a lot or unit, as long as their interest is established.

In *Roxas v. Court of Appeals*,[46] the Court discussed the power of the HLURB to compel subdivision developers to comply with their contractual and statutory obligations:

In our view, the mere relationship between the parties, i.e., that of being subdivision owner/developer and subdivision lot buyer, does not automatically vest jurisdiction in the HLURB. For an action to fall within the exclusive jurisdiction of the HLURB, the decisive element is the nature of the action as enumerated in Section 1 of P.D. 1344. On this matter, we have consistently held that the concerned administrative agency, the National Housing Authority (NHA) before and now the HLURB, has jurisdiction over complaints aimed at compelling the subdivision developer to comply with its contractual and statutory obligations.

In *Spouses Chua v. Ang*,[47] the Court likewise recognized that subdivision and condominium development are matters of public interest and welfare,[48] as shelter is a basic human need whose fulfillment cannot be delayed.[49]

Indeed, the effects of subdivision or condominium development extend far beyond those who purchase lots or units from it. Given the state of real estate in the Philippines, where more people rent rather than own their homes, such developments inevitably impact the surrounding communities and the environment. From the acquisition of land for development to its construction, management, and eventual habitation, the neighborhood and ecosystem in which a project stands are directly affected—all the more so when the project owners, developers, dealers, brokers, or agents engage in unsound real estate business practices.

The present case thus falls under the jurisdiction of the HLURB. Respondents are directly harmed by petitioners' failure to submit approved development plans and comply with statutory requirements. It is undisputed that the cemented canal constructed by petitioners leads directly to respondents' property. Our nation's devastating experiences with floods and typhoons demonstrate how the absence of adequate drainage, sewerage, and water systems endangers not only property but the health and safety of entire communities. The Filipino people should not be punished for their resilience.

Adjacent lot owners such as respondents must be allowed to invoke HLURB's technical expertise against unsound real estate business practices. Otherwise, subdivision and condominium developers could evade accountability, hastily constructing projects for profit at the expense of public safety and welfare.

Notably, the Complaint filed by respondents with the HLRUB sought the suspension and revocation of petitioners' registration certificate and license to sell.[50] Under Presidential Decree No. 957, such a complaint may be filed by a buyer of a subdivision lot or a condominium unit or by any interested party.[51] The HLURB may even suspend a license to sell *motu proprio*. [52]

Republic Act No. 11201 or the Department of Human Settlements and Urban Development Act has since reorganized the housing sector and modified the jurisdiction of the HLURB, now the Human Settlements Adjudication Commission (HSAC). It provides:

SECTION 16. Jurisdiction of Regional Adjudicators. – The Regional Adjudicators shall exercise original and exclusive jurisdiction to hear and decide cases involving the following:

(a)

Cases involving subdivisions, condominiums, memorial parks and similar real estate developments:

(1)

Actions concerning unsound real estate business practices filed by buyers or homeowners against the project owner or developer, which cause prejudice to the buyers or committed with bad faith and disregard of the buyers' rights . . .

Since the effectivity of Republic Act No. 11201, the HSAC's over cases involving unsound real estate business practices has been confined to those filed by buyers or homeowners. However, when private respondents' Complaint was filed before and subsequently resolved by the HLURB, no such limitation existed under the law then in force. Hence, the ponencia cannot rely on the jurisdictional restrictions introduced by Republic Act No. 11201.

At the time material to this case, Presidential Decree No. 1344 remained controlling, and it granted the HLURB jurisdiction over all cases involving unsound real estate business practices, without qualification.[53]

Even the HLURB's rules of procedure in effect at that time did not limit the HLURB's jurisdiction solely to cases filed by buyers. Rule XII, Section 1 of both the 2004[54] and 2009[55] HLURB Rules of Procedure authorized arbiters to "hear and decide, subject to the approval of the Regional Officer, cases cognizable by this Board consistent with these Rules."

As the ponencia cited, Rule 1, Section 2 of the 2011 Revised Rules[56] likewise recognized HLURB's jurisdiction over "actions concerning unsound real estate business practices filed by buyers." [57] It also covers "suits filed in opposition to an application for certificate of registration and license to sell, development permit for condominium projects, clearance to mortgage, or the revocation or cancellation thereof, and locational clearances, certifications or permits, when issued by the Regional Field Office of HLURB." [58]

These powers merely implement Section 1(a) of Presidential Decree No. 1344, confirming that before the effectivity of Republic Act No. 11201, the HLURB exercised both adjudicatory and regulatory powers over the real estate trade and business, whether or not the complainant was a buyer.

In contrast, when Republic Act No. 11201 later created the Department of Human Settlements and Urban

Development, its functions were divided: The HSAC was vested with adjudicatory powers,[59] while the Department of Human Settlements and Urban Development retained regulatory authority.[60]

Here, private respondents filed a Complaint before the HLURB for the suspension or revocation of petitioner's registration certificate and license to sell. Thus, the HLURB correctly exercised jurisdiction.

If we are to genuinely uphold and champion the right to adequate housing—particularly in a society where housing development is largely privatized and commercialized—the law must not be read restrictively to deny remedies to victims of unsound real estate business practices. The HLURB, after all, was created to protect not only buyers but also the public interest in responsible, safe, and equitable urban development.

ACCORDINGLY, I vote to DENY the Petition.

[1] The Right to Adequate Housing Fact Sheet No. 21 (Rev. 1), Office of the United Nations High Commissioner for Human Rights and United Nations Human Settlements Programme, p. 10.

[2] *Id.* at 3-4.

[3] CONST., art. XII, sec. 9.

[4] Cai Ordinario, PIDS: Most Filipinos can't afford a house near jobs, BUSINESSMIRROR, August 22, 2022, available at <https://businessmirror.com.ph/2022/08/22/pids-most-filipinos-cant-afford-a-house-near-jobs/> (last accessed on October 29, 2022), citing Ballesteros, Marife et al., Measuring Housing Affordability in the Philippines, Philippine Institute for Development Studies Discussion Paper Series No. 2022-22 (2022).

[5] Considering that the case arose from a complaint filed prior to the effectivity of Republic Act No. 11201, this Opinion will refer to the Housing and Land Use Regulatory Board and its functions.

[6] Ponencia, p. 3.

[7] *Id.* at 2.

[8] *Id.*

[9] *Id.* at 4.

[10] *Id.*

[11] *Id.*

[12] *Id.* at 2.

[13] *Id.*

[14] *Id.* at 2-4.

[15] *Id.*

[16] *Id.*

[17] *Id.* at 5-6.

[18] *Id.* at 6.

[19] *Id.* at 7.

[20] Id.

[21] 688 Phil. 367 (2012) [Per J. Abad, Third Division].

[22] Ponencia, pp. 15-16.

[23] Id. at 16.

[24] Id.

[25] Ortigas & Co., Ltd. Partnership v. Court of Appeals, 688 Phil. 367, 371 (2012) [Per J. Abad, Third Division].

[26] Id.

[27] 578 Phil. 404 (2008) [Per J. Carpio, First Division].

[28] Id. at 415.

[29] 521 Phil. 92 (2006) [Per J. Carpio Morales, Third Division].

[30] Id. at 100-101.

[31] See Badillo v. Court of Appeals, 578 Phil. 404, 415-416 (2008) [Per J. Carpio, First Division].

[32] Executive Order No. 90 (1986).

[33] 701 Phil. 178 (2013) [Per J. Brion, Second Division].

[34] Id. at 187.

[35] Id. See also Manila Banking Corporation v. Spouses Rabina, 594 Phil. 422 (2008) [Per J. Carpio-Morales, Second Division].

[36] 749 Phil. 871 (2014) [Per J. Villarama, Jr., Third Division].

[37] Id.

[38] 644 Phil. 195 (2010) [Per J. Abad, Second Division].

[39] Id.

[40] Executive Order No. 90 (1986), sec. 1(c).

[41] Tejada v. Homestead Property Corp., 258 Phil. 787, 792 (1989) [Per J. Gancayco, First Division].

[42] 237 Phil. 389 (1987) [Per J. Feliciano, En Banc].

[43] 233 Phil. 668 (1987) [Per C.J. Teehankee, First Division].

[44] Id. at 684-685.

[45] Executive Order No. 90 (1986), sec. 1(c).

[46] 439 Phil. 966 (2002) [Per J. Quisumbing, Second Division].

[47] 614 Phil. 416 (2009) [Per J. Brion, Second Division].

[48] Id. at 427.

[49] Id.

- [50] Ponencia, p. 2.
- [51] Presidential Decree No. 957 (1976), sec. 13.
- [52] Id.
- [53] Presidential Decree No. 1344 (1978), sec. 1.
- [54] HLURB Board of Commissioners Resolution No. 765-04 (2004).
- [55] HLURB Resolution No. 851-09 (2009).
- [56] HLURB Resolution No. 871-11 (2011).
- [57] HLURB Resolution No. 871-11 (2011), sec. 2(a).
- [58] HLURB Resolution No. 871-11 (2011), sec. 2(g).
- [59] Republic Act No. 11201 (2019), sec. 25(d).
- [60] Republic Act No. 11201 (2019), sec. 25(b).

CONCURRING OPINION

LAZARO-JAVIER, J.:

The case calls for the review of the scope of jurisdiction of the Housing and Land Use Regulatory Board (HLURB), now the Human Settlements Adjudication Commission (HSAC),^[1] over cases involving unsound real estate business practices.

The ponencia held that "[i]n case of unsound real estate business practices, it is not just the act complained of but also the party complaining that must be examined before the HLURB (now HSAC) may exercise its jurisdiction. As shown by the enactments and issuances mentioned above, the complaint for unsound real estate practice must emanate from buyers of a subdivision lot or condominium unit. This serves as a protection to buyers to give them an exclusive venue to resolve their grievances against subdivision or condominium developers."^[2]

I concur.

In addition to the ponencia's eloquent discussion, I humbly propose to consider the following points of discussion to further bolster the legal framework and rationale underlying the HLURB's jurisdictional boundaries:

Summary nature of the proceedings before the HLURB and its limited jurisdiction

Expanding the jurisdiction of the HLURB to include all cases of unsound real estate business practices filed by any person or entity, regardless if they are buyers of a subdivision lot or condominium unit, would be anathema to the purpose of the HLURB as a specialized agency that has limited jurisdiction over cases involving disputes between buyers and developers of a subdivision lot or condominium unit.

Other than its limited jurisdiction, proceedings before the HLURB are summary in nature.^[3] These two factors—the HLURB's limited jurisdiction and the summary nature of the proceedings before it—were intended to expedite these classes of cases to fully protect the rights of buyers. These are not mere procedural requirements; rather, these are critical policy considerations that should not be brushed aside by the Court. The speedy resolution of the cases is a vital factor for the full protection of the rights of the buyers. It cannot be emphasized enough that cases before the tribunal involves the homes of people—their sanctuaries. They involve the right of the

buyers to peacefully live and settle in the subdivision lot or condominium unit they purchased, and the correlative legal obligation of the developer to ensure that the property remains habitable, safe, and conducive to dignified living.

Limiting unsound real estate business practices to cases filed by the buyers is consistent with the summary nature of the proceedings before the HLURB. The relationship of the parties would be undisputed. The rights and obligations between the two are clear-cut, straightforward, defined by contracts, and governed by laws specifically crafted to address the dispute between the developer and the buyer. If third persons were allowed to file cases before the HLURB, the issues would necessarily be muddled, contradicting the summary nature of the proceedings. This complicates what was meant to be a streamlined and buyer-centered adjudication process. What is the nature of the relationship between the parties under the law? The rights and obligations of the parties would now be subjected to further analysis that could be beyond the specialized and technical knowledge of the HLURB. What obligations, if any, does a developer owe to these non-buyers and under what standards should their claims be evaluated?

These additional layers of complexity would dilute the special and limited jurisdiction of the HLURB, veering the focus away from its mandate. Instead of concentrating the tribunal's energy, resources, and technical knowledge on cases that only involve buyers of subdivision lots or condominium units against the developers, its docket will now be clogged with cases initiated by any person under the guise of "unsound real estate business practices." The very efficiency and predictability that the system was designed to uphold would be compromised.

Expanding the HLURB's jurisdiction to include complaints from third persons would transform it into a catch-all tribunal for all real estate disputes by simply alleging that there was "unsound real estate business practice." This erodes the priority given to the buyers, whose claims would now be commingled with the claims of third persons. The "priority" given to them by law will be reduced to nothing. Hence, the Court must give primacy to the HLURB's role as a guardian of the buyers, not as a forum of general jurisdiction for all matters involving real estate controversies.

Definition of unsound real estate business practice

As established by jurisprudence, "unsound real estate business practice" refers to an act by the real estate owner/developer that would cause prejudice upon its buyers. This definition is based on the rationale, essence, and context of Presidential Decree No. 1344.[4]

The WHEREAS clauses of Presidential Decree No. 1344[5] would reveal that it was intended to alleviate the burdens of subdivision lot buyers, viz.:

WHEREAS, many subdivision lot buyers have been appalled by the inability of the National Housing Authority to enforce decisions rendered in their favor, thereby giving rise to disillusionment and skepticism about the noble objectives of Presidential Decree No. 957; and

WHEREAS, it has become necessary to strengthen the powers of the National Housing Authority to enable it to enforce and execute its decisions.

Accordingly, the various issuances enumerated by the ponencia defined and qualified unsound real estate business practices to those filed by the buyers against the developers for acts which caused prejudice to them, viz.:

(1) Section 2(a)(1) of HSAC En Banc Resolution No. 8, Series of 2021:[6]

SECTION 2. Coverage. — These Rules shall govern the proceedings before the HSAC, and shall apply to the following disputes or controversies:

(a) Cases involving subdivisions, condominiums, memorial parks, and similar real estate developments:

(1) Actions concerning unsound real estate business practices filed by buyers or homeowners against the project owner or developer, which cause prejudice to the buyers, or which are committed with bad faith and in disregard of the buyer's rights[.]

(2) Section 16(a)(1) of Republic Act No. 11201:[7]

SECTION 16. Jurisdiction of Regional Adjudicators. — The Regional Adjudicators shall exercise original and exclusive jurisdiction to hear and decide cases involving the following:

(a) Cases involving subdivisions, condominiums, memorial parks and similar real estate developments:

(1) Actions concerning unsound real estate business practices filed by buyers or homeowners against the project owner or developer, which cause prejudice to the buyers or committed with bad faith and disregard of the buyers' rights[.]

(3) Section 34.1(a) of the Implementing Rules and Regulations of Republic Act No. 11201:[8]

SECTION 34. Jurisdiction of Regional Adjudicators – The Regional Adjudicators shall exercise original and exclusive jurisdiction to hear and decide cases involving the following:

34.1 Cases involving subdivisions, condominiums, memorial parks, and similar real estate developments:

(a)

Actions concerning unsound real estate business practices filed by buyers or homeowners against the project owner or developer, which cause prejudice to the buyers or committed with bad faith and disregard of the buyers' rights[.]

Indubitably, it is clear that the limited jurisdiction of the HLURB was meant to address the plight of the buyers and to strengthen mechanisms for the enforcement of their rights against the developers. It was not intended to create a general remedy for all parties aggrieved by real estate transactions. Expanding the definition of unsound real estate business practice to include prejudice caused to third persons would be contrary to the context of Presidential Decree No. 1344.

As it was, if the Court will discard this limited definition and expand the concept of unsound real estate business practices, this would open the floodgates to the misuse and abuse of this concept, simply for the purpose of bringing a controversy within the jurisdiction of the HLURB and to take advantage of its summary procedure. This would not only contravene the HLURB's specialized mandate, but this would also weaken the protections afforded to the very class of persons Presidential Decree No. 1344 was designed to safeguard—the buyers.

Two factors must be considered to determine if the case falls within the jurisdiction of the HLURB

The intent of a statute is the law. If a statute is valid it is to have effect according to the purpose and intent of the lawmaker. The intent is the vital part, the essence of the law, and the primary rule of construction is to ascertain and give effect to the intent. The intention of the legislature in enacting a law is the law itself, and must be enforced when ascertained, although it may not be consistent with the strict letter of the statute. Courts will not follow the letter of a statute when it leads away from the true intent and purpose of the legislature and to conclusions inconsistent with the general purpose of the act. Intent is the spirit which gives life to a legislative enactment. In construing statutes the proper course is to start out and follow the true intent of the legislature and to adopt that sense which harmonizes best with the context and promotes in the fullest manner the apparent policy and objects of the legislature.[9]

In relation to the determination whether a special court has jurisdiction, the Court adopts a two-tier test in determining whether the case involves an intra-corporate dispute that falls within the jurisdiction of special commercial courts. Two elements must concur for a case to be considered as an intra-corporate dispute: (a) the status or relationship of the parties, and (b) the nature of the question that is the subject of their controversy. We held that "the better policy in determining which body has jurisdiction over a case would be to consider not only the status or relationship of the parties but also the nature of the question that is the subject of their controversy." [10]

These guidelines are necessary to ensure that not all issues between directors/officers and the corporation fall within the limited jurisdiction of special commercial courts, and not all actions against a corporation are brought before them.

Similarly, it would be in keeping with the purpose of the law which created the HLURB to consider two factors in determining whether a case falls within its limited jurisdiction: (1) the nature of the case; and (2) the relationship between the parties. Both elements must be present before the HLURB can exercise its adjudicatory powers.

Limited jurisdictions are limited for a reason. If all complaints invoking and alleging "unsound real estate business practices" were brought before the HLURB, the noble purpose of the law of expediting the claims of the buyers would be all for naught. This filtering mechanism is necessary to give substance to the limited jurisdiction of the HLURB and to guarantee the full protection of the buyers of a subdivision lot or a condominium unit.

Thus, I VOTE to GRANT the Petition for Certiorari.

[1] Republic Act No. 11201 (2019), otherwise known as the Department of Human Settlements and Urban Development Act.

[2] Resolution, p. 16.

[3] HLURB Resolution No. 980, Series of 2019, Rule 1, sec. 4.

[4] See Velasquez, Jr. v. Lisandra Land Inc., 880 Phil. 184, 208 (2020) [Per J. Lopez, First Division].

[5] Presidential Decree No. 1344 (1978), Empowering the National Housing Authority to Issue Writ of Execution in the Enforcement of its Decision under Presidential Decree No. 957.

[6] HSAC En Banc Resolution No. 8, Series of 2021, Promulgating the Rules of Procedure of the Human Settlements Adjudication Commission.

[7] Department of Human Settlements and Urban Development Act (2019).

[8] The Implementing Rules and Regulations of Republic Act No. 11201, otherwise known as the Department of Human Settlements and Urban Development Act (2019).

[9] Ongsiako v. Gamboa, 86 Phil. 50, 57 (1950) [Per J. Torres, En Banc].

[10] Strategic Alliance Development Corporation v. Star Infrastructure Development Corporation, 649 Phil. 669, 681 (2010) [Per J. Perez, First Division].

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