

THE MANILA RAILWAY COMPANY, PLAINTIFF AND APPELLEE, VS. MIGUEL FABIE AND BROTHERS, DEFENDANTS AND APPELLANTS.*G.R. No. 5644. October 13, 1910*

Ponente: MORELAND, J.

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This is an action to exercise the right of eminent domain. The only question litigated is the value of the land sought to be condemned. At the proper point in the proceedings the Court of First Instance appointed three commissioners, in accordance with the law, with instructions to proceed and ascertain the value of the land and to make their report to the court. It appears from the record that the commission proceeded to view the land and to take proofs in relation to its value. The evidence taken was documentary only and consisted simply of deeds showing conveyances of land between persons living in that community and containing the prices paid by the vendees therefor.

The commission was divided in its report. Two members found the value of the land to be P56,337.18. The third, disagreeing with his associates, found the value to be P27,415.92. Upon the coming in of the report the court took additional testimony, which consisted of evidence respecting the benefits which the remaining lands of the defendants would enjoy by reason of the building of the railroad, and also relating to the rental value of various pieces of land in that locality. After taking this additional evidence, the court found that the amount stated as the value of the land in the report of the majority was excessive and unsupported by the evidence, and, agreeing with the dissident commissioner, found that the real value of the land was P27,415.92. The defendant landowners appealed to this court from that judgment.

As we have before said, the only evidence before us to support the finding of the commissioners consists of documents which are simply deeds of transfer of real estate between parties in that community showing the prices paid by the vendees in such conveyances. The only evidence in the record to support the finding of the court below as to the value of the land, as he found it, is that taken before the commissioners, which consists in the documents aforementioned, and that taken by the court upon the hearing on the coming in of the report of the commissioners. It is apparent, without argument, that the evidence relied upon to support the finding of the commissioners, as well as that presented to sustain the decision of the court, is wholly incompetent for the purpose. Deeds showing transfer of land in the locality in question and the price at which such land was transferred, standing alone, are wholly incompetent as evidence of value, even though such deeds contain the price for which the land sold. The rental value of lands in the locality in which lies the land sought to be condemned, standing alone, is also utterly incompetent to support a finding of value. There is, therefore, in all the case not a particle of legal evidence which shows value. The value which ought to be shown is the market value of the land in that locality. By market value we mean the price fixed by buyer and seller in the open market in the usual and ordinary course of legal trade and competition; the price and value of the article established or shown by sale, public or private, in the ordinary way of business; the fair value of the property as between one who desires to purchase and one who desires to sell; the current price; the general or ordinary price for which property

may be bought and sold in that locality. Undoubtedly deeds conveying property in the same locality are of value in determining the market value of land in that vicinity, provided they are shown to have been made in the ordinary course of legal business and competition and that the prices stated therein were real and not affected by unusual conditions. Standing alone, however, they may be very misleading. One person may desire a piece of land in a given locality very much more than any other person. He may, for some special reason, desire it so much that he is willing to pay three or four times its value in order to secure it. A deed exhibiting such a value would be no criterion of the real value of property in that community.

The Court of First Instance had the undoubted right to reject the report of the commissioners, if that report was not founded upon legal evidence. The judge had the undoubted right also to discharge the commission and appoint a new one. Conceding, without deciding, that he also had the right to formulate an opinion of his own as to the value of the land in question, nevertheless, if he formulate such an opinion, he must base it upon competent evidence. The difficulty with the ease is that it affirmatively appears from the record on appeal that there is an entire absence of competent evidence to support the finding either of the commissioners or of the court, even if the court had a right to make a finding of his own at all under the circumstances.

We believe that justice requires the appointment of a new commission to ascertain the value of the land, and the granting of a new trial generally.

For the reasons expressed, the judgment of the court below is reversed and the commission discharged. The cause is remanded to the Court of First Instance, with instructions to appoint a new commission for the purpose of ascertaining the value of the land in question in due form of law; and for such other and further proceedings as law requires. So ordered.

Arellano, C. J., Torres, Johnson, and Trent, JJ., concur.

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