

**PEOPLE'S HOMESITE & HOUSING CORPORATION,
PETITIONER-APPELLANT, VS. COURT OF APPEALS, RIZALINO L.
MENDOZA AND ADELAIDA R. MENDOZA, RESPONDENTS-APPELLEES.**

G.R. No. 61623, December 26, 1984

Ponente: AQUINO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-61623/>

AQUINO, J.:

The question in this case is whether the People's Homesite & Housing Corporation bound itself to sell to the Mendoza spouses Lot 4 (Road) Pcs-4564 of the revised consolidation subdivision plan with an area of 2,608.7 (2,603.7) square meters located at Diliman, Quezon City.

The PHHC board of directors on February 18, 1960 passed Resolution No. 513 wherein it stated "that subject to the approval of the Quezon City Council of the above-mentioned Consolidation Subdivision Plan, Lot 4, containing 4,182.2 square meters be, as it is hereby awarded to Spouses Rizalino Mendoza and Adelaida Mendoza, at a price of twenty-one, pesos (P21.00) per square meter" and "that this award shall be subject to the approval of the OEC (PHHC) Valuation Committee and higher authorities".

The city council disapproved the proposed consolidation subdivision plan on August 20, 1961 (Exh. 2). The said spouses were advised by registered mail of the disapproval of the plan (Exh. 2-PHHC). Another subdivision plan was prepared and submitted to the city council for approval. The revised plan, which included Lot 4, with a reduced area of 2,608.7, was approved by the city council on February 25, 1964 (Exh. H).

On April 26, 1965 the PHHC board of directors passed a resolution recalling all awards of lots to persons who failed to pay the deposit or down payment for the lots awarded to them (Exh. 5). The Mendozas never paid the price of the lot nor made the 20% initial deposit.

On October 18, 1965 the PHHC board of directors passed Resolution No. 218, withdrawing the tentative award of Lot 4 to the Mendoza spouses under Resolution No. 513 and re-awarding said lot jointly and in equal shares to Miguela Sto. Domingo, Enrique Esteban, Virgilio Pinzon, Leonardo Redublo and Jose Fernandez, subject to existing PHHC rules and regulations. The prices would be the same as those of the adjoining lots. The awardees were required to deposit an amount equivalent to 20% of the total selling price (Exh. F).

The five awardees made the initial deposit. The corresponding deeds of sale were executed in their favor. The subdivision of Lot 4 into five lots was approved by the city council and the Bureau of Lands.

On March 16, 1966 the Mendoza spouses asked for reconsideration of the withdrawal of the previous award to them of Lot 4 and for the cancellation of the re-award of said lot to Sto. Domingo and four others. Before the request could be acted upon, the spouses filed the instant action for specific performance and damages.

The trial court sustained the withdrawal of the award. The Mendozas appealed. The Appellate Court reversed that decision and declared void the re-award of Lot 4 and the deeds of sale and directed the PHHC to sell to the Mendozas Lot 4 with an area of 2,603.7 square meters at P21 a square meter and pay to them P4,000 as attorney's

fees and litigation expenses. The PHHC appealed to this Court.

The issue is whether there was a perfected sale of Lot 4, with the reduced area, to the Mendozas which they can enforce against the PHHC by an action for specific performance.

We hold that there was no perfected sale of Lot 4. It was conditionally or contingently awarded to the Mendozas subject to the approval by the city council of the proposed consolidation subdivision plan and the approval of the award by the valuation committee and higher authorities.

The city council did not approve the subdivision plan. The Mendozas were advised in 1961 of the disapproval. In 1964, when the plan with the area of Lot 4 reduced to 2,608.7 square meters was approved, the Mendozas should have manifested in writing their acceptance of the award for the purchase of Lot 4 just to show that they were still interested in its purchase although the area was reduced and to obviate any doubt on the matter. They did not do so. The PHHC board of directors acted within its rights in withdrawing the tentative award.

"The contract of sale is perfected at the moment there is a meeting of minds upon the thing which is the object of the contract and upon the price. From that moment, the parties may reciprocally demand performance, subject to the law governing the form of contracts." (Art. 1475, Civil Code).

"Son, sin embargo, excepcion a esta regla los casos en que por virtud de la voluntad de las partes o de la ley, se celebra la venta bajo una condicion suspensiva, y en los cuales no se perfecciona la venta hasta el cumplimiento de la condicion" (4 Castan Tobeñas, Derecho Civil Español 8th ed. p. 81).

"In conditional obligations, the acquisition of rights, as well as the extinguishment or loss of those already acquired, shall depend upon the happening of the event which constitutes the condition". (Art. 1181, Civil Code). "Se llama suspensiva la condición de la que depende la perfección, o sea el principio del contrato". (9 Giorgi, Teoria de las Obligaciones, p. 57).

Under the facts of this case, we cannot say there was a meeting of minds on the purchase of Lot 4 with an area of 2,608.7 square meters at P21 a square meter.

The case of *Lapinig vs. Court of Appeals*, 115 SCRA 213 is not in point because the awardee in that case applied for the purchase of the lot, paid the 10% deposit and a conditional contract to sell was executed in his favor. The PHHC could not re-award that lot to another person.

WHEREFORE, the decision of the Appellate Court is reversed and set aside and the judgment of the trial court is affirmed. No costs.

SO ORDERED.

Makasiar (Chairman), Concepcion, Jr., Abad Santos, Escolin, and Cuevas, JJ., concur.

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.