

**BONIFACIO L. HILARIO AND EDUARDA M. BUENCAMINO HILARIO,
PETITIONERS, VS. HONORABLE INTERMEDIATE APPELLATE COURT
AND SALVADOR BALTAZAR, RESPONDENTS.**

G.R. No. 70736. March 16, 1987

Ponente: GUTIERREZ, JR., J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-70736/>

GUTIERREZ, JR., J.:

This is a petition for review on certiorari of the Court of Appeals' decision declaring Salvador Baltazar a leasehold tenant entitled to security of tenure on a parcel of land consisting of 1,740 square meters.

On January 13, 1981, Salvador Baltazar filed a verified complaint with the Court of Agrarian Relations, Branch VI at Baliuag, Bulacan alleging that since January, 1955 he had been in continuous possession as a share tenant of a parcel of land with an area of about 2 hectares situated in San Miguel, Bulacan, which was pre-viously owned by one Socorro Vda. de Balagtas; that on or about December 27, 1980, and thereafter, the spouses Hilario began to threaten him to desist from entering and cultivating a portion of the aforesaid land with an area of 4,000 square meters an otherwise committed acts in violation of his security of tenure; that the Hilarios were contemplating the putting up of a fence around the said portion of 4,000 square meters and that unless res-trained by the court, they would continue to do so to his great irreparable injury.

Baltazar claims that he became a tenant of Socorro P. Vda. de Balagtas on the latter's two-hectare landhold-ing located at San Juan, San Miguel, Bulacan by virtue of a "Kasunduan" executed between them on January 8, 1979. He states that he erected his house and planted "halaman", the produce of which was divided at 70-30 and 50-50 (sic) in his favor. After the death of Socorro P. Vda. de Balagtas, he allegedly gave the share pertaining to the landowner to her daughter Corazon Pengzon. It was only in December, 1980 that he came to know that a portion of the 2 hectares or 4,000 square meters is already owned by the Hilarios.

On the other hand, the petitioners aver that they acquired the landholding of 4,000 square meters from the Philippine National Bank (PNB) after it had been fore-closed by virtue of a deed of sale executed between Bonifacio Hilario and the PNB. The former owner Corazon Pengzon testified that she owned only two lots - Lot 427-B with an area of 841 square meters and Lot 427-C with an area of 899 square meters with a total area of 1,740 square meters. The other 2 lots were owned by Ruben Ocampo and Juan Mendoza. She further testified that in 1964 at the time of the partition of the property, she declared the property for classification purposes as "bakuran" located in the Poblacion and had no knowledge that there were other things planted in it except bananas and pomelos.

On November 27, 1981, the Court of Agrarian Relations (CAR) in determining whether or not respondent Baltazar is the tenant of the petitioners ruled that the land in question is not an agricultural landholding but plain "bakuran", hence, Baltazar is not a tenant on the land.

On January 30, 1982, the Court of Appeals, however, remanded the case to the lower court for further proceedings on the ground that the findings of the Court of Agrarian Relations (CAR) were not supported by substantial

evidence.

In compliance with the order of the Court of Appeals, the CAR admitted additional evidence.

On December 19, 1983, the CAR admitted the petitioners' third party complaint filed with leave against the Philippine National Bank (PNB) which states that in the event that judgment would be rendered against them under the original complaint, the PNB must contribute, indemnify, and reimburse the spouses the full amount of the judgment.

On the basis of the parties' and their witnesses' affidavits containing detailed narrations of facts and documentary exhibits which served as their direct testimonies pursuant to PD 946, the CAR found that there was no tenancy relationship existing between Baltazar and the former owner, Corazon Pengzon. The dispositive portion of the decision reads:

"WHEREFORE, judgment is hereby rendered declaring plaintiff not to be a tenant on the landholding described in the complaint and ordering his ejectment therefrom.

"The third-party complaint is hereby dismissed for lack of merit." (pp. 25-26, Rollo)

Again, respondent Salvador Baltazar appealed to the then Intermediate Appellate Court (IAC).

The IAC, however, reversed the decision of the CAR and held that:

"x x x [T]he decision appealed from is hereby SET ASIDE, and another one entered declaring plaintiff-appellant a leasehold tenant entitled to security of tenure on the land in question consisting of 1,740 square meters. Costs against defendants-appellees." (p. 31, Rollo)

Consequently, the spouses Hilarios filed this petition for review making the following assignments of errors:

I. THE INTERMEDIATE APPELLATE COURT ERRED IN DISTURBING THE FINDINGS OF FACTS AND DECISION OF THE COURT OF AGRARIAN RELATIONS (CAR) WHICH IS SUPPORTED BY SUBSTANTIAL EVIDENCE.

II. THE INTERMEDIATE APPELLATE COURT ERRED IN SUBSTITUTION (SIC) THE FINDINGS OF FACTS OF CAR, OF ITS OWN FINDINGS.

III. THE INTERMEDIATE APPELLATE COURT ERRED IN NOT AFFIRMING THE DECISION OF CAR, FINDING THE LOTS IN QUESTION WITH AN AREA OF 1,740 SQUARE METERS AS RESIDENTIAL LOT AND PRIVATE RESPONDENT NOT TO BE A TENANT.

We agree with the respondent court when it stated that it can affirm on appeal the findings of the CAR only if there is substantial evidence to support them. However, after a careful consideration of the records of the case, we find no valid reason to deviate from the findings of the CAR. The evidence presented by the petitioners is more than sufficient to justify the conclusion that private respondent Salvador Baltazar is not a tenant of the landholding in question.

Salvador Baltazar claims: that he is working on the land in question pursuant to a "kasunduan" executed between him and Socorro Balagtas. The contract covers a two-hectare parcel of land. The disputed landholding is only 4,000 square meters more or less, although Baltazar claims that this area is a portion of the two hectares in the contract. He testified that sometime in 1965, he relinquished 1.5 hectares of the two hectares subject of the "kasunduan" to Nemesio Ocampo, Juan Mendoza, Miguel Ocampo and Miguel Viola and what remained under his cultivation was 1/2 hectare owned by Corazon Pengson. He stated that when Socorro Balagtas died, no new contract was executed. However, he insists that the old contract was continued between Corazon Pengson and

himself. (rollo, p. 23).

This claim is controverted by the testimony of Corazon Pengson herself which we quote as follows:

"Q - After the death of your mother in 1965, what step, if any, have you taken regarding this subject landholding or after the death of your mother how did you - ?

"Q - ...administer this landholding in 1963, 1964, 1965, 1966, etc?

"A - What I did is to fix the title of ownership, sir.

COURT:

"Q - What else?

"A - None other, Your Honor.

"Q - After the death of your mother in 1962, have you seen Mr. Salvador Baltazar in this landholding in question?

"A - Yes, Your Honor.

"Q - What was he doing?

WITNESS:

"A - We are neighbors, Your Honor, sometimes he visits and goes to our place and we used to meet there, Your Honor.

"Q - What was the purpose of his visit and your meeting in this landholding?

"A - Sometimes when he visits our place he tells us that there are some bananas to be harvested and sometimes there are other fruits, your Honor.

"Q - You mean to say he stays in this subject landholding consisting of 7,000 square meters?

"A - After the survey it turned out - - -

"A - ... that he is occupying another lot which I learned that property does not belong to us, Your Honor.

"Q - What was your arrangement regarding his stay in that landholding which you don't own?

"A - He said that he had a contract with my late mother which I don't know; in order not to cause any trouble because I will be bothered in my business, I told him to continue, Your Honor.

"Q - What do you mean when you - - -

COURT:

(continuing)

- . . . told him to continue?

"A - What I mean to say is that he can stay there although I don't understand the contract with my mother, Your Honor.

"Q - Was he paying rentals for his stay in that lot?

"A - No, Your Honor". (T.S.N., pp. 15-19, hearing of August 5, 1981).

Corazon Pengson further explained that she did not receive any share from the produce of the land from 1964 up to the filing of the case and she would not have accepted any share from the produce of the land because she knew pretty well that she was no longer the owner of the lot since 1974 when it was foreclosed by the bank and later on purchased by the spouses Hilarios.

We note the CAR's finding:

"Tenancy relationship is indivisible. The two-hectare land subject of plaintiff's alleged contract with Socorro Balagtas having been parcelled into seven (7) and possession thereof relinquished/surrendered in 1965 results in the termination of plaintiff's tenancy relationship with the previous owner/landholder. Such being the case, he cannot now claim that the landholding in question consisting of 4,000 square meters, more or less, is being cultivated by him under the old contract. The owner thereof Corazon Pengson has no tenancy relationship with him (plaintiff)." (p. 25, Rollo)

From the foregoing, it is clear that Corazon Pengson did not give her consent to Baltazar to work on her land consisting of only 1,740 square meters. We agree with the CAR when it said:

"The law accords the landholder the right to initially choose his tenant to work on his land. For this reason, tenancy relationship can only be created with the consent of the true and lawful landholder through lawful means and not by imposition or usurpation. So the mere cultivation of the land by usurper cannot confer upon him any legal right to work the land as tenant and enjoy the protection of security of tenure of the law (Spouses Tiongson v. Court of Appeals, 130 SCRA 482)" (Ibid)

And in the case of Tuazon v. Court of Appeals (118 SCRA 484), this Court had the occasion to explain:

xxx xxx xxx

"x x x Tenancy is not a purely factual relationship dependent on what the alleged tenant does upon the land. It is also a legal relationship. The intent of the parties, the understanding when the farmer is installed, and, as in this case, their written agreements, provided these are complied with and are not contrary to law, are even more important."

The respondent court ruled that the fact that the land in question is located in the poblacion does not necessarily make it residential.

The conclusion is purely speculative and conjectural. We note that the evidence presented by the petitioners sufficiently establishes that the land in question is residential and not agricultural.

As we stated in Tiongson v. Court of Appeals (supra) "the key factor in ascertaining whether or not there is a landowner-tenant relationship in this case is the nature of the disputed property."

The records show that the disputed property, only 1,740 square meters in area, is actually located in the poblacion of San Miguel, Bulacan not far from the municipal building and the church. It is divided into two lots -- Lot 427-B with an area of 841 square meters and Lot 427-C with an area of 899 square meters. Two other lots which the respondent claims to cultivate as "tenant" were originally owned by Ruben Ocampo and Juan Mendoza, not Corazon Pengson, through whom the respondent traces his alleged tenancy rights.

Respondent Baltazar is a full-time government employee working in the Bureau of Plant Industry.

The disputed lots were acquired at a foreclosure sale from the Philippine National Bank. They were purchased as residential lots and the deed of sale describes them as "residential". The inspection and appraisal report of the PNB classified the land as residential. The declaration of real property on the basis of which taxes are paid and approved by the Acting Provincial Assessor of Bulacan classifies the land as residential. The tax declarations

show that the 841 square meter lot is assessed for tax purposes at P25,236.00 while the 899 square meter lot is assessed at P26,920.00. The owner states that the land has only bananas and pomelos on it. But even if the claim of the private respondent that some corn was planted on the lots is true, this does not convert residential land into agricultural land.

The presumption assumed by the appellate court, that a parcel of land which is located in a poblacion is not necessarily devoted to residential purposes, is wrong. It should be the other way around. A lot inside the poblacion should be presumed residential, or commercial or non-agricultural unless there is clearly preponderant evidence to show that it is agricultural.

The respondent court also failed to note that the alleged tenant pays no rental or share to the landowners. Baltazar made a vague allegation that he shared 70-30 and 50-50 of the produce in his favor. The former owner flatly denied that she ever received anything from him.

The requirements set by law for the existence of a tenancy relationship, to wit: (1) The parties are the landholder and tenant; (2) The subject is agricultural land; (3) The purpose is agricultural production; and (4) There is consideration; have not been met by the private respondent.

We held in *Tiongson v. Court of Appeals*, cited above that:

"All these requisites are necessary in order to create tenancy relationship between the parties and the absence of one or more requisites do not make the alleged tenant a de facto tenant as contradistinguished from a de jure tenant. This is so because unless a person has established his status as a de jure tenant, he is not entitled to security of tenure nor is he covered by the Land Reform Program of the Government under existing tenancy laws. x x x ." (underlining supplied).

WHEREFORE, the petition is GRANTED. The decision of the respondent Court of Appeals is hereby REVERSED and SET ASIDE and the decision of the Court of Agrarian Relations is AFFIRMED.

SO ORDERED.

Fernan, (Chairman), Alampay, Paras, Padilla, Bidin, and Cortes, 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.