

C.T. TORRES ENTERPRISES, INC., PETITIONER, VS. HON. ROMEO J. HIBIONADA, EFREN DIONGON AND PLEASANTVILLE DEVELOPMENT CORPORATION, RESPONDENTS.

G.R. No. 80916. November 09, 1990

Ponente: CRUZ. J.

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CRUZ. J.:

The same issue of jurisdiction that was raised in *Solid Homes v. Payawal*[1] is raised in the case at bar. The same ruling laid down in that earlier case must be applied in the present controversy.

The petitioner as agent of private respondent Pleasantville Development Corporation sold a subdivision lot on installment to private respondent Efren Diongon. The installment payments having been completed, Diongon demanded the delivery of the certificate of title to the subject land. When neither the petitioner nor Pleasantville complied, he filed a complaint against them for specific performance and damages in the Regional Trial Court of pNegros Occidental. This was docketed as Civil Case No. 3514. The two defendants each filed an answer with cross-claim and counterclaim. The plaintiff filed a reply and answered the counterclaims. Pre-trial was scheduled and heard and trial briefs were submitted by Pleasantville and Diongon. The case was set for initial hearing. It was then that C.T. Torres Enterprises filed a motion to dismiss for lack of jurisdiction, contending that the competent body to hear and decide the case was the Housing and Land Use Regulatory Board. The motion was heard and Diongon later file an opposition. On September 17, 1987 the trial court[2] denied the motion to dismiss in an order reading as follows:

Before this Court for resolution is the Motion to Dismiss filed by defendant C.T. Torres Enterprises, Inc. alleging among other things, that this Court has no jurisdiction over the subject matter considering that the present action falls within the jurisdiction of the Housing and Land Use Regulatory Board by virtue of Executive Order No. 90 dated December 17, 1986.

Plaintiff filed an opposition to the said, motion to dismiss traversing the allegations therein stated. A perusal of both pleadings and the complaint filed by plaintiff, the issuer: to be determined are basically governed by the provisions of the New Civil Code, particularly on contracts. The complaint is one for specific performance with damages which is a justiciable issue under the Civil Code and jurisdiction to hear the said issue is conferred on the regular Courts pursuant to Batas Pambansa Big. 129.

It is therefore, the finding of this Court that jurisdiction as conferred by law is vested in the regular courts and not in the Housing and Land Use Regulatory Board. The Motion to Dismiss is therefore DENIED for lack of merit.

SO ORDERED.

The petitioner is now before this Court on certiorari to question this order.

In holding that the complaint for specific performance with damages was justiciable under the Civil Code and so

came under the jurisdiction of the regular courts under B.P. 129, the trial court failed to consider the express provisions of P.D. No. 1344 and related decrees. It also erred in supposing that only the regular courts can interpret and apply the provisions of the Civil Code, to the exclusion of the quasi-judicial bodies.

P.D. No. 957, promulgated July 12, 1976 and otherwise known as "The Subdivision and Condominium Buyers' Protective Decree," provides that the National Housing Authority shall have exclusive authority to regulate the real estate trade and business.

The scope of the regulatory authority lodged in the National Housing Authority is indicated in the second and third paragraphs of the preamble, thus:

WHEREAS, the numerous reports reveal that many real estate subdivision owners, developers, operators, and/or sellers have reneged on their representations and obligations to provide and maintain properly subdivision roads, drainage, sewerage, water systems, lighting systems and other similar basic requirements, thus endangering the health and safety of home and lot buyers;

WHEREAS, reports of alarming magnitude also show cases of swindling and fraudulent manipulations perpetrated by unscrupulous subdivision and condominium sellers and operators, such as failure to deliver titles to the buyers or titles free from liens and encumbrances, and to pay real estate taxes and fraudulent sales of the same subdivision lots to different innocent purchasers for value. (Emphasis supplied)

P.D. No. 1344, which was promulgated April 2, 1978, and empowered the National Housing Authority to issue writs of execution in the enforcement of its decisions under P.D. No. 957, specified the quasi-judicial jurisdiction of the agency as follows:

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 an/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, broke or salesman. (Emphasis supplied)

Under E.O. No. 648 dated February 7, 1981, the regulatory functions conferred on the National Housing Authority under P.D. Nos. 957, 1344 and other related laws were transferred to the Human Settlements Regulatory Commission, which was renamed Housing and Land Use Regulatory Board by E.O. No. 90 dated December 17, 1986.

It is clear from Section 1(c) of the above, quoted PD No. 1344 that the complaint for specific performance with damages filed by Diongon, with the Regional Trial Court of Negros Occidental comes under the jurisdiction of the Housing and Land Use Regulatory Board. Diongon is a buyer of a subdivision lot seeking specific performance of the seller's obligation to deliver to him the corresponding certificate of title.

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.

Thus we have held:

It is by now commonplace learning that many administrative agencies exercise and perform adjudicatory powers and functions, though to a limited extent only. Limited delegation of judicial or quasi-judicial authority to administrative agencies (e.g. the Securities and Exchange Commission and the National Labor Relations Commission) is well recognized in our jurisdiction, basically because the need for special competence and experience has been recognized as essential in the resolution of questions of complex or specialized character and because of a companion recognition that the dockets of our regular courts have remained crowded and clogged.[3]

x x x

As a result of the growing complexity of the modern society, it has become necessary to create more and more administrative bodies to help in the regulation of its ramified activities. Specialized in the particular fields assigned to them, they can deal with the problems thereof with more expertise and dispatch than can be expected from the legislature or the courts of justice. This is the reason for the increasing vesture of quasi-legislative and quasi-judicial powers in what is now unreasonably called the fourth department of the government.[4]

x x x

There is no question that a statute may vest exclusive original jurisdiction in an administrative agency over certain dispute and controversies falling within the agency's special expertise. The very definition of administrative agency includes its being vested with quasi-judicial powers. The ever increasing variety of powers and functions given to administrative agencies recognizes the need for the active intervention of administrative agencies in matters calling for technical knowledge and speed in, countless controversies which cannot possibly be handled by regular courts.[5]

The argument of the private respondents that the petition is premature because no motion for reconsideration of the questioned order of trial court had been filed stresses the rule but disregards the exception. It is settled that the motion for reconsideration may be dispensed with if the issue raised is a question of law,[6] as in the case at bar. The issue pleaded here is lack of jurisdiction. It could therefore be raised directly and immediately with this Court without the necessity of an antecedent motion for reconsideration.

We hold, in sum, that the complaint for specific performance and damages was improperly filed with the respondent court, jurisdiction over the case being exclusively vested in the Housing and Land Use Regulatory Board. We also hold that the order denying the motion to dismiss was subject to immediate challenge before this Court as the filing (and denial) of a motion for reconsideration was not an indispensable requirement.

WHEREFORE, the petition is GRANTED. The questioned Order of September 17, 1987, is SET ASIDE and Civil Case No. 3514 in the Regional Trial Court of Negros Occidental is hereby DISMISSED, without prejudice to the filing of the proper complaint with the Housing and Land Use Regulatory Board if so desired. No costs.

SO ORDERED.

Narvasa, Gancayco, Griño-Aquino, and Medialdea, JJ., concur.

[1] Solid Homes, Inc. vs. Payawal, 177 SCRA 72.

[2] Through Judge Romeo J. Hibionada.

[3] Antipolo Realty Corp. vs. NHA, 153 SCRA 399.

[4] Solid Homes, Inc. vs. Payawal, supra.

[5] Tropical Homes, Inc. vs. NHA. 152 SCRA 540.

[6] Quirino vs. Gorospe, 169 SCRA 702; Gonzales, Jr. vs. IAC, 131 SCRA 468; PALEA vs. PAL, 111 SCRA 215.

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