

TONY CAUDAL, PETITIONER, VS. HON. COURT OF APPEALS, HON. REMEGIO E. ZARI, PRESIDING JUDGE, REGIONAL TRIAL COURT, NATIONAL CAPITAL JUDICIAL REGION, BRANCH 98, QUEZON CITY, AND DI...

G.R. No. 83414. July 31, 1989

Ponente: FERNAN, C.J.

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FERNAN, C.J.:

This petition for review on certiorari seeks the reversal of the Court of Appeals decision in CA G.R. No. 09457 entitled "Tony Caudal v. Hon. Remegio E. Zari," dated 29 January 1988^[1] which affirmed the decision of the Regional Trial Court, National Capital Judicial Region, Branch 98, Quezon City and its resolution dated 18 May 1988 denying petitioner's motion for reconsideration.

The following are the established facts:

Private respondent Dionisio Cu, his wife and five (5) children rented first an apartment at No. 269-A D. Tuason, Quezon City but later transferred to No. 38 Silencio St., Santol, Quezon City because the owner of the former apartment needed it for his personal use. The period of lease of the second apartment was from 16 September 1984 up to 16 March 1986.¹

In February 1984, Cu in his desire to provide his family with a permanent abode acquired a parcel of land situated at 157 E. Garcia, Quezon City, together with the existing improvements thereon, consisting of a six (6) door apartment building from Julieta Esguerra.²

On 2 July 1984, Cu notified petitioner who was then occupying one of the units therein, of the termination of the lease contract by giving him until October 1984 within which to vacate the premises.³ Yet despite the demand, petitioner refused to comply by remaining in the premises even after October 1984, thereby compelling Cu to bring the matter to the office of the Barangay Captain who issued a certification to file a complaint.⁴

Thereafter, Dionisio Cu filed an ejectment case docketed as Civil Case No. 0047612, against petitioner herein Tony Caudal before the Metropolitan Trial Court of Quezon City, Branch 35. In his complaint, Cu alleged that he and his family were residing at 38 Silencio St., Santol, Quezon City merely as tenants; that neither plaintiff nor any member of his family, namely: his wife, Juanita nor his children -- Selwyn, Anneli, Lynn, Devon, and Irma was owner of a house or dwelling unit in Quezon City or Manila, except a, six (6) door apartment located at 157 E. Garcia St., Cubao, Quezon City; that one of the apartment units was being leased to defendant Caudal on a monthly basis; that plaintiff and his family were transferring to the six (6) door apartment, two (2) of which would be merged into one dwelling unit for his son Selwyn, who planned to get married, and the remaining apartment units would be utilized as conjugal home of plaintiff and his family.⁵

In his answer, defendant alleged that he had a verbal contract with the owner Julieta B. Esguerra on the subject premises at the monthly rate of P150.00 since July 1967; that Mrs. Esguerra failed to claim the rental for

November 1984 causing the defendant to deposit the same in a bank; that as the subject parcel of land had an area of 1,000 sq. m. more or less he proposed that the 600 sq. m. fronting the 6 door apartment be used for the construction of plaintiff's dwelling.⁶

Summary procedure having ensued, the Metropolitan Trial Court on 26 March 1986 rendered a decision dismissing the complaint of the plaintiff.⁷

From the said decision of the MTC of Quezon City, plaintiff Dionisio Cu appealed to the Regional Trial Court of Quezon City which docketed it as Civil Case No. 47639.⁸

On 6 June 1986, the RTC of Quezon City reversed the decision of the inferior court.⁹ Its decision in favor of Cu was based mainly on the latter's right to possess the said property after Cu had bought the 6 door apartment from vendor Esguerra.

From said decision of the RTC-Quezon City, Tony Caudal filed a petition for review with the Court of Appeals. Petitioner argued that the RTC committed a grave abuse of discretion when it ruled in favor of Cu despite the latter's intention of merely using (1) door as stock room, office, quarter for maids and drivers.¹⁰ In support of his argument, petitioner cited Sec. 5 (c) of B.P. 877 which states:

"Grounds for Judicial Ejectment:

"(c) Legitimate need of owner/lessor to repossess his property for his own use or for the use of any immediate member of his family as a residential unit, such owner or immediate member not being owner of any other available residential unit within the same city or municipality; Provided however, That the lessor has given the lessee formal notice three (3) months in advance of the lessor's intention to repossess the property; and Provided, finally, That the owner/lessor is prohibited from leasing the residential unit or allowing its use by a third party for at least one year.

On 29 January 1988, the Court of Appeals rendered a decision affirming the decision of the Regional Trial Court of Quezon City.¹¹ Petitioner moved to reconsider but the appellate court in its resolution dated 18 May 1988 denied the motion.¹²

Hence, this instant petition.

Petitioner raises the central argument that:¹³

"THE HONORABLE COURT OF APPEALS ERRED IN INTERPRETING SEC. 5 (c) BATAS PAMBANSA BLG. 25 AND 877, IN RELATION TO SEC. 2(6) (SIC), BATAS PAMBANSA 877, TO INCLUDE THE USE OF SUBJECT APARTMENT DOOR AS STOCKROOM, OFFICE AND QUARTER FOR MAIDS AND DRIVERS AS A GROUND FOR EJECTMENT."

We affirm. Cu may eject petitioner from the premises. The subsequent conversion of the subject area into a maid/driver's quarters and stockroom comes within the purview of Sec. 5(c) as a legitimate need for residential purposes.

As an intrinsic aid in fully appreciating the term "residential unit," we must refer to the Rental Law Batas Pambansa 877, Legislative intent must be ascertained from a consideration of the whole statute. Clauses and phrases of the statutes should not be taken as detached and isolated expressions, but the whole and every part thereof must be considered in fixing the meaning of any of its parts.¹⁴ Said law in defining the term "residential unit" states:

"Sec. 2 (b):

"Residential Unit - refers to an apartment, house and/or land on which another's dwelling is located used for residential purposes and shall include not only buildings, parts or units thereof used solely as dwelling places, except ... but also those used for home industries, retail stores or other business purposes if the owner thereof and his family actually live therein and use it principally for dwelling purposes: Provided, that in the case of a retail store, home industry or business, the initial capitalization thereof shall not exceed five thousand pesos (P5,000.00) and Provided, further, that in the operation of the store, home industry or business, the owner thereof shall not require the services of any person other than the members of his household. (Underscoring ours.)

Observe that the law does not strictly confine the meaning of the word "residence" mainly for habitation purposes as restrictedly interpreted by petitioner. In a way, the definition admits a measure of liberality, albeit limited, since a residence may also be the site of a home industry, or a retail store or be used for business purposes so long as it is principally used for dwelling purposes. The law in giving greater importance to the abode being used principally for dwelling purposes, has set the limitation on the maximum amount of capitalization to P5,000.00, which is small by present standards.

Thus, if an abode can be used for limited business purposes, we see no reason why it cannot be used as an abode for persons rendering services usually necessary or desirable for the maintenance and enjoyment of a home and who personally minister to the personal comfort and convenience of the members of the household.

Cu admits in his complaint that two (2) doors would be merged into one (1) dwelling for his son and the remaining apartment units would be utilized as conjugal home for the Cu family.¹⁵ Although they were formerly rented to various lessees as separate units by the previous owner, Julieta Esguerra, upon conversion of the said premises into a conjugal dwelling all doors would be considered as one.

A servants' quarter is an auxiliary part of a residence.¹⁶ Similarly, it has been held that a "dwelling house," a one story building annexed to the house proper, designed for a kitchen, and another erection attached to it, designed for a wash room, is included.¹⁷ A dwelling house is an entire thing; it includes the buildings, and such attachments as are usually occupied and used for the family for the ordinary purposes of a house.¹⁸ In law it may embrace the dwelling itself and such buildings as are used in connection with it.¹⁹ Where other structures were joined to a dwelling house by removing partitions and consolidating the entire physical structure under one continuous roof, the dwelling house constituted only one.²⁰

The ejectment of petitioner should not be taken in isolation of Cu's plan. Cu has explicitly stated that he himself would be transferring to the adjoining units and would merge the latter with petitioner's unit to form one conjugal dwelling. Indeed, the character of Cu's occupancy is mainly for dwelling purposes. A different conclusion would have been arrived at if a lessee like petitioner herein, was ejected on the sole ratiocination that the premises would be exclusively used as maid/driver's quarters autonomously of any adjoining conjugal dwelling.

The argument that the maids/drivers are not covered by the term immediate members of the family of the lessor²¹ has no leg to stand on because Cu himself, his spouse and family are transferring to the adjoining premises, of which petitioner's unit would become an auxiliary part of the main conjugal dwelling.

It is also the belief of petitioner that he could not be ejected just because the said property was sold to a third person as provided in the last paragraph of Sec. 5 of B.P. 877, to wit:

"(N)o lessor or his successor-in-interest shall be entitled to eject the lessee upon the ground that the leased premises has been sold or mortgaged to a third person regardless of whether the lease or mortgage is registered or not."

The prohibition in the above-quoted provision of law is obvious; that is, the law disallows the ejectment of the

lessee merely on the ground that the leased premises had been sold or mortgaged. Aside from the fact that there is nothing under the law to prevent a vendee, who steps into the shoes of the original owner from ejecting said lessee on grounds expressly provided for by the Rental Laws, it has already been settled that the subsequent owner who has established that he bought the leased premises in question for his and his family's own use may recover possession of the said premises.²² Hence, in the case at bar Cu the present owner is within his rights in ejecting Caudal to enable the former to use the premises, a ground undisputably allowed under Sec. 5(c) of B.P. 877.

As to the proviso under the same section of B.P. 877 that the lease for a definite period has expired, there is no question that under existing jurisprudence, the verbal contract of lease between the original owner and the lessee on a month-to-month basis is a lease with a definite period,²³ which has expired upon Cu's notice given to Caudal on July 2, 1984, that the lease contract has been terminated; and that Caudal had until October 1984 or a period of three (3) months within which to vacate the premises. In fact, this Court has clearly ruled that an oral month to month lease is terminable on a 30 days' notice.²⁴

Be that as it may, Cu's notice to Caudal has also in effect complied with the second requirement of Sec. 5(c) of the same BP 877, to give three (3) months advance notice to the lessee.

We need not belabor the fact that Cu himself was in dire need of a place to stay since he too was just renting an apartment at 38 Silencio St., Santol, Quezon City and had to transfer in view of the imminent expiration of his lease on 16 March 1986.²⁵ Indeed, there was a need to find a place he could call his own.

Verily, the law could not have intended to prevent bona fide sales from owners/lessors who wish to dispose of their property to third persons in need of their own residence. This would be an absurd interpretation contrary to the basic philosophy underlying the right to property. To give preferential right to a tenant over and above a new owner's need for the premises for his use and that of his family as propounded in the Tan Tok Lee Case²⁶ is arbitrary and unreasonable.

WHEREFORE, the decision of the Court of Appeals dated 29 January 1988 is hereby affirmed.

SO ORDERED.

Gutierrez, Jr., Feliciano, Bidin, and Cortes, JJ., concur.

[1] Penned by Lantin, J., concurred by Ines-Luciano, and Lapeña, Jr., JJ.

1 Rollo, p. 19.

2 Ibid.

3 Rollo, p. 19.

4 Rollo, p. 13.

5 Ibid.

6 Ibid.

7 Rollo, p. 14.

8 Rollo, p. 15.

9 Ibid.

- 10 Rollo, p. 18.
- 11 Rollo, pp. 25-26.
- 12 Rollo, pp. 9-11.
- 13 Rollo, p. 4
- 14 Gaanan v. IAC, 145 SCRA 112 (1986); Aisporna v. C.A., 113 SCRA 459 (1982).
- 15 Rollo, p. 13.
- 16 North British and Mercantile Ins. Co. v. Tye, 58 EE 110, 111, 1Ga App 381.
- 17 Hovey v. Luce, 31 Me 346, 349 Words & Phrases Vol. 13A p. 564.
- 18 Chase v. Hamilton Ins. Co., 20 N.Y. 52, 55 Words & Phrases Vol. 13A p. 564.
- 19 28 CJS 19 Ala App 476.
- 20 Crane v. Hathway N. J. 132 A 748 Words and Phrases, "Dwelling," Vol. 13A p. 564.
- 21 "Sec. 2(c) - Immediate Members of Family of the Lessee or Lessor for purposes of repossessing the leased premises, shall be limited to his or her spouse, direct descendants or ascendants by consanguinity or affinity."
- 22 Tan Tok Lee v. CFI of Kalookan City, 121 SCRA 438 (1983); Barosi v. C.A., et al., 125 SCRA 798 (1983).
- 23 Rantael v. CA, 97 SCRA 453 (1980); Crisostomo v. CA 116 SCRA 199; Cruz v. Pano Jr., 120 SCRA 502 (1983); Baens v. CA, 125 SCRA 636 (1983); Rivera v. Florendo, 143 SCRA 286 (1986); Dionio v. IAC, 147 SCRA 243 (1987); Heirs of Fausta Dimaculangan v. IAC, G.R. No. 68021, Feb. 20, 1989; Spouses Augusto C. Legasto and Celia Legasto v. Court of Appeals, et al., G.R. Nos. 76854-60, April 25, 1989.
- 24 Dionio v. IAC, supra.
- 25 Rollo, p. 24.
- 26 No. L-50134, April 20, 1983, 121 SCRA 438.

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