

## **ESTATE DEVELOPERS AND INVESTORS CORPORATION, PETITIONER, VS. COURT OF APPEALS, ROSALIE OROPESA AND/OR NESTOR OROPESA, RESPONDENTS.**

*G.R. No. 92461. September 02, 1992*

Ponente: NOCON, J.

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### **NOCON, J.:**

The sole issue before Us is one of jurisdiction. In an action filed by a developer of a subdivision against a buyer of a lot in said subdivision for collection of the balance of the unpaid price of said lot evidenced by a promissory note executed by the lot buyer, does jurisdiction lie with the regular courts under Batas Pambansa Bilang 129 or with the Housing and Land Use Regulatory Board, being the successor of the National Housing Authority under Presidential Decree No. 957?

The undisputed facts of the case are as follows:

On May 23, 1988, petitioner filed a complaint before Branch XXXII of the Regional Trial Court of Manila for collection of the amount due under a promissory note executed by herein respondents representing the unpaid balance of the purchase price of a lot bought by the latter from the former.

Respondents refused to pay the balance of the purchase price of the subdivision lot due to petitioner's abandonment of its undertaking to fully develop the Antipolo Hills Subdivision. This was the same reason which prompted the other buyers of the subdivision units to group themselves and form the Antipolo Hills Homeowners Associations, Inc., of which herein respondents are members, in order that they may better be heard by petitioner.

The Association filed a complaint against petitioner before the Housing and Land Use Regulatory Board (HLURB), pursuant to its exclusive jurisdiction as provided under P.D. 957, for non-development of the Antipolo Hills Subdivision.

In its Very Urgent Omnibus Motion before the HLURB, the Association prayed that petitioner be restrained from collecting the monthly amortization of the homeowners, to take over the development of the Antipolo Hills Subdivision and to allow respondents to directly make their payment of monthly amortizations with the HLURB.

The HLURB rendered its Order,[1] stating:

"In view of the above provision complainant's members may suspend payments of their monthly amortizations after giving due notice to the owner or developers of said subdivision."

The Housing and Land Use Arbiter likewise rendered its decision,[2] the dispositive portion of which reads:

"WHEREFORE, PREMISES CONSIDERED, judgment is hereby rendered ordering respondent upon finality hereof, to report and coordinate with the Land Use Planning Office and the Development Monitoring Office of this Board for the purpose of complying with the directives hereinbelow enumerated:

1. To provide sufficient water supply and fire hydrants in the subdivision in accordance with the approved development plan;
2. To construct, repair and maintain said subdivision's drainage in accordance with the approved plan;
3. To make strong representations with the MERALCO for the early completion of the electrical facilities as respondent has paid the total amount of P404,525.00 as of June 2, 1988, for Phase II and to desist from collecting the expenses incurred therefore from complainant;
4. To repair and maintain the damaged streets as shown in the ocular inspection reports on March 5, 1988 and April 29, 1987;

The above directives shall be completed within a period of six (6) months from finality of this decision.

Further, respondent is hereby ordered to pay the Board within fifteen (15) days from finality hereof the amount of P5,000.00 as administrative fine for violation of Section 20 in relation to Section 38 of P.D. 957.

Copies of this decision shall be furnished the Development Monitoring Office and the Land Use Planning office of this Board for monitoring.

IT IS SO ORDERED.”[3]

Petitioners then appealed the Arbiter's decision to the Housing and Land Use Regulatory Board. The HLURB on July 25, 1989 rendered its decision,[4] sustaining the Arbiter's earlier decision.

On the other hand, the complaint of petitioner against respondents before the civil court for collection of the amount due under their promissory notes was decided on September 26, 1988, in favor of the petitioner, the dispositive portion of which reads:

"ACCORDINGLY, judgment is hereby rendered in favor of plaintiff and against defendants, ordering defendants, jointly and severally, to pay plaintiff:

- (1) P39,440 plus 26% interest per annum from May 8, 1985 until the whole amount is fully paid;
- (2) P2,000 as attorney's fees; and
- (3) to pay the costs.

SO ORDERED.”[5]

Their motion for reconsideration having been denied, respondents elevated the case to the Court of Appeals, which rendered a decision[6] in their favor, the dispositive portion of which reads:

"WHEREFORE, in view of the foregoing considerations, the default judgment appealed from is therefore REVERSED and set aside and another one is hereby rendered granting the appeal, by DISMISSING the case for lack of jurisdiction, with costs against the plaintiff-appellee.

SO ORDERED.”

Hence, the present petition, which We find unmeritorious.

Section 1 of Presidential Decree No. 1344 gives the National Housing Authority (NHA) the exclusive jurisdiction to hear and decide certain cases as follows:

"SECTION 1. In the exercise of its function 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 any 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 lot or condominium unit against the owner, developer, dealer, broker or salesman."

In a similar case entitled, *Estate Developers and Investors Corporation vs. Antonio Sarte, et. al.*,<sup>[7]</sup> the Court affirmed the exclusive jurisdiction of the NHA to hear and decide cases falling within Section 1 of P.D. No. 1344. Said the Court:

"The language of this section, particularly, the second portion thereof, leaves no room for doubt that exclusive jurisdiction over the case between the petitioner and private respondent is vested not on the RTC but on the NHA. The NHA was re-named Human Settlements Regulatory Commission and thereafter it was re-named as the Housing and Land Use Regulatory Board (HLURB).<sup>[8]</sup>

This was reinforced by Section 8 of Executive Order 648,<sup>[9]</sup> otherwise known as the Charter of the Human Settlements Regulatory Commission, which states:

"SECTION 8. Transfer of Functions: - The regulatory functions of the National Housing Authority pursuant to Presidential Decrees Nos. 957, 1216, 1344 and other related laws are hereby transferred to the Human Settlements Regulatory Commission. x x x Among the regulatory functions are x x x (1) Hear and decide cases of unsound real estate business practices, claims involving refund filed against project owners, developers, dealers, brokers, or salesmen and cases of specific performance."

Petitioner's reliance on Section 19 paragraph 8 of the Judiciary Reorganization Act of 1980 is misplaced. Section 19 paragraphs 6 of the same law is material to the issue of where jurisdiction lies:

"Section 19: Regional trial courts shall exercise exclusive original jurisdiction.

"(6) In all other cases not within the exclusive jurisdiction of any court, tribunal, persons or body exercising judicial or quasi-judicial functions." (Underscoring supplied)

The constitutionality of such grant of exclusive jurisdiction to the National Housing Authority (now HLURB) over cases involving the sale of commercial subdivisions was upheld in *Tropical Homes, Inc. vs. National Housing Authority*,<sup>[10]</sup> and again sustained in a later decision in *Antipolo Realty Corporation vs. National Housing Authority*.<sup>[11]</sup>

A close scrutiny of the complaint discloses that the promissory note upon which the collection suit is predicated, merely schedules the amortization of the balance or unpaid portion of the purchase price of the house and lot. What appellant is collecting involves the "sales of lots in commercial subdivisions," which per the *Tropical Homes* case jurisdiction lies with the HLURB, and not with the civil courts.

As We have said in *Estate Developers and Investors Corporation vs. Sarte, et al.*:

"We cannot uphold the contention of the petitioner that the NHA (now HLURB) has jurisdiction under PD 1344 over complaints filed by a subdivision buyer against the project owner or developer but not over claims filed by a developer against the lot buyer for the purchase price of the lot sold by the latter. While PD 957 was designed to meet the need basically to protect lot buyers from the fraudulent manipulations of unscrupulous subdivision owners, sellers and operators (See 'Whereas' clauses) the 'exclusive jurisdiction' vested in the NHA is broad and general – 'to regulate the real estate trade and business' in accordance with the provisions of said law. As clarified in PD 1344, such exclusive jurisdiction includes jurisdiction to hear and decide cases involving 'unsound real estate business practices' (Sec. 1 [A]) as well as claims for refund and complaints for

specific performance filed by the buyer (paragraphs B&C)."[12]

WHEREFORE, finding no reversible error in the decision appealed herefrom, the same is hereby **AFFIRMED** in toto.

**SO ORDERED.**

Narvasa, C.J., (Chairman), Padilla, and Regalado, JJ., concur.

Melo, J., no part.

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[1] Rollo, p. 122.

[2] Rollo, pp. 128-136.

[3] Id, at pp. 135-136.

[4] Rollo, pp. 137-140.

[5] Rollo, p. 11.

[6] Rollo, pp. 26-39.

[7] G.R. No. 90503, promulgated on August 13, 1990, penned by Justice Emilio A. Gancayco and concurred by Justice Isagani A. Cruz, Justice Carolina Griño-Aquino, Justice Leo D. Medialdea and now Chief Justice Andres R. Narvasa.

[8] Id at p. 4.

[9] February 7, 1981.

[10] No. L-48672, 152 SCRA 540, (1987).

[11] No. L-50444, 153 SCRA 399, (1987).

[12] G.R. No. 90503. *supra* note 7, p. 2.

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