

## SECOND DIVISION

[ G.R. No. 226021, July 24, 2019 ]

**REPUBLIC OF THE PHILIPPINES, REPRESENTED BY THE  
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS, PETITIONER,  
V. GILDA [\*] A. BARCELON, HAROLD A. BARCELON, AND HAZEL A.  
BARCELON, RESPONDENTS.**

### D E C I S I O N

**J. REYES, JR., J.:**

This is a Petition for Review on *Certiorari*<sup>[1]</sup> under Rule 45 of the Rules of Court, assailing the Decision<sup>[2]</sup> dated December 17, 2015, and Resolution<sup>[3]</sup> dated July 21, 2016 of the Court of Appeals (CA) in CA-G.R. CV No. 102216.

#### The Facts

On February 8, 2008, the Republic of the Philippines (petitioner), through the Department of Public Works and Highways, filed a complaint for expropriation before the Regional Trial Court (RTC) of Valenzuela, Branch 172 for the acquisition of a parcel of land with its improvements thereon belonging to Gilda A. Barcelon, Harold A. Barcelon, and Hazel A. Barcelon (respondents) for the construction of the C-5 Northern Link Road Project (Segment 8.1) from Mindanao Avenue in Quezon City to the North Luzon Expressway. The subject property is located in Barangay Ugong, Valenzuela City, covered by Transfer Certificate of Title No. V-75179 with an area of 52 square meters, zonal value of P2,750.00 per square meter, with a one-storey residential house improvement valued at P288,418.54.<sup>[4]</sup>

Upon deposit of a Development Bank of the Philippines (DBP) manager's check dated November 20, 2008, amounting to P413,418.54, which was received by respondents on November 21, 2008, the RTC issued a writ of possession dated December 2, 2008. Said amount, however, was found to be lacking P18,000.00 to complete the 100% zonal value of the property, required under the rules for the immediate possession thereof. Upon respondents' motion, the RTC ordered the release of the said balance to the respondents in an Order dated March 9, 2010.<sup>[5]</sup>

Pursuant to Section 5, Rule 67 of the Rules of Court, the RTC constituted a Board of Commissioners composed of Osita F. De Guzman, RTC, Branch 172, Branch Clerk of Court; Atty. Ard Henry Binwag, City Assessor; and Atty. Engr. Pilar Morales, to determine and recommend the amount of just compensation for the subject property.<sup>[6]</sup>

Before the Board of Commissioners, petitioner harped on the zonal valuation of the subject property at P2,750.00 per square meter; and alleged that the area is infested with informal settlers with poor living conditions, has no proper drainage,

and has no distinct pathway for motor vehicles, to support its argument that the amount of the just compensation should not be higher than the zonal value.<sup>[7]</sup>

Respondents, on the other hand, argue that the amount of just compensation should be within the range of P10,000.00 to P15,000.00 per square meter considering the prevailing market value of the subject property and the location thereof within a high-intensity commercial zone.<sup>[8]</sup>

After hearing and submission of the parties' respective position papers, the Board of Commissioners submitted its report dated July 9, 2013, recommending the amount of P10,000.00 per square meter as just compensation. It was also recommended that the amount of P288,418.54 is the just, fair, and reasonable compensation for the improvement on the lot.<sup>[9]</sup>

In arriving at its valuation, the Board of Commissioners considered, among others, the valuation arrived at by the trial court, which was affirmed by this Court, in the case of Hobart Realty Development Corporation (Hobart Realty), as well as that of the Spouses Mapalad Serrano (Spouses Serrano), whose expropriated properties for the same government project are nearby and actually within the area of respondents' property subject of this expropriation suit.<sup>[10]</sup>

### **The Ruling of the RTC**

In its Decision dated December 12, 2013, the RTC fixed the amount of just compensation at P9,000.00 per square meter, disposing as follows:

WHEREFORE, judgment is hereby rendered fixing the just compensation of the 52 square meters lot (TCT No. V-75179) at Php468,000.00 (52 sq meters x Php9,000.00) and authorizing the payment thereof by the [petitioner] to the [respondents] for the property condemned deducting the provisional deposit of Php143,000.00 previously made and subject to the payment of all unpaid real property taxes and other relevant taxes by the [respondents], if there be any.

The [petitioner] is directed to pay interest at the rate of 12% per annum on the amount of deposit of Php 143,000.00 from the time of the filing of the complaint on February 8, 2008, up to the time that the said amount was deposited in court by the [petitioner] on November 20, 2008 and to pay the interest rate of 12% per annum on the unpaid balance of just compensation of Php325,000.00 (Php468,000.00 – Php143,000.00) computed from the time of the filing of the complaint until the [petitioner] fully paid the balance.

Considering that [respondents] failed to substantiate their claim as to the replacement costs of the one-storey residential house, no additional amount for the replacement costs of the improvements erected on the lot owned by the [respondents] is awarded. The amount [of Php288,418.54] for the value of improvement is considered just, fair and reasonable just compensation.

The [petitioner] is also directed to pay the members of the Board of commissioners the amount of Php3,000.00 each as Commissioner's fees.  
<sup>[11]</sup>

Questioning the amount fixed as just compensation, as well as the interest imposed by the RTC, petitioner appealed to the CA.

### **The Ruling of the CA**

The CA found that the RTC judiciously determined the fair market value of the subject property in the amount of P9,000.00 per square meter. It found no error on the part of the RTC when it took into consideration the Board of Commissioners' findings, which were hinged upon the court's evaluation in the cases of Hobart Realty and Spouses Serrano to an extent. Specifically, the CA considered the distance of the subject property to those of Hobart Realty's and Spouses Serrano's, which are within a high-density commercial area, and as such, the valuation of P9,000.00 per square meter is, according to the CA, acceptable.<sup>[12]</sup>

The CA did not accept petitioner's claim that the subject property was within an area infested with informal settlers as no evidence was presented to prove such claim. According to the CA, the testimonies of petitioner's witnesses were, at most, only able to prove that tagging and relocation were conducted in some areas of Barangays Ugong and Gen. T. De Leon.<sup>[13]</sup>

The CA also rejected petitioner's contention that the just compensation should be based on the zonal value of the property. It ruled that zonal valuation is just one of the indices of the fair market value of a property.<sup>[14]</sup>

In all, the CA upheld the amount of just compensation fixed by the RTC at P9,000.00 per square meter but modified the interest imposed thereon in accordance with the prevailing jurisprudence, thus:

**WHEREFORE**, the appeal is **PARTLY GRANTED**. The legal interest rate of 12% per annum shall be paid on the amount of deposit of Php143,000.00 from the time of the filing of the complaint on February 8, 2008, up to the time the said amount was deposited in court by [petitioner] on November 20, 2008. The balance in the amount of Php325,000.00 shall carry an interest rate of 12% per annum from the time of the filing of the complaint until June 30, 2013. Beginning July 1, 2013, until fully paid, the amount of Php325,000.00 shall earn interest at the new legal rate of 6% per annum. All other aspects of the decision are **AFFIRMED**.

**SO ORDERED.**<sup>[15]</sup>

Petitioner's motion for reconsideration was denied in the CA's July 21, 2016 Resolution, the dispositive thereof reads:

**WHEREFORE**, the Motion for Reconsideration is **DENIED**. The Decision dated December 17, 2015 **STANDS**.

**SO ORDERED.**<sup>[16]</sup>

Hence, this petition.

Petitioner questions the amount of just compensation fixed by the RTC and affirmed by the CA. Essentially, it argues that the manner of determining the just compensation award is arbitrary as the courts *a quo* only considered the distance of

the subject property from the Hobart Realty and Spouses Serrano properties, and did not take into consideration the actual use, classification, size, area, and actual condition of the subject property.<sup>[17]</sup> Petitioner insists that at the time of taking of the subject property, the same is within an area proximate to properties inhabited by informal settlers. Hence, petitioner maintains that the amount of the just compensation for the expropriation of said property cannot be more than the zonal value.

### **The Issue**

Did the CA err in sustaining the amount of just compensation fixed by the RTC?

### **The Ruling of the Court**

We rule in the negative.

Jurisprudence defines just compensation "as the full and fair equivalent of the property taken from its owner by the expropriator."<sup>[18]</sup> It is considered to be the sum equivalent to the market value of the property, broadly described to be the price fixed by the seller in open market in the usual and ordinary course of legal action and competition or the fair value of the property as between one who receives and one who desires to sell it, fixed at the time of the actual taking by the government.<sup>[19]</sup>

The determination of just compensation is a judicial function because what is sought to be determined is a full, just, and fair value due to the owner of a condemned property with an equally-important consideration that the payment of the same entails the expenditure of public funds, and this can only be attained by reception of evidence consisting of reliable and actual data, and the circumspect evaluation thereof. Thus, issues pertaining to the value of the property expropriated are questions of fact.<sup>[20]</sup>

This Court is not a trier of facts and questions of fact are beyond the scope of the judicial review of this Court under Rule 45.<sup>[21]</sup> Moreover, factual findings of the trial court, when affirmed by the CA, are conclusive upon this Court. While this Court has recognized several exceptions<sup>[22]</sup> to this rule, we do not find any of those present in this case.

At any rate, the instant petition fails to provide us a cogent reason to deviate from the findings and conclusions of the CA. As correctly ruled by the CA, the RTC's determination of the amount of just compensation in this case is well-taken.

Petitioner, however, insists that the CA merely agreed with the findings of the RTC which failed to consider all relevant factors in the determination of the just compensation. Petitioner maintains that the RTC, merely considered the Board of Commissioners' report, which allegedly relied only on the distance of the subject property from the Hobart Realty and Spouses Serrano properties.

A careful reading of the Board of Commissioners' report, the RTC, as well as the CA's Decisions, negate this contention. As can be gleaned from said report and decisions, the proximity of the subject property's location to that of Hobart Realty's and Spouses Serrano's, respectively, was merely one of the factors considered by the RTC and the CA in their judicial valuation of the property.

The Board of Commissioners reported as follows:

**After the careful consideration of the location, the land usage and the distance of the property of the [respondents] to that of Hobart Realty Development Corporation and Sps. Mapalad Serrano, et al.,** where this Honorable Court in its Decision dated March 16, 2010 and August 12, 2012 rendered the aforesaid cases pegged the fair market value at Php15,000.00 and Php5,000.00, respectively, the undersigned commissioners unanimously recommended the amount of Php10,000.00 per square meter as the just, fair and reasonable fair market value of the property of the [respondents] subject of the appropriation proceedings in this case.

The undersigned did not recommend any additional replacement cost for the improvement erected on the lot of the property owned by the [respondents] although the [respondents] through their counsel asked that the same be increased to at least 50% on the basis of the initial payment they already received in the amount of Php 288,418.54. However, absence of any evidence to support such claim, the undersigned have ruled that the amount already received by the [respondents] is considered as just, fair and reasonable compensation of the improvement.<sup>[23]</sup> (Emphasis supplied)

The RTC also took into consideration several established factors before it came up with a notably lower amount of just compensation compared to the Board of Commissioners' recommendation. Relevant portions of its Decision read:

**Considering the recommendation of the Board of Commissioners** dated July 9, 2013[,] in the amount of Php10,000.00; **the BIR zonal valuation of Php 2,750 per square meter which is certainly higher than the other zonal valuation of other lots subjected to [petitioner's] expropriation and the value declared by the [respondents]** in the amount of Php15,000.00 per square meter in their Memorandum; **this court's observation on the location of the two properties which is 669.90 meters away from Hobart Realty Development Corporation, a commercial lot,** the value of the property was pegged by this court at Php15,000.00/sq.meter in a decision dated March 16, 2010 in Civil Case No. 15-V-08 which decision was affirmed by the Court of Appeals and Supreme Court, **the classification of the lot, which is for residential usage, and within the high intensity commercial zone, and the selling price of the property within the vicinity, the amenities present like water, electricity, transportation and communication,** the Court rules that the just compensation for the [respondents'] property sought to be taken in this case is fixed at Php 9,000.00 per square meter.<sup>[24]</sup> (Emphases supplied)

On appeal, as can be gleaned from the CA's assailed Decision, the appellate court was guided by the standards for the assessment of the value of condemned properties under Section 5<sup>[25]</sup> of Republic Act (R.A.) No. 8974,<sup>[26]</sup> which is the same provision being invoked by petitioner in the case at bar. It includes consideration of relevant factors such as the classification and use for which the property is suited; value declared by the owners; the current selling price of similar