

THIRD DIVISION

[G. R. No. 124611, March 20, 2003]

WENONAH L. MARQUEZ AZARCON, PETITIONER, VS. HOUSING AND LAND USE ARBITER CHARITO BUNAGAN, BOARD OF COMMISSIONERS (SPECIAL DIVISION), EQUITY HOMES, INC., SAGANA CONSTRUCTION AND DEVELOPMENT CORP. AND J. M. BUILDERS, INC., RESPONDENTS.

D E C I S I O N

CARPIO MORALES, J.:

Presented for this Court's consideration is the issue of whether the Court of Appeals correctly held that the Writ of Execution issued to enforce a decision of the Housing and Land Use Regulatory Board (HLURB) was in accordance with said decision.

The antecedents of the case are as follows:

On December 10, 1985, private respondents Sagana Construction and Development Corporation (SAGANA) and J. M. Builders as vendors, and petitioner Wenonah L. Marquez-Azarcon (Azarcon) as vendee, entered into a contract to sell a house and lot (subject property) located at Sagana Homes, Culiat, Tandang Sora, Quezon City^[1] under which Azarcon was to pay, as she did, an initial amount of P49,740.00, the balance to be paid through an SSS housing loan.^[2]

Azarcon's SSS loan application was disapproved, however, on account partly of SAGANA's failure to submit certain requirements^[3] including the title to the subject property which had been burned and was pending reconstitution. She thus offered to pay the balance of P101,560.00 in cash but SAGANA refused to accept the same unless she paid interest thereon.^[4]

As Azarcon refused to pay interest on the balance of the purchase price, she filed a complaint against SAGANA and J. M. Builders before the HLURB.^[5] Azarcon in the meantime occupied the subject property.^[6]

After hearing, a Housing and Land Use Arbiter (HLA) rendered a decision^[7] ordering Azarcon to pay the balance of the purchase price, and SAGANA to deliver the Deed of Sale and the title covering the subject property.

SAGANA appealed the Decision of the HLA before the Board of Commissioners of the HLURB (Board) assigning as error HLA's refusal to assess against Azarcon rentals for the use of the subject property and interest in the concept of penalty for "default" in the payment of the balance of the purchase price.^[8]

By Decision^[9] of October 19, 1992, the Board ordered Azarcon to pay, in addition to

the balance of the purchase price, interest thereon and rentals at P3,000.00 per month from the time of the delivery of the subject property until full payment of the purchase price.

Azarcon moved to reconsider the order for the payment of interest and rentals.

The Board, by Decision^[10] of May 10, 1993, deleted the order for Azarcon to pay interest. The dispositive portion of the amended Decision, upon which the controversy in this case arises, reads:

WHEREFORE, premises considered, the decision sought to be considered is hereby modified by setting aside Order Nos. 2 and 3 of the decision, and incorporating therein substitute Orders which shall read as follows:

1. **Requiring the complainant to tender the amount of P101,560.00** within fifteen (15) days from finality of this decision; however, in the event such amount remains unpaid as of the end of said period, the same shall earn interest at the rate of six (6%) percent per annum, reckoned from such finality until the same is fully paid;
2. **Requiring complainant, to immediately pay** upon promulgation of this decision without prejudice to such appeal as may thereafter be filed and pending such appeal, if any, **the amount of Three Thousand (P3,000.00) pesos a month as rental** for her use and occupancy of the premises subject of this case, **reckoned from the time of her occupancy of the unit until the amount set forth in the preceding order is fully paid; the said amount of rental shall form part of the purchase price of the premises as herein adjusted**, and may be paid as a whole in one lump sum in advance, or through monthly amortizations, at the option of the complainant;
3. Requiring the respondent to accept .the price tendered by complainants, together with the payment of rentals set forth in the preceding order, in full satisfaction .of his claims, rights and interests over the property, within ten (10) days from such tender/offer or actual payment, as the case maybe, and consequently within a period not later than ten (10) days thereafter, execute the necessary documents and deliver title to the premises in the name of complainant. (Emphasis and underscoring supplied)

As none of the parties appealed the decision of the Board, it became final and executory.

In accordance with the decision, Azarcon paid the balance of the purchase price which was received by SAGANA on July 22, 1993.^[11] SAGANA refused, however, to execute a Deed of Sale over the subject property and to deliver the title covering it on the ground that Azarcon had yet to pay rentals in accordance with the decision.^[12]

On August 23, 1993, SAGANA filed before the Board a Motion for Execution^[13] of its

decision with respect to its order for Azarcon to pay rentals. The Board referred the motion to the HLA, the decision having become final and executory.

On December 20, 1993, Azarcon also filed a Motion for Execution^[14] of the same Board decision in light of SAGANA's refusal to issue a Deed of Sale in her favor and to deliver the title covering the subject property.

By Order of March 18, 1994,^[15] the HLA denied Azarcon's motion and granted that of SAGANA, thus directing Azarcon to pay rentals, as "the payment . . . of the sum of P101,560.00 [by her] did not discharge all [her] obligations to [SAGANA] pursuant to the dispositive portion of the final judgment."^[16] A Writ of Execution^[17] was accordingly issued on March 21, 1994 to enforce the payment of rentals by Azarcon.

On April 13, 1994, Azarcon filed before the Board a Motion for Reconsideration of the HLA Order of March 18, 1994 and for the quashal of the Writ of Execution issued in accordance therewith.^[18] By Resolution^[19] of June 7, 1995, the Board denied Azarcon's motion, it holding that she was indeed liable to pay rentals in addition to the balance of the purchase price.^[20]

Azarcon thus filed a Petition for Certiorari^[21] with the Court of Appeals on August 21, 1995, she alleging that the March 18, 1994 Order issued by the HLA (granting SAGANA's Motion for Execution) varied the terms of the Board decision and, as such, the Board acted with grave abuse of discretion amounting to lack of jurisdiction when it, by Resolution of June 7, 1995, denied her Motion for Reconsideration of the said HLA Order.^[22]

In its Comment^[23] to Azarcon's petition before the Court of Appeals, SAGANA alleged that Azarcon failed to exhaust all administrative remedies, she having failed to appeal to the Office of the President following the 1987 HLURB Rules of Procedure which was in effect when petitioner filed her petition on August 21, 1995, the specific provision of which reads:

Section 28. Appeal to the Office of the President. - Any party may appeal the decision of the Board of Commissioners to the Office of the President within 30 days from receipt thereof x x x^[24]

It thus prayed for the dismissal of the petition.

By Decision^[25] of November 22, 1995, the Court of Appeals, holding that Azarcon properly availed of the remedy of certiorari, nonetheless dismissed her petition upon a finding that the HLA March 18, 1994 Order was issued in accordance with the Board Decision of May 10, 1993, hence, the correctness of the Board Resolution of June 7, 1995 denying reconsideration of the said HLA March 18, 1994 Order. Thus the Court of Appeals held:

A closer examination of the entire judgment reveals that the rentals aside from the P101,560.00 shall form part of the purchase price. The amount initially paid by petitioner is not in full satisfaction of the purchase price. For if this was the intent of the Board, it should have so stated in paragraph no. 1 of the dispositive portion. There would have been no

need for Nos. 2 and 3 of the dispositive portion.

This becomes more apparent in view of the fact that the payment of rentals is reckoned from the petitioner occupied the unit until the amount of P101,560.00 is paid by petitioner. This implies that the rentals and the P101,560.00 form the totality of the purchase price.

Complementary to Nos. 1 and 2 of the dispositive portion, No. 3 requires private respondents to accept the price tendered by petitioner, "together with the payment of the rentals set forth in the preceding order" referring to No. 2. Such amounts, the judgment further states, will be in full satisfaction of private respondents' claims, rights and interests over the property. Afterwhich, the private respondents shall execute the necessary documents and deliver title to the petitioner. This explains why the prayer of petitioner for a writ of execution to compel private respondents to execute the necessary documents cannot be . granted. Petitioner has to pay the rentals first before the execution of the necessary documents in her favor. The order of Arbiter Bunagan, therefore, seeks to implement what must necessarily follow after No. 1, which is the payment of rentals in accordance with No. 2.

Likewise, denial of the motion for reconsideration by the Arbiter's order for the issuance of a writ of execution in favor of private respondents is correct. There was no grave abuse of discretion on the part of the Board in finding that:

"x x x From the respective averments of the parties, it is also clear that both are fully aware that the obligation of the complainant is not limited to or has not been discharged by the amount already paid to respondent. Complainant only argues that her obligation to pay rentals has not yet accrued because she has not yet made a choice as to the manner of payment. We cannot agree with the complainant's position as this will mean that complainant's obligation to pay may not at all become due because the demandability thereof will be solely dependent upon her will.

xxx

WHEREFORE, IN VIEW . OF THE FOREGOING, complainant's motion for reconsideration and motion to quash writ of execution are hereby DENIED. Let the appropriate writ of execution be issued for the payment of the rentals to be reckoned from March of 1988 to July 1993." (pp. 4-5, Resolution)

In effect, the Board's resolution affirmed the Arbiter's order for the implementation of no. 2 of the dispositive portion requiring petitioner to pay rentals.

x x x^[26] (Underscoring supplied).