

FIRST DIVISION

[G.R. No. 136171, July 02, 2002]

**REPUBLIC OF THE PHILIPPINES, PETITIONER, VS. KER AND
COMPANY LIMITED, RESPONDENT.**

R E S O L U T I O N

AUSTRIA-MARTINEZ, J.:

Before us is a petition for review on certiorari under Rule 45 of the Rules of Court filed by petitioner Republic of the Philippines, represented by the Department of Public Works and Highways, assailing the decision rendered by the Court of Appeals in CA G.R. CV No. 54256 entitled, "Republic of the Philippines v. Ker and Company Limited." The decision in question affirmed the trial court in ordering petitioner to pay herein respondent Ker Company Limited the sum of Six Thousand Pesos (P6,000.00) per square meter as just compensation for the 1,186 square meter lot (Site I) which was expropriated by the government.

The factual background:

Petitioner filed before the Regional Trial Court (RTC) of Davao City a petition for expropriation of portions of two (2) parcels of land owned by respondent described as follows:

	<u>Lot No.</u>	<u>TCT No.</u>	<u>Total Area</u>	<u>Affected Area</u>
Site I	2-D-1-A-2	T-212616	29.583 sq. m.	1,186 sq. m.
Site II	2-D-1-B-1	T-212617	2,902 sq. m.	1,035 sq. m.

Petitioner needed the parcels of land for the widening of the road component of J.P. Laurel-Buhangin Interchange in Davao City. The provisional value of the properties sought to be expropriated was fixed at the aggregate sum of Two Million Two Hundred Twenty One Thousand Pesos (P2,221,000.00) or One Thousand Pesos (P1,000.00) per square meter. Respondent claimed that the value of the properties subject for expropriation is more than Four Thousand Pesos (P4,000.00) per square meter.

After study and investigation, the duly appointed commissioners, Ms. Lucia E. Pelayo and Mr. Oliver Morales of Cuervo Appraisers, Inc. gave the following estimates as just compensation for the areas affected:

Site I	1,186 sq. m.	=	P 8,788.70/square meter
Site II	1,035 sq. m.	=	P 5,423.48/square meter

While petitioner found the valuation of respondent's property in Site II reasonable, petitioner, in its comment on the Report of the Appraisers found the estimate for Site I excessive, stating that:

- 1) the provincial Appraisal Committee in a joint Appraisal Report dated January 14, 1993 recommended the market value of Ker and Company's property at P1,000.00 per square meter;
- 2) the highest valuation of lots within the JP Laurel-Buhangin area adjudicated by the RTC, Davao City in a decision rendered on December 23, 1993 is at P4,000.00 per sq. meter; and,
- 3) the appraisers did not take into account that the areas in the proceedings are being expropriated for use in a government project vested with public interest.

On September 27, 1996, the RTC rendered a decision the dispositive portion of which reads as follows:

"With the determination of just compensation, judgment is hereby rendered:

1. Declaring plaintiff to have a lawful right to acquire possession of and title to:
 - a) 1,186 square meters only of defendant Ker's parcel of land covered by Certificate of Title T-212616 described as Site I;
 - b) 1,035 square meters only of defendant Ker's parcel of land covered by Certificate of Title T-212617 described as Site II;
2. Condemning portions of the above-described parcels of land including improvements thereon, if there be any, free from all liens and encumbrances;
3. Ordering plaintiff to pay:
 - a) Defendant Ker P6,000.00 per square meter for the P1,186 in Site I;
 - b) Defendant Ker P5,423.48 per square meter for the 1,035 in Site II

as fair and just compensation." ^[1]

Petitioner appealed to the Court of Appeals alleging that the value fixed by the trial court as just compensation for Site I should be reduced. Petitioner alleged that when the petition for expropriation was filed, the tax declaration of the property indicated its assessed value at only Four Hundred Twenty-Five Pesos (P425.00) per