



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **13 January 2021** which reads as follows:*

“G.R. No. 233516 (Republic of the Philippines, represented by the Department of Public Works and Highways v. Spouses Roger and Angelita Mirandilla). – We resolve this appeal by *certiorari*¹ seeking the reversal of the February 28, 2017 Decision² and August 11, 2017 Resolution³ of the Court of Appeals (CA) in CA-G.R. CV No. 103983. The CA affirmed with modification the award of just compensation in the June 26, 2014 Decision⁴ of the Regional Trial Court, Valenzuela City, Branch 172 (RTC).

Antecedents

Spouses Roger and Angelita Mirandilla (*respondents*) are the registered owners⁵ of a 250-square meter lot located in Barangay Ugong, Valenzuela City. The Department of Public Works and Highways (DPWH) sought to expropriate the said property 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 in Valenzuela City. Pursuant to Section 7 of Executive Order No. 1035,⁶ the DPWH offered to purchase the subject property from the respondents at the rate of Two Thousand Three Hundred Pesos (₱2,300.00) per square meter or the total amount of Five Hundred Seventy-Five Thousand Pesos (₱575,000.00) based on the zonal value of the Bureau of Internal

¹ *Rollo*, pp. 19-41.

² *Id.* at 71-89; penned by Associate Justice Carmelita Salandanan Manahan, with Associate Justices Japar B. Dimaampao and Rodil V. Zalameda (now a Member of this Court), concurring.

³ *Id.* at 91-93.

⁴ *Id.* at 157-161; penned by Judge Nancy Rivas-Palmones.

⁵ *Id.* at 157; Transfer Certificate of Title No. T-126267.

⁶ Series of 1985, Providing the Procedures and Guidelines for the Expeditious Acquisition by the Government of Private Real Properties or Rights Thereon for Infrastructure and Other Government Development Projects.

Revenue (*BIR*). Respondents rejected the offer which prompted the DPWH to file a complaint for expropriation before the RTC on December 7, 2007.⁷

It appears that respondents refused to accept the summons and did not file an answer to the complaint. This prompted the Republic to file an urgent motion for issuance of writ of possession. During the hearing, the RTC ruled on respondent's right to be paid for their property and ordered the Republic to issue a check payable to the spouses in the amount of Five Hundred Seventy-Five Thousand Pesos (₱575,000.00) and to deliver the same to the RTC. Upon receipt of the check, the RTC ordered the issuance of a writ of possession and appointed three commissioners to ascertain and report the appropriate just compensation for the lot. The RTC issued an Order for Expropriation on July 23, 2008. Thereafter, the Board of Commissioners (*Board*)⁸ conducted hearings wherein only the Republic submitted a position paper and presented its witnesses.⁹

Report of the Board of Commissioners

The Board submitted a Consolidated Commissioners' Report¹⁰ on March 6, 2014 and recommended the amount of ₱15,000.00 per square meter as the reasonable fair market value for the lot. In arriving at the recommended amount, the Board took into account the following factors: (1) the rectangular shape and relatively flat terrain of the subject property; (2) the classification of the said lot as residential although located in a 75% built-up area devoted for mixed residential, industrial, and commercial purposes;¹¹ (3) the reclassification of Valenzuela City from a municipality which increased the market value of the property; (4) the availability of various modes of transportation;¹² and (5) the availability of utilities such as electricity, water, and telephone lines. The Board likewise considered the proximity of the subject realty to other properties previously expropriated by the Republic where just compensation was awarded at the rate of ₱15,000.00 per square meter.¹³

RTC Ruling

In its June 26, 2014 Decision, the RTC approved the recommendation of the Board and disposed as follows:

⁷ *Rollo*, p. 157.

⁸ *Id.* at 145; Chairperson Osita F. De Guzman with members Ramon R. Santiago and Engr. Romeo S. Selva.

⁹ *Id.* at 158.

¹⁰ *Id.* at 140-145.

¹¹ *Id.* at 142; there is a school, a church, several subdivisions, and business establishments near the lot.

¹² *Id.*; Taxi, jeepney, bus, and tricycle.

¹³ *Rollo*, pp. 140-145. The RTC of Valenzuela City, Branch 75 awarded the just compensation of ₱15,000.00 in expropriation cases brought by the Republic for the same purpose against Gilbert Development Corporation (2001), E.C.Y Enterprises, Inc. (2001), Spouses Soriano Garcia, *et al.* (2001), and Hobart Realty Development Corporation (2010). *Id.* at 143.

WHEREFORE, the court approves the recommendation of the Board of Commissioners. Judgment is hereby rendered fixing the just compensation of the 250 square meters lot (TCT No. T-126267 at Php 3,750,000.00 (250 sq meters x Php 15,000.00) and authorizing the payment thereof by the [Republic] to [respondents] for the property condemned deducting the provision deposit of Php 575,000.00 previously made and subject to the payment of all unpaid real property taxes and other relevant taxes by the [respondents] if there be any, up to the time the property was taken by the [Republic].

The [Republic] is directed to pay interest at the rate [of] 12% per annum on the amount of deposit of Php 575,000.00 from the time of the filing of the complaint on December 7, 2007 up to the time that the said amount was deposited in court by the [Republic] on April 4, 2008 and to pay the interest rate of 12% per annum on the unpaid balance of just compensation of Php 3,175,000.00 (Php 3,750,000.00 - Php 575,000.00) computed from the time of the filing of the complaint until the [Republic] fully pays the balance.

The [Republic] is also directed to pay the members of the Board as commissioner's fee the amount of Php 3,000.00 each and attorney's fees in the amount of Php 50,000.00.¹⁴

The RTC noted that the purpose of the expropriation had already been completed and that the property had already been utilized by the motoring public. The trial court also took into consideration the following factors in adopting the amount recommended by the Board, *viz.*: (1) the size, shape, topography, and utility of the property were adequate for any development; (2) the highest and best use of the property was mixed residential and industrial; (3) accessibility and the location of the property within a high intensity commercial zone with various amenities; 4) proximity to Mindanao Avenue in Quezon City which is mostly devoted for commercial purposes; and 5) the subject lot was only 131.42 meters away from the properties under Hobart Realty and Development Corporation (*Hobart*) which had been previously expropriated by the Republic for the same purpose at a rate of ₱15,000.00 per square meter and which amount had been approved by the CA and the Supreme Court.¹⁵

Aggrieved, the Republic elevated the case to the CA averring that the just compensation fixed by the RTC was excessive and contrary to evidence, laws, and jurisprudence, and that the RTC erred in awarding interest at the rate of 12% *per annum* instead of six percent (6%) *per annum* as provided by Bangko Sentral ng Pilipinas (*BSP*) Circular No. 799.¹⁶

¹⁴ Id. at 161.

¹⁵ Id. at 160-161. Civil Case No. 15-v-08, March 16, 2010; *Republic v. Hobart Realty and Development Corporation*, G.R. No. 201136, July 9, 2012.

¹⁶ Id. at 81.

CA Ruling

In its February 28, 2017 Decision, the CA partially granted the appeal and modified the interest rate as follows:

WHEREFORE, premises considered, the appeal is hereby [PARTIALLY] GRANTED. The assailed Decision x x x [of the RTC] x x x is hereby **AFFIRMED with the MODIFICATION** that [the] Republic shall pay the [respondents] the unpaid balance of just compensation amounting to x x x (₱3,175,000.00) which shall earn an annual interest of twelve percent (12%) from the time of the filing of the *Complaint* on December 7, 2007 until June 30, 2013; and an annual interest of six percent (6%) from July 1, 2013 until fully paid.¹⁷ (citations omitted)

The CA rejected the Republic's contention that just compensation should have been based on the BIR zonal value and ruled that zonal valuation is just one of the indices of the fair market value of real estate. The appellate court found the RTC's reliance on the findings of the Board as proper considering that said findings were based on Sec. 5 of Republic Act (*RA*) No. 8974.¹⁸ Under Sec. 8, Rule 67 of the Rules of Court, the RTC is authorized to accept the Consolidated Commissioners' Report and render judgment in accordance therewith.¹⁹

Anent the issue of the applicable interest rate, the CA modified the ruling of the RTC based on this Court's disposition in *Republic v. Soriano (Soriano)*.²⁰ In *Soriano*, the Court explained that the debt incurred by the government on account of the taking of the property subject of an expropriation constitutes a forbearance of money. As such, the applicable interest rate is six percent (6%) *per annum* in line with BSP Circular No. 799.²¹

The CA denied the Republic's motion for partial reconsideration in its August 11, 2017 Resolution.²²

Still unsatisfied with the CA's adjudication, the Republic now comes to this Court seeking the reversal of the lower courts' findings.

¹⁷ *Id.* at 87-88.

¹⁸ Entitled "*An Act to Facilitate the Acquisition of Right-of-Way, Site or Location for National Government Infrastructure Projects and for Other Purposes.*"

¹⁹ *Rollo*, pp. 83-85.

²⁰ 755 Phil. 187, 199 (2015).

²¹ *Rollo*, pp. 86-87.

²² *Id.* at 92.

Issue

The Republic, as represented by the Office of the Solicitor General (OSG) filed the present appeal on the sole ground that –

THE COURT OF APPEALS ERRED IN AFFIRMING THE JUST COMPENSATION AWARD OF THE TRIAL COURT IN THE AMOUNT OF FIFTEEN THOUSAND PESOS (PHP15,000.00) PER SQUARE METER. THE AWARD IS NOT ONLY EXCESSIVE, BUT IS ALSO CONTRARY TO EVIDENCE, LAW, AND JURISPRUDENCE.²³

The OSG contends that: review of factual questions is warranted considering that the CA overlooked relevant facts which would justify a different conclusion if properly considered; the findings of the Board of Commissioners are unsupported by credible proof; the Board erred in relying on the amount of just compensation awarded to other properties; the amount of ₱15,000.00 per square meter is excessive; and the BIR zonal valuation should have been given greater consideration in determining the proper amount of just compensation. It also prays for the issuance of a temporary restraining order or a writ of preliminary injunction to prevent the RTC from implementing the allegedly excessive award.²⁴

In their Comment,²⁵ respondents countered that the Republic failed to show that the case is exempted from the general rule that the review of this Court in appeals by *certiorari* is limited to questions of law. They also aver that the findings of the RTC, which the CA had affirmed, are supported by evidence. They argue that the lower courts' utilization of other factors to determine the appropriate just compensation, instead of solely conditioning its determination to the BIR zonal value, is in accord with law and jurisprudence.

The Court's Ruling

The petition lacks merit.

It is settled that only questions of law should be raised in a petition for review on *certiorari* under Rule 45 of the Rules of Court. Factual findings of the lower courts will generally not be disturbed,²⁶ especially when such factual

²³ Id. at 28.

²⁴ Id. at 28-39.

²⁵ Id. at 171-176.

²⁶ *Evergreen Manufacturing Corporation v. Republic*, 817 Phil. 1048, 1057 (2017).

findings carry the concurrence of the CA,²⁷ unless there be exceptional circumstances which would justify its review.²⁸ This Court finds none of the recognized exceptions in this case. Further, an evaluation of the case and the issues presented leads this Court to the conclusion that it is unnecessary to deviate from the findings of fact of the RTC and the CA.

Furthermore, 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.²⁹

In here, the Republic essentially urges this Court to rule on the propriety of the CA's decision to uphold the RTC's award of just compensation in the amount of ₱15,000.00 per square meter. It also insists that the RTC and the CA overlooked the evidence it presented, and erroneously approved and upheld the findings of the Board. Such findings merely relied on the amount of just compensation awarded to other properties previously expropriated within the immediate vicinity which distance from the property taken was measured only through Google Maps and without conducting an ocular inspection.

The arguments lack basis.

Sec. 5 of RA No. 8974 enumerates the relevant standards the court may consider, among others, in the determination of just compensation:

Section 5. Standards for the Assessment of the Value of the Land Subject of Expropriation Proceedings or Negotiated Sale. — In order to facilitate the determination of just compensation, the court may consider, among other well-established factors, the following relevant standards:

²⁷ *Republic v. Sps. Darlucio*, G.R. No. 227960, July 24, 2019.

²⁸ See *Evergreen Manufacturing Corporation v. Republic*, supra note 26 at 1058. This Court enumerated the exceptions to the rule that factual findings of the Court of Appeals are binding on the Court: (1) when the findings are grounded entirely on speculations, surmises or conjectures; (2) when the inference made is manifestly mistaken, absurd or impossible; (3) when there is grave abuse of discretion; (4) when the judgment is based on a misapprehension of facts; (5) when the findings of fact are conflicting; (6) when in making its findings the Court of Appeals went beyond the issues of the case, or its findings are contrary to the admissions of both the appellant and the appellee; (7) when the findings are contrary to that of the trial court; (8) when the findings are conclusions without citation of specific evidence on which they are based; (9) when the facts set forth in the petition as well as in the petitioner's main and reply briefs are not disputed by the respondent; (10) when the findings of fact are premised on the supposed absence of evidence and contradicted by the evidence on record; or (11) when the Court of Appeals manifestly overlooked certain relevant facts not disputed by the parties, which, if properly considered, would justify a different conclusion.

²⁹ *Republic v. Barcelon*, G.R. No. 226021, July 24, 2019.

- (a) The classification and use for which the property is suited;
- (b) The developmental costs for improving the land;
- (c) The value declared by the owners;
- (d) The current selling price of similar lands in the vicinity;
- (e) The reasonable disturbance compensation for the removal and/or demolition of certain improvement on the land and for the value of improvements thereon;
- (f) [The] size, shape or location, tax declaration and zonal valuation of the land;
- (g) The price of the land as manifested in the ocular findings, oral as well as documentary evidence presented; and
- (h) Such facts and events as to enable the affected property owners to have sufficient funds to acquire similarly-situated lands of approximate areas as those required from them by the government, and thereby rehabilitate themselves as early as possible.

A review of the RTC's June 26, 2014 Decision would show that it carefully examined and applied these standards in arriving at the amount of ₱15,000.00 per square meter as just compensation, and that the valuation in other properties was just one of the many factors that it took into consideration:

There is no dispute that the 250-square meter subject lot, rectangular in shape with relatively flat terrain, was classified as residential by the x x x [BIR] and the same has a zonal valuation oh Php 2,300.00/square meter. The property subject of expropriation is covered by TCT No. T-126267 registered in the name of the defendant Roger Mirandilla married to Angelita Mirandilla. The size, shape, topography and utility of the lot are all adequate for any development. The highest and best use of the property is mixed residential and industrial. The subject lot classified was within the high intensity commercial zone, the location is accessible and amenities like water, electricity, transportation and communication and establishments like school, church, markets and banks are present in the area. It is near the major thoroughfare in Mindanao Avenue, Quezon City where the properties are devoted mostly for commercial purposes. The property is about 131.42 meters more or less away from that of the property Hobart Realty Development Corporation which was expropriated by the plaintiff and in which the just compensation was pegged by this court in the amount of Php 15,000.00/sq. m. While its distance from Mapalad property is 1,956.24 meters, more or less which just compensation was pegged by this court at Php 5,000/sq. m. Note that the Hobart property is located near Mindanao Ave.[,] Quezon City while the Mapalad property is located near NLEX, Valenzuela City.

Plaintiff tried to lower the value of the subject property by proving that in several portions of C-5 Northern [L]ink Road Project, Segment 8.1, Valenzuela City, there were informal settlers in Barangay Ugong where the property of the defendants is located. Plaintiff, however, failed to

categorically prove that the lot of the defendant was occupied by squatters or near the vicinity of the alleged squatters.

x x x x

Taking into consideration the recommended BIR zonal valuation as appearing in the complaint of [Php 2,300.00] per square meter, the recommendation of the Board of Commissioners in the amount of Php 15,000[.00] and this court's observation on the location of the property which is only 131.42 meters away from Hobart Realty Development Corporation, a commercial lot which value of the property was pegged by this court at Php 15,000[.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 mixed residential and/or industrial lot usage, and the selling price of the property within the vicinity, the Court rules that the just compensation for the defendant's property sought to be taken in this case is fixed at Php 15,000.00 per square meter.³⁰ (citations omitted)

The CA, in turn, found the ruling of the RTC on the award of just compensation appropriate, and recognized the latter's exercise of discretion to be absent of any abuse.

In several cases, this Court has allowed reference to similar cases of expropriation to help determine the amount of just compensation.³¹ As such, it was not unfounded for the RTC to consider the award of just compensation in other expropriation cases for the same purpose covering properties similarly situated with the property taken. Specifically, in *Republic v. Darlucio*³² and *Republic v. Ng*,³³ this Court upheld the lower courts' award of just compensation due to the proximity of the properties taken therein to those previously expropriated within Hobart Village. Both cases involved expropriation of lots in Barangay Ugong, Valenzuela City.

Moreover, as stated before, the valuation of the properties previously expropriated within the vicinity was only one of the factors the RTC considered before arriving at the award of ₱15,000.00 per square meter as just compensation.³⁴

This Court agrees with the CA in rejecting petitioner's argument that the amount of just compensation cannot be more than the zonal valuation of the property. As stated above, there are several well-established and relevant

³⁰ *Rollo*, pp. 160-161.

³¹ *Evergreen Manufacturing Corporation v. Republic*, 817 Phil. 1048, 1060 (2017). See also *National Power Corporation v. Sps. Asoque*, 795 Phil. 19, 35 (2016).

³² G.R. No. 227960, July 24, 2019.

³³ 821 Phil. 1070 (2017).

³⁴ See *Republic v. Barcelon*, supra note 29.

factors to be considered in determining the value of condemned properties. We have consistently held that zonal valuation is just one of the indices of the fair market value of real estate. It cannot be the sole basis of just compensation in expropriation cases.³⁵

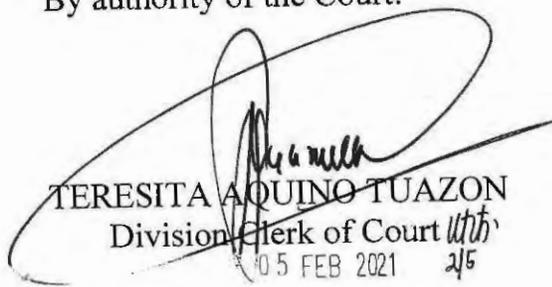
Given the foregoing discussion and that determination of just compensation is a judicial function, We find no compelling reason to disturb the valuation set by the RTC and approved by the CA. It has not been sufficiently shown to be grossly exorbitant or otherwise unjustified.³⁶ Consequently, this Court finds no more reason to discuss the Republic's arguments relative to its application for the issuance of a of a temporary restraining order or a writ of preliminary injunction.

With regard the imposition of legal interest, We find the ruling of the CA to be in accord with law and jurisprudence. However, We modify the date from which it accrues to July 23, 2008, the date of the taking or when the RTC issued the order of expropriation in favor of the Republic, on the premise that the Republic's delay began only upon the taking of the property, *not* from filing of the complaint since it is from the date of the taking that the fact of deprivation of property can be established.³⁷

WHEREFORE, the petition is **DENIED**. The February 28, 2017 Decision and August 11, 2017 Resolution of the Court of Appeals in CA-G.R. CV No. 103983 are **AFFIRMED with MODIFICATION** that the unpaid balance of just compensation amounting to Three Million One Hundred Seventy-Five Thousand Pesos (₱3,175,000.00) shall earn interest at 12% *per annum* from the time of the taking on July 23, 2008 until June 30, 2013, and an interest of six percent (6%) *per annum* from July 1, 2013 until full payment.

SO ORDERED. (Rosario, *J.*, designated additional member per Special Order No. 2797 dated November 5, 2020)"

By authority of the Court:


TERESITA AQUINO TUAZON
Division Clerk of Court
05 FEB 2021 2/5

³⁵ Id.

³⁶ *National Power Corporation v. Sps. Asoque*, supra note 31 at 52.

³⁷ See *Republic v. Ng*, supra note 33. See also *Republic v. Barcelon*, supra note 29.

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HON. PRESIDING JUDGE (reg)
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Valenzuela City
(Civil Case No. 205-V-07)

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*with copy of CA Decision dated 28 February 2017.

Please notify the Court of any change in your address.

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