



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

MANUELITO P. JUGUETA,
 Petitioner,

G.R. No. 225925

Present:

- versus -

GESMUNDO, C.J.,
Chairperson,
CAGUIOA,
CARANDANG,
ZALAMEDA, and
GAERLAN, JJ.

ARTHUR J. LEDESMA AND
BOARD OF DIRECTORS OF
PARAÑAQUE SOUTH ADMIRAL
VILLAGE HOMEOWNERS
ASSOCIATION, INC. (PSAVHAI),
 Respondents.

Promulgated:

JUN 14 2021

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D E C I S I O N

CARANDANG, J.:

Before this Court is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court (Rules), assailing the Decision² dated December 28, 2015 and Resolution³ dated July 22, 2016 of the Court of Appeals (CA) in CA-G.R. SP No. 132286 filed by petitioner Manuelito P. Jugueta (Jugueta).

Antecedents

On November 30, 2004, Jugueta filed a complaint against respondent Arthur J. Ledesma (Ledesma) before the president of South Admiral Village Homeowners Association (association) due to the following alleged violations

¹ *Rollo*, pp. 13-28.

² Penned by Associate Justice Jane Aurora C. Lantion, with the concurrence Associate Justices Fernanda Lampas Peralta and Nina G. Antonio-Valenzuela; *id.* at 37-47

³ Penned by Associate Justice Jane Aurora C. Lantion, with the concurrence Associate Justices Fernanda Lampas Peralta and Nina G. Antonio-Valenzuela; *id.* at 56-57.

9

of the homeowners' rules and regulations under the Deed Restrictions: (1) construction of a "duplex" building at No. 11 in violation of "one residential building per lot rule" under paragraph (b), Section 1, Article II of the Deed Restrictions; (2) building of a perimeter fence which is more than 1.5 meters in height in violation of paragraph (f), Section 1, Article II of the Deed Restrictions; (3) use and occupation of the dead end portion of the Osmeña Street; (4) illegal tapping of the village's storm drainage and water supply for the benefit of the adjacent townhouses (Admiralty Townhouses) allegedly owned by Ledesma; and (5) breeding of imported dogs at Ledesma's house for commercial purposes in violation of paragraph(c), Section 1, Article II of the Deed Restrictions.⁴

In a Letter dated August 24, 2005, the president of the association informed Jugueta that Ledesma did not violate any provision of the Deed Restrictions because:

1. Construction of a duplex building in the village had been allowed as early as 1995. Attached is an excerpts (sic) of 1996 Board decision allowing such practice.
2. The Board finds the imported dogs at No. 9 S. Osmeña as pets and cannot be considered as breeding for commercial purposes, hence, not in violation of any existing rules and regulations of the village.
3. Perimeter fence of complained residence approximates those of numerous residences in the village which practice has been tolerated and allowed since the creation of the Association.
4. The dead-end street as cited in the above-mentioned letter was not expropriated, but leased out on a long term-basis by the Board of Directors as said dead-end street was not serving any purpose. The Board in 1996 found the dead-end street of no use, but the lease of such portion alleviated the financial difficulties of the Association. The lease arrangement was properly covered by the necessary Board resolution.
5. The Board did not find any illegal tapplings to South Admiral Village's existing drainage as allege[d] in the afore-mentioned letter.⁵

Unsatisfied, Jugueta filed a Complaint before the Housing and Land Use Arbiter (Arbiter) to enforce the Deed Restrictions.⁶

In their Answer,⁷ the board of directors of the association and Ledesma denied the allegations against them. They pointed out that this is not the first time Jugueta instituted a nuisance suit against the association and Ledesma. They maintained that the board of directors of the association acted in good faith and with the well-being of the membership in mind at all times.⁸

⁴ Id. at 38, 70.

⁵ Id. at 75.

⁶ Id. at 76-80.

⁷ Id. at 82-87.

⁸ Id. at 85.

Ruling of the House and Land Use Regulatory Board Arbiter

In a Decision,⁹ the Arbiter declared that Ledesma did not violate the provisions of the Deed Restrictions. However, the lease to Ledesma of the dead-end portion of Osmeña Street fronting Ledesma's properties was declared void for being an ultra vires act. The Arbiter ruled that the lease was made beyond the authority of the board of directors of the association as the subdivision road is outside the commerce of man.¹⁰ The Arbiter also explained that the construction of the duplex did not violate the "one residential building per lot rule" as it had been permitted by the association in its General Assembly Meeting on February 9, 1997. Moreover, the construction of the duplex is under the authority of the Building Official of the local government concerned.¹¹ With respect to the perimeter wall, Jugueta was not able to present evidence that it is limited to 1.5 meters. The Arbiter also did not find any provision in the Deed Restrictions prohibiting the breeding of imported dogs.¹²

Ruling of the House and Land Use Regulatory Board of Commissioners

In a Decision¹³ dated August 22, 2008, the Board ruled as follows:

WHEREFORE, premises considered, appeal is GRANTED. Accordingly, the decision of the ENCRFO dated August 29, 2007 is hereby SET ASIDE and a new decision entered declaring the "one residential building per lot rule" as still in full force and effect and ordering respondent association to implement the same. Further, respondent is hereby ordered to pay to this Board a fine of P10,000 for illegally leasing out a portion of the subdivision road and to cease and desist from further committing such act.

SO ORDERED.¹⁴

The Board held that, though the minutes of the General Assembly Meeting in 1997 indicated that the board of directors of the association had permitted the construction of duplex residential buildings, there was no proof that said decision was formalized into a resolution for ratification by its members and that it was submitted to the Home Insurance Guaranty Corporation (HIGC).¹⁵

⁹ Penned by Housing and Land Use Regulatory Board Arbiter Atty. Leonard Jacinto A. Soriano; id. at 129-131.

¹⁰ Id. at 130-131.

¹¹ Id. at 130.

¹² Id.

¹³ Approved by Chief Executive Officer and Commissioner Romulo Q. Fabul, and Commissioners Jesus Y. Pang and Arturo M. Dublado; id. at 195-197.

¹⁴ Id. at 197.

¹⁵ Id. at 196.

9

In a Resolution¹⁶ dated November 26, 2008, the Board denied Jugueta's Motion for Reconsideration.¹⁷

Ruling of the Office of the President

In a Decision¹⁸ dated September 27, 2013, the Office of the President (OP) dismissed Jugueta's appeal and affirmed the Decision dated August 22, 2008 of the Board.¹⁹ Thereafter, Jugueta filed a petition for review under Rule 42 to the CA.

Ruling of the Court of Appeals

In a Decision²⁰ dated December 28, 2015, the petition of Jugueta was denied and the Decision of the OP was affirmed.²¹

In dismissing the claim that Ledesma violated the Deed Restrictions by building the questioned perimeter fence, breeding imported dogs for commercial purposes, and tapping the village's water drainage, the CA sustained the ruling of the Arbiter and the OP that Jugueta failed to establish that Ledesma committed these violations. These were not supported by any evidence.²²

As regards the two other alleged violations PSAVHAI, allowing Ledesma to construct a duplex building and allowing Ledesma to lease the dead-end portion of Osmeña Street, the CA held that the maximum fine to be imposed for both violations shall not exceed ₱10,000.00 as provided in Section 38 of Presidential Decree No. (P.D.) 957. Thus, the CA concluded that the OP imposed the correct fine.²³

The CA also held that the OP correctly ruled that the certificate of registration of PSAVHAI cannot be suspended because the issue was not raised in Jugueta's complaint and appeal. Moreover, no notice and hearing were ever conducted on the issue²⁴, as required in Section 13, Title IV of P.D. 957²⁵ and paragraph (f), Section 1, Rule XII of the 2004 Rules of Procedure

¹⁶ Approved by Chief Executive Officer and Commissioner Romulo Q. Fabul and Commissioners Teresita A. Desierto and Jesus Y. Pang; id. at 207-208.

¹⁷ Id. at 208.

¹⁸ Penned by Deputy Executive Secretary for Legal Affairs Michael G. Aguinaldo; id. at 265-268.

¹⁹ Id. at 268.

²⁰ Supra note 2.

²¹ *Rollo*, p. 47.

²² Id. at 43-44.

²³ Id. at 44-45.

²⁴ Id. at 45-47.

²⁵ Section 13, Title IV of P.D. 957 states:

Section 13. *Hearing.* In the hearing for determining the existence of any ground or grounds for the suspension and/or revocation of registration certificate and license to sell as provided in Section 8 and 9 hereof, the following shall be complied with:

(a) Notice. No such hearing shall proceed unless the respondent is furnished with a copy of the complaint against him or is notified in writing of the purpose of such hearing.

(b) Venue. The hearing may be held before the officer or officers designated by the Authority on the date and place specified in the notice.

(c) Nature of proceeding. The proceedings shall be non-litigious and summary in nature without regard to legal technicalities obtaining in courts of law. The Rules of court shall

of the House and Land Use Regulatory Board (HLURB).²⁶

In a Resolution,²⁷ the Motion for Reconsideration²⁸ Jugueta filed was denied.²⁹

In the present Petition for Review on *Certiorari*,³⁰ Jugueta argues that the Court should take cognizance of his petition, even though it raises mixed questions of fact and law, as the CA made findings of fact that are contradicted by the evidence on record.³¹ Jugueta insists that the alleged illegal tapping in the water supply by Ledesma was proven by the photo taken by the late Rene Davila marked as Annex "E" in his Position Paper filed with the HLURB Arbiter.³² Jugueta also claims that due to this illegal water connection, the homeowners are charged by Maynilad on a *pro rata* basis the difference recorded on the mother meter in addition to the actual consumption of each resident.³³ Jugueta adds that the illegally tapped storm drains will continue to contribute to the flooding in the Phase 2 of the subdivision.³⁴ Jugueta also maintains that Ledesma violated the Deed Restrictions in constructing a perimeter fence that is more than 1.5 meters in height.³⁵ Jugueta urges the Court to order Ledesma to undo at his own expense all violations he committed instead of just imposing a single fine for the multiple violations of the Deed Restrictions and P.D. 957.³⁶

Jugueta also points out that the correct interpretation of Section 38 of P.D. 957 for purposes of imposing fines should be as follows: (1) when there is a single violation, there will be a corresponding single fine; and (2) when there are multiple violations, there will be corresponding multiple fines. For Jugueta, when a fine of ₱10,000.00 was imposed on the association for leasing

not apply in said hearing except by analogy or in a suppletory character and whenever practicable and convenient.

(d) Power incidental to the hearing. For the purpose of the hearing or other proceeding under this Decree, the officer or officers designated to hear the complaint shall have the power to administer oaths, subpoena witnesses, conduct ocular inspections, take depositions, and require the production of any book, paper, correspondence, memorandum, or other record which are deemed relevant or material to the inquiry.

²⁶ Paragraph (f), Section 1, Rule XII of the 2004 Rules of Procedure of the HLURB states:
Section 1. *Powers of the Arbiter*. – The Arbiter shall have the following powers:

x x x x

f. To suspend or revoke, upon proper notice and hearing, the certificate of registration of the association upon any ground provided by law, rules and regulations of HLURB including but not limited to the following:

x x x x

2. Serious misrepresentation as to what the association can do or is doing;

x x x x

4. Misuse of a right, privilege, or franchise conferred upon it by law, or exercise of a right; privilege or franchise in contravention of law;

x x x x

²⁷ Supra note 3.

²⁸ *Rollo*, pp. 49-54.

²⁹ *Id.* at 56.

³⁰ *Id.* at 13-28.

³¹ *Id.* at 21-22.

³² *Id.* at 22.

³³ *Id.*

³⁴ *Id.*

³⁵ *Id.* at 23-24.

³⁶ *Id.* at 24.

9

out a dead-end portion of the street to Ledesma, an additional fine can still be imposed on the association for violating the “one residential building per lot rule” since the alleged maximum amount of fine had already been reached.³⁷ Lastly, Jugueta reiterates his claim for damages and reimbursement of litigation expenses.³⁸

Resolution dated October 3, 2016

In a Resolution³⁹ dated October 3, 2016, the Court denied the petition for review on *certiorari* Jugueta filed for failure to sufficiently show that the CA committed any reversible error in the assailed Decision and Resolution to warrant the exercise of the Court’s discretionary appellate jurisdiction.⁴⁰

Jugueta filed a Motion for Reconsideration⁴¹ reiterating his arguments in his petition for review on *certiorari*.

Resolution dated April 17, 2017

In a Resolution⁴² dated April 17, 2017, the Court granted the Motion and set aside the Resolution dated October 3, 2016. The petition was reinstated and respondents Ledesma and the board of directors of the association were ordered to file their comment within 10 days from notice.⁴³ Due to the failure to file their comment, the Court issued Resolution dated February 7, 2018 reiterating the Resolution dated April 17, 2017 and giving respondents Ledesma and the board of directors of the association a fresh period of 10 days from notice within which to file the required comment.⁴⁴ Thereafter, the Court dispensed with its order instructing them to file a comment.

Issue

The issues to be resolved is whether the Resolution dated November 20, 2008 of the HLURB Board of Commissioners had already attained finality and may no longer be assailed through a petition for review on *certiorari* under Rule 45 of the Rules.

Ruling of the Court

The Resolution dated November 26, 2008 of the HLURB Board of Commissioners had already attained finality and may no longer be assailed



³⁷ Id. at 25.

³⁸ Id. at 25-27.

³⁹ Id. at 336.

⁴⁰ Id.

⁴¹ Id. at 338-345.

⁴² Id. at 353.

⁴³ Id.

⁴⁴ Id.

through a petition for review on certiorari under Rule 45 of the Rules.

At the outset, it must be pointed out that neither of the parties questioned the propriety of Jugueta's appeal to the OP of the Board's Resolution dated November 26, 2008 denying his Motion for Reconsideration. Section 8, Rule 51 of the Rules provides:

Section 8. Questions that may be decided. – No errors which does not affect the jurisdiction over the subject matter or the validity of the judgment appealed from or the proceedings therein will be considered unless stated in the assignment of errors, or closely related to or dependent on an assigned error and properly argued in the brief, save as the court may pass upon plain errors and clerical errors.

As a rule, a court does not have power to decide questions except as presented by the parties in their pleadings.⁴⁵ No error which was not assigned and argued may be considered unless such error is: (1) closely related to or dependent on an assigned error; or (2) it affects the jurisdiction over the subject matter on the validity of the judgment.⁴⁶ We have settled that the courts have ample authority to rule on matters not raised by the parties in their pleadings if such issues are indispensable or necessary to the just and final resolution of the pleaded issues.⁴⁷ In *Insular Life Assurance Co., Ltd. Employees' Association v. Insular Life Assurance Co., Ltd.*,⁴⁸ it was explained that:

The Supreme Court has ample authority to review and resolve matters not assigned and specified as errors by either of the parties in the appeal **if it finds the consideration and determination of the same essential and indispensable in order to arrive at a just decision in the case.** This Court, thus, has the authority to waive the lack of proper assignment of errors if the unassigned errors closely relate to errors properly pinpointed out or if the unassigned errors refer to matters upon which the determination of the questions raised by the errors properly assigned depend.

The same also applies to issues not specifically raised by the parties. The Supreme Court, likewise, has broad discretionary powers, in the resolution of a controversy, to take into consideration matters on record which the parties fail to submit to the Court as specific questions for determination. Where the issues already raised also rest on other issues not specifically presented, as long as the latter issues bear relevance and close relation to the former and as long as they arise from matters on record, the Court has the

⁴⁵ *Asian Transmission Corporation v. Canlubang Sugar Estates*, 457 Phil. 260, 285 (2003).

⁴⁶ *Multi-Realty Development Corp v. Makati Tuscan Condominium Corp.*, 524 Phil. 318, 336 (2006).

⁴⁷ *Hi-Tone Marketing Corporation v. Baikal Realty Corporation*, 480 Phil. 545, 561 (2004)

⁴⁸ 166 Phil. 505 (1977).

authority to include them in its discussion of the controversy as well as to pass upon them. In brief, in **those cases wherein questions not particularly raised by the parties surface as necessary for the complete adjudication of the rights and obligations of the parties and such questions fall within the issues already framed by the parties, the interests of justice dictate that the Court consider and resolve them.**⁴⁹ (Citations omitted; emphasis supplied)

In the present case, the resolution of the propriety of the appellate remedy Jugueta availed in assailing the decision and resolution of the Board is indispensable and critical to the determination of whether the Court may give due course to his petition and grant the reliefs prayed for.

An intra-association dispute is defined as:

A controversy which arises out of the relations between and among members of the association; between any or all of them and the association of which they are members; and between such association and the State insofar as it concerns their individual franchise or right to exist. It refers also to a controversy which is intrinsically connected with the regulation of associations or dealing with the internal affairs of such entity.⁵⁰

The dispute involved in the present case is an intra-association dispute. It involves a disagreement between members of an association, Jugueta and Ledesma, and the association itself, over alleged violations in the Deed Restrictions and P.D. 957 Ledesma and the association committed.

Section 2, Rule XXI of the 2004 HLURB Rules of Procedure,⁵¹ the governing rules at the time Jugueta filed his appeal to the OP, states:

Section 2. Appeal. – Any party may, upon notice to the Board and the other party, appeal a decision rendered by the Board of Commissioners **to the Office of the President within fifteen (15) days from receipt thereof, in accordance with P.D. No. 1344 and A.O. No. 18 Series of 1987.** (Emphasis supplied)

Pursuant to P.D. 1344⁵², then National Housing Authority (NHA), presently the HLURB, was vested the exclusive jurisdiction to hear and decide the following cases:

- A. Unsound real estate business practices;
- B. Claims involving refund and any other claims filed by subdivision lot or condominium unit buyer against the

⁴⁹ Id.

⁵⁰ Paragraph (w), Section 4, Implementing Rules and Regulations of R.A. 9904.

⁵¹ Housing and Land Use Regulatory Board of Commissioners Resolution No. 765, Series of 2004.

⁵² Empowering the National Housing Authority to Issue Writ of Execution in the Enforcement of its Decision under Presidential Decree No. 957.

- 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.⁵³

The decision of the NHA, now the HLURB, on any of the foregoing controversies is appealable only to the President of the Philippines through the OP.⁵⁴ Therefore, only decisions of the HLURB involving the enumerated cases in Section 1 of P.D. 1344 may be appealed to the OP. The enumeration in P.D. 1344 does not include intra-association disputes.

With regard to the appeal of cases decided by the HLURB that are not included in Section 1 of P.D. 1344, it is the CA that has appellate jurisdiction. As a rule, appeals from the judgment or final rulings of quasi-judicial agencies are appealable to the CA *via* petition for review under Rule 43 of the Rules of Court. The HLURB is a quasi-judicial agency exercising quasi-judicial powers or functions. It has the authority to resolve real estate management cases and homeowners' association cases.

Noticeably, in the present case, Jugueta filed his appeal involving an intra-association dispute to the OP instead of the CA.

To allay any confusion in the appellate jurisdiction of HLURB cases, it is worthy to highlight Section 20 of Republic Act No. (R.A.) 9904, which explicitly states the appellate procedure for intra association disputes decided by the Board is vested in the CA. Section 20 of R.A. 9904 provides that:

Section 20. *Duties and Responsibilities of the HLURB.* – In addition to the powers, authorities and responsibilities vested in it by Republic Act No. 8763, Presidential Decree No. 902 - A, Batas Pambansa Big. 68 and Executive Order No. 535, Series of 1981, as amended, the HLURB shall:

x x x x

(d) **Hear and decide intra - association** and/or inter - association controversies and/or conflicts, without prejudice to filing civil and criminal cases by the parties concerned before the regular courts: *Provided, That **all decisions of the HLURB are appealable directly to the Court of Appeals;*** (Emphasis and underscoring supplied; italics in the original)

Although R.A. 9904 took effect on July 10, 2010, while the appeal of Jugueta in the OP remained pending, the cited provision is consistent with the issuances governing the appellate jurisdiction on HLURB decisions/order such as Rule 43 of the Rules, the 2004 HLURB Rules of Procedure, and P.D. 1344 at the time he filed his appeal to the OP. The exclusive appellate

⁵³ P.D. 1344, Section 1.

⁵⁴ P.D. 1344, Section 2.

9

jurisdiction over intra-association disputes decided by the HLURB is clearly vested in the CA. This was also reiterated in paragraph (d), Section 64 of the Implementing Rules and Regulations of R.A. 9904.⁵⁵

For failing to avail the correct appellate remedy, Jugueta's appeal to the OP did not toll the running of the reglementary period to file an appeal to the CA via Rule 43. The Decision of the OP is void because it has no appellate jurisdiction over the decisions of the Board involving intra-association disputes. Considering that no valid appeal was filed within 15 days after the receipt of the Resolution of the Board by the parties, the Resolution dated November 26, 2008 has become final and executory.

While it is settled that an appeal is an essential part of judicial process, this is merely a statutory privilege. Thus, it is both mandatory and jurisdictional that an appeal be perfected in the manner and within the period prescribed by law and failure of to adhere to the rules regarding appeal will render the judgment final and executory.⁵⁶

In view of the foregoing, the Court no longer deems it necessary to discuss the other issues raised by Jugueta.

WHEREFORE, the Decision dated December 28, 2015 and the Resolution dated July 22, 2016 of the Court of Appeals in CA-G.R. SP No. 132286 are **SET ASIDE**. The Resolution dated November 26, 2008 of the Housing and Land Use Regulatory Board is **DECLARED** final and executory.

SO ORDERED.


ROSMARI D. CARANDANG
Associate Justice


⁵⁵ Paragraph (d) of Section 64 of the Implementing Rules and Regulations of R.A. 9904 states: Section 64. Duties and Responsibilities of the HLURB. – In addition to the powers, authorities and responsibilities vested in it by Republic Act No. 8763, Presidential Decree No. 902-A, Batas Pambansa Blg. 68 and Executive Order No. 535, Series of 1981, as amended, the HLURB shall:

x x x x


d. Hear and decide intra-association and/ or inter-association controversies and/ or conflicts, without prejudice to filing civil and criminal cases by the parties concerned before the regular courts: *Provided, That all decisions of the HLURB are appealable directly to the Court of Appeals.* [Emphasis and italics in the original, underscoring supplied]


⁵⁶ *Land Bank of the Philippines v. Court of Appeals*, 789 Phil. 577 (2016).

WE CONCUR:


ALEXANDER G. GESMUNDO
Chief Justice

*Please See
 Concurring
 Opinion*


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice


RODIL V. ZALAMEDA
Associate Justice


SAMUEL H. GAERLAN
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


ALEXANDER G. GESMUNDO
Chief Justice

G.R. No. 225925 – MANUELITO P. JUGUETA, *petitioner*, versus ARTHUR J. LEDESMA AND BOARD OF DIRECTORS OF PARAÑAQUE SOUTH ADMIRAL VILLAGE HOMEOWNERS ASSOCIATION, INC. (PSAVHAI), *respondents*.

Promulgated:

JUN 14 2021

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CONCURRING OPINION

CAGUIOA, J.:

The *ponencia* resolves to dismiss the above-captioned Petition on the ground that the Resolution dated November 26, 2008 issued by the Board of Commissioners of the Housing and Land Use Regulatory Board (HLURB-BOC) is already final and executory.

According to the *ponencia*, it is the Court of Appeals (CA) which has appellate jurisdiction over the decisions, resolutions, and orders of the HLURB-BOC issued in the exercise of its exclusive original jurisdiction over intra-association disputes. Hence, petitioner Manuelito P. Jugueta (Jugueta) failed to avail of the correct appellate remedy when he filed his appeal with the Office of the President (OP). The *ponencia* explains:

With regard to the appeal of cases decided by the HLURB that are not included in Section 1 of P.D. 1344, it is the CA that has appellate jurisdiction. As a rule, appeals from the judgment or final rulings of quasi-judicial agencies are appealable to the CA *via* petition for review under Rule 43 of the Rules of Court. The HLURB is a quasi-judicial agency exercising quasi-judicial powers or functions. It has the authority to resolve real estate management cases and homeowners' association cases.

Noticeably, in the present case, Jugueta filed his appeal involving an intra-association dispute to the OP instead of the CA.

To allay any confusion in the appellate jurisdiction of HLURB cases, it is worthy to highlight Section 20 of Republic Act No. (R.A.) 9904, which explicitly states the appellate procedure for intra[-]association disputes decided by the [HLURB-BOC] is vested in the CA. Section 20 of R.A. 9904 provides that:

Section 20. *Duties and Responsibilities of the HLURB.* – In addition to the powers, authorities and responsibilities vested in it by Republic Act No. 8763, Presidential Decree No. 902-A, Batas Pambansa Blg. 68 and Executive Order No. 535, Series of 1981, as amended, the HLURB shall:

x x x x



(d) **Hear and decide intra-association** and/or inter-association controversies and/or conflicts, without prejudice to filing civil and criminal cases by the parties concerned before the regular courts: *Provided*, That **all decisions of the HLURB are appealable directly to the Court of Appeals**; x x x

Although R.A. 9904 took effect on July 10, 2010, while the appeal of Jugueta in the OP remained pending, the cited provision is consistent with the issuances governing the appellate jurisdiction [over] HLURB decisions/order[s] such as Rule 43 of the Rules, the 2004 HLURB Rules of Procedure, and P.D. 1344 at the time he filed his appeal to the OP. The exclusive appellate jurisdiction over intra-association disputes decided by the HLURB is clearly vested in the CA. x x x¹ (Emphasis, italics and underscoring in the original)

I agree that appellate jurisdiction over HLURB-BOC decisions, orders, and resolutions on intra-association disputes had been vested with the CA even before the passage of Republic Act No. (R.A.) 9904.² However, I respectfully submit that such jurisdiction primarily stems from Presidential Decree No. (P.D.) 902-A,³ as amended by Batas Pambansa Blg. (B.P.) 129.⁴ To my mind, the applicable rules of procedure cited in the *ponencia* do not confer such appellate jurisdiction with the CA. Rather, they merely confirm what is statutorily provided under the aforesaid law.

I expound.

Jurisdiction over the subject matter is vested by the Constitution or by law, and not by the parties to an action. It cannot be conferred by the consent or acquiescence of the parties, or by the erroneous belief of the court, quasi-judicial office, or government agency that it exists.⁵ Hence, to determine the proper appellate remedy in this case, it is useful to trace the laws conferring jurisdiction over intra-association disputes involving homeowners' associations.

Jurisdiction under P.D. 902-A

The exclusive original jurisdiction to hear and decide cases involving *all* kinds of registered associations was originally conferred by law with the Securities and Exchange Commission (SEC) through P.D. 902-A issued on March 11, 1976, thus:

SECTION 5. In addition to the regulatory and adjudicative functions of the Securities and Exchange Commission over corporations, partnerships

¹ *Ponencia*, pp. 9-10.

² AN ACT PROVIDING FOR A MAGNA CARTA FOR HOMEOWNERS AND HOMEOWNERS' ASSOCIATIONS, AND FOR OTHER PURPOSES, otherwise known as the "MAGNA CARTA FOR HOMEOWNERS AND HOMEOWNERS' ASSOCIATION," January 7, 2010.

³ REORGANIZATION OF THE SECURITIES AND EXCHANGE COMMISSION WITH ADDITIONAL POWERS AND PLACING THE SAID AGENCY UNDER THE ADMINISTRATIVE SUPERVISION OF THE OFFICE OF THE PRESIDENT, March 11, 1976.

⁴ AN ACT REORGANIZING THE JUDICIARY, APPROPRIATING FUNDS THEREFOR, AND FOR OTHER PURPOSES, otherwise known as "THE JUDICIARY REORGANIZATION ACT OF 1980," August 14, 1981.

⁵ *Power Sector Assets and Liabilities Management Corporation v. Commissioner of Internal Revenue*, G.R. No. 198146, August 8, 2017, 835 SCRA 235, 258.

and other forms of associations registered with it as expressly granted under existing laws and decrees, it shall have original and exclusive jurisdiction to hear and decide cases involving:

x x x x

- b) **Controversies arising out of intra-corporate or partnership relations, between and among stockholders, members, or associates; between any or all of them and the corporation, partnership or association of which they are stockholders, members or associates, respectively; and between such corporation, partnership or association and the state insofar as it concerns their individual franchise or right to exist as such entity;**

x x x x

SECTION 6. In order to effectively exercise such jurisdiction, the Commission shall possess the following powers:

x x x x

In the exercise of the foregoing authority and jurisdiction of the Commission, hearings shall be conducted by the Commission or by a Commissioner or by such other bodies, boards, committees and/or any officer as may be created or designated by the Commission for the purpose. The decision, ruling or order of any such Commissioner, bodies, boards, committees and/or officer may be appealed to the Commission sitting *en banc* within thirty (30) days after receipt by the appellant of notice of such decision, ruling or order. The Commission shall promulgate rules of procedures to govern the proceedings, hearings and appeals of cases falling within its jurisdiction.

The aggrieved party may appeal the order, decision or ruling of the Commission sitting *en banc* to the Supreme Court by petition for petition for review in accordance with the pertinent provisions of the Rules of Court. (Emphasis supplied)

Shortly after the issuance of P.D. 902-A, the CA was created under B.P. 129. B.P. 129 vested the CA with exclusive appellate jurisdiction over "all final judgments, decisions, resolutions, orders or awards of Regional Trial Courts and quasi-judicial agencies, instrumentalities, boards or commissions,"⁶ including the SEC. **B.P. 129 thus had the effect of amending Section 6 of P.D. 902-A by making the orders, decisions, and rulings of the SEC in the exercise of its original and exclusive jurisdiction appealable to the CA instead of the Supreme Court.**

Jurisdiction under E.O. 535

On June 2, 1978, President Ferdinand E. Marcos issued P.D. 1396⁷ which created the Department of Human Settlements (DHS). Section 14 of

⁶ B.P. 129, Sec. 9(3).

⁷ CREATING THE DEPARTMENT OF HUMAN SETTLEMENTS AND THE HUMAN SETTLEMENT DEVELOPMENT CORPORATION, APPROPRIATING FUNDS THEREFOR, AND ACCORDINGLY AMENDING CERTAIN PRESIDENTIAL DECREES, June 2, 1978.

the state insofar as the controversy concerns its right to exist as a corporate entity.¹¹

Jurisdiction under P.D. 1344

In addition to its exclusive original jurisdiction over controversies involving homeowners' associations, the HLURB is also vested with exclusive original jurisdiction over cases involving unsound real estate practices, specific performance, and refund claims against real estate project owners, developers, dealers, brokers, and salesmen (special real estate cases). Such jurisdiction was originally vested by law with the National Housing Authority (NHA) under P.D. 1344¹² issued on April 2, 1978, thus:

SECTION 1. In the exercise of its functions 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.

SECTION 2. The decision of the [NHA] shall become final and executory after the lapse of fifteen (15) days from the date of its receipt. **It is appealable only to the President of the Philippines and in the event the appeal is filed and the decision is not reversed and/or amended within a period of thirty (30) days, the decision is deemed affirmed.** Proof of the appeal of the decision must be furnished the [NHA]. (Emphasis supplied)

Subsequently, President Marcos issued P.D. 1416¹³ granting unto himself the authority to reorganize the administrative structure of the national government. Pursuant thereto, he issued E.O. 648¹⁴ which transferred the regulatory functions of the NHA to the Human Settlements Regulatory Commission (HSRC), hence:

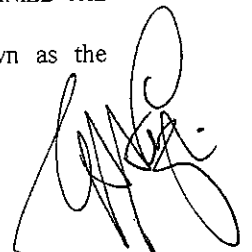
SECTION 8. *Transfer of Functions.* – The regulatory functions of the [NHA] pursuant to Presidential Decree Nos. 957, 1216, 1344 and other related laws are hereby transferred to the [HSRC] x x x. Among these regulatory functions are: x x x (11) **Hear and decide cases on unsound**

¹¹ Id. at 319-320.

¹² EMPOWERING THE NATIONAL HOUSING AUTHORITY TO ISSUE WRIT OF EXECUTION IN THE ENFORCEMENT OF ITS DECISION UNDER PRESIDENTIAL DECREE NO. 957, April 2, 1978.

¹³ GRANTING CONTINUING AUTHORITY TO THE PRESIDENT OF THE PHILIPPINES TO REORGANIZE THE NATIONAL GOVERNMENT, June 9, 1978.

¹⁴ REORGANIZING THE HUMAN SETTLEMENTS REGULATORY COMMISSION, otherwise known as the "CHARTER OF THE HUMAN SETTLEMENTS REGULATORY COMMISSION," February 7, 1981.



real estate business practices; claims involving refund filed against project owners, developers, dealers, brokers or salesmen and cases of specific performance. (Emphasis supplied)

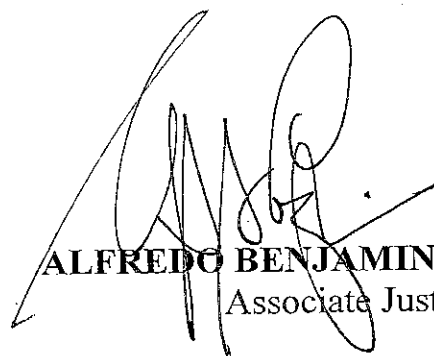
Later still, HSRC was renamed as the HLURB under E.O. 90.¹⁵

The CA has appellate jurisdiction over the decisions, orders, and resolutions issued by the HLURB on cases involving homeowners' associations.

Proceeding from the foregoing, a clear distinction must therefore be drawn between the decisions, orders, and resolutions of the HLURB rendered in special real estate cases, and those rendered in connection with disputes involving homeowners' associations. This distinction determines the proper appellate remedy that may be resorted to by the parties involved.

As discussed, appellate jurisdiction over decisions rendered by the HLURB in special real estate cases is statutorily vested with the OP under Section 2 of P.D. 1344. On the other hand, appellate jurisdiction over HLURB's decisions on disputes involving homeowners' associations is vested with the CA. Prior to the enactment of R.A. 9904, such jurisdiction had already been vested by P.D. 902-A, as amended by B.P. 129. At present, it is explicitly provided under R.A. 9904.

To this end, this case serves as an appropriate vehicle to emphasize that appellate jurisdiction over disputes involving homeowners' associations had already been statutorily vested with the CA even before the enactment of R.A. 9904. This would lend guidance in the resolution of appeals originating from the HLURB which had been filed before R.A. 9904 took effect, considering that the latter statute had only been recently issued.


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

¹⁵ IDENTIFYING THE GOVERNMENT AGENCIES ESSENTIAL FOR THE NATIONAL SHELTER PROGRAM AND DEFINING THEIR MANDATES, CREATING THE HOUSING AND URBAN DEVELOPMENT COORDINATING COUNCIL, RATIONALIZING FUNDING SOURCES AND LENDING MECHANISMS FOR HOME MORTGAGES AND FOR OTHER PURPOSES, December 17, 1986.

