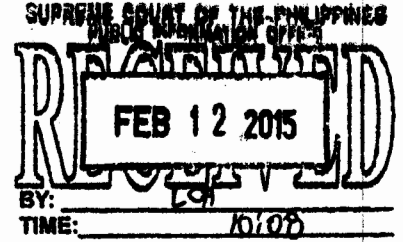




Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

NOTICE



Sirs/Mesdames:

Please take notice that the Court, Third Division, issued a Resolution dated **January 28, 2015**, which reads as follows:

“G.R. No. 209369 (City Government of Valenzuela, represented by the City Mayor, Hon. Sherwin T. Gatchalian vs. Asuncion Agustines, married to Eduardo Acosta). – Before this Court is an Appeal by *Certiorari*¹ filed by the City Government of Valenzuela (petitioner) assailing the Decision² dated May 24, 2013 and Resolution³ dated September 30, 2013 of the Court of Appeals (CA) in CA-G.R. CV No. 98582.

The case stems from a complaint for expropriation filed by the petitioner before the Regional Trial Court (RTC) of Valenzuela City and docketed as Civil Case No. 103-V-10. Subject of the expropriation case was a 2,036-square-meter parcel of land owned by Asuncion Agustines (respondent), married to Eduardo Acosta, which the petitioner found necessary as site for new school buildings to be erected by the local government in *Barangay Dalandan*, Valenzuela City. The property was covered by Transfer Certificate of Title No. (T-228640) 4785 and Tax Declaration No. C-015-04244, both issued under the respondent’s name.

Prior to the filing of the complaint for expropriation, the petitioner negotiated with the respondent for the purchase of the subject property upon an offer of ₱400.00 per square meter, or a total consideration of ₱814,400.00. The petitioner based this price on the land’s tax declaration, which classified the subject land as a residential lot having a market value of ₱400.00 per square meter. It was also the amount determined by the petitioner’s Special Appraisal Committee as a fair offer for the land’s purchase.⁴ When the petitioner instituted the expropriation proceedings, it deposited with the trial court the amount of ₱122,160.00, or 15% of the claimed fair market value of the subject property.⁵

¹ Rollo, pp. 3-16.

² Penned by Associate Justice Samuel H. Gaerlan, with Associate Justices Apolinario D. Bruselas, Jr. and Priscilla J. Baltazar-Padilla concurring; id. at 33-43.

³ Id. at 44-45.

⁴ Id. at 34-35.

⁵ Id. at 36.

During the course of the proceedings with the RTC, the parties agreed on the necessity of the subject land's expropriation. The sole issue that remained to be resolved then involved the compensation that had to be paid for the property's taking. For this purpose, the trial court constituted a Board of Commissioners (Board) composed of Atty. Cecilyne R. Andrade, Engr. Restituto Bautista and Atty. Gemma Lucero-Peliño, and which should determine the fair market value of the property.⁶

On August 22, 2011, the Board issued its Report, which recommended the amount of ₱7,500.00 per square meter, or a total of ₱15,270,000.00, as just compensation.⁷ Among the factors that were raised by the respondent before the Board was the property's location, emphasizing that it was only 10 minutes away from the San Diego de Alcala Parish Church, 100 meters away from MacArthur Highway, 20 minutes away from the Valenzuela City Astrodome and 15 minutes away from SM Valenzuela. The respondent further cited two prior purchases by the petitioner of properties near the subject land at the rate of ₱5,000.00 per square meter.⁸

After giving the parties a chance to file their respective comments on the report, the RTC promulgated on November 16, 2011 its decision setting the just compensation at ₱6,000.00 per square meter, or a total of ₱12,216,000.00. The decretal portion of the RTC decision reads:

PREMISES CONSIDERED, the Court hereby ORDERS plaintiff to pay defendant Asuncion Agustines, married to Eduardo Acosta, the just compensation for the expropriated property covered by Transfer Certificate of Title No. (T-228640) 4785, in the amount of P6,000.00 per square meter, or a total of P12,216,000.00 for the 2,036[-]square-meter property, with the interest at the legal rate of 6% per annum from November 5, 2010, until full payment is made.

Defendant, on the other hand, is hereby DIRECTED to present the Owner's Duplicate of said TCT No. (T-228640) 4785 to the Registry of Deeds of Valenzuela City, which is in turn directed, upon payment by defendant of the corresponding capital gains tax, to cancel said title and issue, in lieu thereof, a new transfer certificate of title under the name of plaintiff, City Government of Valenzuela.

SO ORDERED.⁹

The trial court denied both the petitioner's motion for reconsideration and the respondent's partial motion for reconsideration *via* its Order dated March 12, 2012.¹⁰

⁶ Id. at 37.

⁷ Id.

⁸ Id. at 39-40.

⁹ Id. at 8-9.

¹⁰ Id. at 9.

Feeling aggrieved by the RTC decision, the petitioner appealed to the CA. On May 24, 2013, the CA rendered its Decision¹¹ affirming the decision of the RTC. The petitioner's motion to reconsider¹² said decision was likewise denied.¹³ Hence, the present appeal made by the petitioner on the main ground that the CA erred in affirming the RTC ruling that the just compensation for the subject property should be at ₱6,000.00 per square meter.

The appeal is denied.

The Court emphasizes that the issue pertaining to the correct fair market value of the subject parcel of land involves a factual question. It is settled that a review on *certiorari* under a Rule 45 petition is generally limited to the review of legal issues; the Court only resolves questions of law which have been properly raised by the parties during the appeal and in the petition.¹⁴ It is not the Court's function to analyze or weigh all over again evidence already considered in the proceedings below, its jurisdiction being limited to reviewing only errors of law that may have been committed by the lower court. The resolution of factual issues is the function of the lower courts, whose findings on these matters are received with respect.¹⁵

Even if the Court were to decide the appeal on the merits, it is evident that the petitioner failed to show any reversible error on the part of the CA when it pegged the property's fair market value at ₱6,000 per square meter. Contrary to the petitioner's claim, the fair market value of an expropriated property does not merely equate to its market value as may be specified in the land's tax declaration. The Court emphasized in *Republic v. Rural Bank of Kabacan, Inc.*¹⁶ that "[i]n expropriation proceedings, just compensation is defined as the full and fair equivalent of the property taken from its owner by the expropriator."¹⁷ The Court explained further:

The word "just" is used to intensify the meaning of the word "compensation" and to convey thereby the idea that the equivalent to be rendered for the property to be taken shall be real, substantial, full and ample. The constitutional limitation of "just compensation" is considered to be a sum equivalent to the **market value of the property, broadly defined as 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.**¹⁸ (Citations omitted and emphasis ours)

¹¹ Id. at 33-43.

¹² Id. at 23-32.

¹³ Id. at 44-45.

¹⁴ *Ysidoro v. Leonardo-De Castro*, G.R. No. 171513, February 6, 2012, 665 SCRA 1, 13.

¹⁵ *Heirs of Pacencia Racaza v. Abay-abay*, G.R. No. 198402, June 13, 2012, 672 SCRA 622, 627-628.

¹⁶ G.R. No. 185124, January 25, 2012, 664 SCRA 233.

¹⁷ Id. at 244.

¹⁸ Id.

If just compensation in expropriations were to be determined merely from tax declarations, then the constitution of a board of commissioners that should determine the expropriated property's fair market value would not have been necessary. The determination of just compensation, however, is more complex than the petitioner's proposition. Rule 67 of the Rules of Court on Expropriation in fact provides:

Section 5. Ascertainment of Compensation. Upon the rendition of the order of expropriation, the court shall appoint not more than three (3) competent and disinterested persons as commissioners to ascertain and report to the court the just compensation for the property sought to be taken. x x x.

Section 6. Proceedings by commissioners. x x x Evidence may be introduced by either party before the commissioners who are authorized to administer oaths on hearings before them, and the commissioners shall, unless the parties consent to the contrary, after due notice to the parties to attend, view and examine the property sought to be expropriated and its surroundings, and may measure the same, after which either party may, by himself or counsel, argue the case. The commissioners shall assess the consequential damages to the property not taken and deduct from such consequential damages the consequential benefits to be derived by the owner from the public use or purpose of the property taken, the operation of its franchise by the corporation or the carrying on of the business of the corporation or person taking the property. But in no case shall the consequential benefits assessed exceed the consequential damages assessed, or the owner be deprived of the actual value of his property so taken.

In the subject case, the members of the Board appointed by the RTC appeared to have ably discharged their duties and functions upon a due consideration of the several factors that may affect the property's fair market value. More importantly, the just compensation to which the respondent was pronounced entitled, as determined by the trial court and affirmed by the CA, took into account these pertinent factors. The petitioner's claim that the RTC merely relied on the property's zonal valuation by the Bureau of Internal Revenue appeared inaccurate. The CA had cited the trial court's consideration of all evidence adduced by the parties and the recommendation of the Board. Further, it quoted the following statements of the RTC showing a careful analysis of all factors that could affect the subject property's fair market value:

We cannot subscribe to the position of [the petitioner] that the current fair market value of the property is only P400.00 per square meter. No reason was given for such a colossal depreciation of the value of the property in the area in the past decade since [the petitioner] purchased [two] properties for P5,000.00 per square meter. Indeed, as [the respondent] submit[s], to allow the purchase of their property at such minimal amount would be unjust and downright confiscatory. It may even

be contrary to the Constitution, which mandates [that] the taking of private property for public use shall be with *just* compensation.

But neither could we subscribe [to] the [respondent's] proposition that [her] property should be valued at P12,500.00 per square meter, the same price of lots at the nearby Orange County Village. As the Board of Commissioners observed, the Village is a developed property while [the respondent's] property is a vacant lot. In any event, [the respondent] is already agreeable to the lower amount being recommended by the Board of Commissioners.¹⁹

The petitioner failed to advance *via* its present appeal any cogent reason for the Court to reverse the lower courts' determination of the property's fair market value. Other than what the tax declaration covering the property provides, there appears to be no other basis for the petitioner's claim of P400.00 per square meter land valuation. The factors considered by the lower courts, on the other hand, adequately supported their finding that the fair market value of the subject property should be at P6,000.00 per square meter. Given the sufficient basis cited by the lower courts to justify this amount, even the CA's pronouncement on the taxes that would have to be paid by the parties for the expropriation, which was disputed by the petitioner, had become immaterial and thus, need not be resolved by the Court in its disposition of the present issue of just compensation. The Court emphasizes that the appellate court's pronouncements thereon were merely to support its affirmance of the amount of just compensation as determined by the RTC; the issue on taxes was not among those actually litigated by the parties and heard in the expropriation proceedings before the trial court.

The Court cites the respondent's plea in her Comment²⁰ for the Court's increase of the property's fair market value to P7,500.00 per square meter. This, however, cannot be entertained by the Court at this stage, especially since the respondent failed to perfect her own appeal from the RTC's and the CA's respective decisions. Settled is the rule that "a party who has not appealed from a decision may not obtain any affirmative relief from the appellate court other than what he had obtained from the lower court, if any, whose decision is brought up on appeal."²¹

WHEREFORE, the appeal by *certiorari* is **DENIED**. The Decision dated May 24, 2013 and Resolution dated September 30, 2013 of the Court

¹⁹ Rollo, p. 40.

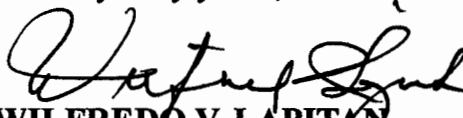
²⁰ Id. at 49-70.

²¹ *Daabay v. Coca-Cola Bottlers Phils., Inc.*, G.R. No. 199890, August 19, 2013.

January 28, 2015

of Appeals in CA-G.R. CV No. 98582 are **AFFIRMED.**”

Very truly yours,


WILFREDO V. LAPITAN
Division Clerk of Court

2/5/15

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