Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

ANNIE GERONIMO, SUSAN GERONIMO AND SILVERLAND ALLIANCE CHRISTIAN CHURCH*,	**G.R. No. 201781**
Petitioners,	Present:
	VELASCO, JR., *J.*, *Chairperson,*
	PERALTA,
	VILLARAMA, JR.,
- versus -	MENDOZA,** and
	REYES, *JJ.*
SPS. ESTELA C. CALDERON AND RODOLFO T. CALDERON,	Promulgated:
Respondents.	December 10, 2014

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DECISION

VILLARAMA, JR., *J.*:

Assailed in this petition for review on certiorari under Rule 45 of the 1997 Rules of Civil Procedure, as amended, are the Decision[1] dated February 16, 2012 and the Resolution[2] dated May 8, 2012 of the Court of Appeals (CA) in CA-G.R. SP No. 120371 entitled *"Silverland Realty & Development Corporation, Silverland Village 1 Homeowners Association, Silver Alliance Christian Church, Joel Geronimo, Annie Geronimo, Jonas Geronimo and Susan Geronimo v. Spouses Estela C. Calderon and Rodolfo T. Calderon."* The CA affirmed the Decision[3] dated January 14, 2011 and the Resolution[4] dated June 27, 2011 of the Office of the President (OP) in OP Case No. 09-E-200 affirming the ruling of the Housing and Land Use Regulatory Board (HLURB).

The antecedents giving rise to the present petition follow:

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* Silver Alliance Christian Church in some parts of the records.

** Designated as Acting Member per Special Order No. 1896 dated November 28, 2014.

1 *Rollo*, pp. 24-31. Penned by Associate Justice Juan Q. Enriquez, Jr. with Associate Justices Apolinario D. Bruselas, Jr. and Manuel M. Barrios, concurring.

2 Id. at 40-41.

3 Id. at 33-35.

4 Records, Vol. 2, p. 403.

On May 15, 2006, respondents spouses Estela and Rodolfo Calderon (respondents, for brevity) filed a verified complaint[5] before the HLURB Regional Office against Silverland Realty & Development Corporation, Silverland Village I Homeowners Association, Silverland Alliance Christian Church (SACC), Joel Geronimo, Annie Geronimo, Jonas Geronimo and Susan Geronimo, for specific performance and for the issuance of cease and desist order and damages. The case was docketed as REM-051506-13334.

In their complaint, respondents alleged that they are residents of #31 Silverlane Street, Silverland Subdivision, Pasong Tamo, Tandang Sora, Quezon City. Spouses Joel and Annie Geronimo are residents of #48 Silverlane Street just across their house. Sometime in May 2005, a building was erected beside the house of Joel and Annie. Jonas Geronimo directed the construction. When respondents asked about the building, Susan Geronimo told them that her son, Joel, had bought the adjacent lot to build an extension house in order to create a wider playing area for the Geronimo grandchildren because their two-storey house could no longer accommodate their growing family. When the construction was finished, the building turned out to be the church of petitioner SACC. The church was used for different religious activities including daily worship services, baptisms, summer school, choir rehearsals, band practices, playing of different musical instruments and use of a loud sound system which would last until late in the evening. The noise allegedly affected respondents' health and caused inconvenience to respondents because they were forced to leave their house if they want peace and tranquility.

Respondents sought assistance from the President of the homeowners' association. SACC, through Atty. Alan Alambra promised that it will take steps to avoid church activities beyond 10:00 p.m. However, the intolerable noise still continued. In fact, another residence situated at #36 Silverlane Street was used for Sunday school. Due to the added noise and tension, Estela's nose bled. Respondents went to the Commission on Human Rights, but no settlement was reached.

SACC, Joel Geronimo, Annie Geronimo, Susan Geronimo and Jonas Geronimo denied the allegations with regard to the activities that allegedly caused disturbance and stress to respondents. They averred that the HLURB has no jurisdiction over the case which primarily involves abatement of nuisance, primarily lodged with the regular courts. They also alleged lack of privity with respondents and that they are not real parties-in-interest with respect to the subject matter of the complaint.

Silverland Realty & Development Corporation and Silverland Village 1 Homeowners Association did not respond to the complaint.

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[5] Records, Vol. I, pp. 25-36.

The HLURB Arbiter rendered a Decision[6] on October 22, 2007 and ordered petitioners not to use the property at #46 Silverlane Street for religious purposes and as a location of a church, to wit:

> **WHEREFORE**, premises considered, this Board hereby enjoins the respondents from using the property at #46 Silverlane Street, Silverland Subdivision I, Barangay Pasong Tamo, Tandang Sora, Quezon City for religious purposes and as a location of a church. The temporary injunction is likewise declared as permanent.
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> Costs against the respondent.[7]

Petitioners appealed. The First Division of the Board of Commissioners of the HLURB denied the appeal and affirmed the decision of the HLURB Regional Office.[8] Petitioners filed an appeal before the OP, but the OP denied the appeal.[9] Hence, petitioners filed a petition for review with the CA.

In its Decision dated February 16, 2012, the CA dismissed the petition and affirmed the ruling of the OP. The CA noted that respondents sued Silverland Realty & Development Corporation for violation of the Contract to Sell, for failure to disallow the construction and operation of SACC since August 2005. The CA also noted that under the Contract to Sell, the parcel of land shall "be used exclusively for one single-family residential building."[9-a] Thus, the CA ruled that respondents' action which sought the enforcement of the Contract to Sell clearly falls under the jurisdiction of the HLURB.

The CA agreed with the OP that the case involves the failure of a developer of a subdivision project and the homeowners' association to ensure that the construction of structures inside the subdivision conforms to the approved plan. The CA said that the Development Permit issued for the subdivision project clearly indicates that the subject lot's use is residential. Petitioners, however, succeeded in constructing a church thereon, and the developer and the homeowners' association failed to maintain the residential usage of the lot.

The CA held that under the Deed of Restrictions, a developer and the homeowners' association are contractually bound to the buyers of subdivision lots to maintain and preserve the intended use of a certain lot, and to see to it that each and every construction conforms to the approved plan. Cases involving specific performance of contractual and statutory obligations filed by buyers of subdivision lots against the owner or developer of a subdivision project fall under the jurisdiction of the HLURB pursuant to Section 1 of Presidential Decree No. 1344, said the CA.

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6 Id. at 242-248.
7 Id. at 242.
8 Records, Vol. 2, pp. 338-341.
9 Supra note 3.
9-a *Rollo*, p. 29.

In its Resolution dated May 8, 2012, the CA denied petitioners' motion for reconsideration. Hence, this petition raising the following issues:

> I. WHETHER OR NOT THE COURT OF APPEALS ERRED IN AFFIRMING THAT THE HLURB HAS JURISDICTION OVER THE PRESENT CONTROVERSY;
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> II. ASSUMING ARGUENDO THAT THE HLURB INDEED HAS JURISDICTION OVER THE COMPLAINT BELOW, WHETHER OR NOT THE COURT OF APPEALS ERRED IN AFFIRMING THE "VALIDITY" OF HLURB'S TAKING JUDICIAL NOTICE OF THE ALLEGED "DEVELOPMENT PERMIT";
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> III. ASSUMING ARGUENDO THAT THE HLURB HAS JURISDICTION OVER THE PRESENT COMPLAINT, WHETHER OR NOT THE COURT OF APPEALS ERRED IN AFFIRMING THE HLURB DECISION, IN THE LIGHT OF THE ABSENCE OF A DEFAULT JUDGMENT AGAINST THE INDISPENSABLE PARTIES;
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> IV. WHETHER OR NOT THE COURT OF APPEALS, IN TACITLY CONCLUDING THAT THE HLURB DECISION IS SUPPORTED BY SUBSTANTIAL EVIDENCE, BASED SUCH CONCLUSION MERELY ON SURMISES, CONJECTURES OR SPECULATION.[10]

The issues are: (1) whether the CA erred in ruling that the HLURB has jurisdiction over the present controversy; and (2) whether the CA erred in affirming the HLURB's ruling that petitioners cannot use #46 of Silverlane Street for religious purposes and as a location of a church.

Petitioners insist that the HLURB has no jurisdiction over the case. They claim that the complaint of respondents mainly seeks to abate a perceived nuisance, the elimination of the allegedly boisterous activity supposedly traceable to the worship and religious activities of petitioner SACC. Petitioners submit that this type of action is not within the HLURB's jurisdiction. They add that the action is incapable of pecuniary estimation and that it is the Regional Trial Court of Quezon City that has jurisdiction over the same.

Also, petitioners claim that even assuming that the action below is for enforcement of statutory and contractual obligations of the subdivision owner/developer, the CA erred in affirming the HLURB's act of taking judicial notice of the Development Permit. The Development Permit is the only justification used in denying them the right to use the present structure for religious purposes and as a location of a church.

Petitioners further claim that even assuming that the action below is for the enforcement of statutory and contractual obligations of the

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[10] Id. at 13-14.

subdivision owner/developer, it is the developer, Silverland Realty & Development Corporation which is an indispensable party to the case and they are merely necessary parties. To bind them, there should have been a prior judgment directing and commanding the developer to enforce its contractual undertakings or abide by its legal obligations. This is the only way by which they could in turn be compelled to abate a nuisance, by desisting from using the alleged offensive structure for religious purposes.

For their part, respondents maintain that the HLURB has jurisdiction over their complaint aimed at compelling the subdivision developer to comply with its contractual and statutory obligations. According to respondents, judicial notice of the Development Permit is in accordance with the HLURB Rules of Procedure.

Respondents counter that petitioners are indispensable parties because they will be affected by the outcome of the action against the developer and the homeowners' association. An indispensable party is a party in interest without whom no final determination can be had of an action, and who shall be joined either as plaintiffs or defendants. The joinder of petitioners and Joel Geronimo and Jonas Geronimo is necessary in order to vest the HLURB with jurisdiction to render a decision that will finally settle the action against the developer, Silverland Realty & Development Corporation.

We deny the petition and affirm the CA ruling.

On the first issue, we agree with the CA that the HLURB has jurisdiction over the present controversy. Jurisdiction over the subject matter of a case is conferred by law and determined by the allegations in the complaint which comprise a concise statement of the ultimate facts constituting the plaintiff's cause of action. The nature of an action, as well as which court or body has jurisdiction over it, is determined based on the allegations contained in the complaint of the plaintiff, irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted therein. The averments in the complaint and the character of the relief sought are the ones to be consulted. Once vested by the allegations in the complaint, jurisdiction also remains vested irrespective of whether or not the plaintiff is entitled to recover upon all or some of the claims asserted therein.[11] We have ruled that the jurisdiction of the HLURB to hear and decide cases is determined by the nature of the cause of action, the subject matter or property involved and the parties.[12]

We explained the HLURB's exclusive jurisdiction in *Christian General Assembly, Inc. v. Spouses Ignacio*[13] in this wise:

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11 *Go v. Distinction Properties Development and Construction, Inc.*, G.R. No. 194024, April 25, 2012, 671 SCRA 461, 471-472.

12 *Peralta v. De Leon*, G.R. No. 187978, November 24, 2010, 636 SCRA 232, 243.

13 613 Phil. 629, 638-639 (2009), citing *Spouses Osea v. Ambrosio*, 521 Phil. 92, 98-99 (2006).

> Generally, the extent to which an administrative agency may exercise its powers depends largely, if not wholly, on the provisions of the statute creating or empowering such agency. Presidential Decree (P.D.) No. 1344, "EMPOWERING THE NATIONAL HOUSING AUTHORITY TO ISSUE WRIT OF EXECUTION IN THE ENFORCEMENT OF ITS DECISION UNDER PRESIDENTIAL DECREE NO. 957," clarifies and spells out the quasi-judicial dimensions of the grant of jurisdiction to the HLURB in the following specific terms:
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> > SEC. 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:
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> > A. Unsound real estate business practices;
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> > 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 lots or condominium units against the owner, developer, dealer, broker or salesman.
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> The extent to which the HLURB has been vested with quasi-judicial authority must also be determined by referring to the terms of P.D. No. 957, "THE SUBDIVISION AND CONDOMINIUM BUYERS' PROTECTIVE DECREE." Section 3 of this statute provides:
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> > x x x National Housing Authority [now HLURB]. – **The National Housing Authority shall have exclusive jurisdiction to regulate the real estate trade and business** in accordance with the provisions of this Decree.

In *Maria Luisa Park Association, Inc. (MPLAI) v. Almendras,*[14] we also ruled that:

> **The provisions of P.D. No. 957 were intended to encompass all questions regarding subdivisions and condominiums.** The intention was aimed at providing for an appropriate government agency, the HLURB, to which all parties aggrieved in the implementation of provisions and the enforcement of contractual rights with respect to said category of real estate may take recourse. The business of developing subdivisions and corporations being imbued with public interest and welfare, any question arising from the exercise of that prerogative should be brought to the HLURB which has the technical know-how on the matter. In the exercise of its powers, the HLURB must commonly interpret and apply contracts and determine the rights of private parties under such contracts. This ancillary power is no longer a uniquely judicial function, exercisable only by the regular courts. (Emphasis supplied)

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14 606 Phil. 670, 681-682 (2009).

And in *Spouses Chua v. Ang,*[15] we held that:

> The law recognized, too, that subdivision and condominium development involves public interest and welfare and should be brought to a body, like the HLURB, that has technical expertise. In the exercise of its powers, the HLURB, on the other hand, is empowered to interpret and apply contracts, and determine the rights of private parties under these contracts. This ancillary power, generally judicial, is now no longer with the regular courts to the extent that the pertinent HLURB laws provide.
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> Viewed from this perspective, the HLURB's jurisdiction over contractual rights and obligations of parties under subdivision and condominium contracts comes out very clearly. x x x

In the present case, respondents are buyers of a subdivision lot from subdivision owner and developer Silverland Realty & Development Corporation. Respondents' action against Silverland Realty & Development Corporation was for violation of its own subdivision plan when it allowed the construction and operation of SACC.[16] Respondents sued to stop the church activities inside the subdivision which is in contravention of the residential use of the subdivision lots. Undoubtedly, the present suit for the enforcement of statutory and contractual obligations of the subdivision developer clearly falls within the ambit of the HLURB's jurisdiction. Needless to stress, when an administrative agency or body is conferred quasi-judicial functions, all controversies relating to the subject matter pertaining to its specialization are deemed to be included within the jurisdiction of said administrative agency or body.[17] Split jurisdiction is not favored.[18]

Thus, respondents properly filed their complaint before the HLURB. The HLURB has exclusive jurisdiction over complaints arising from contracts between the subdivision developer and the lot buyer, or those aimed at compelling the subdivision developer to comply with its contractual and statutory obligations to make the subdivision a better place to live in.[19]

On the second issue, we uphold the ruling that petitioners cannot use #46 of Silverlane Street for religious purposes or as a location of a church.

Here, as noted by the HLURB, the Development Permit indicates the use of the property as residential except for the designated open spaces. Petitioners do not deny that the building built beside the lot of Annie and Joel Geronimo is used as a church and that other religious activities are performed there. Clearly, this usage contravenes the land use policy particularly prescribed in the subdivision plan and in the Development Permit. Respondents, as subdivision lot owners, are entitled to assert that

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15 614 Phil. 416, 429 (2009).
16 Records, Vol. 1, p. 30.
17 *Peña v. GSIS*, 533 Phil. 670, 688 (2006).
18 Id.
19 *Liwag v. Happy Glen Loop Homeowners Association, Inc.,* G.R. No. 189755, July 4, 2012, 675 SCRA 744, 752.

the use of the said property for religious activities be enjoined since it clearly violates the intended use of the subject lot.

Also, we find no fault on the part of the CA in affirming the HLURB's act of taking judicial notice of the Development Permit issued for the project. To begin with, it is well-settled that the rules of evidence are not strictly applied in proceedings before administrative bodies.[20] Although trial courts are enjoined to observe strict enforcement of the rules of evidence, in connection with evidence which may appear to be of doubtful relevancy, incompetency, or admissibility, we have held that:

> [I]t is the safest policy to be liberal, not rejecting them on doubtful or technical grounds, but admitting them unless plainly irrelevant, immaterial or incompetent, for the reason that their rejection places them beyond the consideration of the court, if they are thereafter found relevant or competent; on the other hand, their admission, if they turn out later to be irrelevant or incompetent, can easily be remedied by completely discarding them or ignoring them.[21]

The issue of taking judicial notice of the Development Permit was also properly discussed and justified by the Board of Commissioners of the HLURB, First Division, to wit:

> With respect to the assailed documents which the Office relied upon to arrive at its conclusion, Rule X, Section 6 of the HLURB Rules of Procedure provides:
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> > Section 6. *Summary resolution*. – With or without the position paper or draft decision, the Arbiter shall resume (sic) the cases on bases of the pleadings and pertinent records of the case and of the Board.
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> The Regional Office can therefore take judicial notice of all documents forming part of its official records. The rule is in accord with Section 22 of Chapter IV, Book VI of Executive Order No. 292, s. 1987, otherwise known as the Administrative Code.
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> Neither can the argument that herein respondents are not bound by the development permit as this is only between the government and the developer, be held valid. To accept such rationalization would be to say that buyers, after acquiring title to a subdivision property, are free to set aside all zoning and development plans the government has deemed appropriate for the area in consideration of the general welfare.
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> Respondents, in deciding to acquire property in a subdivision project, are deemed to have accepted and understood, that they are not merely trying to possess a property but are in fact joining a unique community with a distinctive lifestyle envisioned since its development.

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20 *Atienza v. Board of Medicine*, G.R. No. 177407, February 9, 2011, 642 SCRA 523, 529.

21 Id.

> While the construction and establishment of any church is not prohibited within a subdivision, the same should be located in an area designed or allowable in the approved development plan for the purpose.[22]

As to petitioners' claim that they are merely necessary parties and that there must be a prior judgment directing and commanding the developer Silverland Realty & Development Corporation to enforce its contractual obligations, we are not convinced.

Respondents have sued not only the petitioners but also the developer corporation and the homeowners' association. That Silverland Realty & Development Corporation and Silverland Village 1 Homeowners Association did not file their answer, did not divest the HLURB of jurisdiction over the case. We agree with respondents that petitioners are indispensable parties for they were the ones who built and operate the church inside the subdivision and without them no final determination can be had of the action. Petitioners are the ones who will be affected by the judgment. In fact, they are the ones who are prohibited from using the subject property as a church.

In fine, we agree with the rulings of the HLURB, OP and the CA that respondents are entitled to the relief sought. Well-entrenched is the rule that courts will not interfere in matters which are addressed to the sound discretion of the government agency entrusted with the regulation of activities coming under the special and technical training and knowledge of such agency.[23] Administrative agencies are given a wide latitude in the evaluation of evidence and in the exercise of their adjudicative functions, latitude which includes the authority to take judicial notice of facts within their special competence.[24]

WHEREFORE, the petition for review on certiorari is hereby **DENIED**. The Decision dated February 16, 2012 and the Resolution dated May 8, 2012 of the Court of Appeals in CA-G.R. No. SP No. 120371 are **AFFIRMED.**

With costs against the petitioners.

SO ORDERED.

MARTIN S. VILLARAMA, JR.
Associate Justice

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22 Records, Vol. 2. pp. 374-375.
23 *Quiambao v. Court of Appeals*, 494 Phil. 16, 37-38 (2005).
24 Id. at 38.

WE CONCUR:

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

DIOSDADO M. PERALTA
Associate Justice

JOSE C. MENDOZA
Associate Justice

BIENVENIDO L. REYES
Associate Justice

ATTESTATION

I attest 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.

PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the 1987 Constitution and the Division Chairperson's Attestation, 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.

MARIA LOURDES P. A. SERENO
Chief Justice