



Republic of the Philippines  
Supreme Court  
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, First Division, issued a Resolution dated February 15, 2022 which reads as follows:*

**“G.R. No. 235347 (Republic of the Philippines represented by the Department of Public Works and Highways [DPWH], petitioner v. Feliza Ilocto,\* and Spouses Nestor and Felicitas Malicdem, respondents).**

This is a petition for review on *certiorari* under Rule 45 of the Rules of Court filed by the Republic of the Philippines (*Republic*), represented by the Department of Public Works and Highways (*DPWH*), assailing the December 9, 2016 Decision<sup>1</sup> and October 20, 2017 Resolution<sup>2</sup> of the Court of Appeals (*CA*) in CA-G.R. CV No. 102882, which reversed and set aside the March 4, 2014 Decision<sup>3</sup> of the Regional Trial Court of Valenzuela City, Branch 270 (*RTC*), in Civil Case No. 192-V-11. The *CA* gave credence to the report of the court-appointed Commissioners and fixed the amount of ₱3,000.00 per square meter (*sq. m.*) as just compensation for the subject real property expropriated by the Republic.

**Antecedents**

On November 6, 2012, the Republic filed a complaint for expropriation of a parcel of land owned by Feliza Ilocto (*Ilocto*) and Spouses Nestor and Felicitas Malicdem (*Spouses Malicdem*; collectively, *respondents*) for the construction of the C-5 Northern Link Road Project Phase 2 (Segment 9) traversing North Luzon

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\* Also referred to as “Felisa Ilocto” in some parts of the *rollo*.

<sup>1</sup> *Rollo*, pp. 27-50; penned by Associate Justice Maria Elisa Sempio Diy, with Associate Justices Ramon M. Bato, Jr. and Manuel M. Barrios, concurring.

<sup>2</sup> *Id.* at 52-55.

<sup>3</sup> *Id.* at 116-121; penned by Presiding Judge Evangelina M. Francisco.

Expressway to McArthur Highway, Valenzuela City. The property, measured at 549 sq. m., was registered in the name of Ilocto, of which the Spouses Malicdem acquired 100 sq. m. pursuant to a deed of absolute sale between them. The area sought to be expropriated therefrom was 544 sq. m., with an alleged zonal value of ₱1,088,000.00. There were neither improvements nor structures on said property.

The Republic prepared a treasury check in the amount of ₱1,088,000.00 in the name of Ilocto. It prayed for the issuance of an order of expropriation.

Respondents, on the other hand, argued that the amount equivalent to 100% of the current relevant zonal value of the Bureau of Internal Revenue (*BIR*) over the subject property should have first been deposited upon the filing of the complaint, as mandated under Section 4 of Republic Act (*R.A.*) No. 8974.<sup>4</sup> They further stressed that the relevant standards set forth in R.A. No. 8974 should be used in determining just compensation for the subject property. Accordingly, the subject property commands a market price of at least ₱7,000.00 per sq. m., which should be applied within a reasonable time from the taking of the subject property. Respondents further claimed that they should be entitled to the payment of legal interest at the rate of 12% *per annum* from the time of taking of the subject property until full payment of the just compensation. They also prayed for attorney's fees as they were forced to engage the services of counsel to protect their interests.<sup>5</sup>

Subsequently, respondents sought the replacement of the treasury check and that two separate manager's checks be issued instead in the names of Ramil Ilocto Ong and Spouses Malicdem. The RTC granted respondents' motion and held in abeyance the issuance of a writ of possession pending compliance by the Republic.<sup>6</sup>

The parties were directed to submit the names of their nominees to act as commissioners. In view of the parties' failure to submit the names of their nominees to the Board of Commissioners (*BOC*), the RTC appointed Engineer Praceli Nelson, Danilo Crespo, and Atty. Maribel M. Fernandez as Commissioners in its Order dated March 22, 2013.<sup>7</sup>

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<sup>4</sup> Id. at 30.

<sup>5</sup> Id.

<sup>6</sup> Id. at 32.

<sup>7</sup> Id.

The Commissioners submitted their report recommending the amount of ₱3,000.00 per sq. m. plus legal interest at the time of taking, as just compensation for the subject property.<sup>8</sup> The parties were then directed to file their respective position papers.

In its Comment, the Republic vehemently objected to the recommended amount for just compensation on the ground that such amount was highly excessive. It also argued that the same was not supported by a sworn declaration of realtors in the area, tax declarations, and zonal valuation of the BIR; nor was it shown that the Commissioners conducted an ocular inspection of the subject property.<sup>9</sup> The Republic maintained that the current zonal valuation of the subject property was ₱2,000.00 per sq. m., based on the October 12, 2010 BIR Certification; while in the tax declaration, the value of the property was pegged at ₱600.00 per sq. m. Thus, the Republic prayed that the RTC fix the just compensation for the subject property at ₱2,000.00 per sq. m.<sup>10</sup>

Meanwhile, the RTC issued a writ of possession after respondents had proven their ownership of the subject property and had acknowledged receipt of the initial deposit of ₱1,088,000.00 representing 100% zonal value of the property.<sup>11</sup> In an Order dated September 13, 2013, the RTC, upon the Republic's motion, directed the immediate enforcement of the writ of possession. The writ was duly implemented after the Republic took possession of the subject property on September 20, 2013, as stated in the Return of Writ of Possession dated September 24, 2013.<sup>12</sup>

Subsequently, on March 4, 2014, the RTC rendered a judgment, the dispositive portion thereof reads:

**WHEREFORE**, with the foregoing, judgment is hereby rendered:

1. Ordering the plaintiff to pay defendants the amount of Php5,000.00 per square meter or the total amount of Php2,720,000.00 for the 544 square meters as fair, equitable and just compensation with legal interest at 6% per annum from the taking of the possession of the property and after deducting the provisional deposit of

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<sup>8</sup> Id. at 33.

<sup>9</sup> Id. at 34.

<sup>10</sup> Id.

<sup>11</sup> Id. at 117.

<sup>12</sup> Id. at 34.

Php1,088,000.00, subject to the payment of all unpaid real property taxes and other relevant taxes, if there be any, to wit:

Ramil Ilocto Ong – Php1,332,000.00

Sps. Ernesto and Felicitas Malicdem –  
Php300,000.00

2. Plaintiff is likewise ordered to pay the defendants consequential damages which shall include the value of the transfer tax necessary for the transfer of the subject property from the name of the defendants to that of the plaintiff and attorney's fees in the amount of 10% of [defendants] total claim for just compensation.
3. The Office of the Register of Deeds of Valenzuela City, Metro Manila is directed to annotate this Decision on the [T]ransfer Certificate of Title No. V-60270 registered under the name of Feliza Ilocto.

Let a certified true copy of this decision be recorded in the Registry of Deeds of Valenzuela City.

**SO ORDERED.**<sup>13</sup>

The Republic filed a motion for reconsideration and prayed that: 1) the amount of just compensation be fixed at ₱2,000.00 per sq. m.; 2) the award of attorney's fees be deleted; 3) respondents be directed to remit the sum due as payment for capital gains tax; and 4) respondents be ordered to surrender their owner's duplicate certificate of title to the Republic.<sup>14</sup>

In its May 21, 2014 Order,<sup>15</sup> the RTC partially granted the motion only insofar as directing the respondents to turn over their owner's duplicate certificate of title to the Republic, while the other reliefs sought were denied for lack of merit. Hence, the Republic appealed before the CA.<sup>16</sup>

### **The CA Ruling**

The CA found the appeal partly meritorious.

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<sup>13</sup> Id. at 120-121.

<sup>14</sup> Id. at 128.

<sup>15</sup> Id. at 122-123.

<sup>16</sup> Id. at 131-133.

The CA reiterated the two basic limitations in the State's exercise of its power of eminent domain, to wit: 1) the taking must be for public use; and 2) just compensation must be given to the owner of the property taken.<sup>17</sup> Here, the only issue for resolution was the amount of just compensation.

The Republic insisted on the amount of ₱2,000.00 per sq. m., the same being supported by documentary evidence, specifically the BIR Certification of the subject property's zonal value. The CA, however, explained that zonal valuation is just one of the indices of the fair market value of real estate. By itself, this index **cannot** be the sole basis of "just compensation" in expropriation cases.<sup>18</sup> Sec. 5 of R.A. No. 8974 sets the standards in determining the amount of just compensation. The CA deemed it just and proper under the circumstances to give more credence to the report of the Commissioners who took into consideration the tax declaration, the BIR zonal valuation, and photographs of the subject property in making such determination of just compensation.<sup>19</sup> The amount of ₱5,000.00 fixed by the RTC was not sufficiently explained; nor was it supported by any competent documentary evidence showing the **current** zonal value, tax declarations, and selling price of the subject property **at the time of taking**.<sup>20</sup>

Further, the CA affirmed the imposition of 6% *per annum* interest on the amount of just compensation, following the Court's similar grant in previous expropriation cases where there is delay in the payment, since the just compensation due in favor of the landowners was deemed to be an effective forbearance on the part of the State.<sup>21</sup> The 6% *per annum* legal interest rate shall be imposed on the amount of just compensation from the time of taking until such amount has been fully paid.

The CA also affirmed the grant of consequential damages at the rate of 10% of the total award of just compensation. Sec. 6, Rule 67 of the 1997 Rules of Civil Procedure provides for the award of consequential damages if, as a result of the expropriation, the remainder of the expropriated property, which in this case is 5 sq. m., suffers from an impairment or decrease in value.

However, the CA deleted the award of attorney's fees for lack of substantial basis.

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<sup>17</sup> Id. at 37.

<sup>18</sup> Id. at 39.

<sup>19</sup> Id. at 44.

<sup>20</sup> Id. at 43.

<sup>21</sup> Id. at 44.

Lastly, the CA agreed with the Republic that, pursuant to Secs. 24(D) and 56(A)(3) of the 1997 National Internal Revenue Code (*NIRC*), respondents shall be ordered to pay the capital gains tax due, while the documentary stamp tax, transfer tax, and registration fee shall be for the account of the Republic.<sup>22</sup>

The dispositive portion of the CA decision reads:

**WHEREFORE**, premises considered, the instant Appeal filed by plaintiff-appellant Republic of the Philippines represented by the Department of Public Works and Highways (DPWH), is **PARTIALLY GRANTED**. The Decision dated March 4, 2014 is **REVERSED** and **SET ASIDE**.

Plaintiff-appellee, the Republic of the Philippines, is hereby **ORDERED** to pay defendants-appellees Feliza Ilocto and Spouses Nestor and Felicitas Malicdem the following: (1) the amount of three thousand pesos (PhP3,000.00) per square meter or the total amount of one million six hundred thirty two thousand pesos (PhP1,632,000.00) as just compensation, with legal interest at the rate of six percent (6%) *per annum* from the time of taking until full payment; and (2) consequential damages in the amount of ten percent (10%) of the total claim for just compensation.

After full payment of the amount of just compensation, Feliza Ilocto and the Spouses Nestor and Felicitas Malicdem are ordered to pay the capital gains tax, while the Republic is ordered to pay the documentary stamp tax, transfer tax, and registration fee pertaining to the expropriated property.

**SO ORDERED.**<sup>23</sup>

Hence, the present petition raising the following grounds: 1) the just compensation of the subject property is only ₱2,000.00 per sq. m. per independent and incontrovertible evidence presented; and 2) respondents failed to prove, by clear and convincing evidence, that they are entitled to consequential damages equivalent to 10% of the total amount of just compensation.

The Republic insists that the just compensation of the subject property is only ₱2,000.00 per sq. m. based on independent and incontrovertible evidence. Contrary to the CA's findings, the Commissioners did not consider the tax declaration, BIR zonal valuation, and photographs of the property in recommending the assailed amount.<sup>24</sup>

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<sup>22</sup> Id. at 47-48.

<sup>23</sup> Id. at 48-49.

<sup>24</sup> Id. at 14-16.

The Republic also argues that respondents failed to prove, by clear and convincing evidence, entitlement to consequential damages.<sup>25</sup> There was no showing that the remaining 5 sq. m. would suffer from an impairment or decrease in value.<sup>26</sup> Ten percent of the CA's total award of just compensation would be ₱163,200.00, compared to just ₱15,000.00, had the Republic expropriated the 5-sq. m. property of respondents. Hence, the award of consequential damages is not only without legal and factual basis, but also unjust to the public which would ultimately bear the cost of expropriation.<sup>27</sup>

On the other hand, respondents countered in their Comment<sup>28</sup> that: 1) the Republic raised factual and evidentiary matters that are not within the ambit of Rule 45 of the Rules of Court;<sup>29</sup> 2) just compensation cannot be limited to the value appearing on the tax declaration or the BIR zonal value as R.A. No. 8974 provides for other relevant standards in determining just compensation;<sup>30</sup> and 3) that they are entitled to consequential damages.<sup>31</sup> Respondents further stressed that just compensation embraces not only the correct determination of the amount to be paid to the owners of the land, but its payment within reasonable time from the taking of the land. They claim that they are entitled to 12% interest from the time of taking in 2011 up to June 30, 2013, and 6% from July 1, 2013 until full payment.<sup>32</sup>

In its Reply,<sup>33</sup> the Republic argued that the present case falls under one of the exceptions to Rule 45, when the CA's findings are contrary to those of the trial court. Particularly, the CA found that the amount of just compensation was only ₱3,000.00, contrary to that of the RTC which was ₱5,000.00.<sup>34</sup>

The Republic also maintained that in the absence of other documentary evidence of the selling price of lots within the vicinity, or any other competent proof of higher market value for the expropriated property, the BIR zonal valuation gains significance.<sup>35</sup>

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<sup>25</sup> Id. at 19.

<sup>26</sup> Id.

<sup>27</sup> Id. at 20.

<sup>28</sup> Id. at 169-175.

<sup>29</sup> Id. at 170.

<sup>30</sup> Id.

<sup>31</sup> Id. at 173.

<sup>32</sup> Id. at 172 and 174.

<sup>33</sup> Id. at 192-199.

<sup>34</sup> Id. at 193.

<sup>35</sup> Id. at 194.

Further, the Republic asseverated that compelling it to pay consequential damages amounting to 10% of the total amount of just compensation, or a total of ₱163,200.00 for a measly 5-sq. m. property, would be unjust, unreasonable, and prejudicial to the government compared to the amount of ₱15,000.00 at ₱3,000.00/sq. m. had it also expropriated the same.<sup>36</sup>

Lastly, contrary to respondents' claim, the Republic took the subject property only on September 20, 2013, and not in 2011, as evidenced by the Return of the Writ of Possession dated September 24, 2013.<sup>37</sup> Thus, following the principle laid down in *Nacar v. Gallery Frames*,<sup>38</sup> the new rate of 6% *per annum* starting July 1, 2013 shall be applied.<sup>39</sup>

### The Court's Ruling

The petition is only partially meritorious.

Eminent domain is the inherent power of a sovereign state to appropriate private property to particular uses to promote public welfare. However, the power of eminent domain is not absolute and is, thus, subject to certain limitations. One basic limitation on the State's power of eminent domain is the constitutional directive that, "private property shall not be taken for public use without just compensation."<sup>40</sup>

Just compensation is defined as the fair and full equivalent of the loss suffered by the owner, whose property has been taken pursuant to the state's power of eminent domain.<sup>41</sup> The determination of just compensation in an expropriation proceeding is a function addressed to the sound discretion of the courts.<sup>42</sup> Consequently, the determination of just compensation remains to be an exercise of judicial discretion, so long as courts consider the standards laid down in statutes for the determination of just compensation, in this case, Sec. 5 of R.A. No. 8974.<sup>43</sup>

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<sup>36</sup> Id. at 195.

<sup>37</sup> Id.

<sup>38</sup> 716 Phil. 267 (2013).

<sup>39</sup> *Rollo*, p. 195.

<sup>40</sup> *Republic v. Court of Appeals*, 494 Phil. 494, 502-503 (2005).

<sup>41</sup> *Republic v. Estate of Posadas III*, G.R. No. 214310, February 24, 2020.

<sup>42</sup> *Republic v. Decena*, G.R. No. 212786, July 30, 2018, 874 SCRA 408, 423.

<sup>43</sup> Id. at 424.

In *Republic v. Spouses Silvestre*,<sup>44</sup> the Court explained that although the determination of just compensation in expropriation proceedings is essentially a judicial prerogative, the appointment of commissioners to ascertain just compensation for the property sought to be taken is a mandatory requirement nonetheless.<sup>45</sup> Thus, following Sec. 5, Rule 67 of the 1997 Rules of Civil Procedure, the RTC appointed three commissioners who, as a board, then submitted its report and recommendation fixing the amount of ₱3,000.00/sq. m. as the just compensation for the 544-sq. m. subject property. However, the trial court pegged the amount of just compensation at ₱5,000.00/sq. m., holding that:

- 1) The defendants never intended to sell the subject property;
- 2) The subject property is a residential lot within the immediate vicinity of Manila;
- 3) If ever the defendants would buy a parcel of land with the same area and within the neighborhood of the subject property, they could no longer buy the same in the same amount being offered by the plaintiff; [and]
- 4) The subject property is near to educational institutions, markets, churches, shopping centers and telecommunications establishments.<sup>46</sup>

The RTC added that respondents suffer from the impairment or decrease in value of the remaining 5 sq. m.<sup>47</sup> It considered all of these in deciding the extent of just compensation respondents are entitled to.

The Court agrees with the CA in setting aside the judgment of the RTC.

Sec. 5 of R.A. No. 8974 provides for the statutory guidelines in determining just compensation, to wit:

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:

- a) The classification and use for which the property is suited;

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<sup>44</sup> G.R. No. 237324, February 6, 2019, 892 SCRA 206.

<sup>45</sup> Id. at 216.

<sup>46</sup> *Rollo*, p. 119.

<sup>47</sup> Id.

- 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.

While the RTC may have taken into consideration the above statutory guidelines, as correctly observed by the appellate court, the RTC failed to explain how the amount of ₱5,000.00/sq. m. was arrived at. We agree with the CA that:

Notably, there was **no** reference made to competent documentary evidence showing the **current** zonal value, tax declarations, and selling price of the subject property **at the time of taking**. Just compensation must be valued at the time of taking of the property expropriated, or the time when the owner was deprived of the use and benefit of his property.<sup>48</sup> (emphases in the original)

When Sec. 5 of R.A. No. 8974 provided that: “In order to facilitate the determination of just compensation, the court *may* consider among other well-established factors, the following relevant standards: x x x” – it only operates to confer discretion<sup>49</sup> upon the court in relying on the said standards, but not to make them conclusive basis in determining just compensation, without any other substantial documentary evidence to support the same.

Thus, while it is true that the findings of commissioners may be disregarded and the trial court may substitute its own estimate of the value, it may only do so for valid reasons; that is, where the

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<sup>48</sup> Id. at 43.

<sup>49</sup> *Republic v. Decena*, supra note 42, at 422 and 424.

commissioners have applied illegal principles to the evidence submitted to them, where they have disregarded a clear preponderance of evidence, or where the amount allowed is either grossly inadequate or excessive.<sup>50</sup>

Consequently, We do not find any cogent reason to reject and not give credence to the recommendation of the commissioners especially when the amount of ₱3,000.00/sq. m. as just compensation was arrived at after due consideration of the applicable statutory standards, as well as relevant documentary evidence such as tax declaration, BIR zonal valuation, and photographs of the subject property. “As such, ‘trial with the aid of the commissioners is a substantial right that may not be done away with capriciously or for no reason at all.’ Evidently, the recommendations of the BOC carry with it great weight and value insofar as the determination of just compensation is concerned.”<sup>51</sup>

The Court also cannot subscribe to the Republic’s argument that just compensation should not exceed ₱2,000.00/sq. m. In so arguing, the Republic insists that per certification of the BIR, the current and relevant BIR zonal value of the subject property is only ₱2,000.00/sq. m. However, it must be emphasized that zonal valuation is just one of the indices of the fair market value of real estate. By itself, this index cannot be the sole basis of “just compensation” in expropriation cases.<sup>52</sup>

*Award of consequential damages improper; the Republic to shoulder capital gains tax and other transfer taxes due.*

In *Republic v. Bank of the Philippine Islands*,<sup>53</sup> the Court explained that consequential damages are awarded if, as a result of the expropriation, the remaining property of the owner suffers from an impairment or decrease in value. The rules on expropriation clearly provide a legal basis for the award of consequential damages, particularly Sec. 6, Rule 67 of the Rules of Court which states that:

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

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<sup>50</sup> *Republic v. Spouses Silvestre*, supra note 44.

<sup>51</sup> *Id.*

<sup>52</sup> *Republic v. Asia Pacific Integrated Steel Corp.*, 729 Phil. 402, 416 (2014).

<sup>53</sup> 717 Phil. 809 (2013).

public use or public 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.

Necessarily, there must be a showing that the property owner suffered an impairment or decrease in value of the subject property as a result of the expropriation. In the present case, however, no evidence was submitted to prove such impairment as to justify the award of consequential damages.

Nonetheless, while there can be no award of consequential damages in this case, the Court deems it proper to direct the Republic to pay the capital gains tax and other transfer taxes due by reason of the expropriation.

The Court, in *Republic v. Spouses Bunsay*,<sup>54</sup> held that capital gains tax, being a tax on passive income, is imposed by the NIRC on the seller as a consequence of the latter's presumed income from the sale or exchange of real property. Notably, however, the transfer of real property by way of expropriation is *not* an ordinary sale contemplated under Article 1458 of the Civil Code. Rather, it is akin to a "forced sale" or one which arises *not* from the consensual agreement of the vendor and vendee, but by compulsion of law. Unlike in an ordinary sale wherein the vendor sets and agrees on the selling price, the compensation paid to the affected owner in an expropriation proceeding comes in the form of just compensation determined by the court.<sup>55</sup> The Court further ruled that:

To recall, Section 6, Rule 67 of the Rules of Court mandates that "in no case shall x x x the owner be deprived of the actual value of his property so taken." Since just compensation requires that real, substantial, full and ample equivalent be given for the property taken, the loss incurred by the affected owner necessarily includes all incidental costs to facilitate the transfer of the expropriated property to the expropriating authority, *including* the CGT, other taxes and fees due on the forced sale. These costs must be taken into consideration in determining just compensation in the same way these costs are factored into the selling price of real property in an arm's length transaction. Notably, the value of the expropriated property, as declared by the affected owner, and the current selling price of similar lands are factors listed under Section 5 of RA 8974.<sup>56</sup> (underscoring supplied)

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<sup>54</sup> G.R. No. 205473, December 10, 2019.

<sup>55</sup> Id.

<sup>56</sup> Id.

Here, other incidental costs were clearly not taken into consideration when the Republic insisted on the amount of ₱2,000.00/sq. m. as just compensation, which was simply the alleged BIR zonal valuation. Thus, respondents as property owners cannot be said to have been provided with *just compensation* because they were not given, or at least offered, a real, substantial, full, and ample equivalent of their property. Therefore, it is only proper that the Republic should shoulder the capital gains tax and other transfer taxes to preserve the compensation awarded to respondents as a consequence of the expropriation. To stress, compensation, to be just, must be of such value as to fully rehabilitate the affected owner; it must be sufficient to make the affected owner *whole*.<sup>57</sup>

**WHEREFORE**, premises considered, the petition is **PARTIALLY GRANTED**. The December 9, 2016 Decision and October 20, 2017 Resolution of the Court of Appeals in CA-G.R. CV No. 102882 are **AFFIRMED**, insofar as the amount of ₱3,000.00 per square meter or the total amount of ₱1,632,000.00 as just compensation, with legal interest at the rate of six percent (6%) *per annum* from the time of taking until full payment is concerned, with **MODIFICATION** that the award of consequential damages is **DELETED**. Further, the directive ordering respondents Feliza Ilocto and the Spouses Nestor and Felicitas Malicdem to pay capital gains tax is likewise **DELETED**. The Republic is **DIRECTED** to shoulder the capital gains tax and other transfer taxes as part of the just compensation due the respondents.

**SO ORDERED.”**

**By authority of the Court:**

  
**LIBRADA C. BUENA**  
Division Clerk of Court 7/2/22

by:

**MARIA TERESA B. SIBULO**  
Deputy Division Clerk of Court  
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<sup>57</sup> Id.



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Court of Appeals (x)  
Manila  
(CA-G.R. CV No. 102882)

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