



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

PHINMA PROPERTY
HOLDINGS CORPORATION,
Petitioner,

G.R. No. 261877

Present:

CAGUIOA, *Acting CJ.*,
Chairperson,
INTING,
GAERLAN,
DIMAAMPAO, *and*
SINGH,* *JJ.*

-versus-

JOSHUA C. RIVERA,
Respondent.

Promulgated:

July 16 2025
MICROB-H

X-----X

DECISION

GAERLAN, J.:

A home is one's refuge from harm, a fortress that offers safety, and a sanctuary that provides comfort. Developers who promise to offer safe and suitable homes must faithfully fulfill their undertaking. Failing therein, they shall be liable to return the amortization payments made by the hopeful buyers.

This resolves the Petition for Review on *Certiorari*¹ filed by Phinma Property Holdings Corporation (Phinma) praying for the reversal of the October 20, 2021 Decision² and the June 23, 2022 Resolution³ of the Court of Appeals (CA) in CA-G.R. SP No. 166741. The CA affirmed the August 25, 2020 Decision of the Human Settlements Adjudication Commission (HSAC), which affirmed the July 29, 2019 Decision of Housing and Land Use

* On leave.

¹ *Rollo*, pp. 14–31.

² *Id.* at 33–41. Penned by Associate Justice Victoria Isabel A. Paredes and concurred in by Associate Justices Emily R. Aliño-Geluz and Raymond Reynold R. Lauigan of the Fifteenth Division, Court of Appeals, Manila.

³ *Id.* at 43–44.

Regulatory Board (now HSAC) Arbiter Rowena C. Balasolla (Arbiter Balasolla) directing Phinma to refund to respondent Joshua C. Rivera (Rivera) the equity fee, move-in fees, cost of improvement, and Pag-IBIG monthly amortizations of the latter, pay attorney's fees and costs of litigation, and to buy back Rivera's loan from the Home Development Mutual Fund (HDMF).

Antecedents

On January 16, 2016, Rivera and Phinma entered into a Contract to Sell involving Unit M at the 5th floor of Building 5, Hacienda Balai Condominium, with an area of 30 square meters for a consideration of PHP 1,110,000.00. Rivera agreed to pay Phinma equity in the amount of PHP 209,000.00, while the balance of PHP 836,000.00 will be settled through HDMF with projected monthly installments of PHP 5,850.04.⁴

On April 6, 2017, Rivera moved into his unit after settling a move-in fee of PHP 29,500.00, which consisted of an administrative processing fee, city engineer fee, construction bond, Meralco service deposit, one-time condominium corporation registration/membership fee, temporary power service charge, and water service deposit. Rivera also made several improvements on the subject property, which cost PHP 25,000.00.⁵

Unfortunately, weeks after Rivera moved in, he noticed long visible cracks on the main walls supporting the unit, as well as in the living room, toilet, and wash area. Likewise, water seeped through the unit, thereby damaging the vinyl floors and backdoor. Dirty black molds had also formed along the walls, causing a constant stench in the place.⁶ Worse, the unit was infested with insects.⁷

In addition to the damages in the unit, Rivera discovered that the amenities Phinma marketed, such as the swimming pool, playground, and parking area, were not available. Moreover, the areas where the swimming pool and parking lot were slated to be located were replaced with buildings.⁸ Frustrated, Rivera filed a report with the Department of the Building Official of Quezon City, which led to an inspection of the eight buildings of Hacienda Balai.⁹

⁴ *Id.* at 34.

⁵ *Id.*

⁶ *Id.* at 34 & 54.

⁷ *Id.* at 17.

⁸ *Id.* at 54–55.

⁹ *Id.* at 55–56.

On September 6, 2018, Engineer Isagani R. Verzosa, Jr., City Building Official of Quezon City, issued an Order declaring Hacienda Balai dangerous and ruinous pursuant to Section 214 in relation to Section 215¹⁰ of Presidential Decree No. 1096, otherwise known as the Building Code of the Philippines. Consequently, Phinma was ordered to “rectify/repair/demolish” the subject structures immediately. In turn, all tenants and occupants were advised to vacate the premises immediately.¹¹

Phinma sought reconsideration of the September 6, 2018 Order of the City Building Official.

Around the same period, Phinma requested for an extension of time to develop the Hacienda Balai project. On September 7, 2018, the Housing and Land Use Regulatory Board Expanded National Capital Region Field Office (HLURB-NCR-FO) granted Phinma an extension of time until June 30, 2020. The HLURB-NCR-FO warned that said extension is without prejudice to the buyers’ rights under Section 23 of Presidential Decree No. 957 or the Subdivision and Condominium Buyers’ Protection Decree.¹²

Meanwhile, on September 21, 2018, the City Building Official set aside its earlier Order to demolish the structure and advised to vacate the premises.

Then, on September 24, 2018, Atty. Norman Jacinto P. Doral, Officer in Charge, Regional Officer of the HLURB-NCR-FO, issued a Notice and Order directing Phinma to pay an administrative fine of PHP 10,000.00 and to cease and desist from further selling, advertising, and collecting amortizations from unit buyers until expressly permitted by said office.¹³

Fed up, on October 8, 2018, Rivera lodged a Complaint before the HLURB-NCR-FO against Phinma and the HDMF or Pag-IBIG. Rivera asked clearance from his housing loan and requested a full refund of the following amounts, namely, (i) PHP 209,000.00 representing the paid equity; (ii) PHP 93,600.64 as HDMF monthly amortizations; (iii) PHP 25,000.00 as cost of

¹⁰ SECTION 214. *Dangerous and Ruinous Buildings or Structures*

Dangerous buildings are those which are herein declared as such or are structurally unsafe or not provided with safe egress, or which constitute a fire hazard, or are otherwise dangerous to human life, or which in relation to existing use, constitute a hazard to safety or health or public welfare because of inadequate maintenance, dilapidation, obsolescence, or abandonment; or which otherwise contribute to the pollution of the site or the community to an intolerable degree.

SECTION 215. *Abatement of Dangerous Buildings*

When any building or structure is found or declared to be dangerous or ruinous, the Building Official shall order its repair, vacation or demolition depending upon the degree of danger to life, health, or safety. This is without prejudice to further action that may be taken under the provisions of Articles 482 and 694 to 707 of the Civil Code of the Philippines.

¹¹ *Rollo*, pp. 34–35.

¹² *Id.* at 35.

¹³ *Id.*

unit improvements and (iv) PHP 14,500.00 as the remaining balance of the move-in fees. Rivera had already received his construction fee bond worth PHP 10,000.00 and Meralco bill of PHP 5,000.00. Rivera further prayed for an award of (i) PHP 50,000.00 each as moral and exemplary damages, (ii) PHP 60,000.00 as attorney's fees and expenses of litigation, and (iii) cost of suit.¹⁴

Phinma filed its Answer and countered that upon a reinspection of the Hacienda Balai, the City Building Official found that the structures in the said condominium complex did not manifest structural deficiencies and pose an imminent threat to its occupants. Likewise, responding to the allegation of delay in the development of Hacienda Balai, Phinma retorted that the HLURB-NCR-FO granted it an extension of time until June 30, 2022. As such, it maintained that it should not be held liable for a refund. Finally, Phinma avowed that it never deceived its buyers.¹⁵

Meanwhile, HDMF, who was originally impleaded as a respondent, likewise filed its Answer asserting that HLURB has no jurisdiction over it since it is not a project owner, developer, broker or salesman. It pointed out that its relationship with Rivera is one of creditor and debtor, and not that of a seller and buyer. Accordingly, Section 23 does not apply against it.¹⁶

Rivera moved to withdraw his Complaint against HDMF.¹⁷

Ruling of HSAC Arbiter Balasolla

On July 29, 2019, Arbiter Balasolla ordered the cancellation of the Contract to Sell between Rivera and Phinma. Moreover, Arbiter Balasolla directed Phinma to return to Rivera the equity, move-in fees, cost of improvement, and Rivera's Pag-IBIG monthly amortizations, as well as to buy back Rivera's loan. Finally, Arbiter Balasolla ordered Phinma to pay Rivera attorney's fees and costs of suit, viz.:

WHEREFORE, PREMISES CONSIDERED, judgment is hereby rendered cancelling the Contract to Sell between [Rivera] and [Phinma] for the purchase of Condominium Unit M, Building 5 of the Hacienda Balai Condominium located at Zabarte Road, Quezon City and directing [Phinma] to (1) refund to [Rivera] the following amounts: Equity of P[HP] 209,000.00; Move-In Fee of P[HP] 14,500.00; Cost of Improvement of P[HP] 25,000.00; and equivalent value (principal amount, net of interest and surcharges based on the Agreement between Pag-I[BIG] and [Rivera])

¹⁴ *Id.*

¹⁵ *Id.* at 18–19 & 36.

¹⁶ *Id.* at 19.

¹⁷ *Id.* at 36.

of the Pag-I[BIG] monthly amortizations paid by [Rivera] amounting to P[HP] 93,600.64; (2) pay [Rivera] attorney[']s fees of P[HP] 20,000.00 and the cost of suit; and (3) buy back from Home Development Mutual Fund the loan obligation of [Rivera].

The complaint as against Home Development Mutual Fund is DISMISSED for lack of jurisdiction. All other claims and counterclaims are dismissed accordingly.

SO ORDERED.¹⁸

Aggrieved, Phinma filed an appeal before the HSAC Board of Commissioners.

Ruling of the HSAC Board of Commissioners

On August 25, 2020, the HSAC Board of Commissioners denied the appeal of Phinma. They held that the grant of an extension of time to complete the development of the condominium project does not prejudice the rights of buyers that have already accrued prior to such extension. The HSAC Board of Commissioners explained that in case of a delay in the development of the condominium project, Section 23 stringently mandates that the payments made by the buyers shall not be forfeited by the developer.¹⁹ The dispositive portion of the HSAC Decision reads:

WHEREFORE, premises considered, the appeal is DENIED. Accordingly, the assailed decision of the Regional Office is hereby AFFIRMED.

SO ORDERED.²⁰

Dissatisfied with the ruling, Phinma filed a Petition for Review before the CA.²¹

Ruling of the CA

On October 20, 2021, the CA rendered the assailed Decision²² denying Phinma's Petition for Review. The CA noted that Phinma failed to rebut Rivera's claim that the swimming pool, playground, and parking area, among

¹⁸ *Id.* at 36–37.

¹⁹ *Id.* at 37.

²⁰ *Id.* at 20.

²¹ *Id.* at 37.

²² *Id.* at 33–41. Penned by Associate Justice Victoria Isabel A. Paredes and concurred in by Associate Justices Emily R. Aliño-Geluz and Raymond Reynold R. Lauigan of the Fifteenth Division, Court of Appeals, Manila.

others, were not ready. In fact, Phinma even admitted the non-completion of the said amenities when it claimed that they had been “substantially completed.”²³ Moreover, the CA emphasized that the grant of an extension of time to develop the Hacienda Balai project was without prejudice to the buyers’ rights. The CA explained that due to the non-completion of the Hacienda Balai, the law grants Rivera the right to either demand a reimbursement of the total amount he paid, including amortization interests but excluding delinquency interests, with interest thereon at the legal rate, or to suspend his amortization payments until the completion of the project. Accordingly, the CA held that the HSAC rightly affirmed Arbiter Balasolla’s directive for Phinma to refund the equity, move-in fees, cost of improvements, and the equivalent value of the monthly amortizations Rivera paid to HDMF. In the same vein, the CA affirmed the HSAC’s ruling requiring Phinma to buy back from HDMF Rivera’s loan obligation since Phinma already received the proceeds of the loan granted by HDMF to Rivera. Finally, the CA affirmed the award of attorney’s fees and litigation expenses, reasoning that Phinma’s refusal to refund Rivera compelled the latter to litigate his claim before the HLURB and to incur expenses to protect his rights and interests. The decretal portion of the CA ruling reads:

WHEREFORE, premises considered, the petition for review is hereby DISMISSED.

SO ORDERED.²⁴ (Emphasis in the original)

Phinma sought reconsideration which the CA denied in its June 23, 2022 Resolution.²⁵

Undeterred, Phinma filed the instant Petition for Review on *Certiorari*²⁶ before this Court.

Issues

The crux of the case rests on whether Rivera is entitled to a refund of all the amounts he paid to Phinma, in view of the latter’s failure to complete the development of the Hacienda Balai project.

Phinma vehemently denies liability asserting that Rivera is estopped from claiming a refund since he was aware of the extension of time to develop the project, yet signed the “Certificate of Inspection and Unit Acceptance,”

²³ *Id.* at 39.

²⁴ *Id.* at 40–41.

²⁵ *Id.* at 43–44.

²⁶ *Id.* at 14–31.

thereby certifying that his unit is in conformity with the approved plans.²⁷ Phinma further claims that Rivera's acquiescence to the extension is evident from his enjoyment of the economic benefits from his unit.²⁸ Moreover, Phinma maintains that Rivera's acceptance of his unit proves that it is safe and habitable.²⁹

Alternatively, Phinma contends that assuming Rivera is entitled to a refund, this should only cover the amount he paid for the unit, excluding the move-in fees and cost of improvement.³⁰ Additionally, Phinma avers that Rivera could have filled out a Concerns Form or written a letter to its office rather than filing a Complaint before the HLURB.³¹ It argues that by opting to file a Complaint, Rivera should bear his own expenses and should not be awarded attorney's fees and costs of litigation.³²

On the other hand, Rivera counters that Phinma raises the same questions of fact and law already resolved by Arbiter Balasolla, the HSAC Board of Commissioners, and the CA.³³ Likewise, he retorts that Phinma failed to complete the facilities and amenities of the Hacienda Balai when his unit was delivered to him. He claims that Phinma's failure to develop the promised amenities caused him undue prejudice.³⁴ He avers that the Certificate of Inspection and Unit Acceptance or Certificate of Turnover freeing Phinma from liabilities for construction defects is a contract of adhesion that is contrary to law and public policy.³⁵ He further contends that contrary to Phinma's claim, he never remained silent, but with his neighbors, complained before the condominium administration, the Quezon City Building Official, and the HSAC to defend their rights and safety.³⁶ He insists that due to Phinma's delay in completing the Hacienda Balai project, he is entitled to moral and exemplary damages.³⁷ He avows that Phinma acted in bad faith in refusing to satisfy his valid, just, and demandable claim, and in a wanton, fraudulent, reckless, oppressive, or malevolent manner.³⁸ Similarly, he urges that he is entitled to attorney's fees and costs of litigation since he was compelled to litigate to protect his interests.³⁹ Furthermore, he points out that Phinma failed to question the award of the move-in fees and costs of

²⁷ *Id.* at 23–24.

²⁸ *Id.* at 24.

²⁹ *Id.* at 29.

³⁰ *Id.* at 26.

³¹ *Id.* at 30.

³² *Id.*

³³ *Id.* at 68–69.

³⁴ *Id.* at 63.

³⁵ *Id.* at 67.

³⁶ *Id.* at 69.

³⁷ *Id.* at 60.

³⁸ *Id.*

³⁹ *Id.* at 61.

improvement during the hearing before the HSAC. As such, it cannot raise such issue for the first time on appeal.⁴⁰

Ruling of this Court

The Petition is partly granted.

Rivera is entitled to a refund of the equity and HDMF or Pag-IBIG monthly amortizations, with legal interest

Presidential Decree No. 957 or the Subdivision and Condominium Buyers' Protection Decree was created in response to reports that real estate subdivision owners, developers, operators, and/or sellers have reneged on their representations and obligations to provide and properly maintain subdivision roads, drainage, sewerage, water systems, lighting systems, and other similar basic requirements, thus endangering the health and safety of home and lot buyers.⁴¹ The law was likewise enacted to provide the State's inhabitants with decent human settlement, improve their quality of life, promote peace and order, and enhance their economic, social and moral condition.⁴²

To ensure the fulfillment of the objectives of Presidential Decree No. 957, Section 20 thereof gives developers a specific period of time to complete the facilities and infrastructures that they advertise or offer to prospective buyers:

Section 20. Time of Completion. Every owner or developer shall construct and provide the facilities, improvements, infrastructures and other forms of development, including water supply and lighting facilities, which are offered and indicated in the approved subdivision or condominium plans, brochures, prospectus, printed matters, letters or in any form of advertisement, within one year from the date of the issuance of the license for the subdivision or condominium project or such other period of time as may be fixed by the Authority.

In case the developer reneges on its obligation to complete the project on time, Section 23 steps in to protect the buyers:

⁴⁰ *Id.*

⁴¹ Presidential Decree No. 957, Subdivision and Condominium Buyers' Protection Decree, Whereas Clauses. Approved on June 12, 1976.

⁴² *Id.*

Section 23. *Non-Forfeiture of Payments.* No installment payment made by a buyer in a subdivision or condominium project for the lot or unit he contracted to buy shall be forfeited in favor of the owner or developer when the buyer, after due notice to the owner or developer, desists from further payment due to the failure of the owner or developer to develop the subdivision or condominium project according to the approved plans and within the time limit for complying with the same. **Such buyer may, at his option, be reimbursed the total amount paid including amortization interests but excluding delinquency interests, with interest thereon at the legal rate.** (Emphasis supplied)

Specifically, Section 23 grants buyers two remedies in case the subdivision or condominium developer fails to complete the project on time, namely, “(i) to continue with the contract but suspend payments until the developer complies with its obligation to finish the project; or (ii) to cancel the contract and demand a refund of all payments made, excluding delinquency interests.”⁴³

Records reveal that Phinma failed to complete the Hacienda Balai condominium project within the required period of time. No less than Phinma admitted the non-completion of said project when it requested for an extension of time from the HLURB-NCR-FO. Moreover, Phinma did not rebut Rivera’s contention that it failed to develop the promised amenities. Rather, it merely retorted that it had “substantially completed” the project. Obviously, a “substantial” completion does not suffice under the law. Thus, Phinma was clearly remiss in its obligations under Section 20.

In the same vein, Phinma cannot harp on the extension of time granted by the HLURB-NCR-FO. It bears noting that the order granting the extension clearly indicates that it is without prejudice to the rights of buyers under Section 23. Hence, the extension did not preclude Rivera from availing of the refund.

However, it must be clarified that Section 23 does not authorize the return of all the amounts paid or spent by the buyer, but only the amortization payments or those remitted to purchase the property.

A familiar maxim in statutory construction is *expressio unius est exclusio alterius*, which means “the express mention of one person, thing, or consequence implies the exclusion of all others.”⁴⁴ Where the law enumerates the subject or condition upon which it applies, it is to be construed as

⁴³ *G.G. Sportswear Mfg. Corp. v. World Class Properties, Inc.*, 627 Phil. 703, 718 (2010) [Per J. Brion, Second Division].

⁴⁴ *De La Salle Araneta University v. Bernardo*, 805 Phil. 580, 601 (2017) [Per J. Leonardo-De Castro, First Division].

excluding from its effects all those not expressly mentioned. In the same vein, conditions which have not been included in the enumeration are deemed excluded therefrom. Thus, the express mention of the terms “amortization interest” and “delinquency fees” immediately after the phrase “total amount paid” reveals the intent to allow the refund of amortization payments or the installments made by the buyer for the purchase of the property. Conversely, the law excludes other payments unrelated to the amortizations.

Moreover, in interpreting the phrase “total amount paid,” reference must be made to Section 23 as a whole and not in truncated parts. The first part of Section 23 speaks of an option to “desist from further payment,” clearly referring to the suspension of the amortization payments. Hence, the option to receive a refund should likewise be understood in conjunction with the alternative remedy of suspending the payment of amortizations. Simply stated, the payments that may be refunded are also those that may have been stopped, depending on the buyer’s chosen remedy.

Significantly, in *Fil-Estate Properties, Inc. v. Spouses Go*,⁴⁵ therein buyers filed a complaint against the developer for the reimbursement of the lumpsum price of the condominium unit, plus interest, attorney’s fees, and expenses of litigation, due to the developer’s failure to complete the condominium project and pursuant to their right under Section 23 of Presidential Decree No. 957. This Court awarded the buyers with the total amortizations they actually paid (not the lump sum price), plus amortization interests, with legal interest, attorney’s fees, and costs of litigation. Although the afore-cited case did not involve a request for refund of move-in fees and construction costs, as in the case at bar, it highlights the fact that the refund under Section 23 pertains to the actual amortization payments.

Based on the foregoing, the CA erred in affirming the directive for Phinma to refund the move-in fees and cost of improvement for the unit, as they do not fall within the purview of allowable refunds under Section 23. Particularly, the move-in fees consisted of the administrative processing fee, city engineer fee, construction bond, Meralco service deposit, one-time condominium corporation registration/membership fee, temporary power service charge, and water service deposit. Meanwhile, the cost of improvement pertained to construction expenses on the unit. Not being amortization payments or payments made for the purchase of the unit, they cannot be refunded under the guise of Section 23. Consequently, the amount of move-in fees and the cost of improvement should be deducted from the amount Phinma must return to Rivera. It must be noted that the deduction of the move-in fees and cost of improvement stems from a proper interpretation of the law, which this Court may order despite Phinma’s alleged failure to

⁴⁵ 557 Phil. 377, 379–380 (2007) [Per J. Quisumbing, Second Division].

question their award during the hearing before the HSAC Board of Commissioners.

Rivera is not estopped from claiming a refund

Phinma contends that Rivera is estopped from claiming a refund, considering that he was aware of its request for an extension of time to develop the project, yet signed the “Certificate of Inspection and Unit Acceptance” or Certificate of Turnover, thereby signifying that his unit is in accordance with the approved plans.⁴⁶ In addition, Phinma asserts that Rivera continues to enjoy the economic benefits of his condominium unit.⁴⁷

Phinma’s contentions do not hold water.

Under the doctrine of estoppel, an admission or representation is rendered conclusive upon the person making it, and cannot later be denied or disproved as against another who relied thereon. Parties are forbidden from going back on their own acts and representations to the prejudice of those who relied upon them.⁴⁸

Jurisprudence teaches that there are generally three kinds of estoppel - estoppel in *pais*, estoppel by deed, and estoppel by laches. In “estoppel in *pais*,” persons are regarded as estopped if by their conduct, representations, admissions or silence when they ought to speak, whether intentionally or through culpable negligence, cause others to believe certain facts to exist and such persons rightfully rely and act on such belief, as a consequence of which would be prejudiced if the former would be permitted to deny the existence of such facts. Meanwhile, “estoppel by deed” is when parties to a deed and their privies are precluded from denying any material fact stated in the said deed as against other parties and their privies. Finally, estoppel by laches is considered an equitable estoppel against persons who fail or neglect to assert their right for an unreasonable and unexplained length of time and are thus presumed to have abandoned or otherwise declined to assert such right and cannot later on seek to enforce the same, to the prejudice of other party, who has no notice or knowledge that the former would assert such rights and whose condition has so changed that the latter cannot, without injury or prejudice, be restored to said party’s previous state.⁴⁹

⁴⁶ *Rollo*, p. 23.

⁴⁷ *Id.* at 24.

⁴⁸ *Philippine Savings Bank v. Chowking Food Corp.*, 579 Phil. 589, 598 (2008) [Per J. Reyes, R.T., Third Division].

⁴⁹ *Sps. Co Chien v. Sta. Lucia Realty & Dev’t, Inc.*, 542 Phil. 558, 569 (2007) [Per CJ. Puno, First Division].

With respect to estoppel in *pais*, the following requisites must concur as against the party sought to be estopped:

(a) conduct amounting to false representation or concealment of material facts or at least calculated to convey the impression that the facts are otherwise than, and inconsistent with, those which the party subsequently attempts to assert; (b) intent, or at least expectation that this conduct shall be acted upon, or at least influenced by the other party; and (c) knowledge, actual or constructive of the actual facts.⁵⁰

Although estoppel varies in definition, its most important element is proof that the parties who invoke the doctrine must have been misled to their prejudice.⁵¹

On a similar note, “estoppel by silence,” which is a form of estoppel in *pais*, arises where persons, who under circumstances, are under a duty to another to speak, refrain from doing so and thereby lead others to believe in the existence of a state of facts in reliance on which the others act to their prejudice. Silence operates as an estoppel when it is of such a character and under such circumstances that it would be tantamount to fraud to permit the parties who have kept silent to deny what their silence has induced the other to believe and act on.⁵²

Assessed in the light of the definition and requisites of estoppel, this Court holds that Rivera is not estopped from asserting his right to a refund.

First, assuming that Rivera received Phinma’s letter informing all unit owners of its request for an extension of time to develop the project, Rivera’s silence or failure to object thereto cannot bar him from exercising his right under Section 23. In fact, as earlier discussed, the extension of time granted to Phinma was subject to the caveat that it is without prejudice to the rights of buyers under Section 23.

Second, there is no showing that Rivera’s purported silence was a ploy to fool Phinma or cause it undue harm. His purported failure to question the request for an extension, when Phinma allegedly furnished him with a copy of its request, could not have been done with the intention to unjustly cause harm to Phinma or mislead it into believing that he waived his rights under Section 23. Besides, there is nothing in the law that requires the buyer to immediately, or within a specified period of time, file a refund upon the

⁵⁰ *Philippine Savings Bank v. Chowking Food Corp.*, 579 Phil. 589, 598 (2008) [Per J. Reyes, R.T., Third Division].

⁵¹ *Id.* at 599.

⁵² *Pasion v. Melegrito*, 548 Phil. 302, 311 (2007) [Per J. Tinga, Second Division].

developer's failure to complete the project on time. Neither does the law require the buyer to contest the developer's request for extension as a prerequisite for obtaining a refund.

Third, contrary to Phinma's claim, Rivera never actually remained silent. After discovering the defects in his unit, Rivera protested about its state before the condominium administrator. Unsatisfied with the lack of action, he lodged a complaint with the Quezon City Building Official, and thereafter filed an action with the HLURB-NCR-FO, and faithfully pursued his case before the HSAC, the CA, and up to this Court. He never remained silent or backed down, but tenaciously pursued his claims against Phinma.

Fourth, Rivera's act of signing the Certificate of Turnover does not estop him from questioning the defects he later discovered while living in his unit. The Certificate of Turnover that Rivera signed is a contract of adhesion. It is a ready-made contract prepared by Phinma and imposed on Rivera, where the latter's only participation is to sign the same.

Concededly, contracts of adhesion are not invalid *per se* and are even binding as ordinary contracts. They are only struck down as void when the weaker party has been imposed upon in dealing with the dominant bargaining party and reduced to the alternative of taking it or leaving it, completely deprived of the opportunity to bargain on equal footing. Thus, the validity or enforceability of the contract is determined by the peculiar circumstances of each case and the situation of the parties concerned.⁵³ Here, Rivera had no choice but to sign and adhere to the Certificate of Turnover, lest he would not receive the unit he purchased.

Fifth, when Rivera signed the Certificate of Turnover, he was only afforded a cursory inspection of the condominium unit. Not being an engineer or architect well-versed in construction matters, he could not be expected to deftly and completely assess all the defects of the unit following a superficial examination thereof. It was only weeks after staying in his unit that he began to notice the cracks on the walls, leaking water, molds, and insect infestation.

Besides, even if this Court were to uphold the Certificate of Turnover, it bears stressing that the same merely relates to Rivera's unit and does not in any way pertain to the amenities which Phinma admittedly failed to complete. Hence, Phinma's sheer failure to complete the amenities and facilities on time already affords Rivera relief under Section 23, even without considering the grave defects in his unit. Accordingly, by no stretch of the imagination may

⁵³ *United Coconut Planters Bank, Inc. v. E. Ganzon, Inc.*, 914 Phil. 254, 274 (2021) [Per J. Carandang, Third Division].

Rivera be declared estopped from exercising his right to receive a refund under Section 23.

Finally, Rivera's alleged continued stay in his condominium unit while he awaits the resolution of this case should not deprive him of the right to claim a refund.

Rivera is likewise entitled to attorney's fees and costs of suit

Article 2208(2) of the Civil Code authorizes an award of attorney's fees "[w]hen the defendant's act or omission has compelled the plaintiff to litigate with third persons or to incur expenses to protect his interest." There is no doubt that due to Phinma's failure to develop the condominium project on time, Rivera had to retain the services of counsel to litigate to protect his interest. However, this Court finds that the award of PHP 20,000.00 in attorney's fees granted by Arbiter Balasolla should be increased to PHP 80,000.00. Due regard is made of Rivera's request for attorney's fees of PHP 60,000.00 back in 2018, in his Complaint before the HLURB-NCR-FO. Likewise, considering the case has been dragging on for seven years, an increase in the grant of attorney's fees is warranted.

However, Rivera's plea for moral damages and exemplary damages are denied. Rivera failed to establish that Phinma acted in bad faith in refusing to satisfy his claim and likewise failed to prove, much less allege, that he suffered sleepless nights, anxiety or wounded feelings as a result of Phinma's refusal to satisfy his claim. Neither does this Court find a reason to award exemplary damages. Phinma had already been penalized for its failure to complete the Hacienda Balai project on time when it was ordered to pay a fine. Thus, the grant of exemplary damages finds no basis in this case.

In sum, Rivera is entitled to a refund of the equity and equivalent value of the HDMF monthly amortizations he paid, minus the move-in fees and construction costs for the improvement of the unit. The total amount refunded to Rivera shall be subject to a legal interest of 6% per annum, reckoned from October 8, 2018, the date he filed his Complaint before the HLURB-NCR-FO. Likewise, Rivera is entitled to attorney's fees and costs of suit. Additionally, Phinma is ordered to buy back Rivera's loan obligation from the HDMF since Phinma has already received the proceeds of the loan granted by the HDMF to Rivera. Finally, the total amount due to Rivera shall earn a legal interest of 6% per annum reckoned from the finality of this Court's ruling until full payment.

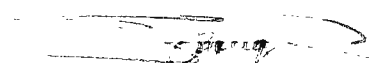
All told, the right to a standard of living adequate for one's health and well-being is a universal human right⁵⁴ that this Court stringently protects. Thus, the developer's failure to provide safe and suitable living for its buyers shall render it accountable for a refund, among other remedies. However, said refund must be limited to the amortizations for the unit, with legal interest thereon, and does not pertain to an unbridled claim for expenses unrelated to the purchase of the unit.

ACCORDINGLY, premises considered, the Petition for Review on *Certiorari* is partly **GRANTED**. The October 20, 2021 Decision and the June 23, 2022 Resolution of the Court of Appeals in CA-G.R. SP No. 166741 are **AFFIRMED** with the following modifications:

1. Phinma Property Holdings Corporation is **ORDERED to refund** to Joshua C. Rivera the following amounts: (a) Equity of PHP 209,000.00 and (b) the equivalent value of Joshua C. Rivera's Pag-IBIG monthly amortizations amounting to PHP 93,600.64, with legal interest of 6% per annum reckoned from October 8, 2018 until full payment; and
2. Phinma Property Holdings Corporation is **ORDERED to pay** Joshua C. Rivera attorney's fees of PHP 80,000.00, with costs of litigation.

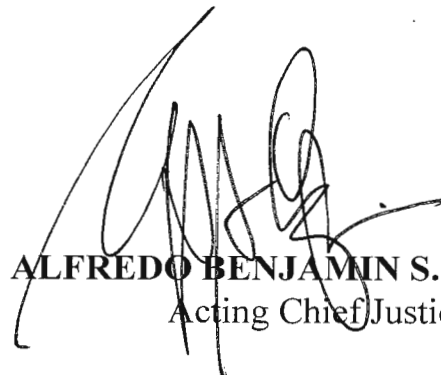
The total amount due to Joshua C. Rivera shall earn a legal interest of 6% per annum reckoned from the date of finality of this Court's Decision until full payment. The rest of the October 20, 2021 Court of Appeals Decision **STANDS**.

SO ORDERED.


SAMUEL H. GAERLAN
Associate Justice

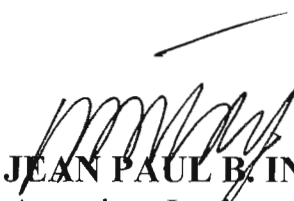
⁵⁴ Universal Declaration of Human Rights, Article 25 (1). Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

WE CONCUR:

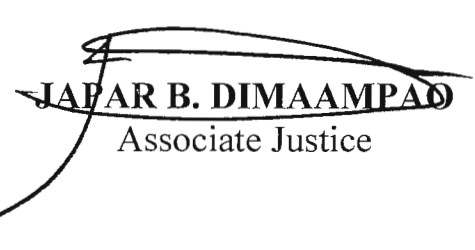


ALFREDO BENJAMIN S. CAGUIOA
Acting Chief Justice

*See Separate
Opinion*



HENRI JEAN PAUL B. INTING
Associate Justice

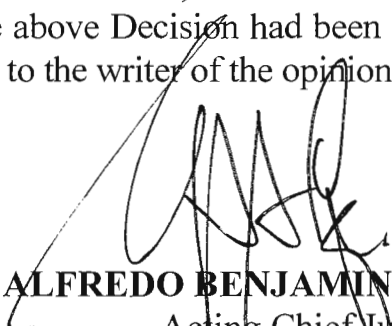


JAPAR B. DIMAAMPAO
Associate Justice

(On leave)
MARIA FILOMENA D. SINGH
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 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.



ALFREDO BENJAMIN S. CAGUIOA
Acting Chief Justice
(Per S.O. No. 3207 dated July 11, 2025)