



Republic of the Philippines
Supreme Court
Office of the Court Administrator
Manila

OCA CIRCULAR NO. 15-2023

**TO: ALL REGIONAL TRIAL COURTS HANDLING
EXPROPRIATION CASES**

**RE: FURTHER CLARIFICATION ON THE COVERAGE OF
OCA CIRCULAR NO. 113-2019 DATED 16 JULY 2019 ON
EXPROPRIATION CASES, ACQUISITION OF RIGHT-
OF-WAY, ISSUANCE OF WRITS OF POSSESSION, AND
ENTITLEMENT TO INTEREST PURSUANT TO
REPUBLIC ACT NO. 10752, AND DETERMINATION OF
MARKET VALUES IN RELATION TO REPLACEMENT
COST**

By way of legislation, there are private firms¹ granted with a franchise to construct, develop, establish, operate, and maintain for commercial purposes and in the public interest, huge infrastructures considered as national government projects, with the power to acquire either by purchase, negotiation, expropriation or condemnation proceedings thereof², any private lands with or adjacent to the premises.

In the institution of the aforementioned proceedings, Republic Act (R.A.) No. 10752, or The Right-of-Way Act³ may be applied whenever necessary. The definition of national government projects in the said law and its Implementing Rules and Regulations (IRR) refers, among others, to those involving private sector participation and all necessary activities or projects that are intended for public use or purpose⁴.

Still, in the course of expropriation proceedings of all concerned stakeholders involving national government projects, the determination of the proper amount of the Replacement Cost⁵ at current market value of improvements and structures and

¹ Like San Miguel Aerocity, Inc., per Republic Act No. 11506 (*An Act Granting San Miguel Aerocity Inc. a Franchise to Construct, Develop, Establish, Operate and Maintain a Domestic and International Airport in the Municipality of Bulakan, Province of Bulacan, and to Construct, Develop, Establish, Operate, and Maintain an Adjacent Airport City*, 27 July 2020.)

² Sec. 15. *Right-of-Way*, *ibid*.

³ 27 July 2015.

⁴ Sec. 3. National Government Projects. (d), IRR, *ibid*.

⁵ Sec. 3(3), IRR, R.A. No. 10752, *ibid*. – refers to the cost necessary to replace the affected structure or improvement with a similar asset based on current market prices; Sec. 6.6. – shall be based on the current market prices of materials, equipment, labor,

the current market value of crops and trees, when found in the property subject of expropriation, among others, which may form part of the provisional deposit⁶, must be settled.

Bearing in mind the legal principle involving real properties that the accessory follows the principal, a writ of possession that can be immediately issued over a piece of land should not be delayed by an issue regarding the replacement costs of the improvements and structures and/or the current market value of the crops and trees found therein. Thus, there is no need to conduct extensive hearings thereon and should be ruled upon in a summary manner.

As such, and by way of procedure, the following should be observed to expedite the issuance and/or implementation of writs of possession involving all properties subject of expropriation proceedings:

A. Determination of the Replacement Cost at current market value of improvements and structures

- (1) Besides the required determination by the implementing/expropriating agency or company, appraisal shall also be made by a government financial institution with adequate experience in property appraisal **and** an independent property appraiser accredited by the Bangko Sentral ng Pilipinas (BSP)⁷ or a professional association of appraisers recognized by the BSP⁸;
- (2) The court shall give the three (3) appraisers a non-extendible period of **thirty (30) calendar days** to submit their respective appraisals;
- (3) If no appraisal is submitted to the court within the prescribed period, especially from the concerned institutions and independent appraiser, then the submission shall be deemed waived and the replacement cost for purposes of issuing the writ of possession involving the improvements and structures should be based on the implementing/expropriating agency's or company's submitted computation or appraisal; and,
- (4) Whether the owner of the property contests or not the implementing/expropriating agency's or company's proffered cost or value, the court shall then determine the just compensation to be paid the owner over the entire expropriated property within sixty (60) calendar days from the date of issuance of the writ of possession. When the decision of the court becomes final and executory, the implementing/expropriating agency or company shall pay the owner

contractors profit and overhead, and all other attendant costs associated with the acquisition and installation of a similar asset in place of the affected asset.

⁶ Sec. 6. Guidelines for Expropriation Proceedings, (a)(2)(3), R.A. No. 10752, *ibid*.

⁷ Sec. 6 (a)(2), *ibid*.

⁸ Sec. 6.2. (b)(2), IRR, *ibid*.

the difference between the amount already paid and the just compensation as determined by the court⁹, if there is any.

B. Determination of the current market value of crops and trees

- (1) Appraisal shall be made by a government financial institution **or** an independent property appraiser as provided for in Item number 1 above¹⁰;
- (2) The court shall give any of the said appraisers a non-extendible period of **thirty (30) calendar days** to submit the required appraisals;
- (3) If no appraisal is submitted by any of the above appraisers to the court within the prescribed period, then appraisal shall be made by the implementing/expropriating agency and shall be submitted to the court within a non-extendible period of **fifteen (15) calendar days**. The appraisal of the implementing/expropriating agency shall then serve as the basis of the current market value of crops and trees; and,
- (4) Item number (4) above shall be adopted herein.

This Circular shall be read in connection with and shall serve as a supplement to OCA Circular Nos. 113-2019¹¹, 42-2022¹², and 68-2022¹³ involving all pending and subsequent expropriation cases.

For guidance, implementation and strict observance.

19 January 2023



RAUL B. VILLANUEVA
Court Administrator

 MMA/ACJ/PPP/ExpropSMAI

⁹ Sec. 6 (f), *ibid.*

¹⁰ Sec. 6. (a)(3), *ibid.*

¹¹ *ibid.* 7 July 2019.

¹² CLARIFICATION ON THE COVERAGE OF OCA CIRCULAR NO. 113-2019 DATED 16 JULY 2019 ON EXPROPRIATION CASES, ACQUISITION OF RIGHT-OF-WAY, ISSUANCE OF WRITS OF POSSESSION, AND ENTITLEMENT TO INTEREST PURSUANT TO REPUBLIC ACT NO. 10752, 28 February 2022.

¹³ EXPEDITIOUS RESOLUTION OF EXPROPRIATION CASES AND OTHER RELATED PROCESSES, 25 March 2022.