



**SUPREME COURT OF APPEAL OF SOUTH AFRICA
MEDIA SUMMARY OF THE JUDGMENT DELIVERED**

FROM: The Registrar, Supreme Court of Appeal

DATE: 13 April 2021

STATUS: Immediate

Please note that the media summary is intended for the benefit of the media and does not form part of the judgment of the Supreme Court of Appeal.

Tramore Property Group (PTY) LTD v Vosloorus Square CC (Case no: 235/2020)
[2021] ZASCA 41

Today the Supreme Court of Appeal dismissed an appeal against an order of the Gauteng Division of the High Court, Pretoria (per Neukircher J, Tuchten and Teffo JJ concurring, sitting as a Full Court). Tramore Property Group (Pty) Ltd (Tramore) had contracted with the Ekurhuleni Metropolitan Municipality (the Municipality) to exchange certain of their respective immovable properties in 1991 (the exchange agreement). In 2000, Tramore sold (the sale agreement) the properties of the Municipality (the council properties) which were to be exchanged to Vosloorus Square CC (Vosloorus Square). Although occupation of the properties owned by Tramore had been given to the Municipality and vice versa, the transfer of the respective properties had not taken place. Pursuant to the sale agreement, Vosloorus Square took occupation of the council properties and applied to the Municipality to proclaim a township which included the council properties. The

township was proclaimed at the instance of the Municipality in 2012 after Vosloorus Square had provided the Municipality with various reports detailing the services which Vosloorus Square would install on the council properties. At all times, Vosloorus undertook to do so and to provide guarantees to that effect.

A dispute arose in 2014 between Tramore and Vosloorus Square. The sale agreement provided that Tramore could demand that Vosloorus Square provide the guarantees when required by the Municipality. Tramore called on Vosloorus Square to provide the guarantees and claimed that, because this was not done, it had cancelled the sale agreement. The Supreme Court of Appeal held that the sale agreement provided that Vosloorus Square should furnish guarantees only when they were required by the Municipality. Because the Municipality had not indicated that it required them, the purported cancellation was of no force and effect.

Vosloorus Square applied for the transfer of the council properties, requiring Tramore to transfer its properties to the Municipality simultaneously. Tramore contended that Vosloorus Square had no *locus standi* to enforce the exchange agreement against the Municipality. The Supreme Court of Appeal, however, held that the sale agreement, properly construed, disposed to Vosloorus Square the rights of Tramore to enforce the exchange agreement. Tramore retained its obligations under the exchange agreement. It was accordingly obliged to transfer the Tramore properties to the Municipality against transfer to it and thereafter Vosloorus Square of the council properties. The full court had accordingly correctly granted such an order.

For these reasons, the appeal was dismissed with costs.