

31 August 2020

What is a reversionary right?

A reversionary right is a condition which provides that, on the happening of a prescribed event, ownership of the property will revert back to a previous owner. An example of this is a building condition imposed by a developer that states that if the buyer does not start building on the property within 18 (eighteen) months then the ownership will fall back to the seller.

This is a controversial condition and has attracted a lot of attention in the courts. In the case of *Bondev v Ndlovu*, the court found that the condition is a real right. The court not only enforced fines imposed by the Home Owners Association, but also enforced the reversionary right in the court order. Recently, however, in *Bondev v Ramakgopa* the Supreme Court of Appeal decided that the condition of building on the property is a real right, but the reversionary right is only a personal right. The reversionary right thus prescribes after three years.