



Media Release

SAPOA Urges Action on Illegal Development in Tshwane, Highlights Detrimental Impact on Property Owners and Local Economy

Johannesburg, South Africa – November 5, *2024:

The South African Property Owners Association (SAPOA), representing over 90% of South Africa’s commercial property sector—including retail, office, industrial, and residential properties—has issued a strong call for action against the growing issue of illegal multimillion-rand property developments in Tshwane.

This unregulated expansion threatens lawful investments and raises significant concerns amongst its members, whose properties are adversely affected by this destabilising trend.

SAPOA highlights that these developments are eroding property values, straining municipal infrastructure, and placing undue pressure on compliant property owners who are committed to adhering to city regulations.

Neil Gopal, CEO of SAPOA, stated, “Illegal developments undermine the investments of compliant property owners, who face a range of negative impacts—from declining property values to increased crime rates and service interruptions. We are particularly alarmed at the normalization of flouting development regulations, which ultimately decreases oversight in property development.”

Gopal’s remarks come in the wake of research conducted by SAPOA, which examined the impact of illegal building activity in Polokwane in 2021.

This study revealed that illegal development is not a new phenomenon in Polokwane Municipality and other cities; rather, it is perpetuated by a moratorium on new developments, inefficient processing of development applications, and insufficient regulation.

SOUTH AFRICAN PROPERTY OWNERS ASSOCIATION NPC t/a SAPOA – REG NO 1966/008959/08

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The effects of illegal developments in Polokwane are evident, including:

- Increased pressure on service delivery infrastructure,
- Opportunity costs related to municipal revenue generation from property rates and taxes, and
- The normalisation of regulatory flouting and decreased oversight on property development.

Despite some municipalities taking action against illegal land use, there appears to be a lack of political will to consistently enforce bylaws across various sectors.

Gopal emphasised the necessity for fair application of laws and regulations, urging that land use management systems be strictly enforced and that municipalities plan for legal expertise and costs in addressing illegal developments.

SAPOA's research in 2021 underscores the significant economic implications of illegal development in Polokwane, revealing:

- Production foregone: R 327.61 million
- GDP foregone: R 144.63 million
- Job creation forgone: 559 jobs
- Income foregone: R 62.92 million

From a municipal revenue perspective, Polokwane loses R 323.36 million annually in rates, taxes, and utility fees due to illegal developments.

Gopal stressed, “While we support the principle of responsibly addressing illegal activities, it is crucial that this does not come at the cost of existing ratepayers. We urge the municipality to strengthen its land use control unit and appoint additional planning control officers to help combat illegal land use practices.”

Furthermore, SAPOA indicates that all parties responsible for initiating and perpetuating illegal development should be prosecuted. If not, the Public Protector should initiate an investigation into these matters. “It is imperative that the national government and current and past stakeholders take action to remedy this situation,” Gopal stated.



SAPOA reaffirms its commitment to proactively collaborating with municipalities to address these challenges. “We are willing to partner with local authorities to attract investment and development, creating employment opportunities and supporting entrepreneurship within our communities,” Gopal concluded.

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