



22 April 2026

INFORMATION NOTE TO AFFILIATES

SUPREME COURT OF APPEAL JUDGMENT: NAD Property Income Fund (Pty) Ltd v SANRAL (1 April 2026)

AgriSA wishes to inform affiliates of a recent Supreme Court of Appeal (SCA) judgment, handed down on 1 April 2026, which clarifies the constitutional framework governing compensation in expropriation matters. Although the dispute did not concern agricultural land, the principles articulated by the Court have direct relevance for the agricultural sector, particularly in the context of ongoing debates on expropriation without compensation and the implementation of the new Expropriation Act.

The SCA reaffirmed that compensation must meet the standard of what is “just and equitable” in terms of section 25(3) of the Constitution. Importantly, the Court rejected the notion that courts enjoy a broad discretion in determining compensation, confirming instead that compensation is an objective, evidence-based determination subject to appellate scrutiny.

The Court further confirmed the established two-stage approach: compensation must first be determined with reference to market value, after which it must be assessed against the constitutional standard of justice and equity. Market value, therefore, remains a central benchmark, even though it is not decisive in all cases.

While the judgment does not directly address expropriation without compensation, it reinforces that compensation remains a constitutional requirement and cannot be arbitrarily reduced or excluded. Any deviation, including the possibility of nil compensation, would require clear and fact-specific justification consistent with section 25(3). This materially supports AgriSA’s position that the Constitution does not permit a generalised approach to expropriation without compensation.

The SCA upheld the appeal, set aside the High Court’s order, and referred the matter back for reconsideration with further evidence. This confirms that compensation determinations require proper legal methodology and robust evidentiary support.

The central takeaway is that the constitutional standard of just and equitable compensation imposes a structured, disciplined framework that anchors compensation in market value and limits arbitrary or policy-driven outcomes, with courts retaining a critical oversight role.

AgriSA will continue to monitor developments and engage on the implications for agricultural landowners as the matter proceeds and as the new expropriation framework evolves.

AGRISA LEGAL AND POLICY