

# Educational requirements for property non-executive directors scrapped

The Estate Agency Affairs Board (EAAB) has announced that non-executive directors of estate agencies need no longer comply with all the educational requirements applicable to estate agents.



Jan le Roux, chief executive of REBOSA

Until now, all directors of limited companies trading as estate agents had to comply with very strenuous requirements, i.e. an internship of one year, obtaining NQF4 and NQF5 property qualifications, as well as passing the professional designation exam (PDE).

To many directors, especially in the bigger agencies who have nothing to do with the business of real estate per se, these prerequisites were unnecessarily problematic. It also inhibited investors. Business people inclined to invest in real estate companies could do so as shareholders, but never serve on boards of companies they might own themselves (unless they complied with all of the above), which was an unattractive proposition for many.

Transformation was also subdued at the same time; black entrepreneurs/investors had to find other investment opportunities, or comply with all the educational requirements if they wanted to invest in real estate companies and direct it themselves.

## Breakthrough for business, transformation

According to Real Estate Business Owners of South Africa (REBOSA), this move by the EAAB is

a breakthrough for business and transformation and is certainly taking a step in the right direction. Unfortunately it still involves an application and paperwork in that directors have to apply, and pay R2500, to have the application evaluated. Exemption is forfeited if such director's circumstances should change.

"This should apply to any directors (not only non-executive) not involved in selling real estate or supervising agents doing so. There is no need for financial, marketing and HR directors to be qualified as estate agents. Abolition of this requirement could open the door for highly qualified individuals to become involved in the industry," says Jan le Roux, chief executive of REBOSA.

"We are certainly hopeful that the situation will be addressed in a more streamlined fashion in the Property Practitioners Bill about to be published. The Bill should actually make it clear that directors who do not practice as estate agents need not meet the educational requirements of estate agents without having to apply for this privilege. Needless to say, it makes perfect sense that at least one director in a company must meet all educational and trainee requirements," le Roux continues.