

CHAIRMAN'S REPORT

REBOSA ANNUAL GENERAL MEETING

HELD ON 4 JUNE 2019 AT THE RIVER CLUB, LIESBEEK PARKWAY, CAPE TOWN, SOUTH AFRICA

1. WELCOME

It is my pleasure to welcome you all to this sixth annual general meeting of the Real Estate Business Owners of South Africa (REBOSA) - thank you for being here, your presence is most valued and appreciated.

2018/2019 has been challenging for all of us. The property market has been impacted by tough economic conditions, pressure on household sector finances, ongoing political uncertainty and the issue of land reform. The mood in South Africa has turned sharply pessimistic in recent months. With the elections now behind us and the President's promise of a 'new dawn', I am hopeful that business confidence will return and the market will begin to show signs of improvement.

Despite this period of uncertainty, I'm pleased to report that REBOSA has again achieved significant progress and successes over the past 12 months on a number of fronts which I will cover in this report.

The year under review was largely spent challenging the Property Practitioners Bill and our CEO, Jan le Roux fought tirelessly to defend the industry's position to provide for a practical, just and transformative piece of legislation.

2. FINANCIAL REPORT

As I've just mentioned, considerable time, energy and resources were spent challenging the Property Practitioners Bill. These interventions came with a substantial price tag. Notwithstanding these sizable legal fees, the organisation continues to have a strong balance sheet. As a result of sound financial planning, our membership fees have remained unchanged for six years with no foreseeable increases.

We continue to manage the organisation with low operating costs so that funds can be allocated to our core mandate of protecting real estate business owners' interests. This ensures that REBOSA remains in a strong, healthy financial position.

3. REGULATORY ENVIRONMENT

Numerous pieces of legislation came into effect during the period under review.

REBOSA has sought high level professional opinion to interrogate all impending legislation to provide clear legal analysis and commentary to our members. As an industry we continue to engage with regulators on finding an optimal way forward that will have the minimal impact on our members.

Property Practitioners Bill

The Property Practitioners Bill was passed by both houses on 28 March 2019 and sent to the President for assent.

Rebosa have spent the past 4 years challenging the Bill at every turn. We lobbied, submitted commentary, made oral presentations and attended public participation sessions. We engaged with the Portfolio Committee on Human Settlements, Minister Mfeketo, her Chief of Staff and Advisors, The Department of Human Settlements and their officials, Members of the National Assembly, Members of the NCOP, opposition parties and industry stakeholders. Unfortunately our efforts were met with limited success. There was also an urgency from government to pass the Bill before the general elections on 8 May.

This being said we achieved a few concessions which the CEO will mention.

The DHS maintains the position that REBOSA issues will be covered in the Regulations which will give effect to the Bill. We are pleased to report that we have been invited to participate in this process which has already commenced. As such we will do everything possible to ensure the regulations are favourable for the industry.

The Financial Intelligence Centre Amendment Act, 2017 (FIC Amendment Act)

Effective 1 April 2019 all estate agency enterprises had to ensure full compliance with the provisions of the FIC Act.

Unfortunately the EAAB provided limited training to the industry. This is despite the fact that it is the responsibility of the EAAB to have made such training available (Section 7.1 of the Estate Agency Affairs Act and Section 3 of the Property Practitioners Bill.)

REBOSA can be credited with developing guidelines and an RMCP template for the industry, available for download on our website and for requesting the EAAB to include FIC training in the 2019 CPD material.

PoPI

On 14 December 2018 the Information Regulator published the Regulations to POPI which have given clarity on the extent that this law will apply and the detailed requirements which will be imposed. These Regulations have not yet been signed into law, so for now, non-compliance will not be penalised. We are in constant engagement with our attorneys and will keep members updated.

4. MEMBERSHIP

Collectively our members employ 15,162 estate agents. Membership, however, is not growing fast enough and I acknowledge that more effort must be made to grow our membership base. Currently almost 100% of the larger real estate brands are participating members. The focus remains to recruit the rest of the industry, including every independent real estate business owner. We cannot emphasise enough the importance of a collective voice for real estate. It is only through numbers that we will be heard and can effect change. We again urge members to promote REBOSA's work and encourage membership.

There are very few instances, if any, where the interests of principals and agents are not aligned. It can therefore be undeniably argued that REBOSA also effectively represents the estate agents employed by its members. This unequivocally makes REBOSA the most representative body in the real estate sector in South Africa today.

5. STAKEHOLDER ENGAGEMENT

During the past 12 months REBOSA has intensified collaborations with Stakeholders to better serve members.

REBOSA Education Steering Committee

During the previous financial year, REBOSA formed an education steering committee comprising of industry education specialists. The committee was originally formed to contribute to the realignment of the new real estate qualifications. However, over the past year the committees' scope of work has extended to include all matters relating to education. I would like to sincerely thank the committee members for their valuable contribution and for voluntarily giving REBOSA their time and expertise.

EAAB

Ms Mamodupi Mohlala was appointed as the new CEO of the EAAB in February. While she has made considerable progress in her short time at the helm, she faces enormous challenges to right the deteriorating state of the EAAB's service delivery.

The disqualification of 4300 agents for CPD non-compliance has added considerable pressure to an existing backlog and the dysfunctional IT system has further hindered their efforts.

Rebosa has maintained a good relationship with the EAAB in our ongoing endeavour to resolve our members' queries. We have been assigned personnel in most departments who work solely on our cases and we meet regularly to resolve the more complicated matters.

EAAB Queries

During the period under review REBOSA received 3 032 queries from members relating to issuing of FFCs, CPD and Section 27 compliance issues. 2 786 Queries were successfully resolved. 246 Remain outstanding and are currently being dealt with.

In this regard I would like to thank Fiona Chaitowitz for her dedication and hard work under exceedingly difficult circumstances. She provides a massively valuable service to REBOSA members and her tenacity should be applauded by all of us.

Illegal Agents

REBOSA is working closely with EAAB's Legal and Compliance team to investigate complaints of Agents and Agencies suspected of trading illegally. These complaints are received through our "Whistle Blower" initiative launched on our website last year. To date we have successfully investigated and closed 110 cases. 253 Cases are currently under investigation. The problem of real estate people trading illegally is a problem that continues to haunt our industry. I am particularly concerned that the requirements of the new legislation mentioned earlier may force even more people to trade illegally. This should receive more focus and resources from the EAAB.

One Learner One Estate Agency Youth Brigade Programme

The launch of the One Learner – One Agency programme in 2015 had the potential to radically transform the industry. It is common knowledge that the programme failed dismally with only 355 of the 906 learners originally recruited for the programme, completing the qualification. To date we do not know if any of the 355 learners who completed the programme are still retained by the industry.

The EAAB are now launching phase 2 of the programme to provide 1000 learners with learnerships without addressing the issues that caused the failure of phase 1.

REBOSA offered to assist SSETA and the EAAB with a blueprint which would ensure the programme's success. Unfortunately our suggestions were not taken to heart. Following the outcome of numerous meetings between Jan le Roux and Ms Mohlala, REBOSA cannot with good conscience and without qualification, support the programme unless a new approach and methodology be considered with appropriate timelines. This, notwithstanding the flawed tender process undertaken by SSETA to appoint the training service provider and the methodology utilised to recruit the interns.

SSETA

After a prolonged period without a Real Estate Chamber Manager, SSETA appointed Thembinkosi Mosia to the position. Rebosa has representation on many of the SSETA structures and we are pleased to announce that Ronel Bornman, National HRD Manager at Seeff, has been elected to serve on the SSETA Real Estate and Related Services Chamber Committee for Rebosa. Through these structures we will continue to make advances on real estate training and education, including fast tracking certification, promoting a database of preferred accredited training service providers and accessing and unlocking grant funding to assist new entrants.

Realignment of Real Estate Qualifications NQF4 and NQF5

Following consultation with the Department of Higher Education, QCTO, SAQA and SSETA - REBOSA were instrumental in acquiring an extension for the real estate qualifications which ended on 30 June 2018, for another 5 year period.

Rebosa's education steering committee will be working closely with all the relevant bodies and stakeholders in the months to come to ensure that Industry's needs in terms of designing and developing these new qualifications are met.

E-Learning Platform

We can also confirm that the SSETA are in the process of developing an E-Learning platform and introducing an E-Monitoring process for NQF 4 / NQF 5 real estate qualifications. Implementation and roll-out is earmarked for June/July. We have no doubt this will be welcomed by the industry.

Qualification for Interns not Employed by an Estate Agency

Rebosa has also proposed to SSETA that provision be made for people wishing to enter the sector, to be afforded the opportunity to begin their NQF4 studies without first having to be employed by a real estate company as an intern. This will alleviate the financial burden new entrants' face and give them the capacity to concentrate only on workplace training and completing the log book by the time they enter the industry. Our proposal is being given due consideration and we will keep you updated on the developments.

Overdue Payments

Following our many interventions with SSETA and their appointed service provider, Grayson Reed, we are pleased that most learners recruited for the Discretionary Grant have now been paid their long overdue stipends. REBOSA will continue to tackle the issue of non-payment and more specifically where it affects young people from impoverished backgrounds who rely on the stipend for food and transport to get to work.

Property Sector Charter Council

Rebosa is pleased to announce that Bryan Biehler, Director of REBOSA and CEO of Huizemark has been appointed to the PSCC Technical Committee. The committee has been formed to contribute to the proposed amendments to the Property Sector BEE Codes. I would like to thank Bryan for representing Rebosa at this forum and for keeping us updated on these developments.

The National Association of Realtors

REBOSA's bi-lateral partnership with the NAR has strengthened over the years and we continue to benefit through knowledge sharing, global industry research and statistics.

6. MARKETING AND COMMUNICATIONS

Sponsorship

REBOSA received just short of half a million rand in sponsorship towards its marketing efforts. Adverts promoting REBOSA, the equality pledge and consumer campaign appeared in most industry publications. This was only possible with the kind co-operation of our publishing partners, The Estate Agency Publishing Company and Times Media Property Publishing and we thank them for their ongoing support.

Roadshows

REBOSA held a series of meetings to inform members and agents about the challenges presented by the Property Practitioners Bill and our response thereto. These roadshows have proved extremely successful with thousands in attendance. We will continue with these initiatives going forward.

New website

Rebosa is proud to announce the launch of our newly redesigned and rebranded website at www.rebosa.co.za. The completely revamped website features a streamlined and simplified design, improved functionality, and richer content that will be focused on the needs of our members. Members are reminded that they can report agents suspected of trading illegally, submit an EAAB related query and take the Equality Pledge on the website. The website continues to be a valuable resource for the industry with traffic increasing on a monthly basis.

Social Media

We have recently implemented a new social media strategy which is yielding positive results.

7. TRANSFORMATION

As to the all-important question of transformation, there is no doubt that finding a practical and sustainable solution to this challenge remains the number one imperative for the industry. Economic transformation and inclusion is central to the growth, development and sustainability of our sector and the country in general. While transformation is happening at all levels of the residential real estate industry organically, it is not at the rate and pace to have the requisite effect.

REBOSA is currently in discussions with a number of institutions and stakeholders to develop a transformation agenda that will bring about significant change. When these initiatives are launched we will require the commitment and buy-in of the majority of REBOSA members. We intend to approach the new Minister with a view to working together with Government and its various bodies to tackle this challenge and develop a meaningful and practical strategy.

8. CLOSING REMARKS

In closing, I would like to thank our members for their continued support and patronage. Indeed, we would not be where we are today without the consistent, unequalled loyalty and confidence you have for us. The REBOSA Board, Management and Staff remain committed to increasing member value and providing member focused services.

The relationships with our external stakeholders, partners and sponsors are critical to the sustainability of the organisation and I thank them for their continued support and engagement.

Please allow me to convey my deepest appreciation to my fellow board members for their valuable guidance, contribution and support over the past year. I wish the incoming chairperson all the best and assure them of my full support.

Finally, I would like to express my sincere thanks and heartfelt appreciation to our CEO, Jan le Roux. Despite challenging circumstances he has continued to propel this organisation to even greater heights. We are extremely fortunate to have someone of Jan's knowledge and experience at the helm of REBOSA. Jan has served the industry with passion, dedication and commitment and we owe him a huge debt of gratitude.

Thank you

Richard Gray
Chairman
4 June 2019
Cape Town