

**CHAIRMAN'S REPORT  
REBOSA ANNUAL GENERAL MEETING  
VIA ZOOM 25 OCTOBER 2023**

**WELCOME**

It is my pleasure to welcome you all to this tenth 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.

Moreover, I'm honoured to be delivering my third and last Chairman's Report at a REBOSA AGM, as I will be retiring as Chairman after this meeting, in terms of our MOI. It's been three years since my election as Chairman of this organisation and although this report will focus primarily on the activities of the past twelve months, I think it's opportune to highlight some of the significant milestones Rebosa has achieved since its inception.

But first, I want to share some reflections on the past year.

The year under review was challenging for all of us, with significant global and domestic economic developments that impacted our industry directly.

It seems a long time ago, but it was only on the 22 June last year that The Minister of Health repealed the transitional COVID-19 measures. The lifting of these restrictions served as a catalyst for optimism as South Africans returned to life before the pandemic.

However, any optimism we felt was tempered by the economic impact of indefinite load-shedding, interest rate hikes, record level food price inflation, rising energy costs, and further fuel and interest rate hikes which inadvertently trickles down to consumers who are left with the bill and therefore has a direct impact on not only our industry but how we do business.

South Africa's economic outlook has been termed a 'polycrisis'.

While there may be new terms bandied about, you are all here today – a sign that you are still in business and powering ahead and in fact Rebosa's membership has grown significantly, which I will address later in this report, but another indication that we are weathering the storm.

And, as I stand before you today as the outgoing Chairman of our esteemed association of Business Owners and Principals and your agents, I want to reflect on the unwavering resilience that defines our industry.

Throughout the years, estate agents have proven time and again that they possess the unique ability to weather the most turbulent of storms. We are no strangers to economic downturns, having witnessed and navigated through the challenges of past recessions and financial crises. It is through these trials that we have honed our skills and adapted to ever-changing market conditions. Our

adaptability, dedication, and sheer tenacity have been the cornerstone of our success. As real estate business leaders we now need to put in place the right strategies to deal with the current challenges and take advantage of the many opportunities that provide for the long-term sustainability of our

industry. I firmly believe that, as we face an uncertain economic future, our community of estate agents will not only endure but thrive. Now is the time to use our collective strength and the lessons of the past as our guide, to prove that we can shape the South African residential real estate landscape for generations to come.

So, Colleagues, amidst the 'Polycrisis', lies the adaptability that defines us, - to take advantage of the new opportunities that are present even in tumultuous times and herein a few examples.

SA's young population (63,3%) does mean there will always be a steady demand from young individuals who can afford to buy a home. "The First Home Finance" subsidy programme is already reaping results for agents operating in the affordable housing market.

Private investment in alternative electricity supply is significant and there is a rising demand for off-the-grid living.

The Semigration trend following the Pandemic is driving economic growth in smaller towns.

Despite our collective challenges, 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.

## **TRIBUTES**

This year has been a period of both growth and profound loss for our organisation and industry,

I would like to begin by acknowledging the remarkable contribution of our former board member, Mr Bruce Swain, who regrettably passed on last year. We will forever cherish the wisdom and passion Bruce brought to our boardroom and the positive impact he made on our industry.

We have also lost a significant industry leader, Charles Everitt, whose influence extended far beyond the boundaries of our industry. Charles's contributions to our field were immeasurable, and his innovative thinking set new benchmarks for us all. Today, we not only remember Charles as a visionary but as a mentor, a guide, and a friend to many of us here.

As we move forward, it is incumbent upon us to honour the memories of both Bruce Swain and Charles Everitt by continuing to uphold the standards they set. Their presence is already deeply missed, but their influence will forever remain.

## **THE MARKET**

House price growth in South Africa declined in February 2023, with buying activity declining, and properties sitting on the market for longer.

The FNB House Price Index's annual growth declined in February, averaging 2.3% year-on-year (YoY), down from 2.7% in January.

The bank's Estate Agents survey indicated that buying activity continues to decline, with agents' activity dropping (from 6.1 to 5.7 out of 10) in 1Q23. This is a departure from the typical seasonal lift in the year's first quarter.

The average time on the market also stretched to 75 days, which was last seen in Q3 2020.

Moreover, roughly half of the properties are on the market for three months or more – a 33% increase from Q1 2022. In Q4 2022, the R500k-R750k was the best performing, however, in Q1 2023, the R250k-R500k bracket saw the most robust activity,

The higher activity in the lower-priced segments shows a downscaling trend amid increasing higher financial pressures as homeowners look for cheaper alternatives.

Market strength indicators also show that the housing market's resilience is starting to weaken. This aligns with the increased financial pressure on household budgets, weak economic fundamentals and embittered buyer sentiment.

According to FNB interest rate tightening is expected to slow as inflation has appeared to have peaked and economic growth concerns grow.

It said that price growth will only start lifting in H2 2024 as interest rate pressures ease and marginal buyers return.

### **REBOSA /EAAB (PPRA) COURT CASE**

Following Rebosa's court action against the EAAB (Now PPRA), the final settlement on the costs order by Gauteng High Court Judge F Kathree-Setiloane who ruled in favour of Rebosa, has been reached and concluded in the period under review.

### **LEGISLATION**

Most of Rebosa's impact is created behind the scenes. In the year under review, we issued several legal opinions on serious matters that have dire consequences for the industry if left unchecked. Without our constant interrogation of the legislative landscape, new pieces of legislation would be passed without the industry's comment or input.

The National Property Practitioners Council "NPPC" of which Rebosa is a founding member established an Advocacy and Legislation Committee (A&L) which is our industry vehicle to lobby government, shape the legislative landscape and submit commentary on all pieces of legislation that have a direct bearing on us. Rebosa's CE, Jan le Roux is active participant of this committee.

The diligent efforts of the A&L committee have yielded significant concessions for the industry in relation to critical pieces of legislation.

In the year under review Rebosa together with the NPPC A&L Committee provided in-depth commentary on various pieces of legislation including but not limited to:-

- Draft Employment Equity Regulations 2023
- Rental Housing Act Draft Regulations
- Expropriation Bill

### **Draft Employment Equity Regulations 2023**

The Minister of Employment and Labour published the proposed sectoral Employment Equity targets for comment. The proposed targets pave the way for numerical sectoral targets to be set by the Minister, once it is promulgated.

Some of the targets set by the Minister, were by design unattainable for the real estate sector in terms of the industry's business models.

The bill also introduces a number of other regulatory changes including that Employers with less than 50 employees will no longer have to report on their employment equity targets, irrespective of their turnover. This means the smaller agencies will not be affected by the numerical targets.

The effective date of the amendments is yet to be proclaimed by the President.

### **Rental Housing Act Draft Regulations**

On 18 March 2022, the Minister of Human Settlements published draft regulations in terms of the Rental Housing Act for public comment. These draft regulations aim to produce a national set of regulations which will be applicable to all residential landlord- and tenant relationships throughout the country.

The commentary submitted is contained in a 52-page document and were made in consultation with the rental industry and, if incorporated into the final regulations would be beneficial to the landlord, tenant, property practitioner and industry as a whole.

### **Expropriation Bill**

The controversial Expropriation Bill which would allow nil compensation to be paid to landowners under certain circumstances, was adopted by the National Assembly in September 2022.

In February 2023 the NCOP Transport, Public Service and Administration, Public Works and Infrastructure invited further comments on the Bill.

Rebosa's stance in all submissions are clear. Property rights are the cornerstone of democracy and economic development, and Section 7(2) of the Constitution confirms that the state must respect, protect, promote and fulfil the rights contained in Chapter 2, of which property rights are one.

The Bill in its current form is a dilution of property rights, which will lead to a reduced appetite for local and foreign investment and have a detrimental effect on the economy, investor confidence and property value as investors will be reluctant to invest in a market where their property rights are uncertain and where government possesses the ability to take property from private individuals without providing any compensation for it.

The NPPC have lobbied that the bill is referred to the Constitutional Court to provide an opportunity for a thorough and impartial assessment of constitutionality.

## **Financial Intelligence Centre Act**

On 19 December 2022 the FIC made Amendments to Schedules 1, 2 and 3 to the Financial Intelligence Centre Act (FIC Act) to strengthening the fight against money laundering, terrorist financing and proliferation financing for South Africa.

The amendments affected accountable and reporting institutions of which Estate Agents are one.

Rebosa has spent considerable time and resources updating FIC templates for industry's use, holding informative and educational webinars and making our panel of experts and legal advisors available to our members who are experiencing problems.

South Africa has been greylisted by global financial crime watchdog the Financial Action Task Force (FATF) for not fully complying with international standards around the prevention of money laundering, terrorist financing and proliferation financing.

Estate agents were specifically signalled out for non-compliance. We are working closely with the FIC to ensure the industry's compliance which will benefit us all.

We understand that this is a difficult piece of legislation to comprehend and hence we have provided additional resources to assist you.

## **Property Practitioners Act**

In our last report we signalled a new era with the long-awaited Property Practitioners Act 22 of 2019 (the "Act") which came into operation on the 1st of February 2022.

The Act was largely welcomed by industry and specifically in relation to an obligation on the PPRA to regularly consult with the industry so that we can participate on a number of clauses in the Act.

To reiterate. Rebosa's collective influence and lobbying, engagement and consultation with all stakeholders responsible for drafting the Act, resulted in many concessions for the industry that have mitigated regulatory burdens and fostered a more conducive environment for business growth.

Major Provisions Include:

- Business owners can now operate without trust accounts provided the guidelines are followed.
- Individuals can qualify as agents by writing and passing PDE 4 before commencing a career in real estate and then complete a practical course before practising as a Property Practitioner.
- FFCs will be issued for 3-year periods without displaying company or agent status thus eliminating the red tape as no corrections and changes need to be made on the FFC during the period.
- Lower CPD Fees.
- Estate agents can no longer participate in arrangements in terms of which security estates charge accreditation fees and limit access.

- A general amnesty announced in Regulation 41.41

“An applicant shall not be precluded from registering as a property practitioner or obtaining a Fidelity Fund Certificate under the Act in consequence of such a person having been in any way non-compliant with any of the provisions of the previous Act unless .... “

- No Fees for Employment Changes. The FFC is valid for a 3-year period during which period the only onus on the Property Practitioner is to notify the Authority in writing of such change.
- FFCs Principals/Directors of Multiple Firms (Regulation 41.22). A natural person who serves as a principal or director of more than one estate agency/company need only one FFC which would be applicable in all circumstances, no extra fees apply. The onus on the Principal is to advise PPRA accordingly and submit a resolution of the company empowering the appointment as well as a copy of the CIPC confirmation.

## COMPLIANCE WEBINARS/WORKSHOPS

During the year under review Rebosa held several online sessions assisting members unpack the Act and Regulations.

## FINANCIAL REPORT

With our continued sound financial planning and prudent spending, Rebosa recorded strong financial and operational performance in FY22/23.

Rebosa is a not-for-profit organisation and our membership fees are used to represent your interests in every sphere. This is apparent in our annual financial statements. During the year under review Rebosa spent more than two thirds of all revenue on legal and consulting fees to directly protect our members interests.

Our aim has always been 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.

## MEMBERSHIP

We are pleased to report a notable increase in our membership, a development that can be directly attributed to the impactful work we do. Currently our members collectively employ 17 601 estate agents. This is a 21% increase on last year, representing the biggest year-on-year increase since our inception.

This remarkable growth underscores the recognition of Rebosa as a driving industry force. It is also testament to our unwavering commitment to addressing the industry’s many challenges.

For a long time, we have been appealing to our members to ‘each one – recruit one’ in order to keep our membership numbers at a level that makes us the most representative residential real estate body.

It is now clear that Rebosa’s commitment to the industry, has resonated with property professionals across diverse backgrounds, prompting a surge in our membership numbers through organic growth.

As the most representative body in the residential real estate industry, we have consistently demonstrated that it is only through numbers and a collective effort around a common agenda that we can be heard and effect change. No single organisation, however innovative or powerful can accomplish this alone.

We therefore, need our independent members to be consistent in their support so that we can grow our numbers and have more resources available to represent the industry effectively.

## **STAKEHOLDER ENGAGEMENT**

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

## **PROPERTY PRACTITIONERS REGULATORY AUTHORITY**

A forensic report conducted by the PPRA has now been concluded and presented to the Minister. The erstwhile CEO Mamoduphi Mohlala-Mulaudzi's suspension is concluded along with many other PPRA officials named in the forensic report.

The PPRA now has a new ACEO – Ms Thato Ramaili and new executive management appointments have been made to ensure the entity is on a stable footing and able fulfil its mandate under the new PP Act. An advert for a new CEO was published recently and we can expect an announcement in the next few weeks. As an industry we are hopeful that Ms Ramaili will be appointed as it's the first time we have a ACEO from industry as opposed to a political appointment and the operations of the PPRA are certainly improved since she took up the reigns with most of the 2500 outstanding FFC backlog being resolved.

Unfortunately, the entity still remains without an Acting Executive Manager in the Department of Education. This has led to numerous problems and delays in implementing the new standards of training for estate agents and was further exacerbated by bungled exams, the disqualification of agents who should not have been disqualified and the 8-month delay in launching the 2023 CPD programme. It appears the Education and training department are relying on section 75(6) of the PP Act to carry out a lengthy and drawn-out process to provide the industry with the confirmed way forward for the training and education standards for property practitioners and the 180-day timeframe within which a Candidate can practice.

There is still no functioning IT system to support the entities operations.

Rebosa is however, supportive of the new Chairman, Board and Acting CEO whilst reserving the right to criticise/comment privately and in public where needed. We engage regularly to resolve the more pressing issues and will continue to cooperate in areas of mutual interest.

## **Undesirable Business Practices**

Pursuant to the provisions of Section 63 (1) of the Act, the Minister of Human Settlements determined in Regulation 35 that certain business practices are undesirable and therefore prohibited. Some property practitioners are still party to restrictive agreements with Home Owners Associations (HOAs) and are therefore acting in contravention of the Regulations.



Following numerous consultations with both the Investigation & Enforcement and Inspections and Investigations Departments of the PPRA, and following an investigative process undertaken by the PPRA which was flawed in its design, the PPRA are no closer to acting against agents participating in this practice, which is also anti-transformation.

We want to reiterate to this meeting that these practices are prohibited in terms of the PP Act and agents should not participate by signing new accreditation agreements with these HOAs at the risk of being sanctioned and losing their FFCs should they be found to be in contravention of the PP Act.

### **Interest on Trust Accounts**

The payment of interest on trust accounts remains problematic. The clause that empowered the PPRA to demand interest in the old Act has not been included in the new PP Act, although there is mention of interest in the new Regulations.

Our legal advice indicates that the regulations obviously cannot alter the Act. Our position therefore remains that no interest is payable to the PPRA. Unfortunately, they have the opposite view and is demanding 100% of the interest.

The PPRA has now referred the matter to the Minister.

This leaves the industry in limbo but we are in continual discussions to find some resolve.

### **Historical Penalties Imposed by the EAAB**

Many agents wishing to return to the industry are faced with heavy penalties which need to be paid before they can re-register and obtain a valid FFC. This is because they did not deregister from the PPRA (previous EAAB) when they left the industry.

A legal opinion obtained by Rebosa asserts that any such penalty imposed by the PPRA is simply unlawful.

We have now taken the matter further and are embarking on a legal process to bring this matter to its final conclusion.

### **PPRA Queries**

During the period under review REBOSA received 3105 PPRA queries from members. 2880 queries were resolved and 225 unresolved queries were carried over to March 2023. The unresolved queries related directly to registrations and confusion around the PP Act.

In addition, we received 163 queries which were all resolved pertaining to agents being disqualified.

Rebosa are afforded weekly meetings with the key PPRA personnel to effectively settle these matters.

I would like to thank our EAAB liaison, Fiona Chaitowitz, for her diligence and perseverance 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**

Agents trading illegally continue to undermine the industry's credibility and place consumers at enormous risk.

REBOSA is working closely with PPRAs Legal and Compliance team to investigate complaints of Agents and Agencies suspected of trading illegally. In the period March 2022 to February 2023 Rebosa received 63 complaints of agents deemed to be in contravention of the Act.

There was a change of personnel and management in the Investigations, Mediation, Adjudication, Enforcement & Compliance Department and we are still waiting for the stats on how many of these cases were resolved and agents sanctioned accordingly.

We appeal to our members to provide us with detailed information and supporting documentation/pictures etc. when reporting agents suspected of trading illegally, without which cases are prematurely closed without thorough investigation.

## **THE FIRST HOME FINANCE / FLISP PROGRAMME**

The First Home Finance subsidy supports bank finance to first time buyers. This provides further opportunities for property practitioners operating in the affordable housing market. During the year under review Rebosa assisted many of our previously disadvantaged property practitioner members to obtain housing subsidies for first-time home buyers. We are extremely gratified that our ongoing relationship with the National Housing Finance Corporation has enabled sustainable and affordable first-time home-ownership opportunities to many first-time home buyers, who without this subsidy, would not own a home of their own. Home ownership is possibly one of the greatest methods to bring redress to South African's who were prohibited from owning property during the reign of the apartheid regime.

## **NATIONAL PROPERTY PRACTITIONERS COUNCIL ("NPPC")**

Rebosa is one of the founding members of the NPPC which was established to unite all property practitioners under one umbrella body.

The NPPC continues to successfully lobby DHS, PPRA and Stakeholders on industry's behalf.

During the year under review the NPPC have been actively engaged in drafting responses to the licensing and education guidelines issued by the PPRA which will benefit the entire industry.

## **PROPERTY SECTOR CHARTER COUNCIL ("PSCC")**

Rebosa Chief Executive, Jan le Roux and Mr Bryan Biehler serve on the Board of the PSCC.

The PSCC technical committee was formed to provide input and align with new changes to the scorecard introduced by the DTI. Amendments to the Property Sector BEE Codes have been proposed including increasing the property sector minimum threshold from R2,5 million to R5 million. Proposals have provisionally been agreed by the stakeholders and the proposal must now be ratified by the Department.

We want to express our sincere gratitude to Bryan for his contribution and hard work serving on the technical committee. We are truly fortunate to have him on our team.

### **SERVICE SSETA (SSETA)**

For several years Rebosa has been represented in the SSETA Real Estate Chamber and Provincial Committees by Ronel Bornman - National HRD Manager at Seeff

On behalf of Rebosa and we would like to thank her for her tireless campaigning on behalf of all property practitioners.

Rebosa continue to assist members with NQF certification backlog and other queries.

### **THE NATIONAL ASSOCIATION OF REALTORS (“NAR”)**

The National Association of Realtors (“NAR”) is America’s largest trade association, representing 1.5 million members globally.

Jan le Roux served on the board of the NAR during the period under review representing our interests globally.

In February we hosted a NAR delegation to South Africa and held two successful industry events, several outreach programmes, wider industry consultation meetings and an engagement with Minister Mmamoloko Kubayi.

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

In December 2022, Rebosa received grant funding for the second year from the Leonard P. Reaume Memorial Foundation to provide bursaries for deserving students for Rebosa Business Leader’s (RBL) programme.

### **REBOSA BUSINESS LEADER (“RBL”)**

RBL is an entrepreneurial business course designed to equip all prospective and current business owners with the necessary business skills to become operationally successful in the real estate industry. The 8-month blended programme was developed by leading property practitioners and covers all the fundamentals required to operate and manage a successful real estate firm.

The first cohort of students successfully graduated from the programme and the second cohort are now halfway through. By the end of the next financial year, we would have trained and equipped 50 property practitioners with the skills to become successful business / franchise owners.

### **TRANSFORMATION**

Transformation, a Topic very dear to me, still remains the number one imperative for the industry. Economic transformation and inclusion are central to the growth, development and sustainability of our sector. 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. The scale needed to

address this requires an approach that is focused on empowering previously disadvantaged candidates and property practitioners already working in the industry. However, winning this challenge will require a coordinated effort from all of us. This, in turn, will lead to greater economic growth and shared prosperity.

The RBL bursary scheme is just one of Rebosa's programmes aimed at driving transformation and advancing diversity and inclusion in the sector. While the RBL is open to everyone, bursaries are awarded to Property Practitioners from underrepresented groups. We have developed a mentorship

programme which underpins the RBL and seeks to actively support these property practitioner entrepreneurs during all phases of their career.

Rebosa is currently in the process of developing new programmes which will be launched in the coming year.

## **CLOSING**

I would like your indulgence for a few more minutes as I want to thank a few people that have made the last year; and my journey as Chairman, a remarkable experience.

First and foremost a special shout out to our Chief Executive, Jan le Roux. These are difficult times for property practitioners and you have no greater person championing your cause than Jan. There's an old Spanish proverb that translates roughly to the saying 'the cobbler's children have no shoes'. Meaning that someone with a specific skill is often so busy assisting others that their own affairs go unattended. Jan is the cobbler. He has been working tirelessly behind the scenes to ensure that we are represented appropriately in all spheres of industry including the Ministry, Parliament, PPRA, Financial Services sector etc. As a small team we are often so busy doing the work that we don't take ownership of the industry concessions we obtain through this constant lobbying and engagement. We all owe him an immense debt of gratitude for his both his leadership and commitment. Under his stewardship the organisation has become a formidable collective voice for the industry and we remain extremely fortunate to have someone of his calibre and experience at the helm.

As I step down from my role as Chairman, I want to express my deepest gratitude for the privilege of serving this remarkable organisation. The past 3 years have been filled with challenges and triumphs, and I am immensely proud of what we have accomplished together.

My report would be incomplete without thanking my colleagues on the Board for the support and commitment accorded me during my tenure. It has been a pleasure to work alongside such dedicated and passionate individuals who give of their time and expertise without remuneration and I have the utmost confidence that the organisation will reach even greater heights under the capable leadership of my successor.

In closing, I would like to extend my heartfelt gratitude to each and every one of our members. Your contribution is the bedrock upon which Rebosa has flourished and we appreciate the increasing trust and support you place in us to act on your behalf. Thank you for standing with us.

I thank you.  
Tony Clarke  
Chairman