



For Immediate Release

4 July 2022

Property Industry Response to Property Practitioners Regulatory Authority (PPRA)
Misinterpretation of Regulations

The industry, via the National Property Practitioners Council notes the opinion (*"CLARITY OF WHETHER OR NOT THE STANDARD OF TRAINING OF ESTATE AGENTS REGULATIONS OF 2008 ARE STILL APPLICABLE FOLLOWING THE COMING INTO EFFECT OF THE PROPERTY PRACTITIONERS ACT, No.22 OF 2019"*) that was issued on 30 June 2022 by the Property Practitioners Regulatory Authority regarding the interpretation of the new Property Practitioners Regulation as it pertains only to the education and certification requirement.

As the leading property sector industry council, representing the 9 leading national industry associations and over 45 000 property practitioners, the NPPC is deeply concerned by the PPRA's factually incorrect and misleading interpretation of the education regulations.

While the PPRA has seemingly only recently commenced with industry consultations, the NPPC has spent the last 2 and a half years consulting extensively with all leading representative bodies in the real estate sector and stakeholders in the education and training industry to gain insight into what the desired view of the industry is as it pertains to the education and certification regime. The NPPC has therefore played the critical role of coordinating and collating inputs into the regulations on behalf of the industry, hosting workshops and industry dialogues and consulting broadly to arrive at this view.

Furthermore, the NPPC, has gone further to seek an official legal opinion on the interpretation of Section 75(6) of the PPA - which confirms the view that the 2008 regulations have been replaced and repealed by the current regulations as of 1st February 2022. This view is supported by various other independent legal practitioners who have published views in the public domain to this effect.

The opinion held by the PPRA is not only false and incorrectly interpreted, but more concerningly, seeks to undermine the intent of the Minister and subvert the will of the industry which unanimously supports the streamlining, simplification and reduction of the cost of compliance and certification.

The PPRA on the other hand, and in particular, the education committee of the PPRA appears to be committed to maintaining the *status quo* in terms of education and training. Since its inception in 2008, there is no evidence that the current standard of training has significantly enhanced the standard of practice in the industry, instead, it has unfortunately been a massive barrier to transformation in the industry as it costs on average between R6 000 and R18 000 to achieve full certification, a cost that is prohibitive to many. It is also a travesty that funds that could be better diverted towards capacitating and empowering entrepreneurs in the industry and creating jobs are

instead diverted to endless training and education which has yet to demonstrate tangible benefit to the industry.

There is no greater testament to the ineffectiveness of the current education & training regime than the fact that more than half of the registered practitioners in the country (approximately 23 400) hold the status of intern, many of whom have been interns for many years in excess of the prescribed maximum of two years and are unable or simply unwilling to be upgraded to full status due to the onerous process and cost of getting certified.

Furthermore, there are a number of false assertions made by the PPRA in their recent published communique which will be addressed below:

Incorrect assertion 1:

- The PPRA asserts that if NQF 4 & 5 fall away, there would be no alternative standard of education in place and the PPRA “would not be in a position to conduct the Professional Designation Examinations”

This is not true. The new regulations, specifically regulation 33.4 of the PPA regulations prescribes a new standard of education which **includes** the PDE (of which there is already an extensive curriculum and exam) as well as the inclusion of a practical training course which is to be developed primarily by the leading industry bodies (a process is already underway to develop this practical training course).

Incorrect assertion 2:

The PPRA states that the PDE 4 & 5 is premised on the NQF 4 & NQF 5 and therefore one cannot exist without the other.

- This is also factually incorrect. The NQF qualification is a completely separate standard from the PDE. Furthermore, the content taught and examined in the PDE is largely a duplication of the NQF content.
- NQF simply refers to the National Qualification Framework and NQF 4 is simply a standard that denotes a level of certification that is equivalent to a Matric certificate.
- The PDE is certified and issued by the professional body which in this case is the PPRA. The minimum standard of training or certification required to be eligible to write the PDE is determined by the professional body which is informed by the regulations. The current PPA regulations do not prescribe any requirement for an aspirant practitioner to complete NQF 4 prior to completing PDE4. In fact, it clearly states that PDE4 can be completed **before even joining** the industry.

It would appear that the PPRA is simply stuck in the past and referring to the old 2008 regulations (4a & b) which explicitly stated that “no person may perform the functions of” a non-principal or principal agent “unless that person has completed the National Certificate: Real Estate” and which would be a “pre-requisite for admission to the Professional Designation Examination for estate agents”.

There is no such equivalent requirement or provision in the new regulations which the industry believes is a positive step in streamlining the path to certification, reducing the cost of education and fast-tracking transformation without impacting the quality and standard of practice in the industry.

Proposed Way Forward

The industry calls on the PPRA to:

- Fast-track the implementation of the new Property Practitioners Regulations and work with the industry to develop a new education and training regime that is; forward-looking, reduces the cost of compliance and enables transformation rather than hindering it.
- Expedite the updating of the existing PDE 4 to align with the new PP Act and all other relevant requirements.
- Commit to an urgent deadline of when the new education requirements will be finalised – we cannot remain in an endless limbo state of “transitional provisions”.
- Acknowledge the exemption for all currently registered and/or new entrants to the industry from needing to complete NQF 4 as permitted by the PP regulations.
- Expedite consultations with industry by engaging meaningfully with the NPPC which represents more than 90% of all estate agents as well as a majority other non-estate agent property practitioners and is therefore the most representative industry body yet consultations with NPPC on this vital matter have not yet commenced 5 months after promulgation of the Act and Regulations.

The Property Practitioners Regulations became effective from the 1st of February 2022, almost 5 months ago and it has taken as much time to acquire one (misinformed) legal opinion on one article of the Act.

While we recognise the leadership challenges faced by the PPRA, this inertia, indecision, and tardiness in implementing the provisions of the new regulations places the industry in limbo and has negative ramifications for people’s livelihoods and the ability of the sector to rapidly transform and grow.

End.

Issued by the Chairperson of the National Property Practitioners Council

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