



01 January 2024

Attention: The Head of the Homeowners Association

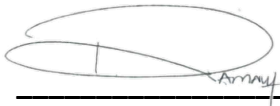
Dear Homeowners Association

RE: BUSINESS PRACTICES PROHIBITED IN TERMS OF SECTION 63 OF ACT 22 OF 2019

1. We refer to the above matter.
2. The Property Practitioners Regulatory Authority (“the Authority”) has received several complaints from property practitioners concerning arrangements, in terms of which homeowners’ associations receive payment of fees which, *inter alia*, effectively exclude or disadvantage property practitioners, not party to these arrangements, from being able to provide services concerning properties in such property developments.
3. In this regard, please be advised that the Property Practitioners Act 22 of 2019 (“the Act”) prohibits property practitioners from entering into arrangements in terms of which homeowners’ associations receive money in exchange for a benefit, advantage or other form of preferential treatment in respect of the marketing of properties and which effectively excludes or disadvantages other property practitioners from providing services in relation to such properties.
4. The Authority is aware that several property practitioners have entered into such arrangements with homeowners’ associations and are deriving benefits, advantages or other forms of preferential treatment in respect of the marketing of properties, to the exclusion of property practitioners not party to these arrangements.
5. The Authority carefully considered all arguments put forward in justification of these agreements under whatever guise and is satisfied that no such justification exists.
6. Property practitioners who have entered into such arrangements with yourselves, are acting in contravention of the Act and are guilty of sanctionable conduct.

7. In terms of section 62(3) of the Act, the Authority may, amongst other things, withdraw their fidelity fund certificates and they will be prohibited from practicing as property practitioners.
8. You are therefore kindly requested to refrain from encouraging, inviting, or creating opportunities for property practitioners to contravene the provisions of the Act by requesting that they enter into prohibited arrangements with yourselves and thereby risk having their fidelity fund certificates withdrawn.
9. We trust that you will appreciate the seriousness of this request and we look forward to your cooperation in this regard.
10. We have further reported the matter to the Community Schemes Ombud Service.

Yours faithfully



Ms. Thato Ramaili
Chief Executive Officer (Acting)
Property Practitioners Regulatory Authority