



INSTITUTE OF ESTATE AGENTS OF SOUTH AFRICA PIETERMARITZBURG & INTERIOR REGION ANNUAL REPORT: September 2006 to August 2007

BY THE CHAIRMAN ARNOLD NEL

As we come to the end of the Institute's 13th year, it is my pleasure to report to you on what we have done and accomplished since our Annual General Meeting in August 2006. It has been one of the most exciting and prosperous years in the Industry. However I cannot say the same for the next year with the introduction of the National Credit Act and the increase in the bond rate.

The topics I will cover are membership, the regional board, organisation, finance, education, Narea, transformation, the property charter, strategic alliances, public relations, functions and local events, external events, and challenges for the future.

Membership

- Our membership has shown a 25% increase this past year and we presently have 280 individual members, an increase of 55 new members, 15 Firm members, plus 12 Associate members.

Regional Board

- The Regional Board has 9 of the original 11 directors as constituted in August 2006, comprising of Charmaine Strydom, Cathy Pretorius(vice chair) Harold Kwitshana, Max Lekgatle, Sid Brown, Cannie Ntombela, Brian Codling, Aloma Walker and Arnold Nel (Chairman), the following Directors resigned during the year, Sue Dunsmore, Brian Birch.
- The following Directors were co opted in February 2007, Shanjay Maharaj and Trish Sutton. We appreciate their commitment to the Industry and wish them many years of valuable service to the Institute. This increases our number of Directors to 11 as constituted at last years AGM.

Organization

- Our Regional Secretary Mrs. Deverani Naidoo, has performed her duties well over the past year and the Institute has sent her on 2 training courses for her and our benefit eg Pastel Financial Accounting and Entrepreneurship Business Management (NQF 4)
- Our new office premises at suite 4 Campbell House 80 Commercial Road which is centrally situated has been a great success as its been accessible for our members and the public. We have furnished the office with a new reception desk/counter, new computer and filing cupboards, new 18 seater boardroom table for the use of the various sub committees and members.
- we continue to run as an autonomous regional body/ Institute with a single half day secretary to carry out all the day to day duties of running our office, coordinating RPPI Online and booklet, organising the various functions including our highly successful EAAB Course,

presented by Leo Combrink, plus our sports day, golf day, ten pin bowling, RPPI operators course, quarterly networking breakfasts to name just a few of the functions and events that we as a regional Institute arranges.

Finance

- our main source of income remains the membership fees, supplemented by the RPPI subs, Education fees, Website sponsorship and sponsorship from STANDARD BANK which we are really thankful for.
- Last year 2006 we showed an operating profit of R97560.00, unfortunately this year due to various major expenses we have shown a loss of R10584.00 which I will discuss more fully under item 6 of the meeting agenda.

Narea

- This Agency organization has not made the impact on the Industry as it thought it would and the media circus around the formation of this organization has proved to our benefit as our membership numbers have increased. There were rumors that the National franchise firms would terminate their membership of the Institute, but the individual agents came out in support of their regional Institute and insisted they remain members in defiance of their national franchisor directives.

Education

- the long-awaited unit standards for national qualifications NQF 4, 5 & 6 were registered by the SA Qualifications Authority in August 2004. The Industry has not embraced these new education qualifications to its own detriment. Fortunately the EAAB has taken up the challenge of upgrading the qualifications of the Industry and earlier this year under Clive Ashpol formed a new Education review committee which I was part of, we revised the NQF 4 qualification/syllabus which I have sent out to the industry in this region asking for comment. The EAAB and SAQA expect that the new revised syllabus will be approved by the end of September for the roll out and official launch in January 2008. The EAAB examination course and quarterly exams will no longer exist and the last EAAB exam will be held on 22 November 2007. Therefore as from January 2008 all agents will have 3 years to qualify under the new system ie obtain 120 credits as per the new syllabus, failing this the existing agents will not have their FFC's renewed by the EAAB. Existing agents will have the opportunity to qualify by "RPL" and therefore I encourage every Institute member to start building up their Evidence of Portfolio showing their acquired skills practically.
- via National we have revived the old Certificate of the IEA qualification which we discontinued in 1983, and we offered it to the industry as an alternative to the Board exam in the Western Cape where 220 agents were trained and issued with their CIEA Certificates. The EAAB has not recognized this qualification even though the CIEA is recognized as per the Estate Agents Act 112 of 1976.
- the EAAB exam course material was rewritten in accordance to the SAQA requirements and included all the new Acts of Parliament which affect our industry, unfortunately the new EAAB exam book was never submitted to the industry for the trainers to use.
- we have arranged with Leo Combrink to present a 2 day Commercial & Industrial course on behalf of the Institute later this year.

Transformation

- Transformation within the industry has not met the requirements of the EAAB and DTI.

Property Charter

- the transformation charter for the property sector was finalised in June 2005 and since then the Industry has not been informed of the implementation dates etc.
- like other sectors' charters, it is based on 5-year objectives and a scorecard, the key objectives being quotas for Black (i.e. African, Coloured and Indian) ownership, direction and

management of firms; skills development and learnerships; procurement practices; corporate social investment; and the development of Black-owned enterprises in the property sector;

- while the scorecard may be suitable for developers and corporate property investors, it bears little relevance to the residential estate agency industry and we understand that a separate scorecard is to be produced for the industry;
- the Institute itself will also have to meet transformation objectives, because it is a party to the charter and because we need to lead by example and to be seen to be doing so - *inter alia* we may need to amend our regional articles of association and methods of appointing directors to ensure compliance with the race and equity quotas.

Strategic Alliances

- we maintained our alliance with the Estate Agency Affairs Board and I personally have an excellent relationship with Mrs. Mapetla the CEO of the EAAB. She has fully reported to the Industry via the EAAB Imbizos iro what is transpiring at the EAAB and I am sure all the problems encountered by her will be sorted out shortly.
- via National we maintained our alliance with the National Association of Realtors, and our foreign affiliate agreement with them was signed at the NAR in 2006.
- via National we have maintained our association with the SA Property Education Trust and the Services SETA; however, we no longer serve on the SSETA board as SSETA is not delivering any worthwhile results.
- we joined ICREA (International Council of Real Estate Associations) this year 2007. IEASA is the first and only African Real Estate Association to qualify and obtain membership to this International Association. Our membership to ICREA has major benefits for our members and I encourage you to go to our web site www.ieasapmb-i.co.za for more information.

Public Relations

- the Natal Witness continues to give us excellent media exposure and I thank them for all their assistance and support especially for their sponsorship of free adverts given to the Institute in the Weekender
- our region was featured in the various editions of the Property Professional where photographs of our various functions have been displayed.
- we published a new glossy members information booklet, a copy has been available to all our members free but sold to non members and the public.
- our new website which was created for the benefit of our members and the public has received some wonderful comments and I encourage you to go and view what is on offer to you at www.ieasapmb-i.co.za .One of the major benefits is that our membership list will be available to other IEASA region members for referrals nationally and internationally via NAR and ICREA.

Functions and Regional events

- our Annual sports day sponsored by Standard Bank proved once again extremely popular with the agents, lawyers and the evening function/ party was enjoyed by all present. I thank Standard Bank for their generous sponsorship.
- our half yearly golf days also have shown an increase in participation and enjoyed by all especially the hackers who go out their to drink as many shooters on their round of golf, thanks to PGP girls who really make this an eventful function. The hackers challenge has really brought out the competitive edge from the firms and I look forward to the same occurring in the official handicap section.
- I want to thank E.R. Browne for their continued support of our quarterly breakfasts and especially to Andrew Fisher who always makes himself available to present a relevant topic at these breakfasts.

External Events of Relevance to the Institute

- Mrs Nomonde Mapetla the CEO of the Estate Agency Affairs Board, needs our support and may I encourage each of you to positively make a contribution to the EAAB and not negatively criticize her or the EAAB for their shortcomings.
- also I want to remind everyone to correctly complete their SARS returns as since May 2005, conveyances have been required to identify estate agents on transfer duty forms so that SARS can ensure that the agents pay VAT and income tax on their commissions (Second Revenue Laws Amendment Act, Act 34/2004). SARS has been busy undertaking audits of firms and individual agents throughout the country and even here in Maritzburg.
- also since May 2006, estate agents have been obliged to report any transactions which they know or suspect are connected with terrorist activities: this now forms part of the Financial Intelligence reporting system (Protection of Constitutional Democracy Against Terrorist and Related Activities Act, Act 33/2004).
- Legislation has been passed and comes into affect as from 1/9/2007 which will impose a withholding of tax on non residents who sell property in South Africa, and make it the buyer's and agents responsibility to make sure that the tax is paid, (Revenue Laws Amendment Act, Act 32/2004).

Challenges for the Future - What lies ahead for us in the coming year;

- we must increase our membership.
- we must play a leading role in the implementation of the Property Charter, and consider what changes we will need to make to our own organization in order to meet targets.
- we must make sure that all relevant government departments and agencies and other important role-players in the property sector know of our existence, and include us in decision- making processes.

In conclusion, I want to thank everyone who makes our Institute run: our directors, our regional secretary Mrs Devarani Naidoo, our trainers and the many people who present workshops and seminars for us, and you our members, without whom we have no reason to exist.

I trust that you our members will continue supporting the new chairperson in an even greater measure than the wonderful support I received as chairman over the past 4 years(2 terms of office). I wish everyone great success for the future.

GOD bless you all

Arnold Nel