



MINISTRY
HUMAN SETTLEMENTS
REPUBLIC OF SOUTH AFRICA

**REMARKS BY THE MINISTER OF HUMAN SETTLEMENTS, MINISTER
MMAMOLOKO KUBAYI, PPRA LAUNCH, 01 FEBRUARY 2022**

Programme director

Chairperson of the PPRA, Mr Steven Ngubeni

Board Members present

CEO of the PPRA Ms Mamodupi Mohlala

Distinguished guests

Ladies and gentlemen

Good morning

It is an honour for me to join you as we mark this important milestone in launching the Property Practitioner Regulatory Authority, which will replace the Estate Agency Affairs Board. The launch of the PPRA marks the coming into operation of the property practitioners act, which is aimed at strengthening the regulatory aspect of the Human Settlements sector. Collectively, the entities together with the national department, provincial departments and municipalities form a human settlements delivery system which is critical for the implementation of our priorities.

The new body's main functions include, among others, to regulate the affairs of all property practitioners; to allow for transformation in the property sector and to provide for consumer protection. Property Practitioners Act, on which the PPRA is anchored, is a consumer-focused piece of legislation that has been designed to protect consumers in the property industry. This is because the PPRA, in contrast to EAAB, will have more

reaching power which include inspections without notice and more serious consequences for non-compliance. Over and above this, the new act is aimed at improving the functioning of the sector in general.

Most importantly, the new act will only be able to achieve the desired outcome if it is driven by a stable and well-functioning regulatory authority. Our priority when we came into the sector was to stabilise the portfolio both the National Department and the entities. We were and still are concerned about the negative media reports that were flooding the media about Human Settlements entities in which EAAB was not spared.

It is for this reason that we prioritised the appointment of a new Board, whose top most important task was to stabilise the entity and ensure that the entity focuses on its primary mandate. I am delighted to report from industry bodies that they have noticed a positive change. This is a demonstration that the new Board has hit the ground running and has made such a tremendous progress in a short space of time.

Corporate governance includes principles of transparency, accountability, and security. All these principles need to be observed so that an entity can function properly with a safe and healthy work environment in which the entity is best able to achieve its mandate. I expect that the launch of the PPRA will assist in the process of turning a new leaf in the entity. I expect that individuals within the PPRA will act within a system of rules, policies, and practices that engender respect for one another and for the established structures of governance and how they function.

One of the critical elements of the Economic Reconstruction and Recovery Plan is the ease of doing business. An unclear and complex regulatory environment is a significant barrier to crowding-in private sector investment and increasing business activity. The new Act allows the Fidelity Fund Certificates (FFC) to be valid for a period of three years instead of one, which assist in reducing the administrative burden to businesses in the sector. Other advantages include the standardisation of fees across all professional levels and only Candidate Property Practitioners will pay a reduced fee for the first two years of their candidacy, after which they will pay standard fees.

The preamble of the 1996 Constitution says amongst other things that “South Africa belongs to all who live in it, united in our diversity” and all are enjoined to “Heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights”. Healing the divisions of the past requires we fundamentally transform all aspects of our society, more especially the economic sphere so that South Africa can truly belong to all who live in it.

The property practitioners’ subsector also needs to be transformed so that the historically disadvantaged, especially women and people living with disabilities, can participate meaningfully. Property and property ownership is a very contentious issue in our country and has been a subject of very divisive debates. Given the history of our country, it stands to reason as to why the issue of property and property ownership is such an emotive issue. However, it is critical to understand that the debate and the practical transformation processes are a necessary step towards healing the divisions of the past.

I am very pleased that the PPRA is anchored on an Act that is very clear on the issue of transformation. On Transformation, the Act entails the following elements amongst others:

- capacitation and enterprise support for historically disadvantaged property practitioners;
- support of existing SMME’s owned by historically disadvantaged property practitioners.
- promotion of the standard of training and development of historically disadvantaged property practitioners.
- supporting existing historically disadvantaged property practitioners to become principal property practitioners and owners of business property practitioners;
- facilitation of ownership of and participation in property investment enterprises.
- enabling the transformation of property ownership in South Africa by providing grant support (through the Transformation Fund) to historically disadvantaged property practitioners who are in the business of developing residential properties in the affordable and secondary housing markets.

If implemented, these actions can go a long way towards transforming the property practitioners sector. I am quite confident that with a more focused implementation, a major estate agents company run by the historically disadvantaged can be created in the next few years.

Let me congratulate the Board and the staff of the PPRA for this launch and wish you all the best going forward.

I thank you