



The Property Practitioners Regulatory Authority is delighted to share with all stakeholders its draft guidelines which incorporate the **Property Sector Transformation Fund** processes within the **Property Practitioners Regulatory Authority's** Transformation Department for your review, comments and questions.

The objectives for the external stakeholders' consultations include to: –

- (i) Ensure that the Transformation Departments processes reflects the views and feedback of all relevant industry players;
- (ii) Obtain the buy-in on the development of internal policies and procedures of the Authority regarding **Property Sector Transformation Fund** and ensure that the Authority's policies and procedures reflect best practices.
- (iii) Identify opportunities for enhanced collaboration and further engagements on the guidelines.

The feedback received from key stakeholders would benefit the Authority in finalizing the guidelines, enhance dialogue and inform internal policy and processes within the Transformation Department.

We would be honoured by your participation in this key stakeholders' guidelines consultation.

All organisations/ stakeholders can provide feedback directly to: **TransformationFund@eaab.org.za**.

The Authority welcomes your input and is looking forward to receiving your comments.

Please note that the final date for submission of comments is **8th March 2022**.

For more information, visit the www.eaab.org.za.



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1. DEFINITIONS

The definitions below are relevant to these guidelines, for a detailed list of definitions please refer to the Property Practitioners Act 22/2019.

- 1.1 **“Authority”** –means the Property Practitioners Regulatory Authority
- 1.2 **“Minister”** means the Minister of Human Settlement
- 1.3 **“candidate property practitioner”** means a person who has not yet met all the qualification or experience required as prescribed, to practise as a property practitioner and who is undergoing training under the supervision of a property practitioner, or a program created by the Authority;
- 1.4 **“consumer”** means a consumer as defined in section 1(a) or (c) of the Consumer Protection Act, 2008 (Act No. 68 of 2008);
- 1.5 **“Property practitioner” means Property Practitioner”**
 - a) means any natural or juristic person who or which for the acquisition of gain on his, her or its own account or in partnership, in any manner holds himself, herself or itself out as a person who or which, directly or indirectly, on the instructions of or on behalf of any other person—
 - i. by auction or otherwise sells, purchases, manages or publicly exhibits for sale property or any business undertaking or negotiates in connection therewith or canvasses or undertakes or offers to canvas a seller or purchaser in respect thereof;
 - ii. lets or hires or publicly exhibits for hire property or any business undertaking by electronic or any other means or negotiates in connection therewith or canvasses or undertakes or offers to canvass a lessee or lessor in respect thereof;



- iii. collects or receives any monies payable on account of a lease of a property or a business undertaking;
- iv. provides, procures, facilitates, secures or otherwise obtains or markets financing for or in connection with the management, sale or lease of a property or a business undertaking, including a provider of bridging finance and a bond broker, but excluding any person contemplated in the definition of “financial institution” in section 1 of the Financial Services Board Act, 1990 (Act No. 97 of 1990);
- v. in any other way acts or provides services as intermediary or facilitator with the primary purpose to, or to attempt to effect the conclusion of an agreement to sell and purchase, or hire or let, as the case may be, a property or business undertaking, including, if Licensing Department Guidelines for Stakeholders - VERSION 001/2022 5 performing the acts mentioned in this subparagraph, a home ownership association, but does not include—
 - (aa) a person who does not do so in the ordinary course of business;
 - (bb) where the person is a natural person and that person in the ordinary course of business offers a property for sale which belongs to him or her in his or her personal capacity;
 - (cc) an attorney or candidate attorney as defined in section 1 of the Attorneys Act, 1979 (Act No. 53 of 1979); or
 - (dd) a sheriff as defined in section 1 of the Sheriffs Act, 1986 (Act No. 90 of 1986), when he or she performs any functions contemplated in paragraph (a) of this definition, irrespective of whether or not he or she has been ordered by a court of law to do so; or



- (vi) renders any other service specified by the Minister on the recommendation of the Board from time to time by notice in the Gazette;
- b) includes any person who sells, by auction or otherwise, or markets, promotes or advertises any part, unit or section of, or rights or shares, including time share and fractional ownership, in a property or property development;
- c) includes any person who for remuneration manages a property on behalf of another;
- d) includes a trust in respect of which the trustee, for the acquisition of gain on the account of the trust, directly or indirectly in any manner holds out that it is a business which, on the instruction of or on behalf of any other person, performs any act referred to in paragraph (a);
- e) for the purposes of sections 34, 46, 48, 59, 60, 61 and 65 includes—
 - i. any director of a company or a member of a close corporation who is a property practitioner as defined in paragraph (a);
 - ii. any person who is employed by a property practitioner as envisaged in paragraph (a) and performs on his, her or its behalf any act referred to in subparagraph (i), (ii), (iv), (v) or (vi) of that paragraph;
 - iii. any trustee of a trust which is a property practitioner as envisaged in paragraph (d);
 - iv. any person who is employed by a property practitioner as envisaged in paragraph (b) and performs on its behalf any act referred to in subparagraph (i), (ii), (iv), (v) or (vi) of paragraph (a); and
 - v. any person who is employed by a property practitioner contemplated in paragraph (a) or (b) to manage, supervise or control the day-to-day operations of the business of that property practitioner;



- (f) includes any person who is employed by or renders services to an attorney or a professional company as defined in section 1 of the Attorneys Act, 1979, other than an attorney or candidate attorney, and whose duties consist wholly or primarily of the performance of any act referred to in subparagraph (i), (ii), (iii), (iv), (v) or (vi) of paragraph (a), on behalf of such attorney or professional company whose actions will be specifically covered by the Attorneys' Fidelity Fund and not the Property Practitioners Fidelity Fund;
- (g) for the purposes of section 61 and any regulation made under section 70, includes any person who was a property practitioner at the time when he or she was guilty of any act or omission which allegedly constitutes sanctionable conduct referred to in section 62,

but does not include an attorney who, on his own account or as a partner in a firm of attorneys or as a member of a professional company, as defined in section 1 of the Attorneys Act, 1979, or a candidate attorney as defined in that section, who performs any act referred to in paragraph (a), in Licensing Department Guidelines for Stakeholders - VERSION 001/2022 6 the course of and in the name of and from the premises of such attorney's or professional company's practice, provided that such an act may not be performed—

- i) in partnership with any person other than a partner in the practice of that attorney as defined in section 1 of the Attorneys Act, 1979; or
- ii) through the medium of or as a director of a company other than such professional company; and

1.6 **"The Act"**- means the Property Practitioners Act 22 of 2019.



2. ABBREVIATIONS

EAA Act	The Estate Agency Affairs Act 112/1976
PPA	Property Practitioners Act 22/2019
PPRA	Property Practitioners Regulatory Authority
PSTF	Property Sector Transformation Fund
PDI	Previously Disadvantaged Individuals
HDI	Historically Disadvantaged Individuals
SCM	Supply Chain Management
SMME's	Small, Medium and Micro Enterprises
TBA	To be Advised

3. INTRODUCTION

The Act creates a Property Sector Transformation Fund under section 21 within six (6) months of the Authority's establishment. The Transformation Sector Transformation Fund Guidelines are founded in terms of Chapter 4, section 3 of the PPA of 2019, which states that "The Authority must utilise the Property Sector Transformation Fund in such a manner as may be prescribed, which may include the following transformation and empowerment programmes:

- (a) Principalisation Programme, to promote Black owned firms and principals.
- (b) Regularisation Programme, to promote and encourage participation of the historically disadvantaged due to non-compliance.



(c) Consumer Awareness Programme, to promote awareness of property transactions and business undertaking.

(d) Work Readiness Programme, to promote and enhance participation of the historically disadvantaged in the property sector. “

The guidelines also provide the member organizations with a comprehensive overview of the requirements for grants. In order to ensure that applications for grants are properly focused, some information is provided to assist organizations to conceptualize their applications. These guidelines also define the method of allocating funds with respect to targets, qualifying criteria, evaluation criteria and grant value.

4. ENABLING PROVISION

The Act provides that in Section 21. (1) The Authority must, within six months of its establishment, open a Property Sector Transformation Fund into which grants contemplated in section 38 are paid.

5. PURPOSE

5.1 The purpose of these guidelines is to;

5.1.1 Provide information as set out in the Property Practitioners Act (PPA) and Regulations regarding the Property Sector Transformation Fund.

5.1.2 Assist all stakeholders in understanding the requirements to be complied with by all PPRA with regard to the requirements and procedures for Transformation Fund.



- 5.1.3 Give effect to the allocation parameters by outlining how Transformation Fund will achieve its targets, utilize the grants received to ensure that the mandate is carried out effectively and successfully for each programmes,
- 5.1.4 Set the standards to be followed by the Authority in the establishment of the Transformation Fund as per section 21 (1).
- 5.2 These guidelines are also a reference for consultants engaged in assisting PPRA in the establishment and management of the Transformation Fund.
- 5.3 These guidelines are intended to provide information and guidance on the processes and procedures applied by PPRA when establishing and managing the Transformation Fund in terms the Act.
- 5.4 It is also important to note that these guidelines are not exhaustive of all the Transformation Fund provisions contained in the Act and should therefore be read in conjunction with the PPA and the supporting Regulations.

6. APPLICABILITY

These guidelines apply to the following:

- 6.1 Legal person or enterprises in different sizes (including small and micro enterprises, and property practitioners in the sector);
- 6.2 PPRA Accounting Authority.



7. PRINCIPLES

The Policy on Property Sector Transformation Fund is committed to and guided by the principles of:

- 7.1 Efficient and timely considerations of matters covered by this policy,
- 7.2 Fairness and reasonableness,
- 7.3 Transparency.

8. BUDGETING PRINCIPLES PROCESS BY TRANSFORMATION

- 8.1 Funds receivable will be allocated according to the primary areas of funding and stated priorities that are PDI, HDI etc. guided by the Transformation Fund manager and the estimates thereof. The targets and estimates will be provided to be incorporated into the Annual Budget. These priorities must be consistent with the circumstances of the respective sub-sectors, the strategic vision of the current Act, Strategic Plan Framework and Annual Performance Plan;
- 8.2 Application proposals must be submitted according to the format and guidelines provided by PPRA;
- 8.3 All proposals must demonstrate capacity to successfully implement the proposed program/ interventions /incubations program's;
- 8.4 Transformation Fund will set out in its Annual Performance Plan targets aligned to budget of grants that will be available for training of all Transformation initiatives programmes. The Transformation department will be responsible for



the targets and the programmes.

8.5 The APP will set out how:

8.5.1 The Funds will be allocated to achieve Act outputs and outcomes.

8.5.2 The National Skills Development Plan outputs and outcomes will be achieved in the sector.

9. IMPLEMENTATION AND MONITORING COSTS BY INDEPENDENT PERSON / COMPANY

9.1 For the various project categories, a total approved funded projects cost may be used for project administration to ensure quality and successful implementation of the Transformation Program's funded project, monitoring and site visits are important due to the technicality of the implemented recommendations.

9.2 All projects and learning interventions will be monitored by PPRA. Monitoring and Evaluation activities will be conducted to ensure that progress is consistent with the planned schedule of activities and good quality is adhered to at all times.

9.3 A planned training schedule will be utilised for monitoring and tracking process to check the progress and render support and assistance where necessary.



10. PROGRAMMES BY PROPERTY SECTOR TRANSFORMATION FUND (PSTF)

10.1 Applicants are advised to prepare their proposals in line with PPRA priorities as prescribed in the Funding Advert. PPRA will be consistent in the application of the criteria established in the respective programmes so that it could be fair to all.

10.2 The programmes are made up of the following:

10.2.1 Candidate Property Practitioner Learnership

To access the learnership grant, an applicant must have a workplace approved and a valid accreditation with programme approval – this procedure has been introduced to promote fairness, transparency and equity in the granting learnership incentives awards. A learnership should be minimum of 120 credits.

10.2.2 Skills programme

Any Property Practitioner may apply for a grant towards the costs of providing skills programmes. It is for the PPRA to determine arrangements for the applications for grants, credits and unit standards before the application is approved.

10.2.3 Incubation programme

Incubation programme refers to business incubation which provides a nurturing, instructive and supportive environment for entrepreneurs during the critical stages of starting up a new business including pre-incubation and post incubation programmes.



10.2.4 Recognition of Prior Learning (RPL)

RPL means the principles and processes through which the prior knowledge and/or skills of a person are made visible and are assessed for the purposes of certification, alternative access and admission, and further learning and development. As a principle, it endorses the value of giving recognition to knowledge and skills that have been acquired outside a formal learning programme.

10.2.5 Work Integrated Learning (incl. Work Experience and Internships)

Applications for training which have already commenced will not be considered.

Candidacy will either be assisted to complete a qualification, gain work experience/internship and work placement.

10.2.6 Bursaries

Applicants can be students, employers or youth.

Applications for undergraduate bursaries in the study fields identified by AET will be considered for designated groups specifically impacting the sector.

It is intended for both employed and unemployed learners.

The funding of bursary programmes covers the Skill Development Training; Training material; supporting materials; stipend, Fidelity Fund certificate;

10.2.7 Adult Education and Training (Retiaries)

Applications for training which have already commenced will not be considered.



Any applicant or retirees seeks to training in AET programmes may apply to PPRA for financial support.

PPRA will subsidise on full completion of an AET level (1-4) for each learner that gets taken by a Host employer.

10.2.8 Special Projects (incl. cluster, sectoral or group projects-rural development projects to be prioritised)

Projects funding is available for any individual that falls within the sector to enhance skills development.

10.2.8.1 Strategic Partnerships Projects

Strategic Partnerships is defined as all programme interventions that are received outside of the normal funding window and contribute to APP, and national imperatives in property sector. The intention is to link up with initiatives in sector on high impact projects and hence the need to raise the bar of partnerships very high for private and public sector. The criteria for funding partnerships are as per below:

10.2.8.1.1 Co-funding between PPRA and;

10.2.8.1.2 Partnerships on performance indicators or strategic pillars that have not been met on previous fiscal years;

10.2.8.1.3 Partnerships that create jobs

10.2.9 High level skills development projects linked to property sector development

The Act prioritise projects that address high level skills needs and sector development and innovation capacity



10.2.10 **Matric Intervention**

PPRA will dedicate the necessary financial resources to support the One Learner One Property Practitioner Youth Brigade Program

10.2.11 **Other**

Project funding is available for Property Sector to enhance skills development amongst the unemployed through the implementation of learnerships, work experience and internships, which includes literacy, numeracy, life skills, business entrepreneurship and skills programme for unemployed people living in designated rural areas:

10.2.11.1 SMMEs (Small Firms)

10.2.11.2 Small BEE Firms

10.2.11.3 Retiaries

10.2.11.4 New venture creations program

10.2.11.5 Community-based organisations (CBOs)

10.3 Special projects that seek to empower people in the rural areas to create opportunities to make a living for themselves through entrepreneurship. Project funding is available per learner to Property Practitioners; entrepreneurs amongst the youth with reference to PPRA; ventures and also to provide education and training for projects directed at designated groups – youth, women and people living with disabilities.

10.4 Awareness programmes is critical for the sustainability and productivity of the Act. PPRA encourages Stakeholders to do the consumer awareness program;

11. IMPLEMENTATION PLAN

In terms of section 21 (1) which stipulates that “The Authority must, within six months of its establishment, open a Property Sector Transformation Fund into which grants contemplated in section 38 are paid.”

STRATEGIC ACTIVITY	STRATEGIC OUTPUT/OUTCOME	ACCOUNTABLE INSTITUTION/ PERSON	TARGET DATE
Conceptualisation of the Property Sector Transformation Fund	Draft Property Sector Transformation Fund framework	PPRA	In Progress
Draft Property Sector Transformation Fund Policy	Property Sector Transformation Fund Policy	PPRA	In Progress
Set-out guidelines for the Property Sector Transformation Fund	Property Sector Transformation Fund guidelines	PPRA	In Progress
Consultation on the Property Sector Transformation Fund Policy and Guidelines with EXCO and the Board	Approval of Property Sector Transformation Fund Policy and Guidelines by EXCO and the Board	PPRA	TBA
Establish Committee responsible for the Property Sector Transformation Fund	Property Sector Transformation Fund Committee	PPRA	TBA
Establishment of the Property Sector	Established Property Sector Transformation Fund	PPRA	Within six months of the



Transformation Fund			Authority's establishment
Appointment of an independent person/company to manage PSTF	Independent Transformation Fund Manager	PPRA	TBA
Regular monitoring of the Property Sector Transformation Fund	Monthly and quarterly performance reporting	INDEPENDENT PERSON APPOINTED / PPRA	Monthly and quarterly

12. FINANCE RELATED - INCOME AND EXPENDITURE GUIDELINES

12.1 ESTABLISHMENT OF THE BANK ACCOUNT

12.1.1 A separate bank account for transformation will be opened within six month of the establishment (from February 2022) and approve by the Minister which will be used to receive the grant in terms of S21(1).

12.1.2 The entity will engage with private entities to assist with the Grant or donation to ensure sustainability and that there are sufficient fund to carry out the mandate of transforming the industry.

12.1.3 Any grant or donation for transformation will be paid into this new bank account.

12.2 INCOME IN PROPERTY SECTOR TRANSFORMATION FUND (PSTF)

12.2.1 The form of the Income in the PSTF will be made up of Grants and Donations.



12.2.2 The grants and donations may derive from:

12.2.2.1. The Minister (**Department of Human Settlement**).

12.2.2.2 **PPRA** (Property Practitioner Regulatory Authority) in line with PPA.

12.2.2.3 **Private sector** (The authority to engage with the private sector).

12.2.2.4 **PPFF** (Property Practitioner Fidelity Fund) in line with the PPA.

12.2.2.5 **Fundraising activities**.

12.2.3. Implementation plan for the generation of the fund's entails the following:

12.2.3.1. Engagement with Private Sector.

12.2.3.2. Annual reporting of the activities of the Fund to the existing and possible donors.

12.2.3.3. Donor relationship management.

12.2.3.4. Hosting special fundraising events on an annual basis.

12.2.3.5. BBBEE contribution for the private donors.

12.2.4. Determination of the Grant amounts:

12.2.4.1. Annual budgets will be prepared before the start of the financial year and the basis of the budgets will be the planned programmes for the period as outline by transformation executive.

12.2.4.2. Each donor will determine the amount of the donation or grant to the Fund after engagement with the PSTF.

12.3. MANAGEMENT OF THE FUNDS:

12.3.3. The grant or contribution received **will be used specifically for PSTF activities** as per the Act and regulations.



12.3.4. The Fund will be **managed separately** under the name Property Sector Transformation Fund (PSTF) **by the Independent person/company** appointed by the authority and approved by the minister as per the regulation.

12.3.5. PSTF will have its **own separate set of books, financials and budget.**

12.3.6. Management of the transformation Fund will be in line with **laws and regulations** such as PFMA, Treasury regulations, PPRA and other laws and regulations.

12.3.7. All payments to be in line with **approved policies and internal controls** of PPRA.

12.3.8. The **independent person / company** appointed and approved by the Minister **will manage the grants spending and the income** thereof in line with the PPA.

12.3.9. All the **supporting documents to will be kept safe** and be available for audit.

12.4. EXPENDITURES / HOW GRANTS AND CONTRIBUTIONS RECEIVED WILL BE UTILISED:

12.4.3. The expenditure must be in **line with approved budget, approved policies**, PFMA, PPA, Treasury and other laws and regulations.

12.4.4. The Property Sector Transformation Fund **must allocate and make available no more than 75% of the grants received** by the Property Sector Transformation Fund during each year **for the following purposes:**



- 12.4.4.1. **Enterprise development and support programmes** as defined by the Property Sector Charter Code that focus on capacitation and enterprise support for historically disadvantaged property practitioners;
- 12.4.4.2. **Support of existing SMME's** owned by historically disadvantaged property practitioners operating within the property sector, inclusive of support to purchase part or all of the interests in existing business property
- 12.4.4.3. **Promotion of the standard of training and development** of historically disadvantaged property practitioners aligned with the skills development objectives as defined by the Property Sector Charter Code;
- 12.4.4.4. **Regularisation of the affairs** of historically disadvantaged property practitioners to promote compliance with the Act;
- 12.4.4.5. **Supporting** existing historically disadvantaged property practitioners **to become principal property practitioners and owners of business property practitioners;**
- 12.4.4.6. **Facilitation of ownership of and participation in property investment enterprises** by historically disadvantaged individuals; and
- 12.4.4.7. **Enabling the transformation of property ownership** in South Africa **by providing grant support** to historically disadvantaged property practitioners who are in the business of developing residential properties in the affordable and secondary housing markets.



13. INDEPENDENT PERSON(S) / PANEL

- 13.1 An independent person /entity to manage the Fund should be established or suitably qualified independent person/ entity appointed to manage the Property Sector Transformation Fund as contemplated in section of the Act and approved by the minister as per the regulation.
- 13.2 In addition to the approved Manager by the minister, the selection panel should constitute of at least five (6) panel members and shall be constituted by the executive manager or manager duly appointed to be responsible for Transformation Unit, SCM member, Human Resource administrator or officer of the Human Resource department, Chief Financial Officer and any additional members duly appointed by the CEO for this purpose.
- 13.3 The panel should where possible be representative in terms of Race, Gender and Disability.
- 13.4 Each member of selection panel should complete and sign a declaration interest form before commencement of selection process where a potential conflict of interest may exist and the affected panel member should withdraw from the selection process.

14. TIMELINES

- 14.1 The Property Sector Transformation Fund into which grants contemplated in section 38 are paid will be established within six (6) months of the Authority's establishment



14.2 The turnaround time for the processing of projects funded by the Property Sector Transformation Fund will be between 30-60 days, during that time the panel involved will be evaluating the feasibility of the project(s).

14.3 Weekly and/or monthly updated reports will be made available to the PPRA CEO

15.ALLOCATION OF FUNDS

The Property Sector Transformation Fund must allocate and make available no more than 5% of the grants received by the Property Sector Transformation Fund during each year for the purposes of consumer education as prescribed in Chapter 2 (section 3: Transformation and Regularisation) of the Regulations.

16.REPORTING

The executive committees will submit monthly and quarterly report to the Office of the CEO discussing the status of the appointed enterprises.

17. ANNEXTURES

11.1 ANNEXTURE A

LEARNING PROGRAMME DETAIL AND FUNDING



ANNEXURE A: LEARNING PROGRAMME DETAIL AND FUNDING

REGIME PROPOSED GRANTS AMOUNT PER INTERVENTION

Learning Programme Type	List of Programmes/ Interventions	Amount per Learner (18.1)	Amount Per Learner(18.2)	Stipend for 18.2 Learners
(1) Adult Education & Training	AET 1	R10, 000 per learner	n/a	n/a
	AET 2	R10, 000 per learner	n/a	n/a
	AET 3	R10, 000 per learner	n/a	n/a
	AET 4	R10, 000 per learner	n/a	n/a
	Matric Intervention	n/a	R3, 000 per learner	n/a
(3) Learnerships	Learnerships – NQF 4	R 18 000 per learner	R 18 000 per learner	R 36 000 per learner per annually

	Learnerships – NQF 5	R 18 000 per learner	R 18 000 per learner	R 40 000 per learner per annually
(4) Skills Programmes Workplace readiness	Skills Programme R300 per credit per learner (minimum of 60 credits are allowed)	R300 per credit per learner	R300 per credit per learner	n/a
(6) Work Integrated Learning/Work Experience/Internship	Placements for Workplace Experience	R 60 000 (R5 000 per month per learner, Max 12 months)		
	Placements for Workplace Experience - University	R 60 000 (R5 000 per month per learner, Max 12 months)		
	Placements for Workplace Experience – TVET	R 42 000 (R3 500 per month per learner, Max 12 months)		
	Internships @ R3 500 pm for 18 Months (TVET)	R 63 000 (R3 500 per month per learner, Max 18 months)		
	Internship @ R5 000 pm for 18 Months (University)	R 90 000 (R5 000 per month per learner, Max 18 months)		