

12 March 2014

Dear Member and Non-member

Feedback on the way forward regarding paid accreditation

- More than 200 agents attended the Pretoria East function where the CEO of the EAAB, Mr Bryan Chaplog addressed the agents on the topic of HOA's proving their viewpoint including various contraventions and Code of Conduct violations
- The EAAB undertook to :
 - Investigate all complaints received and take legal action against the parties where applicable
 - Enter into an MOU with the National Consumer Commission and the National Competition Tribunal on the legal matters of common interests for the benefit of the Consumer.
 - Endeavour to see that the new Property Practitioners Bill will be amended and aligned with the CPA to ensure that these practices are unlawful
 - Take legal action to the highest court if need be/

Malpractices of Home Owners Associations (HOA's) that should be reported by Agents to IEASA North and investigated by the EAAB include inter alia the following:

- Where HOA's require property owners to utilise only the services of the accredited Estate Agents of the HOA instead of an Estate Agent of the property owner's choice.
- When HOA's refuse to accredit Estate Agents of the Seller's choice without providing reasons for such refusals including frivolous or vague reasons.
- A HOA's who refuses access to Estate Agents into estates based upon a separate set of rules which do not apply to other service providers such as architects, managing agents, garden services, contractors, plumbers, electricians, etc. or any discriminating reasons.
- When HOA's charge exorbitant accreditation or other fees and, in certain instances, even a percentage of the Agent's commission in return for the right to operate in the estate while no other service providers are required to pay these fees. This includes the practise of penalising an owner when using a non-accredited or affiliated estate agent.
- When HOA's refuse access to Estate Agents as service providers in order to value, price or source properties in execution of a Buyer's mandate.
- HOA's who allow pressure groups consisting of accredited Estate Agents within the estate to regulate the accreditation of outside Estate Agents and in doing so create an unfair monopoly and interfere with free market competition.

IEASA North has compiled a questionnaire where you as Estate Agent or Agency can by name or anonymous, submit your complaints regarding these contraventions or Code of Conduct violations via IEASA North to the EAAB. Find attached the questionnaire that can be completed and returned to coe@ieasanorth.co.za . Please ensure that IEASA North

receives this spreadsheet no later than 20 March 2014 to allow us to compile all information and present it to the EAAB for further action.

Please take ownership of the fact that Section 22 of the Constitution of South Africa (Act 108 of 1996) provides that: ***“every citizen has the right to choose their trade, occupation or profession freely. The practice of a trade, occupation or profession may be regulated by Law.”***

You as an Estate Agent are regulated by the Estate Agency Affairs Board (Act 112 of 1976) and are further subjected to EAAB’s Code of Conduct. If you are issued with a Fidelity Fund Certificate (FFC) you are adequately qualified to perform your profession in any area in South Africa without restriction as this is your “licence” to trade in Real Estate Industry.

It is unacceptable that some HOA’s put themselves above the Law and subject Estate Agents to a different set of requirements than those requirements governed by Law.

If you as an Estate Agent is forced by a HOA to pay accreditation or other fees as a condition to operate in the estate, IEASA suggest that you pay the accreditation fee under protest with the following wording at the back of your cheque or via email if you have paid with EFT:

“This payment is made under protest with all rights reserved to reclaim amounts so paid, (with interest from date of payment hereof, at the prescribed interest rate of 15.5% - a tempore morae) in the event that it should be found to have been made in error or not due and payable.”

Please join IEASA North as member and be part of this process to stop this exploitation and discrimination against our Estate Agents and our profession.

Kind Regards,

Werner Eksteen

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