

Sexwale dissolves 'dysfunctional' Estate Agency Affairs Board

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Human Settlements Minister Tokyo Sexwale asks Special Investigating Unit to probe regulatory body of an industry that makes up 15% of South Africa's gross domestic product

The embattled Estate Agency Affairs Board (EAAB) has been placed under administration, Human Settlements Minister Tokyo Sexwale said on Tuesday.

"I am compelled in the interests of bringing certainty and order to place [the board] under administration," Mr Sexwale said in Johannesburg.

In May, the regulatory body for the real estate industry was moved from the Department of Trade and Industry to the Department of Human Settlements, which now constitutes its executive authority.

Mr Sexwale's move to address the EAAB is seen as positive for the real estate industry, which contributes about 15% of South Africa's gross domestic product and is seen as important to the economy.

He also called for the Special Investigating Unit to probe the EAAB.

"I've also decided the Special Investigating Unit must step in. They must bring in a very strong broom to clean up this mess."

The EAAB has had difficulty ensuring estate agents operating in South Africa's property market comply with the legislation governing their profession.

The body has come under the spotlight for its poor service levels and because of numerous complaints from the property industry, including reports of estate agents operating without the mandatory fidelity fund certificates, the board not investigating complaints and failing to guide the sector.

This comes at a time when the industry has needed guidance from the board, as there have been many legislative changes in the industry, including in education, financial intelligence, compliance and company law as well as the new Property Charter, and the transformation code for the property sector.

This month alone, the board's recently appointed chairwoman, Ina Wilken, resigned after succeeding Thami Bolani, and former acting CEO Bryan Chaplog was removed by the board. The EAAB said Ms Wilken's departure was part of a rotation of the office of the acting CEO. Mr Chaplog, who was acting CEO for a few months, resumed the position of chief financial officer and was replaced by Clive Ashpol, the executive manager for education and training.

Mr Sexwale dissolved the board, saying it was dysfunctional.

"To date when a board is supposed to be having 15 members, they are left with three."

Mr Sexwale will hold a summit with estate agents in September.

