



## MEMORANDUM

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**TO: NPPC MEMBER ORGANISATIONS**

**FROM: JOSEPH SAKONEKA**

**PURPOSE: TO ADVISE PROPERTY PRACTITIONERS NOT TO PAY ACCREDITATION FEES AS THIS PRACTICE IS PROHIBITED**

**DATE: 02 FEBRUARY 2023**

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**SUBJECT: PROPERTY PRACTITIONERS PROHIBITED FROM BEING PARTY TO ANY ARRANGEMENT TO PAYING ACCREDITATION FEES**

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**1. PURPOSE**

To raise awareness amongst National Property Practitioners Council members and their constituencies regarding the undesirable business practices prohibited by the new Property Practitioners Act, 22 of 2019 read with its regulations.

## 2. BACKGROUND

Section 63(1) of Property Practitioners Act, 22 of 2019 empowers the Minister of Human Settlement, after consultation with Board, to declare particular business practice in the property market to be undesirable and consequently prohibited.

Regulations 35.1.1.2, 35.1.1.6 and 35.1.1.7 read with Section 63(1) of the PPA, 22 of 2019, expressly prohibit property practitioners from engaging in undesirable and prohibited business practices which *inter alia* includes:

*“Any arrangement in terms of which any party or person that directly or indirectly controls or manages any residential property development, including any body corporate or homeowners’ association (the “Managing organisation”) –”*

NPPC has noted with great concern that arrangements whereby property practitioners are required to pay accreditation fees to be permitted to trade in certain gated estates/ communities, are rife in the property market. This is despite the fact that these practices have been outlawed by Section 63(1) of the PPA, 22 of 2019.

The NPPC is of the view that, these practices are not only illegal, but they are also inherently anti-competitive, anti-transformation and exclusionary and thus, do not promote the growth and dynamism of the property sector in South Africa.

## 3. RECOMMENDATION

Based on the background above, NPPC encourages all its members and their respective constituencies to report transgressors of regulations 35.1.1.2, 35.1.1.6 and 35.1.1.7 read with Section 63(1) to PPRA via its website using the following link: <https://theppra.org.za/complaint-online>. Completed manual complaint forms (Copy accompany this memo) should be emailed to [legal@eaab.org.za](mailto:legal@eaab.org.za).

**PREPARED BY**

*J Sakoneka*

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**JOSEPH SAKONEKA**