

Monday Contemplation No 14

Do I need to register with the PPRA? Part 1

Should be a relatively straight forward answer to a simple question, right?
But I am often asked by people if they need to actually register with the Property Practitioners Regulatory Authority (PPRA). I recently had one person saying to me that they help an estate agent part-time on the weekends, "Surely I don't need to be an estate agent?"

Firstly, let us clear up some of the terminology. We **no longer refer to estate agents**, but rather property practitioners. Personally, I feel the title, Property Practitioner (PP), is much more becoming of a professional participant, rather than an industry participant. In my opinion, being referred to as a practitioner elevates the person to a professional status, far more than being referred to as an agent.

Secondly, the **Property Practitioners Act 22 of 2019** (PPA) has widened the definition of who is a property practitioner. It is important for us to understand this definition to then understand if you are required to register as a PP with the PPRA.

An extract from the definition of "property practitioner" in the PPA, states as follows:

"property practitioner 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 canvass 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;

Let us understand the various elements of this definition:

1. A **PP can be a natural person** (human being) **or a juristic person** (like a company).
2. The PP will be **charging for their services**.
3. The PP provides certain services on the instructions of or on behalf of another person. The definition of a PP then goes on to highlight the various services that would be offered which would qualify you as a PP. As indicated above,

these services include:...

1. Assisting with **the sale, purchase, letting or management of property by auction or any other means**. This is quite interesting as the management of property is clearly an identified function of a PP. Likewise, the sale or management of any business undertaking.

2. **Negotiating in connection with the sale, purchase, management or letting** of property.

3. **Canvassing sellers or purchasers, lessors or lessees.**

4. **Collecting or receiving any money in terms of a lease of a property or business undertaking.** Hence, if you provide services to procure a tenant for a property or business undertaking, as well as any services to manage that property or business undertaking, you would qualify as offering the services of a PP.

Coming back to the person who assist "an estate agent part-time on the weekend", we would need to look at what that person actually does. If this person is **assisting with show houses** as an example, then **they would clearly fall within the definition of what a PP does**. If they **assist with paperwork**, then **they would not be offering the services of a PP**.

Next week, I will complete the list of functions that, if you perform those functions, would classify your work as a PP. And there are some pretty interesting ones!