

ESTATE AGENCY AFFAIRS BOARD

Strategic Plan

For the fiscal years

2014 - 2019

FINAL DRAFT

06 February 2015

OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- Was developed by the EAAB management under the guidance of the DHS.

Takes into account all the relevant policies, legislation and other mandates for which the EAAB is responsible.

Accurately reflects the strategic outcome oriented goals and objectives which EAAB will endeavor to achieve over the period 2014 - 2019.

| | |
|---|----------------------------|
| | |
| Chief Financial Officer | Signature: _____ |
| | |
| Head of Planning | Signature: _____ |
| | |
| Accounting Officer (Chief Executive Officer) | Signature: _____ |
| | |
| Accounting Authority (Chairman of the Board) | Signature: _____ |
| | |
| Executive Authority (Minister in department of Human Settlement) | Signature: _____ |

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PART A: STRATEGIC OVERVIEW

1. Vision

To be a trusted world class regulator.

2. Mission

Ensure the integrity of the transaction between the Estate Agent and Consumer is of a high standard by regulating, protecting, guiding and enhancing the conduct of the real Estate Agents' profession in South Africa.

3. Values

After comprehensive consultation and interaction with relevant stakeholders, both internal and external, within the estate agency environment, it was agreed that the following values will underscore the Board's behavior as it strives to achieve the ideals encapsulated in its vision and mission, namely:

- **Integrity:** the quality of adhering to the highest moral principles and professional standards;
- **Responsibility:** the authority to make decisions independently and to be accountable for actions taken;
- **Respect:** to demonstrate courtesy and regard for one another and for all stakeholders;
- **Excellence in service delivery:** to exceed client expectations in service delivery;
- **Communication:** the effective exchange of information in such a manner that there is a mutual understanding;
- **Participation:** the involvement of all relevant stakeholders in what the EAAB does.
- **Trust:** building and maintaining the highest levels of trust and respect in EAAB engagements and interactions with all stakeholders and employees.

4. Legislative and other mandates

a. Legislative mandates

The EAAB must always remain aware of, and comply with, legislation impacting on its functioning. Relevant legislation includes, but is not limited to:

- The South African Constitution; Act 108 of 1996;
- The Estate Agency Affairs Act, 112 of 1976;

- The Public Finance Management Act, 1 of 1999;
- The Preferential Procurement Framework Act of 2000;
- The Financial Intelligence Centre Act, 38 of 2001;
- The Labour Relations Act, 66 of 1995;
- The SA Qualifications Authority Act, 58 of 1995; and
- The Skills Development Act, 97 of 1998
- The Promotion of Administrative Justice Act;
- The Promotion of Access to Information Act;
- The Prevention of corrupt activities Act;
- The Protection of Personal Information Act;
- Sectional Title Management Act
- The National Credit Act:
- The Consumer Protection Act,

b. The mandate of the EAAB

The primary mandate of the EAAB in respect of the Estate Agency Affairs Act is to:

- (a) Regulate, maintain and promote the standard of conduct of estate agents having due regard to the public interest;
- (b) Issue fidelity fund certificates to qualifying applicants;
- (c) Prescribe the standard of education and training of estate agents;
- (d) Investigate complaints against estate agents and institute disciplinary proceedings against offending estate agents where required; and
- (e) Manage and control the Estate Agents Fidelity Fund.

Additionally to the primary mandate:

Financial Intelligence Centre

The EAAB is the Supervisory Body of the estate agency profession pursuant to the Financial Intelligence Centre Act and is obliged to take all steps required to prevent; alternatively, identify and report on, anti-money laundering and terrorist financing activities in the Estate Agents sector.

Government –wide priorities

The expanded mandate of EAAB in respect of National Development Plan 2030 Vision and Trajectory is reflected in Outcome Number 8 which refers to Sustainable and Improved Quality of Household Life. In respect of MTSF sub-outcome 2, Department of Human settlement is required to ensure a sustainable residential property market. Based on this strategic outcome, EAAB is responsible for the following:

- Intensify homeownership induction programmes for affordable housing market.
- Establish transactional support for affordable housing market.
- Monitor and reporting transactions in the secondary housing subsidy market.
- Collect analyses and disseminate information on property trends and values in the affordable housing market.
- Develop policy and administration systems that support individual transactions in the affordable secondary housing market.
- Issuing of title deeds to form part of housing development process. This includes pre-1994 and post-1994 backlog.

Transformation initiatives

EAAB launched the “One Learner – One Estate Agency” Youth empowerment programme in April 2014. The rationale of this initiative is to encourage each Estate Agency to recruit an intern from the previously disadvantaged race groups, train and mentor these individuals until they are fully qualified Estate Agents. The stakeholders will include Estate Agents from the sector, Services Seta and Department of Human settlement. The Estate Agency Affairs board will be responsible for the implementation of the project with the intention of producing 10 000 Estate Agents over the five year period.

5. Situational analysis

5.1 Performance environment

Economic outlook

While the available residential market indicators still point to a well-balanced market, the FNB Values’ Market Strength Index has recently begun to suggest that the pace of improvement in market strength may have slowed, or even stalled, which may be an early sign that the residential market is just starting to reflect the weak economic fundamentals

During May and June 2014, some key high frequency economic indicators continued to suggest that we could see some slowdown in the rate of increase in house prices in the not too distant future. Real economic growth for the 1st quarter measured a -0.6% decline on a quarter-on-quarter annualized rate. The Mining and Manufacturing sectors played a key role here, with especially the mining strike wreaking havoc with output. This slowing economic growth has translated into slowing wage bill growth, with a 7.85% year-on-year rise in total Compensation of Employees representing the 3rd consecutive quarter of slowdown, and now far below the Post-Recession 13.6% peak of Growth in early-2010. In addition, the South African Reserve Bank (SARB) Leading Business Cycle Indicator for March declined again to the tune of -2.36% year-on-years, pointing to more possible near term economic weakness. On the inflation front, the Consumer Price Index (CPI) saw a further slight acceleration in its inflation rate, from 6% in March to 6.1% year-on-year in April, while Producer Price Inflation also accelerated further as the impact from the weak Rand continued to filter into the numbers. The monthly CPI inflation acceleration was not big, but the cumulative rise from a rate of 5.3% year-on-year as at November 2013 has become significant enough to shave something noticeable off already-pressured real disposable income growth. Therefore, key economic numbers released in May and June continue to point to the economy being under pressure in 2014, and it is very possible that we have fallen into a mild recession (a Recession being 2 quarters of GDP contraction). Based on such economic weakness, and the assumption of further mild interest rate hiking, there is continued expectation that moderate slowing in year-on-year house price growth as 2014 progresses, ending the year lower in the 5-6% range, slightly below expected CPI inflation. South African forecasts over a 5 year period expect GDP to grow from 1.5 in 2015 to 2.6 in 2020. The inflation rate is expected to decrease from 5.95% in 2015 to 4.2% in 2020. The unemployment rate is also expected to decrease from 24.73% in 2015 to 12.6% in 2020. This suggests that although the economic fundamentals are likely to weaken in the short to medium term, they will strengthen over a longer period.

Political perspective

The African National Congress was again elected for a 5-year term at the 2014 elections. In a cabinet reshuffle the President elect appointed the honourable Lindiwe Sisulu as the Minister of Human Settlement. The following key interventions which related to Estate Agency Affairs Board were raised by the Minister at Budget Vote speech to build 1, 5 million houses in partnership with the private sector, all stakeholders and communities, over the next five years. The Estate Agency Affairs Board (EAAB) will priorities the issuing of Title Deeds for the pre and post 1994 stock. The Department of Human Settlements will collaborate with the Department of Rural Development and Land Reform and the Deeds

Office by establishing a dedicated unit that will fast-track the issuing of Title Deeds to realise the value of the “dead assets” that are in the hands of our people. The National Home Builders Registration Council (NHBRC) will establish and officially open a Training Academy in partnership with the Gordon Institute of Business Science. This will focus on up-skilling 100 women and the youth. The EAAB is expected to train young, black candidate Estate Agents to revitalize the industry. The Academy established by the NHBRC will incorporate a training course on Estate Agents and other property practitioners.

Legal framework

The Property Practitioners Bill, 2004 is expected to be placed on the agenda of Cabinet during the first quarter of 2015/16 financial period. Upon approval by Cabinet, the Bill will undergo the following stages:

The Bill will be discussed by Cabinet Committee.

- The Bill will then be referred to Cabinet for approval to be published in the Government Gazette for public comment
- During the public comment stage, information sessions will be held in nine provinces to enrich the public comment process
- After the public comment process, the Bill will be referred back to Cabinet to obtain approval for the introduction in Parliament during the end first quarter of 2015/16 period.
- The expected promulgation of the Bill into law is expected to become law at the end of 2015/16 period.

This will have a profound impact on the Estate Agents Affairs Board mandate, strategic direction and operations as it will be limited to Estate Agents transacting process but will regulate the all the participants transacting in property. We may have to revisit the EAAB strategy for 2016/17 going forward.

Other performance environment factors (i.e. Socio- Economic Environment and Technology)

The introduction of new participants in the industry as a result of the South African democratization process has brought with it many consumers who are not aware of their rights when transacting. This creates fertile ground for unscrupulous estate agents to take advantage of the consumers. It can be expected that the number and value of claims that may be lodged against the Fidelity Fund will increase. The mismanagement of trust accounts and regular occurrences of theft of trust moneys committed by estate agents remains a challenge.

In line with the growth and transformation imperatives of national government the EAAB continues to encourage previously disadvantaged persons to enter the estate agency profession. The EAAB believes, however, that factors such as restrictive debt conditions set by banks in granting of debt, longer turnaround times in processing transfers and lower property transactions occurring due to depressed economic conditions, increasing unemployment, intensive competition amongst estate agents and the implementation of the new educational dispensation for estate agents may negatively impact on the sustainability and viability of newly established estate agency enterprises.

The use of technology in business transactions has grown. The search and sale of property on the internet has been on the rise. The means of payment through the use of electronic funds transfers has made it easy to get money quickly into the EAAB account. Cellular telephones have made it easier to reach our clients. The EAAB needs leverage technology to improve access and effective management of their business.

SWOT Analysis

External Environment

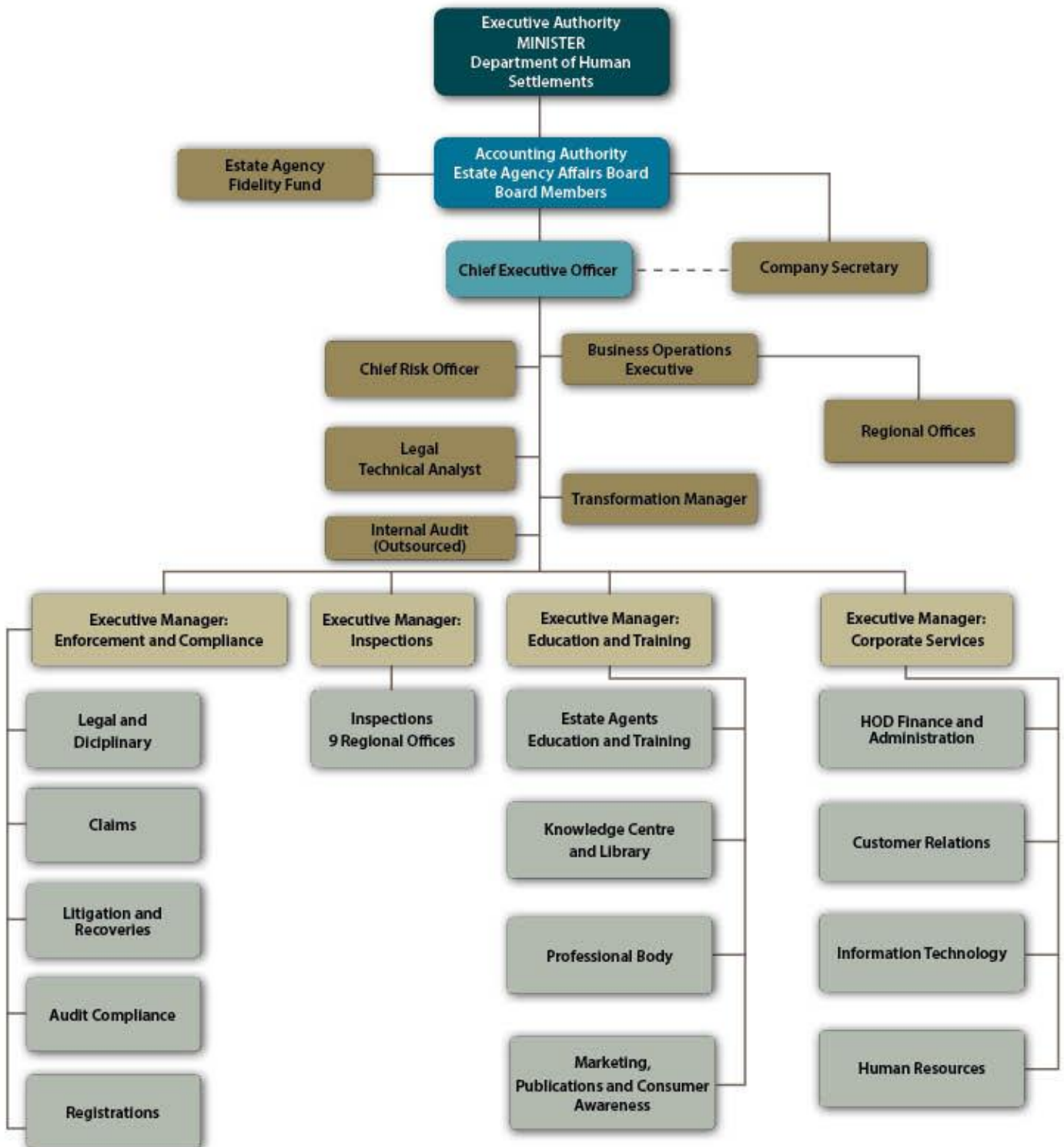
| Threats | Opportunities |
|---|--|
| <ul style="list-style-type: none"> • Increase in emerging home owners and renters and consequent escalation in the number of complaints and claims impacting upon the Board’s resources and the Fund. • Increase in white-collar crime would lead to higher claims from Fidelity Funds. • More sectional title properties on the market and increased malfeasances by sectional title managers. • Tight banking credit application may lead to a reduction in the number of sales transactions • The slow economic recovery may lead to a reduction in the number of estate agents • An increase in a number of unregistered estate agents “no commission based companies” will erode the integrity of the property sells industry. • Claims against the fidelity fund emanating from unregistered estate agents may increase. | <ul style="list-style-type: none"> • Build consumer understanding of the property transactions; • Increase consumer awareness of the estate agency industry; • Increase the number of estate agents especially from previously disadvantaged groups; • Amend the Act to support the EAAB strategic intent; • Better investment opportunities for investing the fidelity fund; • Build partnerships that would improve the ability of EAAB to ensure compliance to the Act • Improve accessibility, service levels and general image of the EAAB • Sustaining Black Agencies to continue operating. • Increase EAAB outreach through the use of the media and other relevant communication medium • Improve communication between stakeholders and EAAB |

| Threats | Opportunities |
|---|---|
| <ul style="list-style-type: none"> • Unlimited amounts of claims either in size or number of claims may deplete the fidelity fund • Loss of revenue as result of non-compliance to banking money into trust account. • Inefficiency of local authorities and deeds office has a negative impact on estate agent cash flow. | <ul style="list-style-type: none"> • Establish Estate agents as members of a professional body • Mitigating the sustainability of fidelity fund • Use of FFC's to enforce transformation and compliance • Involving more stakeholders e.g. BEAFSA • Improve performance of industry to regulation to go beyond mere compliance. • Improve the sustainability of previously disadvantaged estate agents. • Collaboration with Department of Human Settlement in restoration of title deeds project leads to increased secondary market, stimulation of economic growth and therefore more estate agents emanating from PDI. |

Internal Environment

| Strengths | Weakness |
|---|---|
| <ul style="list-style-type: none"> • Competent staff with experience is ready to take EAAB forward. • Implemented IT systems e.g. SAP to enable EAAB to improve performance • A well-managed Fidelity Fund. • Committed management team. • Improved working environment e.g. security. • Improved registration process. • Conducted stakeholder awareness campaigns. • Infrastructure is available to support the effective implementation of the EAAB mandate. | <ul style="list-style-type: none"> • Levels of systems integration could be improved to support service delivery. • Poor ratio of recoveries to claims • Slow turn-around times for client service complaints. • Insufficient capacity to comply with mandate. • Work redo is common. • Insufficient reporting, monitoring and control structures. • Performance culture not fully implemented. • Performance management system ineffectively applied. • Need improvement of corporate governance. • Staff turnover erodes the experience curve • Lack of customer focus. • Slow and unethical responses to customer queries. |

5.2 Organisational Environment



Compliance and Enforcement Department

Compliance Department manages the following units:

Legal and Disciplinary processes – This unit is responsible for prosecuting Estate Agents which have not complied with the Estate Agency Affairs Act.

Claims process – This unit is responsible for the reimbursement of funds to Property consumers which have made a claim against the Fidelity Fund.

Litigation and Recoveries process - The unit is responsible for recovering funds from Estate Agents which were paid to property consumers which made a claim against the Fidelity fund. The Litigation and recoveries unit is also responsible for defending court applications against EAAB.

Audit Compliance process – The unit is responsible for monitoring audit compliance submission by Estate Agencies in respect of Estate Agency Affairs Act.

Inspection Department

The inspection department monitors Estate Agents compliance in respect of Estate Agents Affairs Act. Inspections are performed in all 9 provinces.

Education and Training Department

This unit is responsible for the coordination and guidance of Estate Agents education and training within the Estate Agents Sector. The education and training department oversees the training of interns registered with Estate Agents Affairs Board and the education of registered Estate and Principals. This department has also instituted a continuous professional development programme in order to ensure that current qualified Estate Agents are kept up to date with the current knowledge of the sector and property industry.

Corporate services

This unit provides support services to EAAB. It includes financial services and procurement, Information technology, Customer relations centre (consist of the call centre) and Human Resource management.

Other organizational issues:

EAAB plans to create a title deeds office unit to implement the restoration of title deeds to owners of Department of Human settlement issued houses. This includes back-logs of pre-1994, post-1994 subsidized housing and current stock. The title deeds mandate is the responsibility of the Department of Human settlement. However it will be the operated within the ambit of Estate Agency Affairs Board.

EAAB will also implement Regionals offices to improve access to services provided. EAAB will commence with satellite offices in Western Cape based in Cape Town and Kwa-Zulu Natal based in Durban and plans to implement offices in all provinces over the next 5 years.

5.3 Description of the strategic planning process:

While the development of the strategic plan necessitated a comprehensive consultative process between management and the Board the plan is, in addition, informed by:

- (a) Minister of the Department of Human Settlement performance contract with the president;
- (b) Shareholders compact;
- (c) Other crucial business drivers as more fully referred to herein.

The strategy was developed following this process

1. Reviewing the previous strategy
2. Conducting an environmental analysis for internal and external factors
3. Developing a draft strategy
4. Reviewing the draft strategy with executive team
5. Submission of the proposed strategy to the board

6. Review the proposed strategy
7. Submit final strategy for approval

5.4 Products and Services

In discharging the mission of EAAB the following products and services are delivered by EAAB

| Product/Services group | Products/Services |
|-------------------------------|--|
| Fidelity Fund related | Claims processing Claims Recoveries processing Interest Earned by Estate Agents Trust account |
| Compliance related services | Issuing of Fidelity Fund Certificates (FFC's); Estate agents disciplinarians; Client Complaints Processing; Auditors reports; and Inspections and investigations |
| Education and Training | Education and Training Quality Assurance Estate Agents certification Study material (and production thereof) Continuous Professional development |
| General services | Information and publications Consumer awareness |

6. Strategic Oriented Outcome Goals

| | |
|--|--|
| Strategic Outcome Oriented Goal number 1 | Compliant Estate Agency Sector. |
| Goal Statement | The EAAB will efficiently and effectively regulate processes in order to increase compliance by Estate Agents of 10% against the 2013 baseline by the end 2018/19. |
| Strategic Outcome Oriented Goal number 2 | Consumer education and awareness and access to relevant information [transactional support] |
| Goal Statement | The EAAB will ensure that at least 2 million consumers are made aware of property transactions by the end of 2018/19 |
| Strategic Outcome Oriented Goal number 3 | Sustainable Fidelity Fund |
| Goal statement | The EAAB will ensure that the Fidelity Fund is efficiently and effectively operated to achieve aggregate growth rate of 7.5% against the 2013 baseline by the end of 2018/19. |
| Strategic Outcome Oriented Goal number 4 | Professional and capacitated Estate Agency Sector. |
| Goal Statement | The EAAB will ensure that 100% of the registered Estate Agents are fully qualified in terms legislative requirements by the end of 2018/19. |
| Strategic Outcome Oriented Goal number 5 | Satisfied Stakeholders in respect of service delivery. |
| Goal statement | The EAAB will ensure an average rating “4” and above from stakeholders satisfaction surveys in terms of service delivery. (Where minimum rating is 1 and maximum rating is 5) by 2018/19. |

PART B: STRATEGIC OBJECTIVES

7. Programme - Compliance

Related strategic outcome Goals:

Compliant Estate Agency Sector

The functions of Compliance include the following:

- Address complaints received from Property consumers and discipline Estate Agents which do not comply with the EAA Act.
- Inspections performed on Estate Agents to assess compliance to the EAA Act and FICA.
- Issue of Fidelity Fund certificates to currently registered and new Estate Agents.

7.1 Sub-Programme -Enforcement

| | |
|----------------------------|--|
| Strategic objective | To resolve complaints received from property transactions participants. |
| Objective statement | 90% of the complaints received are completed within 6 months. |
| Baseline | 65% of the complaints completed within 6 months. |
| Justification | Complaints should be completed within a prescribed period to improve service delivery and therefore protect Property consumers |
| Links | N/A |

7.2 Sub-Programme -Inspections

| | |
|----------------------------|--|
| Strategic objective | Inspect Estate Agents in order to monitor compliance of the EAA Act and FIC Act. |
| Objective statement | Inspect 50% of Estate Agent within a 5 year rolling period.(Approximately 12000 Estate Agencies) |
| Baseline | Performed 800 inspections |
| Justification | This objective will decrease non-compliance to the EAA Act and FICA of Estate Agents and also reduce unregistered estate agents. |
| Links | The objective will contribute to the monitoring of compliance of Education and Training standards. |

7.3 Sub-Programme – Issue of Fidelity Funds

7.3.1 New registration processing

| | |
|----------------------------|--|
| Strategic objective | To improve New Registrations turnaround times. |
| Objective statement | 100% of new registration FFC issued (to compliant Estate Agents) within 21 days. |
| Baseline | 60% of New Registrations are completed within 21 days. |
| Justification | Improvement of New registration turnaround times will improve service delivery to Estate Agents and therefore improve Compliance to the EAA Act. |
| Links | Fidelity Fund certificates can only be issued to Estate Agents which comply with the respective Education and Training qualifications. |

7.3.2 Renewals

| | |
|----------------------------|--|
| Strategic objective | To improve Renewals turnaround times. |
| Objective statement | 100% of Renewals FFC issued (to compliant Estate Agents) within 5 days. |
| Baseline | 90% of Renewals are completed within 5 days. |
| Justification | Improvement of New registration turnaround times will improve service delivery to Estate Agents and therefore improve Compliance to the EAA Act. |
| Links | Fidelity Fund certificates can only be issued to Estate Agents which comply with the respective Education and Training qualifications. |

7.4 Resource requirements

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|-------------------------------------|---------|---------|---------|---------|---------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Inspections | | | | | |
| <i>Administration costs</i> | 500 | 535 | 572 | 613 | 655 |
| <i>Staff costs</i> | 5,035 | 5,388 | 5,765 | 6,168 | 6,600 |
| Disciplinary and Enforcement | | | | | |
| <i>Administration costs</i> | 3,067 | 3,281 | 3,512 | 3,758 | 4,020 |
| <i>Staff costs</i> | 14,036 | 15,019 | 16,069 | 17,194 | 18,394 |
| Registrations | | | | | |
| <i>Administration costs</i> | 371 | 397 | 425 | 455 | 487 |
| <i>Staff costs</i> | 6,152 | 6,582 | 7,043 | 7,536 | 8,064 |

7.5 Risk Management

7.4.1 Illegal trading estate agents – Non-compliance with sections 16, 29, 32(2)(a) and 32(2)(c) of the EAAB Act and Regulation 9.2 of the Code of Conduct in issuing Fidelity Fund Certificates

Risk mitigation

The Enforcement, Registrations, Inspectorate and the Education and Training business units work together to regulate and control certain activities of estate agents in general and providing effective professional support to estate agents.

7.4.2 Lack of service delivery (not delivering on EAAB mandate)

Risk mitigation

- Automated Fidelity Fund registrations and renewals.

7.4.3 Financial constraints to fund essential organisational projects and programmes (Failure to retain revenue streams)

Risk Mitigation

Renewal reminders sent to estate agents to renew FFC. The revenue collective strategy is in place.

7.4.4 Damage to the image & reputation of the EAAB

Risk Mitigation

Customer relations department monitor departmental resolution of queries. Service level standards manual formulated and in place.

8. Programme – Education and Training

Related strategic outcome Goals:

Professional and capacitated Estate Agency Sector.

Consumer awareness of property transactions.

The functions of Education department include the following:

- To educate consumers on property transactions and industry environment.
- To facilitate the education and training of estate agents on ethics, best business practice and property transaction principles.
- To perform research and further raise awareness on property transactions and industry environment.

8.1 Sub-Programme - Consumer education

| | |
|----------------------------|--|
| Strategic objective | Improved consumer protection through education on property industry issues. |
| Objective statement | To raise awareness of property transactions and reach 2 million consumers over the 2014 – 2019 period. |
| Baseline | N/A |
| Justification | Alignment with the Department of Human settlement Medium Term Strategic Framework. |
| Links | This objective will improve the sustainability of the Fidelity Fund. |

8.2 Sub – Programme - Stakeholder demographic transformation

| | |
|----------------------------|--|
| Strategic objective | To assist in the transformation of demographics within the Estate Agents environment. |
| Objective statement | Increase the number of estate agents participating in the Estate Agency sector through youth empowerment programme from previously disadvantaged background by 10,000 candidates over the period of 2014-2019. |
| Baseline | N/A |
| Justification | The Estate Agents sector demographic representation needs to be aligned to South African demographics. |
| Links | This objective will improve the sustainability of the Fidelity Fund. |

8.3 Sub – Programme - Property market research and development

| | |
|----------------------------|---|
| Strategic objective | To improve accessibility of property market information and to enable the EAAB to become the repository of real-estate knowledge and information. (transactional support) |
| Objective statement | To create information management service that would provide data on market trends and information on a quarterly basis that would assist in strategic development especially in subsidized and affordability housing. |
| Baseline | N/A |
| Justification | Alignment with the Department of Human settlement Medium Term Strategic Framework |
| 0Links | N/A |

8.4 Sub – Programme -Estate Agent Education and Training

| | |
|----------------------------|--|
| Strategic objective | Improve capacity and professionalise Estate agents within the industry. |
| Objective statement | To set and deliver 4 PDE per annum. To provide all of candidates who enrolled with PDE with study material. To provide CPD for all full status Estate Agents over a rolling 3 year CPD cycle in compliance with education regulations. To create awareness of new developments pertaining to Estate Agents practices. |

| | |
|----------------------|--|
| Baseline | N/A |
| Justification | Increase in Professional Estate Agents will lead to business sustainability and ethical property transactions. |
| Links | N/A |

8.5 Resource requirements

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|--|---------|---------|---------|---------|---------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Staff Costs | 5,921 | 6,335 | 6,778 | 7,253 | 7,761 |
| Administration Costs (This includes CPD venues and travel arrangement) | 5,585 | 5,975 | 6,394 | 6,841 | 7,320 |
| “One Learner One Estate Agent” sub-programme Grant from SSETA | 36,000 | 38,520 | 41,210 | 44,100 | 47,180 |

8.6 Risk Management

8.6.1 Unsuitably qualified individuals operating as estate agents

Risk Mitigation

- Appointment as a professional body by SAQA. EAAB has published the study material PDE 4 & PDE 5 .PDE 4 & 5 held every quarter. Logbooks are officially a requirement of Intern training.

8.6.2 Increase in the number of buyers of residential property lacking understanding of the real estate transaction (stakeholder awareness)

Risk Mitigation

Empower the consumer through consumer education campaigns to understand the real estate transaction and the role and functions of the registered estate agents;

- Managing a fidelity fund that serves as a cover for losses suffered by members of the public arising from the activities of estate agents.
- Alternative awareness initiatives of consumers through radio and television which cover a larger audience of property consumers.

8.6.3 Financial constraints to fund essential organisational projects and programmes (Failure to retain revenue streams) Low interest of individuals to enter the industry due to uncertain nature of an estate agents income.

Risk Mitigation

- Established Transformation committee at Board level. "One Estate Agency One Intern" project implementation communicated to the public by EAAB and Department of Human Settlement.

8.6.4 Lack of Continuous professional development implementation of project plan

- Establishment of task team to direct the process of implementation. Continuous monitoring of implementation by task team.

9. Programme – Administration

Related strategic outcome Goals:

- **Satisfied stakeholders in respect of service delivery.**

The functions of Administration include the following:

- Compliance with all applicable legislation and regulations and EAAB policies.
- Resolving stakeholder queries.
- Ensuring that employee vacancy rate is kept at a minimum.
- Ensuring that Information technology strategy is adequately implemented.

9.1 Sub –Programme - Regulatory compliance

| | |
|----------------------------|--|
| Strategic objective | Ensure that EAAB complies with all applicable legislation and regulations and EAAB policies. |
| Objective statement | Audit findings in respect of compliance issues reduced to zero over 2014 – 2019 period. |
| Baseline | N/A |
| Justification | Compliance to relevant legislation will improve the EAAB image as a regulator. |
| Links | N/A |

9.2 Sub - Programme - Stakeholder satisfaction

| | |
|----------------------------|---|
| Strategic objective | To ensure that the EAAB exceeds the expectations of its stakeholders, |
| Objective statement | To resolve 95% of all queries received from stakeholder within the 48 hour turnaround time. 100% compliance with service standards manual. |
| Baseline | 85% of the queries received from stakeholders are resolved within 48 hour |
| Justification | Resolving queries and compliance with service standards manual will improve service delivery. |
| Links | Online Renewals and New Registration Turnaround times. |

9.3 Sub – Programme - Talent Management

| | |
|----------------------------|--|
| Strategic objective | Recruit and retain adequately skilled staff. |
| Objective statement | To ensure that the staff vacancy rate is reduced to a minimum of 0% over the 2014 – 2019 period. |
| Baseline | EAAB has a 5% vacancy rate. |
| Justification | Filled positions will improve service delivery |
| Links | N/A |

9.4 Sub – Programme - IT infrastructure

| | |
|----------------------------|---|
| Strategic objective | To maximize the use of IT in order to improve business efficiency and effectiveness. |
| Objective statement | To implement all Information Technology strategies approved by the IT steering committee over the period 2014-2019. |
| Baseline | 85% of IT strategies implemented in the previous financial period. |
| Justification | Implementing appropriate IT infrastructure will lead to efficiencies and effectiveness in service delivery. |
| Links | N/A |

9.5 Resource requirements

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|----------------------|---------|---------|---------|---------|---------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Staff costs | 30,716 | 32,866 | 35,166 | 37,628 | 40,262 |
| Administration costs | 30,527 | 32,663 | 34,950 | 37,396 | 40,014 |

9.6 Risk Management

9.6.1 Lack of service delivery (not delivering on EAAB mandate)

Risk Mitigation

Automated Fidelity Fund Certificate new registrations & renewals .Outsourced call centre. The implemented service level standards need to be monitored on a continuous basis.

9.6.2 Incorrect/incomplete management information for decision making.

Risk Mitigation

- Enhancement of SAP functionality and user training. 90% of departments use Papertrail as a record management system.

9.6.3 IT systems not meeting business requirements

Risk Mitigation

Business process reviews (engineering) performed for IT requirements related to IT strategy.

- Training and development of users in place. Departmental training and development needs assessed on annual basis,

9.6.4 Damage to the image & reputation of the EAAB - Slow resolution of queries received and Stakeholder's dissatisfaction – high rate of complaints.

Risk Mitigation

- Customer Relations department monitor departmental resolution of queries. Service level standards manual formulated and implemented.

Online customer survey and reports are monitored.

Feedback through evaluation forms received from estate agents at the Annual Stakeholder Road shows.

10. Programme – Fidelity Fund Administration

Related strategic outcome Goals:

Sustainable Fidelity Fund

The functions of a sustainable Fidelity Fund include the following:

- Claims paid to property consumers are performed effectively.
- Interest received from Estate Agents' Fidelity Fund Trust accounts are paid timeously

10.1 Sub-Programme - Claims considered for approval

| | |
|----------------------------|---|
| Strategic objective | Claims considered for approval payable to Property consumers as per requirements of the EAA Act. |
| Objective statement | 50% of the value of claims lodged to be completed within 6 months between the period 2014 - 2019. |
| Baseline | 30% of the claims paid are completed within 6 months |
| Justification | Claims paid forms part of the protection mandate of the EAAB. |
| Links | Improve service delivery to property consumers. |

10.2 Sub-Programme - Interest received from Estate Agents' Fidelity Fund Trust account

| | |
|----------------------------|---|
| Strategic objective | To improve the collection of interest received from Estate Agents' Fidelity Fund Trust account. |
| Objective statement | 50% of value receivable and collected within 30 days due. |
| Baseline | 25% of the interest received is collection within 30 days |
| Justification | Interest received from Estate Agents' Fidelity Fund leads to Fidelity Fund growth. |
| Links | N/A. |

10.3 Resource requirements

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|----------------------|---------|---------|---------|---------|---------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration costs | 67,629 | 72,363 | 77,428 | 82,848 | 88,647 |

10.4 Risk Management

10.4.1 Erosion of the Fidelity Fund

- Fidelity Fund Investment targets not met (conservative risk appetite - investment in money market)
- Lack of recovery of claims paid.
- Increase in number of claims putting the solvency of the Fidelity Fund at risk.
- Misappropriation of trust monies by estate agents and consequent legal costs borne by the fund.
- No limits on claims.
- Claims against fund arising from thefts of trust monies by illegal estate agents.

Risk Mitigation

- Quarterly review of Investment performance by EXCO and Finance Investment Committee.
- Routine inspections and increased disciplinary measures of estate agents to reduce the extent of fraudulent activities.
- Improved levels of consumer education.
- Ongoing monitoring of the Fund by management (review of the financial status of the fund)
- Compliance audit report requirements
- Whistle blowers (Pty) Ltd appointed and operational.

Links between Programmes, Sub-programmes and Performance Indicators

| Programme | Sub Programme | Performance Indicator | Baseline | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 218/19 |
|-------------------|-------------------|--|--|--|--|--|--|--|
| Compliance | Enforcement | Percentage of complaints are resolved within 6 months | 65% of complaints are resolved within 6 months | 70% of complaints are resolved within 6 months | 75% of complaints are resolved within 6 months | 80% of complaints are resolved within 6 months | 85% of complaints are resolved within 6 months | 90% of complaints are resolved within 6 months |
| | Inspections | Number of inspections performed | 800 inspections performed | 1107 inspections performed | 400 inspections performed | 500 inspections performed | 600 inspections performed | 700 inspections performed |
| | New Registrations | Percentage of issued certificates (FFC) to new registered and compliant estate agents within 21 days | 75% of FFC issued to compliant new registered estate agents issued within 21 days | 80% of FFC issued to compliant new registered estate agents issued within 21 days | 85% of FFC issued to compliant new registered estate agents issued within 21 days | 90% of FFC issued to compliant new registered estate agents issued within 21 days | 95% of FFC issued to compliant new registered estate agents issued within 21 days | 95% of FFC issued to compliant new registered estate agents issued within 21 days |
| | Renewals | Percentage of renewal certificates (FFC) of compliant estate agents within 5 days | 80% of FFC issued to compliant current registered estate agents issued within 5 days | 80% of FFC issued to compliant current registered estate agents issued within 5 days | 85% of FFC issued to compliant current registered estate agents issued within 5 days | 90% of FFC issued to compliant current registered estate agents issued within 5 days | 95% of FFC issued to compliant current registered estate agents issued within 5 days | 95% of FFC issued to compliant current registered estate agents issued within 5 days |

| Programme | Sub Programme | Performance Indicator | Baseline | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 218/19 |
|-------------------------------|--|--|---|---|--|---|--|--|
| Education and Training | Consumer Education | Number of housing consumers reached through radio and seminars | This is still to be determined | 400 000 housing consumers reached | 400 000 consumers reached. | 400 000 consumers reached | 400 000 consumers reached | 400 000 consumers reached |
| | | Number of consumer awareness campaigns | 13 consumer awareness campaigns performed | 14 consumer awareness campaigns performed | 16 consumer awareness campaigns performed 6 | 18 consumer awareness campaigns performed | 20 consumer awareness campaigns performed | 22 consumer awareness campaigns performed 22 |
| | Stakeholder demographic transformation | Number of Interns placed with Principal Estate Agents | To be determined | 900 Interns placed with placed with principal Estate Agents | 2000 Interns placed with placed with principal Estate Agents | 3100 Interns placed with placed with principal Estate Agents | 4000 Interns placed with placed with principal Estate Agents | N/A |
| | Property market research and development | Percentage implementation of information/data management system. | To be determined | Information /data management system policies, procedures and project plan formulated. | 100% of the data/information project plan implemented. | Quarterly data/information on industry trends and analysis available. | Quarterly data/information on industry trends and analysis available | Quarterly data/information on industry trends and analysis available |
| | Estate Agents education and training | Number of Estate agents campaigns performed | 10 Estate agents campaigns performed | 12 Estate agents campaigns performed | 16 Estate agents campaigns performed | 18 Estate agents campaigns performed | 20 Estate agents campaigns performed | 22 Estate agents campaigns performed |
| | | Number of Agent | 4 Agent magazines | 4 Agent magazines | 4 Agent magazines | 4 Agent magazines | 4 Agent magazines | 4 Agent magazines |

| | | | | | | | | |
|--|--|---|---|---|---|---|--|---|
| | | magazines published | published | published | published 4 | published 4 | published 4 | published 4 |
| | | Percentage of Professional designation examination candidates which wrote receiving examination results. | 95% of Professional designation examination candidates which wrote receiving examination results. | 95% of Professional designation examination candidates which wrote receiving examination results. | 95% of Professional designation examination candidates which wrote receiving examination results. | 95% of Professional designation examination candidates which wrote receiving examination results. | 95% of Professional designation examination candidates which wrote receiving examination results. | 95% of Professional designation examination candidates which wrote receiving examination results. |
| | | Percentage of CPD programmes supplied to Full status candidates in compliance with Education requirements over 3-year rolling period. | To be determined | 100% implementation of CPD project plan | N/A | N/A | 100% of CPD programmes supplied to Full status candidates in compliance with Education requirements over 3-year rolling period | N/A |

| Programme | Sub Programme | Performance Indicator | Baseline | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 218/19 |
|-------------------------------------|--------------------------|---|--|--|--|--|---|---|
| Administration | Regulatory compliance | Percentage of audit issues raised were resolved as per agreed time | 60%% of audit issues raised were resolved as per agreed time | 80%% of audit issues raised were resolved as per agreed time | 85% of audit issues raised were resolved as per agreed time | 90% of audit issues raised were resolved as per agreed time | 95% of audit issues raised were resolved as per agreed time | 100% of audit issues raised were resolved as per agreed time |
| | Stakeholder satisfaction | Percentage of queries received from stakeholders and resolved within 48 hours | 80% of queries received from stakeholder s and resolved within 48 hours | 85% of queries received from stakeholders and resolved within 48 hours | 90% of queries received from stakeholders and resolved within 48 hours | 95% of queries received from stakeholders and resolved within 48 hours | 100% of queries received from stakeholders and resolved within 48 hours | 100% of queries received from stakeholders and resolved within 48 hours |
| | Talent Management | Percentage of vacancy at EXCO and MANCO | 25% of vacancy at EXCO and MANCO | 15% of vacancy at EXCO and MANCO | 14% of vacancy at EXCO and MANCO | 13% of vacancy at EXCO and MANCO | 12% of vacancy at EXCO and MANCO | 11% of vacancy at EXCO and MANCO |
| | IT Infrastructure | Percentage of implementation of ICT strategy | 80% of implementation of ICT strategy | 85% of implementation of ICT strategy | 90% of implementation of ICT strategy | 92% of implementation of ICT strategy | 94% of implementation of ICT strategy | 96% of implementation of ICT strategy |
| Fidelity Fund Administration | Claims payments | Percentage of claims processed and finalized for payment within 6 months | Percentage of claims processed and finalized for payment within 6 months | 30% of claims processed and finalized for payment within 6 months | 35% of claims processed and finalized for payment within 6 months | 40% of claims processed and finalized for payment within 6 months | 45% of claims processed and finalized for payment within 6 months | 50% of claims processed and finalized for payment within 6 months |

| | | | | | | | | |
|--|---|--|--|---|---|---|---|---|
| | Interest received from Estate Agents Trust accounts | Percentage of interest money due to EAAB collected within 30 days of falling due. (Falls due at the end of May annually) | Percentage of interest money due to EAAB collected within 30 days of falling due. (Falls due at the end of May annually) | 30% of interest money due to EAAB collected within 30 days of falling due. (Falls due at the end of May annually) | 35% of interest money due to EAAB collected within 30 days of falling due. (Falls due at the end of May annually) | 40% of interest money due to EAAB collected within 30 days of falling due. (Falls due at the end of May annually) | 45% of interest money due to EAAB collected within 30 days of falling due. (Falls due at the end of May annually) | 50% of interest money due to EAAB collected within 30 days of falling due. (Falls due at the end of May annually) |
|--|---|--|--|---|---|---|---|---|

PART C: LINKS TO OTHER PLANS

11. Project - Title Deeds restoration plans

The title deeds restoration project is mandated to Department of Human settlement. The Minister has however delegated this project to the Estate Agency Affairs Board to implement. This project involves the restoration of title deeds to all subsidized houses that were built during the pre-94 and post -94 periods. The houses were issued to the recipients without the issue of title deeds. The EAAB is expected to set-up various stakeholder forums with relevant national departments, deeds offices, provincial, municipalities and other spheres of government to implement the project. This project will be fully funded by the department of Human settlement.

11.1 Title Deeds Restoration project

| | |
|----------------------------|--|
| Strategic objective | To reduce the title deeds backlog for pre-94 and post-94 subsidised and affordable housing stock. |
| Objective statement | To reduce the title deeds backlog by 900 000 houses by 2019 for pre-94 and post-94 stock. |
| Baseline | N/A |
| Justification | Title deeds increase the size of the property market which Estate Agents can operate in. Alignment of EAAB with DHS. |
| Links | N/A |

11.2 Resource requirements

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|----------------------|---------|---------|---------|---------|---------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration costs | 500 | 10,700 | 12,250 | 13,107 | 14,205 |

11.3 Risk Management

11.3.1 Lack of timely transfer of the funds to EAAB – This could lead to delays in project implementation.

Risk Mitigation

Service level agreement entered between EAAB and the department of Human settlement.

11.3.2 Lack of strategic direction in respect of implementation of title deeds restoration project.

Risk Mitigation

Ensure a proper scoping document is completed and agreed by all the necessary stakeholders.

11.3.3 Insufficient skills and capacity to ensure that the restoration project is properly rolled –out.

Risk Mitigation

Recruitment process of staff should be performed by both EAAB and the Department of Human settlement.

Annexure A

Financial Plan

(i) REVENUE AND EXPENDITURE ESTIMATES

Table A.3 Estate Agency Affairs Board: Financial information

| Statement of financial performance | | | | | Medium-term estimate | | |
|--|---------------|---------------|---------------|----------------|----------------------|----------------|----------------|
| | Budget | Actual | Forecast | | | | |
| R thousand | 2013/14 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| Revenue | | | | | | | |
| Tax revenue | – | – | – | – | – | – | – |
| Non-tax revenue | 86 049 | 83 390 | 80 286 | 128,363 | 137 348 | 146 962 | 157 250 |
| Sale of goods and services other than capital assets | 2 8,254 | 21,698 | 18,894 | 67,188 | 71,892 | 76,923 | 82,308 |
| <i>of which:</i> | | | | | | | |
| <i>Admin fees</i> | 52 578 | 52,253 | 51,877 | 51,493 | 55,097 | 58,954 | 63,081 |
| <i>Sales by market establishments</i> | | | | | | | |
| <i>Other sales</i> | – | – | – | – | – | – | – |
| <i>Other non-tax revenue</i> | 5,217 | 9,439 | 9,515 | 9,682 | 10,359 | 11,085 | 11,861 |

| | | | | | | | |
|--------------------------------------|---------------|---------------|-----------------|----------------|----------------|----------------|----------------|
| Transfers received | - | - | - | - | - | - | - |
| Total revenue | 86 049 | 83 390 | 80 286 | 128,363 | 137 348 | 146 962 | 157 250 |
| Expenses | | | | | | | |
| Current expense | 85,044 | 74,611 | 93,509 | 123,321 | 131,954 | 141,191 | 151,074 |
| Compensation of employees | 52 294 | 32,358 | 62,616 | 73,158 | 78,279 | 83,758 | 89,621 |
| Goods and services | 30,236 | 39,905 | 28,125 | 45,165 | 48,327 | 51,711 | 55,331 |
| Depreciation | 2,514 | 2,348 | 2,768 | 4,998 | 5,348 | 5,722 | 6,122 |
| Interest, dividends and rent on land | - | - | - | - | - | - | - |
| Transfers and subsidies | - | - | - | - | - | - | - |
| Total expenses | 85,044 | 74,611 | 93,509 | 123,321 | 131,954 | 141,191 | 151,074 |
| Surplus / (Deficit) | 1,005 | 8,779 | (13,223) | 5,041 | 5,394 | 5,771 | 6,175 |

i. Expenditure trends

The revised expenditure forecast for 2014/15 amount to R93,509 million. The operational budget for 2013/14 amounts to R85, 044 million which represents an increase of 12.5% over the 2012/13 budget. The reasons for the increase are:

- (a) An average of 7% inflationary increase;

- (b) Increase in staff costs due to the expected filling of the key vacant posts such as Human Resource Manager, Legal Technical Analysts, 9 Inspectors and Legal officers.
- (c) Professional Designation Examination (PDE) and the Continuing Professional Development (CPD) programmes require increased marketing and public awareness efforts.

(ii) ASSETS AND LIABILITY MANAGEMENT

ii. Asset and liability trends

The EAAB’s total assets exceeded its liabilities and were able to pay its current liabilities as they become due in the ordinary course of the business.

- (a) Carrying value of assets shall consist only of intangible assets as well as retirement benefit assets held for the employees. The current premises is currently under a 5 year lease. The intention is to finalise the purchase of the building in 2013/14 financial period this arrangement is to accommodate the possible expansion of EAAB in the foreseeable future.
- (b) EAAB will continue to invest its reserves to gain maximum return on its assets.
- (c) The reserves will remain fairly stable in the next five years as the entity is expected to break even.

(iii) CASH FLOW PROJECTIONS

PE33.

Estate Agency Affairs Board

| Financial Performance data | Notes | Audited Outcome 2013/14 | Forecast 2014/15 | Budget 2015/16 | Budget 2016/17 | Budget 2017/18 | Budget 2018/19 |
|---|-------|----------------------------|------------------|----------------|----------------|----------------|----------------|
| Surplus / (Deficit) | | 8,779 | -13,223 | 5,041 | 5,394 | 5,771 | 6,175 |
| Cash flow data | | | | | | | |
| Adjust surplus / (deficit) for accrual transactions | | -10,051 | 2,784 | 5,018 | 5,369 | 5,745 | 6,148 |
| <i>Adjustments for:</i> | | | | | | | |
| Depreciation and amortization | | 2,348 | 2,769 | 4,998 | 5,348 | 5,722 | 6,123 |
| Movements in retirement benefits assets | | -12,315 | 15 | 20 | 21 | 23 | 25 |

| | | | | | | |
|--|----------------|----------------|---------------|---------------|---------------|---------------|
| and liabilities | | | | | | |
| other non-cash | -84 | - | - | - | - | |
| Operating surplus / (deficit) before changes in working capital | -1,272 | -10,439 | 10,059 | 10,673 | 11,420 | 12,323 |
| Changes in working capital | 2,378 | 8,301 | 330 | 353 | 378 | 404 |
| (Decrease) / increase in accounts payable | 4,292 | -11,348 | -1,800 | -1,926 | -2,061 | -2,205 |
| Decrease / (increase) in accounts receivable | -2,513 | 740 | 1,400 | 1,498 | 1,603 | 1,715 |
| Decrease / (increase) in inventory | -199 | 14 | 130 | 139 | 149 | 159 |
| (Decrease) / increase in provisions | 798 | 152 | 600 | 642 | 687 | 735 |
| (Decrease) / increase in Loan Fund | -4,288 | 18,743 | - | - | - | - |
| Interest received | - | - | - | - | - | - |
| Interest paid | - | - | - | - | - | - |
| Cash flow from operating activities | 1,106 | -2,138 | 10,389 | 11,026 | 11,798 | 12,624 |
| Cash flow from investing activities | -52,270 | 5,563 | -800 | -856 | -915 | -979 |
| Acquisition of property, plant, equipment & intangible assets | -74,078 | -2,148 | -2,135 | -2,284 | -2,444 | -2,615 |
| Disposal of property, plant, equipment & intangible assets | - | -3,200 | -2,700 | -2,889 | -3,091 | -3,307 |
| Acquisition/disposal of investments | 26,096 | 10,911 | 4,035 | 4,317 | 4,620 | 4,943 |
| Cash flow from financing activities | - | 837 | 660 | 706 | 756 | 809 |
| Deferred Income | - | - | - | - | - | - |
| Borrowing Activities | - | - | - | - | - | - |
| Other non-cash items | - | 837 | 660 | 706 | 756 | 809 |
| Net increase / (decrease) in cash and cash equivalents | -51,164 | 4,262 | 10,249 | 11,582 | 11,639 | 12,454 |
| Cash and cash equivalents at the beginning of the year | 8 5,099 | 33,936 | 38,198 | 48,447 | 60,029 | 71,668 |
| Estimate of available cash | 33,936 | 38,198 | 48,447 | 60,029 | 71,668 | 84,122 |

iii. Recent Achievements

- The Fidelity Fund has shown significant growth over the past financial year
- More consumer awareness campaigns and capacity building workshops were conducted
- Services to estate agents have improved with a significant reduction in turn-around times when responding to complaints and queries received

- The call centre has had a positive impact on the communications capability of the EAAB which has considerably improved.

Technical indicator descriptions

Compliance Programme

| | |
|----------------------------------|---|
| Indicator No & Title | (1.1) Percentage of complaints resolved within 6 months |
| Short definition | Percentage of complaints resolved within 6 months |
| Purpose/importance | Compliance to Estate Agency Affairs Act |
| Source/collection of data | SAP and Papertrail systems downloads |
| Method of calculation | (List of Total number of complaints resolved within 6 months)/List of Total number of complaints resolved) *100 |
| Data limitations | The complaints on the system do not reflect the appropriate status/stage of completion. |
| Type of indicator | Strategic objective indicator |
| Calculation type | Percentage |
| Reporting cycle | 1 st of April to 31 st March Quarterly measure |
| New indicator | No |
| Desired performance | 100% of complaints are resolved within 6 months |
| Indicator responsibility | Executive Manager- Compliance |

| | |
|----------------------------------|---|
| Indicator No & Title | (1.2) Number of Estate Agencies inspected |
| Short definition | Inspections |
| Purpose/importance | To monitor compliance of Estate Agencies Affairs Act |
| Source/collection of data | Manual inspection reports. Manual inspection reports uploaded as activities on SAP. |
| Method of calculation | List of the number of inspections reports received from inspectors |
| Data limitations | None |
| Type of indicator | Strategic objective indicator |
| Calculation type | Number |
| Reporting cycle | 1 st April-31 st March |
| New indicator | No |
| Desired performance | 1200 inspections performed per annum |
| Indicator responsibility | Inspections Executive |

| | |
|----------------------------------|---|
| Indicator No & Title | (1.3) Percentage of certificates issued (FFC) to new registered and compliant estate agents within 21 days |
| Short definition | New registrations issued within the expected turnaround time |
| Purpose/importance | Compliance to Estate Agency Affairs Act. |
| Source/collection of data | Download from the SAP system |
| Method of calculation | (Number of certificate issued to new registered and compliant estate agents within 21 days/Total number of certificate issued to new registered and compliant estate agents) *100 |
| Data limitations | None |
| Type of indicator | Strategic objective indicator |
| Calculation type | Percentage |
| Reporting cycle | 1 st April-31 st March |
| New indicator | Yes |
| Desired performance | 100% of certificates issued to new registered and compliant estate agents within 21 days |
| Indicator responsibility | Compliance Executive |

| | |
|----------------------------------|---|
| Indicator No & Title | (1.4) Percentage of renewal certificates issued (FFC) to current registered and compliant estate agents within 5 days |
| Short definition | Current renewals issued within the expected turnaround time |
| Purpose/importance | Compliance to Estate Agency Affairs Act. |
| Source/collection of data | Download from the SAP system |
| Method of calculation | (Number of renewal certificate issued to current registered and compliant estate agents within 5 days/Total number of renewal certificate issued to current and compliant estate agents) *100 |
| Data limitations | None |
| Type of indicator | Strategic objective indicator |
| Calculation type | Percentage |
| Reporting cycle | 1 st April-31 st March |
| New indicator | Yes |
| Desired performance | 100% of certificates issued to current registered and compliant estate agents within 5 days |
| Indicator responsibility | Compliance Executive |

Education and Training Programme

| | |
|----------------------------------|---|
| Indicator No & Title | (2.1) Number of housing consumers reached |
| Short definition | N/A |
| Purpose/importance | To align the mandate of EAAB with Medium Term Strategic Framework |
| Source/collection of data | Input from media institutions i.e. radio broadcast statistics |
| Method of calculation | Number of radio listeners recorded. |
| Data limitations | This information may not specify the number of listeners who are involved in affordability and subsidy housing. |
| Type of indicator | Strategic objective indicator |
| Calculation type | Number |
| Reporting cycle | 1 st April-31 st March |
| New indicator | Yes |
| Desired performance | 400,000 housing consumers reached per annum |
| Indicator responsibility | Education and Training Executive |

| | |
|----------------------------------|--|
| Indicator No & Title | (2.2) Consumer awareness campaigns |
| Short definition | N/A |
| Purpose/importance | Awareness of the importance of compliance to the Estate Agents Affairs Act, EAAB operations and industry developments. To increase stakeholders awareness of all the EAAB and its role and services |
| Source/collection of data | Consumer awareness event register |
| Method of calculation | Number of Consumer and Estate Agents campaigns performed |
| Data limitations | None |
| Type of indicator | Strategic objective indicator |
| Calculation type | Number |
| Reporting cycle | 1 st April-31 st March |
| New indicator | No |
| Desired performance | 14 consumer awareness campaigns performed |
| Indicator responsibility | Education and Training Executive |

| | |
|----------------------------------|---|
| Indicator No & Title | (2.3) Stakeholder demographic transformation |
| Short definition | N/A |
| Purpose/importance | Alignment with government – wide priorities |
| Source/collection of data | Employment agreements between EAAB and Estate Agents |
| Method of calculation | Number of signed employment agreements between EAAB and Estate Agents |
| Data limitations | None |
| Type of indicator | Strategic objective indicator |
| Calculation type | Number |
| Reporting cycle | 1 st April-31 st March |
| New indicator | No |
| Desired performance | 3100 signed contracts per annum |
| Indicator responsibility | Education and Training Executive |

| | |
|----------------------------------|---|
| Indicator No & Title | (2.4) Percentage implementation of information/data management system. |
| Short definition | N/A |
| Purpose/importance | Alignment with government – wide priorities |
| Source/collection of data | Project plan for implementation of information/data management system. |
| Method of calculation | (Number of completed tasks per project plan/Number of tasks planned to complete implementation) |
| Data limitations | None |
| Type of indicator | Strategic objective indicator |
| Calculation type | Number |
| Reporting cycle | 1 st April-31 st March |
| New indicator | No |
| Desired performance | 100% completion of planned project tasks |
| Indicator responsibility | Business Operations Executive |

| | |
|----------------------------------|---|
| Indicator No & Title | (2.5) Estate Agents awareness campaigns performed |
| Short definition | N/A |
| Purpose/importance | Building capacity in the Estate Agent environment |
| Source/collection of data | Estate Agents awareness campaigns |
| Method of calculation | Number of Estate Agents campaigns performed |
| Data limitations | None |
| Type of indicator | Strategic objective indicator |
| Calculation type | Number |
| Reporting cycle | 1st April-31st March |
| New indicator | No |
| Desired performance | 16 Estate agents awareness campaigns performed |
| Indicator responsibility | Education and Training Executive |

| | |
|----------------------------------|---|
| Indicator No & Title | (2.6) Estate agents magazine published |
| Short definition | N/A |
| Purpose/importance | To build capacity within the Estate Agents sector |
| Source/collection of data | Agent magazine publication |
| Method of calculation | Number of Estate Agent magazine published |
| Data limitations | None |
| Type of indicator | Strategic objective indicator |
| Calculation type | Number |
| Reporting cycle | 1st April-31st March |
| New indicator | No |
| Desired performance | 4 Estate agent magazines published per annum. |
| Indicator responsibility | Education and Training Executive |

| | |
|----------------------------------|--|
| Indicator No & Title | (2.7) Percentage of Professional designation examination candidates who wrote and received examination results. |
| Short definition | PDE 4 & 5 candidates who wrote and received examination results |
| Purpose/importance | To build capacity within the Estate Agents sector |
| Source/collection of data | SAP system downloads |
| Method of calculation | Number of candidates who wrote and received the examination results/Number of candidates who wrote the examination |
| Data limitations | None |
| Type of indicator | Strategic objective indicator |
| Calculation type | Percentage |
| Reporting cycle | 1st April-31st March |
| New indicator | No |
| Desired performance | 100% of candidates who wrote the exam received their results. |
| Indicator responsibility | Education and Training Executive |

| | |
|----------------------------------|---|
| Indicator No & Title | (2.8) Percentage of CPD programmes supplied to Full status candidates in compliance with Education requirements over 3-year rolling period. |
| Short definition | CPD Programmes |
| Purpose/importance | To build capacity within the Estate Agents sector |
| Source/collection of data | List of programmes required to be supplied on a 3-year rolling period |
| Method of calculation | Number of programmes supplied over the 3-year cycle/Number of programmes required to be supplied per education requirements |
| Data limitations | None |
| Type of indicator | Strategic objective indicator |
| Calculation type | Percentage |
| Reporting cycle | 1st April-31st March |
| New indicator | No |
| Desired performance | 100% of candidates who wrote the exam received their results. |
| Indicator responsibility | Education and Training Executive |

Administration Programme

| | |
|----------------------------------|---|
| Indicator No & Title | (3.1) Percentage in resolution of audit findings raised within the agreed turnaround time |
| Short definition | Audit issues resolved |
| Purpose/importance | To obtain clean audit |
| Source/collection of data | Internal and External audit reports |
| Method of calculation | $(\text{Number of audit findings resolved within the agreed turnaround time} / \text{Number of audit findings issued}) * 100$ |
| Data limitations | None |
| Type of indicator | Strategic objective |
| Calculation type | Percentage |
| Reporting cycle | 1st of April 2014 to 31st March 2015 |
| New indicator | Yes |
| Desired performance | 100% of audit findings completed within the agreed turnaround time. |
| Indicator responsibility | All Executives |

| | |
|----------------------------------|--|
| Indicator No & Title | (3.2)Percentage of queries received from stakeholders and resolved. |
| Short definition | The number of queries received from stakeholders and resolved within the turnaround time |
| Purpose/importance | Improved Stakeholder queries monitoring system. |
| Source/collection of data | Sap System, Paper trail and email |
| Method of calculation | $(\text{Total number of queries resolved within 48 hours} / \text{Total number queries received}) * 100$ |
| Data limitations | None |
| Type of indicator | Key Performance Indicator |
| Calculation type | Percentage |
| Reporting cycle | 1 st April-31 st March |
| New indicator | No |
| Desired performance | 90% queries received are resolved within 48 hours. |
| Indicator responsibility | Head of Corporate services |

| | |
|----------------------------------|---|
| Indicator No & Title | (3.3) Percentage of vacancy at EXCO and MANCO |
| Short definition | Vacancy Rate |
| Purpose/importance | To operate the EAAB effectively and efficiently |
| Source/collection of data | Quarterly and Annual Financial Human Resource Reports |
| Method of calculation | $(\text{Number of vacant post})/(\text{Number of approved positions}) \times 100$ |
| Data limitations | None |
| Type of indicator | Key Performance Indicator |
| Calculation type | Percentage |
| Reporting cycle | 1 st April-31 st March |
| New indicator | No |
| Desired performance | N/A |
| Indicator responsibility | Head of Corporate services |

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|----------------------------------|---|
| Indicator No & Title | (3.4) Percentage of implementation of ICT strategy |
| Short definition | Ensuring that the ICT strategy is fully implemented and is working properly. |
| Purpose/importance | To run the EAAB effectively and efficiently and using the relevant IT software |
| Source/collection of data | IT Quarterly Reports |
| Method of calculation | $(\text{Number of tasks implemented per ICT Strategy} / \text{Number of tasks planned per ICT Strategy}) * 100$ |
| Data limitations | None |
| Type of indicator | Key Performance Indicator |
| Calculation type | Percentage |
| Reporting cycle | 1 st April-31 st March |
| New indicator | No |
| Desired performance | N/A. |
| Indicator responsibility | Head of Corporate services |

Fidelity Fund Programme

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|----------------------------------|---|
| Indicator No & Title | (4.1) Percentage of claims finalized for payment within six months. |
| Short definition | Claims paid |
| Purpose/importance | To effectively and efficiently control and manage the Fidelity Fund |
| Source/collection of data | SAP Download |
| Method of calculation | (Value of claims paid within 6 months cycle/Value of claims approved over the 6 months cycle)*100 |
| Data limitations | The larger claims (although few) could take up to 3 years to finalise. This is the reason for lower targets. |
| Type of indicator | Strategic objective indicator |
| Calculation type | Percentage |
| Reporting cycle | 1 st April-31 st March |
| New indicator | Yes |
| Desired performance | 35% of the claims will be processed for payment within 30 days. |
| Indicator responsibility | Compliance Executive |

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|----------------------------------|--|
| Indicator No & Title | (4.2) Percentage interest received from estate agency trust accounts collected within 30 days from due date |
| Short definition | Interest received from Trust Account. |
| Purpose/importance | To effectively and efficiently control and manage the Fidelity Fund |
| Source/collection of data | SAP Download |
| Method of calculation | $(\text{Cash received from estate agencies within 30 days of due date}) / (\text{Total value interest receivable}) * 100$ |
| Data limitations | The audit reports which reflect the interest receivable from Estate Agents are normally submitted later than the due date. This is the reason for lower targets set. |
| Type of indicator | Strategic objective indicator |
| Calculation type | Percentage |
| Reporting cycle | 1 st April-31 st March - Annual measure |
| New indicator | Yes |
| Desired performance | 100% collection |
| Indicator responsibility | Head of Corporate services/Compliance Executive |

Elimination of backlog in the issue of title deeds to owners of subsidized housing

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|----------------------------------|--|
| Indicator No & Title | (5.1) Percentage decrease in title deeds backlog Pre-94 stock. |
| Short definition | Title deeds back log |
| Purpose/importance | To eliminate the backlog of title deeds issued to owners of affordability and subsidized sector houses |
| Source/collection of data | Monthly Status Reports prepared by Title deeds restoration department. |
| Method of calculation | (Number of title deeds issued for Pre-94 stock)/Number of title deeds planned to be issued |
| Data limitations | None |
| Type of indicator | Key Performance Indicator |
| Calculation type | Percentage |
| Reporting cycle | 1 st April-31 st March |
| New indicator | No |
| Desired performance | 100% title deeds issued |
| Indicator responsibility | Operations Executive |

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|----------------------------------|---|
| Indicator No & Title | (5.2) Percentage decrease in title deeds backlog Post-94 stock. |
| Short definition | Title deeds back log |
| Purpose/importance | To eliminate the backlog of title deeds issued to owners of affordability and subsidized sector houses |
| Source/collection of data | Monthly Status Reports prepared by Title deeds restoration department. |
| Method of calculation | $(\text{Number of title deeds issued for Post-94 stock}) / (\text{Number of title deeds planned to be issued})$ |
| Data limitations | None |
| Type of indicator | Key Performance Indicator |
| Calculation type | Percentage |
| Reporting cycle | 1 st April-31 st March |
| New indicator | No |
| Desired performance | 100% title deeds issued |
| Indicator responsibility | Operations Executive |