

 **MINISTER**

**HUMAN SETTLEMENTS, WATER AND SANITATION**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 656**

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**Ms E L Powell (DA) to ask the Minister of Human Settlements, Water and Sanitation:**

(1) What has she found to be the reasons that according to the annual reports of the Estate Agency Affairs Board for 2018 and 2019 the number of estate agents has increased by around 5% whereas the number of estate agencies decreased by about 9%;

(2) whether she has found that, in view of the fact that the establishment and growth of small businesses are crucial to the economy, compliance issues and registration/audit challenges are preventing smaller firms from succeeding; if not, what is the position in this regard; if so, what are the relevant details? NW858E

**REPLY:**

(1) The reasons for the increase in the number of estate agents from 22 000 in 2018 to 25 000 in the 2019 financial year is mainly attributed to the implementation of the One Learner, One Estate Agency Youth Brigade Programme, which is funded by the Services Sector Education and Training Authority (SETA). This is a programme that the Honourable Member should be familiar with having been on this portfolio for a year now and it is our response to the racially skewed nature of the industry.

The decrease in estate agency firms is due to a variety of reasons, among them being the market conditions in the property sector, the inaccessibility of markets by the smaller estate agencies and the non-compliance with the legislated requirements such as the submission of audited annual reports.

(2) There is no evidence that regulatory compliance prevents small firms from succeeding.  It would be helpful if any available report in this regard could be provided to the department.  The success of any business is informed by many factors some of which are non-regulatory.  Market conditions alone account for many of the basis for the failure of businesses of any size.  In the real estate sector for example, customer preferences are important. Many consumers view homeownership together with work mobility. This influences whether a consumer purchases or rents a home. In light of this, a proper market study can assist all of us so that we understand better the trends in our country.