

P O L I C Y B R I E F

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Reinstating a Professionalisation Policy for South Africa's Real Estate Sector



Executive summary

This policy brief aims to address the property sector's education, training, processes, policies, guidelines, and procedures to enhance professionalisation in South Africa.

Problem statements:

- Restrictive entry requirements continue to challenge the property sector's ability to attract and retain enrolments from new and potential candidates.
- The challenges of an extended time frame for real estate qualifications delay entry into the profession.
- Inaccessible educational programmes lead to a lack of professionalism in the property sector.
- Limited career advancement, due to the high cost of obtaining the qualification, which continues to be a barrier for disadvantaged groups.
- The number of unqualified property practitioners in South Africa is on the rise.

Key actions

1. The South African Qualifications Authority (SAQA) and the Property Practitioners Regulatory Authority (PPRA) should modify the requirements for the National Qualifications Framework (NQF) 4 in the following ways:
 - The PPRA must change the policy for upfront payment before registering for NQF 4.
 - The PPRA and SAQA must ensure flexibility and encourage candidates to become full property professionals, as well as amend the process for obtaining the Professional Designation Examination (PDE) certificates.
 - PPRA, in collaboration with the Services Sector Education and Training Authority (SSETA), must provide more training and skills development programmes that are open to all members of society, whether property practitioners or not.
2. Encourage multi-sectoral collaboration between the SSETA, the PPRA, local government, the real estate sector, and the sub-sector to improve real estate education and training.
3. The PPRA, SSETA, and SAQA must ensure that the current education and training policy aligns with:
 - the 2030 Sustainable Development Goals (SDG) (SDG 4),
 - the 2030 National Development Plan (NDP) (Chapter 9), and
 - the Agenda 2063 (Aspiration 6 Goal 2).

Introduction

Barriers to entry into the property sector remain prevalent, impeding the sector's growth and progression, while simultaneously preventing significant involvement from historically disadvantaged groups. Education, cost, and time appear to be the most significant barriers to the professionalisation of the property sector. The current Education and Training standards for the real estate sub-sector, implemented in July 2024, have introduced significant financial and time-related challenges to new entrants of the property sector. Prospective estate agents must pay an upfront fee of at least R15 000 to enroll in the occupational qualification programme, which spans around 10 to 12 months. During this period, candidates must complete 66% of the qualification, which is 6 months without the opportunity to earn an income. Upon completing the qualification, candidates must pass the Professional Designation Examination (PDE) for Non-Principal Estate Agents (PDE 4), which entails an additional fee of R2 000. The extended qualification period is caused by the delays in obtaining PDE certificates if the candidate fails. They need to apply for the 180 days extension, which should be approved by the PPRA.

These financial burdens and extended qualification periods not only deter potential entrants but also hinder professionalisation of the sector. In the light of these challenges, this policy brief aims to propose reforms to the property sector's educational and training programmes. These reforms will focus on improving accessibility and affordability, while maintaining professional standards, ultimately promoting greater professionalisation within South Africa's property sector.

Research evidence

Developmental framework governing education, training and skills development

This policy brief supports SDG 4 (Quality Education) by addressing barriers to entry into the property sector and promoting equitable access to professional development for historically disadvantaged individuals. By evaluating and enhancing curricula and training programmes, inclusive educational opportunities should be fostered, ensuring that all individuals have the chance to build capacity and engage in lifelong learning (United Nations, 2015).

Furthermore, this policy brief aligns with Chapter 9 (Improving Education, Training, and Innovation), as it emphasises the development of training and professional development programmes for property practitioners. By ensuring that these practitioners possess the necessary skills to thrive in a regulated environment, the brief contributes to building a capable workforce – a key goal of the NDP (National Planning Commission, 2012). It is evident that the current education programme in the property sector fails to promote the abovementioned SDG and NDP.

This policy brief also supports Agenda 2063, Aspiration 6, Goal 2, which emphasises the importance of well-educated citizens and a skills revolution driven by science, technology, and innovation. The property sector can contribute to Africa's development objectives by ensuring that property practitioners are well-trained, adaptable, and aligned with global and regional standards of professionalism (African Union, 2024).

Laws governing the education programme in the property sector

The Quality Council for Trades and Occupations (QCTO) plays a critical role in overseeing occupational learning programmes. These programmes aim to develop economically valuable skills by integrating practical and theoretical components. Accredited providers and Sector Education and Training Authorities (SETAs) register these qualifications on the NQF. The QCTO also implements rigorous quality assurance processes, including monitoring site visits, to evaluate the delivery and implementation of these qualifications. This ensures accountability, continuous improvement, and enhanced learner outcomes. The QCTO's framework helps learners become more employable through structured and quality-assured occupational skills programmes (QCTO, 2024).

Furthermore, the Services SETA plays an essential role in accrediting skills development providers, including those involved in the property sector. It ensures that these providers comply with specific occupational qualification regulations and standards. This is particularly important in the property sector, where training programmes must align with national and industry-specific educational standards to maintain quality and relevance (SSETA, 2024). The Services SETA's oversight helps bridge the gap between academic qualifications and market demands, making sure that learners are adequately prepared for their professional roles in the property industry.

The South African Qualifications Authority (SAQA) establishes a comprehensive regulatory framework to guarantee the alignment of all qualifications with the NQF. SAQA's role includes maintaining the quality and integrity of educational standards across various sectors, including the property sector. Although the SAQA website focuses on user data protection and statistical usage, it also ensures that qualifications and their related programmes comply with national legal requirements (SAQA, 2023). Through SAQA's regulations, educational institutions and training providers within the property sector adhere to national laws governing occupational qualifications.

Education and training processes, policies, guidelines and procedures policy

The policy on education and training processes, policies, guidelines, and procedures modifies the equivalency exemption criteria for the NQF Level 4 Real Estate qualification. This means that qualifications that include subjects that were not previously eligible for full exemption can now be considered. However, this exemption does not apply to individuals who do not possess a minimum of a three-year tertiary qualification, or its equivalent at NQF Level 6, from an accredited institution, endorsed by the Council on Higher Education (PPRA, 2024).

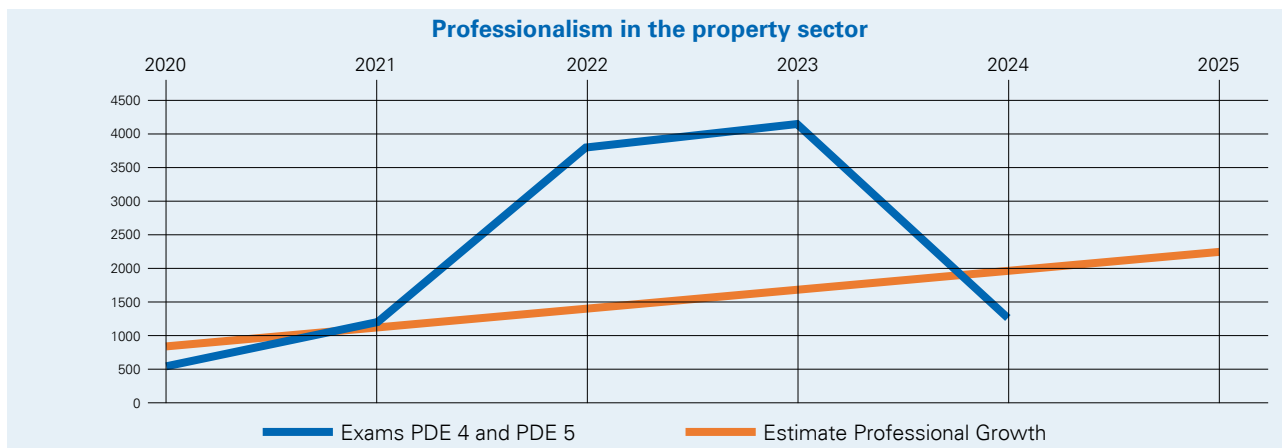
To qualify for language exemptions, applicants must present a matriculation certificate with two official South African languages. Unless their qualifications were obtained in a foreign country, even individuals with relevant degrees or diplomas may not be fully exempt from the NQF Level 4 Real Estate qualification requirements if they lack this certificate. For a qualification to be considered for full exemption, it must be complete; incomplete qualifications with missing subjects will disqualify applicants from receiving an exemption. If an applicant has a three-year degree from a recognised school that is equal to NQF Level 6, they may not need to take the Further Education and Training Certificate: Real Estate (NQF Level 4), but this is up to the PPRA. The Standard of Training of Estate Agents Regulations, 2008, say that getting an equivalency exemption doesn't get rid of other educational requirements. These include doing a 12-month internship, keeping a logbook, and passing the Professional Designation Examination (PDE 4) to become a registered property practitioner (PPRA, 2024).

According to the PPRA (2024), the regulations mandate that anyone aspiring to become a property practitioner must take the professional designation examination (PDE). According to sub-regulation 33.2, a property practitioner does not need to register with the authority as a candidate property practitioner to study, qualify for, or sit for the PDE. However, such candidates must first comply with the standard qualification requirements before they can register for PDE.

A candidate estate agent cannot hold the position for more than 180 days, or six months. A candidate estate agent must take the PDE after the six-month period has passed. If a candidate fails the PDE, the Authority grants an extension of 180 days, provided they submit an application to the Authority with a valid reason for the extension. Therefore, being a candidate estate agent for more than six months is not automatic if a candidate has failed the exam.

The graph in Figure 1 provides an illustration of professionalism in South Africa. From 2020 to 2024, the line graph illustrates the trend of estimated professional growth versus the number of PDE 4 and 5 exams in South Africa.

Figure 1: Professionalism in South Africa's property sector: Estimated professional growth versus actual number of PDE 4 and 5 exams 2022–2024



The graph distinctly depicts the decline in the number of individuals aspiring to become professional property practitioners. The next section will offer recommendations to resolve the professionalisation challenges that hinder the property sector's growth.

Conclusion and recommendations

In conclusion, based on the facts presented, it is necessary to reform educational and training policies in South Africa's property sector in order to enhance professionalism.

This policy recommends the following:

- The SAQA and the PPRA should modify the requirements for NQF 4. Anyone with a qualification should be able to participate in masterclasses or trainings that earn Continuous Professional Development (CPD) points until they meet the requirements to register as a candidate.
- The PPRA must change the policy for upfront payment before registering for NQF 4. Candidates should pay the amount in instalments throughout the real estate qualification period, allowing them to seek bursaries or make reasonable payments. This will encourage disadvantaged groups to be able to register.
- To ensure flexibility and encourage candidates to become full property professionals, the PPRA must change the process for obtaining PDE certificates. If the candidate fails, the 180 days extension should be automatic without the PPRA's approval.
- Currently, the candidate practitioner must sit for the PDE after six months of practice. If they fail, the candidate needs to apply for an extension of a further 180 days, and the extension is based on the PPRA's decision.
- The PPRA, in collaboration with SSETA, must provide more training and skills development programmes that are open to all members of society, whether property practitioners or not. This is to further encourage and capacitate disadvantaged groups. Continuous Professional Development (CPD), which aims to provide property practitioners with training and skills, can help to achieve this. Understanding the latest trends and developments in the property practitioner sector is crucial. This will further provide a structured approach to enable property practitioners to improve skills and knowledge in the workplace.
- This policy brief further encourages multi-sectoral partnership between the SSETA, the PPRA, local government, the real estate sector, and the sub-sector. They must collaborate to educate, train, and sponsor property candidates and encourage them to become professionals.

The recommendations exercise the PPRA's right to Regulation 33.2.1 of the Property Practitioners Regulations, 2022, and provide that the PPRA must consult in good faith with the representative bodies in the various sub-sectors in which property practitioners operate.

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