



**EXTERNAL INTEGRATED SUMMATIVE ASSESSMENT  
EXEMPLAR EXAM**

**CANDIDATE INFORMATION**

<b>SURNAME</b>													
<b>NAMES</b>													
<b>ID NUMBER</b>													
<b>EISA REGISTRATION NUMBER</b>													
<b>ASSESSMENT CENTRE</b>													
<b>ASSESSMENT CENTRE ACCREDITATION NUMBER</b>													

**QUALIFICATION INFORMATION**

<b>QUALIFICATION TITLE</b>	<b>Occupational Certificate: Real Estate Agent</b>
<b>SAQA ID</b>	<b>118714</b>
<b>NQF LEVEL</b>	<b>04</b>
<b>CREDITS</b>	<b>150</b>
<b>DURATION</b>	<b>180 minutes</b>
<b>TOTAL MARKS</b>	<b>250</b>
<b>PASS MARK</b>	<b>125</b>
<b>DATE OF EISA</b>	

## GENERAL EISA RULES

- a) Candidates are **ONLY** allowed to use the **EISA BOOKLETS** supplied.
- b) Candidates can **ONLY** use a **BLACK PEN** for their answers.
- c) Candidates to ensure that their **NAMES, SURNAMES** and **EISA** registration numbers appear on the front of their **EISA** booklet.
- d) This is a closed-book examination. Therefore, no other materials or belongings are to be brought into the assessment centre. Should you bring any other materials or belongings into the assessment centre, you will be required to leave such at the front of the assessment centre examination room. The assessment centre will not be held liable for any loss or damage to property brought into the assessment centre examination room.
- e) All **EISA** booklets must be handed back to the invigilator intact. No paper may be torn off from the **EISA** booklet. The removal of EISA booklets from the examination room is prohibited.
- f) Candidates may use a calculator in this **EISA**.
- g) Unless this is an online examination where access to a computer will be made available to you, the use of any communication devices, including smart watches, cell phones, tablets, iPads, headphones and laptops, are prohibited.
- h) All cell phones are to be switched off for the duration of the **EISA**.
- i) The invigilator will not assist you with the explanation of questions related to the **EISA**.
- j) Candidates are prohibited from conversing in any manner with other students.
- k) Candidates may not leave the examination venue within one hour of the start of the examination and in the last 10 minutes of the allotted examination period.
- l) Candidates who are found to be disruptive and unruly in the assessment centre will be requested to leave the assessment centre by the invigilator.

**I HEREBY CONFIRM THAT I HAVE READ THE ABOVE EISA RULES AND DECLARE THAT I UNDERSTAND AND ACCEPT THE RULES**

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**CANDIDATE SIGNATURE**

## INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 6 questions:
  - Question 1 (50 marks)
  - Question 2 (50 marks)
  - Question 3 (38 marks)
  - Question 4 (28 marks)
  - Question 5 (50 marks)
  - Question 6 (34 marks)
2. Candidates must complete all questions in this EISA.
3. Read ALL the instructions carefully and take particular note of what is required.
4. Should you require additional space to complete your answer, please request additional paper from your invigilator. Ensure that you indicate your name, surname and EISA registration number at the top of the additional paper. Also ensure that the question number is clearly marked on your additional paper.
5. Number the answers correctly according to the numbering system used in this question paper.
6. Use the mark allocation and nature of each question to determine the length and depth of an answer.
7. Pay special attention to spelling and sentence construction.
8. Write neatly and legibly.

## Question 1

**1.1** In 2025, the South African residential property market reflects contrasting trends. In metropolitan hubs such as Cape Town, Johannesburg, and Durban, demand for sectional title apartments has surged due to affordability constraints and lifestyle changes. Young professionals prefer smaller units in well-located areas, while family buyers struggle with affordability in freehold housing markets.

Recent property data shows:

- Sectional Title Demand: 15% annual growth in sales volume for apartments below R1.5 million.
- Freehold Market: 8% decline in sales due to affordability pressures, higher interest rates, and longer average selling periods (up from 65 to 95 days).
- Rental Market: Vacancy rates dropped from 12% to 6% in city nodes, pushing rental prices upward by 9% year-on-year.
- Supply Constraints: Limited new developments are being completed due to high construction costs, supply chain disruptions, and regulatory delays.
- Investor Activity: Local investors are focusing on buy-to-let apartments, while international investors are cautious due to currency volatility and political risk.

**1.1.1** Using the case study above, evaluate the impact of current supply and demand trends on the residential property market. Identify and explain at least 5 key risk factors that property practitioners should consider when advising clients. **(5)**

### **Model Answers:**

Learner should be able to evaluate 5 impacts of current supply and demand trends on the residential property market linked to the scenario. 1 mark allocated to identify and explain at least five key risk factors that property practitioners should consider when advising clients. Assessors discretion may apply and reward marks for any other relevant answers linked to the case study.

i. **Affordability and Interest Rate Risk**

High interest rates increase bond repayments, excluding a portion of first-time buyers from the market. This reduces transaction volumes and prolongs the sales cycle, particularly for freehold properties. Practitioners must manage client expectations and encourage realistic pricing strategies.

ii. **Supply Shortage and Construction Costs**

The shortage of new developments, due to rising construction costs and regulatory delays, creates a supply bottleneck. This artificially inflates prices, which may not be sustainable if economic conditions weaken. Practitioners must warn buyers and investors about potential price corrections.

iii. **Rental Market Saturation Risk**

While rental vacancies have decreased, the growing investor focus on buy-to-let properties may saturate the rental market in certain nodes. This could reverse the upward rental trend and reduce returns for investors. Agents should guide investors on location-specific demand before purchases.

iv. **Economic and Political Risk**

Currency volatility and policy uncertainty discourage foreign investors, reducing liquidity and capital inflows into the property sector. This risk can lower property values in luxury and investor-driven segments. Practitioners should remain aware of global economic shifts that impact local demand.

v. **Market Mismatch (Affordable Housing Gap)**

There is strong demand for properties below R1.5 million, but limited supply in this segment. This mismatch leaves many buyers underserved, while oversupply exists in higher-value freehold properties. Practitioners must adapt strategies, focusing on affordable housing opportunities and government-backed financing initiatives.

**1.1** In 2025, the South African residential property market is showing mixed signals across different regions and property types.

Recent market data:

- Urban Apartments (Sectional Title): Sales volumes grew by 12% year-on-year in major metros (Cape Town, Johannesburg, Durban), driven by young professionals seeking affordability and security.
- Freehold Suburban Homes: Declined by 9% in sales, as rising interest rates and utility costs pushed many family buyers out of affordability brackets.
- Rental Demand: Increased by 10%, with vacancy rates dropping from 11% to 6%, especially in student and working hubs.
- Luxury Properties (R5 million+): Sales slowed by 7%, influenced by weaker foreign investor confidence due to currency volatility.
- New Developments: Construction activity is limited, with completions down 15%, due to high building costs and municipal approval delays.

**1.1.2** Using the case study above, identify and explain 5 key property-related trends influenced by supply and demand in the current market. Discuss how these trends impact property practitioners and decision-making in real estate. **(5)**

**Model Answers:**

Learner should be able to identify and explain 5 key property-related trends influenced by supply and demand in the current market linked to the scenario. 1 mark allocated to discuss how these trends impact property practitioners and decision-making in real estate. Assessors discretion may apply and reward marks for any other relevant answers linked to the case study.

i. **Shift Towards Affordable Sectional Title Properties**

Demand for sectional title apartments is rising due to affordability pressures and

- lifestyle preferences. This trend benefits developers and agents who focus on high-demand affordable housing.
- ii. **Decline in Freehold Housing Market**  
Higher interest rates and affordability challenges have reduced demand for suburban freehold homes. This trend forces sellers to adjust pricing and increases the average time properties remain on the market.
  - iii. **Growth in Rental Demand**  
With many buyers unable to qualify for bonds, rental demand has surged. This strengthens buy-to-let investment opportunities but also risks oversupply in concentrated rental hubs if not managed carefully.
  - iv. **Slowdown in Luxury and High-End Sales**  
Luxury properties face declining demand due to reduced foreign investor activity and local affordability issues. Agents must diversify their target markets and focus on local high-net-worth individuals.
  - v. **Limited New Developments Due to Supply Constraints**  
Construction slowdowns caused by rising costs and delays in approvals reduce housing supply. This pushes up property prices in some sectors but creates long-term affordability risks.

**1.2** In South Africa's 2025 property market, several important trends are shaping real estate activity:

- **Urbanisation:** Growing demand for affordable sectional title apartments in city centres.
- **Interest Rates:** Bond repayments have increased by 2% over the last year, affecting affordability.
- **Rental Market:** Strong demand in metros, with rental escalations of 8% annually.
- **Technology:** Buyers increasingly rely on virtual tours, digital listings, and online platforms.
- **Lifestyle Shifts:** Buyers prioritise security estates, mixed-use developments, and eco-friendly housing.
- **Luxury Market:** Sales above R5 million declined by 6% as foreign investors remain cautious.
- **Development Pipeline:** New housing developments are down 12% due to rising construction costs.
- **Work-from-Home Effect:** Demand for homes with office space and good connectivity increased.
- **Investor Behaviour:** Buy-to-let investors target small apartments for rental yields.
- **Regional Variation:** Coastal towns show rising demand for semigration buyers (remote workers and retirees).

These trends affect demand, supply, pricing, and investment behaviour. A real estate business must adapt its strategy to remain competitive.

1.2.1 Based on the case study, identify 5 property-related trends influencing the real estate market. Apply trend analysis to explain their significance and prepare a strategy that a property practitioner could implement to respond effectively to these market conditions. **(10)**

**Model Answers:**

Learner should be able to identify 5 property-related trends influencing the real estate market linked to the scenario. 2 marks allocated to apply trend analysis to explain their significance and prepare a strategy that a property practitioner could implement to respond effectively to these market conditions. Assessors discretion may apply and reward marks for any other relevant answers linked to the case study. Some answers that can be considered are listed below.

- i. **Urbanisation & Sectional Title Demand**  
Trend: High demand for affordable apartments near city centres.  
Strategy: Focus marketing on sectional title developments and negotiate exclusive mandates with developers.
- ii. **Rising Interest Rates & Affordability Pressure**  
Trend: Buyers are excluded from bond finance due to higher repayments.  
Strategy: Encourage rent-to-own schemes, alternative financing, and educate buyers on affordability.
- iii. **Growing Rental Market**  
Trend: Rental demand and yields are strengthening in metro areas.  
Strategy: Expand property management services and position the business to attract buy-to-let investors.
- iv. **Digitalisation of Sales**  
Trend: Buyers use online searches, 3D tours, and digital contracts.  
Strategy: Invest in digital marketing, virtual tours, and an advanced CRM system for client tracking.
- v. **Lifestyle Shift to Security & Eco-Friendly Housing**  
Trend: Gated estates and sustainable housing attract premium buyers.  
Strategy: Target eco-developments and partner with developers promoting green certifications.
- vi. **Luxury Market Slowdown**  
Trend: Decline in foreign investor activity reduces high-end sales.  
Strategy: Diversify into mid-market and coastal semigration markets while still servicing niche luxury clients.
- vii. **Limited New Developments**  
Trend: Short supply of new builds due to high construction costs.  
Strategy: Focus on resales and assist developers in navigating approval processes to bring stock to market.
- viii. **Work-from-Home Demand**  
Trend: Homes with office space and fibre connectivity are in demand.

Strategy: Highlight “work-from-home ready” features in listings to attract professionals and remote workers.

ix. **Buy-to-Let Investment Trend**

Trend: Investors target small apartments for rental yield.

Strategy: Create investor packs showing ROI, rental demand, and vacancy rate data.

x. **Semigration to Coastal Towns**

Trend: Remote workers and retirees are relocating to smaller towns with lifestyle benefits.

Strategy: Open referral networks or satellite offices in coastal towns to capture semigration business.

Overall Strategy for the Real Estate Business

By applying trend analysis, the practitioner should pivot towards affordable housing, rental management, digital transformation, and coastal semigration markets. At the same time, they must mitigate risks from interest rates and luxury market stagnation by diversifying services.

1.3 Mr. Dlamini, a property seller, approaches a property practitioner with the following request: “I want you to advertise my property at R2.5 million, but if a buyer offers cash, I am willing to under-declare the selling price on the Offer to Purchase at R2 million. That way, I can reduce my capital gains tax liability. You’ll still earn commission on the full amount, but we won’t record the higher price in the contract. Please ensure this is done quietly.”

This request falls outside the legislative and regulatory framework governing property transactions in South Africa, including the Property Practitioners Act (PPA), the Financial Intelligence Centre Act (FICA), the Deeds Registries Act, and the Code of Conduct for Property Practitioners.

1.3.1 Using the above scenario, identify and explain 5 ways in which legislative and regulatory frameworks impact this transaction. Highlight how the request falls outside compliance and explain how a property practitioner should respond in line with legal and ethical obligations. **(10)**

**Model Answer:**

Learner should be able to identify and explain 5 ways in which legislative and regulatory frameworks impact this transaction linked to the scenario. 2 marks allocated to highlight how the request falls outside compliance and explain how a property practitioner should respond in line with legal and ethical obligations. Assessors discretion may apply and reward marks for any other relevant answers linked to the scenario. Some answers that can be considered are listed below.

I. **Property Practitioners Act (PPA) Compliance**

The Act requires property practitioners to act honestly and fairly. Under-declaring a selling price is fraudulent and violates Section 65 of the PPA. The practitioner must refuse this request.

II. **Code of Conduct Obligations**

The Code of Conduct prohibits misleading or deceptive conduct. Agreeing to falsify



the selling price breaches ethical duties and exposes the practitioner to disciplinary action.

**III. Financial Intelligence Centre Act (FICA) Duties**

Under FICA, practitioners must report suspicious or unusual transactions. Under-declaring the selling price is a “reportable transaction” that could be linked to money laundering or tax evasion.

**IV. Tax Evasion and SARS Compliance**

Reducing the declared selling price amounts to tax fraud. The South African Revenue Service (SARS) requires accurate disclosure of capital gains tax liability. Facilitating tax evasion is a criminal offence.

**V. Deeds Registries Act Requirements**

The full and accurate selling price must be declared in the deed of transfer. A false declaration would render the transaction invalid and could lead to cancellation.

**VI. Risk of Civil and Criminal Liability**

If the practitioner agrees, both the seller and the practitioner could face criminal charges, civil claims, and possible deregistration from the industry.

**VII. Fiduciary Duty to the Client and Market**

The practitioner has a duty to act in the best interests of all parties while remaining compliant with the law. Assisting with fraud would breach fiduciary responsibility.

**VIII. Obligation to Decline the Mandate if Non-Compliance Persists**

If the seller insists, the practitioner must decline the mandate and formally record the reason. Continuing with such a client risks regulatory penalties.

**IX. Duty to Report to the PPRA (Property Practitioners Regulatory Authority)**

The practitioner has an obligation to report misconduct or suspicious activity to the PPRA. This protects both the profession and the public.

**X. Ethical Response and Client Education**

The practitioner should explain to the seller why the request is unlawful, outlining the risks (tax fraud, contract invalidation, and possible jail time). The correct course of action is to educate the client and refuse participation in the unlawful activity.

**1.4** A tenant signs a 15-year commercial lease for a warehouse. The agreement must be registered.

**1.4.1 Multiple Choice Questions**

1.4.1.1 What makes the lease legally valid beyond 10 years?

**(1)**

- A) Verbal consent
- B) Notarised statement
- C) Registration in Deeds Office
- D) Letter of intent

1.4.1.2 Who is responsible for registering the lease? (1)

- A) Tenant
- B) Municipality
- C) Conveyancer or notary
- D) Estate property practitioner

1.4.1.3 What must the lease agreement include? (1)

- A) Property description and term
- B) Rates clearance
- C) Mandate
- D) Environmental report

1.4.1.4 What document confirms registration? (1)

- A) Registered title deed
- B) Deeds registry extract
- C) Lease certificate
- D) OTP

1.4.1.5 Who pays for the long-term lease registration? (1)

- A) Landlord
- B) PPRA
- C) Negotiable between parties
- D) Municipality

1.4.1.6 What rights does registration of the lease provide? (1)

- A) Ownership
- B) Bond security
- C) Real right enforceable against third parties
- D) FFC

1.4.1.7 What contract forms the basis for registration? (1)

- A) Power of attorney
- B) Lease agreement
- C) OTP
- D) Title deed

1.4.1.8 What document verifies the tenant's legal identity? (1)

- A) Zoning certificate
- B) FICA documents
- C) Rates invoice
- D) NHBRC registration

1.4.1.9 What if the lease is not registered? (1)

- A) It becomes a sale
- B) It is only enforceable between parties
- C) It is void
- D) It becomes monthly

1.4.1.10 What certificate must still be valid for the practitioner to handle the lease? (1)

- A) SAPS clearance
- B) Title deed
- C) Fidelity Fund Certificate
- D) COC

**Model Answers:**

1.4.1.1	C
1.4.1.2	C
1.4.1.3	A
1.4.1.4	B
1.4.1.5	C
1.4.1.6	C
1.4.1.7	B
1.4.1.8	B
1.4.1.9	B
1.4.1.10	C

**1.5** A property practitioner is facilitating the sale of a townhouse in Johannesburg valued at R3.2 million. During the transaction, several suspicious circumstances arise:

1. The buyer insists on paying R1.5 million in cash upfront and requests that it not be deposited immediately.
2. The buyer refuses to provide proof of income or bank statements, claiming it is a “private matter.”
3. The seller asks the practitioner to inflate the selling price to R3.6 million in the Offer to Purchase so that he can secure a larger bond from the bank.
4. The buyer’s identity document appears altered, and the address provided does not match any registered records.
5. A third party, unrelated to the transaction, offers to pay the transfer costs in cash.
6. The seller requests that commission be paid “off the books” at a discounted rate to avoid VAT.
7. The buyer offers a “gift” of R50,000 to the practitioner to fast-track the transfer.
8. Funds for the deposit are transferred from an offshore account in a high-risk jurisdiction.
9. The seller insists the deposit be paid directly into his personal account rather than the attorney’s trust account.
10. Both buyer and seller refuse to sign certain FICA documents, stating it is “unnecessary paperwork.”

**1.5.1** Using the scenario above, evaluate the client transactions and activities that raise suspicion. Identify 5 relevant pieces of legislation and regulations impacting the real estate industry and explain how the property practitioner should respond to ensure compliance. **(10)**

**Model Answers:**

Learner should be able to evaluate 5 of the client transactions and activities that raise suspicion linked to the scenario. 1 mark allocated to identify the relevant pieces of legislation and regulations impacting the real estate industry and explain how the property practitioner should respond to ensure compliance. Assessors discretion may apply and reward marks for any other relevant answers linked to the scenario. Some answers that can be considered are listed below.

- i. **Financial Intelligence Centre Act (FICA) – Cash Payment Risk**  
Suspicious large cash payments must be reported as they may indicate money laundering. The practitioner must refuse to handle undeclared cash and submit a suspicious transaction report to FIC.
- ii. **FICA – Refusal to Provide Proof of Income**  
Clients are legally required to provide financial and identification documents. Refusal

- is non-compliance. The practitioner must not proceed until FICA verification is complete.
- iii. **National Credit Act (NCA) – Inflating Purchase Price for Larger Bond**  
Falsifying the price constitutes fraud and contravenes the NCA. Practitioners must reject false offers and report attempts to mislead financial institutions.
  - iv. **Identification Documents – Fraudulent Identity**  
The altered ID contravenes the Identification Act and FICA's KYC (Know Your Client) requirement. The practitioner must halt the transaction until valid identification is confirmed.
  - v. **FICA – Third-Party Payments**  
Payments by unrelated parties raise money-laundering risks. The practitioner must verify the third party's identity and source of funds or reject the payment.
  - vi. **Value-Added Tax Act – Commission “Off the Books”**  
Requesting commission without VAT is tax evasion. The practitioner must insist on full VAT-compliant invoicing and refuse illegal arrangements.
  - vii. **Prevention and Combating of Corrupt Activities Act – Bribery**  
The R50,000 “gift” is a bribe. Accepting it would constitute corruption. The practitioner must refuse, record the incident, and if necessary, report it.
  - viii. **Exchange Control Regulations – Offshore Funding**  
Offshore funds from high-risk jurisdictions may contravene exchange control and anti-money laundering laws. The practitioner must confirm SARB (South African Reserve Bank) compliance.
  - ix. **Attorneys Act & Trust Account Regulations – Deposit Handling**  
Deposits must be placed in an attorney's or practitioner's trust account. Paying directly to the seller violates the law and exposes the buyer to risk. The practitioner must refuse.
  - x. **Property Practitioners Act (PPA) & Code of Conduct – Refusal to Complete FICA Documents**  
Clients who refuse to sign compliance documents breach the PPA and Code of Conduct. The practitioner must decline to proceed until full compliance is achieved.

**SUB- TOTAL: 50 marks**

## Question 2

**2.1** Nomsa, a full-status property practitioner at City Nest Realty, facilitated the sale of a residential home in Cape Town. During the process, she:

- Did not provide a mandatory disclosure form before the buyer signed the offer to purchase.
- Was operating without a valid Fidelity Fund Certificate (FFC).
- Assured the buyer that the property was zoned for business, although it was residential-only.
- Accepted a cash deposit and delayed transferring it to the trust account by 4 days.
- Knew about a leaking roof but didn't inform the buyer.
- Was unavailable after registration to resolve complaints.
- The buyer submitted a complaint to the Property Practitioners Regulatory Authority (PPRA).

### 2.1.1 – Multiple Choice Questions

Section A: Identifying Code of Conduct Breaches

- 2.1.1.1 What form did Nomsa fail to provide before the OTP was signed? **(1)**
- A. Zoning certificate
  - B. Disclosure form
  - C. Mandate form
  - D. Title deed
- 2.1.1.2 The failure to disclose the leaking roof violates the: **(1)**
- A. Municipal bylaws
  - B. Code of ethics
  - C. Mandatory disclosure requirements
  - D. Advertising policy
- 2.1.1.3 Operating without a valid FFC means: **(1)**
- A. Commission is reduced
  - B. She cannot legally act as a property practitioner
  - C. She must refund the deposit
  - D. She must sign an affidavit

- 2.1.1.4 The delay in transferring funds breaches: (1)  
A. National Credit Act  
B. Trust Account Regulations under the PPA  
C. The property practitioner's mandate  
D. Zoning law
- 2.1.1.5 Who is most affected by zoning misrepresentation? (1)  
A. City council  
B. Conveyancer  
C. Buyer  
D. Seller
- 2.1.1.6 Which party is responsible for verifying the practitioner's FFC? (1)  
A. Buyer  
B. Conveyancer  
C. Principal of the agency  
D. Municipality
- 2.1.1.7 Which section of the PPA outlines the mandatory disclosure form requirement? (1)  
A. Section 48  
B. Section 54  
C. Section 67  
D. Section 32
- 2.1.1.8 By ignoring communication after the sale, Nomsa breached: (1)  
A. Contract law  
B. Ethical responsibility under the Code  
C. Tax law  
D. Property zoning regulations
- 2.1.1.9 Who can file a complaint with the PPRA? (1)  
A. Only attorneys  
B. The buyer or any affected party  
C. Municipal inspectors only  
D. Real estate franchisees
- 2.1.1.10 What consequence can follow from not having a valid FFC? (1)  
A. No listing rights  
B. Reduced commission  
C. Ineligibility to claim commission  
D. Temporary suspension of sale

**Model Answers:**

<b>2.1.1.1</b>	<b>B</b>
<b>2.1.1.2</b>	<b>C</b>
<b>2.1.1.3</b>	<b>B</b>
<b>2.1.1.4</b>	<b>B</b>
<b>2.1.1.5</b>	<b>C</b>
<b>2.1.1.6</b>	<b>C</b>
<b>2.1.1.7</b>	<b>C</b>
<b>2.1.1.8</b>	<b>B</b>
<b>2.1.1.9</b>	<b>B</b>
<b>2.1.1.10</b>	<b>C</b>

Section B: Legislative Framework Application

- 2.1.1.11 The Property Practitioners Act (PPA) replaced which former law? **(1)**  
A. Sectional Titles Act  
B. Estate Agency Affairs Act  
C. Rental Housing Act  
D. Deeds Registries Act
- 2.1.1.12 The FFC is valid for: **(1)**  
A. 3 years  
B. 6 months  
C. 1 year  
D. 5 years
- 2.1.1.13 The PPA regulates: **(1)**  
A. Tenants only  
B. Property investors  
C. Property practitioners and estate practitioners  
D. City planners
- 2.1.1.14 Trust accounts must be: **(1)**  
A. Held in the principal's name  
B. Audited and managed according to the PPA  
C. Optional if disclosed  
D. Shared with the buyer



- 2.1.1.15 The purpose of the Fidelity Fund is to: (1)  
 A. Pay property practitioner salaries  
 B. Compensate clients for dishonesty or theft  
 C. Fund home loans  
 D. Maintain municipal services
- 2.1.1.16 The Code of Conduct requires property practitioners to act: (1)  
 A. In favour of sellers  
 B. In their own interests  
 C. Honestly and transparently  
 D. Based on commission agreements
- 2.1.1.17 When must the disclosure form be signed? (1)  
 A. Before the OTP is signed  
 B. After transfer  
 C. After bond approval  
 D. With the FFC
- 2.1.1.18 Practicing without an FFC can result in: (1)  
 A. Verbal warning  
 B. Automatic commission payment  
 C. Penalty and disqualification  
 D. Bonus incentives
- 2.1.1.19 A property practitioner must disclose: (1)  
 A. Zoning and price only  
 B. Commission rate  
 C. Material defects known or suspected  
 D. Buyer's financial details
- 2.1.1.20 What does Section 54 of the PPA deal with? (1)  
 A. Trust accounts  
 B. FFC application  
 C. Training  
 D. Home valuations

**Model Answers:**

<b>2.1.1.11</b>	<b>B</b>
<b>2.1.1.12</b>	<b>C</b>
<b>2.1.1.13</b>	<b>C</b>
<b>2.1.1.14</b>	<b>B</b>
<b>2.1.1.15</b>	<b>B</b>
<b>2.1.1.16</b>	<b>C</b>
<b>2.1.1.17</b>	<b>A</b>

<b>2.1.1.18</b>	<b>C</b>
<b>2.1.1.19</b>	<b>C</b>
<b>2.1.1.20</b>	<b>A</b>

## Section C: Reporting Non-Compliance

- 2.1.1.21 Complaints to the PPRA must be: **(1)**
- A. Made by attorneys
  - B. Submitted verbally
  - C. Submitted in writing with supporting documents
  - D. Handled by SAPS
- 2.1.1.22 If a buyer loses money due to property practitioner dishonesty, they can: **(1)**
- A. File a bond application
  - B. Sue the seller
  - C. Claim from the Fidelity Fund
  - D. Cancel the title deed
- 2.1.1.23 A complaint can result in: **(1)**
- A. Suspension or fines
  - B. Municipal penalty
  - C. Reduction in property practitioner's salary
  - D. Civil court settlement
- 2.1.1.24 Which of the following is a valid reason for PPRA deregistration? **(1)**
- A. Missed meeting
  - B. Practicing without a valid FFC
  - C. Commission disputes
  - D. Website error
- 2.1.1.25 The purpose of reporting non-compliance is to: **(1)**
- A. Close real estate firms
  - B. Discipline buyers
  - C. Uphold professionalism and protect consumers
  - D. Increase interest rates
- 2.1.1.26 If a property practitioner is found guilty of misconduct, the PPRA may: **(1)**
- A. Reassign the buyer
  - B. Revoke their mandate
  - C. Deregister or fine them
  - D. Change the title deed

- 2.1.1.27 Evidence required in a complaint includes: (1)  
 A. OTP, communication records, proof of loss  
 B. A new FFC  
 C. Newspaper ad  
 D. Verbal recordings only
- 2.1.1.28 Repeat offenders may face: (1)  
 A. Discounted renewal fees  
 B. Disqualification from practicing  
 C. Advertising bans only  
 D. Suspension of the conveyancer
- 2.1.1.29 Which of the following is **not** covered by the Fidelity Fund? (1)  
 A. Dishonest conduct  
 B. Fraud by a registered property practitioner  
 C. Property practitioner working without an FFC  
 D. Malicious false advertising
- 2.1.1.30 Who is ultimately accountable for compliance within an agency? (1)  
 A. Admin assistant  
 B. The client  
 C. The principal property practitioner  
 D. The conveyancer

**Model Answers:**

2.1.1.21	C
2.1.1.22	C
2.1.1.23	A
2.1.1.24	B
2.1.1.25	C
2.1.1.26	C
2.1.1.27	A
2.1.1.28	B
2.1.1.29	C
2.1.1.30	C

**2.2** A property practitioner, Ms. Naidoo, is handling multiple real estate transactions. During a recent review, several instances of **non-compliance with the Code of Conduct** were identified:

- She failed to disclose to a buyer that the property was subject to unresolved structural defects.

- She accepted an offer from one buyer while still presenting the property to other potential buyers.
- She deposited a client's deposit into her personal bank account instead of the trust account.
- She recommended a conveyancer who pays her a referral fee, without informing the client.
- She exaggerated the potential rental income of an investment property to secure a sale.
- She promised a seller an inflated valuation to win the mandate, knowing it was unrealistic.
- She failed to provide the buyer with a signed copy of the Offer to Purchase within 48 hours.
- She disclosed confidential client information to another agent without permission.
- She pressured a buyer to sign an OTP without sufficient time for independent legal advice.
- She advertised a property as "sold" before the OTP was formally accepted and signed.

**2.2.1** Using the scenario above, examine 10 instance of non-compliance in relation to the Code of Conduct for Property Practitioners. Identify 10 ethical breaches, explain why they are non-compliant, and recommend how property practitioners should apply and maintain ethical property practices to ensure transactions align with the Code of Conduct. **(20)**

**Model Answers:**

Learner should be able to examine 10 instance of non-compliance in relation to the Code of Conduct for Property Practitioners linked to the scenario. 2 marks allocated to identify ethical breaches, explain why they are non-compliant, and recommend how property practitioners should apply and maintain ethical property practices to ensure transactions align with the Code of Conduct. Assessors discretion may apply and reward marks for any other relevant answers linked to the scenario. Some answers that can be considered are listed below.

- i. **Failure to Disclose Defects**  
Non-compliance: Withholding material information breaches the duty of honesty and transparency.  
Ethical Practice: Practitioners must disclose all known defects to buyers in writing.
- ii. **Double Marketing After Offer Accepted**  
Non-compliance: Marketing the property after accepting an offer is dishonest and misleads clients.  
Ethical Practice: Practitioners must act in good faith and cease marketing once an OTP is signed.
- iii. **Misuse of Client Funds**  
Non-compliance: Depositing funds into a personal account violates trust account

regulations.

Ethical Practice: All client funds must be kept in a designated trust account, fully auditable.

iv. **Secret Referral Fees**

Non-compliance: Accepting undisclosed benefits creates a conflict of interest.

Ethical Practice: Practitioners must disclose referral arrangements in writing and obtain client consent.

v. **Misrepresentation of Rental Income**

Non-compliance: Exaggerating returns is false advertising and breaches the duty of accuracy.

Ethical Practice: Provide clients with verified realistic rental projections based on market data.

vi. **Inflated Valuation to Win Mandate**

Non-compliance: Misleading valuations breach the Code of Conduct's fairness and honesty requirements.

Ethical Practice: Provide evidence-based valuations supported by recent comparative sales.

vii. **Failure to Provide Copy of OTP**

Non-compliance: Not furnishing contracts within 48 hours breaches administrative compliance rules.

Ethical Practice: Practitioners must provide clients with timely copies of signed documents.

viii. **Breach of Confidentiality**

Non-compliance: Sharing client information without consent violates client confidentiality.

Ethical Practice: Maintain strict confidentiality unless disclosure is legally required.

ix. **Pressuring Clients into Signing**

Non-compliance: Coercion breaches the Code's requirement for fairness and professional integrity.

Ethical Practice: Allow clients adequate time to seek legal or professional advice.

x. **False Advertising ("Sold" Claim)**

Non-compliance: Advertising a property as sold before contract conclusion is misleading.

Ethical Practice: Marketing must always be truthful, reflecting the actual transaction status.

**SUB- TOTAL: 50 marks**

### Question 3

**3.1** Mr. and Mrs. Jacobs, a young professional couple with two children, recently relocated to Cape Town due to work opportunities. They approach a property practitioner with the following request:

“We are looking for a family home in a safe neighbourhood within 20–30 minutes of the city centre. We need at least three bedrooms, a home office space, and a small garden for our children. Our budget is around R3.5 million. We would like schools, shopping centres, and public transport nearby. We’re also considering whether it might be better to rent for a year before buying.”

The property practitioner must determine the Jacobs’ needs, compile a real estate needs profile, and recommend a suitable service offering.

**3.1.1** Based on the case study, determine the clients’ property needs and compile a comprehensive real estate needs profile. Identify 10 key needs or considerations and explain how a property practitioner should address each to provide an appropriate service offering. **(20)**

#### **Model Answers:**

Learner should be able to determine 10 clients’ property needs and compile a comprehensive real estate needs profile linked to the scenario. 2 marks allocated to identify key needs or considerations and explain how a property practitioner should address each to provide an appropriate service offering. Assessors discretion may apply and reward marks for any other relevant answers linked to the scenario. Some answers that can be considered are listed below.

- i. **Budget Affordability (R3.5m)**  
Need: The couple has a defined budget.  
Service Offering: Provide listings within their price range, with financing options and bond pre-approval support.
- ii. **Location (20–30 mins to City Centre)**  
Need: Close proximity to work to reduce commuting time.  
Service Offering: Focus on suburbs like Claremont, Pinelands, or Observatory with easy city access.
- iii. **Safety and Security**  
Need: Secure environment for family living.  
Service Offering: Prioritise homes in gated estates or secure suburbs, with community policing or security services.
- iv. **Family-Friendly Home (3 Bedrooms + Garden)**  
Need: Adequate space for children.  
Service Offering: Source freehold or sectional title homes with child-friendly layouts and outdoor space.
- v. **Work-from-Home Office Space**  
Need: Dedicated area for remote work.

	Service Offering: Highlight properties with extra bedrooms, studies, or adaptable spaces for home offices.
vi.	<b>Access to Schools</b> Need: Proximity to quality schools for children's education. Service Offering: Present homes within top school districts and provide school information packs.
vii.	<b>Nearby Amenities (Shopping &amp; Healthcare)</b> Need: Easy access to daily facilities. Service Offering: Compile a list of properties near shopping centres, clinics, and recreational facilities.
viii.	<b>Public Transport Connectivity</b> Need: Access to transport for commuting or family use. Service Offering: Recommend areas with MyCiTi bus routes, train stations, or major road networks.
ix.	<b>Rent vs Buy Consideration</b> Need: Unsure whether to rent before buying. Service Offering: Provide comparative cost analysis of renting vs buying in targeted areas, plus short-term rental options.
x.	<b>Long-Term Investment Value</b> Need: Ensure property purchase is a sound investment. Service Offering: Share market trend reports, suburb growth projections, and resale potential.

**3.2** Ms. Daniels is a property practitioner working in the Pretoria East market. She wants to strengthen her reputation not only as a sales agent but as a trusted property consultant. Instead of focusing only on closing deals, she is committed to building long-term relationships with her clients.

She introduces several good practices into her business:

- Conducts detailed needs assessments for each client before suggesting properties.
- Offers market insights and trend reports to guide decision-making.
- Maintains regular communication with updates via email, WhatsApp, and calls.
- Provides post-sale support, helping buyers with utility registrations and move-in checklists.
- Hosts information sessions/webinars on property investment and financing.
- Requests client feedback after every transaction and adapts her service.
- Keeps a client database/CRM system to track interactions and anniversaries.
- Sends seasonal newsletters with market news and property tips.

- Builds a network of professional partners (attorneys, bond originators, inspectors) for client referrals.
- Aims to position herself as a long-term property advisor, not just a once-off sales agent.

**3.2.1** Using the scenario above, identify and explain ten examples of good practice that demonstrate how a property practitioner can grow a consultative working relationship with clients. Develop elements of an engagement plan that will help build and maintain a strong client base. **(18)**

**Model Answers:**

Learner should be able to identify and explain examples of good practice linked to the scenario. 1 mark allocated to identify and explain good practice that demonstrate how a property practitioner can grow a consultative working relationship with clients. Develop elements of an engagement plan that will help build and maintain a strong client base. Assessors discretion may apply and reward marks for any other relevant answers linked to the scenario. Some answers that can be considered are listed below.

- i. **Detailed Needs Assessment**  
 Good Practice: Understanding each client's financial, lifestyle, and location needs before suggesting properties.  
 Engagement Plan: Conduct structured interviews/questionnaires to personalise service.
- ii. **Market Insights & Trend Reports**  
 Good Practice: Providing clients with market intelligence rather than just listings.  
 Engagement Plan: Share regular suburb reports and property trend updates.
- iii. **Regular Client Communication**  
 Good Practice: Keeping clients informed throughout the buying/selling process.  
 Engagement Plan: Establish communication protocols (weekly updates, WhatsApp check-ins).
- iv. **Post-Sale Support**  
 Good Practice: Assisting clients beyond the transaction (utilities, move-in, renovations).  
 Engagement Plan: Create a post-sale checklist and maintain contact after transfer.
- v. **Educational Information Sessions**  
 Good Practice: Hosting webinars or workshops on property finance, legal processes, and investment.  
 Engagement Plan: Schedule quarterly client workshops to grow credibility.
- vi. **Requesting Feedback**  
 Good Practice: Asking for client reviews to improve service quality.  
 Engagement Plan: Implement surveys and integrate feedback into future engagements.
- vii. **Client Database & CRM**  
 Good Practice: Tracking client history and anniversaries to personalise interactions.



- Engagement Plan: Use CRM tools to send birthday wishes, market updates, and follow-ups.
- viii. **Seasonal Newsletters**  
Good Practice: Sharing valuable property tips and market news.  
Engagement Plan: Circulate monthly newsletters with listings, trends, and advice.
- ix. **Professional Partner Network**  
Good Practice: Providing referrals to trusted bond originators, attorneys, and inspectors.  
Engagement Plan: Build a vetted partner directory for value-added client service.
- x. **Long-Term Advisory Role**  
Good Practice: Positioning as a consultant, not just a sales agent.  
Engagement Plan: Schedule annual reviews with clients to reassess needs and portfolio growth.

**SUB- TOTAL: 38 marks**

## Question 4

### 4.1.1 – Multiple Choice Questions

4.1.1.1 You resist switching to digital tools despite client demand.

1. What's the weakness here? (1)
- A. Loyalty
  - B. Adaptability
  - C. Negotiation
  - D. Compliance

2. What strength does this show? (1)
- A. Efficiency
  - B. Traditionalism
  - C. Loyalty
  - D. Caution

4.1.1.2 You prioritise commission over client needs.

3. What may this harm? (1)
- A. Company profits
  - B. Team loyalty
  - C. Your reputation
  - D. Personal confidence

4.1.1.3 You offer options suited to your client's long-term goals.

4. What strength is highlighted? (1)
- A. Salesmanship
  - B. Empathy
  - C. Assertiveness
  - D. Tenacity

### Model Answers:

4.1.1.1 (1)	B
4.1.1.1 (2)	A
4.1.1.2	C
4.1.1.3	B

**4.2** Mr. Mokoena, a property practitioner, recently completed several sales and rental transactions. After conducting a feedback exercise, he received the following comments:

- Client Feedback (Buyer): “The property search was good, but communication was sometimes slow. I felt anxious waiting for updates.”
- Client Feedback (Seller): “The marketing photos were excellent, but the valuation provided was too optimistic, which delayed the sale.”
- Service Provider (Conveyancer): “Documents were submitted late, causing delays in the transfer process.”
- Service Provider (Bond Originator): “Clients appreciated referrals, but some were not financially pre-qualified before being referred.”
- Peer (Fellow Practitioner): “You work hard, but sometimes you don’t share leads or collaborate fairly with colleagues.”
- Stakeholder (Community Association): “We appreciate your involvement in local events, but some of your promotional materials lacked clarity.”
- Stakeholder (Property Developers): “We like your enthusiasm, but you sometimes overpromise on completion dates, which frustrates buyers.”
- Peer (Team Leader): “You need to manage your workload better — tasks are rushed near deadlines, affecting quality.”

Mr. Mokoena must now evaluate this feedback, identify key issues, and formulate a response strategy.

**4.1.2** Analyse the feedback received by Mr. Mokoena from clients, service providers, peers, and stakeholders. Identify 4 key issues raised, evaluate their impact, and recommend how he should respond to improve his service delivery and professional relationships. **(8)**

**Model Answers:**

Learner should be able to analyse 4 key issues the feedback received from clients, service providers, peers, and stakeholders linked to the scenario. 2 marks allocated to identify key issues raised, evaluate their impact, and recommend how he should respond to improve his service delivery and professional relationships. Assessors discretion may apply and reward marks for any other relevant answers linked to the scenario. Some answers that can be considered are listed below.

**i. Slow Communication with Clients**

Analysis: Poor communication creates client anxiety and reduces trust.

Response: Set up regular communication schedules (weekly updates via WhatsApp/email).

**ii. Over-Optimistic Valuations**

Analysis: Inflated valuations mislead sellers and delay sales.

Response: Provide evidence-based valuations using CMA (Comparative Market Analysis).

iii. **Late Submission of Documents**

Analysis: Delays harm professional credibility with conveyancers.

Response: Implement internal checklists and deadline tracking tools.

iv. **Lack of Buyer Pre-Qualification**

Analysis: Referring unqualified buyers wastes time for bond originators and clients.

Response: Screen clients financially before referrals using affordability calculators.

v. **Weak Collaboration with Peers**

Analysis: Not sharing leads damages teamwork and reputation among colleagues.

Response: Build trust through fair collaboration and referral agreements.

vi. **Poor Clarity in Promotional Material**

Analysis: Confusing marketing undermines credibility with community stakeholders.

Response: Review all materials for accuracy and simplicity before distribution.

vii. **Overpromising Developers' Timelines**

Analysis: Unrealistic promises frustrate buyers and stakeholders.

Response: Provide accurate, developer-approved timelines and manage buyer expectations.

viii. **Workload Management Issues**

Analysis: Rushed tasks reduce quality and create errors.

Response: Improve time management by prioritising tasks and delegating where possible.

**4.3** Ms. Petersen is a property practitioner running her own agency in Durban North. She recently requested structured feedback from clients, service providers, peers, and community stakeholders. The following themes emerged:

- Client Feedback (Buyer): "The listings were good, but virtual tour options were limited. I prefer viewing properties online before visiting."
- Client Feedback (Seller): "Your pricing advice was fair, but the marketing reach seemed too focused on one platform (Property24)."
- Service Provider (Conveyancer): "The handover of documents was accurate but sometimes delayed. Digital document sharing could speed things up."
- Service Provider (Photographer): "Photos are good, but video marketing and drone footage would showcase properties better."
- Peer (Fellow Agent): "You have strong client relationships, but your follow-up after sales is weak — clients often don't hear from you again."
- Stakeholder (Community Group): "We appreciate your sponsorships, but your brand visibility in the community could be more creative and consistent."
- Client Feedback (Tenant): "The rental process was smooth, but digital payment options for deposits and rent would be helpful."

- Peer (Team Leader): “You are successful, but your processes are manual and admin-heavy. CRM software could improve efficiency.”

**4.1.3** Using the case study above, identify 4 areas of improvement and innovation. Report on how Ms. Petersen can implement these changes to enhance client service, operational efficiency, and community engagement. **(8)**

**Model Answers:**

Learner should be able to identify 4 areas of improvement and innovation linked to the scenario. 2 marks allocated to identify and report on how you can implement these changes to enhance client service, operational efficiency, and community engagement.. Assessors discretion may apply and reward marks for any other relevant answers linked to the scenario. Some answers that can be considered are listed below.

- i. **Virtual Tours for Buyers**  
Improvement: Limited digital property tours frustrate buyers.  
Innovation: Introduce 3D virtual tours and video walkthroughs on all listings.
- ii. **Multi-Platform Marketing**  
Improvement: Reliance on a single platform limits exposure.  
Innovation: Advertise across Property24, Private Property, social media, and agency website.
- iii. **Digital Document Sharing**  
Improvement: Delays in document handovers cause inefficiency.  
Innovation: Adopt secure cloud-based document sharing (Google Drive, Dropbox, DocuSign).
- iv. **Video & Drone Marketing**  
Improvement: Current marketing relies only on photography.  
Innovation: Use drone footage and video reels to showcase properties more dynamically.
- v. **Post-Sales Client Follow-Up**  
Improvement: Clients feel abandoned after transactions.  
Innovation: Create a post-sale engagement plan with check-in calls, anniversary notes, and newsletters.
- vi. **Community Brand Visibility**  
Improvement: Sponsorships lack visibility and creativity.  
Innovation: Launch branded community initiatives (e.g., school partnerships, property market updates at community events).
- vii. **Digital Rental Payments**  
Improvement: Tenants struggle with outdated payment methods.  
Innovation: Introduce EFT/online payment gateways for deposits and monthly rentals.
- viii. **CRM System for Efficiency**  
Improvement: Manual admin reduces productivity.  
Innovation: Implement CRM software to manage leads, automate reminders, and track client interactions.

**4.4** A property practitioner, Leona, set the following quarterly performance targets:

- Sales Volume Target: 12 property sales
- Rental Agreements: 15 new leases
- Client Follow-ups: 50 per month
- Turnaround Time: Close sales within 30 days
- Referral Rate Goal: 25% of new clients from referrals
- Average Commission Target: R50,000/month
- Training & Development: Attend 1 workshop per quarter
- Online Leads Generated: 40 leads/month

Her actual performance for Q2:

- Sales Closed: 9
- Rental Agreements: 17
- Client Follow-ups: Avg. 38/month
- Average Sale Turnaround: 36 days
- Referral Rate: 18%
- Commission Avg.: R43,000/month
- Workshops Attended: 0
- Online Leads: Avg. 25/month

#### **4.1.4 – Multiple Choice Questions**

4.1.4.1 What was Leona's average online lead generation? (1)

- A. 20/month
- B. 25/month
- C. 30/month
- D. 35/month

4.1.4.2 How many leads per month was she targeting? (1)

- A. 30
- B. 35
- C. 40
- D. 45

4.1.4.3 Which online strategy would most likely boost lead volume? (1)

- A. Reduce social media content
- B. Ignore comments on posts
- C. Optimise property listings and run targeted ads
- D. Increase cold calls

4.1.4.3 Which of the following targets did Leona exceed? (1)

- A. Sales
- B. Referrals
- C. Rentals
- D. Online leads

**Model Answers:**

4.1.4.1	B
4.1.4.2	C
4.1.4.3	C
4.1.4.4	C

**4.5** Sizwe has a weekly time management plan:

- Prospecting & Lead Generation: 10 hours
- Client Appointments & Showings: 15 hours
- Admin & Compliance Tasks: 5 hours
- Training & Development: 2 hours
- Marketing (Online & Print): 4 hours
- Personal Time (breaks/lunch/planning): 4 hours

The actual Time Spent Last Week:

- Prospecting & Leads: 6 hours
- Appointments & Showings: 20 hours
- Admin & Compliance: 8 hours
- Training & Development: 0 hours
- Marketing: 2 hours
- Personal/Planning Time: 2 hours

**4.1.5 - Multiple Choice Questions**

4.1.5.1 How much personal/planning time did Sizwe actually take? (1)

- A. 2 hours
- B. 3 hours
- C. 4 hours
- D. 5 hours

4.1.5.2 What is a healthy time management habit for breaks? (1)

- A. No breaks until sales are made
- B. Block short breaks throughout the day
- C. Only break after 6 pm
- D. Skip lunch

4.1.5.3 Which corrective action helps regain lost prospecting time? (1)

- A. Skip admin
- B. Schedule prospecting first daily
- C. Work weekends
- D. Reduce appointment time

4.1.5.4 If Sizwe blocks time for marketing every Monday morning, this is: (1)

- A. Procrastination
- B. Distraction management
- C. Time blocking
- D. Task batching

**Model Answers:**

<b>4.1.5.1</b>	<b>A</b>
<b>4.1.5.2</b>	<b>B</b>
<b>4.1.5.3</b>	<b>B</b>
<b>4.1.5.4</b>	<b>C</b>

**SUB- TOTAL: 28 marks**



## Question 5

5.1 Ms. van Heerden is a property practitioner operating in Pretoria East. She wants to increase sales and build her brand in the residential property market. She has been receiving inquiries, but many listings remain on the market longer than expected, and her client base is not growing as planned.

Current situation:

- Listings are mostly advertised on Property24.
- Social media presence exists but is inconsistent.
- No formal client newsletter or database is maintained.
- Referrals from past clients are limited.
- Marketing materials (brochures, photos) are professional but lack variety (no video or drone content).
- Local networking events are attended occasionally but without structured follow-up.

Ms. van Heerden wants to develop a comprehensive marketing plan to market her properties and services effectively.

5.1.1 Using the scenario above, identify 10 marketing strategies or actions that Ms. van Heerden could implement to market her properties and real estate services. Explain how each strategy contributes to building her brand, attracting clients, and generating leads. Develop the framework for a marketing plan that supports these strategies. **(20)**

### Model Answers:

Learner should be able to identify 10 marketing strategies or actions that could implement to market her properties and real estate services linked to the scenario. 2 marks allocated to explain how each strategy contributes to building the brand, attracting clients, and generating leads. Develop the framework for a marketing plan that supports these strategies. Assessors discretion may apply and reward marks for any other relevant answers linked to the scenario. Some answers that can be considered are listed below.

- Multi-Platform Advertising**  
Action: List properties on Property24, Private Property, social media, and agency website.  
Contribution: Increases exposure to potential buyers across different platforms.
- Professional Photography & Videography**  
Action: Use high-quality photos, 3D virtual tours, and drone footage.  
Contribution: Enhances property presentation and attracts more interest.
- Social Media Marketing**  
Action: Post regular content on Facebook, Instagram, LinkedIn, and TikTok.  
Contribution: Builds brand awareness and engages a broader audience.

iv. **Email Marketing & Newsletters**

Action: Create a database of clients and send monthly newsletters with listings and market trends.

Contribution: Keeps clients informed and encourages repeat business and referrals.

v. **Client Referral Program**

Action: Offer incentives for past clients who refer new buyers or sellers.

Contribution: Generates new leads through trusted networks.

vi. **Community Engagement & Networking**

Action: Attend local events, sponsor community activities, and participate in property expos.

Contribution: Builds reputation and strengthens local brand presence.

vii. **Open Houses & Property Showcases**

Action: Schedule regular open houses with virtual and in-person tours.

Contribution: Directly exposes properties to prospective buyers and creates sales opportunities.

**Market Reports & Educational Content**

Action: Share insights on suburb trends, pricing, and buying/selling tips.

Contribution: Positions the practitioner as an expert and builds client trust.

viii. **Search Engine Optimization (SEO) & Website Presence**

Action: Optimize website content for Google searches related to property in the area.

Contribution: Increases visibility online and attracts organic leads.

ix. **Customer Relationship Management (CRM) System**

Action: Implement a CRM to track leads, follow-ups, and client interactions.

Contribution: Ensures consistent engagement, timely follow-up, and improved client conversion.

**Marketing Plan Framework**

- Objective: Increase property sales, build brand awareness, and grow client base.
- Target Market: Residential buyers and sellers in Pretoria East.
- Marketing Strategies: Multi-platform advertising, professional visuals, social media, email campaigns, community engagement, referral programs, educational content.
- Implementation Timeline: Weekly social media posts, monthly newsletters, quarterly open houses, annual market reports.
- Budget Allocation: Allocate funds for photography, advertising platforms, CRM subscription, and community events.
- Monitoring & Evaluation: Track leads, conversion rates, website traffic, and social media engagement to adjust strategies.

**5.2** Mr. Khumalo is a property practitioner in Johannesburg North. He recently listed a four-bedroom family home valued at R4.2 million. Despite several months on the market, no offers have been received.

Current marketing practices include:

- Advertising only on a single online platform (Property24).
- Using low-quality photos taken with a smartphone.
- Limited property description with no emphasis on unique features.
- No social media promotion or email campaigns.
- Open houses scheduled irregularly with minimal promotion.
- No follow-up system for potential buyers who viewed the property.

As a result, the property has remained unsold for 16 weeks, and the seller is becoming frustrated.

**5.1.2** Using the scenario above, identify the shortcomings in the current marketing and advertising strategies. Propose 10 strategies that could improve the chances of concluding a successful property transaction. Prepare a report outlining the recommended improvements, including expected outcomes. **(20)**

**Model Answers:**

Learner should be able to identify 10 shortcomings in the current marketing and advertising strategies linked to the scenario. 1 mark allocated to propose strategies that could improve the chances of concluding a successful property transaction. 1 mark allocated to prepare a report outlining the recommended improvements, including expected outcomes. Assessors discretion may apply and reward marks for any other relevant answers linked to the scenario. Some answers that can be considered are listed below.

- Multi-Platform Advertising**  
Shortcoming: Listing only on one platform limits exposure.  
Improvement: Advertise across multiple portals (Property24, Private Property, agency website) and social media channels.
- Professional Photography**  
Shortcoming: Low-quality smartphone photos fail to attract buyers.  
Improvement: Hire a professional photographer and include high-resolution images highlighting key features.
- Virtual Tours & Video Marketing**  
Shortcoming: No online interactive content.  
Improvement: Offer 3D virtual tours, video walkthroughs, and drone footage to enhance online presence.
- Detailed Property Descriptions**  
Shortcoming: Minimal information on unique features.  
Improvement: Write engaging descriptions emphasizing lifestyle benefits, room sizes, upgrades, and community amenities.
- Social Media Campaigns**  
Shortcoming: Lack of social media promotion.  
Improvement: Create targeted campaigns on Facebook, Instagram, and LinkedIn to reach potential buyers.

- vi. **Scheduled Open Houses & Events**  
 Shortcoming: Irregular and poorly promoted open houses.  
 Improvement: Plan regular open houses with pre-event advertising via email and social media.
- vii. **Client Follow-Up System**  
 Shortcoming: No tracking of potential buyer interest.  
 Improvement: Implement CRM tools to track inquiries, schedule follow-ups, and nurture leads.
- viii. **Market Analysis & Pricing Strategy**  
 Shortcoming: The property may be overpriced or misaligned with market trends.  
 Improvement: Conduct a Comparative Market Analysis (CMA) to set a competitive price.
- ix. **Seller & Buyer Engagement**  
 Shortcoming: Limited client updates and engagement.  
 Improvement: Maintain regular communication with the seller regarding feedback and buyer interest.
- x. **Highlighting Value-Added Features**  
 Shortcoming: Property uniqueness is not emphasized.  
 Improvement: Showcase upgrades, energy-efficient features, or proximity to amenities to differentiate from competitors.

**5.3** After transfer, the property practitioner meets with the buyer to explain the title deed, rates clearance, home insurance, and maintenance basics.

#### **5.1.3 – Multiple Choice Questions**

Provide after-sale service. Evaluate good and bad practices and requirements.

- 5.1.3.1 What is this service type? (1)
- A) Homeownership orientation / post-sale support
  - B) Sales only
  - C) Mandate setup
  - D) Rental review
- 5.1.3.2 What does orientation help with? (1)
- A) Informed, confident new ownership
  - B) Discounts
  - C) Extra fees
  - D) Advertising
- 5.1.3.3 Who benefits from ownership education? (1)
- A) Property practitioner only
  - B) Buyer and agency's long-term credibility

- C) Lawyers
- D) Government

5.1.3.4 What does the title deed confirm? (1)

- A) Legal property ownership
- B) Plumbing
- C) Property practitioner ' salary
- D) Estate rules

5.1.3.5 What is the value of post-transfer engagement? (1)

- A) Retention and stronger client satisfaction
- B) Time-wasting
- C) Loss
- D) Complaints

5.1.3.6 What could be included in orientation? (1)

- A) Rates setup, levy payments, and insurance info
- B) Netflix
- C) Security footage
- D) Water readings

5.1.3.7 When should orientation occur? (1)

- A) After 12 months
- B) Soon after registration
- C) Before listing
- D) Never

5.1.3.8 What does this practice show about the property practitioner? (1)

- A) Commitment to full client experience
- B) Avoidance
- C) Indifference
- D) Only payment focus

5.1.3.9 What document helps buyers manage ownership? (1)

- A) Lease
- B) Orientation guide/checklist
- C) Certificate of compliance only
- D) Business card

5.1.3.10 What outcome does this support? (1)

- A) Confusion
- B) Financial planning and property care
- C) Misuse
- D) Property practitioner change

**Model Answers:**

<b>5.1.3.1</b>	<b>A</b>
<b>5.1.3.2</b>	<b>A</b>
<b>5.1.3.3</b>	<b>B</b>
<b>5.1.3.4</b>	<b>A</b>
<b>5.1.3.5</b>	<b>A</b>
<b>5.1.3.6</b>	<b>A</b>
<b>5.1.3.7</b>	<b>B</b>
<b>5.1.3.8</b>	<b>A</b>
<b>5.1.3.9</b>	<b>B</b>
<b>5.1.3.10</b>	<b>B</b>

**SUB- TOTAL: 50 marks**

## Question 6

**6.1** Mr. Daniels is a property practitioner running his own agency. He has noticed that his personal expenses are out of sync with his business cash flow, which is impacting his ability to reinvest in marketing, staff training, and technology upgrades.

Current situation:

- Personal monthly expenses: R35,000
- Business monthly income: R60,000
- Business monthly expenses (rent, utilities, salaries, marketing): R50,000
- No clear separation between personal and business bank accounts
- No structured savings or emergency fund
- Irregular investment in marketing and client engagement due to unpredictable personal spending

He wants to align his personal finances with his business objectives, ensure sustainable cash flow, and mitigate financial risks.

**6.1.1** A property practitioner has personal expenses that exceed sustainable levels relative to business income. The practitioner wants to align personal finances with business objectives, manage budget and financial controls, and mitigate financial risk.

**Using the scenario above:**

1. Develop a personal financial plan aligned to the practitioner's business objectives. (8 marks)
2. Explain strategies to manage budget and financial controls. (7 marks)
3. Compile a mitigating report to address financial misalignment. (7 marks) **(22)**

### **Model Answers:**

Learner should be able to prepare a personal financial plan that aligns personal and business objectives. Demonstrate how to manage budget and implement financial controls. Compile a mitigating report addressing risks, deviations, and improvement strategies.

#### **1 Personal Financial Plan (4)**

##### **Assess Current Financial Position**

- Total monthly income (business + other sources): R60,000
- Total monthly expenses (business + personal): R85,000
- Cash flow deficit: R25,000

##### **Set Financial Goals Aligned with Business Objectives (4)**

- Short-term: Separate personal and business accounts within 1 month.

- Medium-term: Reduce personal monthly expenses by 20% within 3 months.
- Long-term: Build a 6-month business and personal emergency fund.
- Strategic: Allocate 10% of business profits to marketing and technology upgrades.

## **2 Budget Management (3)**

- Personal budget: Limit to R28,000/month
  - Housing: R10,000
  - Transport: R5,000
  - Groceries & utilities: R6,000
  - Savings & investments: R4,000
  - Discretionary expenses: R3,000
- Business budget: Track all expenditures, prioritize marketing, staff, and operational costs.

## **Financial Controls (4)**

- Maintain separate business and personal accounts
- Use accounting software for monthly tracking and reconciliation
- Set alerts for overspending in personal and business categories
- Conduct quarterly review of income, expenses, and savings

## **3 Mitigating Report (7)**

**Issue:** Personal and business expenses are out of alignment, leading to inconsistent cash flow and limited ability to reinvest in business growth.

### **Mitigation Strategies:**

1. Separate Accounts: Clear separation prevents overlap and better financial tracking.
2. Budget Adjustment: Reduce discretionary spending and implement strict personal budget.
3. Savings Plan: Build emergency funds to cover unexpected expenses.
4. Expense Monitoring: Monthly reconciliation and reporting of personal and business expenses.
5. Investment Allocation: Dedicate business profits to strategic objectives such as marketing and technology.

### **Expected Outcome:**

- Improved cash flow management
- Better alignment of personal finances with business growth objectives
- Reduced financial stress and increased ability to reinvest in business
- Stronger financial sustainability and strategic planning

**6.2** Ms. Mthethwa is a property practitioner whose personal expenses have been exceeding her monthly income from her business. This has created tension in her finances, limiting her ability to invest in marketing, client engagement, and business development.



Current financial situation:

- Personal expenses: R40,000/month
- Business income: R55,000/month
- Business expenses: R45,000/month
- Cash flow issues: Personal and business finances are intertwined; no emergency fund exists.

She wants to align her personal spending with business objectives, ensure sustainable cash flow, and determine the viability of her current financial situation.

**6.1.2** A property practitioner's personal expenses exceed available business cash flow, limiting investment in marketing and growth.

**Using the scenario above:**

1. Develop a personal financial plan to improve alignment with business objectives. (4 marks)
2. Determine the viability of the current personal and business budget. (4 marks)
3. Compile a mitigating report with strategies to address the misalignment. (4 marks)(12)

**Model Answers:**

Learner should be able to create a personal financial plan that aligns personal and business budgets with business objectives. Determine the viability of the plan and prepare a mitigating report addressing financial risks and improvements.

**1 Personal Financial Plan (4)**

**Assess Current Position**

- Total monthly available cash: R55,000 (business income) – R45,000 (business expenses) = R10,000 for personal spending
- Personal expenses exceed available cash (R10,000 vs R40,000) → deficit of R30,000

**Set Goals Aligned to Business Objectives**

- Short-term: Reduce personal expenses by 50% within 2 months
- Medium-term: Separate personal and business accounts
- Long-term: Build a 3-month emergency fund for personal and business expenses
- Strategic: Allocate 10% of business profits to marketing and professional development

**2. Budget Adjustments (4)**

- Personal budget revised to R20,000/month
  - Housing & utilities: R8,000
  - Transport: R4,000
  - Groceries & essentials: R5,000

- Savings & discretionary spending: R3,000

### **Financial Controls**

- Separate bank accounts for personal and business transactions
- Monthly monitoring of cash flow and adherence to budget
- Track and review all expenses against budget quarterly

### **Viability Analysis**

- Current personal expenses are not viable, as they exceed available funds by R30,000/month.
- By reducing personal expenses to R20,000 and separating accounts, Ms. Mthethwa can:
  - Maintain solvency
  - Reinvest in business marketing and growth
  - Build financial reserves for emergencies
- Conclusion: Financial viability improves once the personal budget is aligned with available cash and business objectives.

### **3 Mitigating Report (4)**

**Issue:** Personal spending exceeds available funds, limiting reinvestment and financial stability.

#### **Mitigation Strategies:**

1. Reduce personal monthly spending from R40,000 to R20,000.
2. Maintain separate personal and business accounts to avoid overlap.
3. Implement monthly budget monitoring and quarterly review.
4. Build an emergency fund for both personal and business needs.
5. Allocate surplus funds strategically to marketing, staff training, or technology upgrades.

#### **Expected Outcome:**

- Aligned personal and business finances
- Improved cash flow and financial viability
- Enhanced ability to invest in business growth
- Reduced financial stress and stronger planning

**SUB- TOTAL: 34 marks**

**GRAND TOTAL: 250 MARKS**