



WHAT YOU NEED TO KNOW

Introduction

An intern can almost be seen in the same terms as an apprentice. The intern works and learns under a mentor while becoming competent enough to operate as an agent on their own.

An internship is set to take place over a compulsory period of one year.

The Practice of Estate Agency

The term 'estate agent' is generally used when describing a person, or an organisation, whose primary function is:

- the marketing of real estate for sale or for rental on behalf of a client or clients; or
- the management of immovable property on behalf of a client or clients;

against the payment of a fee, usually in the form of a commission calculated as an agreed percentage of the value of the property sold or managed or the value of the lease concluded.

An estate agent, therefore, typically functions as the intermediary between sellers and buyers, lessors and lessees, of immovable property and facilitates the marketing of property by sellers and lessors through the selling or renting out of that property at the best possible price and on the best possible terms as well as the management of properties on behalf of the client.



Estate agency services, thus, will generally include:

- marketing immovable property to prospective buyers and/or tenants;
- managing immovable property for clients;
- facilitating a purchase/lease by guiding prospective buyers/tenants through the process;
- facilitating a sale by guiding sellers through the selling process;
- preparing estate agency related contracts and documentation.

The estate agency relationship existing between an estate agent and clients is established with particular reference to the common law of agency. The estate agent, therefore, has a fiduciary relationship, or a relationship of trust, with clients meaning that the estate agent must exercise the highest possible standards of care and of fair and honest dealing.

An estate agent may not, for instance, place own personal interests before the fiduciary duty owed to the principal and may also not profit from the fiduciary position that is occupied without having first obtained the consent of the principal. The fiduciary duty, furthermore, includes the duty to exercise maximum care, maintain strict confidentiality, ensure loyalty, be obedient to the instructions of the client, account to the client and maintain full transparency which includes the making of full and open disclosure to the client.

It is for this reason that the industry is fairly highly regulated and agents have to be registered with the Estate Agents Affairs Board before they can undertake any duties as an agent.

Internship Agreements

When you join an agency as an intern, you will be required to sign an internship agreement as well as fill in any other necessary forms required. Some agencies also require a main agent agreement to be signed as well.

A recommended internship agreement is available from the EAAB if you would like to look at that - perhaps a good idea before signing the one presented to you by the agency.

Internship Time and Training

An internship is set to take place over a period of one year. Should you not be declared competent by the Mentor or have not yet completed your NQF, you have one more additional year in which to remedy this.



During this time, you will also undertake your studies to obtain your Further Education and Training Certificate : Real Estate - NQF4 This qualification is obtainable through any certified training provider and the RPL (Recognition of Prior Learning) option is also available. The average cost for doing this course is around R5500 and some training institutions allow instalments. There are bursaries available from time to time but are not consistent so it is best to plan to pay for this yourself.

Some exemptions for unit standards are applicable depending on relevance of previous studies.

Both the internship and qualification focus on the following core areas :

- Induction to Company and Industry
- Product and Service knowledge
- Self-development
- Law - Broad framework
- Finance
- Marketing
- Management
- Administration
- Paralegal - detailed legalities of conveyancing etc

Record of Internship

During the internship, the intern will be required to keep a comprehensive record of activities undertaken together with a file named a Portfolio of Evidence. Here you will keep record of all training, workshops and work undertaken, as well as provide evidence of this e.g training notes, adverts prepared etc.

The principal of the business then signs off each section acknowledging that the information is correct as well as appraising the intern in that area and finding them competent or not. This file forms the basis of assessing whether the EAAB will recognise that the internship is indeed complete

Registration with EAAB

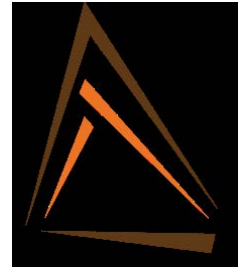
All agents including interns are required to register with the EAAB before they can operate as an agent in any way. Currently the cost of new registrations is just over R500 and renewals just over R350.

The EAAB then issues you with a Fidelity Fund Certificate which is valid for one year running from January to December.

Writing the Exam

Once the agent has ;

- 1) completed their internship
- 2) the internship has been signed off by the principal ;
- 3) they have obtained their NQF4 qualification and ;
- 4) the EAAB approved the completed internship,



they must then write the PDE (Professional designation Exam)

This exam covers the same study areas that they have dealt with during their studies as well as internship and is an open book exam. When you pass this exam, the EAAB will then issue you with a Fidelity Fund Certificate as a fully fledged agent.

The cost of this exam is currently around R550 and must be written within 2 years of obtaining the relevant qualification

What do I earn and what do I pay?

This varies from agency to agency and you must check and compare before making a decision.

Many agencies pay the intern less than they would normal agents in order to compensate for the time spent with them - after all, to an agent, time is money. This could be anything from a small basic plus a percentage of the commissions (from 10 to 20%)

You could also be used as an assistant to your mentor in which case you in essence work for the mentor while doing your internship, rather than as an intern on your own accord.

You need to assess your own needs and desires before making a decision.

Regarding costs, you will have to pay the following over the year :

- 1) EAAB Registration fee
- 2) Costs of obtaining your NQF4
- 3) Your own fuel, cell phone and other marketing costs you need to incur while selling homes
- 4) Desk fees etc required from the agency

Choosing an Agency

In choosing agency in which to complete your internship you need to carefully consider the following :

- Are they professional in their approach to internships or is it just something they do
- What remuneration are they offering
- What kind of firm are they and will it suit you personally e.g stickler to detail, more laid back etc
- Who will your mentor be - would you be able to work with them
- What are office requirements - will you be allowed to be flexible
- Will they charge you desk fees - (do they provide you with boards, business cards etc - most don't)

What we Offer

Some of the benefits that make us stand out from the rest

- Same commission structure as normal agents
- A friendly team environment in which to grow and learn
- A commitment to helping you grow and become successful
- No desk fees or agency fees to pay
- Flexible time management - in fact we encourage our people to rather be out there making money than spending time in the office
- Provision of For sale and On Show Boards and business cards - enough to get you going - free
- All the brochures, valuation packs and other materials you will need - free
- Excellent training materials and access to other training via attorneys banks etc
- You only take responsibility for your own travel and fuel costs

In closing

A career in real estate is highly challenging but also highly rewarding. It IS NOT something to be considered a part time occupation. To all intents and purposes, agents are self employed and more than in many industries, you will reap what you sow.

If you what you have to do, when you have to do it, and how you should be doing it, and do that consistently, you will be successful.

Core Requirements :

Motivated
Self Disciplined
Committed to long term thinking
Entrepreneurial spirit
Innovative
High levels of integrity

Key Benefits :

You work for yourself but not by yourself
Top earners in real estate earn more than most professionals
Flexibility that comes with self employment.
Independence from an employer - retrenchment, relocation etc
Satisfaction from helping people manage what is in most cases their largest investment
Potential to establish you own agency (a sellable asset) in the longer term

Some links to look at

Estate Agency Affairs Board	www.eaab.org.za
Institute of Estate Agents	www.ieasa.co.za
Property Network Website	www.propertynetworksa.com
World Properties	www.worldproperties.com
SA real Estate Academy	www.sarea.co.za
SAQA Qualification	http://regqs.saqa.org.za/viewQualification.php?id=59097