



**REVISED AMENDED
PROPERTY SECTOR CODE**

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1. EME/QSE/GENERIC THRESHOLD

		Asset Based	Service Based	Estate Agents/ Brokers/Valuers
Exempted Micro Enterprises	Net Assets	Less than R80 M		
	Annual Turnover		Less than R10 M	Less than R5M
Qualifying Small Enterprises	Net Assets	Between R80 – R400M		
	Annual Turnover		Between R10M- 50M	Between R5 -R35M
Generic Enterprises	Net Assets	More than R400M		
	Annual Turnover		More than 50M	More than R35M

- The name must be changed from for Valuers/brokers / Estate agencies to property practitioners
 - a. Principles
 - i. The threshold should be inclusive of commission.

2. REGULATORY REQUIREMENT LINKED WITH BBBEE

- a. Further to section 10 of B-BBEE act of 2013 that states that, Every organ of state and public entity must apply any relevant code of good practice issued in terms of this Act in- determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law;
- b. For organisations scoped in Revised Amended Property Sector Code – must apply B-BBBEE complaint recognition level certificate determining qualification criteria for issuing licences

3. GENERIC SCORECARD

AMENDED PROPERTY SECTOR CODE			
ELEMENT	CODE NUMBERS	CURRENT WEIGHTING (2017 APSC)	NEW WEIGHTING (REVISED APSC)
Ownership	Code 701	30 points +3	30 points +3
Management Control	Code 702A	9 points + 2	9 points + 2
Employment Equity	Code 702B	13 points +2	13 points + 2
Skills Development	Code 703	19 points +3	20 points + 2
Enterprise and Supplier Development	Code 704	39 points +4	40 points + 3
Socio-Economic Development	Code 705	2 points	2 points
Economic Development	Code 706	5 points	5 points
TOTAL		112 points +15	114 points +12

3.1. OWNERSHIP

CATEGORY	CURRENT WEIGHTINGS POINTS AND TARGETS				PROPOSED WEIGHTINGS POINTS AND TARGETS			
	Property Owning Companies		All Other Companies		Property Owning Companies		All Other Companies	
	Weighting Points	Compliance Target	Weighting Points	Compliance Target	Weighting Points	Compliance Target	Weighting Points	Compliance Target
VOTING RIGHTS								
Exercisable Voting Rights in the Enterprise in the hands of Black people	4	27%	5	25% +1 vote	4	27%	5	25% +1 vote
Exercisable Voting Rights in the Enterprise in the hands of Black women	2	10%	2	10%	2	15%	2	15%
ECONOMIC INTEREST								
Economic Interest of Black people in the Enterprise	4	27%	5	25%	4	27%	5	25%
Economic Interest of Black women in the Enterprise	2	10%	2	10%	2	15%	2	15%
Economic interest of the following black natural persons in the measured entity	4	2,5%	4	2.5%	4	2,5%	4	2.5%
1. Black designated groups;								
2. Black participants in Employee share ownership Schemes Programme;								
3. Black beneficiaries of Broad-based Ownership Schemes; or								
4. Black participants in Co-operatives.								
REALIZATION POINTS								
New Entrants	2	2%	2	2%	2	2%	2	2%
Net equity Value	8	Yr 1 – 3%	10	Yr 1 =10%	8	Yr 1 – 3%	10	Yr 1 =10%
		Yr 2 – 7%		Yr 2=20%		Yr 2 – 7%		Yr 2=20%
		Yr 3 – 10%		Yr 3 = 40%		Yr 3 – 10%		Yr 3 = 40%
		Yr 4 – 15%		Yr 5 = 60%		Yr 4 – 15%		Yr 5 = 60%
		Yr 5 – 19%		Yr 7 = 80%		Yr 5 – 19%		Yr 7 = 80%
		Yr 6 – 24%		Yr 9 = 100%		Yr 6 – 24%		Yr 9 = 100%
		Yr 7 – 30%				Yr 7 – 30%		
		Yr 8 – 36%				Yr 8 – 36%		
		Yr 9 – 43%				Yr 9 – 43%		
		Yr 10 -50%				Yr 10 -50%		
FINANCIAL SUPPORT								
		4-5yrs 2%				4-5yrs 2%		
BONUS POINTS								
Disposal of assets to Black owned and controlled company with at least 51% Black ownership (level1-3) as a % of total asset disposal	3	35%			3	35%		
Disposal of new investments as a new entity (not subsidiary) to black owned and controlled company with at least 51% black ownership (level 1-3)							3	35%
TOTAL	30 +3				30 +3			

3.2. MANAGEMENT CONTROL FOR ESTATE AGENCIES, PROPERTY BROKERS AND VALUATION COMPANIES

CATEGORY	CURRENT WEIGHTINGS POINTS AND TARGETS		PROPOSED WEIGHTINGS POINTS AND TARGETS	
	Weighting Points	Compliance Target	Weighting Points	Compliance Target
BOARD PARTICIPATION:				
Exercisable voting rights of Black Board members as a percentage of all voting Board members	4	50%	4	50%
Exercisable voting rights of Black Female board members as a percentage of all voting Board members	2	25%	2	35%
OTHER EXECUTIVE MANAGEMENT				
Black executive management as a percentage of all executive management	2	60%	2	60%
Black Female executive management as a percentage of all executive management	1	30%	1	40%
BONUS POINTS				
Black Executive Management as a percentage of all executive Management	1	70%	1	70%
Black Female executive Management as a percentage of all executive management	1	35%	1	45%
TOTAL	9+2		12+2	

Proposed Principles

- Priority Elements:
 - Management control will replace enterprise and supplier development as priority element
 - 40% Subminimum of management control will now be 4.8 points
 - Bonus Points – Pro-rata
 - 65% - 0.5
 - 70% or above – 0.5 + 0.5

3.3. EMPLOYMENT EQUITY FOR ESTATE AGENCIES, PROPERTY BROKERS AND VALUATION COMPANIES

CATEGORY	CURRENT WEIGHTINGS POINTS AND TARGETS		PROPOSED WEIGHTINGS POINTS AND TARGETS	
	Weighting Points	Compliance Target	Weighting Points	Compliance Target
BLACK PRACTITIONERS				
Black practitioners as a percentage of total practitioners	4	50%	4	50%
Black Female practitioners as a percentage of total practitioners	3	35%	3	35%
MANAGEMENT				
Black people in Management as a percentage of total Management	2	35%	2	35%
Black female in Management as a percentage of total Management	1	18%	1	18%
ADMINISTRATION				
Black people in administration as a percentage of total administrators	1	30%	1	30%
Black Females in administration as a percentage of total administrators	2	40%	2	40%
BONUS				
Black practitioners as a % of total practitioners	1	60%	1	60%
Black people in management as a % of total management	0.5	45%	0.5	45%
Black Females in Management as a % of total Management	0.5	35%	0.5	35%
TOTAL	13+ 2		13 +2	

Principles

Bonus points - Pro-rata:

- 65% for 0.5
- 70% or above – 0.5 + 0.5

3.4. SKILLS DEVELOPMENT

CATEGORY	CURRENT WEIGHTINGS POINTS AND TARGETS		PROPOSED WEIGHTINGS POINTS AND TARGETS	
	Weighting Points	Compliance Target	Weighting Points	Compliance Target
SKILL DEVELOPMENT EXPENDITURE FOR BLACK PEOPLE				
Skills Development expenditure on learning programmes, specified in the learning programme matrix for Black people as a percentage of leviab amount	8	5%	5	3%
Skills Development spend on programmes that support property related career development for black students in Further Education and Training (FET) years of basic education and/or bursaries for property related programmes at Higher Education Institutions.	N/A	N/A	4	2%
Skills Development expenditure on learning programmes, specified in the learning programme matrix on black people who acquire a professional designation or equivalence in the property sector.	N/A	N/A	3	3%
Skills Development expenditure on learning programmes, specified in the learning programme matrix for black people with disabilities as a percentage of Leviab Amount	4	0,3%	2	0,3%
LEARNERSHIP/APPRENTICESHIPS AND INTERNSHIP				
Number of black people participating in learnerships, apprenticeships and internships as a percentage of total employees	4	2,5%	3	2%
Number of previously unemployed black people participating in learnerships, apprenticeships and internships as a percentage of total employees.	4	2,5%		
Number of black people absorbed by the measured entity in the property sector at the end of Bursaries/internship/Apprenticeship/Learnership or professional candidacy.	N/A	N/A	3	100%
BONUS POINTS				
Number of black people in any sector absorbed by the measured entity and industry entity at the end of the Bursaries/ learnership/ internship/ apprenticeship programme	3	100%	2	100%
TOTAL	19 + 3		20+ 2	

Proposed Principles

- Recognition of spend in Property specific Skill Development programmes is at 135% (under Skill Development Expenditure for black people)
- Total spend on Skill Development spent in another sector will be capped at 60% of the spend (under Skill Development Expenditure for black people)

3.5. ENTERPRISE AND SUPPLIER DEVELOPMENT

CATEGORY	CURRENT WEIGHTINGS POINTS AND TARGETS		PROPOSED WEIGHTINGS POINTS AND TARGETS	
	Weighting Points	Compliance Targets	Weighting Points	Compliance Targets
PREFERENTIAL PROCUREMENT				
B-BBEE procurement spend from all empowering suppliers based on the B-BBEE procurement recognition levels as a percentage of total measured procurement spend	2	80%	2	80%
B-BBEE procurement spend from all empowering suppliers that are Qualifying Small Enterprises based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend	2	15%	2	15%
B-BBEE procurement spend from all empowering suppliers that are Exempted Micro-Enterprises based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend	2	15%	2	15%
B-BBEE procurement spend from all empowering suppliers that are at least 51% black owned based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend	8	40%	8	50%
B-BBEE procurement spend from all empowering suppliers that are more than 30% black women-owned based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend	4	12%	5	15%
Percentage of procurement spend with at least 51% black owned Property Service enterprises (level 1-3) as a percentage of the total property services spend	6	40%	6	40%
SUPPLIER DEVELOPMENT				
Annual value of all Supplier Development contributions made by the measured entity as a percentage of the target.	10	2% of NPAT	6	1,5% of NPAT
Integrate at least 30% of Enterprise Development beneficiaries that are within the property sector code scope into to the value chain			4	30%
ENTERPRISE DEVELOPMENT				
Annual value of Enterprise Development contributions made by the measured entity as a percentage of the target	5	1% of NPAT	2	0.5% of NPAT
Annual value of Enterprise Development contributions that cover beneficiaries within the property sector code scope made by the measured entity as a percentage of the target			3	0.5% of NPAT
BONUS POINTS				
B-BBEE procurement spent from designated group suppliers that are at least 51% black owned	2	2%	2	2%
Bonus points for creating one or more job directly in the beneficiary entity as a result of Supplier Development or Enterprise Development initiatives by the measured entity	1		1	
TOTAL	39 + 3		40 + 3	

New Principles

- The multiplier of 1.2 for first time suppliers is removed and replaced by a 1.2 recognition boost for purchasing from 51% Black Owned or Black Woman Owned suppliers whose qualification is achieved using the flow-through principle and not the modified flow-through principle.
- Beneficiaries of ED & SD contributions must be 51% Black Owned or Black Woman Owned EME or QSE suppliers whose qualification is achieved utilising the flow-through principle. This is going to unravel many BEE ownerships structures that depend on Modified Flow-through for their 51% or 100% Black Ownership credentials.

- Generic Entities may also qualify as ED or SD beneficiaries if they were previously EMEs or QSEs who first received assistance from the measured entity within the past 5 years.
- A similar qualification applies to procurement from Generic entities recognised under the EME or QSE indicators i.e Procurement from a 51% Black Owned or Black Woman Owned Generic Supplier (using flow-through only) can be counted as procurement from an EME or QSE if the ME first procured from them within the past 5 years while they were still an EME or QSE.

Recognition of other Suppliers

- Supplier development for measured entities can be extended beyond the traditional definition of Supplier Development as follows:
 - The Measured Entity must spend at least 60% of the Supplier Development contributions on their own primary suppliers (Tier 1 suppliers).
 - Supplier Development beneficiaries can be extended to include Supplier Development beneficiaries of the primary suppliers or Tier 2 suppliers who may qualify to become Supplier Development beneficiaries.
 - With reference to Tier 2 supplier development contributions they must include an appropriate agreement between the Measured Entity, the Measured Entities supplier and the Supplier Development Beneficiary.

Procurement Policy

- The measured entity must show the existence of a B-BBEE procurement policy that has been approved by a relevant governing authority for execution.
- The policy must be signed and approved by relevant governance structure
- The measured entity must also prove that the policy is being applied.
- To prove that the policy is being applied, measured entities must make sure that 40% of their total procurement spend went to BBBEE compliant companies. No points will be received under procurement if measured entities do not meet the 40% subminimum Threshold.
- If the measured entity does not provide the BBBEE procurement policy then they will be no points allocated to procurement.

Submission of New Definitions:

- Pipeline – Enterprise development initiatives must actually fulfil the need to build property sector that create pipeline of suppliers.
- Output– output of Enterprise and Supplier Development programs should be clearly defined
- Integration – Supplier Development initiatives should result in allowing entry into the industry and integration into the value chain.
- Market Access – is about making sure that we create exposure for the pipeline of suppliers such that they are desirable, available and used.

3.6. SOCIO ECONOMIC DEVELOPMENT

CATEGORY	CURRENT WEIGHTINGS POINTS AND TARGETS		PROPOSED WEIGHTINGS POINTS AND TARGETS	
	Weighting Points	Compliance Target	Weighting Points	Compliance Target
Annual value of all socio-Economic Development Contribution made by measured entity as a percentage of the target	2	1% of NPAT	2	1% of NPAT

Principles:

- Economic Development Must incorporate localisation matrix in order to be allocated.
 - The above apply both during development and tenant level
- Measured entities can claim developments done by their primary suppliers (1st tier) or 2nd tier suppliers.

4.QSE SCORECARD

ELEMENTS	Code Number	APSC		REVISED APSC	
		Main points	Bonus Points	Main points	Bonus Points
Ownership	Code100	27		27	
Management Control	Code 200A	9		12	2
Employment Equity	Code 200B	11	2	12	2
Skill Development	Code 300	17	3	19	3
Enterprise & Supplier Development	Code 400	35		35	
Socio-Economic Development	Code 500	2		2	
Economic Development	Code 600	4		4	
TOTAL		101	5	107	7

4.1. OWNERSHIP

CATEGORIES	CURRENT WEIGHTINGS POINTS & TARGETS				CURRENT WEIGHTINGS POINTS & TARGETS			
	PROPERTY OWNING COMPANIES		ALL OTHER COMPANIES		PROPERTY OWNING COMPANIES		ALL OTHER COMPANIES	
	Weighting Points	Compliance Target	Weighting Points	Compliance Target	Weighting Points	Compliance Target	Weighting Points	Compliance Target
VOTING RIGHTS								
Exercisable Voting Rights in the Enterprise in the hands of Black people	5	25% +1 vote	5	25% +1 vote	5	25% +1 vote	5	25% +1 vote
Exercisable Voting Rights in the Enterprise in the hands of Black women	2	10%	2	10%	2	10%	2	15%
ECONOMIC INTEREST								
Economic Interest of Black people in the Enterprise	5	25%	5	25%	5	25%	5	25%
Economic Interest of Black women in the Enterprise	2	10%	2	10%	2	10%	2	15%
NEW ENTRANTS OF BLACK DESIGNATED GROUPS	3	2%	3	2%	3	2%	3	2%
REALIZATION POINTS								
Net equity Value	10	Yr 1 – 3%	10	Yr 1 =10%	8	Yr 1 – 3%	10	Yr 1 =10%
		Yr 2 – 7%		Yr 2=20%		Yr 2 – 7%		Yr 2=20%
		Yr 3 – 10%		Yr 3 = 40%		Yr 3 – 10%		Yr 3 = 40%
		Yr 4 – 15%		Yr 5 = 60%		Yr 4 – 15%		Yr 5 = 60%
		Yr 5 – 19%		Yr 7 = 80%		Yr 5 – 19%		Yr 7 = 80%
		Yr 6 – 24%		Yr 9 = 100%		Yr 6 – 24%		Yr 9 = 100%
		Yr 7 – 30%				Yr 7 – 30%		
		Yr 8 – 36%				Yr 8 – 36%		
		Yr 9 – 43%				Yr 9 – 43%		
		Yr 10 -50%				Yr 10 -50%		
TOTAL	27				27			

4.2. MANAGEMENT CONTROL

CATEGORY	CURRENT WEIGHTINGS POINTS & TARGETS		PROPOSED WEIGHTINGS POINTS & TARGETS	
	WEIGHTING POINTS	COMPLIANCE TARGET	WEIGHTING POINTS	COMPLIANCE TARGET
BOARD PARTICIPATION:	Weighting Points	Compliance Target	Weighting Points	Compliance Target
Black other executive management as a percentage of all executive management	4	50%	6	50%
Black other female executive management as a percentage of all executive management	2	25%	3	35%
NON-EXECUTIVE MANAGEMENT				
Black reps at non-executive management as a percentage of all non-executive management	2	60%	2	60%
Black female reps at non-executive management as a percentage of all non-executive management	1	30%	1	40%
Total	9+2		12+2	

4.3. EMPLOYMENT EQUITY

CATEGORY	CURRENT WEIGHTINGS POINTS & TARGETS		PROPOSED WEIGHTINGS POINTS & TARGETS	
	Weighting Points	Compliance Target	Weighting Points	Compliance Target
MANAGEMENT				
Black reps at junior, Middle & senior managements as a % of all management	8	60%	8	60%
Black female reps at junior, Middle & senior managements as a % of all management	4	30%	4	35%
BONUS				
Black Female employees in Senior Management as a percentage of all senior management	1	40%	1	40%
TOTAL	12+2		12+2	

4.4. SKILLS DEVELOPMENT

CATEGORY	CURRENT WEIGHTINGS POINTS & TARGETS		PROPOSED WEIGHTINGS POINTS & TARGETS	
	Weighting Points	Compliance Target	Weighting Points	Compliance Target
SKILL DEVELOPMENT EXPENDITURE FOR BLACK PEOPLE				
Skills Development expenditure on learning programmes, specified in the learning programme matrix for Black people as a percentage of leviabale amount	12	3%	12	3%
Skill Development expenditure on learning programme, specified in the learning programme matrix for black people with disabilities as a percentage of leviabale amount	5	1%	N/A	N/A
Skills Development spend on programmes that support property related career development for black students in Further Education and Training (FET) years of basic education and/or bursaries for property related programmes at Higher Education Institutions.	N/A	N/A	4	1%
BONUS POINTS				
Number of black people in any sector absorbed by the measured entity and industry entity at the end of the /Bursaries/ learnership/ internship/ apprenticeship programme OR who acquire a professional designation or equivalence in the property sector.	3	100%	3	100%
TOTAL	12+3		16+3	

4.5. ENTERPRISE AND SUPPLIER DEVELOPMENT

CATEGORY	CURRENT WEIGHTINGS POINTS & TARGETS		PROPOSED WEIGHTINGS POINTS & TARGETS	
	Weighting Points	Compliance Targets	Weighting Points	Compliance Targets
PREFERENTIAL PROCUREMENT				
B-BBEE procurement spend from all empowering suppliers based on the B-BBEE procurement recognition levels as a percentage of total measured procurement spend	10	60%	10	60%
B-BBEE procurement spend from all empowering suppliers that are at least 51% black owned based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend	15	40%	10	40%
B-BBEE procurement spend from all empowering suppliers that are more than 30% black women-owned based on the applicable B-BBEE procurement recognition levels as a percentage of total measured procurement spend	N/A	N/A	5	15%
	25		25	
SUPPLIER DEVELOPMENT				
Annual value of all Supplier Development contributions made by the measured entity as a percentage of the target.	5	1% of NPAT	5	1% of NPAT
ENTERPRISE DEVELOPMENT				
Annual value of Enterprise Development contributions made by the measured entity as a percentage of the target	5	1% of NPAT	5	1% of NPAT
	5		5	
TOTAL	35		35	

4.6. SOCIO ECONOMIC DEVELOPMENT

CATEGORY	CURRENT WEIGHTINGS POINTS & TARGETS		PROPOSED WEIGHTINGS POINTS & TARGETS	
	Weighting Points	Compliance Target	Weighting Points	Compliance Target
Economic Development Investment in under-resourced areas as a % of total annual investment	2	1% of NPAT	2	1% of NPAT