

Census of estate agents, rent collectors, appraisers and valuers, 1996

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Contact person: Joan Lindeque

Tel: (012) 310 8251

Fax: (012) 322 3374

(012) 310 8619

E-mail: JoanL@statssa.pwv.gov.za

info@statssa.pwv.gov.za

Preface

This report contains the results of the Census of estate agents, rent collectors, appraisers and valuers, 1996, for South Africa. This census is a periodic survey, covering establishments rendering mainly estate agency, rent collectors, property administrators, appraisers or valuers services. These results are used to compile estimates of the gross domestic product (GDP) and its components, which are used to develop and monitor government policy. Furthermore, these statistics are used by the private sector in analysing comparative business and industry performance.

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P J Lehohla
Statistician-General: Statistics South Africa

PRETORIA
2001

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Interpretative summary

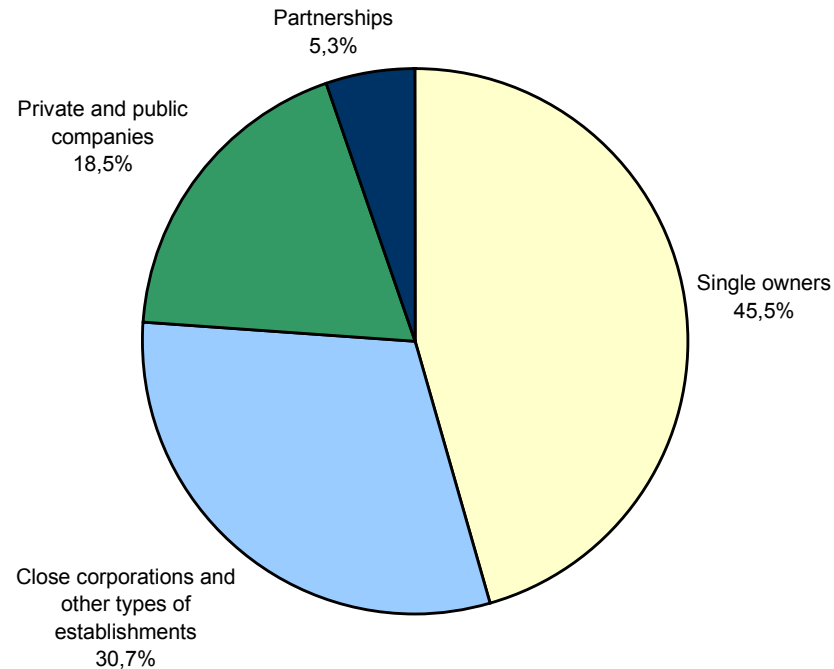
General

This report contains detailed information of establishments in South Africa which rendered estate agency, property administrators, rent collectors, appraisers and valuers services.

Type of ownership

In 1996, most of the establishments which rendered estate agency, property administrators, rent collectors, appraisers and valuers services were single owners (45,5%), followed by close corporations and other types of establishments (30,7%), private and public companies (18,5%) and partnerships (5,3%) (cf. figure 1).

Figure 1 - Percentage distribution of the number of estate agency, property administrators, rent collectors, appraisers and valuers services establishments according to type of ownership: 1996

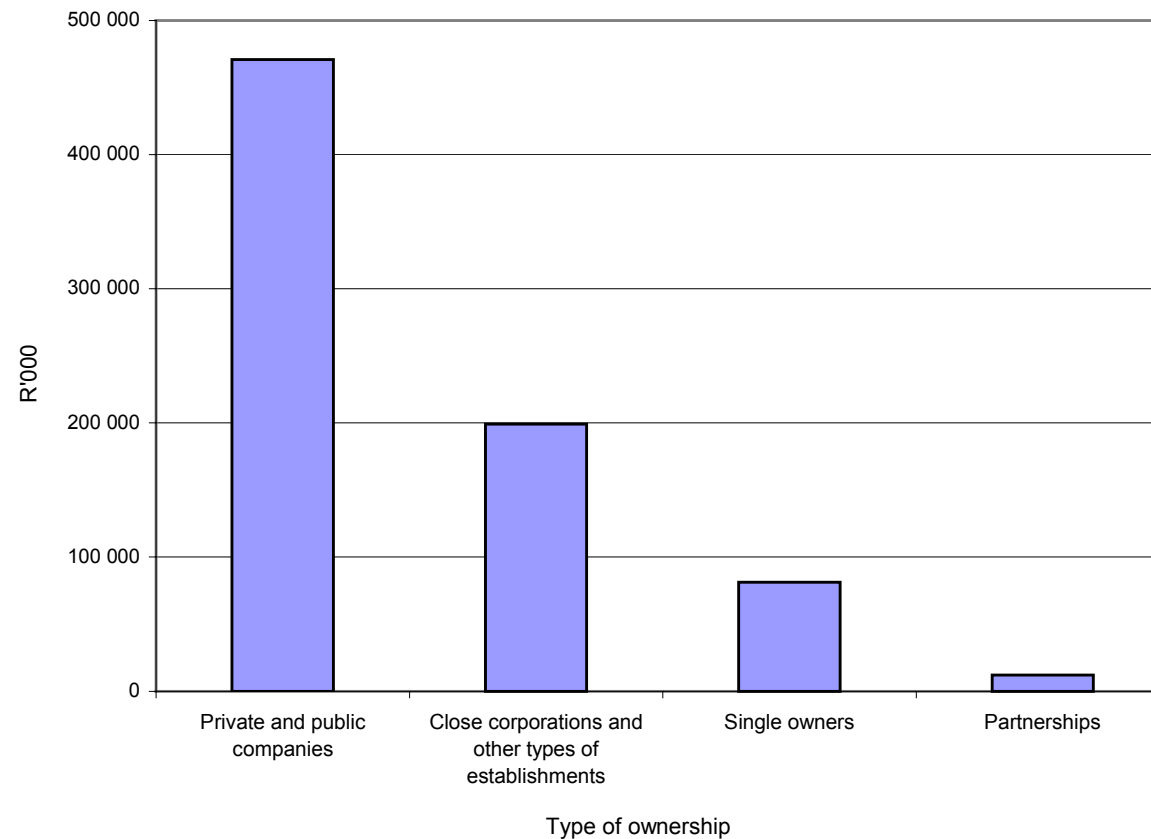


Source: Stats SA

Commission paid to own and other agents or employees

Commission paid to own and other agents or employees amounted to R763,3 million. In 1996 the largest expenditure item was commission paid to own agents or employees (R704,5 million). Public and private companies paid R470,8 million (61,7%), while close corporations and other types of establishments paid R199,2 million (26,1%), single owners paid R81,3 million (10,6%) and partnerships paid R12,0 million (1,6%) to own and other agents or employees (cf. figure 2).

Figure 2 – Commission paid to estate agency, property administrators, rent collectors, appraisers and valuers services establishments according to type of ownership: 1996



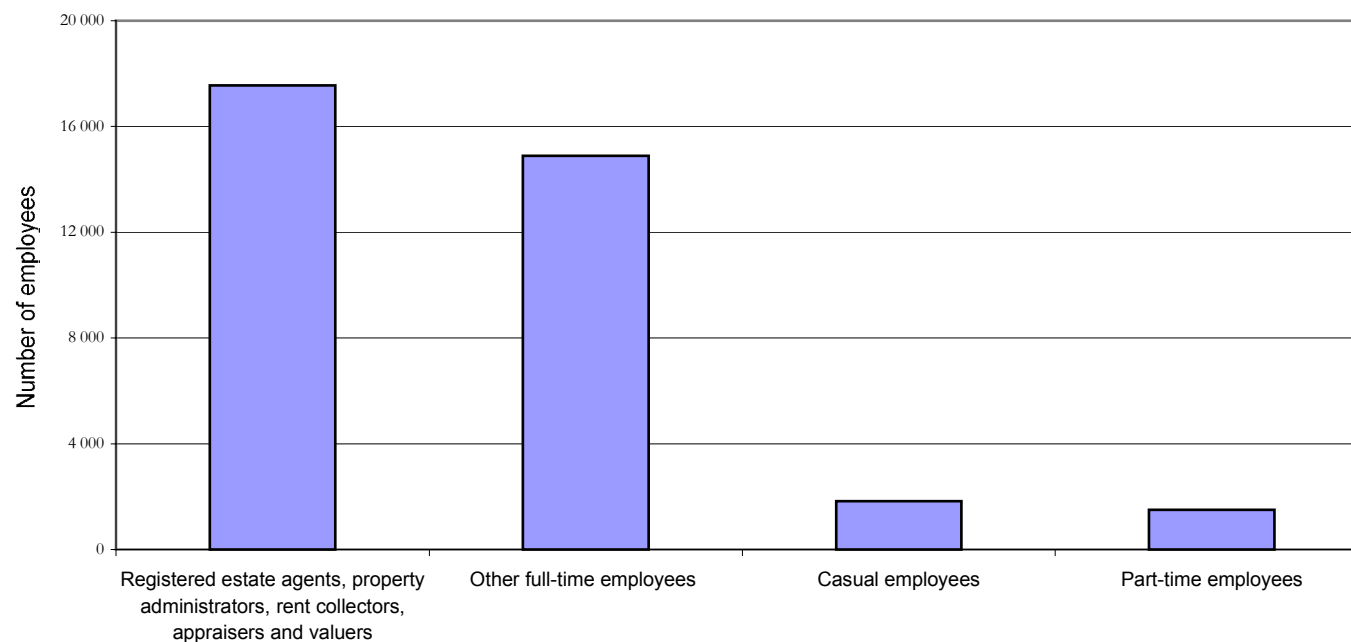
Source : Stats SA

Paid employees

The total number of paid employees in the estate agency, property administrators, rent collectors, appraisers and valuers services industry was 35 799 in 1996. Approximately half (54,9%) of the total number of paid employees were female. Most of the paid employees were white (76,4%), followed by blacks (15,2%), coloureds (5,8%) and asians (2,6%).

Registered estate agents, property administrators, rent collectors, appraisers and valuers accounted for 17 559 (49,0%) of the paid employees, followed by other full-time employees (14 905 or 41,6%), casual employees (1 830 or 5,1%) and part-time employees (1 505 or 4,2%) (cf. figure 3).

Figure 3 - Number of paid employees of estate agency, property administrators, rent collectors, appraisers and valuers services according to type of employee: 1996

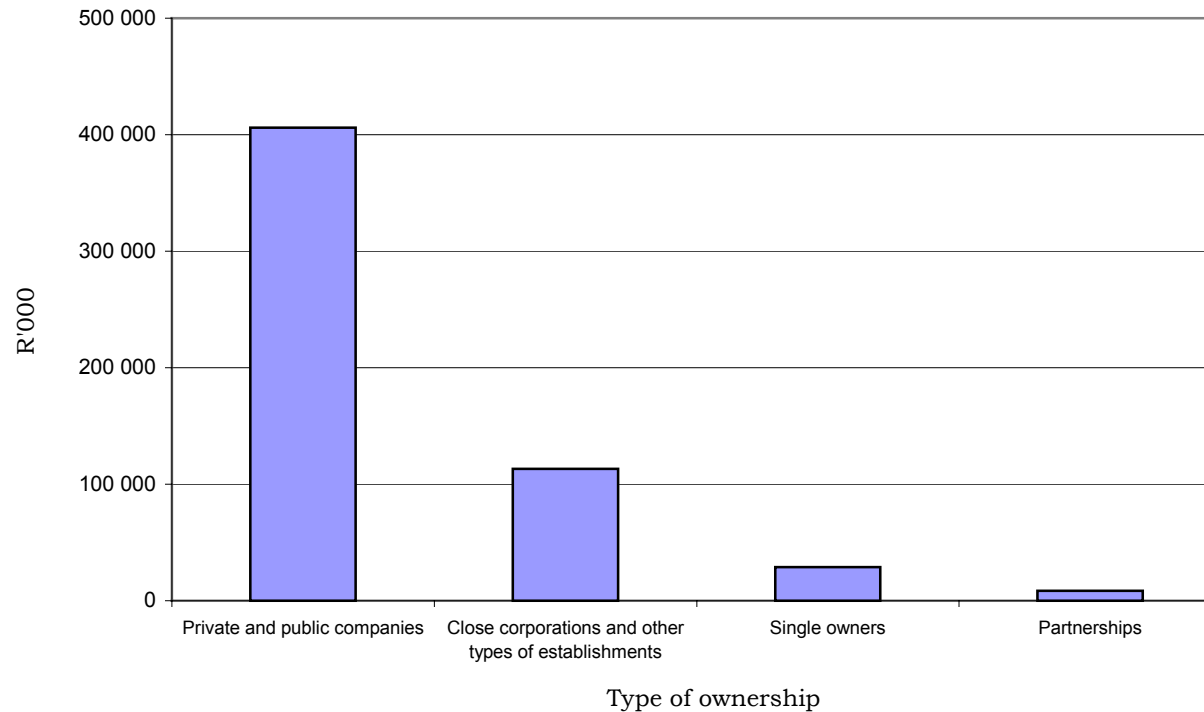


Source : Stats SA

Total gross salaries and wages

Total gross salaries and wages paid by the estate agency, property administrators, rent collectors, appraisers and valuers services industry was R556,4 million in 1996. The total gross salaries and wages paid by private and public companies accounted for 73,0% (R406,1 million), while those paid by close corporations and other types of establishments accounted for R113,1 million (20,3%) of the total gross salaries and wages paid by the industry (cf. figure 4).

Figure 4 - Total gross salaries and wages paid by the estate agency, property administrators, rent collectors, appraisers and valuers services industry according to type of ownership: 1996



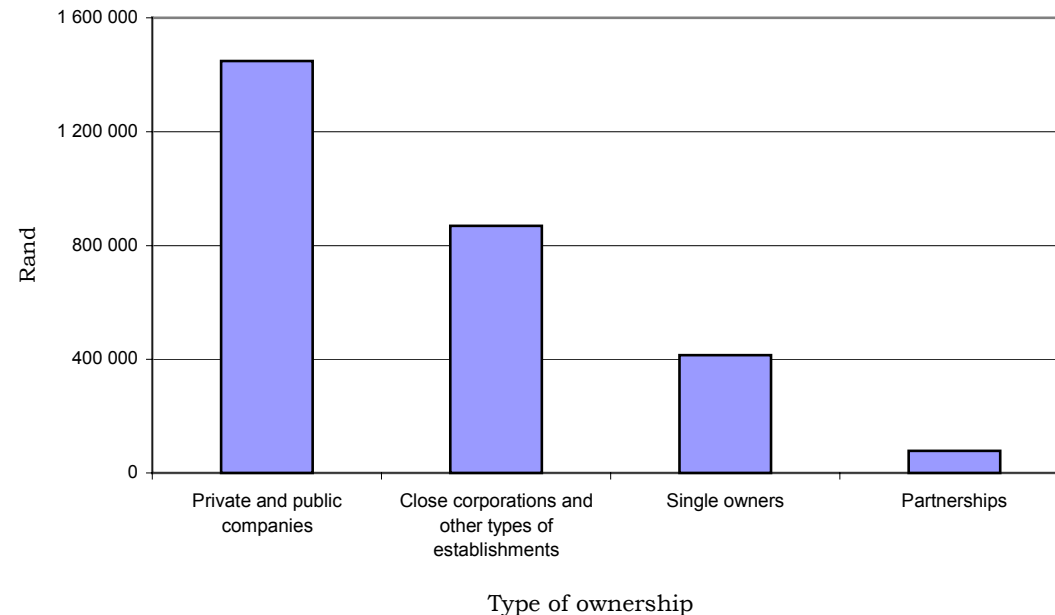
Source : Stats SA

Fees received for services

Commission and fees received for services rendered by establishments in the estate agency, property administrators, rent collectors, appraisers and valuers services industry amounted to R2 809,9 million in 1996. The largest contributor to the amount of R2 809, 9 million was commission and fees received for sales of fixed property on behalf of clients (R2 004,8 million), followed by commission and fees received for letting of fixed property on behalf of clients (R359,1 million) and administration fees (R189,2 million).

In 1996, private and public companies in the estate agency, property administrators, rent collectors, appraisers and valuers services industry reported the highest average annual fee per establishment received for services rendered (R1 046 306), followed by close corporations and other types of establishments (R378 620). Partnerships and single owners reported an average annual fee received per establishment of R197 858 and R121 694, respectively (cf. figure 5).

Figure 5 - Average annual fee received for services rendered by estate agency, property administrators, rent collectors, appraisers and valuers services industry according to type of ownership: 1996



Source : Stats SA

Net profit/loss

Net profit of the estate agency, property administrators, rent collectors, appraisers and valuers services industry was R342,6 million in 1996. Close corporations and other types of establishment contributed the largest percentage (48,3%) to the total net profit, followed by single owners (32,3%).

Table 1 – Principal statistics regarding establishments in the estate agency, property administrators, rent collectors, appraisers and valuers services industry according to type of ownership: 1996

Type of ownership	Establishments	Working proprietors	Paid employees 1/	Commission paid to own and other agents	Total gross salaries and wages	Fees received for services rendered	Net profit/loss	Capital expenditure on new assets
	Number			R'000				
Single owner	3 405	3 923	5 075	81 324	28 829	414 367	110 686	4 676
Partnership	393	814	908	12 007	8 418	77 758	25 140	897
Private and public company	1 384	0	19 192	470 770	406 082	1 448 087	41 127	22 487
Close corporation and other types of establishments	2 297	0	10 624	199 237	113 058	869 691	165 635	8 551
Total	7 479	4 737	35 799	763 338	556 387	2 809 903	342 588	36 611

1/ Paid employees include registered estate agents, property administrators, rent collectors, appraisers and valuers working on a commission base.

Table 2 – Number of working proprietors and paid employees in the estate agency, property administrators, rent collectors, appraisers and valuers services industry according to population group and gender: 1996

Population group and gender	Working proprietors	Paid employees				Total paid employees
		Registered estate agents, property administrators, rent collectors, appraisers and valuers	Other full-time employees	Other part-time employees	Other casual employees	
Number						
African/Blacks						
Male	16	197	1 831	157	536	2 721
Female	5	116	1 888	227	486	2 717
Total African/Blacks	21	313	3 719	384	1 022	5 438
Coloureds						
Male	32	566	406	7	10	989
Female	20	90	676	34	290	1 090
Total Coloureds	52	656	1 082	41	300	2 079
Indians/Asians						
Male	58	170	320	13	6	509
Female	25	84	300	4	21	409
Total Indians/Asians	83	254	620	17	27	918
Whites						
Male	3 023	7 692	3 761	273	205	11 931
Female	1 558	8 644	5 723	790	276	15 433
Total Whites	4 581	16 336	9 484	1 063	481	27 364
Male	3 129	8 625	6 318	450	757	16 150
Female	1 608	8 934	8 587	1 055	1 073	19 649
Total employees (all population groups)	4 737	17 559	14 905	1 505	1 830	35 799

Table 3 – Expenditure by the estate agency, property administrators, rent collectors, appraisers and valuers services industry according to type of ownership and type of expenditure: 1996

Expenditure	Type of ownership				
	Single owner	Partnership	Private and public company	Close corporation and other types of establishments	Total
	R'000				
Total gross salaries and wages	28 829	8 418	406 082	113 058	556 387
Commission paid to					
Own agents/employees	72 146	10 792	435 460	186 096	704 494
Other agents/employees	9 179	1 215	35 310	13 141	58 845
Annuity fund contributions for retirement of proprietors	2 647	113	0	0	2 760
Interest paid	16 957	916	41 463	17 798	77 134
Rent and leasing paid					
Land and buildings	19 906	4 326	68 385	54 874	147 491
Vehicles, machinery and other equipment	29 952	4 086	14 605	48 780	97 423
Purchases of fuel, electricity, gas and water	18 215	2 614	19 322	11 177	51 328
Advertising and marketing costs	23 607	7 083	94 466	94 171	219 327
Telephone and postage	21 011	4 988	54 892	31 468	112 359
Depreciation	12 225	901	28 238	12 582	53 946
Indirect taxes	3 188	887	6 887	2 723	13 685
Other expenditure	57 147	7 835	341 562	139 187	545 731
Total expenditure	315 009	54 174	1 546 672	725 055	2 640 910

Table 4 – Income by the estate agency, property administrators, rent collectors, appraisers and valuers services industry according to type of ownership and type of income: 1996

Income	Type of ownership				
	Single owner	Partnership	Private and public company	Close corporation and other types of establishments	Total
	R'000				
Commission and fees received for					
Sales of fixed property on behalf of clients	325 835	61 971	936 250	680 746	2 004 802
Shared commission in multiple listing services/referral commission	13 182	2 662	7 686	12 124	35 654
Letting of fixed property on behalf of clients	39 455	5 658	248 248	65 788	359 149
Services rendered to financial institutions for					
Bond applications	2 933	804	3 740	3 871	11 348
Sub-agencies	299	169	1 840	3 090	5 398
Appraisal services	4 045	249	1 746	191	6 231
Valuation services	21 452	1 882	13 450	15 724	52 508
Administration fees	4 655	3 308	162 864	18 365	189 192
Other services rendered such as management services and the sale of insurance	2 511	1 055	72 263	69 792	145 621
Interest received	3 960	487	39 041	6 649	50 137
Dividends received	121	1	1 715	343	2 180
Other income	7 247	1 068	98 956	14 007	121 278
Total income	425 695	79 314	1 587 799	890 690	2 983 498
Net profit/loss	110 686	25 140	41 127	165 635	342 588

Table 5 – Fixed assets of the estate agency, property administrators, rent collectors, appraisers and valuers services industry according to type of ownership and type of fixed asset as at the end of the 1996 financial year

Fixed assets	Type of ownership				
	Single owner	Partnership	Private and public company	Close corporation and other types of establishments	Total
	R'000				
Land and buildings					
Book value of fixed assets at the beginning of the financial year	52 336	2 049	58 535	40 725	153 645
Capital expenditure on new assets	1 950	531	5 111	1 540	9 132
Capital expenditure on existing assets	3 592	32	2 837	5 228	11 689
Furniture, machinery and other equipment					
Book value of fixed assets at the beginning of the financial year	14 378	3 438	67 739	32 842	118 397
Capital expenditure on new assets	1 163	159	14 656	5 047	21 025
Capital expenditure on existing assets	691	203	41 855	1 910	44 659
Vehicles					
Book value of fixed assets at the beginning of the financial year	49 031	1 294	36 046	31 215	117 586
Capital expenditure on new assets	1 563	207	2 720	1 964	6 454
Capital expenditure on existing assets	2 233	96	2 492	2 261	7 082
Total book value of fixed assets at the beginning of the financial year	115 745	6 781	162 320	104 782	389 628
Total capital expenditure on new assets	4 676	897	22 487	8 551	36 611
Total capital expenditure on existing assets	6 516	331	47 184	9 399	63 430

Explanatory notes

Introduction

- 1 Statistics South Africa (Stats SA) in 1996 conducted a Census of Estate Agents, Rent Collectors, Appraisers and Valuers, which covered 7 479 establishments that rendered estate agency service, property administrators services, rent collectors service, appraisers service and a valuers service as their main activity in South Africa. These results are used to compile estimates of the gross domestic product and its components, which are used to develop and monitor government policy. Furthermore these statistics are used by the organised property sector in the analysing of comparative business and industry performance.

Data items collected through the questionnaire include -

- number of establishments;
- number of working proprietors;
- number of paid employees;
- gross salaries and wages;
- commission paid to own and other agents;
- income statement information; and
- value of fixed assets.

Scope of the census

- 2 A postal census was undertaken and completed questionnaires returned by establishments that rendered estate agency services, property administrators services, rent collectors services, appraisers services and valuers services.

These services exclude -

- the services rendered by a paid worker in another sector, e.g. a valuer employed by a bank; and
- the letting of own fixed property, which can be regarded as a separate branch in the bookkeeping system.

Classification	3	The 1993 edition of the Standard Industrial Classification of all Economic Activities (SIC), Fifth edition, Report No. 09-90-02, was used to classify the statistical units in this census. The SIC is based on the 1990 International Standard Industrial Classification of all Economic Activities (ISIC) with suitable adaptations for local conditions. Statistics in this publication are presented at SIC group (3 digit) level.
Statistical unit	4	The statistical unit for the collection of information was an establishment.
Reference period	5	Completed questionnaires were rendered by all establishments for their financial year which ended on any date during the period 1 July 1995 to 30 June 1996. The data for the number of paid employees were furnished as on the last pay-day in June 1996.
Unpublished statistics	6	In some cases Stats SA can also make available information which is not published. This information can be made available as computer printouts or diskette. Generally unpublished statistics are provided at a fee.
Related publications	7	The following reports contain information on estate agents, appraisers and valuers - <ul style="list-style-type: none"> • Report No. 83-03-01 (1990) - Census of estate agents, appraisers and valuers. • Report No. 05-03-02 (1984) - Census of estate agents, appraisers and valuers.
Rounding-off of figures	8	The figures in the tables have, where necessary, been rounded off to the nearest final digit shown. There may therefore be slight discrepancies between the sums of the constituent items of the totals shown.
Symbols and abbreviations		<ul style="list-style-type: none"> .. Figures not available 0 Nil or less than half the final digit shown CD Compact disc GDP Gross domestic product ISIC International Standard Industrial Classification of all Economic Activities SIC Standard Industrial Classification of all Economic Activities Stats SA Statistics South Africa.

Glossary

Average annual percentage change	Average annual percentage change is the growth rate of a given census year compared with the previous census year, compounded to an annual rate.
Capital expenditure on new assets	<p>Capital expenditure on new assets refers to the expenditure incurred in the acquisition of new fixed assets, e.g. the erection of new buildings, and the replacement of or alterations to existing fixed assets, for the purpose of increasing future production. Capital expenditure on repairs and maintenance of the fixed assets is not part of capital expenditure on new assets.</p> <p>Capital expenditure includes –</p> <ul style="list-style-type: none"> • expenditure on the acquisition of land; • the erection of new buildings and works as well as additions and alterations to existing buildings and works, purchasing of existing buildings and works; • work in progress capitalised; • new plant and machinery, vehicles and equipment purchased (trade-in allowances have not been deducted); and • used plant and machinery, if imported by or on behalf of the establishment, and paid to outside contractors/concerns or which was done by the establishment itself.
Close corporation	A close corporation is a company, consisting of one person or a group of people, authorised to act as an individual and is recognised by law as a single entity. It is registered under the Close Corporation Act and is obliged to incorporate the letters CC at the end of its name. A close corporation has limited accountability with a maximum of ten shareholders.
End of 1996 financial year	The end of the 1996 financial year refers to the establishments' financial year that ended on any date during the period 1 July 1995 to 30 June 1996.
Establishment	An establishment is the smallest economic unit which operates as a separate entity for which comprehensive financial records are kept.

Fees received for services rendered

Fees received for services rendered include –

- sales of fixed property on behalf of clients;
- shared commission in multiple listing services/referred commission; and
- letting of fixed property on behalf of clients.

Full-time employees

Full-time employees (permanent, temporary or casual) are those employees who usually work the agreed hours for a full-time employee in their specific occupation or, if the agreed hours do not apply, employees are regarded as full-time employees if they work 35 hours or more per week.

Net profit/loss

Net profit/loss is the difference between total income and total expenditure before drawings by proprietors/partners, company tax paid and dividends paid are taken into account. In the tables where net profit/loss is shown, it is the amount arrived at after total losses of establishments were deducted from total profits of establishments.

Other type of ownership

Other type of ownership refers to all other types of ownership not mentioned elsewhere, e.g. trusts, associations and societies.

Paid employees

Paid employees include -

- registered estate agents, property administrators, rent collectors, valuers and appraisers;
- full-time, part-time and casual employees paid out of income, capital and other accounts and funds;
- managing and working directors, managers, secretaries and accountants receiving a fixed salary;
- all paid employees on holiday, maternity, special, study and/or sick leave; and
- paid employees temporary absent from work.

Partnership	A partnership is a joint business not organised in the form of a company and may consist of two or more partners. The name is usually followed by “and Co.”
Part-time and casual employees	Part-time and casual employees are employees who are not full-time employees as defined above and who normally work less than 35 hours per week.
Private company	A private company (private sector) is a company which is managed by its shareholders. A private company is registered under the Companies Act and is required by law to incorporate the abbreviations “(Pty) Ltd” or “Inc.” as the last words in the name. A private company has limited accountability, consists of 2 to 50 shareholders and shares are not available to the public.
Single owner	A single owner is a one-man business not organised in the form of a company and includes unincorporated professional and non-professional service businesses.
Total expenditure	Total expenditure includes - <ul style="list-style-type: none">• total gross salaries and wages;• commission paid to own agents or employees and other agents or employees;• annuity fund contributions for retirement of proprietors;• interest paid;• rent and leasing paid regarding land and buildings, vehicles, machinery and other equipment;• purchases of fuel, electricity, gas and water;• advertising and marketing costs;• telephone and postage;• depreciation;• indirect taxes; and• other expenditure.

Total gross salaries and wages

Total gross salaries and wages include -

- payments to paid employees;
- incentive bonuses, overtime and other allowances, as well as lump sum payments, e.g. Christmas and leave bonuses;
- employers' contributions to pension, provident, holiday, medical-aid and sick pay funds in respect of employees;
- employers' contributions to the Unemployment Insurance Fund and the Workmen's Compensation Commissioners Fund; and
- employers' contributions in accordance with any other legislation with regard to paid employees.

Total gross salaries and wages exclude –

- commission paid;
- drawings by working proprietors and partners in the case of single owners and partnerships;
- directors' fees paid to non-working directors;
- fees paid for professional services; and
- value of payments in kind, such as meals and lodging.

Total income

Total income includes -

- commission and fees received for:
 - sales of fixed property on behalf of clients;
 - shared commission in multiple listing services/referral commission;
 - letting of fixed property on behalf of clients;
 - services rendered to financial institutions for:
 - bond applications;
 - sub-agencies;
 - appraisal services;
 - valuation services;
 - administration fees;
 - other services rendered such as management services and the sale of insurance;
- interest received;
- dividends received; and
- other income.

Working proprietors

Working proprietors include -

- working proprietors of single owner establishments;
- partners;
- unpaid family assistants; and
- non-executive directors.

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e-mail address: phillipl@statssa.pwv.gov.za
christadv@statssa.pwv.gov.za

Postal address: Private Bag X44, Pretoria, 0001