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REAL ESTATE BOARD

INTRODUCTION:

Objectives of the Real Estate Board:

The Real Estate Board was established in 1988 under the Real Estate (Dealers & Developers) Act, to undertake three (3) principal functions:-

- To regulate and control the practice of individuals, firms or partnerships who engage in the business of real estate whether as agents, brokers, auctioneers, appraisers of property, renters of property, estate managers or salesmen, acting on behalf of a principal, by a system of registration in a permanent register and by annual practising licences;
- To regulate and control certain aspects of the business of land development, namely:-
the sale of land and housing units in development schemes as approved by local planning authorities or the Town and Country Planning Authority;
- To ensure that a high standard of professional conduct is maintained among those already in the real estate industry, as well as those seeking to enter the industry for the first time, in order to conform

with the registration and licencing requirements under the Real Estate (Dealers & Developers) Act and the Real Estate (Dealers & Developers) Regulations.

MEMBERS OF THE BOARD:

As required under the Act, members of the Real Estate Board are selected by the Minister from among persons with ability and experience in matters relating to the real estate industry.

The Board employs an administrative staff including a General Manager and Inspectors to ensure that its functions under the Act are properly carried out.

OPERATIONAL PRIORITIES:

Following the coming into operation of the Real Estate (Dealers & Developers) Act on September 1, 1988, the Board as its first priority set out to determine the exact number of persons who were engaged in the practice of real estate business as defined by Law.

A total of 1266 applications to register as Real Estate Dealers, Real Estate Salesmen and Developers were lodged with the Board up to March 31, 1989.

This figure is broken down as follows:-

- | | |
|---|-----|
| - For registration as a Real Estate Dealer | 762 |
| - For registration as a Real Estate Salesman | 458 |
| - For placement on the Register of Developers | 46 |

Applications were received from every parish in Jamaica, which among other things indicates the extensive practice of the business of real estate islandwide.

Priority consideration to date has been on the 712 applications for registration as a real estate dealer received within the sixty (60) day period immediately following the coming into operation of the Act, that is, the 60 day period extending from September 1, 1988 to October 31, 1988.

In this area, the Board's immediate task has been to establish if each applicant is in fact qualified for registration as required by Section 21 and Section 48 of the Act.

To do this, a system was set up to determine if each applicant has been seriously engaged in the practice of real estate business in excess of two years but who does not possess the prescribed academic and professional qualifications for such registration as set out in the Real Estate (Dealers & Developers) Regulations 1988.

Towards this end, the Board has assigned Inspectors to visit every applicant to establish whether he or she is in fact engaged in the business of real estate, the length of time so involved and to confirm the precise area of real estate business activity they are qualified to practise. The areas of practice of the business of real estate as defined in law are - Sales, Rentals, Leases, Property Management, Appraisals and Auctioneering.

Inspectors to date have visited and reported on 616 applicants and decisions taken by the Board are as follows:-

- Approve Applications	-	264
- Refuse Applications	-	239
- Defer Applications	-	113

On the basis of these decisions, forty-six (46) Certificates of Registration and Licences have been issued to practising real estate dealers to date.

The Board will shortly be commencing the consideration of the 426 persons who applied to register as a salesman within the 60 day period immediately following the coming into operation of the act, that is, applications from persons who applied up to October 31, 1988. There are some complex issues involved in this category of applications, the principal one being the need to verify conclusively that an applicant is eligible to qualify under Section 48 of the Act, having practised as a salesman for a period in excess of two years, given an inability to qualify on academic grounds.

SPECIFIC OBJECTIVES FOR FINANCIAL YEAR 1989/90:

Applications to register are expected to increase by some 10% during Financial Year 1989/90 as more and more persons apply to enter the profession and as persons who may be practising illegally are brought under the umbrella of the Law following this detection of their status. The Board will therefore continue its programme of examination of each application

received in order to ensure that these fulfill the criteria for registration and licencing as set out in the Act.

It will in addition during this period address the following priorities:-

- the setting up of a permanent Register of Real Estate Dealers and Real Estate Salesmen;
- the setting up of a Register of Developers;
- the establishment of a system monitoring quarterly on an islandwide basis all persons and firms granted licences under the Real Estate (Dealers & Developers) Act;
- the establishment of a system to detect all unlicensed persons and firms practising the business of real estate in breach of the Real Estate Act;
- the determining of a system for referral of breaches of the Real Estate (Dealers & Developers) Act to the Director of Public Prosecutions for action in the courts;
- devising a system for investigation of complaints from the public relating to real estate malpractices whether by dealers, salesmen or developers;
- monitoring development schemes which were approved by local planning authorities and, or, the Town & Country Planning Authority, after September 1, 1988 to ensure that obligations of developers towards their clients as stated in pre-payment contracts - copies of which by

Law, must be submitted to the Board within 14 days of their signing, are being carried out.

CONCLUSION:

The activities of the Real Estate Board are expected to have an impact on all persons, locally and overseas, who pay deposits on real property in Jamaica to dealers or their agents - (salesmen). Its activities will also impact on those persons who make downpayments to developers of housing schemes and who must now register with the Board before entering into pre-payment contracts with prospective purchasers in such schemes, and who must place deposits taken into Trust Accounts established with an authorised financial institution.

Given the high incidence of complaints made to the Government over the past several years, persons making downpayments for real estate need the assurance from the administration that their deposits are being protected in law while negotiations finalising the sale of the property concerned are proceeding.

The net income and product tables as compiled by the Statistical Institute of Jamaica puts the sale of real property for the year 1987 at \$281,506,000. The magnitude of such a turnover in real estate indicates a lucrative area of business activity with attendant high commissions and brokerage fees. It also gives some indication of the extent of the need for the monitoring of the real estate and land development industries where

substantial deposits are being solicited, which the Real Estate Board is attempting to fulfill.

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