COMPETITION COMMISSION OF SOUTH AFRICA

In the matter of

ONLINE INTERMEDIATION PLATFORMS MARKET INQUIRY PUBLIC INQUIRY (OIPMI)

held at

DTI Building
Sunnyside and virtually via MS TEAMS

on

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PANEL: *James Hodge – Chairperson*
And Doris Tshepe

TECHNICAL TEAM

Itumeleng Lesofe	*CCSA Internal Team*
Tshegofatso Radinku	*CCSA Internal Team*
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COMPANY: PRIVATE PROPERTY

Gauteng Transcribers
Recording & Transcriptions

PROCEEDINGS ON 16 NOVEMBER 2021

Private Property – Represented by: Amasi Mwela, Carl van den Berg, Solomon Kwaza

CHAIRPERSON: Welcome back from the break and we are now proceeding with Private Property. We have Mr Mwela, the CEO of Private Property. We have Mr Kwaza, the COO, and we have Mr van den Berg, the Business Development Officer, joining us. Welcome, gentlemen, to the public hearings.

MR MWELA: Thank you very much, James.

CHAIRPERSON: Mr Mwela, I believe you have a presentation, so I am going to let you proceed with that and then the panel will probably have some questions following that.

MR MWELA: Thank you. If you do not mind I will just switch off my camera for the duration of the presentation so that I do not have any issues with network.

CHAIRPERSON: That is absolutely fine.

MR MWELA: Okay, that is perfect. So I just want to take you through some high level points obviously leading up to today. What we have done is we have submitted quite a comprehensive list of documents to the Commission. We have been engaging for the last couple of months and I have basically taken out a couple of really important slides.

From an agenda point of view I will give you an overview to start with, just an overview of Private Property the business, where we come from and just what some of our history is and then I will go into just the evolution of the online property advertising space as we know it today how it has evolved over the years. We will do a review of the listing engine market and then the expansion of global social media platforms and how they are affecting our ability to do business. And then the last bit what we had done is we had prepared a few points for the Commission to consider and these points are obviously based on what some of the players in other industries in other jurisdictions in other countries have done regarding competition in this particular space.

So we are not going to present the third one for the purposes of today because we were informed by the Commission that we are not necessarily in a position to go into that level of detail with the economists that we actually wanted to present with us. So what will happen is there will be another opportunity apparently in February for us to come and present some of those findings. So if that is okay we will cut that piece out of the presentation, James.

CHAIRPERSON: That is absolutely fine. I mean, you are correct, we have invited many economic reports by the end of January and then we will hold some in-camera sessions following that and also if there is any legal submissions. So you will have an opportunity and you can make written submissions in the meantime anyway on that, so we will take it into account for sure. But I think today is about the business.

MR MWELA: Okay, perfect. Right upfront I think I would like to say all the facts that we are presenting today are facts as we see them. All the information that we have is information that we see as we see it as Private Property. There may or may not be variances here and there, so we were asked to present what our view of the world is and we are going to do exactly that.

So this is obviously an opportunity to just talk through the entire industry and where we see things being now and where we see things going. So if there is any mention of any other business, the mention is not based on anything else other than we are answering some of the queries that were given to us at the time. Okay, so I will go straight into it.

1998 is when the business was started. As you can see there, the business was started as a tech start up in a garage. So a typical tech start up. We were at the time one of the first tech start-ups in the country and with a very rich history on just, you know, how technology has evolved over time. So what you see in the picture there was our first website on a big gory desktop and we began to evolve since then. So a Proudly South African brand with funding that had been built up over the years and obviously with a very local presence. We have had our Head Office in Durban from inception.

We started out initially as a private sales business and have evolved to a point where we are now 99% estate agent driven. And then the internet at the time that we started there was an adoption rate of just under 5%. So there was a couple of things there. The business was trying to come up with a new way of doing things, at the same time we were trying to introduce the country at the time to specific things around the internet. Adoption was very low and at the same time the business model that we had was new and was quite different. So the first of couple of years were very different in terms of scalability and we obviously evolved as time went on.

We have since evolved. 23 years later what we have is a business that now provides a broad range of products and services. So we have listings that are quite varied, so listings on the property portal that are rentals and sales listings and at the same time we have tonnes and tonnes of information that just enables customers to be able to make the appropriate decisions. So as you can see the evolution has been quite drastic. A lot of our traffic now comes from the mobile pieces. So there has been lots and lots of evolution. We have lots and lots of estate agents that at this point list on our property portal and they pretty much have been the driver of our business over the years.

So important to talk about the evolution of property advertising from what it was to what we know it today. So what used to happen a couple of years ago was print was the main driver behind the ability for estate agents to sell. So the evolution from print to what you see today going online was driven largely by the industry itself and I think it is important to note that the customer, the estate agent, has been very pivotal in the decision on where this industry in terms of property advertising goes.

So once upon a time it was the shop floor that had pictures on the window, it was the billboard outside, it was the Sunday show days and it was various segments of newspapers and of course the bin. So at some point in time even we were quite popular on the bin. The evolution over the years has been driven by a number of factors. So but largely among other factors was adoption of the internet of course, but largely the preference of the estate agents in terms of where they wanted to list their properties and how they wanted the industry to evolve.

So when we started in 1998 what we see here is a graph of about 5% in the year 2000 of adoption of the internet and what you see over the last sort of 20 years there is a significant increase in the internet adoption and with that obviously has come a specific opportunity or specific opportunities to scale various businesses and what you are seeing obviously in these hearings is a number of those businesses that have taken advantage of the adoption of the internet and formed online businesses.

We were there in the beginning and we have seen the rise of internet which has enabled us to obviously get more access to broader markets. So starting at 5% there was a bit of a flat line leading up to about the next sort of eight/nine years and then for some reason around 2010/2011 we started seeing a much, much higher adoption. 46% access in 2013 and by 2019 we had reached 68%. This enabled a business like ours to be able to have more customers coming on in terms of estate agents and more buyers, what we call seekers at Private Property looking for properties to rent or properties to buy, information and the like because it almost became a way of doing business.

Round about 2010/2011 as this was happening there was a significant event that happened within the industry. So at this point in time what happened in the industry was a body was formed called REASA and REASA did a – had an arrangement. They appointed

Property 24 as the technology media partner of choice. At that point in time Private Property lost quite a number of listings and started falling behind and we went through quite a number of years where we were not a profitable business and it was quite a difficult time at that point in time to go through this phase.

It is also important to note that this was happening just at the time when the internet also began to develop in terms of access in the country. So the timing of this appointment was quite pivotal at the time. Obviously there was the likes of Korbitec that were acquired and SAHometraders, etcetera. So all these aspects were really pivotal in driving the use of online as a normal day to day thing and obviously the emergence of portals and how important portals then became from then going onwards.

So the combination of the growth of the internet and of course the combination of the deal that happened at the time introduced a different pricing model among other things, but introduced a completely different dynamic that Private Property did not really have as something to deal with until at that point in time. So it introduced a completely different dynamic and that dynamic that was introduced was essentially around things like pricing.

So we at that point in time were left with very little choice but to also adapt our pricing. So the new pricing structure that came from Property 24 among others was a pricing structure that allowed agents to list in an unlimited format and we obviously had to follow and adapt our model accordingly.

So a property portal is largely driven by two things. One, the ability to acquire buyers or seekers, people that are looking for properties, and secondly, the ability to acquire listings. So those two pretty much drive a property portal. So in the absence of listings or while we had a shortage of listings we actually saw quite a few years when Private Property struggled to get scale so to speak and we obviously then had to go through a couple of years of adapting and changing and just, you know, trying to survive over time. We went through quite a few difficult years as we were trying to reengineer our business model to adapt to that.

Since then we have had quite a lot of evolution and change within our business. There is a couple of things that we have introduced and continue to introduce in terms of our pricing approach. So we did not just remain static in response to 2011. We continued over time to evolve the business. So what we are dealing with now or what we have now is a broad sort of pricing set. Obviously we have different types of estate agencies listing with us. We have the sole trader and we have the big brands listing with us at the same time.

So over the years what we have done is we have adapted our pricing model to be able to cater for as many estate agencies as we possibly can during this time. So our packages start from 650 which is the smallest package, R650 a month and then it obviously goes to way above 100000 which is in this case the bigger brands. So we have packages for every single estate agency and we continue to evolve those as they come. So we keep introducing new packages to adapt and make sure that we give as much access to as many people as we possibly can as the market continues to adapt.

So in terms of market players, this is the market as we see it and again this is internal Private Property information that we have, so internal as we see it. We see Private Property with a market share of about 28% and Property 24 with a market share of about 60% and the others pretty much make up the balance. Important to note there is the rapid growth of Facebook Marketplace that is now becoming a proper player as we continue to go along. I think everybody in this industry is beginning to see Facebook and other social media platforms as a possibility to position themselves, etcetera. So what we see here in terms of market players and what we have within the private property space, this is an estimation that we have put out. We have submitted exactly the same to the Commission as well.

So I would then like to just take a bit of a segue. I think it is important to start looking at this also from a global perspective. So if you look at this globally these are starts from the 2015 and 2017. What I would like us to note here is the size of global real estate. So at 217 trillion, these are estimates at the time, global real estate is a huge market in comparison to the others.

Now what we have seen here and specifically I would like to compare it to financial services. So financial services are 15 trillion, significantly smaller than what you have in terms of global real estate. So obviously coming into the local market it is a significantly smaller number, but global real estate in terms of asset value is the biggest in the world by far. That compared to the amount of investment that is being put into prop tech versus as an example fin tech. Fin tech is significantly smaller as you see in the previous slide, but if you look at the amount of investment and the number of deals that are going through on the prop tech side versus the fin tech side is significantly smaller.

So there are factors that cause this and I think these are some of the factors that are worth exploring when we do the next submissions around the economics. But what you see here is in 2017 for instance you have R1.8 billion – billion dollars' worth of investment. That $1.8 billion is compared to $50 billion of investment in fin tech. So the big differences here, this is basically 3% in comparison to what is going into fin tech. So there is a global shortage of the amount of money that is being poured into prop tech versus fin tech, I think those are, you know, factors that definitely are also at play.

We have seen an increase over the last couple of years in terms of more and more people coming into the prop tech space but we are still very much behind in terms of the comparison with an industry like financial services which has fin techs. So this is definitely a discussion I think that needs to be held at some point in time how we can enable the investment into prop techs over time. The really important thing here to note is without investment in an industry like ours effectively we are unable to compete with global players. Without investment in an industry like ours you are likely to see this industry being able to attract the kind of innovation that the industry so much requires.

And then I wanted to touch a little bit on some barriers to entry from how we see it. So from a barriers to entry perspective the first one is the property process locally is quite unautomated, quite manual. An example there is you cannot complete an offer to purchase locally electronically. It has to be printed out and a physical copy has to be signed. So the process is long. It is very unautomated and it is not very attractive to, you know, innovation and tech because there are just so many factors here that you cannot necessarily control.

I was reading a couple of articles and there are countries like the US for instance where a transfer can take place in a couple of days and locally a transfer can take anything between two, four or five months depending on a number of factors. So if you look at just that alone we still have quite a long way to go in terms of being able to automate this process and this in itself is a bit of a barrier in itself.

And then secondly, if you look at the amount of money that – marketing funds that need to be invested in big tech as we know it today, there is a lot of – that is quite a high barrier. There is a lot of money that needs to go into marketing to be seen, to be relevant, to rank, etcetera. And it is quite a high barrier for the smaller prop tech companies or just basically online companies to be able to come in and compete and be relevant and be seen. So as much as they can be, the view of being able to get listings I think that is one side.

Once you get the listings you still need to be able to do the necessary ranking, do the necessary advertising and that is where a lot of money needs to go into that. It is a very difficult thing to do without the necessary investment coming into the business and obviously without the necessary call it protection from big tech. So I will now hand over to Carl who is going to take us through the listing engines market.

MR VAN DEN BERG: Thank you, Amasi, and thank you Mr Chair and to the Competition Commission. So I think let me start off with sort of real basics around what a listing engine is. It really is a piece of technology that uses APIs to allow an estate agent to take their listings and put it into multiple sources and then obviously get feedback back in terms of the performance of their listing and leads and the rest of those sort of things. So, you know, it is very much driven around technology and APIs.

We have got our own one called Fusion which we purchased from the industry in 2019. Fairly old technology that took quite a bit to keep it upright, but essentially again the bare basics of what this is, is the ability for an agent to manage their listings, put it into different portals, get feedback back. You have got other add-ons to it as well, you know, CRMs, deals management and the rest of those sort of things. Just regarding our technology, you know, it does take a fair amount to keep it upright. It is definitely not a simplistic piece of technology and that is really due to the different rules that each of the portals have around how it is that listings are done. So, you know, every API takes effort, takes work and takes a fair amount of costs to keep, one, running and two, evolving.

So essentially every time a portal makes a change to their listing rules, we have got to do a severe amount of regression testing just to ensure that, you know, a change on one end does not make something fall over onto the next. So it is a fairly old piece of technology that is quite clunky and it takes a lot for it to keep it upright.

Just in terms of the market shares of the different listing engines, and as Amasi said earlier on, this is in our world and it is the way that we see it, Fusion which is ours, we have around about 20% market share of the listing – of all listing engines followed by PropCtrl that we see at around 15 and by far the biggest player is Prop Data and the other one there, so other is your likes of Remax and Pam Goldings and all these big brands that chose instead of using a Fusion or a PropCtrl they created their own bespoke listing and feeding engines that they then choose who it is that they feed into. Again, you know, by far the biggest player and they have done this pretty quickly is Prop Data that clearly got a really good piece of tech, clearly got a good value proposition and they have eaten up quite a bit of market share over a fairly short amount of time.

Just going onto sort of the expansion in terms of global social media and other platforms, I think it is important to note that, you know, as a business we do not look at what our competition is now in the South African context, but we've also got to have a look at what is happening globally and what is the future competitor going to look like. So really what we have at the moment is Facebook. You can see here in 2017, you know, the amount of users in South Africa has doubled from 2017 to 2021 at 28 million people. You know, globally they are just shy of 3 billion people that use it. So it is a significant amount of eyeballs that are going on there and with that we have had to adapt and now change as well.

So, you know, if I can break it down to you, you have got to follow where the consumer is. So several years ago the consumer engaged with property through newspaper. Then it moved onto online and very much around portals. The consumer is now highly active in Facebook and that is where the consumer is. So as a business we now need to evolve and start doing our marketing spend over to there and that is not a shift of marketing spend, that is additional marketing spend to go through and make sure we are attracting the right eyeballs.

You know, as an example we have a consumer on our portal spends around average of nine minutes on our portal searching for property whereas the average Facebook user is probably on Facebook for just under three hours. So it is a significant amount of time there. Very much what Marketplace, Facebook Marketplace is doing is they are essentially creating their own portal around property. I think Amasi mentioned earlier on that Facebook Marketplace has got around 3% market share when it comes to traffic and that has gone from zero to 3% very, very, very quickly. So as a future competitor we are incredibly concerned around the likes of Facebook and Google for that matter. It is just their size, their ability, their spend is just something that is very – if any, very few can actually compete with. So very much a concern for us going forward.

And, you know, again back into the South African context on the next slide, you can see here 83% of internet users in South Africa are using Facebook and that is a significant amount of people and it is a significant amount of time. So what we are seeing here is the industry is starting to take notice of this. Consumers are taking notice of this and are moving away from traditional, what we would call traditional markets and very much into the Facebook Marketplace area.

So ja, I think that was really it, but they have got some very, very good algorithms that can track where the consumers are, where their interests area and they really push the content there, which is incredibly difficult for small businesses especially in South Africa to be able to compete with a global brand such as Facebook and their algorithms. I think, yes, Amasi we are going to stop here. This next portion was for you, hey.

MR MWELA: Just in terms of concluding this section, and I am sure there will be quite a few questions that we still need to answer, it is important to just note a couple of things, right. I think as Private Property we are not a dominant player from all the stats that we see. We are a business that has over the years struggled to remain relevant. We are a business that continues to innovate and stay abreast of our customers and support our customers as much as we can. We are a business that is trying to value our estate agent customers and obviously give them as much support as they need.

Hence from what you can see in some of the new packages that we have come up with, last year we had an instance where going into lockdown the whole industry was unable to operate. We came to the party and gave a 25% discount to every single estate agent fee in the value chain. We did that for six months and we also decided to hold off our price increase. So we did not have a price increase for just under two years.

So as much as possible we are trying to add value to the industry as much as possible while trying to add value to the business, but it is important to just note we unequivocally are not the dominant player and it is not something I enjoy saying or like to say, but factually speaking we are not the dominant player. We can almost be considered the bigger ones of – the bigger one of the smaller portals. So I think it is important to absolutely note that, that we are a business that is trying to innovate and stay relevant and we will continue to do that in the interest of our customers as we build.

If I have one additional opinion that I would like to give, it is simply the fact that when you look at where the industry is today one of my personal concerns is what is the industry of the future. So I could almost argue that, you know, the Commission five, six, seven years ago would have been very relevant in this case for the business that we have today. We are now sitting in an environment where we believe the listings market as we know it is maturing and I think it would be important to also start looking at what would the next four, five, six years in this industry look like and how do we ensure that we protect local players like us.

We are not the biggest company in the world. We only have 88 employees. That number was 108 pre-COVID and we have obviously had to make adjustments to that which has not been the most enjoyable to do. However, it really is important I think for the Commission to note we are a business that is trying to build and do the best we can under very difficult circumstances and I think the idea here is not almost to cry wolf and say protect us from, you know, the local players. I think we are well able to hold our own and continue to compete. So that is not what we are here to do at all. I think it is important to just see how we can have a look at the business and the industry over the next four or five years and how we can enable our players locally to play as fairly as possible. So I will end it there, Mr Chair. Thank you very much.

CHAIRPERSON: Thank you, Mr Mwela, and you can call me James or Mr Hodge and I am sure my fellow panel member, Ms Doris Tshepe, does not mind either. Thank you for that introduction and maybe I just want to go back. You had a slide on the role of estate agents in the development of online portals and REASA and I was also recently reading something from REBOSA who is one of – well, some of the members of REBOSA are shareholders in Private Property, but as I understand and I think was even covered beforehand, there were – when it was the days of print there were sort of interventions by the estate agents to try and ensure that I think it remained competitive.

And I think as things have moved to online it seems from this REASA initiative there was an effort to support one platform over another. I mean, is that what I understand happened? And maybe if you can just let me know what this partnership with REASA and Property 24 meant practically. Did they list with you? Did they not list with you? I mean, maybe if you can just take us back to that period.

MR MWELA: Okay. So, I – from my understanding what happened at the time was Private Property lost quite a few listings, quite a lot of listings and the listings went off to Property 24 and we went through quite a few years where it was a bit difficult to compete. For me I think there is two aspects here. One is, you know, strategically was that, you know, a good move in the purchases and the like. Strategically I absolutely have respect for the strategic decision that was made there. I cannot fault it at all.

What effect did it have on Private Property then? Private Property had significantly less listings. And I could also argue, you know, strategically how did we respond and what did we do at the time. I think we did the best that we possibly could then. But yes, we did go through a time period where we did not have the listings that we needed to have to grow the portal, so it did affect us negatively, yes. It also did affect us negatively in terms of revenue as well.

CHAIRPERSON: So as I understand from your slide, this group of estate agents who made up over 40% of the market decided they were going to partner with Property 24, move. Some of them may have listed with you still, but some moved their listing exclusively to Property 24 in the partnership and you lost listings as a result and obviously that loses revenue, I mean, you know, if you lose an agency. How did that affect your attractiveness to the consumer side of the market?

MR MWELA: The attractiveness did drop, because what consumers are looking for, consumers are looking for variety in terms of listings. So you want to go to a particular area and possibly see every single listing that is there. And during that time obviously without the backing of – without all the listings coming from certain brands it was difficult for consumers to find that. So, I mean it is a given, if you do not have the listings your numbers will drop and, yes, we did get affected by that.

CHAIRPERSON: And presumably that has then an effect on what you can maybe charge the companies that do list because your traffic may have declined or... [intervenes]

MR MWELA: Ja, it has an effect on the entire business model. Your pricing, you know, what you do and what you do not do. It has an effect basically on your entire business model and your ability to make strategic decisions.

CHAIRPERSON: Sorry and I am sure your Legal Team have reminded you that it is public and that you must not traverse confidential information, but I mean, can you just expand on that a little? You say it affects your entire business model what you can and cannot do.

MR MWELA: Ja. So the fundamental of – the fundamentals of a portal are simply the more listings you have, the more people you are likely to attract and the other part of it is you obviously need money for the likes of branding and marketing to attract the appropriate customers. You need money to pay the Googles and the Facebook of this world. So the kind of decisions you can make, your ability to scale, your ability to increase your user base, your ability to look at other revenue streams is restricted.

A case in point is what do advertisers look for. So non-property, non-estate agent advertisers like an insurance company, what are they looking for? They are looking for eyeballs and being able to sell their products and put their products in front of various eyeballs. So without those eyeballs it is difficult to scale and sell your business to other potential partners.

CHAIRPERSON: Alright, I think I appreciate that. So the revenue starts to mean you may have to market less. Other revenue streams get affected because you have got less eyeballs and so you have got to be a little more agile in order to probably just survive, but you have made it through. And so was this a period – I mean, going into this 2011, how were you placed relative to Property 24?

MR MWELA: In terms of market share and the like?

CHAIRPERSON: Exactly, ja.

MR MWELA: So in terms of market share I do not have that information, James. I will be... [intervenes]

CHAIRPERSON: But just roughly were you kind of on an even keel? Is this – because you say this is a pivotal moment.

MR MWELA: So it is a pivotal moment for two reasons. It is a pivotal moment for one in terms of adoption of internet. That is not something we controlled or had any control over. The timing was absolutely perfect. Cannot fault the timing. And at the same time for us to lose the listings that we did at the time when the internet was booming obviously did affect our attractability to the market. But in terms of market share, I am not sure, James. I would prefer not to speculate.

CHAIRPERSON: No, that is better that you do not speculate. Ja, I am sure we will find that out. But I mean, so sorry I have just got this

REBOSA report in August last year where they are announcing the opening the shares, so they were giving a little bit of a history and I suppose they said – they say that:

> "At first digital advertising was very inexpensive and saved everyone a lot of money, but over time that has changed significantly and the more dominant portal is dictating prices, much like the print media houses before. In many instances prices now exceed what print ever cost according to some and there is no doubt this trend will continue."

I am assuming they are referring to Property 24 there.

MR MWELA: I assume so, yes.

CHAIRPERSON: I mean, what they say what happened to the REASA relationship is they said six years ago, six plus years so it is about 2014 – no, more.

> "Property 24 created a joint venture company with the industry called Real Estate Agents of South Africa and through this vehicle and dominant media interest established themselves as the market leader. Unfortunately for the industry Property 24 cancelled that agreement."

Now you may not know the ins and outs of that, but they say:

> "Four plus years ago a number of national

> estate agencies through the offices of REBOSA obtained a significant share in Private Property giving the industry some say in the future of one of the leading portals and that is held through the Estate Agents Property Portal Company."

So as I understand Property 24 called off this agreement and is it pretty much the same group of estate agents that have come across to invest in Private Property then?

MR MWELA: Not everybody. From my understanding not everybody, but yes, we do have agreements with the bigger – with some of the bigger groups. And yes, the EAPPC does own 12.78% of Private Property.

CHAIRPERSON: Ja, I am just wondering from the sort of REBOSA crowd is it sort of REASA rebooted the same estate agents?

MR MWELA: There are groups – there are brands that were part of REASA that are part of the EAPPC and there are brands that are not. So it is not everybody, but largely yes.

CHAIRPERSON: Alright. I am sure they may be kicking themselves now for that partnership, but we will leave that to discuss with the estate agents. I mean, just to understand the REBOSA group, and as you say there is quite a large overlap, I mean we went to look at who REBOSA is and who they represent and it strikes us that this is the big estate agents essentially and I think we heard earlier from Mr Grove that that is certainly his impression too. I mean, I know it is not your organisation. I know it is through the EAPPC that they invest, but is that a fair reflection or not?

MR MWELA: I would prefer again not to speculate on REBOSA membership. I am – we are not a member and because we are not a member actually I do not know too much about who – what the membership sort of looks like. I am not even sure how many agents they represent, etcetera, so I would prefer not to talk on behalf of REBOSA.

CHAIRPERSON: No, certainly and I think that is probably wise. I mean, we looked at the board and it is kind of a who's who of the big agencies, Rawson, Pam Golding, Seeff, Jawitz, Huizemark, Leapfrog, Natal Property Consultants. Ja and also interesting that it is all white males. We heard yesterday about the lack of transformation in this industry and that maybe cements that.

I mean, REBOSA go on to say that obviously they have partnered with Private Property. They are now your partners and as I go to all of those websites for those companies, I mean, you are either listed as a partner at the bottom or your logo is on the bottom of their first page. So you know, the way they talk about it, it is a partnership between this group of real estate agents which may or may not be representative and Private Property. I mean, is that your understanding as Private Property as well?

MR MWELA: It is a partnership but a lot of what we have is – well, what we have is actually agreements with individual estate agent brands of various sizes and proportions. So what we have is agreements with the estate agent brands themselves and not necessarily one single overarching agreement. So when we are speaking to Remax, we are speaking to Remax. When we are speaking to Pam Golding, we are speaking to Pam Golding as a customer. So all engagements are at customer level. We do not ever talk about engagements at even shareholder level. It is not – there is no official, you know, body that I meet with called the EAPPC. I have not had a meeting like that.

CHAIRPERSON: Ja, I mean I would understand they are a shareholder and a number of large agencies are part of that and they may be opening that up soon to others. But I mean, the – I mean, there is no pushback from you around being a partner. I mean, it must benefit Private Property to know that the agents are behind you.

MR MWELA: Definitely. I mean, it would be disingenuous to say it does not, right. We are one of the – well, a few fortunate ones that were able to sign agreements with big brands and we appreciate the support of the big brands. It is not something that we scoff at or not appreciate. We absolutely do. I think it has been good for our business and primarily because it has enabled us to get the amount of listings that we need and to be able to run a sustainable business.

So yes, it has been good for us and I think it is important to also note, James, that at some point I think it was in April 2020 we sent out an email. We were asked to send out an email opening it up to everybody who wanted to participate. There are people who responded. We sent that email back to REBOSA. So the request is a REBOSA request. We sent that email back to REBOSA and I am not sure what happened then. So I obviously have not kept in touch with who joined and who did not join. We do not see that as our role.

So we run the business of Private Property. We do not really get involved. I am the CEO. I run the business. I make my decisions independent of the rest. We have a board. We have a majority shareholder, controlling shareholder in terms of commission and the EAPPC owns 12.78%. So I think it is important to note that the influence on me, the influence on the business as far as I am concerned does not exist. We run Private Property how we see fit and we run Private Property how we see as being in the interest of the business.

CHAIRPERSON: Ja and I suppose all I am maybe putting to you is that, you know, even for your majority shareholder to have the support of industry is to your benefit, you know. Ja and as I – I mean, as I understand the REBOSA Chair sits as a director and they have got another director and so it is two only in your total board.

MR MWELA: Ja.

CHAIRPERSON: And at the moment that is Tony Clarke from Rawson and Adrian Goslett of Remax if I am right.

MR MWELA: Yes.

CHAIRPERSON: I do want to just ask in terms of your fees. I mean, the first point is, I mean, I see you have put them up in your presentation, so I assume these are not confidential.

MR MWELA: Well, it is probably not. We send it out to our clients every single year. It is not a secret. It is not a secret what the fees are.

CHAIRPERSON: I mean, that would be our understanding that there must be 4000 agencies plus many of the employees that know exactly what this is and it is discussed in all the industry I suppose blogs and platforms as well.

MR MWELA: Ja. If we had the choice to keep it confidential, I really do not like discussing pricing on specific customers. I think it can be a bit disrespectful to our customers and we do not want to do that.

CHAIRPERSON: So I am not going to ask you to discuss any specific pricing and if you feel we are verging into anything like that you can tell me. I mean, you did say in your presentation that you have not taken an increase for two years. Am I right? Did I hear right?

MR MWELA: Yes. We did our last increase when, Carl?

MR VAN DEN BERG: March. Ja, it was March of this year, but we waited I think 22 months between. So after we were supposed to do an increase I think April of the year COVID came through and we held back on that for about 22 months.

CHAIRPERSON: I mean, just out of interest, and this is I mean you announce the price increase ahead of time. Last year did you announce a price increase and then when COVID, I mean, lockdown level 5 came kind of late in that month, then take it back or had you not announced anything yet?

MR VAN DEN BERG: No, we had not announced it as yet, but it has happened pretty much at the same time. So when we were supposed to give the one month's notice I think we were already in lockdown so we just held back on it for 22 months.

CHAIRPERSON: Alright. And I mean, can I give an indication because price increases are a sensitive topic amongst agents, but I mean can I get an indication sort of what has been your average increase over the last five years? So you held off for 22 months, but before that?

MR MWELA: Largely we are talking inflation based increases, so it is probably around between five and about 7/8%. We have not exceeded that for a really, really long time. So during my time basically it has been inflation based increases. So despite the fact that we waited for 22 months, I think the average increase was something like 6% if I remember correctly.

CHAIRPERSON: And... [intervenes]

MR MWELA: And that, by the way, did come at great expense to Private Property. Not only did we give a 25% discount in order to try and retain market share and help agents to stay afloat the time, we did it at great cost to Private Property. So to be able to go for 22 months without an increase which is necessary and at the same time to give a 25% discount to all our agents obviously just as we are not brazenly in a position where we can just do whatever we want and people must stay. We were conscious of the fact that we could lose market share and to avoid losing market share these are the things that we needed to do to survive.

Unfortunately, and for me this is a really sad thing because our staff are important, but in the process we also had to lose staff. So none of those things are things that can be done by a player that is considered dominant. We literally had to survive in order to do or we did what we needed to do in order to survive.

CHAIRPERSON: Maybe and I meant to address this upfront, but I mean you have mentioned dominance again, I mean I trust your Legal Advisors have told you that a market inquiry process is not an abuse of dominance process. It is quite distinct. So we are just looking at are there any industry features that may be hindering competition or hindering greater participation.

MR MWELA: Ja.

CHAIRPERSON: But just to go back as well, I mean we heard from the previous participant that in a sense potentially high prices of some portals as he called it impact the marketing budget of an estate agent, so they have got to start to choose and they may drop off other portals because – I mean, I am not an estate agent, but I assume they have a marketing budget based on the kind of income they generate and they have got to stick within that budget. I mean, has that been your experience and was this one of the reasons for dropping your price 25% for quite a period while they were seeing reductions in revenue?

MR MWELA: I think we are quite close to our estate agent customers and we have a decent understanding of what the [indistinct 00:50:36] on the ground is and when you get – and I got a personal call. I got somebody contact me literally on LinkedIn and she was in tears saying she was unable to pay, is there anything we can do. And typically our contracts will say you need to give three months' notice, but in this case I mean we had to let the lady – we had to allow her to cancel immediately and what she was due to pay us we did not ask to collect that money.

The irony is as soon as lockdown was gone she came back to us and I think for me that is the kind of relationship we have with our estate agent customers. We try and listen. We try as much as possible to help and that initiative that we put in place was pretty much to try and do exactly that. So yes, it is not – we are not blind to the needs of our customers. Absolutely not. We try and meet the needs of our customers as best we can. Every single company, every single human being can do better and I know that we can do better and we will try an do better, but we do care about our customers generally.

CHAIRPERSON: Ja, no and I suppose you – I mean, that sort of action maybe buys some loyalty as you put it that that estate agent came back. And I was looking over Mr Manning who came first today and I see there is sort of relief discounts being put on invoices, which I assume is your 25%... [intervenes]

MR MWELA: Yes.

CHAIRPERSON: ...relief. But I suppose just to the first part of the question, I mean, if you are close to your estate agent customers, I mean do they have a sort of marketing budget and are trying to balance it across various means, which may not just be portals I suppose? They still may want to do a leaflet drop or put up billboards or something.

MR MWELA: Yes, they do. They do have a marketing budget. They try and spread it as much as they can and we have experienced that, yes. Obviously as, I mean, the preference would be for them to spend it with us, but there are definitely other players in the market where estate agents typically want to try new things out.

And, yes, they do try and spread it to get the best bang for buck. So estate agents are typically looking for the best return that they can get from the money that they invest and we try to be the best return that they can get for the money they invest.

CHAIRPERSON: And then your slide on your fees, you had this kick-starter package for 1050. When was this introduced?

MR MWELA: We introduced this about a year ago if I am not mistaken.

MR VAN DEN BERG: Ja, it is about 19 months ago we introduced that. So ja, it was the first part of us making sure that we have got a product that matches a lot of the needs of real estate and we have got several other products that are coming through now.

CHAIRPERSON: And so is this a permanent price or does this ramp up at any point? I see it is sort of 20 listings, five users, one featured agent and your brand logo.

MR VAN DEN BERG: Ja, that is correct. If somebody does go up, you know, 21 listings, 22 listings they are notified and there is an additional charge for listing. That kicks in I think from 1 December, but traditionally it has just been up to 20. So essentially what we do when it comes to our products it really is around needs based.

So we have got an even smaller one now that Amasi spoke to that has been around for a number of years. I think it comes in at around 650 and that is for your micro guys. That is one agent, you know, 10 listings or so. So we are trying to understand the client's needs and then match that product to their needs and then create products as well where there is gaps.

CHAIRPERSON: I was about to ask that, you know, mention was made of the 650 but I did not see it on the slide. So what is that product?

MR VAN DEN BERG: It is independent agents ISC. So it really is one agent, 10 listings. It is designed for micro, micro agencies traditionally in the non-metro areas.

CHAIRPERSON: And just your understanding of the – I mean, the sort of field. We were I think told that 70% are sort of small or sole proprietors. I mean, what is the sort of distribution of agents in the market?

MR VAN DEN BERG: You have got about 40% of them are big brands with the greater majority being smaller independents.

CHAIRPERSON: And just in terms of distribution of listings and sales, so that 40% is that agents or is that of listings?

MR VAN DEN BERG: It is actually it is the same ratio between the two. It is more or less the same. So if you have got a 40% ratio you generally – to agents you generally have a 40% market share in terms of listings. Also keeping in mind that, you know, the way real estate works is you will have one property listed by multiple people.

CHAIRPERSON: Ja, true. And just in terms of geography, I mean the bigger agents are obviously going to be well represented in metro areas where there is, you know, lots of volume, but I mean in your sort of understanding from the agencies you deal with, are the sole proprietors more in non-metro? I mean, you mentioned the micro is sort of a non-metro I think package.

MR VAN DEN BERG: It is an equal distribution. So, you know, if you are talking about, you know, a small town with 300 people then, you know, I very much doubt that you will have a very large brand there, but it is an equal distribution. So what you tend to see is you have real estate agents that start out with a big brand, becomes successful in their own right and then open up their own franchise in a Sandton or a Sandhurst or whatever it might be. So I would say it is an equal distribution and that is, you know, off the top of my head. We clearly do not sort of track stats like that.

CHAIRPERSON: You mentioned in the presentation, Mr Mwela, that you adopted the unlimited listings model from Property 24. That is the way they went. I mean, that is what I understood you to say.

MR MWELA: Yes.

CHAIRPERSON: And they have subsequently changed their model as I understand... [intervenes]

MR MWELA: Ja.

CHAIRPERSON: But you have not followed that. I mean, is there any reason why you have stuck with this model?

MR MWELA: We – it is a choice we have made really. We made the choice not to follow.

CHAIRPERSON: And Mr Manning made a point this morning that you kind of need the branded listing product on top of the subscription if you are going to show your logo. I mean, can I just understand whether, you know, what proportion of agencies that list with you buy into the branded product, branded listing product? Rough proportion.

MR VAN DEN BERG: I would not even want to guess at this stage. If need be we will happily report back on that, but off the top of my head I do not have a ratio of that.

CHAIRPERSON: Alright. Well, we will follow up on that. And as I understand from the other products here, I mean the featured listing is placing the listing at the top of the search, is that right? So if I have searched for properties in Sandton then the featured one appears at the top. That is different from the other types of sort of billboard banners, etcetera.

MR MWELA: Okay, so Carl you are probably best positioned to answer that. But I do want to go back to the pricing quickly. So the question was asked, now that I think of it, the question was asked why we did not follow. So from the feedback we got from our clients or the feedback tat we keep getting from our clients, the reason a lot of our clients – one of the reasons clients list with us still is the fact that when it comes to Private Property you can predict how much you are going to pay. So we see it as a differentiator.

So subscription enables the estate agent to have some form of stability to enable them to budget for their businesses. So primarily that is the primary reason why we did not follow the new pricing model. Carl.

MR VAN DEN BERG: Ja, so feature listings does get you towards the top of the page. It is not necessarily that you will be on the first page or the first listing. There is also other mechanisms that we have in place around quality of listing which will give you a higher ranking.

CHAIRPERSON: Alright. Ja, because I mean – sorry, I understood it as from your website that that is – gets you to the top. Obviously you have got to be relevant to the search I would assume.

MR VAN DEN BERG: Ja, it is area dependent. So if there is an area with high demand and a lot of featured listings you could very well be on the second page or, you know, towards the bottom of the first page. So it does not mean that you are going to be the first listing.

CHAIRPERSON: Alright. So I understand you that there could be many of us with a featured listing and therefore it is where I appear in the featured listings for the – I mean, I am used to using now organic search. It is a Google term I know, but – alright, so I understand it is not like the Google model of bidding for a position. You pay to have a featured and you identify a property you want featured and then it is who else is featured as well.

MR VAN DEN BERG: True.

CHAIRPERSON: I mean, you may or may not be aware, we had a discussion last week with some players around transparency of advertising and it was pointed out to us that the advertising guidelines and I know as I understand it is only binding if you sign up, but that adverts are clearly identified and we see a lot of the global portals have ad on their featured items as well. I know you do not have it, but I am just going to suggest you think about that because that has come up I think in many platforms just the transparency to the consumer of whether a position has been paid for or not.

MR MWELA: That is a fair point. We will take that. The difference in addition to that with us is we have a specific section that says featured listings and then the customer can then sort according to how they want, but when you find – when you search and get the results, the first place you go is featured listings. So we have a featured listing. We have not indicated there that they are paid for, so we take that point.

CHAIRPERSON: I think, you know, the one thing about doing this inquiry is you spend a lot of time on websites and portals, but as I recall you do have a featured listings with a little arrow. And I think certainly the practice differs and we even saw yesterday from Expedia that they even explain to the customer that the ranking can be influenced by their compensation because they have a model where I think you can pay a higher commission and then it boosts your ranking, but there is different levels. But I think it is certainly something that has come up and we are interested in.

I mean, I suppose the only thing on fees that has come up is whether the unlimited listing favours larger estate agents or not. I mean, I hear you, you have now in the last little while introduced some starter packages, but certainly I think the view of Mr Manning this morning was I do not think he would fit into your kick-starter. If he does I would suggest you go and tell him, but that if you have – the bigger agents may have a lot more listings and therefore the effect of price per listing may be lower. So I just want you to respond to that and you had mentioned that there are other initiatives. I do not want you to raise strategic issues, but is this something you are looking to address?

MR MWELA: Yes and I think it is important to note Mr Manning is a client of ours. We have every respect for our clients. Mr Manning is definitely one. And obviously we will keep evolving our products and services to make sure we are able to cater for possibly everybody. So his concerns, we hear them. You know, from his point of view they are valid and we absolutely respect that. So he is one of our clients. We are going to engage with Mr Manning and I think I will leave it at that, but we will continue to evolve our products and services to make sure we match the needs.

It is impossible to please everybody, but we do generally want to make sure that our clients are happy with the service they are getting, that they are happy with the value that they are getting in exchange for the money that they are paying us. Mr Manning is one of our clients, absolute respect for him. We will talk to him and see where we find each other.

CHAIRPERSON: Because I think we have already heard quite a lot in the last day since we launched yesterday morning with Property Central, but that I suppose that not only is this a quite alarming untransformed industry, but that often historically disadvantaged individuals who do want to get started fit into that small category because they are start ups and they are battling to necessarily pay the kind of fees.

So I think it is again something to flag that it is something we have to explore is how are fees affecting even transformation of this industry and what efforts are being made by those who are the advertising platforms, dominant or not, to kind of assist in that process. Because I think – sorry, go ahead, Mr Mwela.

MR MWELA: So absolutely, we have had various conversations. We were in conversations a few weeks ago with the NPPC to try and figure out, you know, how can we help and how can we facilitate access to these type of platforms. So definitely on our radar. Definitely something we understand is important to the industry and to the country and by all means we will play our part to try and move that forward.

CHAIRPERSON: Ja and I think that will be an area of focus for obviously the inquiry as well and we will look at obviously once we have explored a little more just to understand whether there are barriers to that participation as that falls within our mandate. I just want to then go to the listing engines I think you called them, Mr Van den Berg. We heard earlier of syndication, but I assume it is the same thing.

MR VAN DEN BERG: Very much so.

CHAIRPERSON: And I am sure you listened in or maybe you did not to Mr Grove but even, you know, our previous participant, Mr – sorry, if I go back, Mr Jagaros, there we go, I mean both of them have said that Fusion does not link with them. So can I just understand who Fusion does link with first of all? Because in your slide you listed My Property in one of your sort of listing to multiple portals, but as I understand obviously you do not link to My Property.

MR VAN DEN BERG: No, we do not. So it is Property 24, Gumtree, Junkmail and IOL.

CHAIRPERSON: Alright. So out of the list you gave it is just My Property that is not there, but also not Property Central as I understand. I mean, what is I suppose the reason for not linking? I mean, we saw from Mr Grove that he is able to link to 21 and he is a small business.

MR VAN DEN BERG: Well, I think, but I know I am taking a wild guess here, I mean as I said, Fusion technology is quite old. You are looking at about 10 to 12 years old. So I would imagine when they built it and to feed all of those in there was not a requirement for these new start-ups. So I suppose that is the one reason around it is why it initially did not come through. Amasi, do you want to – it is 12 years old now, hey?

MR MWELA: Ja, there or there about. So we brought Fusion across about two years ago. We took a while trying to understand some of the technology. So it was – it is now wholly owned by us, 100% owned by us and the idea obviously is for us to start investing in that technology and bring it up to speed.

So during the course of obviously doing that the idea is to try and focus as much attention as possible on rebuilding Fusion. But what is important to note is one, if you look at the market share of Fusion in the bigger scheme of things I think we are on, what is it, about 15%, 15/20% of the market share there. But listings are not ours. Listings belong to the estate agent. So that estate agent puts the listing by Fusion and the estate agent decides where they want to feed the listing to.

So I would like to think that one of the reasons that we have not had everybody on is just consumer demand, I mean customer demand. So where we have had customers saying they want to link to this specific one, and here I am talking critical mass of some sort, it then entails that we need to invest time, energy and money in building that up. But obviously we need to make multiple decisions depending on what we are dealing with at the time. The last year or so we have been preoccupied with getting through COVID and surviving and if I am honest with you, that is not something we have really looked at or even discussed.

CHAIRPERSON: I mean, Mr Grove has sort of indicated he has been asking for a very long time and had no response and is not a priority.

MR MWELA: I am, what was that, just two years and something on Private Property, Carl is the same, so I have not had a conversation with him about this particular issue. He may have spoken to people at Private Property, I am not sure, I do not know, but this is not something I have discussed or we have discussed with anybody.

But the point to note I think is this, listings are not ours. Listings belong to estate agents and where we have had specific requests to say please feed to this and it is enough people that are demanding that we do that, we respond to the needs of our customers and we do that.

CHAIRPERSON: Is this not another area where I suppose it is an investment decision as you put it that lie with the board or yourselves in terms of... [intervenes]

MR MWELA: No, this is definitely not a board decision. This is a decision that we as EXCO make definitely. It is not even something I have ever discussed at board level. It is our decision to make.

CHAIRPERSON: I mean, because I have just put it to you that obviously this must hinder competition the failure to link. I mean, it is no secret and you said listings are the lifeblood. You yourselves suffered a period where you did not get the listings and you know what that felt like, so I mean this seems an obvious area where there may be features that are hindering competition. I see you are nodding, but... [intervenes]

MR MWELA: Carl, you want to go first?

MR VAN DEN BERG: We mentioned Prop Data earlier on and they have clearly got a very, very good product and they have quietly gone about their business and they have grown significantly. So I think there is clear gaps in this business or in this market to [indistinct 01:13:53] and come up with some innovative products and gain some market share and go from there. So I would not say that it is completely stifled in terms of competition. It is just have you got a really compelling product that you can go to market with that consumers are going to appreciate and want to be part of.

CHAIRPERSON: I think maybe I was not clear. Portal competition. I mean, as I understand from Mr Manning is Fusion is free if you exclusively list on Private Property.

MR VAN DEN BERG: No, that is not correct. Fusion is free to a Private Property client. So if you list, so even if you have that R650 package you can use Fusion Lite for free and that syndicates through to those other portals that I mentioned.

CHAIRPERSON: Sorry, I am just checking something. Right, because look, what we have here is an email that says when there was a request to feed to another platform you do feed to that to open up this feed we will need to upgrade your free Fusion account to Fusion Plus and this means a monthly payment of R360 ex VAT.

MR VAN DEN BERG: I cannot comment on that mail, but we have clearly got collateral that offers listing for free which is Fusion Lite.

CHAIRPERSON: Listing on your own platform for free, but as I understand – I mean, this at least for this customer and it is from a Relationship Manager clearly indicates that you have got to upgrade.

MR VAN DEN BERG: I do not think I would be comfortable to comment until I have seen it, but... [intervenes]

CHAIRPERSON: I suppose the point is that obviously you are the estate agents' partner in this and many do list on Fusion and use Fusion and the inability to link with others must affect, you know, these emerging platforms. And as I said before, I think, you know, the shoe was on the other foot a while back and you felt that and you felt what it meant. It affects revenue. It affects your ability. It affects your strategic decisions. So I think this is certainly something that is going to receive a lot of attention from the panel and the inquiry what is happening with syndication software and why this is not being made available except to a very small group. Because as I understand even more Mr Grove, if he has done 21 this is not a major investment.

MR MWELA: Well, I cannot really comment on what Mr Grove said. I was not there, however for me I think the really important thing is just we keep talking about our customers. I think our customers, you know, drive where we go. If the Commission did decide in some shape or form to compel us to do that, we would have no choice but to do that.

CHAIRPERSON: Yes, because I suppose what, you know, as you – you were not there, but you know I think the allegations are that there is a conflict because of the partnership. It is also one area where even the partners that are not big estate agents do not necessarily have a similar – sorry, do have a similar incentive in a sense. Why support a competitor to get the listings? And Private Property and Property 24 are the two biggest portals. You may be the bigger of the smaller, but it is where it seems most of the listings lie and most of the paid listings at least lie. So it is not about being at the beck and call of large estate agents, but it may also suit all shareholders not to support a competitor coming up. Is that fair?

MR MWELA: I would say fair is relative. I think I am looking at – well, we would have to sit down and actually look at it, James. Let me not respond now.

CHAIRPERSON: No, that is fine. Sorry, I just had a couple of more questions and then – because we are almost out of time. I just want to check my notes quickly. So there is just two things for me, I mean, and maybe the first is more a comment. I mean, you have talked about enabling prop tech and opening that up. I mean, access to listings is again an obvious one. I think even you would accept that different players may have different innovations, whether they are better or not, you know, and the market may decide.

But if there is an interest in accelerating prop tech in this country, then that may be one element. Obviously there is a whole other angle to prop tech about electronic buying, but you know, it strikes me from our discussion that just getting access to listings enables innovation and new platforms to emerge and also, as we heard yesterday, historically disadvantaged individuals as a platform owner to participate as well.

The other two questions, I mean, you had indicated that – also that there is these booster packages and the like and as I understand, I mean, and I thought I heard you say but I may be completely wrong, I mean how – your sort of ability to generate revenue from this probably depends on your scale and I suppose the – I mean, you know, the amount of listings I would imagine whether you need to appear featured, the amount of customers who visit your site. So the more traffic and more listings, more able to kind of make attractive features that boost the linking, boost the rankings or boost – or makes people featured on the platform. Is that right?

MR MWELA: There is the standard package and then there are various packages that enable you to appear different, be seen first, etcetera. So we have got a wide ranging list of products and services to do that, yes.

CHAIRPERSON: But I suppose my question is the take up by estate agents probably depends on – might depend on how many listings they are competing with and how important the leads are coming from your platform.

MR VAN DEN BERG: Ja, absolutely. There is just one thing that we do miss though is it also depends on the property climate, so what is happening in terms of the economy. Is there lots of demand or not? And what you typically find if there is a lot of demand for property then there is essentially less need for real estate to advertise and boost and all the rest of those things. So those things also you have got to take into account that are very much out of the control of the portal.

MR MWELA: So maybe just to add to that. Coming out of lockdown there was lots of pent up demand that came through that and what we naturally saw was a reduction in people buying product from us. So the market conditions definitely do determine that.

There are times when properties are, you know, selling very quickly, selling very fast and times when interest rates drop for instance and, you know, demand goes up, then obviously people are going to be [indistinct 01:23:35] significantly less stock and there is more buyers. So it depends, I mean, whether it is a buyers' market, a sellers' market and what swing it is going into. But which is where we then continue to adapt depending on what we see coming where we continuously adapt the business.

CHAIRPERSON: Ja and to an economist myself that makes sense, so ja I am glad you added that. I think that is all from the panel and the Technical Team and we have roughly stuck to time. I do apologise again we started late, but we just had to fit in additional people. But ja, I think thanks to Private Property for the presentation. You will have further opportunities to engage and I think we will follow up on those few elements that we discussed as well.

MR MWELA: May I just add one comment, James, if that is okay?

CHAIRPERSON: That is fine.

MR MWELA: So I do think it is important to look beyond just what we have locally. So businesses like ours, local business employs people here, pays taxes here. I think it is really important to have a look at how businesses like us can be enabled. Businesses like ours should be looking at getting bigger. We should be looking at going offshore. We should be looking at competing internationally.

So I think the kind of things that we would be looking to hopefully get out of this is how do we get enabled to be able to do that and to be able to compete not just locally but internationally as well. Because at the end of the day we are all trying to build an economy here and I think we would like to all like to participate and the best way to do that is to grow our businesses considerably.

So please do consider on our behalf and I think there is lots of other online type of businesses that would appreciate that how businesses of our nature can be protected. We do not have huge funding. Our funding is our revenue literally and what we work on is exactly that. So businesses like ours do need the support of, you know, various stakeholders in industry to continue to succeed.

Lastly, really important to just thank our customers for all the support that they have given us and from me to all our staff, they are doing an incredible job to carry us through all the things that we have been through, so thank you.

CHAIRPERSON: Thanks, Mr Mwela and I think you have seen our terms of reference to also look at how South Africans can participate in this economy at platforms and potentially grow as well. So I know we focussed probably a lot more in travel accommodation on opportunities and barriers to South African platforms moving into even just the immediate region but beyond, so we would be very interested to also get your take on some of that as well.

And we hear you on protection. We will take more inputs on that and see whether that is something that we need to make a finding on as well. So I think with that just thanks again and we will draw this session to a close. We are going to resume at 14:00 with Property 24.

MR MWELA: Thank you very much.

INQUIRY ADJOURNS

CERTIFICATE OF VERACITY

I, the undersigned, hereby certify that, ***in as far as it is audible***, the aforegoing is a ***VERBATIM*** transcription from the soundtrack of proceedings, as was ordered to be transcribed by Gauteng Transcribers and which had been recorded by the client

Case No	**Competition Commission**
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1. ***Parties sometimes unclear, therefore the "indistinct"***
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