

Title	Prepare appraisals of lifestyle properties		
Level	4	Credits	4

Purpose	<p>This unit standard is for people who are currently working in the rural and residential sectors of the real estate industry.</p> <p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> – complete and explain the inspection and agency agreement process; – explain and demonstrate methods of appraisal as applicable to lifestyle properties; and – complete and explain agency agreements to prospective client.
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Classification	Real Estate > Rural, Residential, Commercial and Business Sales
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Available grade	Achieved
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Guidance Information

1 References

Building Act 2004;
 Conservation Act 1987;
 Consumer Guarantees Act 1993;
 Fair Trading Act 1986;
 Human Rights Act 1993;
 Overseas Investment Act 2005;
 Overseas Investment Regulations 2005;
 Privacy Act 2020;
 Real Estate Agents Act 2008;
 Resource Management Act 1991;
 Resource Management (Simplifying and Streamlining) Amendment Act 2009;
 Te Ture Whenua Māori Act 1993;
 Treaty of Waitangi Act 1975 s 8E;
 and subsequent amendments and replacements.

2 Definitions

Industry requirements mean all actions must comply with legislation, codes of professional conduct and client care, and approved guides. Legislation is available from <http://www.legislation.govt.nz> and codes of professional conduct and client care, and approved guides are available from <http://www.rea.govt.nz>.

Approved guides mean the two approved guides developed by the Real Estate Agents Authority covering an agency agreement and a sale and purchase agreement. These are available from <http://www.rea.govt.nz>.

Client means the person on whose behalf an agent carries out real estate agency work and is commonly known in the industry as a vendor or seller.

Code means the Real Estate Agents Act (Professional Conduct and Client Care) Rules 2009 which set out the code of professional conduct and client care available from <http://www.rea.govt.nz>.

Prospective client means a person who is considering or intending to enter into an agency agreement with an agent to carry out real estate agency work.

Agent means a real estate agent who holds, or is deemed to hold, a current license as an agent under the Real Estate Agents Act 2008.

Agency Agreement means an agreement under which an agent is authorised to undertake real estate agency work for a client in respect of a transaction. It is commonly known in the industry as a listing form.

Appraise/appraisal is estimating the market value set upon a property.

Lifestyle property is a property with a predominant residential use but encompassing an area of land with agricultural or horticultural activities undertaken on hobby or secondary income basis, including any parcel of land either rurally or on the fringe, that is used for recreational or semi-productive purposes. Lifestyle blocks/property may vary in size from 1-15 hectares.

CMA means comparative market analysis.

Common Law is also known as case law – judgements made by courts, rather than laws written by parliament. Judgements relating to the duties of an 'agent' may be applicable to this unit standard.

3 Assessment

This unit standard must be assessed against on the basis of evidence of demonstrated performance in the workplace or in simulated work situations designed to draw upon similar performance to that required in the workplace.

4 Evidence must be presented for two properties.

Outcomes and performance criteria

Outcome 1

Complete and explain the inspection and agency agreement process.

Range two different lifestyle properties.

Performance criteria

- 1.1 Purpose of property inspection is explained in a logical sequence in accordance with industry requirements.
- 1.2 Inspection is completed and information obtained is used to complete an appraisal and agency agreement form in accordance with industry requirements.

Outcome 2

Explain and demonstrate methods of appraisal as applicable to lifestyle properties.

Range may include analysis of sales (CMA), net rate method, per hectare method, replacement cost method, investment or capitalisation of income method.

Performance criteria

- 2.1 Methods of appraisal are explained as a process for establishing indications of the current market value.
- 2.2 Obligations of salesperson are explained in terms of the Real Estate Agents Act 2008 and the Code.
- Range includes but is not limited to – need for written appraisal.
- 2.3 Effects of legal ownership arrangements and special features of the property are assessed to explain possible differences in appraisal results for similar properties in accordance with company and industry requirements.
- 2.4 Highest and best use is determined for each specific property in accordance with industry requirements.

Outcome 3

Complete and explain agency agreements to prospective client.

Performance criteria

- 3.1 Purpose of agency agreement form is explained to the prospective client in accordance with industry requirements.
- Range includes but is not limited to – types of agency, prospective client obligations in terms of other agency agreements.
- 3.2 Obligations of salesperson and agency are explained in terms of the Real Estate Agents Act 2008 and the Code.
- Range includes but is not limited to – ss 126 -137, approved guides, commission structures, marketing and advertising expenses, obligations for residential property.
- 3.3 Authority to enter into an agency agreement to sell the property is obtained from the prospective client in writing.
- 3.4 Signatories of authorities are obtained consistent with industry requirements.

3.5 Prospective clients are qualified and relationships built to determine clients' motives, wants, and needs.

Range qualifying includes but is not limited to – clients' dominant selling motives, impact of clients' motivations on asking price, initial asking price ranges for properties, clients' preferred financial arrangements and timeframes for the sale of properties, impact of rental price range on selling price range, indicative agency/marketing preferences from a prospective client.

Replacement information	This unit standard and unit standards 23153 and 23154 were replaced by unit standard 30503.
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This unit standard is expiring. Assessment against the standard must take place by the last date for assessment set out below.

Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	19 January 1999	31 December 2013
Review	2	18 December 2006	31 December 2013
Review	3	12 February 2010	31 December 2013
Rollover and Revision	4	16 August 2012	31 December 2020
Review	5	26 October 2017	31 December 2020
Rollover	6	1 November 2018	31 December 2020
Rollover	7	26 March 2020	31 December 2021
Rollover	8	26 November 2020	31 December 2022
Rollover	9	29 April 2021	30 June 2023

Consent and Moderation Requirements (CMR) reference	0003
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.