

<b>Title</b>	<b>Demonstrate knowledge of lawful structure for real estate business entities</b>		
<b>Level</b>	<b>5</b>	<b>Credits</b>	<b>4</b>

<b>Purpose</b>	<p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> <li>– describe and explain business entities in relation to real estate businesses; and</li> <li>– select and justify a business entity for operation as a real estate business.</li> </ul>
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<b>Classification</b>	Real Estate > Real Estate Practice and Law
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<b>Available grade</b>	Achieved
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### Guidance Information

1 References

Companies Act 1993;  
 Consumer Guarantees Act 1993;  
 Fair Trading Act 1986;  
 Human Rights Act 1993;  
 Overseas Investment Act 2005;  
 Overseas Investment Regulations 2005;  
 Partnership Act 1908;  
 Privacy Act 2020;  
 Real Estate Agents Act 2008;  
 Residential Tenancies Act 1986;  
 Unit Titles Act 2010;  
 and all subsequent amendments and replacements.

2 Definition

*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 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.

For assessment purposes a given fact situation will be provided by the assessor.

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## Outcomes and performance criteria

### Outcome 1

Describe and explain business entities in relation to real estate businesses.

#### Performance criteria

1.1 The description outlines and explains the types and characteristics of each type of business entity in terms of the Real Estate Agents Act 2008.

Range types include – sole trader, partnership, company, franchise; characteristics include – formation, limited liability, name, capital, continuity, transferability of ownership, effective control, taxation implications.

1.2 The description outlines and explains the advantages and disadvantages of each type of business entity for trading purposes.

Range a minimum of three advantages and three risks for each type of entity.

### Outcome 2

Select and justify a business entity for operation as a real estate business.

#### Performance criteria

2.1 The type of business entity selected is justified in accordance with the requirements of a given fact situation, the Real Estate Agents Act 2008 and the Companies Act 1993.

Range a given fact situation – a situation giving rise to no more than three legal issues.

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<b>Replacement information</b>	This unit standard and unit standards 4693, 5146 and 26153 were replaced by unit standard 30481.
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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	18 December 2006	31 December 2013
Review	2	12 February 2010	31 December 2013
Rollover and Revision	3	16 August 2012	31 December 2021
Review	4	26 October 2017	31 December 2021
Rollover	5	1 November 2018	31 December 2020
Rollover	6	26 March 2020	31 December 2021
Rollover	7	29 April 2021	30 June 2023

**Consent and Moderation Requirements (CMR) reference**

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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.