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| Title | Demonstrate knowledge of the sale and purchase agreements and manage the sale of real estate | | |
| Level | 5 | Credits | 5 |

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| Purpose | <p>This unit standard is for people preparing for entry into, or who are currently working in, the real estate industry.</p> <p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> – explain the requirements associated with sale and purchase agreements of real estate; – explain the requirements of the offer process and draft an offer with a customer; – manage the sale of real estate and demonstrate negotiation and closing techniques; – explain financing options for real estate customers; – explain the requirements for overseas buyers to purchase real estate in terms of the Overseas Investment Act 2005; and – explain the licensee’s role and responsibilities between contract date and settlement date. |
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| Classification | Real Estate > Real Estate Practice and Law |
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| Available grade | Achieved |
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Guidance Information

- 1 Legislation
 - Anti-Money Laundering and Countering Financing of Terrorism Act 2009;
 - Consumer Guarantees Act 1993;
 - Fair Trading Act 1986;
 - Human Rights Act 1993;
 - Lawyers and Conveyancers Act 2006;
 - Overseas Investment Act 2005;
 - Overseas Investment Regulations 2005;
 - Privacy Act 2020;
 - Property Law Act 2007;
 - Property (Relationships) Act 1976;
 - Real Estate Agents Act 2008;
 - Real Estate Agents Act (Professional Conduct and Client Care) Rules 2012;
 - Residential Tenancies Act 1986;
 - Unit Titles Act 2010;
 - Unit Titles Regulations 2011;
 - and all subsequent amendments and replacements.

2 Definitions

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

Agreement for Sale and Purchase of Real Estate form is the Real Estate Institute of New Zealand and Auckland District Law Society approved form.

Approved guides refer to the two approved guides developed by the Real Estate Agents Authority covering an agency agreement and a sale and purchase agreement.

Client refers to the person on whose behalf an agent carries out real estate agency work.

The *Code* refers to the Real Estate Agents Act (Professional Conduct and Client Care) Rules 2012. Within the real estate industry, this may also be referred to as the Code of Conduct.

Customer refers to a person who is a party or potential party to a transaction and excludes a prospective client and client.

Industry requirements refer to all actions by licensees must comply with relevant professional standards, legislation, and rules made under the provision of applicable legislation.

Licensee refers to an agent, branch manager, or salesperson.

3 Assessment Information

a Outcomes 2 and 3 must be assessed in simulated work situations designed to draw upon similar performance that is required in the workplace.

b The assessor must supply a listing for a property.

4 Credit for this unit standard alone does not entitle candidates to complete sale and purchase agreements or facilitate the sale of property. In order to do so, they must meet all requirements under the Real Estate Agents Act 2008 and the Lawyers and Conveyancers Act 2006.

Outcomes and performance criteria

Outcome 1

Explain the requirements associated with sale and purchase agreements of real estate.

Performance criteria

1.1 Explain the requirements for provision of sufficient original and copies of documents to meet legal requirements.

1.2 Explain obligations of the agent to retain copies of written offers in terms of industry requirements.

1.3 Explain the legal requirements and implications when selling a tenanted property in terms of the Residential Tenancies Act 1986.

Range implications to client, customer, tenant, licensee.

1.4 Explain the restrictions and implications on a new licensee in terms of the Real Estate Agents Act 2008 and Lawyers and Conveyancers Act 2006.

1.5 Explain the implications of misleading and deceptive conduct and providing false information and/or withholding information in a real estate transaction.

Range includes but is not limited to – Code, conflicts of interest, confidential information, vendor warranties, disclosure of defects.

Outcome 2

Explain the requirements of the offer process and draft an offer with a customer.

Performance criteria

2.1 Explain the requirement to provide a customer with an approved guide as prescribed in the Real Estate Agents Act 2008 and the Code.

2.2 Explain the legal requirement for written agreements in accordance with the Property Law Act 2007.

2.3 Explain the importance of accuracy of information recorded on the prescribed form.

Range accuracy of information includes but is not limited to – names of parties, legal descriptions, conditions of sale and associated timeframes.

2.4 Draft an offer using the current Agreement for Sale and Purchase of Real Estate form in accordance with the customer's instructions and industry requirements.

Range includes but is not limited to – correct legal names of parties, address of property, legal description, purchase price, deposit, goods and service tax (GST), conditions and warranties, settlement, interest rate for late settlement, chattels.

2.5 Explain the offer to, and maintain rapport with, the customer throughout the drafting process in accordance with industry requirements.

Range explanation of the offer includes but is not limited to – correct legal names of parties, address of property, legal description, purchase price, deposit, GST, conditions and warranties, settlement, interest rate for late settlement, chattels.

2.6 Obtain customer's initials and signature on the offer in accordance with industry requirements.

2.7 Explain the possible outcomes following the presentation of the offer to the client.

Range possible outcomes include – acceptance of the offer, changes to the offer, rejection of the offer.

Outcome 3

Manage the sale of real estate and demonstrate negotiation and closing techniques.

Performance criteria

- 3.1 Present and explain the offer and subsequent counteroffer(s) in a professional manner in accordance with industry requirements.
- Range includes but is not limited to – approved guide, terms of contract, other party's motivation and preferences.
- 3.2 Demonstrate negotiation techniques and maintain rapport with the client and customer throughout negotiation in accordance with industry requirements.
- Range negotiation techniques may include but are not limited to – sequence of presentation, relevant questioning, active listening, identifying points of agreement and disagreement, offering solutions.
- 3.3 Explain to all parties the effect and consequences of any counteroffer or alterations, and the effect and consequences of acceptance in accordance with contract law.
- 3.4 Demonstrate closing techniques with all parties in accordance with industry requirements.
- Range includes but is not limited to – techniques for facilitating closure, signals indicating readiness to close, techniques for managing objections.
- 3.5 Obtain necessary initials and signature(s) on the agreement in accordance with industry requirements.
- 3.6 Convey acceptance of offer and date agreement in a timely and professional manner.
- 3.7 Explain deposit requirements to the customer in accordance with the contract.

Outcome 4

Explain financing options for real estate customers.

Performance criteria

- 4.1 Explain finance in simple terms consistent with current available options from lending institutions.
- Range may include – types of mortgages, interest terms, difference between dealing with banks and a mortgage brokers, differences for funding of property or business.

Outcome 5

Explain the requirements for overseas buyers to purchase real estate in terms of the Overseas Investment Act 2005.

Performance criteria

- 5.1 Explain the legal requirements relating to overseas buyers and the implications for the purchase of real estate.
- 5.2 Identify property and business types affected by the Overseas Investment Act 2005.
- 5.3 Identify and explain the relevant clause and information to be included in a sale and purchase agreement for an overseas buyer.

Outcome 6

Explain the licensee's role and responsibilities between contract date and settlement date.

Performance criteria

- 6.1 Explain the licensee's role and responsibilities between contract date and settlement date in accordance with industry requirements.

Range includes but is not limited to – payment of deposit, follow up regarding dates for satisfying conditions, rights of inspection prior to possession date, keys and security devices.

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| Replacement information | This unit standard replaced unit standard 4658 and unit standard 4659. |
| Planned review date | 31 December 2025 |

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 2019 |
| Review | 4 | 16 February 2017 | 31 December 2023 |
| Review | 5 | 28 January 2021 | 31 December 2023 |
| Revision | 6 | 28 October 2021 | N/A |
| Revision | 7 | 29 September 2022 | N/A |

Consent and Moderation Requirements (CMR) reference

0003

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

Comments on this unit standard

Please contact Ringa Hora Services Workforce Development Council qualifications@ringahora.nz if you wish to suggest changes to the content of this unit standard.