

Title	Prepare sale and purchase agreements for complex situations relating to residential property		
Level	4	Credits	4

Purpose	<p>This unit standard is for people preparing to enter into, or who are currently working in, the residential sector of the real estate industry.</p> <p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> – identify and correct errors and omissions in an Agreement for Sale and Purchase of Real Estate form; – prepare two clauses for the Agreement for Sale and Purchase of Real Estate form to cover complex situations; – draft an Agreement for Sale and Purchase of Real Estate form for vacant residential land; and – draft an Agreement for Sale and Purchase of Real Estate form for a residential property on a unit title or company shares.
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Classification	Real Estate > Rural, Residential, Commercial and Business Sales
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Available grade	Achieved
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Prerequisites	Unit 23137, <i>Demonstrate knowledge of the sale and purchase agreement and facilitate a sale of real estate</i> , or demonstrate equivalent knowledge and skills.
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Guidance Information

- 1 References
- Building Act 2004;
 - Consumer Guarantees Act 1993;
 - Contractual Remedies Act 1979;
 - Fair Trading Act 1986;
 - Financial Transactions Reporting Act 1996;
 - Goods and Services Tax Act 1985;
 - Historic Places Act 1993;
 - Human Rights Act 1993;
 - Land Transfer Act 1952;
 - Overseas Investment Act 2005;
 - Overseas Investment Regulations 2005;
 - Privacy Act 2020;
 - Property Law Act 2007;

Property (Relationships) Act 1976;
Real Estate Agents Act 2008;
Residential Tenancies Act 1986;
Resource Management Act 1991;
Resource Management (Simplifying and Streamlining) Amendment Act 2009;
Te Ture Whenua Maori Act 1993;
Unit Titles Act 2010;
and all subsequent amendments and replacements.

2 Definitions

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.

Industry requirements mean all actions must comply with relevant professional body standards, 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>.

Customer means a person who is a buyer or potential buyer of land or a business and is commonly known in the industry as purchaser or buyer.

Prospective customer 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.

The Agreement for Sale and Purchase of Real Estate form is the REINZ and Auckland District Law Society (ADLS) approved form or the REINZ Agreement for Buying and Selling Real Estate and the book of REINZ Standard Clauses.

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.

Licensee means an agent, branch manager or salesperson.

Complex situations examples include – vacant residential land, property on stratum ownership, property owned by a trust, property owned by company shares, subdivision, property with covenants, cross lease, matrimonial property, property affected by the Overseas Investment Act 2005.

Parties mean client or customer.

Plain English is language that either does not use industry-specific words, or that limits or explains industry-specific words so that people outside the real estate industry can more easily understand.

REINZ means the Real Estate Institute of New Zealand.

3 REINZ Codes of practice guides are available from REINZ National Office or on <http://www.reinz.co.nz>.

4 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.

- 5 Evidence must be presented of facilitation of the sale and purchase of two different residential properties.

Outcomes and performance criteria**Outcome 1**

Identify and correct errors and omissions in an Agreement for Sale and Purchase of Real Estate form.

Range for assessment a copy of the Agreement for Sale and Purchase of Real Estate form will be supplied the assessor.

Performance criteria

- 1.1 Errors and omissions in an Agreement for Sale and Purchase of Real Estate form are identified that are inconsistent with customer and industry requirements.
- 1.2 Errors and omissions in Agreement for Sale and Purchase of Real Estate forms are corrected to meet legal, client, and purchase requirements.
- 1.3 Agreement is valid and enforceable in accordance with industry requirements.

Outcome 2

Prepare two clauses for the Agreement for Sale and Purchase of Real Estate form to cover complex situations.

Performance criteria

- 2.1 Clauses prepared meet the legal requirements, and the requirements of the parties, and are in plain English.

Range clauses from the REINZ *Useful Clauses and Authorities* may be used.

Outcome 3

Draft an Agreement for Sale and Purchase of Real Estate form for vacant residential land.

Performance criteria

- 3.1 An Agreement for Sale and Purchase of Real Estate form is drafted consistent with parties and industry requirements.
- Range draft includes but is not limited to – financing arrangements, GST content requirements, clauses for use on the further terms of sale page of the Agreement.
- 3.2 Approved guides for residential sales are explained and provided to the customer and client in terms of the Real Estate Agents Act 2008 and the Code.
- Range signed acknowledgement.
- 3.3 Two special clauses are drafted in accordance with industry requirements and legislative requirements.
- 3.4 Demonstration of rapport being built with the prospective customer is in accordance with industry requirements.
- 3.5 Need for written offers and accuracy of information recorded on the draft agreement is explained in accordance with industry requirements.
- Range includes but is not limited to – timeframes for various clauses used in the agreement.
- 3.6 Two clauses are drafted to reflect the stage of the property in the development process.
- 3.7 Sufficient originals and copies are identified and provided to meet legislative requirements and obligation of licensee to retain copies is explained in terms of industry requirements.
- 3.8 Restrictions on a salesperson and implications are explained in terms of s 50 and schedule 2 s 36 (2a) of Real Estate Agents Act 2008.
- 3.9 Obligations of client, licensee and customer are explained in terms of the agreement, misleading or providing false information and disclosure of information.
- Range includes but is not limited to – approved guides, codes of professional conduct and client care, explanation of specific clauses and obligations of confidence or trust between the parties.

Outcome 4

Draft an Agreement for Sale and Purchase of Real Estate form for a residential property on a unit title or company shares.

Performance criteria

- 4.1 Information appropriate to the property is disclosed to the customer in accordance with industry requirements.
- 4.2 Agreement is drafted to meet industry requirements and the requirements of the parties.
- 4.3 Agreement for Sale and Purchase of Real Estate form is drafted consistent with parties and industry requirements.

Range draft includes but is not limited to – financing arrangements, GST content requirements, clauses for use on the further terms of sale page of the Agreement.
- 4.4 Rapport built with the prospective customer is in accordance with industry requirements.
- 4.5 Repercussions of misrepresentation and or failure to disclose are explained in terms of industry requirements.

Replacement information	<p>This unit standard replaced unit standard 4668.</p> <p>This unit standard was replaced by unit standard 30501.</p>
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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 2020
Review	4	26 October 2017	31 December 2020
Rollover	5	1 November 2018	31 December 2020
Rollover	6	26 March 2020	31 December 2021
Rollover	7	26 November 2020	31 December 2022
Rollover	8	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>.