

<b>Title</b>	<b>Demonstrate an understanding of the sub-division process and appraise vacant residential land</b>		
<b>Level</b>	<b>5</b>	<b>Credits</b>	<b>5</b>

<b>Purpose</b>	<p>This unit standard is for people 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"> <li>– explain and demonstrate methods of appraisal as applicable to vacant land; and</li> <li>– explain the process for the development of vacant residential land for a subdivision.</li> </ul>
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<b>Classification</b>	Real Estate > Rural, Residential, Commercial and Business Sales
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<b>Available grade</b>	Achieved
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### Guidance Information

- 1 References
- Building Act 2004;
  - Consumer Guarantees Act 1993;
  - Contractual Remedies Act 1979;
  - Fair Trading Act 1986;
  - Fencing Act 1978;
  - Financial Transactions Reporting Act 1996;
  - Goods and Services Tax Act 1985;
  - 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 Māori Act 1993;
  - Unit Titles Act 2010;
- and all subsequent amendments and replacements.

## 2 Definitions

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

*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.

*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>.

*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>.

*CMA* means current market analysis.

## 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.

Evidence is required of two appraisals for vacant residential land.

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## Outcomes and performance criteria

### Outcome 1

Explain and demonstrate methods of appraisal as applicable to vacant land.

Range may include – analysis of sales (CMA), net rate method, per hectare method, site valuation method, area value method, unit of improvement or density method, unit metre frontage method including depth tables, boundary restrictions, direct sales comparison, zoning factors, site factors, and reconciliation of values.

### Performance criteria

1.1 Methods of appraisal are explained as a process for establishing indications of the current market value.

1.2 Obligations of the 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.

1.3 Two appraisals of vacant residential land are completed and produced to establish indicative market value consistent with the Code.

- 1.4 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.

**Outcome 2**

Explain the process for the development of vacant residential land for a subdivision.

**Performance criteria**

- 2.1 Identify the stages of development in the subdivision process.
- Range            indicative timeframes, consent from council for subdivision, survey, establish plan, earthworks, roading, services, pay reserves contribution, other council fees, obtaining title.
- 2.2 Legal status of consents, services, and title are explained relevant to the appraisal of the land.
- Range            essential services, roading, title, reserves, subdivision consent, land use consent, fencing costs.
- 2.3 Repercussions of misrepresentation and or failure to disclose are explained in terms of the legislation.
- Range            legislation includes – Fair Trading Act 1986, Contractual Remedies Act 1979, Consumer Guarantees Act 1993.

<b>Replacement information</b>	<p>This unit standard replaced unit standard 4710.</p> <p>This unit standard and unit standard 4713 were replaced by unit standard 30499.</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

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