

<b>Title</b>	<b>Demonstrate and apply knowledge of inspection and appraisal for real estate property and qualify prospective clients</b>		
<b>Level</b>	<b>5</b>	<b>Credits</b>	<b>4</b>

<b>Purpose</b>	<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"> <li>– explain the inspection and appraisal process;</li> <li>– explain appraisal methods and appraise properties; and</li> <li>– qualify prospective clients.</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 Legislation
  - Building Act 2004;
  - Consumer Guarantees Act 1993;
  - Fair Trading Act 1986;
  - Health and Safety at Work Act 2015;
  - Human Rights Act 1993;
  - Property Law Act 2007;
  - Property (Relationships) Act 1976;
  - Real Estate Agents Act 2008;
  - Real Estate Agents Act (Professional Conduct and Client Care) Rules 2012;
  - Real Estate Agents (Complaints and Discipline) Regulations 2009;
  - Real Estate Agents (Duties of Licensees) Regulations 2009;
  - Residential Tenancies Act 1986;
  - Unit Titles Act 2010;
  - Unit Titles Regulations 2011;
  - and all subsequent amendments and replacements.
  
- 2 Definitions
  - Client* refers to the person on whose behalf an agent carries out real estate agency work.
  - CMA* refers to a comparative market analysis, which is an estimate of a home's value based on recently sold, similar properties in the immediate area.
  - 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.

*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.

*Property or properties* refer to a residential, or rural, or commercial, or industrial property, a business, or land.

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

*Record of Title* prove the ownership of land and rights and restrictions that apply to land. They are previously referred to as computer register or Certificates of Title; renamed in the Land Transfer Act 2017.

## Outcomes and performance criteria

### Outcome 1

Explain the inspection and appraisal process.

#### Performance criteria

1.1 Explain the purpose of property inspection and appraisal in accordance with industry requirements.

1.2 Explain the information required to complete the appraisal process in accordance with industry requirements.

Range pre-inspection, legal owners, Record of Title, physical inspection, appraisal documentation.

### Outcome 2

Explain appraisal methods and appraise properties.

#### Performance criteria

2.1 Explain methods of appraisal and justify the appropriateness of using each method.

Range includes but is not limited to – CMA, net rate method, replacement cost method, capitalisation of income method.

2.2 Appraise properties using appraisal methods relevant to the type of property and justify the suitability of the methods used.

Range includes appraisal of one property using – CMA and one of either: net rate method or replacement cost method; includes appraisal of one other property using – CMA and capitalisation of income method.

2.3 Interpret the findings from the appraisals and explain the recommended price range of each property.

- 2.4 Explain the licensee's obligation under the Code where no directly comparable or semi-comparable sales data exists.

### Outcome 3

Qualify prospective clients.

### Performance criteria

- 3.1 Qualify prospective clients to develop relationships and establish motivation, wants, and needs, in accordance with industry requirements.

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, clients' agency and/or marketing preferences.

<b>Replacement information</b>	This unit standard replaced unit standard 23139.
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<b>Planned review date</b>	31 December 2025
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### Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	12 February 2010	31 December 2013
Rollover and Revision	2	16 August 2012	31 December 2019
Review	3	16 February 2017	31 December 2023
Review	4	28 January 2021	31 December 2023
Revision	5	28 October 2021	N/A
Revision	6	29 September 2022	N/A

<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>.

### Comments on this unit standard

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