

Title	Demonstrate and apply knowledge of business entities and a policy and procedure manual in a real estate context		
Level	6	Credits	10

Purpose	<p>This unit standard is for people who intend to operate as agents in the real estate industry.</p> <p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> – demonstrate and apply knowledge of business entities in a real estate context; and – demonstrate knowledge of a policy and procedures manual for a business entity in a real estate context.
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Classification	Real Estate > Real Estate Management
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Available grade	Achieved
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Guidance Information

- 1 Legislation and regulations relevant to this standard include:
 - Anti-Money Laundering and Countering Financing of Terrorism Act 2009;
 - Companies Act 1993;
 - Employment Relations Act 2000;
 - Fair Trading Act 1986;
 - Health and Safety at Work Act 2015;
 - Human Rights Act 1993;
 - Overseas Investment Act 2005;
 - Privacy Act 2020;
 - Real Estate Agents Act 2008;
 - Real Estate Agents Act (Professional Conduct and Client Care) Rules 2012;
 - and all subsequent amendments and replacements.
- 2 References
 - The Real Estate Authority Code of Conduct, available at <https://www.rea.govt.nz/real-estate-professionals/education-and-obligations/the-code-of-conduct/>
 - The Real Estate Institute of New Zealand Codes of Practice, available at <https://reinz.co.nz/code-of-practice>.
- 3 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 Act 2008.
 - Industry requirements* refers to all actions by licensees and employees which must comply with relevant professional standards, legislation, and rules made under the provision of applicable legislation.

Licensee refers to a salesperson, branch manager or agent, based on the meeting of individual qualifications and licensing requirements set the Real Estate Agents (Licensing) Regulations 2009.

Real estate business refers to a business that conducts real estate agency work as defined by the Real Estate Agents Act 2008 for the purpose of bringing about a transaction.

4 Assessment

Evidence provided for assessment against this unit standard must be derived from a real or a simulated workplace situation, provided the simulation reflects industry requirements and requires performance that replicates a real working environment.

Outcomes and performance criteria

Outcome 1

Demonstrate and apply knowledge of business entities in a real estate context.

Performance criteria

1.1 Describe business entities in terms of their business type and characteristics.

Range type of entities include but are not limited to – company, sole trader, partnership, franchise;
characteristics may include but are not limited to – type of entity, entity name, transferability of ownership, supervision and management structure, taxation implications;
evidence of two business entities is required.

1.2 Explain the advantages and disadvantages of business entities for trading purposes.

Range explanation includes but is not limited to own business entity and one other.

1.3 Select and justify a business entity for operation as a real estate business, consistent with applicable legislation.

Range selection and justification of own business entity is required.

1.4 Develop a business plan for a business entity, consistent with industry requirements.

Range business plan includes but is not limited to – mission statement, competitive strategy, strategic goals and objectives, budget and cash flow statements;
evidence of a written business plan is required.

1.5 Explain registration documentation, constitutional requirements, and licensing requirements when licensing a new real estate agency, in accordance with applicable legislation.

- 1.6 Investigate the records which are required to be maintained for a real estate business, consistent with applicable legislation.
- 1.7 Describe the relevance of solvency tests in terms of the Companies Act 1993.
- 1.8 Explain the obligations, powers, and disclosure requirements of a real estate business's Directors, in accordance with the Companies Act 1993 or other applicable legislation.
- 1.9 Explain the obligations and powers of a real estate business's shareholders, in accordance with the Companies Act 1993 or other applicable legislation.

Outcome 2

Demonstrate knowledge of a policy and procedures manual for a business entity in a real estate context.

Performance criteria

- 2.1 Describe the purpose of the manual and identify its key topics, in relation to own business entity type.
- Range topics may include but are not limited to – best practice, privacy, confidentiality, anti-money laundering and countering finance in terrorism, advertising and promotion, agency agreements, appraisals, complaints, commission disputes, disclosure, multiple offer procedures, transactions involving licensee or related person; evidence must include five key topics in relation to own business type.
- 2.2 Determine how organisational and legislative requirements impact on the policy and procedures manual.
- 2.3 Evaluate and recommend improvement/s to a topic in a policies and procedures manual, consistent with industry requirements.
- 2.4 Write a topic for inclusion in the manual, consistent with industry requirements and other applicable legislation.

Replacement information	This unit standard replaced unit standards 4693, 5146, 26153 and 22306.
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Planned review date	31 December 2026
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Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	26 October 2017	31 December 2021
Review	2	29 July 2021	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 The Skills Organisation reviewcomments@skills.org.nz if you wish to suggest changes to the content of this unit standard.