

Title	Inspect, appraise, and complete an agency agreement for a commercial and industrial property		
Level	5	Credits	5

Purpose	<p>This unit standard is for people preparing to enter, or currently working in, the commercial and industrial sales sector of the real estate industry.</p> <p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> – inspect and appraise a commercial and industrial property; – complete and explain the listing process for a commercial and industrial property in accordance with industry requirements; and – explain different types of investment factors and terms for a customer of a commercial and industrial property.
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Classification	Real Estate > Rural, Residential, Commercial and Business Sales
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Available grade	Achieved
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Guidance information

- 1 Legislation
 - Building Act 2004;
 - Building (Earthquake-prone Buildings) Amendment Act 2016;
 - Consumer Guarantees Act 1993;
 - Contract and Commercial Law Act 2017;
 - Fair Trading Act 1986;
 - Goods and Services Tax Act 1985;
 - Human Rights Act 1993;
 - Health and Safety at Work Act 2015;
 - Privacy Act 1993;
 - Real Estate Agents Act 2008;
 - Resource Management Act 1991;
 - Resource Management (Simplifying and Streamlining) Amendment Act 2009;
 - Unit Titles Act 2010;
 - and all subsequent amendments and replacements.
- 2 Definitions
 - Client* – the person on whose behalf an agent carries out real estate agency work.
 - CMA* – also known in the real estate industry as Current Market Analysis, Comparative Market Analysis, Competitive Market Appraisal.

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, the Real Estate Agents Authority Practice Rules, or the Rules.

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

Licensee – salesperson, branch manager, or agent.

3 Assessment

- a Other appraisal methods that may be used may include but is not limited to – capitalisation of net income, net floor area, replacement value, capital value per square metre method, sales comparison, development potential analysis, residual method.
- b Assessment against this assessment standard must be based on the following criteria: If a candidate holds a current real estate licence, evidence must be derived from a real or a simulated workplace situation. If a candidate is not licensed, evidence must be drawn from a simulated workplace situation. A simulated workplace situation must reflect industry requirements and requires performance that replicates a real working environment.

Outcomes and performance criteria

Outcome 1

Inspect and appraise a commercial and industrial property.

Performance criteria

- 1.1 Inspect a property and collect information required for an appraisal in accordance with industry requirements.
- 1.2 Appraise the property using CMA to establish an indicative market value consistent with the Code. Explain another appraisal method relevant to the property type that may be used to support the collected appraised results.
- 1.3 Assess and explain the impact of at least three different issues on the estimated market value of the property.

Range	issues may include but are not limited to – needs and wants of the client, age of the building, development of the property, permitted use of property, lease information, market conditions, legal aspects, rental level, site coverage of building, condition of the property, zoning, other planning issues.
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- 1.4 Assess and explain the impact of at least three different site factors on the estimated market value of the property.

Range	site factors may include but are not limited to – frontage, corner influence, access, contour, street width, easements, amenities, services, zoning.
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- 1.5 Evaluate and explain the impact of different special factors on the estimated market value of the property.
- Range special factors impacting a commercial property may include but are not limited to – licensing requirements for specific industries, earthquake regulations, frontage, site coverage, contour, rights of way, car parking and access, zoning; special factors impacting an industrial property may include but are not limited to – area and frontage, licensing requirements for specific industries, seismic performance standards, transport facilities, labour supply, zoning.
- 1.6 Develop an accurate and comprehensive appraisal report for the property consistent with industry requirements.
- 1.7 Explain the course of action the licensee must take when there are no suitable comparable sales available for the property.
- 1.8 Evaluate the nature of different tenure, titles, and special features of the property. Explain their effects on the appraisal results for similar properties, in accordance with industry requirements.

Outcome 2

Complete and explain the listing process for a commercial and industrial property in accordance with industry requirements.

Performance criteria

- 2.1 Explain the implications of lease rental relevant to the potential market rent and its impact on value when listing the property.
- 2.2 Build relationships and qualify prospective clients to determine a client's motives, wants, and needs.
- 2.3 Explain the purpose of an agency authority and the legal implications for the agency and prospective client.
- 2.4 Complete an agency authority and obtain formal authority to list the property from the prospective client.
- 2.5 Describe the relevant documents and/or information that should be provided to the licensee, and relevant documents and/or information the licensee are required to provide to the client.
- 2.6 Explain the implications for the agency and client if there is a failure to obtain all legally required signatures on the agency authority.

Outcome 3

Explain different types of investment factors and terms for a customer of a commercial and industrial property.

Performance criteria

3.1 Explain different investment factors and terms for a customer, consistent with industry requirements.

Range investment factors and terms may include but are not limited to – financing of property and financial performance, market rentals, occupancy rates, market capitalisation rates, and features of the property.

Replacement information	This unit standard replaced unit standard 4674 and unit standard 23148.
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Planned review date	31 December 2022
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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	N/A

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>.

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.