

Title	Inspect and appraise rural properties, and complete an agency agreement		
Level	5	Credits	5

Purpose	<p>This unit standard is for people who are preparing to enter into, or currently working in, the rural sector of the real estate industry.</p> <p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> – demonstrate knowledge of inspections and appraisal methods for rural properties; – inspect and appraise a lifestyle property; – appraise a horticultural property; – appraise a dairy or a sheep and cattle property; – complete an agency agreement for an appraised property; and – explain the licensee’s responsibilities from initial contact to settlement date.
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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;
 Conservation Act 1987;
 Consumer Guarantees Act 1993;
 Fair Trading Act 1986;
 Financial Advisers Act 2008;
 Goods and Services Tax Act 1985;
 Health and Safety at Work Act 2015;
 Human Rights Act 1993;
 Overseas Investment Act 2005;
 Overseas Investment Regulations 2005;
 Privacy Act 1993;
 Real Estate Agents Act 2008;
 Residential Tenancies Act 1986;
 Resource Management Act 1991;
 Securities Act 1978;
 Te Ture Whenua Māori Act 1993;
 Unit Titles Act 2010;
 and subsequent amendments and replacements.

2 Reference

Territorial plan includes district plans and unitary plans. It is expected for the candidate to be familiar with the plans of their Territorial Authority.

3 Definitions

Agency procedures – are the specific procedures used in real estate agencies and vary from agency to agency. All procedures must comply with the Real Estate Agents Act 2008, applicable regulations, and the Code.

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, and Competitive Market Appraisal.

Customer – a person who is a party or potential party to a transaction and excludes a prospective client and client.

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.

Lifestyle property – a property with a predominant residential use but encompassing an area of land with agricultural or horticultural activities undertaken on hobby or secondary income basis, including any parcel of land either rurally or on the fringe, that is used for recreational or semi-productive purposes. Lifestyle blocks/property may vary in size.

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

Specialised unit property – may include factory farming such as for chickens (meat and eggs), a hatchery, fish farming, prawn farming, animal breeding for scientific reasons, wind farms, pip and stone fruit, vegetables, tree crops, nursery and plant propagation, equine.

4 Assessment

a Other appraisal methods that may be used may include but is not limited to – CMA, per hectare method, area value method, zoning factors, site factors, reconciliation of values, production-related methods.

b Assessment against this unit 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

Demonstrate knowledge of inspections and appraisal methods for rural properties.

Range lifestyle property, horticultural property, dairy or sheep and cattle property, specialised unit property.

Performance criteria

- 1.1 Explain the inspection process for the property in accordance with industry requirements.
- 1.2 Explain appraisal methods and their suitability for the property, in accordance with industry requirements.
- Range appraisal methods includes but are not limited to – CMA, per hectare method, area value method, zoning factors, site factors, production-related method.
- 1.3 Explain the course of action the licensee must take when there are no suitable comparable sales available for the property.

Outcome 2

Inspect and appraise a lifestyle property.

Performance criteria

- 2.1 Source information and data relevant to the property and explain how the information and data will be used in the appraisal.
- 2.2 Inspect and appraise a lifestyle property to establish indications of current market value, in accordance with industry requirements.
- 2.3 Assess the effects of legal ownership, features, and limitations of the property to explain possible differences in appraisal results for similar properties.
- 2.4 Interpret the appraisal results and develop an accurate and comprehensive appraisal report.
- 2.5 Explain the appraisal results to a client in a clear and concise manner, that ensures client understanding, and obtain verification of receipt of the appraisal.
- 2.6 Describe how GST influences how the property is marketed and sold, in accordance with industry requirements.

Outcome 3

Appraise a horticultural property.

Performance criteria

- 3.1 Appraise horticultural property to establish indications of current market value.
- 3.2 Identify supplier agreements and explain the material affect these may have on the value of the property.

- 3.3 Assess the effects of legal ownership, features, and limitations of the property to determine possible differences in appraisal results for similar properties.
- 3.4 Interpret the appraisal results, and develop an accurate and comprehensive appraisal report.
- 3.5 Explain appraisal results to the client in a clear and concise manner that ensures client understands, and obtain verification of receipt of the appraisal.
- 3.6 Explain the obligations the licensee has to the client and the agency, and the requirement to have the appraisal verified by a supervisor.

Outcome 4

Appraise a dairy or a sheep and cattle property.

Performance criteria

- 4.1 Appraise the property to establish indications of current market value, in accordance with industry requirements.
- 4.2 Interpret the appraisal results, and develop an accurate and comprehensive appraisal report.
- 4.3 Explain why the licensee should inform a customer/client to seek expert advice in terms of cooperative shares held by the owner for an appraisal.
- 4.4 Explain territorial authority plans that may affect the property land-use capabilities and how this may affect the appraised value.
- 4.5 Explain appraisal results to the client in a clear and concise manner that ensures client understands, and obtain verification of receipt of the appraisal.
- 4.6 Explain the obligations the licensee has to the client and the agency, and the requirement to have the appraisal verified by a supervisor.

Outcome 5

Complete an agency agreement for an appraised property.

Performance criteria

- 5.1 Assess an agency agreement and identify material information required from a prospective client to be included into the agency agreement.
- 5.2 Describe situations when the prospective client has not provided information and/or documentation pertaining to the property, and explain the licensee's responsibility in each situation.
- 5.3 Explain the obligations a licensee and the agency has to the prospective client, and the responsibilities the client has to the licensee and agency.

- 5.4 Complete an agency agreement pertaining to the property in accordance within industry requirements.
- 5.5 Explain how to confirm ownership and obtain the required signatories of authority relevant to the property.
- 5.6 Build relationships and qualify a prospective client to determine client’s motives, wants, and needs.

Range qualifying a client may include but is not limited to – selling motives, motivation on asking price range, preferred financial arrangements and timeframes for the sale, marketing preferences.
- 5.7 Outline the need to identify hazards on the property and register the hazards in the agency agreement.
- 5.8 Describe different situations where the licensee and agency must withdraw from the agreement.

Outcome 6

Explain the licensee’s responsibilities from initial contact to settlement date.

Performance criteria

- 6.1 Explain the licensee’s role and responsibilities to the client between contract date and settlement date, consistent with agency procedures and industry requirements.
- 6.2 Explain the licensee’s role and responsibilities to the customer between contract date and settlement date, consistent with agency procedures and industry requirements.

Replacement information	This unit standard replaced unit standards 15501, 23153 and 23154.
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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.