

Title	Prepare agency agreements and appraisals of commercial and industrial sites and qualify clients		
Level	4	Credits	6

Purpose	<p>This unit standard is for licensees in the commercial and industrial sector of the real estate industry.</p> <p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> – complete and explain the inspection and agency agreement process; – explain and demonstrate methods of appraisal as applicable to commercial and industrial properties; and – complete and explain agency agreements to prospective clients.
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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 References
- Building Act 2004;
 - Companies Act 1993;
 - Consumer Guarantees Act 1993;
 - Fair Trading Act 1986;
 - Financial Transactions Reporting Act 1996;
 - Goods and Services Tax Act 1985;
 - Historic Places Act 1993;
 - Human Rights Act 1993;
 - Land Transfer Act 1952;
 - Overseas Investment Act 2005;
 - Overseas Investment Regulations 2005;
 - Privacy Act 2020;
 - Property Law Act 2007;
 - Real Estate Agents Act 2008;
 - Residential Tenancies Act 1986;
 - Resource Management Act 1991;
 - Unit Titles Act 2010;
 - and all subsequent amendments and replacements.

2 Definitions

Appraise/appraisal means 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.

Company procedures are the specific procedures used in real estate companies and vary from company to company. All must comply with the Real Estate Agents Act 2008 and any applicable real estate regulations that may apply.

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>.

Qualify clients means determining motivations, expectations, and preferences and assessing impacts on selling price ranges.

Client means the person on whose behalf an agent carries out real estate agency work and is commonly known in the industry as a vendor or seller.

Agency Agreement means an agreement under which an agent is authorised to undertake real estate agency work for a client in respect of a transaction. It is commonly known in the industry as a listing form.

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.

Outcomes and performance criteria

Outcome 1

Complete and explain the inspection and agency agreement process.

Range evidence for one commercial and one industrial site is required.

Performance criteria

- 1.1 Purpose of property inspection is explained in a logical sequence in accordance with industry requirements.
- 1.2 Inspection is completed and information obtained is used to complete an appraisal and agency agreement form in accordance with industry requirements.

Outcome 2

Explain and demonstrate methods of appraisal as applicable to commercial and industrial properties.

Range evidence for one commercial and one industrial site is required.

Performance criteria

- 2.1 Obligations of the salesperson are explained in terms of the Real Estate Agents Act 2008 and the Code.
- 2.2 Appraisals of vacant land are completed and produced to establish indicative market value consistent with the Code.
- 2.3 Real estate issues are explained in terms of the impact on the market value of the properties.
- Range includes but is not limited to – market conditions, legal aspects, rents, leases, condition of the property, zoning and other planning issues.
- 2.4 Impact of site factors is explained and analysed in terms of the market value of the properties.
- Range includes but is not limited to – frontage, corner influence, access, contour, street width, easements, amenities and services.
- 2.5 Special factors affecting the value of commercial sites are assessed and explained in terms of the impact on the market value of the properties.
- Range may include but is not limited to – likely net business returns, frontage, plottage, contour, rights of way, betterment.
- 2.6 Special factors affecting the value of industrial sites are assessed and applied in accordance with company procedures and industry requirements.
- Range including but not limited to – area and frontage, soil bearing capacities, transport facilities, labour supply.
- 2.7 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 industry requirements.
- 2.8 Need for confirmation of appraisal by branch manager, or agent is explained in terms of implications for salesperson and agent.

Outcome 3

Complete and explain agency agreements to prospective clients.

Performance criteria

- 3.1 Purpose of agency agreement form is explained to the prospective client in accordance with industry requirements.
- Range includes but is not limited to – types of agency, prospective client obligations in terms of other agency agreements.

3.2 Obligations of salesperson and agency are explained in terms of the Real Estate Agents Act 2008 and the Code.

Range includes but is not limited to – s 126,128,130,131,132,134, 135,136,137, commission structures, marketing and advertising expenses.

3.3 Authority to list the property is obtained from the prospective client in writing.

3.4 Signatories of authorities are obtained consistent with industry requirements.

3.5 Prospective clients are qualified and relationships built to determine clients' motives, wants, and needs.

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, impact of rental price range on selling price range, indicative agency/marketing preferences from a prospective client.

Replacement information	This unit standard and unit standard 23148 were replaced by unit standard 30496.
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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	27 July 1995	31 December 2013
Revision	2	13 November 1997	31 December 2013
Review	3	19 January 1999	31 December 2013
Review	4	18 December 2006	31 December 2013
Review	5	12 February 2010	31 December 2013
Rollover and Revision	6	16 August 2012	31 December 2020
Review	7	26 October 2017	31 December 2020
Rollover	8	1 November 2018	31 December 2020
Rollover	9	26 March 2020	31 December 2021
Rollover	10	26 November 2020	31 December 2022
Rollover	11	29 April 2021	30 June 2023

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>.

This unit standard is expiring