

Title	Explain leasing, legal, and financial matters to clients and prospective customers		
Level	5	Credits	4

Purpose	<p>This unit standard is for people who intend to operate as branch managers or agents in the real estate industry.</p> <p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> – explain to clients the legal features of tenancy agreements consistent with legal requirements; – explain to clients and prospective customers the meaning of licences, easements, covenants, and caveats; – explain chattels and fixtures to real estate clients and prospective customers; – provide information on mortgages to real estate clients and prospective customers; – identify possible sources and features of finance for real estate clients and prospective customers; and – explain orally, and in writing, real estate terminology accurately to reflect legal definitions to client or landlord consistent industry requirements.
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Classification	Real Estate > Real Estate Practice and Law
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Available grade	Achieved
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Guidance Information

- 1 References
 - Consumer Guarantees Act 1993;
 - Contractual Remedies Act 1979;
 - Credit Contracts and Consumer Finance Act 2003;
 - Fair Trading Act 1986;
 - Fencing Act 1978;
 - Fencing of Swimming Pools Act 1987;
 - 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

Act means the Real Estate Agents Act 2008.

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.

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.

Customer means a person who is a buyer or potential buyer of land or a business and is commonly known in the industry as purchaser or buyer.

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>.

Approved guides mean approved guides on agency agreements and sale and purchase agreements.

LAQC – loss attributing qualifying company.

LVR – loan to value ratio.

Plain English is language that either does not use industry-specific words, or that limits or explains industry-specific words so that people outside the real estate industry can more easily understand.

Prospective customer means a person who is considering or intending to enter into an agreement for sale and purchase of a property. For this unit standard the customer may be entering into a tenancy agreement.

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

Explain to clients the legal features of tenancy agreements consistent with legal requirements.

Range evidence of two residential tenancy agreements is required.

Performance criteria

1.1 General explanations are consistent with industry requirements.

1.2 Explanations and interpretations of tenancy agreements are consistent with legislation.

1.3 Tenancy agreements are checked to ensure that they meet legislative requirements.

Range includes but is not limited to – rents, bonds, terms of tenancy, rights and obligations, discrimination, repairs, assignment and sub-letting, termination of tenancy agreement.

Outcome 2

Explain to clients and prospective customers the meaning of licences, easements, covenants, and caveats.

Performance criteria

2.1 General explanations of the nature and effect of conditions are consistent with legislative requirements.

Range includes but is not limited to – licences, permits, grants, contractual licences, special licences, covenants, easements, tenements, caveats, equitable easements, restrictive easements.

2.2 General explanations of the nature and effect of laws governing fences and fencing are consistent with industry requirements.

Range includes but is not limited to – fencing covenants, fencing agreements.

2.3 Explanations and interpretations of 'given fact fencing' situations are consistent with industry requirements.

Range a given fact situation – a situation giving rise to no more than three fencing situations where the facts are provided for assessment purposes.

Outcome 3

Explain chattels and fixtures to real estate clients and prospective customers.

Performance criteria

3.1 General explanations of the nature of chattels and fixtures are consistent with industry requirements and the Act.

3.2 Items are identified as chattels and fixtures in accordance with legislation.

Range three types of chattels and three types of fixtures.

Outcome 4

Provide information on mortgages to real estate clients and prospective customers.

Performance criteria

- 4.1 Information provided regarding the nature and characteristics of mortgages is consistent with industry requirements.
- Range types of mortgages include but are not limited to – table loan, reducing loan, interest only, line of credit, revolving credit, equity release, balloon payment.
- 4.2 Terminology used in mortgages is explained in terms of benefits and limitations.
- Range includes but is not limited to – fixed, floating, capped, loan term length, early repayment, bridging loan, construction loan, repayment holiday, mortgagee and mortgagor.
- 4.3 Legal entities of customers are explained in relation to mortgage for the sale and purchase agreement.
- Range individual, limited liability company, family trust, trading trust, LAQC.
- 4.4 Security, types of security, and property tenure are explained in terms of mortgage lending and application to mortgage situations.
- Range explanation of security includes but is not limited to – purpose, value, effects on value from external factors (i.e. zoning). types of security and property tenure include but are not limited to – freehold, leasehold, Māori leasehold, strata, cross lease, company share, unit title, term deposit.
- 4.5 Equity is explained in terms of the application to mortgage situations.
- Range includes but is not limited to – deposit, assets, net statement of position, LVR.

Outcome 5

Identify possible sources and features of finance for real estate clients and prospective customers.

Performance criteria

- 5.1 Sources and features identified for finance are described.

Outcome 6

Explain orally, and in writing, real estate terminology accurately to reflect legal definitions to client or landlord consistent industry requirements.

Range including but not limited to – tenancy agreements, licenses, easements, covenants, caveats, laws regarding fences and fencing, swimming pool fencing, chattels and fixtures, mortgage, finance sources.

Performance criteria

6.1 Oral explanations are clear, concise, legally accurate, and in plain English, and communication skills are used to ensure client or landlord understanding.

Range communication skills may include but are not limited to – attending, clarifying, listening, questioning, paraphrasing, reflection of feeling and content, summarising.

6.2 Written explanations are clear, concise, legally accurate, and in plain English.

Replacement information	This unit standard and unit standards 4703, 4704 and 4705 were replaced by unit standard 30488.
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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
Review	2	26 March 1996	31 December 2013
Revision	3	13 November 1997	31 December 2013
Review	4	19 January 1999	31 December 2013
Review	5	18 December 2006	31 December 2013
Review	6	12 February 2010	31 December 2013
Rollover and Revision	7	16 August 2012	31 December 2020
Review	8	26 October 2017	31 December 2020
Rollover	9	1 November 2018	31 December 2020
Rollover	10	26 March 2020	31 December 2021
Rollover	11	26 November 2020	31 December 2022
Rollover	12	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>.