



# Authority Update



10 December 2009

## Welcome from the CEO/Registrar

Welcome to the first Real Estate Agents Authority industry newsletter. We intend to send regular newsletters to provide you with information about the Real Estate Agents Act 2008 and the activities of the Authority.

It has been a very busy month following the launch of the Authority on 17 November 2009. We have received a large number of enquiries and have answered a lot of questions from the real estate industry and from members of the public. Our [website](#) contains comprehensive information about working within the regulatory framework of the Act. I recommend you visit the site if you wish to find out more information or have a query.

The Authority is responsible for ensuring compliance with the Act and associated regulations and rules and as such, we strongly encourage you to make yourself aware of your obligations. As an individual licensee you are directly responsible for this. We can provide you with information, but are not able to provide legal advice relating to the legislation.

The next key event for the industry is "deemed licence" renewals. Licence renewal information and the required application forms will be sent to you in January 2010. Your completed renewal application must be received by us before 31 March 2010. If we do not receive an application by this date, your licence will expire and you will not be able to continue working in the industry.

Further information about the renewal process will be provided at a series of regional industry information seminars which the Authority will be running throughout New Zealand in late February/March 2010. Details about the locations and dates for these seminars will be provided in the New Year.

The staff and I look forward to continue working with you as we move forward within the new regulatory regime.

Janet Mazenier  
Chief Executive/Registrar

# FAQ's



The following are the industry's most frequently asked questions (FAQ's). These and other FAQ's are available on the Authority's [website](#).

## Q - Are auctions and tenders covered by the Act?

Auctions and tenders are covered by the Act, regulations and practice rules. While the Code of Professional Conduct and Client Care covers real estate agency work in general it does not include specific rules in relation to auctions and tenders. However, the Authority is considering the development of specific rules for this important area of the industry.

## Q - What provisions of the Act apply to residential property transactions and which ones apply to commercial and industrial property transactions?

Anyone who is carrying out, or wants to carry out, real estate agency work must be licensed by the Real Estate Agents Authority as an agent, branch manager or salesperson, unless specifically exempted. Real estate agency transactions are defined in the Act and also include the sale, purchase or other disposal or acquisition of any business (either with or without any interest in land).

The provisions in the Act that apply only to residential property transactions are:

- Approved Guide to be provided before agency agreement for residential property signed ([Section 127](#))
- Parties may cancel sole agency agreements in respect of residential property 90 days after agreement is signed ([Section 131](#))
- Approved Guide to be provided when contractual document provided ([Section 133](#)).

Other regulatory provisions such as licensing, complaints, qualifications and audit requirements apply to both residential and commercial real estate agency work.

## Q - If a branch office does not have to be under the effective control of a branch manager, what is the purpose of a branch manager's licence?

While the 2008 Act has retained branch manager as a class of licence, there is no specific requirement that branch offices must be under the

## Diary Dates

### January 2010:

You will receive information on the licence renewal process. This information will be sent to you and will be available on the Authority's website.

### February/March 2010:

The Authority will be running a series of industry seminars throughout the country in late February/March. You will be provided with more information on these seminars in the New Year.

### 31 March 2010:

Your completed licence renewal application must be received by us before 31 March 2010.

effective control of a branch manager.

Companies may still choose to use a branch manager in a supervisory role as part of their management structure. The Act requires that the work of a salesperson must be properly supervised and managed by either an agent or branch manager.

This means that the agent or branch manager must ensure that the salesperson's work is competent and that their work complies with the requirements of the legislation.

---

#### **Q - Will I lose my licence if I am not employed?**

To work as a salesperson, you must hold a current licence. You do not have to be employed by an agent to hold a licence but you can only carry out real estate work if you are working on behalf of an agent. If you have a gap in your employment, your licence remains valid until its expiry date. You must apply to renew your licence before it expires.

---

#### **Q - What evidence of my real estate qualifications do I need to provide when I apply for a licence?**

You must provide a transcript of your academic record or record of achievement. You can obtain a transcript of your academic record from your course provider or the New Zealand Qualifications Authority (NZQA).

visit: [reaa.govt.nz](http://reaa.govt.nz)

