



Authority Update



March 2011

CEO/Registrar

We would like to extend our condolences and thoughts to all those affected by the Christchurch earthquake.

If you are a licensee in the Christchurch region and you have concerns regarding the renewal of your licence, please call us and talk to a member of the Licensing team. You may also consider the following options:

- Option 1: While you are not carrying out real estate agency work, you can suspend your licence under s58 of the Real Estate Agents Act 2008 and the suspension fee will be waived until 30 September 2011. This applies to any licensee from the Christchurch area whose licence expires before 30 September 2011.
- Option 2: Submit your application form by the due date without the payment and with an explanation of your circumstances. Your licence will not expire and will remain 'active pending renewal' until payment has been received. Payment can be deferred until 30 September 2011. If you defer payment and then decide to suspend your licence, you will be charged a pro-rated annual fee for the amount of time your licence remained "active pending renewal".
- Option 3: If you are unable to submit your application form by the due date, contact us prior to the expiry of your current licence to confirm that you intend to renew. If you then decide to suspend your licence, you will be charged a pro-rated annual fee for the amount of time your licence remained "active pending renewal".

If you do not contact us, your licence will expire on its due date.

Please note the above options only apply to Christchurch based licensees and are considered on a case-by-case basis.

New Zealand Registered Architects Board Complaints

There has been a lot of media coverage about complaints that have been laid by the New Zealand Registered Architects Board (NZRAB) about the use of the term 'architect-designed' by licensees marketing homes for sale, which have not been designed by a registered architect.

As directed by the Complaints Assessment Committee (CAC) we are investigating this practice following the complaints made by the NZRAB.

While we cannot comment further about these complaints until they have been determined, a finding of unsatisfactory conduct has been made previously by a CAC regarding a complaint of a similar nature. This determination, CA3466929, is available on our [website](#).

Until this matter is clarified further, licensees may want to take a cautious approach and only use the word 'architect', in any form, if the designer of the property is listed on the NZRAB register (you can access the register from www.nzrab.org.nz).

Commission Disputes

We are receiving a number of complaints about commission disputes between licensees. If a commission dispute with another licensee raises an issue of misconduct, you have a duty to report that misconduct to the Authority under rule [7.2](#) of the Real Estate Agents Act (Professional Conduct and Client Care) Rules 2009. A definition of misconduct can be found in [s73](#) of the Act.

However, if a commission dispute does not raise an issue of misconduct, it may be more appropriate for the dispute to be dealt with by the Disputes Tribunal.

You may also want to consider contacting REINZ, who are developing an industry disputes resolution system for disputes about commission payments between licensees.

If you are unsure of the best course of action we are happy to discuss your concerns with you. Just give us a call on 0800 367 7322 or 04 471 8930 or email us at info@reaa.govt.nz.

Change of Company Advice

Please advise us if you change the company you work for. As well as requiring up-to-date phone numbers, email and address information we also need to know where you work so that we can keep the Public Register up-to-date. You are required to provide us with this information within 10 days of any change.

You can call us on 0800 367 7322 or 04 471 8930 or email us at info@reaa.govt.nz.

Further information on what the Act and Regulations require you to notify us of can be found in the Change of Circumstances section of the Authority's [website](#).

Keith Manch

Chief Executive/Registrar

Complaints Update

This section provides high-level information about complaints received by the Authority.

Number of:	July- October	November 2010	December 2010	January 2011	February 2011	TOTAL

	2010					
Complaints/allegations:	246	65	65	35	47	458
Complaints /allegations under investigation:						414
Withdrawn complaints:	21	3	1	1	0	26
CAC decisions not to inquire:	43	17	8	1	7	76
CAC determinations made:	175	64	62	23	30	354
Unsatisfactory conduct:	25	14	11	3	7	60
No further action:	149	43	47	15	22	276
Charges laid before the Disciplinary Tribunal (by a CAC):	1	7	4	5	1	18
Completed complaints:	218	81	71	23	37	430
Closed allegations:	22	25	0	0	1	48
Appeals:	22	5	13	8	9	57
Withdrawn appeals:	6	1	0	0	0	7

* Closed complaints no longer include withdrawn complaints.

Further information about the Tribunal can be found on the Tribunal's [website](#).

Licensing Update

Number of:	TOTAL (as at 28 February 2011)
Active licences:	14,992
• Company	736
• Agent	1,795
• Branch Manager	513
• Salesperson	11,948
Active pending renewal licences:	2,055
• Company	183
• Agent	432
• Branch Manager	111
• Salesperson	1,329
Suspended licences:	1,618

Unsatisfactory Conduct Determinations



Below is an overview of the latest unsatisfactory conduct determinations. Under [section 78 \(h\)](#) of the Real Estate Agents Act 2008, Complaints Assessment Committees may decide to publish their decisions. This is done to ensure that the disciplinary process remains transparent, independent and effective.

Click [here](#) to read the determinations in full.

Complaint Number: CA2788626

Determination made: 11 February 2011

Overview: Licensee contacted vendors directly when a sole agency was in place with another agency.

Determination: Finding of unsatisfactory conduct under section [72](#) of the Real Estate Agents Act 2008.

Complaint Number: CA3557856

Determination made: 13 December 2010

Overview: Providing the wrong information about body corporate fees.

Determination: Finding of unsatisfactory conduct under section [72](#) of the Real Estate Agents Act 2008. Order that the licensee makes a payment of \$1,556.00 to the complainant.

Complaint Number: CA2974026

Determination made: 24 November 2010

Overview: Withholding of a listing authority from the company the licensee worked for (when the listing was signed) as the licensee was about to move to another company.

Determination: Finding of unsatisfactory conduct under section [72](#) of the Real Estate Agents Act 2008. Order that the licensee apologise.

Complaint Number: CA3587943

Determination made: 2 November 2010

Overview: Misrepresenting the status of the drive-on access to the purchased property.

Determination: Finding of unsatisfactory conduct under section [72](#) of the Real Estate Agents Act 2008.

Things to Remember

Approved Guides:

Licensees are required to provide copies of the relevant approved guide before an agency agreement is signed and before a sale and purchase agreement is signed. You must also get written acknowledgement that the guides have been received.

Disclosure of rebates, discounts or commissions:

Every agency agreement must contain a statement by the agent about rebates, discounts and commissions. This statement must be as described in [Form 1](#) of the Duties of Licensees Regulations 2009.

Written appraisals:

An appraisal of land or a business must be provided in writing to a client by a licensee; must realistically reflect market conditions; and must be supported by comparable information on sales of similar land in similar locations or businesses (Rule 9.5 of the Professional Conduct and Client Care Rules 2009).

Conflict of interest:

Under [section 134](#) of the Act, if a licensee is carrying out real estate agency work directly or indirectly for a client, he or she cannot acquire the property or business concerned without the consent of the client. The same applies to any person related to the licensee.

Trust accounts:

All money received by an agent in relation to a real

Complaint Number: CA2397405**Determination made :** 6 October 2010**Overview:** Advertising a business for sale prior to getting a signed agency agreement and making inappropriate comments to a newspaper that could have affected the sale of the property.**Determination:** Finding of unsatisfactory conduct under section [72](#) of the Real Estate Agents Act 2008. Order censuring the licensee.

Please do not reply to this newsletter. If you wish to contact us please call us on 0800for REAA (0800 367 7322) or 04 471 8930 or email us at info@reaa.govt.nz.

estate transaction must be paid to the person who is lawfully entitled to that money, or in accordance with that person's instructions. Until the money has been paid out, it must be held in a trust account.

Further information can be found in the [Compliance](#) section of the Authority's website.

visit: reaa.govt.nz

