



Authority Update



26 March 2012

Your Obligations for Checking a Property's Title

A recent decision made by the Real Estate Agents Disciplinary Tribunal provides guidance to licensees on obligations to check the titles of properties they are selling.

In our view, in order to comply with these obligations, a licensee needs to:

- obtain a copy of the certificate of title;
- review it to verify the information on tenure, ownership, legal description and property description in the listing document matches the information on the title;
- establish whether or not there are interests registered on the title such as covenants, caveats, easements etc. that should be brought to the attention of interested parties;
- if necessary have a lawyer assist the licensee to interpret what those restrictions mean; and
- ascertain zoning and compliance with town planning regulations or Council requirements so the licensee is in a position to point out what restrictions might apply to that property e.g. they should be able to point out how a property is zoned and what zoning restrictions apply.

The Licensee is then in a position to:

- explain clearly and simply the effect of any restrictions which might affect the rights of a purchaser; and
- advise the parties to seek proper legal advice on such matters.

In our view, the decision is not creating an expectation that licensees will need to personally interpret complex titles or provide an in depth analysis of the town planning implications in relation to a property. Licensees are not expected to be lawyers or town

planners and having pointed out any restrictions they should continue to refer clients to those with specialist skills.

An information sheet, which contains further information about this decision, is available from our [website](#).

Licence Renewal Reminder

If your licence expires before the end of March please make sure that you get your renewal application to us by 31 March. We will not send you a confirmation of receipt email but once your renewal has been processed you will be sent a confirmation email.

If you emailed or faxed your renewal application, it will take up to 10 days for your renewal to be processed. If you posted your renewal application, it will take up to 15 days.

As long as you can provide evidence of your renewal being sent to us on, or before 31 March, your licence will not expire.

For further information or to download a renewal form, go to our [website](#).



Kevin Lampen-Smith

Chief Executive Officer/Registrar

visit: reaa.govt.nz

