



# Authority Update



November 2010

## CEO/Registrar

### **Authority announces new CEO**

Real Estate Agents Authority Board Chair Kristy McDonald QC announced today that Keith Manch has been appointed as the new Chief Executive starting in mid January 2011. Click [here](#) to read the media release.

### **Industry consultation**

The consultation period on the proposed 2011 licence levy is now closed. Thank you to everyone who took the time to make a submission.

The results of the consultation process will be made publically available on the Authority's website in late November 2010.

### **Statutory declarations for agents who hold trust accounts**

Under [Regulation 16](#) of the Real Estate Agents (Audit) Regulations 2009, agents who hold trust accounts are required to provide an official statutory declaration with each statement they give to their auditors.

This declaration must be signed by either a Justice of the Peace, barrister and solicitor, a notary public or other official as listed in [section 9](#) of the Oaths and Declarations Act 1957.

This statement and declaration must be provided to the auditor three times a year at their request.

The requirements of the declaration can be found in [Regulation 16](#) of the Audit Regulations.

### **Contact details**

Please remember to let us know if there are any changes to your contact details e.g. where you work, address, phone number or email address. It is important that we have up to date contact details for you as licence renewals commence in December.

To advise us of any changes just complete a change of circumstances form which is available from our

[website](#).

## Authority forms

If you need to complete an Authority form e.g. change of circumstances, please download the most up to date form from our website. We update our forms regularly and it is important to use the most recent version.

**Margaret Steel**

**Chief Executive/Registrar (Acting)**

# Complaints Update

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

Number of:	Total year ending 30 June 2010	July 2010	August 2010	September 2010	October 2010	TOTAL
Complaints/allegations:	556	62	75	50	48	791
Complaints /allegations under investigation:						371
Withdrawn complaints:	14	7	5	6	3	35
CAC decisions not to inquire:	26	10	9	12	9	66
CAC determinations made:	59	33	29	58	45	224
Unsatisfactory conduct:	6	2	3	10	5	26
No further action:	51	31	25	48	40	195
Charges laid before the Disciplinary Tribunal:	2	0	1	0	0	3
Completed complaints:	99	55	46	76	57	334
Closed allegations:	0	6	4	3	8	21
Appeals:	5	5	4	3	9	26
Withdrawn appeals:	2	0	2	3	1	8
Complaints Assessment Committee (CAC) hearings held:	96	21	27	20	24	188

The following are currently before the Real Estate Agents Disciplinary Tribunal:

- Two charges laid by a CAC
- 18 appeals

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

# Licensing Update

Number of:	TOTAL (as at 31 October 2010)
Active real estate licences:	17,117
Suspended licences:	1,371

#### Regional Breakdown:

The following is a regional breakdown of individual licences as at 15 September 2010. This table does not include company agent licences.

	Class of Licence			Total
	Agent	Branch Manager	Salesperson	
Auckland	766	217	5644	6627
Bay of Plenty	154	35	813	1002
Canterbury/Westland	326	75	1705	2106
Gisborne/Hawkes Bay	89	27	417	533
Nelson/Marlborough	66	25	430	521
Northland	92	23	486	601
Otago/Southland	159	55	864	1078
Taranaki/Wanganui/Manawatu	124	38	711	873
Waikato	190	60	1021	1271
Wellington/Wairarapa	168	73	1104	1345
Not Specified	4	1	61	66
<b>TOTAL</b>	<b>2138</b>	<b>629</b>	<b>13256</b>	<b>16023</b>

## Unsatisfactory Conduct Determinations



### Things to Remember

The following is an overview of unsatisfactory conduct determinations that have been published since the last newsletter. 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.

#### Approved Guides:

Licencees 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

**Complaint Number: CA3326979**

**Determination made:** 22 September 2010

**Overview:** The service provided to the vendor was not as good as it could have been.

**Determination:** Finding of unsatisfactory conduct under section [72](#) of the Real Estate Agents Act 2008. Orders censuring the company and ordering the principal to apologise to the complainant.

**Complaint Number:** CA3289872

**Determination made:** 27 September 2010

**Overview:** Incorrectly stating the land area of a property in advertising material.

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

**Complaint Number:** CA2627859

**Determination made:** 27 September 2010

**Overview:** Failure to disclose that a major road project was being proposed.

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

**Complaint Number:** CA2839143

**Determination made:** 8 September 2010

**Overview:** Incorrect advertising of a property for a five week period.

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

**Complaint Number:** CA2366454

**Determination made:** 30 August 2010

**Overview:** Licensee failed to have an approved person in control of a branch office.

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

**Complaint Number:** CA2349705

**Determination made:** 27 August 2010

**Overview:** Unacceptable comments made by the licensee.

**Determination:** Finding of unsatisfactory conduct under section [72](#) of the Real Estate Agents Act 2008. No order has been made against the licensee on the basis that he could not have been fined or censured

#### **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 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.

under the Real Estate Agents Act 1976.

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**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](mailto:info@reaa.govt.nz).**

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

