

# Licensing

## Information Sheet

### What is a licence?

Under the Real Estate Agents Act 2008 a person (or a company) can only carry out real estate agency work if they have a licence granted by the Real Estate Agents Authority.

There are three classes of licensee:

- an agent's licence
- a branch manager's licence
- a salesperson's licence.

An agent's licence means that a person (or company) can be in business as an agent.

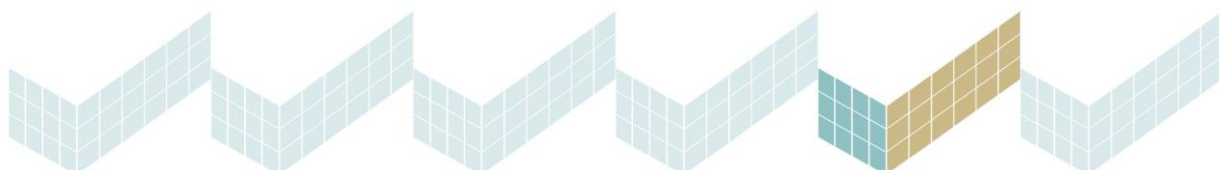
A branch manager's licence means that a person can carry out real estate agency work for an agent (a branch manager cannot be in business in his or her own right) and can supervise the work of a salesperson.

A salesperson can carry out real estate agency work for an agent but must be properly managed and supervised by an agent or branch manager.

Companies can be licensed as agents but not as branch managers or salespersons.

### Why is it important to be licensed?

It is an offence for someone to carry out real estate agency work without a licence. A person can only be licensed if they have the necessary qualifications and experience as set out in the Real Estate Agents Act 2008.



All licensees have to abide by a Code of Professional Conduct and Client Care that is issued by the Real Estate Agents Authority.

This means that when you employ a licensed person to help sell your property, you have some assurances that the person is properly qualified and supervised. It also means that if you have a subsequent concern that you will have redress through the Real Estate Agents Authority, and the Real Estate Agents Disciplinary Tribunal if necessary.

### How do I know if someone is licensed?

You can check on the register that is maintained by the Real Estate Agents Authority at [www.reaa.govt.nz](http://www.reaa.govt.nz).

The register will tell you whether the person is licensed, what class of licence they have and whether there has been any recent disciplinary action against the licensee.

A licensee must by law also show you proof of his or her licence if asked – you can ask to see this at any time.

### What is the difference between an agent and a salesperson?

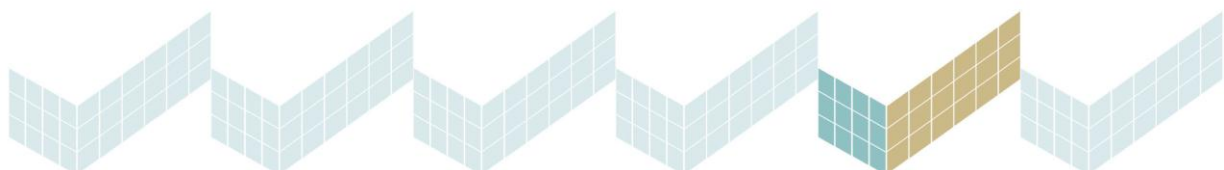
An agent can be in business in his or her own right. When you appoint an agent (by signing an agency agreement), you will usually be entering into an agreement with a company that is licensed as an agent.

An agent will usually have a number of salespersons who deal with clients on a day to day basis. Salespersons may be employees but are more likely to be independent contractors who work with the agent on a contractual basis. The person that you deal with on a day to day basis will generally be a salesperson.

A salesperson can carry out real estate agency work, but must be properly supervised and managed by an agent or branch manager. A salesperson cannot be in business in his or her own right.

### Who does the agent/salesperson work for?

The agent and/or salesperson always works for the client who is named in the agency agreement. This is usually the seller of a property. It is important to understand this if you are a



buyer – no matter how helpful the salesperson representing a property may be, they are accountable to, and paid by, the seller.

An agent or salesperson must not mislead or deceive a buyer, but you should not, as a buyer rely on them for advice or assistance.

Information sheets that provide further information on the property buying and selling process (including Buyers Agents) are available from [www.reaa.govt.nz](http://www.reaa.govt.nz) or by calling **0800 for REAA** (0800 367 7322) or (04) 471 8930.

## Real Estate Agents Authority

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To the best of the Real Estate Agents Authority knowledge, the information in this guide is accurate at the date shown below. However, the requirements on which this information is based can change at any time and the most up-to-date information is available at [www.reaa.govt.nz](http://www.reaa.govt.nz) [Version 1.1, 1 July 2011].

