

1972/261



THE REAL ESTATE AGENTS EXAMINATION ORDER 1972

DENIS BLUNDELL, Governor-General
ORDER IN COUNCIL

At the Government House at Wellington this 27th day of November 1972

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to the Real Estate Agents Act 1963, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following order.

ORDER

1. Title and commencement—(1) This order may be cited as the Real Estate Agents Examination Order 1972.

(2) This order shall come into force on the 1st day of January 1973.

2. Subject-matter and syllabus—The subject-matter and syllabus for the examination to be conducted by the Real Estate Institute of New Zealand Incorporated and to be passed by persons intending to apply for a real estate agent's licence which are set out in the Schedule to this order are hereby approved.

3. Application of order—Subject to the proviso to clause 4 of this order, this order shall apply with respect to all persons who enter for the examination after the commencement of this order.

4. Revocation—The Real Estate Agents Examination Order 1965* is hereby revoked:

Provided that, notwithstanding the revocation of that order, it shall continue to apply until 1 January 1975 with respect to those candidates who have passed in 2 or more subjects in accordance with that order, before the commencement of this order.

SCHEDULE

SUBJECT-MATTER AND SYLLABUS

(Reference to Acts and regulations include references to amendments)

GROUP I

Paper 1 (Time: 3 hours)

Contract and Agency Law

1. General questions on the law relating to formation of contracts, the Contracts Enforcement Act 1956, the effect of illegality, fraud,

*S.R. 1965/110

SCHEDULE—*continued*

misrepresentation, and mistake, and the remedies applicable for breach of contract or fraud involving the sale and purchase of land.

2. General questions on the law of agency, the rights, duties, and obligations of an agent, with particular emphasis on the position of a real estate agent.

3. Agreements for sale and purchase of land and business.

4. The provinces of the real estate agent and the solicitor.

Paper 2 (Time: 3 hours)

Real Estate Practice

1. Code of ethics.

2. Salesman; owner and salesman; buyer relationships.

3. General principles of salesmanship.

4. Advertising, methods of.

5. Insurance; introduction to insurance as pertaining to real estate.

6. Office systems, filing, and business letters.

Paper 3 (Time: 3 hours)

Real Estate Legislation

1. The Real Estate Agents Act 1963, and the regulations thereunder.

2. The Secret Commissions Act 1910.

3. Questions to test candidates' ability to apply the above Acts to given facts, with particular emphasis on the duties imposed on real estate agents by the Acts.

Paper 4 (Time: 3 hours)

Financial Records

1. Agent's responsibilities concerning receipt of trust money, rendering of accounts to principal, and the keeping of a trust account.

2. Use of an official trust receipt book.

3. Agent's duties under the Land Agents Audit Regulations 1962.

4. Trust account cash book, ledger entries.

5. Reconciliations.

6. General principles of elementary double-entry bookkeeping.

7. Negotiable instruments.

8. Postage and petty cash books.

9. Wage Records and PAYE.

GROUP II

Paper 5 (Time: 3 hours)

Building Construction

1. Construction.

2. Nature and characteristics of materials employed in foundations, plain concrete, brickwork, applied masonry, carpentry, plastering, joinery, plumbing, roofing, painting, and glazing.

3. Principles of plumbing and drainage, sanitation, heating, natural and artificial lighting, and electrical services.

SCHEDULE—*continued*

Paper 6 (Time: 3 hours)

Town and Country Planning

1. Historical background to town planning; the purpose, aims, and nature of town and country planning; regional and district schemes; land-use zonings and designations; conditional and predominant uses; land subdivision; reserves and open spaces; public utilities; siting and heights of buildings; plot ratios and site densities; communications and transport; parking and vehicular access to buildings; amenities.

2. A general knowledge of the intentions and administration of the Town and Country Planning Act 1953, subsequent amendments and the regulations made thereunder: an appreciation of the principles of town and country planning as enunciated and interpreted in the decisions of the Town and Country Planning Appeal Board and the more important judicial decisions affecting town planning; the functions and administration of Regional Authorities. Land subdivisional design in urban and rural areas within the framework of district and regional schemes. Site planning, road location, contours, excavations, filling, and standards of compaction. The design of open spaces and recreation areas. Appropriate standards of frontage and area for sites in various zones. The design of the various types of motorways, highways, roads, and streets—standards of reservation, carriageway, grass verge, footpath, and widths appropriate to each.

Paper 7 (Time: 3 hours)

Real Estate Appraisal Law

1. The law relating to land and to the valuation of land. In particular the relevant sections and their amendments of the following Acts: Valuation of Land Act 1951; Land Act 1948; Rating Act 1967; Counties Act 1956; Municipal Corporations Act 1954; Land Valuation Proceedings Act 1948; Tenancy Act 1955; Public Works Act 1928 (Compensation); Urban Renewal and Housing Improvement Act 1945; Land Settlement Promotion and Land Acquisition Act 1952; Fencing Act 1908; Arbitration Act 1908; Property Law Act 1952; Trustee Act 1956; Chattels Transfer Act 1924; Hire Purchase Act 1971; Wages Protection and Contractors' Liens Act 1939; Water and Soil Conservation Act 1967; Soil Conservation and Rivers Control Act 1941; Land Drainage Act 1908; Joint Family Homes Act 1964; Family Benefits (Home Ownership) Act 1964; Unit Titles Act 1972.

2. The duties, responsibilities, authority, and liabilities of a valuer; nature of work to be undertaken by registered valuers.

3. The principles of the preparation and presentation of evidence for Court purposes.

4. A knowledge of relevant Court decisions of importance and the manner in which judicial precedence is established by such decisions.

5. A knowledge of the systems of land tenure in New Zealand; land registration; accretion and erosion; easements; mortgages and other charges; leases.

6. The rights and liabilities arising from the ownership of land including trespass, nuisance, noxious weeds, and noxious animals.

SCHEDULE—*continued*

Paper 8 (Time: 3 hours)

*Principles of Real Estate Appraisal**Historical Development:*

The growth of the profession with particular reference to New Zealand; Valuer's legal liability; qualifications and professional conduct.

Principles of Valuation:

Definitions of "value"; "Willing Buyer—Willing Seller" theory; critical analysis of sales; methods of valuation including comparable sales, cost less depreciation, capitalisation of net income; Court decisions affecting principles and methods of valuation.

Valuation of Land:

Residential; local industrial; suburban shopping; rural townships (residential, commercial, and industrial); small rural holdings; site, area, and unit foot methods; principles and use of depth tables; a knowledge of the more appropriate depth tables in use; adjustments for oversize, irregularity, contour, undersize, corner influence; valuation of rear sites.

Valuation of Improvements:

Suitability and adequacy of improvements to land; depreciation and obsolescence; the theory, law, and practice of replacement costs, replacement values, and net rates; the analysis of sales of improved property.

NOTES

1. The examination will be held in November of each year. Entry forms may be obtained from Branch Secretaries of the Institute or the Dominion Secretary and entries must be lodged not later than 30 June.

2. Fifty percent of the total marks allotted to each paper will entitle the candidate to pass in that paper.

3. A candidate may not enter for more than 4 papers in any year: Provided that a candidate who has passed in 3 papers and has failed in 1 or more may enter for the 5 papers required to complete the examination in any year.

4. Subject to clause 3 of these notes, a candidate who has not passed in all the papers in Group I may not enter for any paper in Group II unless he also enters for all the papers in Group I in which he has not already passed.

P. J. BROOKS,

Clerk of the Executive Council.