

CPPREP4001 Prepare for professional practice in real estate

This unit specifies the skills and knowledge required to understand the personal and legislative requirements of professional practice in real estate.

It includes expressing a thorough understanding of the business structures, regulatory framework, codes of practice and professional development pathways within real estate

Student instructions place below

Use template provided

Assessment instructions here to be placed here. E.g. Create a report that address the activities placed below. Your project is to include a title page, table of contents, activity questions and all answers provided etc....

Assessment due date to be placed here.

the real estate agency functions and business structure

KE1 Explain real estate practice functions and business structure.

PE1

1.1 Explain the services offered by real estate agents.

KE2

Activity 1:

A real estate practice offers many services to clients. In this section you are to discuss what a client receives when they purchase a service that a real estate practice offers.

Service offered by real estate agent	Explanation
residential sales	
residential property management	
property management business development	
commercial/industrial/retail property management	
commercial/industrial/retail sales	
auctioneering	
buyer's agent	
stock and station agent	
business broker	

Student is to fill in the table below outlining what they can expect to receive when purchasing a service that a real estate practice offers.

Students must answer 7/10 bullet points to be satisfactory on each service offered.

Service offered by real estate agent	Explanation
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- purchasers/buyers
- landlords/rental provider/lessee
- tenants/renter
- other parties to the real estate transaction

1.3 Identify and explain the practice-principal relationship

Activity 3:

Discuss the relationship between the practice and the principal.

The student is to discuss the role of the principal agent and their responsibilities within the practice.

The principal agent is the agent in control of an estate agency business including sole trading enterprise, partnership or corporation. In the case of a corporation, the principal agent is called the officer in effective control. The officer in effective control (OIEC) is the principal agent in control of the estate agency business of a corporation.

The principal agent and the officer in effective control of a corporation must:

- regularly and substantially attend and be in charge at the principal office
- control and supervise the agency business, including any branch offices
- establish procedures to ensure the agency's ongoing compliance with the law and good agency practice, and monitor the agency to ensure these procedures are followed
- take reasonable steps to ensure that estate agents, agents' representatives and other employees comply with the law.

1.4 Research and record forms of real estate business ownership and organisational structures.

KE 5 (forms of ownership)

Activity 4:

Visit the website <https://www.business.gov.au/planning/business-structures-and-types/business-structures> and discuss the forms of ownership that a real estate business can possess and the advantages and disadvantages of each.

Student is to visit the website given, discuss 4 forms of ownership and mention the advantages and disadvantages of each.

details of at least 3 different employment opportunities in the real estate industry.

1.5 Research and record roles and responsibilities of key personnel in real estate, including practice principals/agent in charge/or person in effective control.

KE5 (roles and responsibilities of practice personnel)

Activity 5:

Conduct research into the Real Estate Industry, fill in the following table and explain the role and responsibilities for each role.

Legislation	Explanation (What it tries to achieve)	How could this impact staff within the workplace
Property and Stock Agents Act (2002)		
Property and Stock Agents Regulation (2014)		
Privacy Act (1988)		
Strata Schemes Management Act (2015)		
Anti-Discrimination Act (NSW) 1977		
Equal Opportunity Act (2010)		

Student is to conduct research on the legislation shown in the Activity. Student is then to fill in the table outlining the purpose of the legislation and how it could impact

Legislation	Explanation (What it tries to achieve)	How could this impact staff within the workplace
Property and Stock Agents Act (2002)	Regulates how real estate professional conduct themselves within NSW	Gives guidance on legal, ethical and professional conduct within the workplace. Gives guidance on licenses, duty to disclose information to others, representing property, unjust conduct
Property and Stock Agents Regulation (2014)	Outlines specific rules for how real estate staff conduct them and outlines penalty notices for offences	Gives guidance on legal, ethical and professional conduct within the workplace
Privacy Act (1988)	promote and protect the privacy of individuals and to regulate how Australian Government agencies and organisations deal, use, collect and distribute information.	Illustrates what a business must to be complaint with the Australian Privacy Principles. Gives clear examples on what staff must not do if the information is sensitive, direct marketing occurs, correctness of information, security of information
Strata Schemes Management Act (2015)	Reforms related to Strata Schemes, owners Corporations and Strata committee, meetings, levies	Stay up to date with changes to how strata in real estate works and the laws surrounding how to deal with issues such as levies and

The Department of Fair Trading is the regulator for Real Estate in NSW.

Legislation is the *Property and Stock Agents Act 2002 No 66* and *Property and Stock Agents Regulation 2014*.

Student is to discuss the link between the legislation, enforcement of the legislation through the Department of Fair Trading and two (2) recent changes to legislation via reforms from the State Government. New changes include;

- Restructured licensing system
- Restricted functions for different licenses
- Appointing a single licensee in charge of the business
- Raised qualification and Continuing Professional Development (CPD) requirements
- Disclosing specific prescribed material facts
- Extended rules of conduct
- Monthly rental income to landlord
- Limited value of gifts and benefits
- Separate trust accounts for rental and sales money

2.5 Identify industry bodies for real estate in the state or territory of operation and explain their role in the industry.

KE3 role and function of real estate professional and industry bodies

Activity 9:

In the table below you are given various industry bodies. Conduct research and then fill out the table below describing their role and explain three (3) functions the organisation provides.

Real estate professionals and industry bodies	Role and functions
The Real Estate Institute of Australia	
The Real Estate Association of NSW	
Housing Industry Association	
Australian Property Institute	

Student is to bullet point 3 role and functions for each entity given in the table

Licensing requirements

2.6 Research and record licensing and eligibility requirements for real estate personnel, including required qualifications in the state or territory of operation.

PE3 the licensing requirements and responsibilities of:

- the real estate licensee in charge or person who has effective control of the office
- two other agency roles (at least one is to be a regulated role)

- unlicensed trading - Person / Business (real estate agent) represents that they are a licensed real estate agent, when in fact, they are not.
- licensing lending – Person / Business (real estate agent) allow or help a non-licence holder to use their licence to act as an estate agent.

3 - Explain employment opportunities in the real estate industry.

3.1 Research and explain potential employment arrangements for real estate in the state or territory of operation.

Activity 12:

You are to get access to a copy of the *Real Estate Industry Award 2010*. Explain the employment arrangements in NSW and how they operate.

Student to access the Real Estate Industry Award 2010 via the FairWork Ombudsman website and search for Schedule A—Classification Structure and Definitions to explain roles and duties for each level.

3.2 Analyse National Employment Standards and record employer and employee rights and responsibilities

Activity 13:

Download a copy of the Fair Work Information Statement from the FairWork Ombudsman website. Identify five (8) employee rights employer and employee rights and responsibilities.

Student is to examine the Fair Work Information Statement and bullet point eight (8) employer and employee rights and responsibilities

3.3 Examine and explain standard terms and conditions for employment in real estate.

Activity 14:

Examine the standard employment contract for real estate industry professionals (attached in Appendix 2). Explain seven (7) conditions and terms of employment within the contract.

Student is to examine the standard employment contract given in Appendix 2 and explain 7 conditions. A minimum of one sentence per condition is required.

4. Examine communication skills

4.1 Research communication strategies used to build client relationships.

Activity 15:

Communicating with clients is vital in establishing relationships, ensuring the client is well informed and keeping up to date with changes within the industry. Research and discuss three (3) communication strategies you would use when forming a relationship with a client.

Activity 18:

During employment as an industry professional you will have to engage in professional development. Describe 2 professional development opportunities you can partake to increase your skills and knowledge in the profession.

Students are to access the Department of Fair Trading's CPD requirements at <https://www.fairtrading.nsw.gov.au/housing-and-property/property-professionals/working-as-a-property-agent/Continuing-Professional-Development-CPD-requirements> and describe CPD 2 activities they must engage in each year.

Appendix 2

COMMENCEMENT AND WARRANTIES

- 1.1 Your date of commencement of employment with the Employer is identified at **Error! Reference source not found.** of the Schedule.
- 1.2 The terms and conditions of your employment will be in accordance with the Contract and, where applicable, the industrial instrument as named in **Error! Reference source not found.** of the Schedule (the Industrial Instrument), as varied and amended from time to time.
- 1.3 You agree that:
 - (a) you hold the qualifications and have the skills as represented by you to the Employer;
 - (b) you have disclosed to the Employer any restraint or restriction which may affect your performance of work;
 - (c) you enter into this contract without any form of coercion;
 - (d) you are legally entitled to work in Australia, and agree to produce the appropriate documentation where requested by the Employer; and
 - (e) you have and will maintain the licences and qualifications necessary to fulfil your role.

2. PROBATION

- 2.1 Your employment is probationary for the first six months of employment with the Employer.
- 2.2 During the probationary period, your employment may be terminated with one week's notice by either party, or payment in lieu of such notice.
- 2.3 The Employer may, at its discretion, extend the probation period.

3. POSITION AND TITLE

- 3.1 You are employed on a full time basis in the position described at Item 3 of the Schedule.
- 3.2 You may be required to perform other tasks from time to time, as reasonably requested by the Employer.

4. PRINCIPAL DUTIES

- 6.4 The licence or certificate are considered essential requirements of your role. The Employer reserves the right to terminate your employment without notice in the event that you fail to maintain these licences/certificates and you are unable to perform the requirements of your role.
- 6.5 You must notify the Employer immediately in the event that you no longer hold, or are no longer eligible to hold, the above licence or certificate.

7. PLACE OF EMPLOYMENT

- 7.1 Your principal place of employment will be at the location described in **Error! Reference source not found.** of the Schedule, or as otherwise reasonably directed by the Employer.
- 7.2 Due to the nature of the role and the business, you will be required to travel to, and work at, client and prospective client sites within a reasonable travelling distance, as directed by the Employer.

8. HOURS OF WORK

- 8.1 The business' normal span of hours of operation are outlined at **Error! Reference source not found.** of the Schedule.
- 8.2 You will be required to work 38 hours per week plus any additional hours which are reasonably necessary to fulfil the requirements of your duties, or as reasonably required by the Employer.
- 8.3 You will be required to work regular Saturdays and Sundays as directed by the Employer. Where this is the case, you will be given 1 day of time off in lieu for these hours, to be taken as mutually agreed between yourself and the Employer.

9. REMUNERATION

- 9.1 Your rate of pay is set out at **Error! Reference source not found.** of the Schedule.
- 9.2 Your rate of pay is inclusive of any and all penalties, allowances, overtime and loadings (including leave loading) which may otherwise be payable. As such, your pay takes into account any hours that you are required to work outside of your standard hours of employment.
- 9.3 Where your pay exceeds any legislative minimum entitlements, any amount paid in excess of these minimum entitlements may be used to offset any entitlement that may otherwise have been applicable.
- 9.4 The Employer will make Superannuation contributions on your behalf in accordance with legislation.

10. ANNUAL LEAVE

15. COMMISSION SCHEME

- 15.1 You may be entitled to commission in accordance with the Employer's commission scheme.
- 15.2 The Employer will provide details of any applicable commission scheme to you upon the commencement of your employment, or at the time any such scheme is introduced.
- 15.3 The Employer at all times retains the absolute discretion to vary, alter, amend or remove any such commission scheme at any time. The Employer will notify you of any such changes.

16. VEHICLE ALLOWANCE

- 16.1 You may be required to use your private motor vehicle for work purposes.
- 16.2 Conditional upon you maintaining a valid driving licence and a suitable vehicle, you are entitled to receive a vehicle allowance in addition to your remuneration. This is based on the details you provide us and in accordance with the Award. You will not be entitled to any further payments in respect of work related use of your private vehicle.
- 16.3 It is a condition of this allowance that you ensure that your vehicle is neat and clean at all times, and maintained in a state of good mechanical order.
- 16.4 This allowance will not be payable where you take leave without pay, or for any period in which you do not have a suitable vehicle available for work-related use.
- 16.5 Additional rules regarding vehicles and driving are set out in the Handbook which you are expected to read and fully comply with. The Employer reserves the right to vary, alter or withdraw these arrangements and will provide reasonable notice of any such changes.

17. MOBILE PHONE ALLOWANCE

- 17.1 You may be required to use your personal mobile phone for work purposes. You are entitled to receive a phone allowance in addition to your remuneration. This is based on the details you provide us and in accordance with the award. You will not be entitled to any further payments in respect of work related use of your mobile phone.
- 17.2 Additional rules regarding phones are set out in the Handbook which you are expected to read and fully comply with. The Employer reserves the right to vary, alter or withdraw these arrangements and will provide reasonable notice of any such changes.

18. CONFIDENTIAL INFORMATION

- (a) to refrain from directly or indirectly disclosing to a third party Confidential Information except in the proper course of carrying out your duties;
- (b) not to use the Confidential Information for any purpose other than for the benefit of the Employer;
- (c) to keep confidential all Company Confidential Information; and
- (d) to comply with the terms of this Contract unless otherwise required by applicable laws or regulations.

19. INTELLECTUAL PROPERTY

19.1 All Intellectual Property rights arising from any works created or developed by you in the course of your employment (whether alone or with others) will belong to the Employer and you agree to immediately disclose to the Employer all such works.

19.2 You agree that all existing Intellectual Property rights, title and interest in all works created or developed by you in the course of your employment (whether alone or with others) are vested in the Employer and upon their creation, all such rights will vest in the Employer. You agree to execute all documents and do all acts required to secure any Intellectual Property rights for the Employer.

19.3 For the benefit of the Employer, you consent to any and all acts or omissions (whether occurring before or after this consent is given) in relation to all works made or to be made by you in the course of your employment which might otherwise infringe your Moral rights in those works.

19.4 You warrant that you have consented without coercion or without relying on any representations other than those set out in this contract.

19.5 For the purposes of this Contract:

- (a) “Intellectual Property” means all form of intellectual property rights throughout the world including but not limited to copyright, registered patent, design, trade mark and confidential information including know-how and trade-secrets.
- (b) “Moral Rights” has the meaning given to it in the *Copyright Amendment (Moral Rights) Act 2000* and includes rights of integrity of authorship, rights of attribution of authorship and similar rights that exist or may come to exist anywhere in the world.
- (c) “Works” means all inventions, policies, practices, designs, drawings, plans, software, hardware, reports, documents, systems, improvements and other materials.

Length of continuous service	Period of notice
Not more than 1 year	1 week
More than 1 year, not more than 3 years	2 weeks
More than 3 years, not more than 5 years	3 weeks
More than 5 years	4 weeks

20.3 If you are over the age of 45 years and have at least two years' service, you are entitled to one additional week's notice of termination.

20.4 You may terminate this contract at any time by providing the Employer with one weeks' written notice.

20.5 The Employer may, at its discretion, make payment to you in lieu of all or part of this notice period. On termination, you are also entitled to payment for any untaken annual leave entitlements.

20.6 During the whole or any part of the notice period, the Employer is under no obligation to assign you duties or functions or to provide any work to you and may direct you not to attend work during all or part of the notice period.

20.7 On termination of employment for any reason, you must immediately return to the Employer all property, documents and items relating to the business of the Employer which you have in your possession or control. This includes, but is not limited to, any car, equipment, papers, keys, reports, computers, information, programs, records and documents, intellectual property and other information, in whatever form, relating in any way to the Employer or its clients.

20.8 On termination of employment for any reason, you must also irretrievably delete any Confidential Information stored on any computer, magnetic or optical disk or memory, and all matter derived from those sources in your possession, custody, care or control outside the Employer's premises.

20.9 You will repay to the Employer the balance of any loans or advances made by the Employer against your pay or leave entitlements, or any money otherwise owed to the Employer by you. The Employer is authorised to deduct from your final pay any moneys owing to the Employer on termination.

21. Non Solicitation and POST-TERMINATION RESTRAINT

21.7 Each of the covenants in this clause will have effect as if it were the number of separate covenants resulting from combining each covenant with each subsection of the defining terms, referred to in the covenant. Each of the above obligations are separate and independent obligations. In the event that one or more of the obligations are found to be unenforceable, the remaining obligations will continue to apply.

21.8 You acknowledge that each of the above restrictions are reasonable and necessary to protect the Employer's legitimate interest.

21.9 You acknowledge that you will be liable in damages (including punitive or special damages) arising out of the breach of any of the terms of this provision.

22. REDUNDANCY

If your position is made redundant, you shall not be entitled to any payment except as required under the Fair Work Act.

23. ASSIGNMENT

23.1 You may not assign or transfer the rights and benefits under this contract.

23.2 The Employer may assign its rights and obligations under the Contract to any person, business, company or entity.

24. GOVERNING LAW

The Contract shall be governed by the jurisdiction of the courts in the State or Territory as described at **Error! Reference source not found.** of the Schedule.

25. VARIATION OF TERMS

The terms of the Contract may be varied from time to time by mutual agreement in writing between the parties.

26. SEVERABILITY

If any of the terms and conditions of the Contract are void, or become voidable by reason of any statute or rule of law then that term or condition shall be severed from the Contract without affecting the enforceability of the remaining terms and conditions.

27. ENTIRE AGREEMENT

The contents of the Contract constitute the entire agreement between you and the Employer. Any previous agreements, understandings, and negotiations on this subject matter cease to have effect.

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Performance Criteria

Assessment 1 - Activity

1	Explain real estate agency functions and business structure.	1.1	Explain the services offered by real estate agents.	1
		1.2	Identify parties to real estate transactions.	2
		1.3	Identify and explain the agency-principal relationship	3
		1.4	Research and record forms of real estate business ownership and organisational structures.	4
		1.5	Research and record roles and responsibilities of key personnel in real estate, including agency principals/agent in charge/or person in effective control.	5
2	Interpret professional practice guidelines.	2.1	Analyse key legislation and explain its relevance to own work role.	6
		2.2	Interpret and explain equal opportunity and anti-discrimination principles and laws and how these apply to real estate activities in the state or territory of operation.	6
		2.3	Analyse and explain codes of practice relevant to the real estate industry.	7
		2.4	Identify the regulator for real estate activities in the state or territory of operation and explain their role in the industry.	8
		2.5	Identify industry bodies for real estate in the state or territory of operation and explain their role in the industry.	9
		2.6	Research and record licensing and eligibility requirements for real estate personnel, including required qualifications in the state or territory of operation.	10

Performance Evidence

Performance Evidence

- the real estate agency functions and business structure 1 to 5
- the regulatory framework, regulator and industry bodies in the state or territory of operation 6 to 9
- the licensing requirements and responsibilities of:
 - the real estate licensee in charge or person who has effective control of the office 10
 - two other agency roles (at least one is to be a regulated role) 10
- the terms and conditions of employment in real estate. 13
- details of at least 3 different employment opportunities in the real estate industry. 5
- details of at least 3 different communication strategies that can be used with clients. 16
- at least 2 professional development pathways within real estate. 18

Knowledge Evidence

Knowledge Evidence

To be competent in this unit, a person must demonstrate knowledge of:

- clients of real estate services
 - vendors/sellers 2
 - purchasers/buyers 2
 - landlords/rental provider/lessee 2
 - tenants/renter 2
 - other parties to the real estate transaction 2
- services provided as apart of real estate activities
 - residential sales 1
 - residential property management 1
 - property management business development 1