

Industry Advisory Group meetings

Kevin Lampen-Smith
Chief Executive

Phirak Appleton
General Counsel

Steve Bruce
Head of Strategy & Insights

5/6 November 2018

Agenda

Item	Topic
1	Welcome and introductions
2	Introduction to IAGs
3	REA update: <ul style="list-style-type: none">• Strategy• Continuing Professional Development (CPD)
4	Other business: An hour or so to talk about topics relevant to each sector <ul style="list-style-type: none">• Business IAG: AML and Rule 9.11
5	Topics for the next meeting (May/June 2019)



Introduction to Industry Advisory Groups (IAGs)



A brief look at the IAG Charter

We look forward to working with each IAG to provide REA with advice about:

- Issues facing the real estate industry
- Operational issues
- Proposals REA is considering.

The four IAGs are:

- Business broking
- Commercial
- Residential
- Rural



IAG membership

- Members are active real estate licensees working in the IAG sector - there are usually up to eight members on each IAG
- Appointments are generally for two years
- IAG members:
 - provide impartial advice
 - have high integrity
 - a sense of public duty
 - high credibility within the industry.



IAG meetings

- We meet twice a year in May/June and November
- We welcome your views and comments at the meetings – and by email or phone between meetings
- We encourage you to discuss the agenda topics with your colleagues and peers before and after the meetings
- If you're not able to attend a meeting, please send a delegate from your office or agency
- Please note that you do not represent REA or speak on REA's behalf
- REA staff may contact you between meetings to seek your feedback or input, for example, about website content or training material.



Previous IAG members told us

The best thing about being part of an IAG:

- Getting a chance to understand REA's perspective on key matters
- Having a forum to discuss common issues
- Meeting other licensees
- Reporting back to colleagues

IAGs could be improved by:

- Meeting more often
- Longer meetings
- Allow members to contribute to the meeting agenda



REA update

Our plan to achieve our long-term aim



Vision

*A better
real estate experience for all*

Strategic goal

Empowered consumers working with trusted real estate professionals

Strategic priorities

Identify and reduce the causes of harm

Better educate and inform consumers



Increase professionalism and public confidence in the real estate industry

Raise our profile and level of connectedness

Enabling priorities

Great people and quality systems aligned to our success

Values

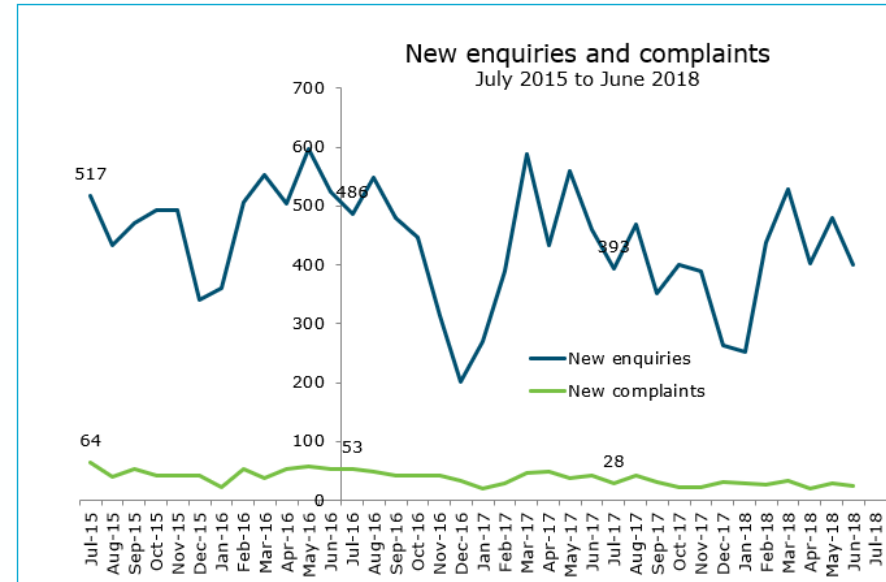
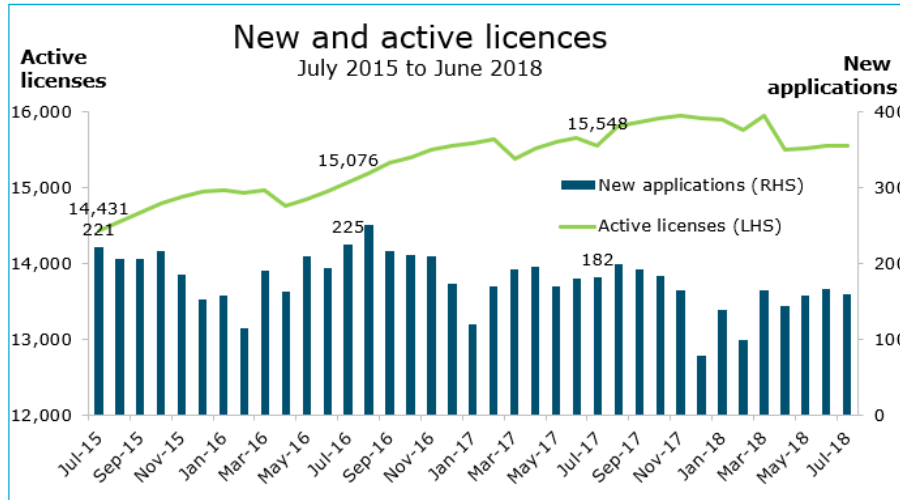
We are professional – We are proactive – Our people matter

Purpose

To promote and protect the interests of consumers with respect to real estate transactions and to promote public confidence in real estate agency work

REA update - a few stats

- REA closed 238 complaints through the early resolution process in 2017/18.
- 337 complaints in 2017/18



Identifying and reducing consumer harm

Progress/achievements...

- Problems and issues research
 - Vendor disclosure
 - Licensees
 - Complaints experience
- Consumer and industry segmentation
- Voice of the customer
 - Website feedback
 - Licensee user testing
- Targeted campaigns
 - Social media, videos, blogs
 - Open home tools



Focus...

- Consumer and industry research
- Embed voice of the customer
 - CAC complaints process
 - REA experience
- Targeted campaigns
 - First home buyers
 - Open homes
 - Migrants

Better educating and informing consumers

Progress/achievements...

- settled.govt.nz
- Launched in February 2018
- Promising early results
 - **300,000+** video views
 - **250,000** unique visitors
 - **7,600** Facebook followers

Focus...

- More educational videos
- Tools and interactive resources
- Digital marketing to reach target audiences
- Website links with stakeholders



Increasing professionalism and public confidence

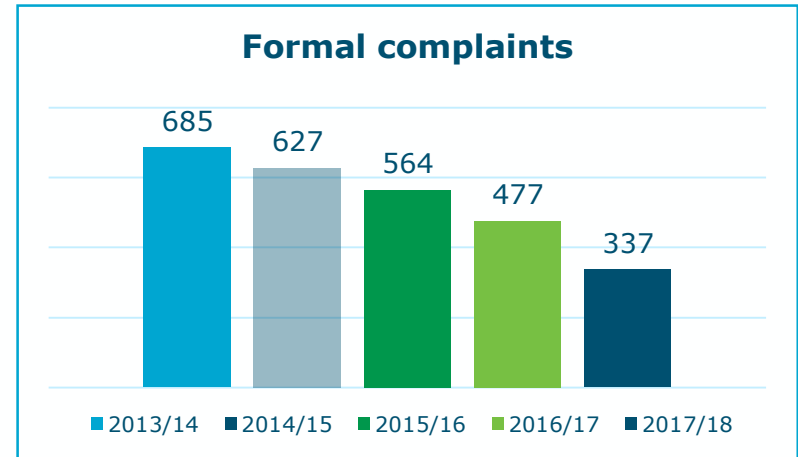
Progress/achievements...

- Supervision Standard
 - 90% of salespeople
 - 95% of supervisors agree it helps compliance
- REA's communications
 - 91% find the REA newsletters informative
 - 93% find the REA website informative



Focus...

- Continuing professional development
- AML/CFT rollout
- Industry guidance and standards



Increasing awareness of REA and our connectedness

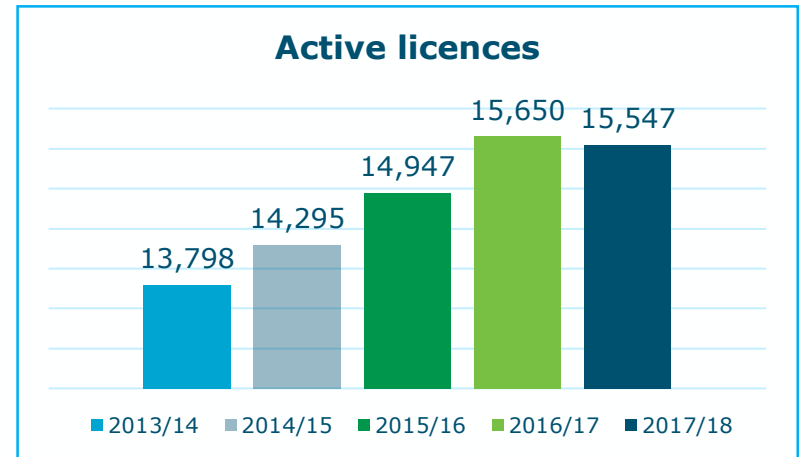
Progress/achievements...

- New name and refreshed REA brand
- New website – **rea.govt.nz**
- New agreement guides
 - 90% of consumers find them useful



Focus...

- Developing and leveraging stakeholder relationships
- Promoting REA and settled.govt.nz





Continuing Professional Development (CPD)

Changes and update



The new CPD model offers more flexibility and relevancy to licensees

- New CPD programme from 1 January 2019
- 10 hours of verified training
 - 5 hours of mandated topics + 5 hours of elected topics
- 10 hours of non-verified training
 - No change
- Select topics from a library of relevant material.
- We will have a new CPD guidance document available by 1 January 2019.
- We are investigating options to improve the quality and professionalism of the training material provided to licensees from 2019.



Questions for the business, rural and commercial IAGs

The 2019 verifiable training material is written for all sectors, though many of the examples and case studies referred to are from the residential sector because that is where most of the Tribunal and CAC decisions have been.

- Knowing it would be helpful for REA to produce business, commercial and rural versions of the training material (as was the case in 2014)...
 - Are there specific sector topic areas that we should address in training?

The rea.govt.nz website focuses largely on the residential sector for similar reasons. Would you like to see specific rural, business and commercial information on the site?

- If so, which topics would you like to see covered?
- If there is interest in drafting sector-specific information for training and for rea.govt.nz, it will be helpful to have a knowledgeable contact from each sector to work with.



Additional slides



Disclosure of methamphetamine residue

Discussion on industry guidance

Initial confusion after Chief Scientist's report, REA guidelines were developed to help the industry.

The meth house is a myth: There's 'no risk' from drug smoking residue, Govt report finds

Henry Cooke • 19:21, May 29 2018



NEW ZEALAND / HEALTH

Evidence used for meth evictions and costs questioned

11:39 am on 12 June 2018

Share this

Tribunal sticks to existing meth standard

Thursday 12 July 2018

Hopes of a change in the Tenancy Tribunal's approach to meth contamination seem misplaced, with the release of its first post-Gluckman report orders on meth cases.

HAWKE'S BAY TODAY

Meth guidelines wrong - realtor

23 Jun, 2018 12:45pm

⌚ 4 minutes to read

REA Guidelines

- Evidence based
- Expert opinions sought
- Fair for vendors and purchasers

Gluckman report is now more widely accepted.

Tribunal to adopt Gluckman's meth standard

Saturday 13 October 2018

The Tenancy Tribunal will, generally, accept 15 micrograms per 100cm² as the minimum standard for meth contamination in rental properties.

By The Landlord

Tenancy Tribunal chief adjudicator Melissa Poole said it will use the 15mg level as proposed in the Gluckman report - as long as the meth test was done after the report was released on May 28 this year.

She told delegates at the NZ Property Investors Federation conference in Dunedin that the Tribunal had done a lot of work and talked to many people about the standard, including Housing Minister Phil Twyford.

 G+ Tweet Like 64



Tenancy Tribunal chief adjudicator Melissa Poole

The Government acknowledges people have been hurt badly by the botched Housing New Zealand testing for methamphetamine.

Housing New Zealand will compensate 800 tenants kicked out of their homes for meth tests the agency now admits were wrongly used and not needed.

In a huge mea culpa, the state housing agency has finally apologised and admitted to misusing a Ministry of Health guideline while pursuing an "dogmatic" policy of zero tolerance it now admits has "little merit" and cost \$100m in unnecessary tests and cleanup.



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Promotion to the real estate industry

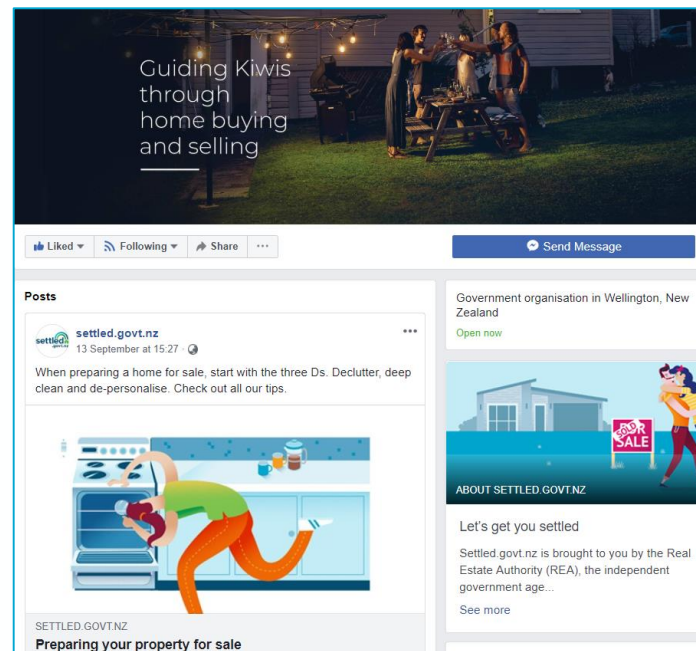
Settled.govt.nz is designed to empower consumers and help improve the real estate experience.

Consumers:

- Visited by **2,000** people per day
- Videos viewed **1,000** times per day
- Feedback: **4.44** out of 5 for useful content

Licensees:

- **50%** of licensees have visited settled.govt.nz
- Of those, **59%** have shared / recommended it to others
- Overall very positive comments from licensees and constructive feedback that has been incorporated into the content and ongoing development.



Most visited pages on settled.govt.nz

Mortgage calculator

Thinking of buying a home?
Use our simple mortgage calculator to help work out your costs.

Scenario 1

Loan amount
\$100,000

Interest rate
5.79 % pa

Loan term
30 years

Calculate


Minimum repayment:
\$1,352

Fortnightly

Making an offer

When you're ready to make an offer on a property, you'll need to confirm your finances and make sure you understand the sale and purchase agreement and the different methods of sale.

Confirming your finances	Understanding the sale and purchase agreement when buying	Buying by auction
Buying by tender	Buying by negotiation and deadline	Understanding a multi-offer process



Understanding the types of ownership

There are different types of land ownership in New Zealand. The type of ownership has a direct impact on what you can and cannot do with the property.

Summary of important things to know

- ✓ There are four main types of property ownership in New Zealand – freehold, leasehold, unit title and cross lease.
- ✓ Each type means different rights, responsibilities and restrictions for the owner.
- ✓ For any type of property, you should ask your lawyer or conveyancer to review the record of title (also known as the certificate of title). This is the legal document that contains the property's legal description, details of its ownership and the rights and/or restrictions registered against it.
- ✓ Freehold. This is also known as fee simple and is the most common ownership type in New Zealand.

Learning about the property

When you've found the property you want to buy, it's important to find out as much as possible before you make an offer.

Summary of important things to know

- ✓ We recommend you hire an accredited property inspector to produce a property inspection report.
- ✓ Look at what the roof is made of and find out what kind of ongoing maintenance it will need.
- ✓ If the house has piles, check that they are in good condition and are properly braced.
- ✓ Retaining walls are important because they are costly to repair. Pay particular attention to large, structurally important walls when buying a home.

Understanding the sale and purchase agreement when buying

A sale and purchase agreement is a legally binding contract between you and the seller.

Summary of important things to know

- ✓ You must sign a written sale and purchase agreement when you buy a property.
- ✓ Always check your sale and purchase agreement with a lawyer or conveyancer before signing. You need to read and understand the agreement before you sign it.
- ✓ You should always get legal advice before you sign the agreement and throughout the

Licensee feedback on settled.govt.nz

Great concept, great site, and the buyers/owners I have directed there have found it very useful.

Very well put together and informative.

A very user friendly site keep it that way.



Posts which are either buyer or client informative, have been shared on our Facebook pages which has achieved greater viewing numbers.

I think this is an excellent resource. I share articles regularly. Great to recommend to buyers and vendors so they understand the process without thinking you have a vested interest in their outcome.

I always recommend our clients to look at the website to know what their rights are and to get information on the procedures.



Ongoing enhancements and developments

Ongoing developments:

- Regular blogs for buying and selling property
- More information videos for social media
- New checklists and a tool for the benefits / costs of due diligence
- Smarter search functionality
- Consumer protection campaigns
 - First home buyers
 - Open homes



Anti-Money Laundering and Countering Financing of Terrorism

Supporting the implementation of the legislation



AML/CFT for real estate industry from 1 Jan 2019

- How does the industry sees the upcoming AML/CFT compliance?
- What concerns do you have about the implementation process for the industry?
- REA will be attending DIA run workshops during November
- REA has been working closely with MoJ (legislation and regulations) and DIA (supervisor), what else should REA do to support the industry in implementing AML/CFT?