



REINZ Code of Practice for Residential Property Management

Introduction

The Real Estate Institute of New Zealand (REINZ) is a voluntary organisation representing practitioners in the real estate industry. REINZ and its members are committed to developing and enhancing the real estate industry by providing excellence in customer care and upholding standards of practice that are open, ethical and honest. All members of REINZ agree to support this objective by abiding by these principles in all dealings with their landlords, tenants, other members of REINZ and members of the real estate profession.

This Code of Practice for Residential Property Management (“The Code”) governs the conduct of members of REINZ and their property managers, letting agents and other employees and or contractors undertaking residential property management and letting services.

All Agency Members of REINZ will take reasonable steps to ensure that all relevant employees are familiar with the code and conduct their activities in accordance with both the principles and spirit and intention of the Code.

REINZ Agency Members also abide by the REINZ Code of Agency Practice and the Code of Individual Membership covers the individual conduct of all persons engaged in every Agency Member’s business.

General

Agency and Individual members should comply with the requirements of the Residential Tenancies Act 1986 and any other statutory or professional body established to oversee their respective area of practice including the, Privacy Act 1993, Secret Commissions Act 1910, and any amendments or subsequent statute thereof.

Agency Members and Individual Members should comply with the Human Rights Act 1993, offer equality of service to any client or customer and not discriminate on the grounds of colour, race, nationality, religion, ethical belief, political opinion, sex, marital status, family status, employment status, disability, age or sexual orientation.

While the Agency Member or Individual Member is obliged to act in the best interest of their landlords, tenants and prospective tenants should also be treated with appropriate care.

Agency Members or Individual Members who make public their personal views on the residential property management sector should not claim they are representing the official view or policies of REINZ unless they have been authorised to so by the Chief Executive Officer or Board of REINZ.

All Agency and Individual Members of REINZ should comply with the following:

1. *Standards of Excellence in the Residential Property Management Sector*

- 1.1. Endeavour to act with professionalism, honesty and integrity to eliminate practices which may bring the agency and the sector into disrepute.
- 1.2. At all times, treat other agency members, individual members and independent property managers in a professional and courteous manner.

2. *Landlord Care*

- 2.1. At all times, provide professional, independent and objective advice to landlords.
- 2.2. Demonstrate professionalism, honesty and integrity in all dealings with landlords and avoid any conduct that could be misleading or deceptive.
- 2.3. Enter into written management authorities outlining all responsibilities, fees and charges to landlords.

3. *Establishing a Rental Figure*

- 3.1. Prepare rental assessments on a sound market basis having researched Ministry of Business Innovation and Employment statistics and other available market information.
- 3.2. Correctly represent the rental market rather than elevating potential achievable rents in order to gain listings and or new landlord clients.

4. *Management Authority*

- 4.1. Use either the management or letting authority published by REINZ, or any other form, that clearly sets out the terms and conditions of the agreement including, in the case of a management authority, the duties required of the Agency Member and the extent of the Agency Member's authority.
- 4.2. Complete all management authority documentation with accuracy and clarity.
- 4.3. Prior to advertising a property for letting or prior to commencing the management of a property, obtain an authority signed by all the registered owners of the property or persons authorised to sign the authority.
- 4.4. The registered owners of the property, or an authorised agent signing the agreement on their behalf, should be provided with a signed copy of the letting and/or management authority.

5. *Tenant Selection and Tenancy Documentation*

- 5.1. Give every prospective tenant a fair and reasonable opportunity to apply for a tenancy. Each application should be considered on its merit with relevant checks and at all times, in compliance with the Human Rights Act 1993.
- 5.2. Ensure applications are reviewed in order to determine the prospective tenant's ability to meet all provisions of the tenancy agreement.
- 5.3. Use either the Tenancy Agreement published by REINZ ADLSi, or any other form, that clearly sets out the terms and conditions of the agreement.
- 5.4. All tenancy agreement documentation should be completed with accuracy and clarity.
- 5.5. Allow an intending tenant a reasonable opportunity to read the tenancy agreement prior to signing the agreement. They must be shown and have explained all the associated costs upon entering into the tenancy agreement e.g. letting fee, bond, rent in advance.
- 5.6. Advise tenants of their rights to seek independent advice on the tenancy agreement.

6. *Tenant Care*

- 6.1. At all times, treat tenants with courtesy and respect.
- 6.2. Recommend to tenants they consider obtaining tenants' contents and liability insurance.
- 6.3. Make a tenant aware of the necessity to notify the Agency Member or Landlord, as soon as possible after discovery, of any damage to the premises or the need for any repairs, including, but not limited to, swimming pools and their fences and gates (if any).
- 6.4. Ensure the tenant is made aware that the rent needs to be paid as and when it is due and payable under the tenancy agreement.

7. *Care of Managed Property*

- 7.1. Manage the property in accordance with relevant statute, tenancy agreement and management authority.
- 7.2. Use best endeavours to keep the landlord fully informed of any issues relating to the effective running of the management of their property.
- 7.3. Take all reasonable steps to obtain the best pricing and options for repairs and maintenance. Be prudent in the selection of contractors engaged to carry out work on the property.

8. *Care of Landlord and Tenant Funds*

- 8.1. Ensure that Client Monies held by, or on behalf of, a Member are at all times held in trust accounts.
- 8.2. Where legal standards exist in respect of an Agency Member's trust accounts, (such as real estate agency work), ensure that all such legal standards are adhered to as a minimum. In addition, or as a minimum, if there are no prescribed legal standards for that activity (such as body corporate management), Agency Members shall ensure:
 - (i) That client monies are protected and that all necessary and prudent steps are taken to ensure the security of such client monies. This shall include holding fidelity insurance, and regular independent reviews of the operation and balance of the trust account.
 - (ii) That any and all instructions in regard to the disposition of client monies are promptly followed, except where to do so would be unlawful or unethical or is in conflict with instructions from other stakeholders.
- 8.3. Act swiftly to implement procedures to remedy any rent arrears.
- 8.4. Keep full and accurate business records.

9. End or Termination of a Tenancy

- 9.1. Upon appropriate instruction from a landlord, take steps under the Residential Tenancies Act 1986 to serve notice to a tenant to terminate the tenancy.
- 9.2. Inform landlords in a timely manner when a notice of termination is received from a tenant.
- 9.3. Once notice is given to a tenant, or received from a tenant, provide reasonable guidance on what steps need to be taken by the tenant to prepare the property for the final inspection and return of keys.

10. Complaints and Disputes

- 10.1. Establish and maintain robust in-house complaint procedure that treats all complaints seriously and endeavour to satisfactorily address landlord/tenant issues as quickly as possible.

Definitions

| | |
|---------------------|---|
| “Agency Member” | A business entity or person whose name is entered in the Records of Membership as a Member of the Institute, whether as an Agency Member, Affiliated Member, Property Management Agency member or any other class of corporate membership recognised by the Board of REINZ. |
| “Individual Member” | All persons whose names are at the relevant times entered on the registers of REINZ as being a member, whether engaged in the conduct of an Agency Member’s business or as a member in their personal capacity independent of their employment status. |
| “Client” | A “Client” is the person on whose behalf an Agency Member carries out real estate agency work. |
| “Client Monies” | Funds held on behalf of a client where beneficial ownership of those monies remains vested in the client, such as deposits and rents collected on the client’s behalf. This term should not include sums paid to a member for services to be procured and paid for by the member – such as marketing costs. |
| “Employee” | Any person engaged in the conduct of an Agency Member’s business, whether licensed or unlicensed, acting as a salesperson, property manager, letting agent, body corporate manager, valuer, or in any other role, and whether employed as an employee or independent contractor. |
| “Contractor” | A person engaged to carry out, or provide advice about, work required on a property. |
| “Trust Account” | An account held at a recognised trading bank with rating of [AA+] or better and recognised as such by the relevant bank as being a trust account in which funds which are not the property of the Agency Member are held. The words “Trust Account” must appear in the name of any account in which client funds are held at any time that they are, or should be, under the Agency Member’s control. |
| “REINZ” | The Real Estate Institute of New Zealand Incorporated. |