

REINZ Code of Practice for REINZ Affiliated Individual Property Managers



November 2023

Introduction

The Real Estate Institute of New Zealand (REINZ) is a voluntary organisation representing practitioners in the real estate industry. REINZ is 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 REINZ Affiliated Individual Property Managers agree to support this objective by abiding by these principles in all dealings with all parties in their professional capacity.

This Code of Practice governs the conduct of REINZ Affiliated Individual Property Managers (Code).

General

REINZ Affiliated Individual Property Managers should comply with the requirements of all relevant legislation including (but not limited to) the Residential Tenancies Act 1986, Privacy Act 2020, Secret Commissions Act 1910, Health and Safety at Work Act 2015 and its related regulations, Building Act 2004 and Building Code, Housing Improvement Regulations 1947, Healthy Homes Guarantee Act 2017 and Fair Trading Act 1986, along with any amendments to this legislation. REINZ Affiliated Individual Property Managers must also abide by any obligations set down by any statutory or professional body established to oversee or regulate their services.

REINZ Affiliated Individual Property Managers 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 a REINZ Affiliated Individual Property Manager is obliged to act in the best interests of their landlord clients, tenants and prospective tenants should also be treated fairly.

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

REINZ Affiliated Individual Property Managers should comply with the following:

- 1. Standards of Excellence in the Residential Property Management Sector**
 - 1.1. Act with professionalism, honesty and integrity to eliminate practices which may bring themselves, their agency, and the sector into disrepute.
 - 1.2. At all times, treat REINZ Agency Members, Individual Members and other Affiliated Individual 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 with a current and accurate representation of the rental market, having researched Ministry of Business Innovation and Employment statistics, any available REINZ statistics and other available market information.

4. Management Authority

- 4.1. Use either the Residential Management Authority published by REINZ, or any other equivalent 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 property manager and the extent of their 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 in a timely manner.

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 and applicable privacy laws along with any amendments to this legislation.
- 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, 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. A copy of the signed tenancy agreement must be given to the tenant prior to the commencement of the tenancy, including, ingoing Property Inspection Reports which should be accepted by both tenant and Property Manager at the commencement of the tenancy.
- 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. bond and rent in advance.
- 5.6. Advise tenants of their right to seek independent advice on the tenancy agreement.

6. Tenant Care

- 6.1. At all times, treat tenants with courtesy and respect and comply with their legal obligations to tenants.
- 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 Property Manager 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.
- 6.5. Professionally manage situations that arise between tenants and those who they may come into contact with, such as neighbours, contractors, flatmates, guests and competing Property Managers.

7. Care of Managed Property

- 7.1. Manage the property in accordance with relevant statutes, 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 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 and ensure compliance with relevant health and safety legislation.
- 7.4. Professionally manage the handover of the property back to the landlord or the subsequent Property Manager (if applicable) as required, including all relevant records/documentation/keys.

8. Care of Landlord and Tenant Funds

- 8.1. Ensure that client monies held by a REINZ Affiliated Individual Property Manager or their employer, are at all times held in a Trust Account as discussed in 8.2 below and as defined herein (see definitions below).
- 8.2. Where legal standards prescribe how a Trust Account must be operated (such as for real estate agency work), ensure that all such legal standards are adhered to as a minimum. Alternatively, if there are no prescribed legal standards for that activity, REINZ Affiliated Individual Property Managers must 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 includes ensuring an annual audit or independent review is carried out by a professional qualified in the operation and balance of Trust Accounts.
 - (ii) Trust Account records are kept in a manner that enables those records to be properly reviewed or audited.
 - (iii) That all instructions in regard to the disposition of client monies are promptly followed, except where to do so would be unlawful or unethical, or in conflict with instructions from other stakeholders.

- (iv) The REINZ Affiliated Individual Property Manager or their employer holds suitable professional indemnity and public liability insurance.

8.3. Act swiftly to implement procedures to remedy any rent arrears.

8.4. Keep full and accurate business records.

Definitions

“Affiliated Individual
Property Manager”

An individual whose name is entered in REINZ’s records as an Affiliated Individual Property Manager.

“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.

“REINZ”

The Real Estate Institute of New Zealand Incorporated.

“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 and such funds are not to be used to offset any other obligations of the account holder to the Bank. 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.

“Accredited Property
Manager”

A member or Affiliated Individual Property Manager who has met all the requirements for the REINZ Accreditation Programme for Residential Property Management, including investing 10 hours of continuing professional development per calendar year.