

REAL ESTATE LICENSING AND BUILDING MANAGERS IN NSW

As you would be aware, there is no licence required to carry out Caretaking duties, but you do need a real estate agent licence to sell, lease or manage real estate on behalf of owners.

Since late 2021, there are now two classes of real estate agent licences in NSW – a Class 2 licence and a Class 1 licence.

CLASS 2 LICENCES

Before you can obtain a Class 2 real estate agent licence in NSW, you must first hold a Certificate of Registration to act as an assistant agent. You also need to hold a Certificate of Registration for at least 12 months, so as to gain experience under the supervision of a licensee.

A Class 2 licence allows you to –

- Act as an agent for a client to sell, buy or exchange property, businesses or professional practices;
- Negotiate with clients and vendors;
- Collect rent, deposits, bond payments and fees related to a lease, licence or contract.

However, Class 2 licence holders are not allowed to open or manage a trust account, or be nominated as a licensee in charge of a business.

To be eligible for a Class 2 licence, you must have –

- Held a certificate of registration as an assistant real estate agent (with or without restriction condition) for at least 12 months; **and**
 - A Certificate IV in Real Estate Practice; **and**
 - Completed work experience requirements for a Class 2 agent over a 12 month period;
- OR**
- Held a Class 2 restricted real estate agent licence within 12 months of making an application; and
 - A Certificate IV in Real Estate Practice; and
 - Completed work experience requirements for a Class 2 agent over a 12 month period.

Continuing Professional Development

Class 2 real estate agents must also complete 6 hours of continuing professional development (CPD) learning each year. This includes –

- 3 hours of compulsory CPD topics (these are set by Fair Trading and change every year); and
- 3 hours of elective CPD topics.

CLASS 1 LICENCES

Before you can apply for a Class 1 licence, you need to have held a Class 2 licence for two years. The idea behind this is that the 2 years training will further help build your skills and experience, so that you are ready to take on the additional functions of a Class 1 agent.

A Class 1 licence allows you to do all of the things that a Class 2 agent can do, but also allows you to –

- Act as a Licensee in Charge (LIC);
- Work independently as a sole trader;
- If you are an LIC, open and authorise trust account transactions for the business.

Only a Class 1 agent who is nominated as a licensee-in-charge (LIC) of a business can authorise withdrawals from the business trust account.

Continuing Professional Development

Class 1 real estate agents must complete 9 hours of continuing professional development (CPD) learning each year.

This includes –

- 3 hours of compulsory CPD topics (these are set by Fair Trading and change every year);
- 3 hours of elective CPD topics; and
- 3 hours of business skill topics.

ELIGIBILITY TO BE ABLE TO APPLY FOR A LICENCE

To obtain a licence, you must meet the following criteria –

- You are at least 18 years old;
- You are a fit and proper person to hold a licence;
- You have the qualifications required for the licence class you are applying for;
- You have completed the required work experience tasks;
- Your previous licence (or certificate of registration) has not been disqualified;
- Your principal place of business is either in NSW or within 50km of the NSW border;
- You hold a Diploma of Property (Agency Management CPP51119) or Diploma of Property Services (Agency Management CPP50307); and
- You hold a Certificate IV in Real Estate Practice.

Mutual Recognition of Interstate Licences

- If you hold a current and equivalent licence in another state or territory (or New Zealand) you can lodge a form to apply to work in NSW under an equivalent licence.
- The key issue here is that you must hold a current licence in the other state – not just have done the course to qualify to hold that licence.

THE MANAGEMENT RIGHTS INDUSTRY FAVOUR – THE ON-SITE RESIDENTIAL PROPERTY MANAGERS LICENCE

The Australian Residents Accommodation Managers Association (ARAMA) pushed hard for this licence category.

An On-Site Residential Property Managers licence allows you to act as an agent –

- For giving possession of residential premises under a lease, licence or other contract;
- For collecting bonds, deposits, rents, fees or other charges in connection with any such lease, licence or other contract.

Note – This licence does not allow you to act as an agent for the purposes of selling real estate.

The NSW Government recognised that On-site Residential Property Managers work or live in the unit or apartment complex they are responsible for. Given their unique working arrangements, this form of licence is treated as a Class 1 real estate agent licence in NSW, allowing the manager to let units and operate a trust account.

Most importantly, this form of licence means that you don't have to first hold a Certificate of Registration or Class 2 licence, thereby cutting out effectively 3 years of having to work in the real estate industry, before becoming eligible to let and operate a trust account.

However, you must have completed the Certificate IV in Real Estate Practice and continuing professional development (CPD) requirements apply.

Refining the Educational Requirements for the On-site Residential Property Managers Licence

ARAMA has pointed out to the NSW Government that the current educational requirements of a Certificate IV in Real Estate Practice is a gross overkill for obtaining an On Site Residential Managers Licence. This course includes educating licensees on duties that they are not allowed to perform under the On Site Residential Managers Licence – such as selling real estate selling!

Hopefully, common sense will soon apply and the education requirement for this form of licence will be limited to all the licensee is allowed to do – i.e. let units and operate a trust account!

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