
THE REAL ESTATE CODE

The Real Estate Practitioners Code of Conduct



This is a voluntary Code of Conduct published by the Real Estate Institute of Northern Territory Inc. (REINT) designed to assist and guide Members of the REINT in their conduct with the public and other real estate practitioners.

A REAL ESTATE PRACTITIONER AND REINT MEMBER SHOULD

Uphold the honour and dignity of the profession and not engage in any activity that may bring the profession into disrepute, and in particular, conduct business and personal activities in compliance with the Code and Legislation.

- Act in the best interests of their Client.
- Obtain all instructions in writing.
- Ensure a compliant Agency Contract is in clear and understandable terms.
- Clearly disclose all expected expenses and fees in writing in advance.
- Avoid any conflict of interest.
- Not disclose confidential information.
- Disclose pertinent facts of which they are aware.
- Provide an honest, researched and realistic market appraisal of a property.
- Be transparent in their business dealings.
- Treat other Practitioners with respect.
- Attend ongoing training.
- Resolve all disputes in a professional manner.

CONDUCT, ETHICS AND BEHAVIOUR IN REAL ESTATE

The Real Estate Code ("the Code") is a voluntary Code of Conduct published by the Real Estate Institute of Northern Territory Inc. (REINT) designed to assist and guide Members of the REINT in their conduct with the public and other real estate practitioners.

The Code, whilst voluntary, seeks to set boundaries of acceptable conduct in real estate practice and define minimum standards of behaviour expected of Members of the Real Estate Institute of Northern Territory Incorporated ("REINT").

The objectives of the Code are to define and encourage compliance to legislation and ethical conduct.

DEFINITIONS

In the Code -

- "Agency Contract"** – means any agreement entered into between a Practitioner and Client with respect to the sale, rental or management of the Client's property.
- "Appraisal"** – means the assessment of a property for the purpose of determining an estimated selling price. An Appraisal is not a Valuation.
- "Behind the Sign"** – means the act of a Practitioner approaching another Practitioner's Client to solicit business.
- "Client"** – means any person or entity who has engaged a Practitioner to act on their behalf.
- "Customer"** – means any person or entity involved in a transaction but not as a Client.
- "Legislation"** – means any legislation and laws in force that affect or regulate Practitioners.
- "Member"** – means any member of REINT and includes any employee of a member.
- "Practitioner"** – means any licensed or registered agent, sales representative, property manager, strata/Body Corporate manager or auctioneer involved in real estate for fee or reward.
- "Transaction"** – means the sale, purchase or rental management of real estate or a business.
- "Valuation"** – means a formal written assessment of value which must be conducted by a qualified valuer.

CONDUCT

A Practitioner should uphold the honour and dignity of the profession and not engage in any activity that may bring the profession into disrepute and, in particular, conduct business and personal activities in compliance with the Code and Legislation.

- A Practitioner should only agree to act for a Client when they reasonably expect to be able to fairly and competently serve the Client.
- A Practitioner should not solicit Clients of other Practitioners or engage in 'Behind the Sign' behaviour. The activity of mass deliveries of promotional material must include a disclaimer, such as *“As this is part of a general promotion, please disregard this letter if you have already retained another real estate agent”*.
- A Practitioner should disclose to REINT any conduct by them or another Practitioner which is contrary to the Code or legislation.
- A Practitioner should disclose to REINT any matter which may adversely affect a Practitioner's ability to practice according to the Code or legislation.
- A Practitioner must not provide Clients or Customers with insurance, financial or investment advice unless appropriately qualified or appointed.
- A Practitioner in 'effective control' of a real estate business should properly supervise the business and ensure that employees of the business comply with the Code and legislation.
- A Practitioner should not discriminate against any person in any capacity for reasons of race, colour, religion, sex, familial status, national origin, age, disability or for any other reason.

RELATIONS WITH CLIENTS

A Practitioner should act in the best interests of their Client.

- A Practitioner should at all times, exercise loyalty to the interests of the Client and should not act in any way which could be construed as being contrary to the best interests of the Client.
- A Practitioner should communicate effectively and promptly with Clients.
- A Practitioner should provide the Client with updates as often as reasonably necessary regarding the progress of the transaction.

AUTHORITIES AND INSTRUCTIONS

A Practitioner should obtain all instructions in writing.

- A Practitioner should obtain all authorities and instructions to act in a transaction on behalf of a Client in writing.
- A Practitioner should do everything possible to act in accordance with the Client's instructions unless it is contrary to the ethics of the industry, the Practitioner or unlawful.
- A Practitioner should take all reasonable steps to avoid error, exaggeration or misrepresentation of any material facts regarding the transaction.
- A Practitioner should use reasonable care to ensure the documents relating to the transaction remain accurate at all times.

AGENCY CONTRACT

An Agency Contract should be in clear and understandable terms.

- An Agency Contract between Practitioner and Client should be in clear and understandable terms, and should set out the matters agreed between them.
- A Practitioner appointed as a *sole agent* should take reasonable steps before entering into an agreement to find out whether the Client already has an Agency Contract in place and, if so, the Practitioner should not accept the instructions of that Client.
- A Practitioner should not knowingly induce or attempt to induce a person to breach an Agency Contract.
- A Practitioner should not knowingly induce or attempt to induce a person to enter into an Agency Contract which would make that person liable to pay commission or fees to more than one practitioner.
- A Practitioner should give the Client a genuine opportunity to obtain independent advice before entering the Agency Contract.
- The period of an initial Agency Contract should not exceed the period specified in legislation (if any).
- A Practitioner should provide a Client with a signed copy of the Agency Contract immediately.
- Any amendment to the Agency Contract should be agreed to in writing by each party.

EXPENSES/FEES

A Practitioner should disclose all expected expenses and fees in writing in advance.

- A Practitioner should provide a Client with a written statement of expected expenditure in the Agency Contract and, if applicable, advise the Client that the Practitioner will, or may, receive benefits from a third party and must disclose the details of those benefits.
- A Practitioner should endeavour to expend funds of the Client to achieve the greatest benefit for the Client.

CONFLICT OF INTEREST

A Practitioner should avoid any conflict of interest.

- A Practitioner should avoid any conflict of interest, including between Clients or the Practitioner's business.
- A Practitioner should not act for a person in any transaction where the Practitioner is, or becomes, aware that the interest of that person is, or would be, in conflict with that of the Practitioner.
- A Practitioner should not acquire an interest in or buy a property, or present offers for or on behalf of:
 - themselves, any member of their immediate families, their business; or
 - any employee; or
 - any entities in which they have any ownership or interest;

without making the true position known to the vendor in writing prior to the acquisition and through the use of the appropriate forms prescribed in legislation.

- Where there is a potential for, or actual, conflict of interest the Practitioner should advise the Client and provide them with the opportunity to terminate their instructions with the Practitioner.
- If a Practitioner is selling a property in which they have a direct or indirect interest, a Practitioner should reveal their ownership or interest in writing to the purchaser or the purchaser's representative at the commencement of negotiations.

CONFIDENTIALITY

A Practitioner should not disclose confidential information.

- A Practitioner should not disclose confidential information relating to a Client without prior written consent, unless required to do so by law.
- A Practitioner should not disclose details relating to an offer on a property by a Customer (including the Customer's personal details) to anyone other than the Client.
- A Practitioner should securely retain any documents (whether in printed or electronic form) relating to a transaction for at least five (5) years.
- A copy of the Practitioner's privacy policy should be available at all times.

DISCLOSURE

A Practitioner should disclose pertinent facts of which they are aware.

- A Practitioner should not exaggerate, misrepresent or conceal relevant facts regarding a transaction of which they are aware.
- A Practitioner is not, however, expected to discover latent defects in the property or advise on matters outside the scope of their expertise.
- A Practitioner should offer to potential purchasers the ability to obtain independent professional advice.

PRICING

A Practitioner should provide an honest, researched and realistic market appraisal of a property.

- A Practitioner should provide a realistic appraisal of the market value of a property, which is substantiated by comparative sales data.
- A Practitioner should not create an inflated expectation of price in order to secure a listing from a potential Client.
- A Practitioner should not intentionally create an ambiguous or misleading price range or under quote the expectations of the Vendor to potential buyers nor encourage the Client to enter into an arrangement whereby consumers could be misled.
- Subject to the Client's instructions, Practitioners should, where applicable and appropriate, include the expected price or price range in some form of communication in relation to a given property.
- All communications to the public regarding expected price or price range of a property should be consistent with the estimated selling price agreed between the Client and Practitioner as detailed in the Agency Contract and as required, if required, by legislation.

- If the estimated selling price needs to be revised during the marketing campaign, both parties should agree in writing and the previous price should cease to be used.

TRANSPARENCY

A Practitioner should be transparent in their business dealings.

- A Practitioner should act in an honest, forthright and transparent manner in all real estate dealings.
- A Practitioner should not accept, directly or indirectly, any commission, rebate, fee, discount or other benefit without giving notice to the Client.

RELATIONS WITH OTHER PRACTITIONERS

A Practitioner should treat other Practitioners with respect.

- A Practitioner should not make, authorise or encourage any derogatory, disparaging or unfounded comments concerning the practices of another Practitioner.
- A Practitioner should not exaggerate or misrepresent their services in their own right or compared with services offered by other Practitioners.
- Nothing in this Code should restrict legal or reasonable business competition by and among Members and/or Practitioners.
- A Practitioner should attempt to settle disputes with any other Practitioner in an appropriate professional manner.

PROFESSIONAL DEVELOPMENT

A Practitioner should attend ongoing training.

- A Practitioner should remain fully informed and undertake ongoing professional development to ensure they are familiar with all relevant legislation and codes.
- A Practitioner should endeavour to meet any Continuing Professional Development standards set by REINT or in legislation.

DISPUTE RESOLUTION

A Practitioner should resolve disputes in a professional manner.

- Where a dispute arises between Members or between a Client/Customer (but not a non-Member Practitioner) and a Member, the parties should seek to resolve the matter in a professional and amicable manner.
- The parties should, in the first instance, attempt to resolve the matter informally by telephone, letter, email or face-to-face meeting.
- If resolution is not achieved, before escalating the dispute to more formal proceedings such as the courts or NTCAT, the parties should seek independent mediation through a qualified mediator.
- Unfortunately there may be occasions where informal measures fail to resolve the dispute. In the event that a dispute is to be handled more formally through the legal or tribunal systems, it is expected that REINT Members will remain professional in their conduct throughout the process.