

**Statement  
of Intent  
Tauākī  
Whakamaunga  
Atu**

2024–2028

## Contents – Ngā ihirangi

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1. Statement from the Board .....	2
2. Functions and operations .....	5
3. Strategic operating environment .....	7
4. Strategic framework – our performance story .....	11
Strategic framework.....	12
5. What do we intend to achieve?.....	13
Impact 1: Informed consumers across New Zealand’s diverse communities confidently engage in real estate transactions without harm.....	13
Impact 2: Licensees fulfil their obligations and are capable, trusted, and professional .....	14
Impact 3: Awareness of and confidence in REA as the conduct regulator is increased across New Zealand’s diverse communities	15
Impact 4: Standard of conduct by licensed real estate professionals is increased.....	16
6. Performance assessment.....	17
7. Organisational health and capability.....	19



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Presented to the House of Representatives  
Pursuant to section 139 of the Crown Entities Act 2004

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# 1. Statement from the Board – Te tauākī mai i te Poari

This Statement of Intent (SOI) sets out what the Real Estate Authority – Te Mana Papawhenua (REA) intends to achieve or contribute to over the next four years and how it will manage its functions and operations to meet its intentions.

In signing this statement, we acknowledge that we are responsible for the information contained in this SOI. This SOI has been produced in accordance with sections 138–149 of the Crown Entities Act 2004.

This SOI is presented to the House of Representatives in accordance with Part 4 of the Crown Entities Act 2004.

At REA, we have the dual purpose of promoting and protecting the interests of consumers and promoting public confidence in the performance of real estate agency work. We must equally support consumers to navigate the real estate environment while also overseeing a regulatory framework that sets clear expectations for the standards of conduct and integrity expected of licensed real estate professionals (licensees) and hold those who fail to meet the standards expected to account. In delivering our services, we support licensees to meet their obligations through robust licensing and a focused education programme. We provide information and guidance to enable licensees to operate at a high standard. We also oversee the complaints and disciplinary processes that respond to allegations of breach of the standards by licensees. For consumers, we provide accessible, clear and independent information about real estate transactions to assist them to navigate the risks and issues that may arise. We deliver this through our communications approach, our stakeholder network and our consumer-focused website [settled.govt.nz](https://settled.govt.nz).

## ***A renewed REA strategy***

This SOI reflects our strategic approach through to 2028 and the direction REA intends to take to be an effective conduct regulator with a clear consumer protection focus. Our strategy builds on our work over the last four years and emphasises our commitment to ensuring we are a high-performing intelligence-led conduct regulator that is responsive to the environment in which we operate. We will have a strong focus on fiscal restraint and sustainability, ensuring we continue to operate as a prudent Crown entity. We will provide high-quality regulatory services cognisant of the needs and interests of all New Zealanders across diverse communities. We recognise the increasing diversity in our communities. Each year, we will focus on different diversity dimensions to support the sector to understand and meet the needs of all New Zealanders across these diversity dimensions and to ensure our services are available and accessible to all. The challenging market conditions coupled with economic headwinds have created a challenging operating environment for the sector and consumers.

As we emerge from the COVID-19 environment, licensees and consumers continue to face economic uncertainty and higher social stress and pressure on wellbeing. This influences the behaviours that arise in real estate transactions and complaints. In this context, we have an important role to play to deliver benefits for consumers and the industry, which promotes high standards, protects consumers from harm and delivers positive outcomes for all New Zealanders. We will continue to provide quality information to consumers across a range of channels and ensure a robust, relevant and impactful education programme for licensees. We will deepen our connections across community and property sector networks. We will balance our engagement and education work with a clear focus on using all of our regulatory tools effectively to benefit consumers by supporting the industry to meet high standards of conduct.

We recognise the tight fiscal environment in which we must operate to deliver our services to support positive outcomes for New Zealand. We will continue our low use of contractors and consultants, reserving such services for those areas in which we do not carry specialist expertise.

This SOI sets out what we intend to achieve to contribute to New Zealand, how our activities contribute to our impacts, the outcomes we aim to deliver, and how we will measure our performance.

### **Remaining resilient in a changing environment**

The residential property market slowed considerably in the wake of COVID-19 with inflation, high interest rates and lending restrictions impacting market activity. Stock has been low, and there was a noticeable shift from a vendors' market with high prices to a buyers' market. A cooling market places pressure on New Zealanders buying and selling property and on licensees competing for a smaller number of listings and seeking to meet vendor expectations.

The environment brought an increase in complex complaints and less willingness for parties to resolve concerns. We have completed a significant review and refresh of our complaints process. We aim to see improved outcomes and timeliness of complaints as we embed these changes. Over the next three-four years, we are embarking on a significant technology work programme that will strengthen our ICT systems, enhance the way licensees engage with us and ensure our systems enable effective delivery of our obligations. New technologies and business models are continuing to evolve, and compliance and legislative policy settings continue to change. We have a keen focus on ensuring we understand the impact of this environment on all New Zealanders across diverse communities who seek to engage in real estate transactions. We strive to support licensees to maintain up-to-date knowledge of the shifting obligations on them to ensure they are trusted, capable and professional. To remain resilient, we will continue our analysis and understanding of the changes and the resulting risks and how we and the sector can respond to and mitigate these risks.

After a sharp increase in the number of licensees joining the sector in 2020/2021, the last 18 months have seen a decline. We expect licensee numbers, and our resulting revenue, to fluctuate in an unpredictable market. We must manage our resources carefully given the significant impact that reduced licensee numbers may have on our levy revenue, which is our primary source of income. We will operate efficiently, effectively and in a fiscally responsible manner. We are committed to supporting New Zealanders while demonstrating value for money for the services we provide to all stakeholders. We believe that the strategy outlined in this SOI will serve us well over the next four years.

### **Looking ahead**

In the coming four years, we will build on our data and insights-led approach to identifying risks of harm. We will concentrate our attention on initiatives and work programmes designed to set clear rules, standards and guidelines that support licensees to fulfil their regulatory obligations and increase their standard of conduct. We will use the range of regulatory tools available to us to prevent harm, including through engagement and education, and respond proportionately to actual or potential harm that may arise. We will hold licensees to account where their conduct falls short. An important aspect will be to continue to deepen our understanding of the drivers of risk, the causes of potential harm arising from real estate agency work and how we are best to respond to that risk.

This includes providing clear guidance for licensees and increasing our proactive efforts to engage with agencies and individual licensees who present the most risk. We will continue to deliver a high-quality, relevant continuing professional development programme that is fit for

purpose, effective, and recognises the needs and interests of all New Zealanders across diverse communities.

We will continue to communicate and engage with licensees and consumers across our range of digital and non-digital communication channels to support knowledge and confidence in real estate transactions. We want all licensees to have a strong understanding of the rules, standards and guidance. We will communicate transparently with all New Zealanders and proactively communicate outcomes of public interest.

We will continue to provide information for consumers across New Zealand's diverse communities to enable them to confidently engage in real estate transactions. We will ensure consumer information on [settled.govt.nz](https://settled.govt.nz) remains current, accurate and a trusted independent source of information for buyers and sellers.

Importantly, we will continue to raise awareness of REA as the real estate conduct regulator so that all New Zealanders are aware of and can access the services that we offer. Through this, we aim to raise trust and confidence in the regulatory system, in REA as regulator and in the real estate sector.

Our regulatory stewardship efforts will continue to be system-focused, reflecting the role REA plays in the wider property system and the outcomes delivered to all New Zealanders. In particular, we remain ready, willing and able to play our part in the development and implementation of programmes designed to strengthen the property system for all New Zealanders.

Demonstrating our commitment to Te Tiriti o Waitangi remains a focus including deepening our engagement with Māori consumers and helping to shape acceptable conduct with licensees. We aim to achieve our strategic objectives by ensuring we have capable and engaged teams working together to deliver our impacts. Through all that we do, we aim to improve outcomes for all New Zealanders and to increase trust and confidence in REA and the real estate sector.

REA is primarily funded by levies from real estate licensees. We receive no government funding. Accordingly, this source of funding is a focus for us, particularly in the current environment where we expect to see fluctuations in licensee numbers.

While our current financial situation is stable with healthy cash holdings, we are aware of the need for fiscal restraint in the current environment. We will continue to operate efficiently, effectively and in a fiscally responsible and prudent manner in all aspects of our work.



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**Denese Bates KC**  
Chair  
Real Estate Authority  
19 June 2024



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**Vern Walsh**  
Chair  
Audit and Risk Committee  
19 June 2024

## 2. Functions and operations – Ngā mahi me ngā whakahaerenga

### The Real Estate Agents Authority

The Real Estate Agents Authority, operating as the Real Estate Authority – Te Mana Papawhenua (REA), is a Crown agent established under the Real Estate Agents Act 2008 (the Act). We work to promote and protect the interests of consumers in real estate transactions and to promote public confidence in the performance of real estate agency work. We are governed by an independent Board, and our staff team is led by our Chief Executive.

We are the real estate industry conduct regulator responsible for licensing and regulating real estate salespeople, branch managers and agents, raising industry standards and providing accountability to those standards by overseeing a complaints and disciplinary process that is independent, transparent and effective. We set and uphold high professional standards of conduct expected from licensed real estate professionals (licensees) through rules, standards and guidelines and oversee a Code of Conduct. We also oversee a programme for continuing professional development for all licensees to ensure they maintain the level of skill and knowledge expected from a regulated profession. We also develop consumer information on matters relating to real estate transactions and issue guides on agency agreements and sale and purchase agreements. We host consumer information website *settled.govt.nz*.

### Governance

Our Board of up to seven members is appointed by the Minister of Justice. The Board works to:

- set the strategic direction of REA
- ensure we carry out our legislative functions effectively
- monitor performance
- recruit and monitor the performance of the Chief Executive.

The Board reports directly to the Associate Minister of Justice.

### Contribution to Government priorities

REA supports the Government priorities to deliver positive outcomes for all New Zealanders, support a unified and confident country and increase prosperity for all New Zealanders.

REA contributes to the Government's priorities through supporting integrity and public trust in the real estate sector.

We promote and protect the interests of New Zealanders who purchase and sell property by providing valuable information and guidance, by increasing professionalism and by licensing and enforcing standards in the real estate industry to help reduce consumer harm.

This means that we are focused on ensuring that consumers engaging in real estate transactions have the information they need to make sound decisions. Providing an effective regulatory system and supporting licensees to meet the standards expected of them is core to our strategic direction and outcomes. Ensuring fairness and good disclosure in real estate transactions is important for those entering the market, who need to be able to sustain and maintain the cost and obligations that come with homeownership.

## Functions and operations

REA is responsible for regulating licensed real estate professionals, raising standards and providing accountability for high standards of conduct and integrity through a complaints and disciplinary process. We also protect and promote the interests of consumers engaged in real estate transactions.

REA achieves its objectives by delivering a range of functions and operations, including:

- licensing people and companies working in real estate
- maintaining a Code of Conduct that licensees must follow
- developing standards and guidance to support licensees to meet their obligations
- managing a continuing professional development programme
- providing a fair, independent, transparent and effective disciplinary process that is accessible to all New Zealanders
- dealing with complaints about licensee conduct through early resolution and Complaints Assessment Committee (CAC) processes
- investigating and initiating proceedings in relation to offences under the Act
- managing a public register of real estate licensees that includes information about any disciplinary action in the previous three years
- providing independent information and tools to support consumers who are buying and selling property, including approved guides on agency agreements and sale and purchase agreements
- operating REA in an efficient and effective way with great people and quality systems working together.

REA manages its functions and operations effectively by identifying strategic issues facing licensees and real estate consumers and by responding appropriately to drivers of risk across REA's regulatory environment. REA ensures it has the optimal capacity and capability to deliver on its strategic objectives while also recognising the need to operate prudently and exercise fiscal restraint in a tight fiscal environment. REA is committed to delivering services efficiently and effectively to support all New Zealanders while also achieving fiscal sustainability and demonstrating value for money in the services we provide.

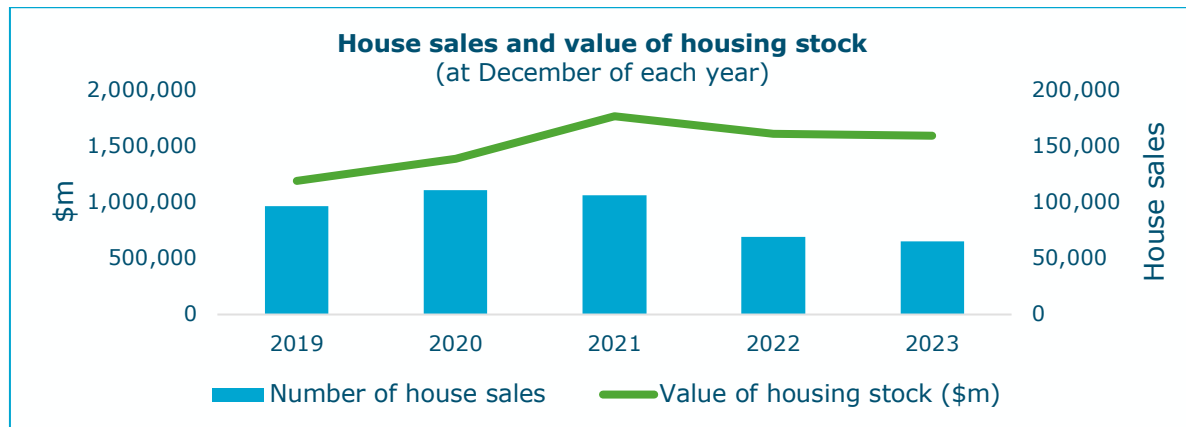
### 3. Strategic operating environment – Tō mātou horopaki rautaki

#### Current environment

This SOI has been prepared in the context of a changing economic and social landscape and a challenging property market.

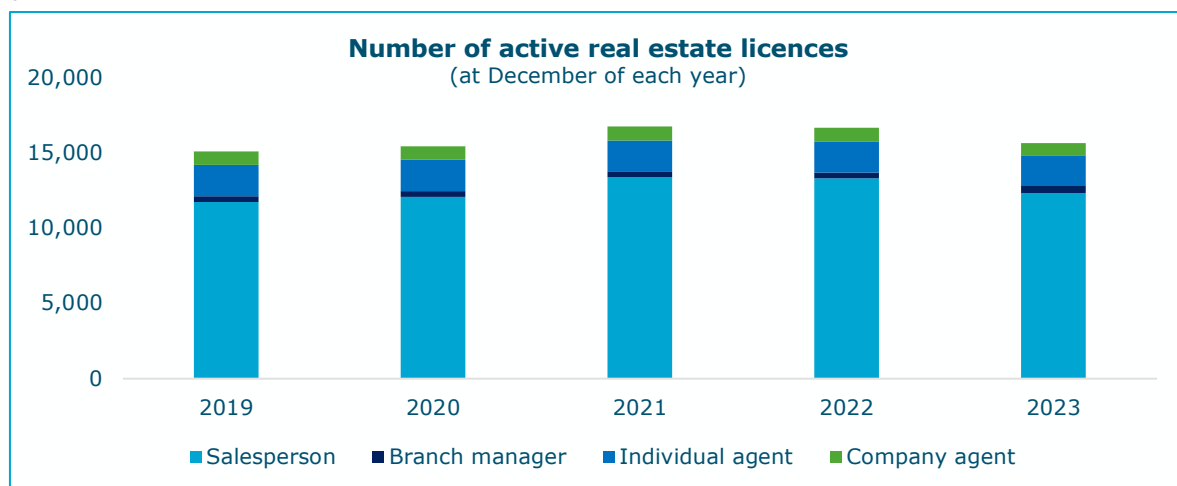
#### The New Zealand real estate market and real estate professionals

The value of New Zealand’s housing stock in residential real estate has flattened in the last three years to \$1.590 trillion. In the year ending September 2023, there were 63,525 house sales.



Source: Reserve Bank

There are four classes of licence: salesperson, branch manager, individual agent and company agent. As at 31 March 2024, there were 15,347 active licences, down 4.7% from the previous year.



Source: Real Estate Authority

#### The property market remains uncertain

The property market has navigated volatile years from a hot market in 2020-2022, to a cooling market in 2022-2024. While there are indications of some increased market activity in 2024, the real estate environment remains uncertain in the current economic environment. This places pressure on licensees and consumers navigating high interest rates and inflation, increased listings and slow sales, and shifts in pricing.



REA's scope includes residential, commercial, business broking and rural real estate transactions and licensees. Economic shifts that impact these markets include changes in market fundamentals (sales volumes, property values), changes to economic conditions (interest rates, unemployment, immigration) and consumer confidence.

Economic challenges have resulted in various macro-economic policy settings that impact the real estate environment, and we expect these to have ongoing repercussions for the period of this SOI.

### **Market uncertainty places pressure on both consumers and licensees**

Buying and selling property is one of the most significant financial decisions New Zealanders make. There are many risks, and when issues occur with a real estate transaction, the financial and emotional impact on consumers can be significant and long lasting.

An uncertain property market places pressure on buyers and sellers to make good decisions. They need reliable and accurate information and advice to achieve a fair outcome. REA has a role to play in protecting consumers by providing them with information about the property transaction process and reminding them of the importance of carrying out due diligence – particularly those vulnerable consumers who have less knowledge and are more likely to experience a problem or issue. Licensees have a role to play in providing clear information and managing the expectations of sellers navigating a dynamic market. A thorough understanding of sales methods and property information and the ability to meet the conduct obligations are critical to high standards and mitigating harm in a challenging market.

### **Economic and social issues, and housing inequality**

Significant increases or decreases in property values and interest rates along with increased inflation and cost of living place pressure on homeowners, buyers and sellers and may make real estate more unaffordable for buyers or create negative equity risks for property owners. These are some examples of the social impact of New Zealand's economic situation.

According to Stats NZ, homeownership peaked in the 1990s at 73.8% of households, but by 2018, homeownership had fallen to 64.5% of households. Homeownership rates have fallen in every region since 1991, and the proportion of people living in their own home was the lowest in almost 70 years at the time of the 2018 Census. Low homeownership rates affect wealth inequality and social stability. Stats NZ data also indicates there is inequity across cultural groups, with Pacific Peoples and Māori less likely to own their home and more likely to live in public housing.

REA's research into the barriers encountered by vulnerable communities (older people, disabled people, people in the rainbow or ethnic communities) identifies that the attitudes of some across the sector and a lack of information or awareness about the real estate process may contribute to accessibility issues.

REA must remain mindful of these matters in our wider operating context and understand how this impacts our work and particularly our engagements with all New Zealanders across diverse communities.

### **New Zealanders have diverse needs and challenges**

Real estate transactions are occurring in languages other than English, and there is a need for more diverse language skills and understanding of a wide range of cultural differences in our communications to both consumers and licensees. We also need to be accessible to people with disabilities or those who may face challenges navigating the real estate environment or regulatory system. To best serve all New Zealanders in our consumer and licensee populations, REA's complaints and disciplinary processes must be fair, independent, transparent and accessible, and our information and guidance must be accessible to all.

### **The licensee population is changing, and numbers are unpredictable**

As at 31 March 2024, we saw new applications for licences reduce by 18% on the previous 12-month period and the overall number of licensees reduce from 16,099 to 15,347. As experienced agents and branch managers retire, the sector faces a succession planning challenge for supervisors.

The real estate market and economic pressures have placed pressure on the wellbeing of consumers and licensees. Mental health and wellbeing factors may influence poor behaviour and reduce resilience, which increases the potential for harm arising in real estate transactions and poor professional conduct.

We must be conscious of the changing makeup of the licensee population and provide guidance to those who are new to the sector to help them to meet their regulatory obligations, and we must ensure our education programme is relevant and suitable for more experienced licensees.

### **Complaints and enquiries on the rise**

Complaint and enquiry volumes fluctuate over time and are influenced by a range of social and market pressures. In 2020-2022, we saw a gradual decline in complaints but a considerable increase in the level of complexity in the issues arising. In 2022-2024, we have seen an increase in complaints and cases continue to be increasingly complex. We have also identified a trend away from resolution, with an increase in appeals and reviews against complaint determination decisions.

#### *Formal complaints (year ending 31 March)*

Formal complaints	2019	2020	2021	2022	2023	2024
Complaints	294	297	288	286	231	321

### **Changes in real estate business operating models**

Changes to real estate industry operating models (employment models, franchises, online entities, buyers' agent models, private sales) and increasing and changing compliance requirements and costs place pressure on the profession. This has the potential to result in changing business ownership or models that impact REA revenue and work volumes, drivers of risk and harm to consumers.

### **Understanding and addressing drivers of risk across the property system**

REA works within a wider property ecosystem that has a range of points of intersection with our work. We do not deliver our services in isolation. Changes in legislative requirements for building, tenancy, consents, land classification, and insurance; climate change adaptation and impacts; new technology such as AI; emissions; changing construction methodology and materials; and weather events are examples of factors that directly impact the real estate industry and influence the operating environment. We are focused on understanding the impact these aspects may have on our sector, on consumers and on our work to support licensees to understand the environment they operate in and to protect consumers from harm.

We use data analysis, insights and intelligence to identify and understand risks and the causes of consumer problems and issues.

Increasingly, REA is looking to understand and address systemic property market issues to inform our regulatory response and to work with the sector to reduce these problems.

## **4. Strategic framework – our performance story – Te anga rautaki – tō mātou pūrākau whakaaturanga mō te whakatutuki mahi**

### **What we intend to achieve**

As the conduct regulator for licensed real estate professionals, REA’s statutory purpose is to promote and protect the interests of consumers engaging in real estate transactions and to promote public confidence in the performance of real estate agency work.

REA’s strategic framework in Figure 1 sets out what we intend to achieve, the impacts and outcome we seek, how we will contribute to and influence our goals in the medium term, how we will measure them and how we intend to deliver on them through our services and activities. The framework reflects the interconnected nature of our regulatory actions and services and how these work together to contribute to the impacts and outcome that we seek.

### **The outcome we are seeking – our vision**

We will be successful if people in New Zealand can confidently engage in fair transactions with trusted licensed real estate professionals. This means that all people involved in real estate transactions are well informed and have confidence when engaging in real estate transactions and feel that they can trust the real estate professionals involved. To achieve this outcome, we must work collaboratively with the industry to increase professionalism and trust and reduce the risk of harm caused by the conduct of licensees.

### **Our strategic impacts and priorities**

We aim to achieve four strategic impacts (outcomes) over time for the benefit of all New Zealanders, as detailed in our strategic framework. We will achieve our impacts and outcomes through our focus on four strategic priorities over the next four years. We contribute to these impacts through the delivery of the following activities and services (our outputs):

- Licensing and enquiries
- Supervision and compliance
- Complaint determination and disciplinary action
- Engagement, information, insights and education
- Oversight and development of the real estate agency regulatory system.

These activities and services are all connected through effective use of people, systems, processes, data insights, analysis and effective knowledge transfer both internally and to licensees, consumers and all our external stakeholders. Our work is underpinned by our organisational values, where we strive to be collaborative, courageous, inclusive and fair.

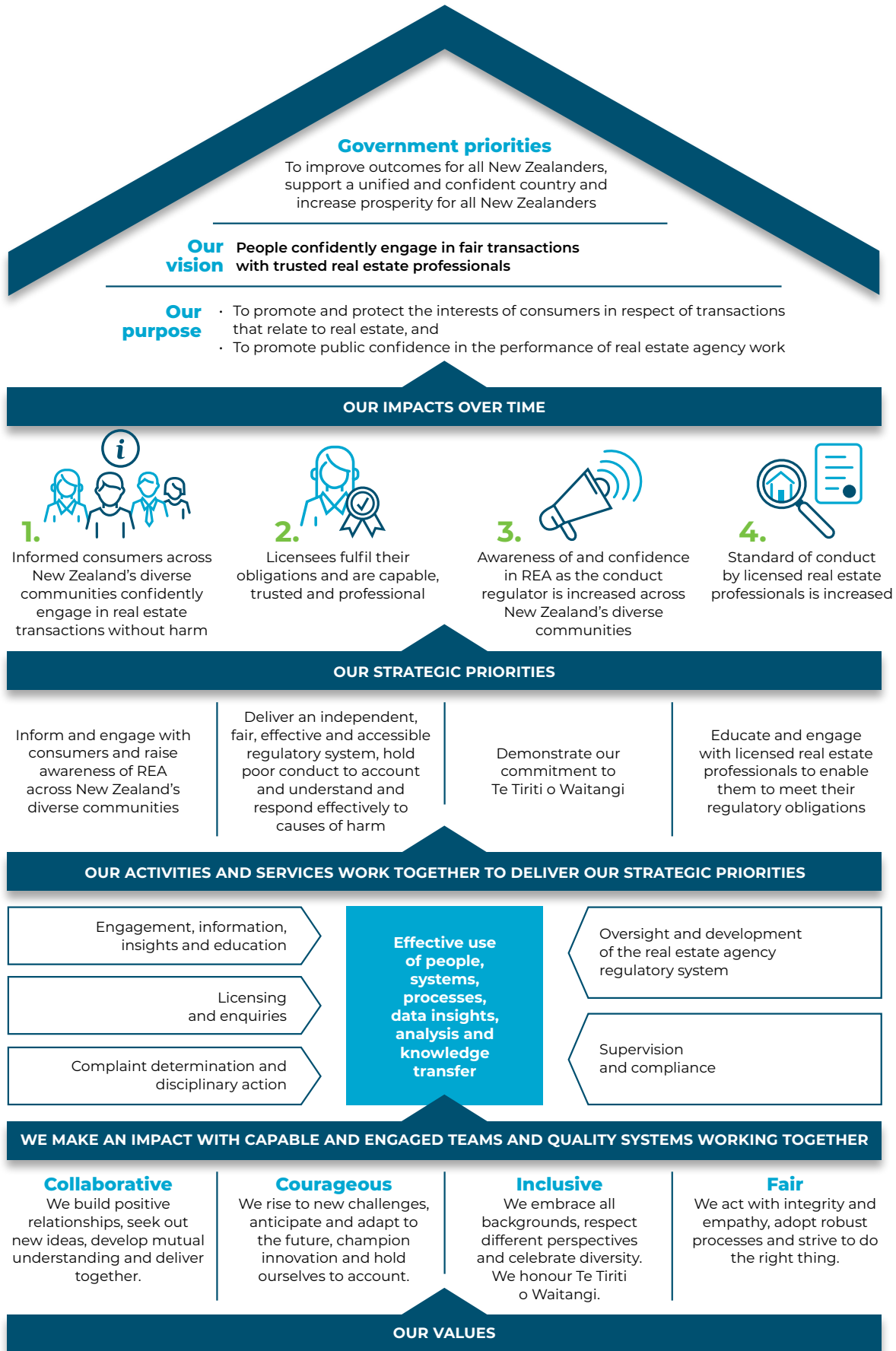
### **Our output classes**

We will deliver our activities across three output classes with all of our activities working together to ensure we are effective. Working together, these output classes will strengthen the regulatory system:

- Output 1: Informing consumers, educating and engaging with licensees.
- Output 2: Regulatory effectiveness through licensing, interventions, disciplinary and complaints processes.
- Output 3: Oversight and development of an effective real estate agency regulatory system.

# Strategic framework – Te anga rautaki

FIGURE 1: REA'S STRATEGIC FRAMEWORK



## **5. What do we intend to achieve? – He aha tā mātau e whai nei?**

### **Impact 1: Informed consumers across New Zealand's diverse communities confidently engage in real estate transactions without harm**

Buying and selling property is one of the biggest investment decisions New Zealanders make. There are many risks, and when issues occur with a real estate transaction, the financial and emotional impact on consumers can be significant and long lasting. We will provide clear and accessible information to consumers and consumer groups through a range of communication channels, including settled.govt.nz, to mitigate the risks of consumer harm and to help them confidentially engage in real estate transactions without harm. Over the next four years, our focus is on building and strengthening our stakeholder relationships across the network of consumer organisations and groups, leveraging our resources and knowledge to support consumers to confidently engage in real estate transactions without harm. We will ensure our work raises awareness of REA, increases access to the services and information that we provide and ensures that our regulatory system services and benefits deliver positive outcomes for all New Zealanders.

We will continue our focus on reaching all New Zealanders across diverse communities including older and younger people, ethnic groups, rainbow communities and disabled people. Through research and engagement, we will increase our understanding of the needs of all New Zealanders who participate in real estate transactions and respond to the barriers to participation that might exist. Importantly, we will further develop our understanding of the needs of Māori, Pacific Peoples and Asian consumers and licensees to ensure our services materially improve outcomes for New Zealanders. Each year, we will focus on different diversity dimensions to ensure we understand and deliver to the needs of all New Zealanders.

We will analyse our complaints and enquiries data and insights and work with stakeholders to understand and respond to the drivers of harm arising in real estate agency work. We will undertake a range of initiatives to ensure that all New Zealanders are aware of REA and our role as the conduct regulator. This may increase access to our services and use of the information that we provide to consumers and licensees and raise confidence in the industry.

#### **We will contribute towards this impact through the following strategic priorities:**

- Inform and engage with consumers and raise awareness of REA across New Zealand's diverse communities.
- Deliver an independent, fair, effective and accessible regulatory system, hold poor conduct to account and understand and respond effectively to causes of harm.
- Demonstrate our commitment to Te Tiriti o Waitangi.

## **Impact 2: Licensees fulfil their obligations and are capable, trusted and professional**

Public confidence in the performance of real estate agency work will be increased if licensees meet the conduct standards expected of them and can demonstrate that they are capable, trusted and professional.

We will support licensed real estate professionals to meet the high standards of conduct and client care expected of them through our education and engagement activities and using all the tools in our regulatory toolbox. This includes issuing clear and concise guidance and information, offering an effective and relevant continuing professional development programme that focuses on issues where the greatest risk of harm arises and supports licensee knowledge and good conduct, holding licensees to account where conduct falls short and disseminating learnings from Real Estate Agents Disciplinary Tribunal (Tribunal) and CAC decisions so that licensees understand the standards expected of them. We will continue to deliver efficiencies and effectiveness in our education programme, including supporting quality delivery by all approved training providers. This work will be data and evidence led and will be built on our understanding of the drivers of risk arising in real estate agency work. Through this, we prevent harm and increase confidence in the real estate profession.

We will implement the enhancements made to our complaints process to provide a timely, robust and effective complaints system. We will improve the time taken to determine complaints. We will respond to poor conduct using the full range of regulatory tools, including effective application of our rules, standards and powers.

We will continue to help build industry capability, promote best practices, raise professional standards, manage licensing and complaints and monitor and enforce licensee behaviour.

### **We will contribute towards this impact through the following strategic priorities:**

- Educate and engage with licensed real estate professionals to enable them to meet their regulatory obligations.
- Deliver an independent, fair, effective and accessible regulatory system and hold poor conduct to account and understand and respond effectively to causes of harm.

## **Impact 3: Awareness of and confidence in REA as the conduct regulator is increased across New Zealand's diverse communities**

We will increase public awareness of REA and its role as the independent conduct regulator of real estate professionals so that all New Zealanders are aware of the services that we offer and can access them. Awareness that there is a conduct regulator that supports high standards of conduct and that can take action when standards are not met will help to increase confidence in the real estate profession overall.

We will communicate with all New Zealanders across diverse communities and provide information that empowers consumers to navigate the property transaction process with confidence. We will proactively communicate case decisions of public interest to ensure the public are aware of the effectiveness of our disciplinary process and have confidence that they can seek help from REA when they encounter issues during a property transaction.

We will engage, collaborate and partner with the industry, government and the private sector to leverage capability and build support. Strategic communications and proactive media engagement will support us to raise awareness among consumers and the general public of REA and the work we do.

We will work with stakeholders to evolve our regulatory impact and increase effectiveness of the real estate regulatory system to address the drivers of risk of harm. This includes developing and publishing regulatory guidance documents.

We will continue to contribute to and support regulatory stewardship to strengthen the property system to deliver positive outcomes for New Zealanders. We will do this by providing advice and support to policy initiatives as required across the property system and promoting areas for improvement in the Act.

We will ensure an effective regulatory service through improvements and enhancements to our technology systems and using the full range of regulatory tools available to REA.

### **We will contribute towards this impact through the following strategic priorities:**

- Inform and engage with consumers and raise awareness of REA across New Zealand's diverse communities.
- Deliver an independent, fair, effective and accessible regulatory system, hold poor conduct to account and understand and respond effectively to causes of harm.
- Demonstrate our commitment to Te Tiriti o Waitangi.

## **Impact 4: Standard of conduct by licensed real estate professionals is increased**

We will support the increase in standards of conduct by the provision of clear and concise rules, standards and guidelines that provide practical and enforceable guidance for licensees. We will proactively engage with agencies and individual licensees who present the greatest risk of harm.

In the coming years, we will grow our knowledge-transfer capabilities to ensure licensees have a strong understanding of the rules, standards and guidance. We will also ensure meaningful and precedent-setting decisions or complaint outcomes are communicated effectively to licensees and the public.

We will work with stakeholders to evolve our regulatory impact and increase effectiveness of the real estate regulatory system to address the drivers of harm.

We will enhance our education services to ensure that our continuing education programme is effective and relevant and supports licensees to meet their obligations. We will strengthen our systems and processes to enable licensees and all those who use our services to engage easily with us. We will progress consideration of a review of the Code of Conduct, engaging with the sector in doing so. We will promote the Code of Conduct so that it is known to all licensees as the cornerstone of their professional business.

### **We will contribute towards this impact through the following strategic priorities:**

- Deliver an independent, fair effective and accessible regulatory system, hold poor conduct to account and understand and respond effectively to causes of harm.
- Educate and engage with licensed real estate professionals to enable them to meet their regulatory obligations.
- Demonstrate our commitment to Te Tiriti o Waitangi.



## 6. Performance assessment – Te ine i te whakatutukinga o ngā mahi

### How do we know we are having an impact?

We have identified 11 key performance measures and targets to determine progress towards achieving our impacts over time.

Taken together, these measures provide a good indication of whether REA is working as efficiently and effectively as it should and whether we are progressing towards our vision and outcome. These measures should be considered alongside our annual measures set out in our Statement of Performance Expectations.

We assess our performance using a range of tools, including surveys of consumers and licensees, data and evidence of REA activities. We will report on how we are performing against these targets in our annual reports.

We are operating in an uncertain environment with challenging real estate market conditions and a range of external social, economic and legal factors impacting our operating context. We have lifted some of our targets to reflect our aspiration for continuous improvement. Other targets are already high, and our focus is to maintain the high levels achieved despite the challenges of the external environment and fiscal restraint.

### Impact performance measures

IMPACTS	KEY PERFORMANCE MEASURE	TARGET 2028	ACTUAL 2023	ACTUAL 2022
Informed consumers <sup>1</sup> across New Zealand's diverse communities confidently engage in real estate transactions without harm	Percentage of consumers who are aware of settled.govt.nz is increased <sup>2</sup>	50%	35%	39%
	Percentage of consumers who feel empowered to participate effectively in the real estate transaction <sup>3</sup>	85%	87%	86%
Licensees fulfil their obligations and are capable, trusted and professional	Percentage of licensees who agree REA's CPD programme has improved their knowledge and understanding of the topic area	85%	67%	73%
	Percentage of licensees who find REA compliance guidance useful in understanding their regulatory obligations is increased	90%	92%	97%

<sup>1</sup> 'Consumers' refers to people who have bought or sold a home in the last 12 months or who have tried to do so but were unsuccessful.

<sup>2</sup> Survey population to be broken down into demographic segments including age, ethnicity, gender identification and ability.

<sup>3</sup> Consumers who feel somewhat to very empowered.

IMPACTS	KEY PERFORMANCE MEASURE	TARGET 2028	ACTUAL 2023	ACTUAL 2022
	Percentage of consumers who have confidence that the real estate industry is professional <sup>4</sup>	85%	91%	86%
Awareness of and confidence in REA as the conduct regulator is increased across New Zealand's diverse communities	Percentage of New Zealand public aware of REA and the services it provides is increased	60%	48%	51%
	Percentage of New Zealand public who have confidence that the real estate industry is well regulated <sup>5</sup> is maintained	85%	75%	70%
	Percentage of consumers aware of REA and the services it provides is increased	70%	New measure 64% <sup>6</sup>	New measure 69% <sup>7</sup>
	Percentage of formal complaints referred to a CAC and not referred to the Real Estate Agents Disciplinary Tribunal completed in less than 9 months are increased	50%	New measure	New measure
Standard of conduct by licensed real estate professionals is increased	Percentage of licensees subject to a formal complaint found to have breached conduct rules and requirements is decreased <sup>8</sup>	20% <sup>9</sup>	16% <sup>10</sup>	14%
	Licensed real estate professional conduct, practices, policies and/or procedures are improved following action taken by REA or a CAC/Tribunal decision	5 case studies	Achieved	Achieved

<sup>4</sup> Consumers who have some to a lot of confidence that the sector is professional.

<sup>5</sup> Public who have some to a lot of confidence that the sector is well regulated.

<sup>6</sup> REA measures consumer awareness in the annual Nielsen Consumer Perception Survey. This is the unaudited result from 2023.

<sup>7</sup> REA measures consumer awareness in the annual Nielsen Consumer Perception Survey. This is the unaudited result from 2022.

<sup>8</sup> A formal complaint is one that has been received by REA under s74(2) of the Act. The percentage is calculated according to the findings of breach by a CAC and/or the Tribunal determined in the reported period.

<sup>9</sup> Based on a baseline of findings of breach arising from formal complaints determined in 2019/20 of 28%.

<sup>10</sup> The licensees that were found to have breached conduct obligations may not all relate to the complaints received in 2022 or 2023, which is being used as the denominator. This is because some complaints may take longer than a year to be determined.

## 7. Organisational health and capability – Te oranga tōpūtanga me te āheinga

Maintaining and improving REA’s organisational health and capability is essential to achieving the outcome and impacts we are seeking.

### Capability and planning

REA is a small organisation, and we foster a collaborative culture that values the input of the team. We encourage and have a positive, flexible culture and have a clear appreciation of governance and management distinctions.

In planning for capability and risk, we take into account that we are a small organisation that comprises specialist staff. We have formal good employer and personnel policies in place and a commitment to equal employment opportunities. We actively monitor all the factors that could affect our organisational health and capability.

We are committed to providing the right environment, tools, systems, support and leadership that enable our people to do their jobs effectively and grow our capability as an organisation. We are also aware that complaint numbers have typically risen and fallen over time and are influenced by factors outside our control. Our capability planning must ensure we remain able to continue to carry out our core services allowing for fluctuations in numbers.

Our organisational health and capability objectives centre on six key principles:

- Staff employment policies focus on attracting and retaining engaged, skilled, knowledgeable, adaptable and efficient team players with the tools, information and training necessary to perform to a high level.
- We have people with diverse backgrounds, skills, experiences and knowledge. Equal employment opportunity principles are incorporated in staff selection and management.
- Diversity and inclusiveness are critical to ensuring our continued success and progress towards our goals. We strive to build cultural capability in the workplace, and we use te reo Māori in our internal and external communications.
- Our people have a voice in the way REA operates through the business planning process, regular surveys, our Culture Club and strong relationships.
- Our infrastructure is fit for purpose under the existing legislative requirements.
- Health and safety best practice is well implemented and appropriately monitored and reported. We have zero tolerance of bullying, harassment and discrimination, and we have a flexible working policy.





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