

# Real Estate Industry Reforms - Implications for the Strata Sector

The NSW Government is currently implementing a sweeping reform of laws regulating the real estate industry, with an expected start date of 23 March 2020 for most of the reforms.

This article will focus on licensing and training issues and stakeholders in the real estate should be aware that the reforms include a range of additional measures beyond the scope of this article, including numerous changes relevant to agency practice.

The reforms consolidate some current licence categories, leaving the following:

- Real Estate Agent, consolidating the former buyer's agent, on-site residential property manager and business agent categories.
- Stock and Station Agent.
- Strata Managing Agent.

However:

- An agent currently licensed as selling agent, buyer's agent, on-site residential property manager or business agent may be able to obtain a licence restricted to that scope, but new licences restricted in this way will not be issued.
- A dual real estate/stock and station agent licence will be available, to minimise the need for multiple licences.

The reforms establish new licence levels, which will be Corporation Licence, Class 1 Licence, Class 2 Licence and Assistant Agent Certificate of Registration. These equate generally to the existing corporate, licensee in charge, licensed agent, and certificate of registration holder categories.

However, there are some important changes:

- Subject to some transitional provisions benefitting existing licensees, "upskilling" will be required, i.e. requirements to hold a particular level of licence will more onerous.
- The Assistant Agent category will operate as a pathway to attaining a higher category licence, which must be attained within a specified timeframe if the person is to continue in the industry. This is also subject to transitional provisions benefitting existing certificate holders.
- The functions which may be performed by persons holding various licence categories have been specified.

- Licence terms will become more flexible, with 1, 3 or 5 year terms possible, but certificates of registration will have a 4 year term, without possibility of renewal or extension.

The Reforms do not take the opportunity to clarify what, if any, licence must be held by administrative staff such as accounts staff and receptionists. The mainstream view is that such staff currently do not require a licence. For what it is worth, the activities specified as being activities for which a licence is required are unchanged, so the Reforms do not change the answer to that question.

Existing licensees and certificate holders have a limited time to convert their existing licences and certificates to licences and certificates under the new regime and should obtain urgent advice as to what they need to do and how long they have to do it.

The reforms include new CPD requirements specifying:

- The type and amount of CPD that licensees and certificate holders must complete each year.
- Required recordkeeping procedures.
- Required reporting of CPD activity to Fair Trading.

Elective topics can be provided by providers chosen by agents and do not require approval.

Compulsory topics can only be delivered by an industry association, government agency or an entity approved by the Secretary, but are very limited in scope.

Further details of specified compulsory and elective topics can be found [HERE](#).

**Updated by Bannermans Lawyers  
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