THE GUIDE TO CROW REALTY LTD

Working With a Real Estate Agent

What Vendors and Purchasers Should Expect

A practical guide to who a real estate agent works for, the standards they must meet, disclosure, common industry pitfalls, and the complaints process.



Prepared by Crow Realty Limited

What Vendors and Purchasers Should Expect

A practical New Zealand guide to who an agent works for, how agents are regulated, choosing an agent, disclosure, offers and negotiation, common sales approaches, and what to do if something goes wrong.

The short version
The listing salesperson normally acts for the vendor, who is the agency's client. A purchaser is normally dealing with the vendor's agent, not their own adviser. Even so, licensed real estate professionals must act in good faith, deal fairly with all parties, must not mislead, and have important disclosure and professional-care obligations. Purchasers should still obtain their own legal, building, finance and other specialist advice.

1. Who does the real estate agent work for?

In a typical property sale, the vendor appoints a licensed real estate agent under a written agency agreement. The vendor is the agent's client and the agency owes the client fiduciary obligations, must act in the client's best interests and must follow lawful client instructions.

The purchaser is usually not the listing agent's client. The salesperson may be helpful, answer questions, arrange inspections, prepare an offer and explain the sale process, but their primary agency relationship remains with the vendor.

A genuine buyer's agent is different. A buyer's agent has an agency agreement with the buyer and is paid by the buyer to act for them. A licensee cannot structure the same transaction so that they receive a commission from both sides.

Important distinction
Friendly and professional service to a purchaser does not make the listing salesperson the purchaser's adviser. A purchaser should make their own decisions and obtain independent advice where needed.

2. How real estate professionals are regulated

Real estate agency work in New Zealand is regulated under the Real Estate Agents Act 2008. The Real Estate Authority (REA) licenses agents, branch managers and salespersons and oversees professional conduct. The Real Estate Agents Act (Professional Conduct and Client Care) Rules 2012 set minimum standards of conduct and client care.

Among other things, a licensee must:

- exercise skill, care, competence and diligence when carrying out real estate agency work;
- act in good faith and deal fairly with all parties to a transaction;
- not mislead a client or purchaser, provide false information, or withhold information that should by law or fairness be provided;
- avoid undue or unfair pressure;
- communicate regularly and in a timely manner with their client;
- keep confidential client information confidential except where disclosure is permitted or required;
- submit all written offers to the vendor;
- meet specific obligations concerning appraisals, agency agreements, disclosure and contractual documents.

Salespersons must work under the supervision and management of a licensed real estate agent or branch manager. You can check whether a person is licensed through the REA public register.

3. What should a vendor expect from an agent?

A good agency relationship starts before the agency agreement is signed. The salesperson should be able to explain the likely market for the property, the evidence supporting the appraisal, the proposed sale method, the marketing plan, commission, additional expenses and how the agency will actually service the listing.

Before a residential vendor signs an agency agreement, the licensee must provide the REA-approved Agency Agreement Guide. In all cases, the agency must provide a written appraisal that realistically reflects current market conditions and is supported by comparable sales information, or explain in writing if suitable comparable evidence is not available.

Questions a vendor should consider asking

- What is your appraisal range and which comparable sales support it?
- How did you adjust for differences between those properties and mine?
- What is your commission, how is it calculated and what is the estimated dollar amount at the appraised price?
- What marketing costs are additional, which are optional, and do you or the agency receive any rebate, discount or commission from suppliers?
- Which parts of the proposed marketing directly promote my property, and what additional benefit do you expect from any premium advertising upgrades?
- If you recommend a premium portal listing, what evidence or experience supports the additional cost?
- If we advertise without a price, what search or expected price will be entered into the property portals, and what price guidance will you give buyers who ask?
- When reporting campaign activity, will you distinguish between online views, price-only enquiries, genuine buyer conversations, inspections, repeat inspections and offers?
- Is the agency agreement sole or general, when does it end, and what happens if I cancel it?
- Who will actually handle the listing, open homes, enquiry follow-up, negotiation and reporting?
- How often will I receive buyer feedback and written reporting?
- What is your proposed method of sale, and why do you think it suits this property and market?
- Do you allow conjunctional sales with other agencies? If so, on what basis?
- If another agent has a genuine buyer, how will access, communication and commission sharing be handled?
- How are multiple offers handled?
- What information do you need from me about the property and what may need to be disclosed to buyers?
- How will you protect the property during open homes and private viewings?
- What happens if the property does not sell during the initial agency period?

Working with the agent once the campaign is underway

The agency relationship should not become less informative once the listing is signed. The vendor should know what marketing has gone live, what enquiries have been received, which buyers have been followed up, what feedback is recurring and what the agent recommends doing next.

Agree how often reporting will occur and whether it will be written, verbal or both. Useful reporting should distinguish between online activity, price-only enquiries, genuine buyer conversations, inspections, repeat inspections and offers.

If the campaign is not producing the expected response, the discussion should consider whether the issue appears to be price, presentation, marketing reach, property-specific concerns or wider market conditions. Significant strategy changes should be discussed with the vendor rather than simply implemented without explanation.

When an offer is received, the agent should explain not only the price but also the conditions, deposit, settlement date and other material terms before the vendor decides how to respond.

Understanding the appraisal

A written appraisal is an evidence-based estimate of what a property may realistically achieve in the current market; it is not a promise of the eventual sale price. The vendor should be able to understand which comparable sales were used, why they were considered relevant and how differences between those properties and their own were taken into account.

If one appraisal is materially higher than others, ask what evidence supports the difference. There may be a legitimate reason, but the figure should be capable of being explained and supported.

Conjunctional sales - an often overlooked question

A conjunctional sale occurs when the listing agency agrees to work with another agency or licensee who has a prospective purchaser, with the agencies agreeing how the transaction and commission will be handled.

A conjunction is not a buyer's agency relationship. In a normal conjunction, the introducing agency is participating in the sale under an arrangement with the listing agency and the vendor remains the client. A genuine buyer's agent is different: they have a written agency agreement with the purchaser and act in the purchaser's interests. A buyer's agent cannot also receive commission from the vendor or the vendor's agency in the same transaction.

Conjunction can widen buyer access, but arrangements vary between agencies. A vendor should therefore ask the listing agency what its conjunction policy is rather than assume that every other salesperson will automatically be able to introduce buyers on the same terms.

Practical questions worth asking include whether the listing is open to conjunction from the outset, how an outside agency with a genuine purchaser will be dealt with, who communicates with the vendor, who prepares and presents the offer and whether the other salesperson can accompany their purchaser at inspections.

4. Choosing an agent: look beyond the sales pitch

Selecting an agent is an important commercial decision. Brand recognition, office size, number of salespeople and market share can all be relevant, but none of them by itself tells you how well your individual property will be serviced.

A boutique agency may offer more direct senior involvement and a more personal service model. A larger agency may have greater internal resources or a larger local team. Neither model is automatically better. The useful questions are who will do the work, how enquiries will be followed up, how the property will be exposed to buyers, how communication will work and whether the advice is supported by evidence.

Marketing should promote the property first

The primary purpose of property marketing should be to expose the property to appropriate prospective purchasers and present it in a way that encourages genuine buyer interest. Marketing can inevitably also promote the salesperson and agency, but that should not become the main reason for recommending a particular marketing expense.

Some marketing choices can provide substantial visibility for the agency as well as the property. Larger signs, prominent salesperson branding and premium positions on property portals are examples. That does not necessarily make them poor marketing choices, but vendors are entitled to ask what additional benefit the expenditure is expected to provide to the property itself, rather than simply to the profile of the salesperson or agency.

Crow Realty's approach is to recommend expenditure where we believe there is a reasonable prospect of value for the vendor. We do not believe marketing becomes better simply because it becomes more expensive. The appropriate question is whether the additional cost is likely to improve the property's exposure to genuine prospective purchasers, improve the quality of presentation or otherwise contribute meaningfully to the sale campaign.

Premium property-portal advertising

Most major property portals offer upgraded or premium listing products above their standard listing. These can look impressive and may provide additional prominence, but some are comparatively expensive.

Crow Realty's experience over many campaigns has been that premium upgrades have not consistently produced a measurable increase in genuine purchaser enquiries sufficient to justify their additional cost. We therefore do not routinely recommend expenditure simply because a more expensive advertising option is available.

That does not mean a premium product can never be worthwhile. Particular properties or campaigns may justify additional exposure. Our preference is simply that the reason for recommending it can be explained and that there is a reasonable expectation of value for the vendor.

Common sales approaches worth testing

These are not automatically improper
The following approaches can be legitimate in the right circumstances. The point is to test the claim and ask for evidence rather than accepting a sales line at face value.

"Buying the listing" or an unusually high appraisal.

This industry expression refers to giving an optimistic appraisal in order to win the agency, followed later by pressure to reduce the vendor's expectations. REA requires an appraisal to realistically reflect current market conditions and be supported by comparable information. REA has specifically warned that an overinflated appraisal may breach the Code. If one appraisal is materially above the others, ask for the comparable evidence and reasoning rather than simply choosing the highest figure.

"I already have a buyer."

A salesperson may genuinely know buyers looking for a similar property. Ask what that means in practical terms: Is there a specific buyer who has seen comparable properties? Are they finance-ready? Have they asked about this location or property type? Will the agency still fully expose the property to the wider market? A claimed buyer should not replace a considered marketing and sale strategy unless that is what the vendor knowingly chooses.

"We have more agents, so we have more buyers."

A larger team may create useful reach, but headcount is not the same as active buyer engagement. Ask how buyer enquiry is shared, whether all salespeople are incentivised to work on the listing, who follows up prospective purchasers and whether outside agencies can conjunct. A smaller agency with strong systems, responsive follow-up and open conjunction may deliver broad buyer access despite having fewer people.

“Deliberately pricing low to create interest.”
Some campaigns are deliberately positioned at a price, buyer-enquiry level or online search level below the vendor’s realistic expectations in the hope of generating more views, enquiries, inspections or competition. While competitive pricing can be a legitimate marketing strategy, it should not create a false impression about what the vendor is genuinely prepared to consider.

A licensee must not mislead purchasers about the vendor’s price expectations. If a negotiating price range is provided, the lower end must be an amount the vendor would seriously consider accepting. Online search positioning should likewise be realistic and not be used simply to attract purchasers whose budgets are materially below the vendor’s expectations.

For vendors: ask what advertised price, buyer-enquiry figure or portal search position is proposed, why it has been selected, and whether it fairly reflects your expectations. Large enquiry numbers generated by deliberately low price positioning do not necessarily indicate genuine market interest.

Price positioning and “no price” marketing.
There are legitimate reasons for using different methods of sale. By Negotiation, Set Sale Date / Deadline Sale, Tender and Auction can all be appropriate in the right circumstances. A unique property may genuinely be difficult to price, a vendor may prefer not to publicly disclose their expectations, or the nature of the market may make a competitive process desirable.

However, vendors should understand what a “no price” strategy actually achieves.

In Crow Realty’s experience, properties marketed By Negotiation, Deadline Sale or another method without an advertised price can generate higher numbers of online views and enquiries. However, a significant proportion of that additional enquiry is often simply seeking the information that has been omitted from the advertisement — **the likely price or the vendor’s price expectations**. Very commonly, one of the first questions asked is some variation of *“What price are they looking for?”*

A licensed real estate professional cannot respond to those enquiries with misleading price information. Any price or price range provided to a prospective purchaser must be true and accurate and must not mislead them as to the vendor’s expectations. REA guidance specifically states that where a negotiating price range is given, the lower end must be an amount the vendor would seriously consider accepting.

This means that removing the price from the advertisement does not necessarily remove price information from the transaction. It can instead create an additional enquiry simply to establish approximately where the property sits in the market.

Measuring genuine buyer interest.
Raw enquiry numbers can sometimes give a misleading impression of how a marketing campaign is performing. Twenty enquiries asking only “What is the price expectation?” are not necessarily evidence of greater buyer interest than five purchasers who have read the information, inspected the property and are actively considering an offer.

Crow Realty prefers to distinguish between **exposure and meaningful engagement**. Page views, price-only enquiries, substantive buyer conversations, property inspections, repeat inspections and written offers are different measures and should not simply be reported as one headline enquiry number.

Our vendors should receive an accurate picture of how their campaign is performing, rather than a larger number that may look impressive but provides little insight into genuine purchaser interest.

A useful way of looking at campaign activity is to distinguish between different levels of engagement:

- **Online views and saves** show exposure but do not necessarily demonstrate purchase intent.
- **Price-only enquiries** show that the advertising is reaching people, but may say little about genuine demand.
- **Substantive buyer conversations, inspections and repeat inspections** progressively indicate greater engagement.
- **Requests for property documents, builder access or legal information** can indicate active due diligence.
- **Written offers** provide the clearest market evidence — although their conditions and other terms matter as well as price.

The agent should also identify recurring feedback. If several unrelated buyers raise the same issue — whether price, presentation, access, maintenance or another concern — that pattern can be more useful than isolated comments.

Even a "no price" listing has a price position.

A property advertised without a visible asking price still needs to be positioned within the search systems used by property portals. Trade Me, for example, currently requires an **expected sale price** that is used for search results but is not displayed on the listing. Other portals use equivalent search-price or price-positioning information to determine which price-filtered searches display a property.

That price positioning must not be used to create a misleading impression of affordability or to attract purchasers at a level the vendor would not seriously consider. REA requires advertised pricing to reflect the pricing expectations agreed with the client and specifically cautions against misleading online search ranges.

Experienced portal users can also vary their minimum and maximum search ranges and often obtain a reasonable indication of where an apparently "price-free" property has been positioned. Consequently, withholding an advertised price does not necessarily conceal the property's approximate price positioning from buyers.

Pressure to spend heavily on marketing.

Marketing can be valuable, but the vendor should understand what each element is intended to achieve. Ask which components are essential, which are optional, what audience they reach, and whether lower-cost alternatives could achieve the same objective. Under the Code, additional marketing expenses and any relevant benefits to the licensee must be explained before the agency agreement is signed.

Why Crow Realty often recommends marketing with a price.

Where there is sufficient market evidence to establish a realistic asking price and the vendor is comfortable doing so, Crow Realty will often recommend advertising the property with a price.

A realistic advertised price gives prospective purchasers immediate information about whether the property is likely to be within their purchasing range. It can reduce enquiries from people who simply want to discover the price, allow genuinely interested purchasers to concentrate on the property itself, and make the feedback received during the campaign more meaningful.

It also does not prevent negotiation. An advertised price is the vendor's asking price, not an obligation on either party. A purchaser may offer more or less and the vendor remains free to accept, reject or negotiate any offer.

Crow Realty does not suggest that advertised pricing is appropriate for every property or every market. Our preference is simply to use the sale method and pricing strategy that we believe best serves the particular vendor and property, rather than adopting a method because it produces more activity statistics or happens to be fashionable.

Open homes, private viewings and property security

Open homes and private viewings involve prospective purchasers entering a private property, so vendors should understand how access will be managed. Ask how visitors are handled, whether buyers are accompanied through the property, how keys and alarm information are controlled and how any unusual incident will be dealt with.

Before viewings, remove or secure jewellery, medication, identity documents, financial papers, spare keys and other small valuables. Passwords, alarm codes, gate codes and private information should not be left visible.

If the property is tenanted, access also needs to respect the tenant's rights and applicable tenancy requirements.

5. What should a purchaser expect from the listing agent?

A purchaser should expect accurate, fair and timely dealing even though the listing agent acts for the vendor. The agent must not mislead the purchaser, must not provide false information and must not withhold information that should by law or fairness be disclosed.

The purchaser should also recognise the limits of the agent's role. A salesperson is not a substitute for the purchaser's lawyer, building inspector, surveyor, engineer, valuer, accountant or lender.

At viewings and open homes

The salesperson can explain the property as marketed, provide information held by the agency, arrange repeat inspections and help explain the sale process. A purchaser should still assess the property independently.

If something matters to your decision, ask a direct question and, where appropriate, verify the answer through documents or specialist advice. Take notes if you are viewing several properties, as details can quickly become confused.

If you are seriously interested, consider inspecting the property again at a different time to assess matters such as traffic, noise, sunlight, parking or neighbourhood activity. Ask what property documents and reports are available, and do not treat general reassurance as a substitute for a building inspection, legal review or other specialist investigation.

Questions a purchaser should consider asking

- Are you acting for the vendor, or are you separately appointed as a buyer's agent?
- What do you know about the property that could reasonably affect my decision to buy?
- Are you aware of any defects, water ingress, flooding, subsidence, contamination, weathertightness, boundary or access issues?
- Are you aware of alterations or improvements that do not appear to have the required permits, building consents, resource consents or Code Compliance Certificates?
- Have you or the vendor checked the LIM, Council property file and Record of Title, and are copies available?
- Are there easements, covenants, consent notices, encumbrances, cross-lease issues, body corporate matters or other title interests I should investigate?
- Has the vendor obtained or been given any building, engineering, geotechnical, methamphetamine, electrical, drainage or other reports relevant to the property?

- Are you aware of any discrepancy between the physical property and Council records or title plans?
- Are there known developments, natural hazards or other matters beyond the boundary that may materially affect the property?
- Is there currently another written offer or a multi-offer process?
- What sale process is being used and can the vendor consider or accept an offer before any advertised deadline?
- What should I independently verify before making my offer unconditional?

The vendor also has an important role in disclosure

The agent can only deal properly with information the agency knows or reasonably identifies. Vendors should answer questions fully, tell the agent about known defects, disputes or other material matters and provide relevant reports, Council correspondence and other property information.

Where a vendor is unsure whether something is relevant, the safer course is generally to tell the agent and obtain advice about whether and how it should be disclosed. Attempting to keep a material issue from the agent can place both the vendor and the agency in a difficult position and may ultimately make the transaction less secure.

6. Disclosure - one of the agent's most important obligations

Disclosure is an area where the agent's duty to the vendor and the obligation to deal fairly with purchasers must be carefully balanced.

The Code does not require an agent to discover every hidden or underlying defect. It does, however, require known defects to be disclosed. Where it would appear likely to a reasonably competent licensee that a significant hidden or underlying defect may exist, the licensee must either obtain evidence or expert advice supporting the vendor's position that there is no defect, or ensure the purchaser is informed of the significant potential risk so they can obtain expert advice.

Disclosure obligations are broader than physical defects. Information may sometimes need to be disclosed because withholding it would mislead or because fairness requires disclosure. REA guidance gives examples beyond the building itself, including relevant neighbourhood developments and some serious events associated with a property.

If a vendor directs an agent to withhold information that the agent is required to disclose under rule 10.7 of the Code of Conduct, the agent cannot simply follow that instruction. The agent must explain the disclosure obligation to the vendor and, if the vendor continues to require that information to be withheld, the agent must stop acting for the vendor.

Examples of matters that may require investigation or disclosure

- known structural, moisture, drainage, subsidence or weathertightness problems;
- known unconsented or unauthorised building work, missing approvals or discrepancies in Council records;
- known title, access, boundary, easement or covenant issues;
- known flooding, coastal, land instability or other natural-hazard information;
- known contamination or other environmental risks;
- previous professional reports identifying a material issue, even if the report itself cannot be supplied without the owner's consent;
- material information beyond the boundary where withholding it would mislead a purchaser or where fairness requires disclosure.

For purchasers
Disclosure by the salesperson is not a replacement for due diligence. The safest approach is to ask direct questions, read the available property information and obtain independent specialist advice before going unconditional.

7. Offers, negotiations and multiple offers

A licensee must submit all written offers to the vendor. The salesperson does not decide whether an offer is “good enough” to be shown to the client. The vendor decides whether to accept, reject, counter, wait for other offers or negotiate with one or more parties.

The vendor is not necessarily required to accept the highest price. Conditions, settlement timing, deposit, finance certainty and other terms can all affect which offer the vendor prefers.

Where there is more than one buyer making an offer, the agency should clearly explain the multi-offer process. Buyers should understand that they may have only one opportunity to put forward their best offer and that the vendor may choose to negotiate with one party rather than all parties. If a supposed multi-offer ceases to be a genuine multi-offer before presentation, the remaining buyer should be told so that they can reconsider their position.

Purchasers should be encouraged to obtain legal advice on the agreement and any conditions rather than relying on the salesperson for legal advice.

8. Agency agreements, commission and marketing

An agency agreement is a legally significant contract. Before signing, the vendor should understand the agency type, duration, cancellation rights, commission, marketing expenses, post-agency commission exposure and any supplier rebates or discounts.

Commission rates are not fixed by law and can be negotiated. The agency must explain how commission is calculated and provide an estimated dollar amount based on the appraisal. Vendors should compare the total service proposition rather than commission percentage alone.

Points to understand before signing

Make sure you understand whether the agency is sole or general and exactly when it begins and ends; how and when it can be cancelled; how commission is calculated and when it becomes payable; which marketing expenses remain payable if the property does not sell; whether commission could become payable after the agency ends if a purchaser introduced during the agency later buys; and whether the agency receives any supplier rebates, discounts or commissions.

Also check what authority the agreement gives the agency to advertise the property, erect signs, conduct open homes and distribute property information. Any important special instruction or exclusion should be recorded in writing rather than left as a verbal understanding.

Keep a copy of the signed agreement together with the appraisal, marketing schedule and any later written variations.

For a residential sole agency, the vendor has a statutory cooling-off right until 5.00 pm on the first working day after receiving a copy of the agreement. Other cancellation rights can also apply, including special rights following an unsolicited approach and rights after 90 days for longer residential sole agencies. The exact agreement and circumstances should be checked.

9. What an agent is - and is not

A competent real estate professional should be able to guide the transaction, identify issues that require attention, explain the sale process, communicate effectively, negotiate, document offers and direct people toward appropriate professional advice.

They are generally not engaged to provide specialist legal, building, engineering, surveying, tax, accounting or financial advice. A strong agent should know when an issue is outside their expertise and recommend that the relevant party obtain independent advice rather than guessing.

10. If something goes wrong

Every licensed real estate agency must maintain written in-house procedures for complaints and dispute resolution. If you are unhappy with the conduct of a salesperson or the service received, it is often sensible to raise the issue promptly with the salesperson and, if necessary, the supervising agent, branch manager or agency principal.

You do not have to complete the agency's internal complaint process before making a complaint to the Real Estate Authority. REA can assess complaints relating to potential breaches of the Real Estate Agents Act or Code of Conduct and may refer matters through its resolution, Complaints Assessment Committee or disciplinary processes as appropriate.

REA is the regulator of licensed real estate professionals. It does not act as your lawyer, stop a transaction for you or resolve every contractual dispute. Where a transaction or legal right is at risk, obtain independent legal advice promptly.

A practical complaint pathway

- Record what happened, including dates, communications and relevant documents.
- Raise the concern with the salesperson if appropriate and ask for a clear response.
- Escalate to the supervising agent, branch manager or agency principal where necessary.
- Ask for a copy of the agency's written complaints and dispute-resolution procedure.
- If the matter remains unresolved, or you prefer to go directly to the regulator, contact the Real Estate Authority.
- Obtain independent legal or other professional advice where your contractual or financial position may be affected.

11. A simple checklist for vendors

- Check the salesperson's licence and experience relevant to your property type.
- Compare evidence-based appraisals, not just the highest number.
- Understand exactly who will service the listing.
- Ask about conjunction and how outside buyers will be handled.
- Understand commission, marketing costs, rebates and cancellation provisions.
- Agree the sale method and pricing strategy consciously.
- Disclose known issues fully to your agent and provide relevant documents.
- Expect regular reporting, buyer follow-up and evidence-based advice.
- Read the agency agreement carefully and obtain legal advice if needed.

12. A simple checklist for purchasers

- Remember the listing salesperson usually acts for the vendor.
- Ask direct questions about defects, consents, Council records, title and reports.
- Do not assume absence of disclosure means absence of a problem.
- Read the Record of Title, LIM and Council property information where appropriate.
- Arrange independent inspections and specialist advice.
- Have your lawyer review the agreement and conditions before signing where possible.

- Understand the sale method and whether there are competing offers.
- Do not allow urgency to replace due diligence unless you consciously accept that risk.

Key sources and further information

- Real Estate Authority (REA) - Real Estate Agents Act (Professional Conduct and Client Care) Rules 2012; Code of Conduct guidance; approved Agency Agreement and Sale and Purchase Agreement guides; guidance on appraisals, disclosure, multi-offers, agency agreements, conjunctional sales and complaints. See www.rea.govt.nz.
- New Zealand legislation - Real Estate Agents Act 2008 and related regulations. See www.legislation.govt.nz.

Important

This guide provides general information only. It is not legal advice and does not replace the Real Estate Authority's approved consumer guides, the terms of any agency agreement or sale and purchase agreement, or advice from a lawyer or other suitably qualified professional. Real estate transactions and disclosure issues are fact-specific. Obtain independent advice where appropriate.

Reviewed: October 2026