



# Commercial real estate

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# 1 Introduction

This guide supports the commercial real estate pathway. It is designed to help you understand more about qualifying in this area.

You must use this guide in conjunction with the core assessment documentation, which is available on the RICS website and comprises of:

- Requirements and competencies guide
- Candidate guide for your RICS assessment, e.g. APC, Academic, Senior Professional, Specialist
- Counsellor guide.

You can download all the supporting guidance from the [Sector pathways](#) web page.

All RICS pathways are global, though it is appreciated that markets may vary from country to country. If you have any queries please contact your local office.

## About the competencies

The RICS competency framework ensures those applying for the RICS qualification are competent to practise and meet the highest standards of professionalism required by RICS. There is a wide range of pathways available to qualify as an RICS professional covering many different areas of practice.

The RICS assessment aims to assess that you are competent to carry out the work of a qualified chartered surveyor. To be competent is to have the skill or ability to perform a task or function. The RICS competencies are also based upon attitudes and behaviours. The competencies are presented in a generic way so they can be applied to different areas of practice and geographical locations.

It is important that you interpret them within the context of your own area of practice or specialism and location.

Each competency is defined at three levels of attainment. You must reach the required level in a logical progression and in successive stages.

**Level 1** – knowledge and understanding

**Level 2** – application of knowledge

**Level 3** – reasoned advice, depth and synthesis of technical knowledge and its implementation.

The competencies are in three distinct categories:

**Mandatory** – the personal, interpersonal, professional practice and business skills common to all pathways and mandatory for all candidates.

**Technical core** – the primary skills of your chosen pathway.

**Technical optional** – selected as additional skill requirements for your pathway from a list of competencies relevant to the area of practice.

The mandatory competency requirements are set out in detail in the Requirements and competencies guide.

## Choosing your competencies

It is important that you give careful thought to your choice and combination of competencies. Your choice will inevitably reflect the work you do in your day-to-day environment (driven by the needs of your clients/employer). Your choice and combination of competencies will be a reflection of your judgement.

At the final assessment interview, the assessors will take these choices into account. They will expect you to present a sensible and realistic choice that reflects the skills needed to fulfil the role of a surveyor in your field of practice.

This guide should help candidates and employers with a degree of assistance in choosing the competencies that are most appropriate to their area of practice.

## Where to find help

RICS has fully trained teams across the globe who will be able to help you with any queries. For details of your local office, visit the [Contact us](#) web page.

## 2 About the pathway

The work of chartered surveyors in this area covers all types of real estate used for business purposes. The principal sectors within commercial real estate are retail, office, industrial and leisure.

Commercial real estate serves a vast array of purposes supporting public and private sector business and services, such as government, service industries, education, healthcare, manufacturing, telecommunications and other civil infrastructure. The exception is real estate related to agricultural or residential use.

### RICS qualification

Commercial real estate is a broad-based pathway. It is ideal for anyone pursuing a career in commercial real estate services in either the private or public sector. The majority of candidates are therefore likely to gain experience in a number of the key areas summarised below:

**Purchase, sale and leasing of real estate:** acting as an agent, broker or auctioneer in the purchase, sale and leasing of commercial real estate.

**Management:** managing all real estate resources – including both the human and financial implications of real estate – ranging from day-to-day management to integrated asset management.

**Landlord and tenant:** this includes rent reviews, lease renewals and preparing submissions for dispute resolution.

**Telecommunications:** all real estate issues relating to developing telecommunications networks infrastructure.

**Valuation\*:** commercial real estate surveyors must have knowledge of valuation.

**Investment\*:** advice on investment appraisal, performance measurement and analysis and portfolio management.

**Planning and development\*:** advising developers, funders, occupiers and the public sector on potential demand, rental levels and valuation.

**Real estate finance and funding\*:** for the ownership or development of real estate, including applying and appraising different finance and funding structures.

\* Although these areas are core skills to many candidates undertaking the commercial real estate pathway, they also have specialist pathways of their own. Candidates and their employers must consider if these are more appropriate in the context of their personal career.

### Chartered alternative designations

All candidates qualifying through this pathway will be entitled to use the designation 'Chartered Commercial Property Surveyor'.

RICS also offers pathways in commercial property and real estate agency as part of the Associate assessment.

For further details please go to the [Associate member](#) web page.

# 3 Pathway requirements

Mandatory	Core	Optional	
<p><b>Level 3</b></p> <ul style="list-style-type: none"> <li>Ethics, Rules of Conduct and professionalism</li> </ul> <p><b>Level 2</b></p> <ul style="list-style-type: none"> <li>Client care</li> <li>Communication and negotiation</li> <li>Health and safety</li> </ul> <p><b>Level 1</b></p> <ul style="list-style-type: none"> <li>Accounting principles and procedures</li> <li>Business planning</li> <li>Conflict avoidance, management and dispute resolution procedures</li> <li>Data management</li> <li>Diversity, inclusion and teamworking</li> <li>Inclusive environments</li> <li>Sustainability</li> </ul>	<p><b>Level 3</b></p> <ul style="list-style-type: none"> <li>Inspection</li> </ul> <p><b>Level 2</b></p> <ul style="list-style-type: none"> <li>Measurement</li> <li>Valuation (or Level 3*)</li> </ul>	<p><b>Three to Level 3</b></p> <ul style="list-style-type: none"> <li>Accounting principles and procedures or Conflict avoidance, management and dispute resolution or Data management or Sustainability</li> <li>Auctioneering</li> <li>BIM management</li> <li>Building pathology</li> <li>Capital taxation</li> <li>Compulsory purchase and compensation</li> <li>Contaminated land</li> <li>Corporate recovery and insolvency</li> <li>Development appraisals</li> <li>Insurance</li> <li>Indirect investment vehicles</li> <li>Investment management (including fund and portfolio management)</li> <li>Landlord and tenant</li> <li>Leasing and letting</li> <li>Legal/regulatory compliance</li> <li>Loan security valuation</li> <li>Local taxation/assessment</li> <li>Planning and development management</li> <li>Property finance and funding</li> <li>Property management</li> <li>Purchase and sale</li> <li>Strategic real estate consultancy</li> </ul>	<p>Plus one to Level 3 or two to Level 2 from the full list of technical competencies, including any not already chosen from the optional list*.</p> <p><b>If valuation is taken to Level 3 the requirements are as follows:</b></p> <p>From the optional competency list you must select two at Level 3 and one at Level 2</p> <p><b>plus</b></p> <p>From the full list of technical competencies you must select one to Level 3 or two to Level 2</p> <p>Although commercial real estate is the focus for the pathway, up to 30% of your experience can come from other property sectors, e.g. residential.</p>

# 4 Technical competencies guidance

## Accounting principles and procedures

This competency covers the basic principles of accounting and the interpretation of company accounts in order that reasoned advice can be given to clients.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of accounting concepts and the format and preparation of management and company accounts, including profit and loss statements, cash flow statements and balance sheets.

Examples of knowledge comprised within this level are:

- the Generally Accepted Accounting Principles (GAAP) relevant to the candidate's geographical area of experience and how property is treated in an entity's accounts
- International Accounting Standards (IAS), broadly how IAS vary from national GAAP and how property is treated in an entity's accounts prepared under IAS
- an entity's financial results and basic accounting principles including balance sheets, profit and loss, and cash flow statements
- the role of the auditor.

#### Level 2

Provide evidence of interpretation of company accounts and balance sheets in your area of practice and application of appropriate accounting and regulatory standards.

Examples of activities and knowledge comprised within this level are:

- applying knowledge obtained to achieve Level 1 and specific knowledge of the accounting standards that relate to property
- considering financial statements to establish, for example, the financial strength of an entity
- reviewing and understanding analysts' reports on financial statements
- considering and understanding common financial measures.

#### Level 3

Provide evidence of reasoned advice given to clients with regards to profit and loss statements and balance sheets.

Examples of activities and knowledge comprised within this level are:

- providing clients, in an appropriately supervised manner, with reasoned advice relating to the financial standing of a company, e.g. for agency activities such as leasing, buying and selling or to assess suitability for a commercial relationship
- preparing, or assisting in the preparation of, service charge accounts
- preparing, or assisting in the preparation of, management accounts for a property
- preparing, or assisting in the preparation of, an entity's accounts, i.e. balance sheet, profit and loss and cash flow statements
- providing other professional advice related to the interpretation and/or preparation of accounts.

## Auctioneering

This competency reflects the complex factors governing auctioneering. It includes aspects of law of sale and contract, misdescription, etc. as well as requiring the candidate to have knowledge of the auction process and the reasons for recommending sale by auction (or otherwise) over and above other methods of disposal.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the basic principles and legal obligations of auction. This should include preparation for, and procedures prior to or during, an auction.

Examples of knowledge comprised within this level are:

- the principles of the law governing auction and its implications
- an understanding of the process of how an auction works, including an understanding of the information required prior to auction and the process on the day.

#### Level 2

Provide evidence of the practical application of your knowledge to the preparation for the sale of real estate at auction and procedures prior to or during an auction.

Examples of activities and knowledge comprised within this level are:

- compiling information relating to real estate to be sold at auction
- assisting in the process of drawing up auction catalogues
- dealing with queries and issues raised prior to the auction in consultation with others
- dealing with issues arising post auction in consultation with others.

#### Level 3

Provide evidence of reasoned advice based on a thorough working knowledge and experience of the auction process, including experience of attending an auction and assisting with the auction process. It is possible to demonstrate this level of competency without rostrum experience.

Examples of activities and knowledge comprised within this level are:

- advising clients on the suitability of sale by auction
- advising clients on pricing
- attending an auction and assisting with the selling of lots
- assisting with taking of deposit and completion of memorandum of sale
- advising on pre and post auction sales.

## Building information modelling (BIM) management

This competency encompasses the establishment and management of the information modelling systems on projects. It covers collaborative process and technological principles involved in implementing building information modelling (BIM) management.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the technical, process and collaborative aspects of the use of BIM on projects.

Examples of knowledge comprised within this level are:

- appropriate data capture and measurement techniques such as laser scanning
- BIM strategies and implementation
- the various technical options and solutions for information modelling
- the collaborative processes necessary for BIM adoption
- standard classification systems and their use in infrastructure
- relevant internationally recognised management standards such as Construction Operations Building Information Exchange (COBie)
- appropriate RICS standards such as *Measured surveys of land, buildings and utilities*
- BIM-relevant software.

#### Level 2

Develop and apply management systems to facilitate the use of BIM on projects including unified control and reporting procedures.

Examples of activities and knowledge comprised within this level are:

- capturing and delivering appropriate measured survey information (Point Cloud, .DXF, 3D models, etc.) as necessary to build a BIM model
- preparing a BIM execution plan
- designing and implementing a BIM management process
- analysing comparative BIM solutions
- maintaining an information model
- agreeing and implementing contractual aspects of BIM such as separate protocol
- facilitating and managing project team members for BIM implementation.

#### Level 3

Provide evidence of how the knowledge and experience gained in this competency has been applied to advising clients and/or senior management on BIM strategy.

Examples of activities and knowledge comprised within this level are:

- analysing, assessing, evaluating and reporting on options for BIM strategies at a corporate or project level
- advising on data capture techniques, model future proofing and integrity of 3D information
- advising on visualisation and integration with other datasets
- designing and advising on collaborative strategies for the successful implementation of BIM on projects
- advising on the contractual and commercial implications of using BIM on projects
- advising on options for software and protocols on BIM projects
- advising on technical information systems requirements for BIM at corporate or project level.



## Building pathology

This competency is core to many areas of surveying. It is essential that all candidates have an understanding of defects analysis, and the likely resultant defects from failures in building fabric. This will range from the effects of a defective waterproof covering at simple building pathology, to much more complex defects such as interstitial condensation, and the possible effects on building fabric. Candidates will be expected to have an in-depth knowledge of the range of defects found in typical buildings in their locality, as well as an understanding of defects that they may come across more infrequently. In order to be competent in building pathology and defects analysis, candidates will need to have detailed construction technology knowledge.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate your knowledge and understanding of building defects including collection of information, measurements and tests.

Examples of knowledge comprised within this level are:

- defects relating to typical buildings found in your locality and explain cause and effect of these
- building defects likely to be encountered in typical building surveying activities
- the various methods to collect, store and retrieve information for various differing purposes when carrying out real estate inspections
- the various types of inspection that may be carried out, and the importance of the accurate recording of information during inspection
- differing types of testing, and the limitations of the tests, for example the use of damp meters, and other relevant equipment.

#### Level 2

Apply your knowledge to undertake surveys, use survey and other information to diagnose cause and mechanisms of failure.

Examples of activities and knowledge comprised within this level are:

- using examples, from your own experience, to demonstrate your application of knowledge gained at Level 1
- explaining the cause and mechanics of varying types of failure
- explaining procedures for carrying out inspections of properties
- explaining, with use of detailed examples, the relationship between observations taken on site and the diagnosis of failure in building fabric
- using knowledge and information gathered from several sources, including if necessary specialist inspections, to diagnose and explain building fabric failure.

#### Level 3

Provide evidence of reasoned advice and appropriate recommendations, including the preparation and presentation of reports.

Examples of activities and knowledge comprised within this level are:

- preparing reports for clients, explaining in non-technical language the causes of failure, and the likely results of failure, together with the appropriate remedial measures
- using information gathered from inspections to formulate the necessary remedial/preventative works including specific detail, in the form of a schedule of works, if required
- an understanding of the appropriate level of detail required in typical reports, including examples of layout, and the use of sketches/drawings and photographs
- discussing in detail examples of unusual defects you have been involved in and remedial works employed
- demonstrating the different requirements of reports to clients, (for example the differences between, schedules of condition, schedules of dilapidations, and pre-acquisition reports).

## Capital taxation

This competency includes valuations and negotiations for domestic taxation, inheritance tax, capital gains tax, which may also include advising on stamp duty, capital allowances and advising on litigation. It involves measurement of and analysis of comparables and application of evidence to resolve negotiations. It also includes application of statute and case law.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the relevant provisions for capital taxation of real estate, equipment and/or other property/assets in your area of taxation.

Examples of knowledge comprised within this level are:

- *Code of measuring practice* to include the zoning of commercial premises
- application of statute and case law relevant to your area of taxation
- analysis of evidence and relevance of the local legislation and area of taxation, e.g. the *Inheritance Tax Act* and *Taxation of Chargeable Gains Act*
- valuation methods applicable to different types of property/assets
- the specialist basis of valuation for capital tax in your areas of practice.

#### Level 2

Undertake valuations and negotiations for a variety of different property/asset types using different valuation methods for the purposes of capital taxation in your area of taxation.

Examples of activities and knowledge comprised within this level are:

- undertaking measurement and inspection
- undertaking valuation of a range of property/asset types
- using different methods of valuation: using comparables, the investment method, profits and discounted cash flow techniques where appropriate
- incorporating taxable deductions without capital tax valuations
- negotiating valuations or bandings and settlement of cases
- producing valuations on historic valuation dates for tax purposes
- participating in the preparation of cases to proceed to the appropriate tribunal.

#### Level 3

Provide evidence of reasoned advice to stakeholders (to include senior management within your organisation, clients and courts/tribunal members) in respect of specific cases and/or other capital taxation issues in your area of taxation.

Examples of activities and knowledge comprised within this level are:

- advising on settlement or litigation of cases
- advising on the costs of options and actions
- advising stakeholders on appeal process
- advising on the impact of such actions across the wider tax arena
- advising on appropriate reliefs and exemptions for capital tax.

## Compulsory purchase and compensation

This competency covers the understanding and practical application, within the appropriate legal framework, of compulsory purchase powers. Including the assessment of and claim for compensation. The candidate is expected to have an understanding from both the acquiring authority and claimant's position.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the powers and procedures of government and other bodies in relation to the compulsory purchase and compensation. This should cover interests in real estate and of the rights of owners and occupiers of the various interests in property.

Examples of knowledge comprised within this level are:

- the historical background, requirement for, and justification of the use of compulsory purchase powers
- an overview of the relevant applicable laws covering acquisition of land and rights, planning and compensation
- the basic principles of compensation (the before and after principle), accommodation works, and the legal right to claim.

#### Level 2

Assist in the preparation of the various stages involved in the process of compulsory purchase including the estimation of a claim for compensation.

Examples of activities and knowledge comprised within this level are:

- outlining the stages and timing involved in making, confirming and implementing a compulsory purchase order
- an understanding of statutory abilities to acquire rights other than outright purchase, such as those exercised by utilities companies
- setting out heads of claim under a compensation claim
- using appropriately the relevant statutory and case law in the assessment of a claim for compensation.

#### Level 3

Provide evidence of reasoned advice in relation to the validity and level of a claim for compensation, using a variety of valuation methodologies appropriate for the circumstances of the claim. Take an active role in the negotiation of claims, using a variety of bases of statutory and other valuation methodologies. Provide reasoned advice on the role of compulsory purchase in facilitating planning and regeneration initiatives.

Examples of activities and knowledge comprised within this level are:

- supplying and justifying evidence for a statement of claim using both valuation and logical techniques to back up the quantum of the claim
- dealing with best practice in the implementation of a compulsory purchase order on a road scheme, for instance
- developing a rationale for the use of compulsory purchase powers in order to enable development, taking into account human rights legislation
- the fee basis for chartered surveyors and the role of the Lands Tribunal (or relevant local equivalent) as well as mediation/arbitration
- assisting in the preparation for and attendance at a public inquiry into a Compulsory Purchase Order including understanding of procedure and process.

## Conflict avoidance, management and dispute resolution procedures

This competency covers the recognition, avoidance, management and resolution of disputes, involving an awareness of different dispute resolution processes and an understanding of the application of dispute resolution procedures appropriate to the area and jurisdiction of professional practice.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the techniques for conflict avoidance, conflict management and dispute resolution procedures including for example adjudication and arbitration, appropriate to your pathway.

Examples of knowledge comprised within this level are:

- a basic knowledge and understanding of common causes of disputes appropriate to your market sector/areas of specialism
- theories of negotiation and the role of effective communication and negotiation
- the primary features, advantages and disadvantages of a range of dispute resolution procedures and their surrounding statutory and/or non-statutory legal/ judicial context (e.g. how forms of contract deal with dispute resolution, and the scope of such clauses):
  - mediation
  - independent expert determination
  - arbitration
- PACT
  - Valuation Tribunal/Lower Tier Tribunals
  - court proceedings/litigation
- understanding of the main statute, rules and regulations relating to dispute resolution appropriate to your market sector/areas of specialism

#### Level 2

Provide evidence of practical application in your area of practice having regard to the relevant law.

Examples of activities and knowledge comprised within this level are:

- undertaking negotiations with the aim of avoiding dispute resolution proceedings (for example, rent review negotiations or discussions with the Valuation Office Agency over a rating appeal)
- assisting in the identification, gathering and collation of facts and expert evidence for use in expert reports to a dispute resolver or tribunal
- assisting in the compilation of written representations to a dispute resolver or tribunal
- the programming and negotiation of rating appeals and the application of the evidence rules under Regulation 17 of the *Alteration of Lists and Appeals Regulations*.

#### Level 3

Provide evidence of the application of the above in the context of advising stakeholders in the various circumstances referred to above.

Examples of activities and knowledge comprised within this level are:

- advising stakeholders of the most suitable means of dispute avoidance on their projects organisation
- providing advice as to alternative dispute resolution options in the event of breakdown of negotiations
- providing advice to clients over protection on the issue of costs of dispute resolution proceedings (e.g. Calderbank offers or liaising with solicitors over the content of Part 36 Offers)
- presenting evidence at Valuation Tribunal, avoiding the possible conflict between the roles of expert witness and advocate in presenting complex reasoned advice to the Valuation Tribunal and being cross-examined
- demonstrating detailed involvement with third party determination and associated representations to a dispute resolver or a tribunal, and associated management of that process on behalf of the client.

Please note that the roles of acting as a third party dispute resolver, expert witness, or advocate, are – for the vast majority of candidates – not likely to be an activity that is undertaken. It is only a small minority of candidates with substantial work experience in the field of dispute resolution for whom this is likely to be relevant.

## Level 1

- the possible roles and duties of a surveyor as an expert witness and/or an advocate, to include an awareness of the existence and scope of applicability of RICS professional standards and guidance for expert witnesses and advocates
- the range of nominating bodies and services available to resolve disputes, and particularly the role of the RICS Dispute Resolution Service and any specialised dispute resolution schemes it offers relevant to your market sector.
- RICS' *Conflicts of Interest* and any appropriate national RICS guidance.

## Level 2

## Level 3

## Contaminated land

This competency is about an understanding of contaminated land in the context of urban and rural land and property asset management, transaction and development, law and planning.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of how land becomes contaminated through human activities and natural occurrences. Clearly illustrate the implications of contamination for real estate valuation, development and management.

Examples of knowledge comprised within this level are:

- the definition of contaminated land under the *Contaminated Land Regulations 2000*, and associated legislation
- areas of professional practice where contaminated land is relevant, e.g. valuations, development, asset management, transactions, environmental assessment
- the relevance under Part 11A of the *Environmental Protection Act*, planning policy guidance and RICS professional standards and guidance
- demonstrate an understanding of the limitations upon chartered surveyors in this area, e.g. professional indemnity insurance, public liability insurance.

#### Level 2

Prepare a brief and/or specification for the appointment of a specialist(s) to undertake a site investigation.

Examples of activities and knowledge comprised within this level are:

- assembling specialist team members to advise on contaminated land assessment and remediation
- undertaking Review Stage 1 and desktop environmental reports and advise clients accordingly
- assisting in project management of, and undertaking phased contaminated land assessments and remediation options appraisals
- negotiating and liaising with clients and regulators on contaminated land issues
- working with specialist project teams dealing with contaminated land and assessment and remediation.

#### Level 3

Supervise a site investigation, interpret the results of laboratory analyses and make recommendations as to remedial treatments.

Examples of activities and knowledge comprised within this level are:

- advising clients on the application of contaminated land to their asset management, planning and development projects
- advising clients on the law and regulation, procedures and RICS professional standards and guidance appertaining to contaminated land.

## Corporate recovery and insolvency

This competency relates to providing reasoned valuation advice to parties when a business is struggling to meet its commitments. This could include working with a Fixed Charge Receiver or advising insolvency practitioners or turnaround specialists and lenders amongst others. It includes valuation advice on a variety of assets including, business assets, intangible assets, R&D and liabilities as well as trading related real estate and occupational premises.

**Note:** for the purpose of this competency the term ‘Fixed Charge Receiver’ can be locally interpreted as per the candidate’s geographical location as required.

### Examples of likely knowledge, skills and experience at each level

Level 1	Level 2	Level 3
<p>Demonstrate knowledge and understanding of the role of the chartered surveyor in corporate recovery and insolvency situations.</p>	<p>Demonstrate an understanding of the professional services required for the various types of appointment that can be made to administer/manage the affairs of insolvent and potentially insolvent companies and individuals.</p>	<p>Provide evidence of reasoned advice, prepare and present reports on the assets of insolvent companies and individuals and/or in the administration of Fixed Charge Receivership appointments.</p>
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• different types of insolvency routes for both personal and corporate</li> <li>• understanding of rights and remedies available to creditors</li> <li>• difference between floating charge/debenture and Fixed Charge.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• understanding clients’ needs</li> <li>• undertaking oral and written communication with you, clients and other stakeholders</li> <li>• implementing agreed strategy</li> <li>• liaising with other professional advisers as part of a ‘team’</li> <li>• differentiating alternative handling of encumbered, unencumbered or third-party assets</li> <li>• understanding the requirements and considerations for securing assets for different types of insolvency</li> <li>• understanding the protection afforded to a company prior to and during formal insolvency process</li> <li>• being involved with the instruction/appointment from start to finish.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• providing input into advice/strategy with regard to needs and timetable of clients</li> <li>• implementing advice/strategy and ability to adapt this as events unfold</li> <li>• advising on subject assets and preparation of schedule of assets with consideration to different titles of ownership</li> <li>• providing valuation reports detailing the extent of unencumbered, encumbered and third-party assets</li> <li>• providing valuation advice using appropriate bases of value to include disposal considerations and recommendations</li> <li>• providing advice to clients following receipt of offers to purchase</li> <li>• handling retention of title claims including obtaining and assessing relevant evidence, to provide advice to clients</li> <li>• managing and monitoring finances relating to an instruction including proceeds of sale, disbursements and accounting to clients.</li> </ul>

## Data management

This competency covers how data relating to individual projects and a surveyor's work generally is collected, stored and retrieved. In addition to having knowledge of the different storage systems and data sources and how they work, a candidate should also understand the principles behind the systems and what makes them effective. Candidates should also have knowledge of how general information and data is managed on a project and the increasing use of computerised central project databases.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the sources of information, law and data management methods, and the systems applicable to your area of practice, including the methodologies and techniques most appropriate to collect, collate and store data.

Examples of knowledge comprised within this level are:

- the use of published sources of data
- how data is collected, analysed and stored within your employer's organisation
- how project information is stored within your employer's organisation
- how electronic database systems work
- the use of computerised central project databases or BIM, the benefits, challenges and dangers
- how technical libraries are set up and used
- legislation applicable to data management and data access
- use and limitations of property information tools within your area of practice
- difference between deeds and registered titles.

#### Level 2

Provide evidence of practical application in your area of practice and understand the relevance of information gathered and the uses to which it can be applied. Analyse the information and data collected.

Examples of activities and knowledge comprised within this level are:

- obtaining data from published sources for use on a project
- obtaining data from in-house sources
- extracting data for inclusion in a database
- setting up and using paper-based or electronic project filing systems
- using a computerised central project database
- inputting and extracting data from BIM
- retrieving information from a technical library
- setting up a technical library
- writing clear and factual reports on information extracted from a property record or information system
- assisting in the development of a property information system
- interpreting plan/map data
- interpreting legal language in relation to property records
- ensuring data security
- inputting survey and valuation data
- extracting and using survey and valuation data
- data search for comparable evidence
- data search for due diligence functions.

#### Level 3

Provide evidence of reasoned advice given to clients and others on the use and practical application of the information collected and systems used, and/or specify the most appropriate way for your own and/or client organisation to collect, analyse and apply relevant information and data.

Examples of activities and knowledge comprised within this level are:

- advising on data storage system
- advising on business filing systems
- benchmarking from analysed historic data
- advising on the use of a computerised central project database
- advising on security of data
- advising colleagues on relevant data through completing returns and market survey data
- complying with client's data security requirements
- incorporating data research into complex reasoned advice to clients
- presenting conclusions to clients from data research and analysis.



## Development appraisals

This competency is about the role of development appraisals in residential and commercial development. Development appraisals also have a role in residual valuations of development sites, but it should be remembered that the two are different activities.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the principles and practices underlying a valid development appraisal.

Examples of knowledge comprised within this level are:

- the role of development appraisals in the marketplace and the situations where their use is appropriate
- the content of appraisals and how different issues such as planning requirements can be reflected
- the sensitivities of appraisals, what factors affect the appraisal
- External factors that have an influence upon the appraisal process.

#### Level 2

Identify, select, assemble and analyse data relevant to carrying out development appraisals. Undertake appraisals using relevant techniques and methodology and identify possible sources of development funding.

Examples of activities and knowledge comprised within this level are:

- analysing appropriate sources of information and data
- preparing appraisals for possible acquisition, disposal or valuation of development sites including residential, commercial and/or mixed-use
- using different techniques and software available for appraisals (while having an understanding of the basic principles of development appraisal)
- undertaking a sensitivity analysis
- assisting in the selection of appropriate sources of development finance.

#### Level 3

Interpret and provide evidence of reasoned advice on development appraisals and further opportunities.

Examples of activities and knowledge comprised within this level are:

- using development appraisals to advise on the acquisition, disposal or valuation of development sites
- producing reasoned analysis of risk using appropriate sensitivity analysis
- advising on the appropriate sources of development finance.

## Indirect investment vehicles

This competency is about developing an understanding of indirect investment vehicles and debt structures. It requires an awareness of existing vehicles and trends in the market and an ability to advise clients on optimal indirect investment solutions.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the principles of indirect investment including the different structures and instruments relating to the ownership and funding of real estate.

Examples of knowledge comprised within this level are:

- understanding the different forms of indirect investments; investment trusts, etc.
- understanding how property derivatives work
- understanding debt structures
- being aware of trends in the indirect investment markets and the reasons clients invest indirectly
- understanding the attractions of varying forms of indirect holding.

#### Level 2

Apply your knowledge to identify which structures might suit an investor or lender in any given scenario. Understand the management and risk issues that may differ from a more direct form of investment. Gain an appreciation of how investing indirectly can assist portfolio risk and return management.

Examples of activities and knowledge comprised within this level are:

- understanding the investment implications of indirect forms of investment for clients
- reviewing structures for indirect investment vehicles.

#### Level 3

Assist in the analysis and preparation of reasoned advice covering the benefits or otherwise of indirect investment. Participate in the establishment and management of such vehicles and demonstrate an understanding of how these vehicles impact the larger direct market.

Examples of activities and knowledge comprised within this level are:

- advising on indirect vehicles in which to invest
- advising clients seeking to divest on possible solutions such as indirect vehicles, derivatives, etc.

## Inspection

This competency is fundamental to providing accurate property advice. It is important that candidates are able to demonstrate knowledge and understanding of the core requirements of property inspection. Assessors will be seeking confirmation that all candidates have a good knowledge of building construction, location analysis and defects.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the different requirements for inspection, together with the required information and factors affecting the approach to an inspection.

Examples of knowledge comprised within this level are:

- understand the requirements and reasons for a property inspection
- understand safety issues when undertaking an inspection
- implications of location and situation
- identifying access arrangements
- basic knowledge of building construction and specification
- the legal requirements that impact upon the occupation/ownership of buildings.

#### Level 2

Undertake inspections and apply the information gained to prepare reports, schedules and/or registers of equipment, presenting appropriate information gained from the inspection.

Examples of activities and knowledge comprised within this level are:

- accurate recording of building and site characteristics
- preparing (or assisting in the preparation of) reports for clients
- understanding potential defects of buildings and implications
- assessing quality of location, design and specification.

#### Level 3

Provide evidence of reasoned advice and recommendations arising from inspections.

Examples of activities and knowledge comprised within this level are:

- preparing reports for clients, containing detailed information particularly with regard to valuation reports and the marketing of buildings
- providing detailed reasoned advice to clients
- making clients aware (where appropriate) of their statutory responsibilities.

## Insurance

In this context, many candidates will be involved with insurance in relation to reinstatement and owner/tenant liability. The candidate should demonstrate a thorough working knowledge of how insurance is dealt with, and likely costs in the market place.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the principles and practices of insurance in relation to your area of practice.

Examples of knowledge comprised within this level are:

- the elements comprising property and liability insurance
- the regulations governing the placing of insurance policies
- the major terms and factors influencing insurance.

#### Level 2

Apply your knowledge and/or be involved with the insurance of construction and/or property-related matters.

Examples of activities and knowledge comprised within this level are:

- placing insurance relating to property and liability
- inspection of property to ensure compliance with terms of insurance policy
- liaising and negotiating with tenants or owners of the insured property
- dealing with claims arising from start to completion.

#### Level 3

Demonstrate a thorough understanding of the regulations and practice governing the insurance of construction and/or property-related matters.

Examples of activities and knowledge comprised within this level are:

- undertaking assessments and valuations for insurance purposes
- negotiation with insurance companies in relation to policy details and wording
- ensuring compliance with regulations and governance of insurance.

## Investment management (including fund and portfolio management)

To be conversant with the key principles of investment management theory and practice. Acquire and develop detailed asset management expertise and knowledge across a broad range of sectors and be able to apply these in a strategic context.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the principles of financial investment in property.

Examples of knowledge comprised within this level are:

- the fundamental elements of property returns including capital and rental returns, plus how these are generated in practice
- understanding the mainstream types of property valuation and being conversant with the theory behind these
- gaining a good working knowledge of the principles of portfolio management and asset management.

#### Level 2

Apply the principles of managing property as a financial investment.

Examples of activities and knowledge comprised within this level are:

- assisting on selected asset management activity and demonstrating how this fits into the portfolio strategic performance plan
- working with fellow professionals from a diverse range of backgrounds, drawing various skill bases together to achieve an asset or portfolio objective
- appropriate legislation and regulations relating to the management of property as a financial investment.

#### Level 3

Provide evidence of reasoned and strategic advice on property as a financial investment, including the preparation and presentation of reports.

Examples of activities and knowledge comprised within this level are:

- generating and implementing strategic advice independently both at portfolio and asset specific level
- reporting in a manner that appropriately communicates this to clients and/or advisers in a focused, relevant manner
- advising on key legislation and regulation.

## Landlord and tenant

This competency is about the management of the landlord and tenant relationship. It has a broad scope covering all aspects of lease negotiations arising between landlord and tenant. The candidate will be expected to understand the issues and how they affect both parties.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the law and practice relating to landlord and tenant.

Examples of knowledge comprised within this level are:

- the principles of property law
- the statutory and common law framework applying to the landlord and tenant relationship
- the content, form, and structure of leases
- relevant market conditions and property values.

#### Level 2

Apply the principles of the law and practice relating to landlord and tenant. Carry out relevant negotiations to provide solutions to issues affecting both owners and occupiers of real estate.

Examples of activities and knowledge comprised within this level are:

- reading and interpreting leases
- carrying out market research, collating and analysing comparable evidence
- preparing, serving and responding to legal notices
- entering into negotiations
- instructing legal advisers and seeing matters to conclusion.

#### Level 3

Provide evidence of reasoned advice, prepare and present reports on the law and practice relating to landlord and tenant. Apply your knowledge to assist in undertaking relevant dispute resolution procedures.

Examples of activities and knowledge comprised within this level are:

- providing appropriate valuation advice
- providing strategic advice upon landlord and tenant matters, relating to individual properties or blocks of properties
- providing advice as to alternative dispute resolution options in the event of breakdown of negotiations and taking any necessary action to protect the client's position
- demonstrating involvement with third-party determination and associated submissions
- reaching an agreed solution and reporting recommendations to client
- preparing reports containing recommendations prior to the commencement of negotiations.

## Leasing and letting

This competency is specifically in relation to the market for leasehold property and includes assignments. Candidates should be able to demonstrate an understanding and experience (if appropriate) of working for both landlord and tenant. The candidate should have a knowledge of the whole transactional market for property.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of how various types of property are let (or a similar interest is acquired for a client) and the different types of interests that may be placed on the market. Demonstrate an understanding of the economics of the market for such interests and the appropriate legal frameworks.

Examples of knowledge comprised within this level are:

- the market for leasing and letting, and how values and lease terms may be affected by market trends and pressures
- the legislative framework associated with lease terms and show how this is reflected in the market place
- what factors affect value for property in the letting market.

#### Level 2

Apply your knowledge and skills to the leasing/letting of all types of property and demonstrate practical experience of the associated decision-making process, marketing, reporting and completion of the transaction. Demonstrate knowledge and understanding of other forms of property transaction, and of the reasons supporting the decision to proceed along the chosen leasing or letting route.

Examples of activities and knowledge comprised within this level are:

- experience of leasing/letting for both landlord and tenant
- experience of transaction from initial inspections through to completion of documentation
- negotiation with both prospective parties and the property owner
- decision making and recommendation of courses of action including valuation advice.

#### Level 3

Provide evidence of reasoned advice and report to clients on all types of leasing or letting transactions. Demonstrate the ability to see complex cases through from start to finish with appropriate assistance. Be able to provide clients with a holistic view of the entire transactional market, and advise them clearly and appropriately, not only on the letting or leasing market, but also on other areas.

Examples of activities and knowledge comprised within this level are:

- experience of complex letting/leasing cases and explaining the factors which made the case deviate from the market norm
- commenting clearly on why decisions were made in relation to the chosen route of leasing/letting
- reporting to clients with recommendations including valuation advice
- reporting to clients with recommendations on strategy in relation to all options for the property
- dealing with externalities to the market which may affect leasing/letting
- utilising negotiation and business skills in relation to challenging leasing situations.

## Legal/regulatory compliance

This competency is an essential element of commercial real estate. The commercial team is often responsible for ensuring full compliance with all the provisions of relevant legislation and associated regulations associated with the operation of the asset.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of any legal/regulatory compliance requirements in relation to your area of practice.

Examples of knowledge comprised within this level are:

- the law relating to building compliance and the risks associated with poorly maintained or operated assets or equipment
- the extent and impact of regulation compliance on development projects with particular reference to health and safety, disability, and construction, design and management regulations.

#### Level 2

Apply your knowledge to comply with legal/regulatory requirements in specific situations within your area of practice.

Examples of activities and knowledge comprised within this level are:

- using current case law, appeals and representations
- understanding the impact of wider regulatory compliance around ethics, safety, procurement, modern slavery, information and data security
- applying health and safety at work practices, disability, and construction, design and management regulations.

#### Level 3

Provide evidence of reasoned advice, prepare and present reports on legal/regulatory compliance requirements in relation to your area of practice.

Examples of activities and knowledge comprised within this level are:

- giving written, reasoned advice on legal and regulatory compliance for a project
- giving clients reasoned advice on representations on consultation matters, in written reports, in liaison with solicitors.



## Loan security valuation

This competency covers valuation for the specific purpose of loan security in accordance with valuation standards (*RICS Valuation – Global Standards*) for residential or commercial property.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the financial market and how this is supported by valuation advice, including the role and importance of debt finance in property (such as principal forms of debt and their sources), trading assets and loan security, the relevant valuation standards (*RICS Valuation – Global Standards* (Red Book Global Standards)) and relevant negligence case law, due diligence relevant to loan security valuation, particularly conflict of interest, and risk management in property lending decisions.

Examples of knowledge comprised within this level are:

- financial products relevant to your market
- negligence case law relating to duty of care
- enhanced conflict of interest procedures for loan security valuation in your workplace
- risk analysis techniques used by lenders in decision making
- sources of risk to lenders and valuers related to loan security and how the valuation process contributes to managing lenders' risk
- sources of potential fraud or criminal activity and actions required to secured lending.

#### Level 2

Demonstrate practical competence in undertaking valuation for the purpose of loan security using appropriate techniques, including the application of the relevant valuation standards (Red Book Global Standards) to valuation, incorporating lenders' specific requirements into a valuation, and appropriate research into factors affecting risk in loan security valuation. Identify factors that affect the ability to obtain finance.

Examples of activities and knowledge comprised within this level are:

- examples of valuations using appropriate techniques for a lender including where lenders' requirements differ from Red Book Global Standards requirements
- issuing terms of engagement to comply with valuation standards in specific instances
- carrying out research into matters that may affect valuation certainty. for example research into the local markets and wider markets that can influence the security of an investment
- valuing a property subject to a special assumption
- identify and appropriately report to lenders or National Crime Agency (or equivalent body) potential fraud or suspicious activity.

#### Level 3

Provide evidence of complex reasoned quantitative valuation advice to clients in the form of compliant valuation reports. For example: SWOT analysis, commenting on loan terms, commenting on future performance of the investment and commenting on the influences of the wider market. Describe the complex reasoning behind your recommendations to client in order to mitigate client's risk.

Examples of activities and knowledge comprised within this level are:

- providing evidence of a specific valuation report in accordance with valuation standards and incorporating a valuation comparable matrix, sensitivity analysis or other evidence of valuation methodology and approach
- providing evidence of a specific valuation report in accordance with valuation standards and incorporating appropriate narrative on the strengths and weaknesses of the investment, marketability if the lender was to re-possess and the risks involved in lending in the property in relation to the loan terms
- identify and explain the risk profile of property and how it affects client's needs in terms of advice, i.e. why do they need advice
- providing valuation advice on a property's suitability for secured lending
- providing reasoned advice where properties are not considered suitable for secured lending due to Red Book Global Standards or lenders' requirements.

## Local taxation/assessment

This competency covers the valuation and negotiation of rating appeals. Inspection, measurement and analysis of comparables. Application of evidence when dealing with appeals to include an understanding of the use of comparable rental evidence. Application of statute and casework.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the provisions for taxation of real estate, plant and machinery and/or other property types at a local/municipal level.

Examples of knowledge comprised within this level are:

- *Code of measuring practice* to include zoning of shops
- application of statute and case law
- analysis of evidence and relevance of the law of landlord and tenant
- various methods of valuation applicable to different types of property
- plant and machinery in respect of the above.

#### Level 2

Undertake valuations and negotiations for a variety of different property types using different valuation methods for the purposes of local/municipal taxation.

Examples of activities and knowledge comprised within this level are:

- measuring and inspecting properties
- valuing different property types
- using different methods of valuation: rental and comparative approaches, profits, receipts and expenditure and costs
- participating in negotiation, valuations and settlement of appeals.

#### Level 3

Provide evidence of reasoned advice to stakeholders (including senior management within your organisation, clients and courts/tribunal members) in respect of specific cases and/or other local taxation issues.

Examples of activities and knowledge comprised within this level are:

- advising on settlement or litigation of cases
- advising on the costs of options and actions
- advising on the impact of various actions with an appreciation of the wider context.

## Measurement

This competency is relevant to all data capture and measurement of land or property. In the context of the property pathways, it refers particularly to measurement of saleable/lettable areas for agency or valuation purposes.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the principles and limitations of measurement relevant to your area of practice.

Examples of knowledge comprised within this level are:

- relevant data capture techniques including the use of lasers and tapes
- the limitations of different methods of measurement
- checking procedures for the instruments used and the calculations undertaken
- potential sources of error from use of the instruments
- the basis on which measurements should be undertaken, i.e. the core definitions of measurement and their application
- the appropriate RICS professional standards and guidance relating to measurement with particular reference to RICS' *Property measurement*
- the degree of accuracy that is required for different types of property and the use to which the measurements will be put
- the use and limitations of plans and drawings.

#### Level 2

Apply your knowledge to undertake measurement. Use basic and/or advanced instrumentation to collect data. Present appropriate information gained from measurement.

Examples of activities and knowledge comprised within this level are:

- using the appropriate instrumentation (including lasers and tapes) to capture sufficiently accurate data, based on an understanding of limitations of different instruments
- dealing with and advising on sources of error from use of instruments
- applying the appropriate guidance correctly in practice to undertake measurement of a variety of properties, understanding the basis on which measurements should be undertaken
- undertaking necessary calculations
- preparing and presenting measurements in a manner appropriate for the purpose they are to be used, understanding the level of accuracy that is required for different types of property.

#### Level 3

Evaluate, present, manage, analyse data and/or apply spatial data and information. Show an advanced understanding of accuracy, precision and error sources.

Examples of activities and knowledge comprised within this level are:

- Level 3 is only recommended for candidates with specialist knowledge and experience of sophisticated measurement and data capture practice. Most property candidates will only attain Level 2. For guidance on Level 3 please refer to RICS Geomatics Professional Group.

## Planning development and management

Planning appraisal is one of the crucial starting points in the development or refurbishment process. Such appraisals draw together all of the relevant policies, site history and local context pertaining to a site and the potential to secure planning consent.

Development management covers the process of managing or obtaining the grant of planning consents working for either the local authority or client-side perspective. The competency also covers the appeals process and the criteria by which cases will be considered by inspectors.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the key principles and processes used to determine both the need for planning consent and the procedures involved in obtaining appropriate planning permission.

Examples of knowledge comprised within this level are:

- the purpose of the development management system and process
- the stages of the development application and appeals process
- the consultation process and stakeholder management
- the decision making process and role of key stakeholders
- the need for supporting information and basis for determining what is required
- familiarity with appropriate planning policy and procedures relevant to the locality/region of working
- site/building surveys and details, e.g. site planning history, flood risk, biodiversity, archaeology, architectural character, conservation, accessibility, highways, services and utilities
- analysis of environmental features and issues
- urban design principles and characteristics and their implications for development appraisals
- the role of supplementary planning documents, design guides and codes in guiding planning applications and their consideration.

#### Level 2

Apply your knowledge to identify, select, assemble and analyse information relevant to the preparation or determination of appropriate planning applications.

Examples of activities and knowledge comprised within this level are:

- support the making of planning applications and/or appeal documentation
- selecting, researching and analysing information and data and writing reports in support of or in response to planning applications
- identify and implement appropriate consultation procedures and respond to issues identified
- identify and help ensure compliance with planning policies and guidance.

#### Level 3

Apply information and reasoned advice in the preparation, presentation and/or negotiation of planning application and/or appeals documentation.

Examples of activities and the application of knowledge comprised within this level are:

- liaising with and negotiating with planning officers, clients, fellow professionals and third-party stakeholders in relationship to a development project
- preparing planning appraisals of land, buildings and concepts and area wide planning parameter studies
- making a planning application and/or submitting an appeal and appearing at an informal or public inquiry
- formulating and negotiating a planning or highways agreements
- creativity, problem solving and dispute mediation in scheme development.

## Property finance and funding

This competency focuses on the candidate's understanding of the range of finance available, their understanding of how this is sourced and how this may be used to assist with property investment and development scenarios. Candidates will be expected to apply this knowledge in order to provide advice to clients on their financing options and the impact of this on their returns.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the role and importance of finance in property, including the principal forms of investment finance and their sources.

Examples of knowledge comprised within this level are:

- the various senior debt providers, and their expectations in terms of pricing and security
- the impact of gearing on equity returns
- the ability to demonstrate this gearing effect numerically
- how mezzanine and equity finance might be priced
- the financing process
- use of financial information such as audited report and accounts.

#### Level 2

Identify the factors that affect the ability to obtain finance to fund any investment project. Identify appropriate sources of finance and understand the principles that apply to securing finance for different purposes.

Examples of activities and knowledge comprised within this level are:

- analysing investment and development projects to ascertain the level of senior debt that could be raised within the mathematical limits
- applying likely finance pricing required by senior debt providers
- using market knowledge to assess whether the level of senior debt mathematically capable of being sustained is acceptable to the debt providers
- sourcing and collating information which is necessary to support a presentation to secure a financing
- sourcing and understanding the role of valuation advice
- analysing and illustrating the impact of financial covenants
- reviewing and comprehending financing documents, particularly loan agreements and facility letters
- confirming that financing documents reflect the commercial terms agreed and how the controls of the provider may impact on the borrower's management flexibility.

#### Level 3

Provide evidence of reasoned advice on maximising the viability of any funding situation. Demonstrate your appreciation of the impact of property matters on valuation and funding. Demonstrate your understanding of the impact of funding matters on the property market.

Examples of activities and knowledge comprised within this level are:

- analysing and understanding a stand-alone financing from the outset to completion and draw down of funds
- illustrating multi-tiered financing arrangements numerically and using this to assess the true cost of finance at each level
- advising accordingly on the above.

## Property management

This competency covers all aspects of day-to-day functions associated with property management. It includes issues relating to works, health and safety, landlord and tenant relationships, and service charges. In general, any matter associated with the smooth running of a property.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of property management and the relationship between owner and occupier.

Examples of knowledge comprised within this level are:

- the key factors determining the landlord and tenant relationship in relation to the running of a property
- the key lease terms and their implications to property management
- how disputes and problematical issues can be resolved, and be able to prioritise key tasks.

#### Level 2

Apply the principles of property management to provide solutions to issues affecting both owners and occupiers of real estate.

Examples of activities and knowledge comprised within this level are:

- managing property from both a landlord and tenant perspective, and understanding the key factors from each viewpoint
- understanding legal requirements associated with multi-let property and/or managed property
- understanding property management accounting principles from the landlord and tenant perspective, and also the requirements of law and RICS
- understanding courses of action in relation to breaches of lease by landlord and tenant.

#### Level 3

Provide evidence of reasoned advice including the preparation and presentation of reports in relation to property management.

Examples of activities and knowledge comprised within this level are:

- participating in all aspects of property management including works, emergency reactive maintenance, planned programmes, budgets, etc
- applying your negotiation, communication, and business skills in relation to contentious issues with both landlord and tenant
- participating in issues such as applications, together with the associated legal frameworks.

## Purchase and sale

This competency relates to the purchase and sale of property on a freehold and leasehold basis. Sales and purchases of investment property are therefore included. Candidates should have regard to all property markets and alternative uses and values. Similarly, the candidate should have knowledge and understanding of other forms of disposal.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of how various types of property are sold (or a similar interest is acquired for a client) and the different types of interests that may be placed on the market. Demonstrate an understanding of the economics of the market for such interests, and the appropriate legal frameworks.

Examples of knowledge comprised within this level are:

- the different types of interests that can be sold or purchased, and the factors affecting value
- factors governing the methods of disposal/acquisition and the advantages/disadvantages of each
- the legal processes needed to complete a sale/purchase
- what factors affect value for property in the purchase/sales market.

#### Level 2

Apply your knowledge and skills to the purchase or sale of all types of property and demonstrate practical experience of the associated decision making process, marketing, reporting and completion of the transaction. Demonstrate knowledge and understanding of other forms of property transaction, and the reasons supporting the decision to proceed along the chosen purchase or sale route.

Examples of activities and knowledge comprised within this level are:

- selling or purchasing property
- decision making and recommending courses of action including valuation advice
- undertaking transactions from initial inspections through to completion of documentation
- negotiating with both prospective parties and where appropriate interested third parties
- understanding the legal frameworks governing sale/purchase and the implications and penalties.

#### Level 3

Provide evidence of reasoned advice and report to clients on all types of purchase or sale transactions. Demonstrate the ability to see complex cases through from start to finish with appropriate assistance. Be able to provide the client with a holistic view of the entire transactional market, and advise them clearly and appropriately, not only on the sale or disposal market but also on other areas.

Examples of activities and knowledge comprised within this level are:

- participating in complex or difficult cases, and explaining the factors which made the case deviate from market norm
- advising on why decisions were made in relation to chosen route of sale or purchase; especially in relation to strategic advice given to your client on property
- experience of externalities to the market which may affect sale/purchase
- reporting to clients with recommendations
- applying negotiation and business skills to handle difficult situations effectively.

## Strategic real estate consultancy

This competency is about the provision of strategic consultancy advice to clients on real estate issues influencing the business.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the business context of real estate, and an appreciation of the role of the real estate professional as a strategic adviser.

Examples of knowledge comprised within this level are:

- organisational structures, values and objectives
- business performance
- the role and importance of real estate in organisational/ business performance
- the role of real estate in business strategies
- strategic uses of real estate
- methods for appraising options for real estate strategies
- the role of the real estate professional as a strategic business adviser
- styles of consultancy intervention.

#### Level 2

Apply your knowledge and understanding of the business context of real estate in a corporate or other context.

Examples of activities and knowledge comprised within this level are:

- researching organisational background
- preparing relevant data
- analysing data
- undertaking option appraisals for real estate strategies
- using different styles of consultancy intervention for different clients' needs
- using your knowledge of real estate to find strategic solutions to meet clients' requirements.

#### Level 3

Provide evidence of reasoned oral and written advice on the principles and application of real estate knowledge.

Examples of activities and knowledge comprised within this level are:

- strategic advice and recommendations to clients
- presentations to clients
- presenting data to support recommendations



## Sustainability

The performance of commercial property as an occupational or investment asset is increasingly affected by sustainability considerations. This competency requires a broad appreciation of the core elements of sustainability – economic, social and environmental. It covers knowledge of the emerging issues in a broad context, and an understanding of the arguments surrounding the effect of sustainability on property performance, worth and value. It also includes the tools and techniques being developed to embed the concept into professional property practices such as property agency, investment, management and valuation practice.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of why and how sustainability seeks to balance economic, environmental and social objectives at global, national and local levels, in the context of land, property and the built environment.

Examples of knowledge comprised within this level are:

- historical background/context – Earth summits, climate change
- knowledge of the legal and policy framework
- an understanding as to how sustainability relates to property (energy efficiency, accessibility, flexibility, etc.), including an appreciation of the key threats to sustainable property use and performance
- understanding how property occupiers and investors are affected by economic, social and environmental sustainability concerns
- demonstrate knowledge of current research being undertaken on sustainability.

#### Level 2

Provide evidence of practical application of sustainability appropriate to your area of practice, and the circumstances in which specialist advice is necessary.

Examples of activities and knowledge comprised within this level are:

- using and interpreting reports produced with the main sustainability-related tools
- understanding the aims of analysis and be able to explain how the technique may be adapted to various scenarios within your own area of professional property practice.

#### Level 3

Provide evidence of reasoned advice given to clients and others on the policy, law and best practice of sustainability, in your area of practice.

Examples of activities and knowledge comprised within this level are:

- providing reasoned advice/qualitative comment to clients or other stakeholders on the potential financial impact of sustainability on a property/project
- providing reasoned comment to clients or other stakeholders on the impact of sustainability legislation/policy

Please note: Sustainability advice may be given in the course of providing conventional property advice to clients or other stakeholders (such as valuation, investment or property/asset management advice).

## Valuation

This competency is about the preparation and provision of properly researched valuation advice, made in accordance with the appropriate valuation standards, to enable clients to make informed decisions.

### Examples of likely knowledge, skills and experience at each level

#### Level 1

Demonstrate knowledge and understanding of the purposes for which valuations are undertaken; the relevant valuation methods and techniques; the appropriate standards and guidance; and any relevant statutory or mandatory requirements for valuation work in your area of practice.

Examples of knowledge comprised within this level are:

- the main drivers that have an impact on value.
- the principles and application of the latest relevant valuation standards
- the relevant RICS standards and guidance
- the principles of professional practice, liability and indemnity insurance
- the underlying principles of property law, planning and other relevant regulations or controls and their impact on property/asset values
- the different purposes for which valuations may be required (including, bank lending, taxation, performance management, etc.)
- the principles of the various methodologies needed to provide both capital and rental valuation advice
- the importance of independence and objectivity.

#### Level 2

Demonstrate practical competence in undertaking both capital and rental valuations and detailed involvement with the preparation and presentation of client reports.  
Demonstrate your ability to use valuation methods and techniques appropriate to your area of practice. Show how the relevant valuation standards and guidance have been applied to your valuation experience.

Examples of activities and knowledge comprised within this level are:

- understanding client requirements and the preparation of terms of engagement
- inspection and information gathering relevant to the valuation work being undertaken
- analysis and interpretation of comparable evidence
- application of a range of valuation methods or techniques
- valuing either a range of property types or for a range of purposes
- preparing valuation reports and advice to meet stakeholder needs and comply with the latest relevant valuation standards
- demonstrate competence to conduct a valuation task from beginning to end with appropriate supervision.

#### Level 3

Be responsible for the preparation of formal valuation reports under proper supervision and provide reasoned advice.  
Produce reasoned valuation advice in a range of forms on a range of property types, valuation purposes and valuation methods.  
Demonstrate a thorough knowledge of the appropriate valuation standards and guidance and how they are applied providing advice to clients.

Examples of activities and knowledge comprised within this level are:

- the properties/assets considered may relate to a particular area of practice but the candidate's experience should cover a range of purposes (in a properly supervised manner), such as loan security, financial statements, internal management, purchase or sale reports, tax, stock exchange and litigation, but not necessarily all of these
- the types of property/assets should ideally be varied both in terms of physical attributes, usage and also interest (i.e. freehold and leasehold). in respect of machinery and business assets they should also be varied according to industry sector
- valuation advice should demonstrate knowledge of standards in other areas of business, e.g. accounting standards
- the candidate's advice to client should include knowledge of the main drivers which impact on property/asset values and include an understanding of the wider influences such as government policy, the economic climate, technological change and other investment medium.

## Level 1

- the underlying principles of machinery and business assets law, planning and other relevant regulations or controls and their impact on property/asset values in relation to residential valuation the following skills will also be necessary for Level 1
- the role and function of automated valuation models (AVMs).

## Level 2

To achieve Level 2 candidates will not necessarily be carrying out valuations as part of their full-time day to day activities.

In relation to residential valuation the following skills will also be necessary for Level 2.

- undertaking residential valuations (primarily for loan security purposes)
- experience of using or commenting upon the results of an AVM.

## Level 3

- the candidate should demonstrate knowledge as to how their valuation advice inter-relates with their client's other professional advisers
- candidates are not required to have carried out a valuation following the latest relevant RICS valuation standards but must be able to demonstrate equivalent level of professionalism in their area of practice with reference to Red Book Global Standards requirements
- advising on the different levels of service that may be required, e.g. desktop advice versus a full inspection-led valuation and the benefits/limitations of each level.



## Delivering confidence

We are RICS. As a member-led chartered professional body working in the public interest, we uphold the highest technical and ethical standards.

We inspire professionalism, advance knowledge and support our members across global markets to make an effective contribution for the benefit of society. We independently regulate our members in the management of land, real estate, construction and infrastructure. Our work with others supports their professional practice and pioneers a natural and built environment that is sustainable, resilient and inclusive for all.

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