



Associate Assessment

# Real Estate Agency

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# Real Estate Agency

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## Introduction

In order to become an RICS Associate you must demonstrate that you have knowledge, understanding and practical ability relevant to a specific role – in this case, Real Estate Agency.

This guide explains the competencies for your pathway, with examples of how you can show you meet the requirements.

Refer to this guide while preparing your submission for assessment.

The **Associate Assessment Candidate Guide** gives further essential information on how to prepare for the assessment.

## Competencies

A competency is the knowledge, skills, abilities and behaviours needed for a particular role or task. RICS competencies equip you to work in your chosen pathway.

The technical competencies are the pathway-specific ‘hard’ skills needed for your role.

The eight mandatory competencies are the ‘soft’ business skills demonstrating your ability to work with colleagues, manage workloads and act with integrity. All candidates, regardless of their pathway, need these skills.

## What is Real Estate Agency?

The Real Estate Agency pathway is suitable for people who are working in real estate agency (in-house or external).

Real Estate Agency covers a range of functions relating to the sale, acquisition, lease and let of commercial and residential transactions.

Examples of activities include:

- investigating and reporting on the market appraisal of land and property
- identifying potential buyers/lessees or sellers/owners
- identifying potential property space for clients
- marketing property/land that is for sale/lease to potential buyers/lessees
- facilitating negotiations between sellers/buyers and landlords and tenants
- administering agreements to sell/lease
- conducting the marketing, negotiation and transaction of land within legal boundaries
- using property databases and information systems.

Where the term ‘seller’ is used this is intended to include anyone wanting to dispose of an interest in real estate. This includes landlords wishing to let real estate and tenants wishing to assign, sublet or surrender tenancies or leases. Where the term ‘buyer’ is used, this is intended to include anyone looking to acquire an interest in real estate. This includes tenants seeking a lease.

Where the term ‘real estate agent’ (or ‘agent’) or ‘real estate agency’ (or ‘agency’) is used this is intended to include anyone acting as a broker or carrying out brokerage services.

## Real Estate Agency competencies

You must achieve **six** of the following **seven** technical competencies:

- landlord and tenant
- leasing/letting
- legal/regulatory compliance
- market appraisal
- measurement and inspection of land and property
- property records/information systems
- purchase and sale.

You must complete all **eight** mandatory competencies:

- client care
- communication and negotiation
- conduct rules, ethics and professional practice
- conflict avoidance, management and dispute resolution procedures
- data management
- health and safety
- sustainability
- teamworking.

## Technical competencies

Landlord and tenant	
Description	This competency is about the management of the landlord and tenant or other owner and occupier relationship. It has a broad scope covering all aspects of lease negotiations between landlord and tenant. The candidate will be expected to understand the issues and how they affect both parties.
Requirements	Demonstrate knowledge and understanding of the law and practice relating to landlord and tenant. 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 likely skills, knowledge and experience	<p><b>Knowledge</b></p> <ul style="list-style-type: none"> <li>the principles of property law</li> <li>the statutory framework applying to the landlord and tenant relationship</li> <li>the content, form and structure of leases and/or other forms of occupancy agreement</li> <li>relevant market conditions and property values.</li> </ul> <p><b>Activities</b></p> <ul style="list-style-type: none"> <li>reading and interpreting leases and agreements</li> <li>preparing reports containing options relevant to negotiations</li> <li>preparing, serving and responding to legal notices</li> <li>undertaking negotiations</li> <li>reaching an agreed solution and reporting to clients</li> <li>instructing legal advisers and seeing matters to conclusion.</li> </ul>
Examples of tasks undertaken	<ul style="list-style-type: none"> <li>lease renewal</li> <li>rent review</li> <li>interpretation of lease terms</li> <li>landlord and tenant lease negotiations relevant to the purchase or sale of property.</li> </ul>

Leasing/letting	
Description	<p>This competency is about the market for and marketing of property interests less than outright ownership. It includes, but is not limited to, leasing, licensing, assignments and sub-lettings. Candidates should be able to demonstrate understanding, and have experience of working, for either owners and/or occupiers.</p> <p>The candidate should have knowledge of the whole transactional market for property.</p>
Requirements	<p>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. 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.</p>
Examples of likely skills, knowledge and experience	<p><b>Knowledge</b></p> <ul style="list-style-type: none"> <li>• relevant legislation and regulatory requirements</li> <li>• different types of agreement</li> <li>• the lettings market in your region</li> <li>• disposing of various types of property interest</li> <li>• relevant RICS guidance</li> <li>• basic building pathology</li> <li>• how key property characteristics [e.g. location, local services, design and specification] of properties impacts on marketability.</li> </ul> <p><b>Activities</b></p> <ul style="list-style-type: none"> <li>• leasing/letting for landlords and tenants</li> <li>• dealing with transactions from initial inspections through to completion of documentation</li> <li>• negotiating transactions</li> <li>• decision-making and evaluating courses of action</li> <li>• appraising rents and premiums</li> <li>• interpreting agreement terms</li> <li>• identifying permissible uses of the property.</li> </ul>

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**Leasing/letting (cont.)**

## Examples of tasks undertaken

- dealing with transactions including new occupancy terms, assignments, letting and sub-letting
- appraisal of leasehold interests
- negotiation
- heads of agreement
- canvassing
- viewings/inspections
- conflicts of interest
- deposits
- disputes.

Legal/regulatory compliance	
Description	This competency is about being able to apply knowledge of the relevant legislation, regulations and standards as applicable to the sale, acquisition, leasing and letting of property and land.
Requirements	Demonstrate knowledge and understanding of any legal/regulatory compliance requirements in relation to your area of practice. Apply your knowledge to comply with legal/regulatory requirements in specific situations within your area of practice.
Examples of likely skills, knowledge and experience	<p><b>Knowledge</b></p> <ul style="list-style-type: none"> <li>• legal/regulatory compliance requirements in relation to the area of practice</li> <li>• relevant legislation, and related practices and provisions</li> <li>• relevant agency standards and supporting guidance and documentation</li> <li>• relevant trade practices or consumer protection legislation</li> </ul> <p><b>Activities</b></p> <ul style="list-style-type: none"> <li>• conducting transactions in accordance with legislative requirements</li> <li>• ensuring any marketing of land and property is undertaken in accordance with legislative requirements</li> <li>• ensuring clients understand their statutory obligations</li> <li>• reviewing and reporting on sale or lease obligations</li> <li>• administering and managing any legally required pre purchase/letting reports or certificates</li> <li>• administering clients' money in accordance with any appropriate legislation or regulatory requirement</li> <li>• preparing responses to client complaints, applying research methodology and sources and interacting with professional indemnity insurers in the process</li> <li>• complying with relevant health and safety obligations.</li> </ul>
Examples of tasks undertaken	<ul style="list-style-type: none"> <li>• confirming instructions to advise on legal/regulatory matters</li> <li>• liaising with legal/regulatory bodies</li> <li>• preparing reports, plans or correspondence with a legal/regulatory connection</li> <li>• complaints handling and investigation.</li> </ul>



Market appraisal	
Description	<p>This competency is about the preparation and provision of properly researched market appraisal, enabling clients to make informed decisions regarding marketing their property(ies).</p> <p>[NB – Market appraisal in the context of this competency should not be confused with formal RICS Appraisal and Valuation Standards (Red Book) compliant valuation appraisals].</p>
Requirements	<p>Demonstrate knowledge and understanding of the purposes for which market appraisals are undertaken; the relevant appraisal methods and techniques; the appropriate standards and guidance and, in particular, the limitations of such market appraisal advice. Demonstrate practical competence in undertaking both sale and rental market appraisals and detailed involvement with the preparation and presentation of client reports. Demonstrate your ability to use appraisal methods and techniques. Show how the relevant appraisal standards and guidance have been applied.</p>
Examples of likely skills, knowledge and experience	<p><b>Knowledge</b></p> <ul style="list-style-type: none"> <li>principles and application of open market appraisal for sale purposes, including the relevant appraisal standards, methods and techniques</li> <li>client requirements in the market appraisal process</li> <li>limitations of market appraisal advice.</li> </ul> <p><b>Activities</b></p> <ul style="list-style-type: none"> <li>analysis and interpretation of comparable evidence</li> <li>inspection and information gathering relevant to market appraisal</li> <li>preparation of a market appraisal task(s) from beginning to end, with appropriate supervision</li> <li>preparation of terms and conditions of engagement.</li> </ul>
Examples of tasks undertaken	<ul style="list-style-type: none"> <li>pre appraisal data collection</li> <li>site notes</li> <li>photographs</li> <li>floor plans</li> <li>terms and conditions of engagement</li> <li>conflicts of interest</li> <li>analysis of comparables in respect of capital and income streams – showing sources of comparable data.</li> </ul>

Measurement and inspection of land and property	
Description	<p>This competency covers all aspects of the measurement and inspection of land or property for a range of purposes (including purchase and sale, leasing, management, valuation, investment and development).</p> <p>Candidates will be expected to show a knowledge of building construction and defects but also be able to recognise when additional specialist advice may be needed.</p>
Requirements	<p>Demonstrate knowledge and understanding of the principles and limitations of measurement and inspection for a range of different purposes. Apply the principles of measurement and Inspection for property management and valuation purposes.</p> <p>[NB – for this pathway the principles will be applied to agency/brokerage].</p>
Examples of likely skills, knowledge and experience	<p><b>Knowledge</b></p> <ul style="list-style-type: none"> <li>• requirements and reasons for a property inspection or measurement</li> <li>• the use of relevant measuring instruments</li> <li>• the basis on which measurements should be undertaken</li> <li>• the appropriate standards and guidance relating to measurement</li> <li>• method and type of construction</li> <li>• safety issues when inspecting a property.</li> </ul> <p><b>Activities</b></p> <ul style="list-style-type: none"> <li>• using the appropriate measurement instruments</li> <li>• applying the appropriate guidance correctly in practice</li> <li>• undertaking necessary calculations</li> <li>• preparing and presenting measurements in an appropriate manner</li> <li>• accurate recording of building and site characteristics</li> <li>• preparing (or assisting in the preparation of) reports for clients</li> <li>• identifying potential defects of buildings and understanding their implications.</li> </ul>
Examples of tasks undertaken	<ul style="list-style-type: none"> <li>• using appropriate instruments to accurately measure properties in accordance with relevant guidance, applying appropriate bases of measurement for the type of building and undertaking relevant area calculations</li> <li>• interpreting and/or using plans to evaluate options</li> <li>• recording building and site characteristics from a physical inspection</li> <li>• identifying building defects and reporting on potential implications and the need for further professional advice.</li> </ul>

Property records/information systems	
Description	<p>This competency deals with property records, data systems and security management for the purpose of supporting property transactions and management.</p> <p>Candidates must demonstrate not only a sound understanding of data systems but also of the relevant strategy requirements, codes of practice and other regulations for ensuring the safety, security and correct use of information and data.</p>
Requirements	Demonstrate knowledge and understanding of the factors required for property records/information systems, including the sourcing and collation of data. Demonstrate your ability to apply knowledge to analyse data and assemble it for use in a database..
Examples of likely skills, knowledge and experience	<p><b>Knowledge</b></p> <ul style="list-style-type: none"> <li>• use and limitations of property information systems within your area of practice</li> <li>• electronic records</li> <li>• hard copy records and information systems</li> <li>• legal documentation (including leases)</li> <li>• legislation relating to the security and recovery of data.</li> </ul> <p><b>Activities</b></p> <ul style="list-style-type: none"> <li>• using a property information system to extract information for a range of different scenarios</li> <li>• writing clear and factual reports on information extracted from a property record or information system</li> <li>• interpreting plan/map data</li> <li>• interpreting legal language in relation to property records</li> <li>• ensuring security data.</li> </ul>
Examples of tasks undertaken	<ul style="list-style-type: none"> <li>• site notes, calculations, floor plans</li> <li>• sourcing information through the web</li> <li>• using data from property records and information systems to assist with establishing property title, value, planning approval etc</li> <li>• property activities such as rent reviews/lease renewals/purchase/sale/investment/management or development</li> <li>• creating databases for the purpose of assisting in the sale, leasing, management, valuation, investment or development of property..</li> </ul>

Purchase and sale	
Description	<p>This competency is about the sale of property. To achieve this competency candidates must apply their knowledge and experience to assist sellers and buyers in the marketing/selection of property and in the negotiation of a transaction through to completion.</p> <p>Candidates should be able to apply their knowledge of the property market in order to provide information to clients on the appropriate solutions for them.</p>
Requirements	<p>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. 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 be aware of the reasons supporting the decision to proceed along the chosen purchase or sale route.</p>
Examples of likely skills, knowledge and experience	<p><b>Knowledge</b></p> <ul style="list-style-type: none"> <li>▪ basic building pathology</li> <li>▪ economic framework surrounding the purchase and sale of property</li> <li>▪ methods of sale available to sellers</li> <li>▪ principles and application of RICS and other local, national, regulatory or commercial standards</li> <li>▪ legal obligations on a real estate agent, in particular in relation to property descriptions, consumer redress and advertising</li> <li>▪ legal process for sale and purchase of property and other transferable interests</li> <li>▪ different types of agency</li> <li>▪ current levels of local and national taxation payable on transactions</li> <li>▪ contents and process of compiling pre purchase reports.</li> </ul> <p><b>Activities</b></p> <ul style="list-style-type: none"> <li>▪ handling property transactions</li> <li>▪ explaining to clients the different types of agency</li> <li>▪ providing to clients the current levels of local and national taxation payable on transactions</li> <li>▪ commissioning a pre purchase report.</li> </ul>

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**Purchase and sale (cont.)**

## Examples of tasks undertaken

- production of pre purchase reports
- marketing and advertising
- compliance with legislation
- commissioning of other relevant services such as surveys and valuations
- handling of offers
- conflicts of interest
- memorandum of sale
- problem solving including renegotiations over price and/or other conditions of sale
- management of viewings and inspections
- exchange of contracts
- completion.

## Mandatory competencies

Title	Requirement
<b>Client care</b>	<p>Demonstrate knowledge and understanding of the principles and practice of client care including:</p> <ul style="list-style-type: none"> <li>the concept of identifying all clients/colleagues/third parties who are your clients and the behaviours that are appropriate to establish good client relationships</li> <li>the systems and procedures that are appropriate for managing the process of client care, including complaints</li> <li>the requirement to collect data, analyse and define the needs of clients.</li> </ul> <p>Demonstrate practical application of the principles and practice of client care in your area of practice.</p>
<b>Communication and negotiation</b>	<p>Demonstrate knowledge and understanding of effective oral, written, graphic and presentation skills including the methods and techniques that are appropriate to specific situations.</p> <p>Demonstrate practical application of these skills in a variety of situations, specifically including where negotiation is involved.</p>
<b>Conduct rules, ethics and professional practice</b>	<p>Although this is demonstrated through the RICS ethics module [see Candidate Guide] you should still refer to it [where applicable].</p> <p>Demonstrate knowledge and understanding of the role and significance of RICS and its functions. Also an appreciation of your personal professional role and society's expectations of professional practice and RICS Rules of Conduct and regulations, including the general principles of law and the legal system, as applicable in your country of practice.</p> <p>Demonstrate practical application in your area of practice, being able to justify actions at all times and demonstrate personal commitment to the RICS Rules of Conduct and RICS ethical standards.</p> <p>Demonstrate that you have applied these in the context of advising clients.</p>
<b>Conflict avoidance, management and dispute resolution procedures</b>	<p>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.</p>
<b>Data management</b>	<p>Demonstrate knowledge and understanding of the sources of information and data, and of the systems applicable to your area of practice, including the methodologies and techniques most appropriate to collect, collate and store data.</p>
<b>Health and safety</b>	<p>Demonstrate knowledge and understanding of the principles and responsibilities imposed by law, codes of practice and other regulations appropriate to your area of practice.</p> <p>Demonstrate practical application of health and safety issues and the requirements for compliance, in your area of practice.</p>
<b>Sustainability</b>	<p>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.</p>
<b>Teamworking</b>	<p>Demonstrate knowledge and understanding of the principles, behaviour and dynamics of working in a team.</p>

## Continuing professional development (CPD)

In your submission document you must record 48 hours of CPD, this must be 12 months prior to your associate assessment. The following are examples of the type of development relevant to this pathway.

Landlord and tenant			
Activity type	Purpose	Description	Learning outcomes
Private	To develop my understanding of rent review negotiation when acting for the tenant	Self study reviewing colleague's rent review files to better understand the cases that are made and the arguments presented	I now have a much better understanding of the techniques to use when negotiating a tenant's rent review and understand the importance of case precedent in this
Work-based	To update my knowledge of landlord and tenant legislation	Attended an internal seminar facilitated by a local firm of solicitors	I feel I now have an up-to-date knowledge of changes to landlord and tenant legislation since the end of my college course
Health and safety			
Activity type	Purpose	Description	Learning outcomes
Organised	The course aimed at making delegates familiar with relevant health and safety legislation in the workplace	Attended CPD training workshop on health and safety	The course provided a brief understanding of procedures and legal requirements regarding the importance of health and safety in the workplace

Leasing/letting			
Activity type	Purpose	Description	Learning outcomes
Organised	To broaden my understanding of the legal and regulatory compliance in relation to residential lettings	Legal Aspects of Letting and Management' – day release training course	The course improved my knowledge of the law surrounding lettings whilst also allowing me to apply that law to situations I have been involved in
Market appraisal			
Activity type	Purpose	Description	Learning outcomes
Private	To increase knowledge of how to react to the current market conditions in order to achieve good results	Reading article, 'Making Money in a Credit Crunch	Improved knowledge of forfeiture, commercial tenants, investment and auctions





## Confidence through professional standards

RICS promotes and enforces the highest professional qualifications and standards in the development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to the markets we serve.

We accredit 125,000 professionals and any individual or firm registered with RICS is subject to our quality assurance. Their expertise covers property, asset valuation and real estate management; the costing and leadership of construction projects; the development of infrastructure; and the management of natural resources, such as mining, farms and woodland. From environmental assessments and building controls to negotiating land rights in an emerging economy; if our professionals are involved the same standards and ethics apply.

We believe that standards underpin effective markets. With up to seventy per cent of the world's wealth bound up in land and real estate, our sector is vital to economic development, helping to support stable, sustainable investment and growth around the globe.

With offices covering the major political and financial centres of the world, our market presence means we are ideally placed to influence policy and embed professional standards. We work at a cross-governmental level, delivering international standards that will support a safe and vibrant marketplace in land, real estate, construction and infrastructure, for the benefit of all.

We are proud of our reputation and we guard it fiercely, so clients who work with an RICS professional can have confidence in the quality and ethics of the services they receive.

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