



Assessment of Professional Competence

# Taxation allowances

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# Taxation allowances APC

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## About the APC

The RICS Assessment of Professional Competence (APC) ensure that those applying for RICS membership are competent to practise and meet the high standards of professionalism required by RICS. There is a wide range of pathways available to qualify as an RICS member covering many different areas of practice.

The APC normally consists of:

- a period of structured training
- a final assessment

The structured training is based on candidates achieving a set of requirements or competencies. These are a mix of technical, professional, interpersonal, business and management skills.

## How to use this guide

This guide supports the core taxation allowances APC pathway. It is designed to help you understand more about qualifying as an RICS member in taxation allowances. Taxation allowances is a global APC pathway but it is appreciated that markets may vary from country to country. If you have any queries please contact your local office. The material is set out in three sections.

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**Section one** – provides information on this area of practice with a general overview of the taxation allowances pathway.

**Section two** – lists the competency requirements of the taxation allowances APC pathway.

**Section three** – describes the main technical competencies associated with taxation allowances, providing expanded sector specific guidance on each of them. This forms the main part of the guide.

You **MUST** use this guide in conjunction with the core APC documentation which is available on the RICS website and comprises:

- APC Requirements and competencies guide
- The candidates guide
- The counsellors guide.

You can download all the supporting guidance from [www.rics.org/apcguides](http://www.rics.org/apcguides)

## Introduction

### About the competencies

The APC 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 not just a list of tasks or functions, they are also based upon attitudes and behaviours. The competencies have been drawn up in a generic way so that they can be applied to different areas of practice and geographical locations. This guide is designed to help you interpret these competencies within the context of taxation allowances.

The competencies are defined at three levels of attainment and each APC pathway has its own specific combination of competencies that you must achieve at the appropriate level. You must reach the required level in a logical progression and in successive stages:

**Level 1** – knowledge and understanding

**Level 2** – application of knowledge and understanding

**Level 3** – reasoned advice and depth of technical knowledge.

The competencies are in three distinct categories:

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

**Core competencies** – the primary competencies of your chosen APC pathway.

**Optional competencies** – a set of competencies selected by the candidate from a list defined for the particular pathway. In most cases there is an element of choice. These are mostly technical competencies, but certain mandatory competencies also appear on the optional competency list and candidates are permitted to select one of these at a higher level.

### 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.

### How to find help

RICS has fully trained teams across the globe who will be able to help you with any general APC queries. For details of your local office – [www.rics.org/contactus](http://www.rics.org/contactus)

RICS HQ  
Parliament Square  
London SW1P 3AD  
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T +44 [0]24 7686 8555  
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contactrics@rics.org  
www.rics.org

## About taxation allowances

Taxation allowances surveyors combine the skills of a Quantity Surveyor with their knowledge of construction and experience of legislation, accounting and investment. They advise clients on the tax allowances available and the requirements of asset segregation to comply with their client's and the taxing authorities' requirements.

The market in which taxation surveyors operate is predominately commercial ie offices, industrial and retail. However this also extends to other areas such as utilities, transportation and public services buildings usually when funded by private capital.

Advice is given on transfers of existing land and property as well as new construction.

For existing land and property the service usually includes a tax assessment at acquisition and a proposal to safeguard the client's position on any subsequent disposal.

For construction the service includes an assessment of potential tax allowances arising out of construction activity and a proposal to minimise the client's tax liabilities. Construction expenditure covers new build, refurbishment, fit out, extension and demolition including land remediation, etc.

The role is two fold. Firstly to give strategic advice on the alternatives allowances available, and secondly to quantify the value of the tax allowances. This will often include reaching an agreement with the relevant body such as the tax authorities and their agencies.

## RICS qualification

As a consultant you will work as a specialist in a professional practice of surveyors, accountants, and or the statutory body.

Your work may include the following:

- Preliminary assessments of potential incentives both for developers and end users
- Advise on structuring developments for the efficient use of incentives
- Provide contract wording for transfer documents/contracts for sale to ensure entitlements are correctly established. Similar procedures will apply to contributions made
- Negotiating and agreeing claims with the relevant taxing authority
- Preparing land valuations for apportionment of purchase expenditure taxation purposes
- Cost segregation of buildings construction expenditure (for each client tax year) or preparing reconstruction estimates for acquired buildings to achieve a purchase-date cost for segregation
- Collating supporting documentation and decisions for past expenditure eg vendors unclaimed refurbishment construction expenditure
- Providing positive options as to product selection, specification advice and ensuring adequate documentary evidence of decisions made for future evidence/justification
- Writing manuals and developing systems for use by the client's internal property and accounting teams
- Assessing incentives for remediation of contaminated land
- Setting up information systems for maximising client capture of expenditure on projects by non-specialists
- Interaction with other taxes and relevant client requirements
- Advising on alternative strategies for portfolio acquisitions or construction roll-out programmes.

### Chartered alternative designations related to this pathway

All candidates qualifying under the taxation allowances APC pathway will be entitled to use the designation Chartered Surveyor.

# Pathway requirements

## Taxation allowances APC

### Mandatory competencies

You must achieve the minimum levels as set out in the mandatory competencies.

### Core competencies

#### Level 3

- Accounting principles and procedures
- Capital allowances
- Construction technology and environmental services
- Quantification and costing of construction works
- Valuation

#### Level 2

- Contract practice

### Optional competencies

**Two** competencies to Level 2 from the list below

- Capital taxation
- Contaminated land
- Design economics and cost planning
- Development appraisals
- Due diligence
- Insurance
- Property finance and funding
- Property management accounting
- Risk management
- Sustainability



## Competency guidance

The pages that follow are intended to provide guidance for users on the main competencies associated with taxation allowances.

The guidance has been drawn up by experienced practitioners and aims to give you a clear and practical understanding of how to apply the listed core and optional competencies in the context of taxation allowances.

The official competency definitions [at levels one, two and three] are provided, followed by a description of the key knowledge and activities that are likely to fall within the scope of each competency.

The information provided is designed to be helpful but informal guidance. The knowledge and activities described under each competency are not exhaustive, and should not be relied upon as any form of revision list. Candidates must satisfy themselves and their employers that they have reached the required level of attainment before applying for final assessment.

The competencies are arranged in alphabetical order.

## Mandatory competencies

These competencies are a mix of the professional practice, interpersonal, business and management skills that are considered common to, and necessary for, all professional members.

Title	Definition	Level required
Conduct rules, ethics and professional practice	<p><b>Level 1</b> 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 conduct regulations, including the general principles of law and the legal system, as applicable in your country of practice.</p> <p><b>Level 2</b> Provide evidence of 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, ethics and RICS 5 professional and ethical standards.</p> <p><b>Level 3</b> Provide evidence of application of the above.</p>	3
Client care	<p><b>Level 1</b> 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><b>Level 2</b> Provide evidence of practical application of the principles and practice of client care in your area of practice.</p>	2
Communication and negotiation	<p><b>Level 1</b> 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><b>Level 2</b> Provide evidence of practical application of oral, written, graphic and presentation skills that are appropriate in a variety of situations, specifically including where negotiation is involved.</p>	2

Title	Definition	Level required
Health and safety	<p><b>Level 1</b> 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><b>Level 2</b> Provide evidence of practical application of health and safety issues and the requirements for compliance, in your area of practice.</p>	2
Accounting principles and procedures	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.	1
Business planning	Demonstrate knowledge and understanding of how business planning activities contribute to the achievement of corporate objectives.	1
Conflict avoidance, management and dispute resolution procedures	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 APC pathway.	1
Data management	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.	1
Sustainability	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.	1
Team working	Demonstrate knowledge and understanding of the principles, behaviour and dynamics of working in a team.	1

## Technical competencies

### Accounting principles and procedures

#### Description of competency in context of this sector

This competency covers the basic principles of taxation and accounting. Candidates should demonstrate a basic knowledge of taxation computations and the statutory requirements. They should also demonstrate knowledge of accounting principles, reporting standards and organisations statutory requirements.

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

Level 1	Level 2	Level 3
Demonstrate knowledge of basic accounting and taxation.	Apply your knowledge of accounting principals to the preparation of taxation allowances.	Advise on the implications of taxation allowances to the client and their potential impact with other taxation/ accounting issues.
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• What are balance sheets, profit and loss accounts and cash flows?</li> <li>• What is the basis of taxation computations and terms ie profit before tax, after tax, various tax rates, tax allowances, depreciation etc?</li> <li>• What is corporation, income tax?</li> <li>• Understand the basic principles of corporate tax self assessment and its impact on corporation and income tax.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Prepare a basic balance sheet, profit and loss account, and cash flow</li> <li>• Link property taxation valuations and their input into company accounts and tax</li> <li>• Apply current levels of taxation to the financial period with which you are concerned.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Advise on the implication of capital allowances, and other taxation reliefs have on an organisation's accounts and computations</li> <li>• Value the depreciation risk in corporation accounts</li> <li>• Provide advice on issues affecting acquisitions, disposals and developments</li> <li>• Assess the implications of the incentives allowances on the clients for various taxes and rates.</li> </ul>

## Capital allowances

### Description of competency in context of this sector

This competency covers the 'Taxation Incentives' capital allowances available on property and structures in order to prepare claims and give advice to clients. Candidates should have an awareness of the various types of capital allowances that are available in accordance with the capital allowances legislation. They must have a thorough understanding of the types used on their projects.

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

Level 1	Level 2	Level 3
Demonstrate knowledge and understanding of capital allowances and grants.	Apply knowledge of capital allowances and grants, including the ability to use source documents necessary to prepare taxation allowances analyses.	Apply knowledge of capital allowances and grants, including the ability to use source documents necessary to prepare taxation allowances analyses.
<p>Examples of knowledge comprised within this level, in relation to the operational phase of buildings, are:</p> <ul style="list-style-type: none"> <li>• What are capital allowances and the history behind their existence</li> <li>• What client types do they apply to?</li> <li>• The various types of capital allowances available relating to property including plant and machinery, Industrial building allowances, Hotel allowances and enhanced capital allowances</li> <li>• What property types do capital allowances apply.</li> </ul>	<p>Examples of knowledge comprised within this level, in relation to the operational phase of buildings, are:</p> <ul style="list-style-type: none"> <li>• Collect the relevant documentation to prepare a claim relating to the type of transaction – acquisition; sale agreements, valuation reports, ledgers, drawings and specifications etc; and for development: ledgers, building contracts, final accounts; invoices, etc</li> <li>• Understand, apply and establish entitlement and compliance issues including other capital allowances for example long life assets, short life assets, flat conversion, research and development etc</li> <li>• Identify and quantify qualifying expenditure.</li> </ul>	<p>Examples of activities and knowledge comprised within this level in relation to the operational phase of buildings, are:</p> <ul style="list-style-type: none"> <li>• Prepare and present reports and documentation</li> <li>• Provide advice on issues effecting acquisitions, disposals and developments</li> <li>• Be aware of the effect that capital allowances has on general taxation and accounting issues</li> <li>• Be aware of the negotiation and agreement of the capital allowances claims with taxation authorities.</li> </ul>

## Capital taxation

### Description of competency in context of this sector

This competency includes valuations and negotiations for inheritance tax, capital gains tax, capital allowances and other taxation types. It may also include 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	Level 2	Level 3
Demonstrate knowledge and understanding of the relevant provisions for capital taxation of real estate, equipment and/or other property.	Undertake valuations and negotiations for a variety of different property types using different valuation methods for the purposes of capital taxation.	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.
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Code of measuring practice to include zoning of shops</li> <li>• Application of statute and case law</li> <li>• Analysis of evidence and relevance of the law</li> <li>• Valuation methods applicable to different types of property.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Assessing implications of CGT, stamp duty, land remediation relief, VAT, landfill tax exemption</li> <li>• Undertaking measurement and inspection</li> <li>• Undertaking valuation of a range of property types</li> <li>• Using different methods of valuation using comparables, the investment method, profits and discounted cash flow techniques where appropriate</li> <li>• Negotiating valuations and settlement of cases.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Advising on settlement or litigation of cases</li> <li>• Advising on the costs of options and actions</li> <li>• Advising on the impact of such actions across the wider arena.</li> </ul>

## Construction technology and environmental services

### Description of competency in context of this sector

This competency covers the design and construction of buildings and other structures. Candidates should have a clear understanding of the design and construction processes commonly used in the industry. They should have detailed knowledge of construction solutions relevant to their projects.

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

Level 1	Level 2	Level 3
Demonstrate knowledge and understanding of the principles of design and construction relating to your chosen field of practice.	Apply your knowledge to the design and construction processes.	Advise on the selection and application of particular processes within your area of experience. This should include liaison with specialists and consultants to develop project specific design and construction solutions.
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• The stages of design from inception to completion</li> <li>• Impact of current legislation and regulations (both national and international)</li> <li>• How the various elements of the building work and inter-relate</li> <li>• The process of constructing the works</li> <li>• Operational and maintenance processes post contract.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Appreciating how design solutions vary for different types of building such as clear span requirements for warehousing or acoustic requirements for accommodation</li> <li>• Understanding alternative construction details in relation to functional elements of the design such as different types of piling or structural frame solutions.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Advising on the choice of construction solutions for your project</li> <li>• Reporting on the impact of different design solutions and construction processes on cost and programme.</li> </ul>

## Contaminated land

### Description of competency in context of this sector

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	Level 2	Level 3
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.	Prepare a brief and/or specification for the appointment of a specialist(s) to undertake a site investigation	Supervise a site investigation, interpret the results of laboratory analyses and make recommendations as to remedial treatments.
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• The definition of contaminated land under the Contaminated Land Regulations 2000, and associated legislation</li> <li>• Areas of professional practice where contaminated land is relevant, eg valuations, development, asset management, transactions, environmental assessment</li> <li>• The relevance under any relevant laws and planning policy guidance and RICS published guidance and practice notes</li> <li>• Demonstrate an understanding of the limitations upon chartered surveyors in this area, eg professional indemnity insurance, public liability insurance.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Advising clients on the application of contaminated land to their asset management, planning and development projects</li> <li>• Advising clients on the law, regulation, procedures and RICS guidance and practice appertaining to contaminated land</li> <li>• Assembling specialist team members to advise on contaminated land assessment and remediation</li> <li>• Undertaking desk top environmental reports and advising clients accordingly.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Providing reasoned advice on contaminated land issues to clients</li> <li>• Assisting in project management of, and undertaking, phased contaminated land assessments and remediation options appraisals</li> <li>• Negotiating and liaising with clients and regulators on contaminated land issues</li> <li>• Working with specialist project teams dealing with contaminated land assessment and remediation.</li> </ul>



## Contract practice

### Description of competency in context of this sector

This competency covers the various forms of contract used in the construction industry. Candidates should have an awareness of all of the main standard forms of contract and a thorough understanding of contract law, legislation and the specific forms that they have used.

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

Level 1	Level 2	Level 3
Demonstrate knowledge and understanding of the various forms of contract used in the construction industry and/or your area of business.	Apply your knowledge of the use of the various standard forms of contract at project level, including the implications and obligations that apply to the parties to the contract.	Provide evidence of reasoned advice, prepare and present reports on the selection of the appropriate form of contract and warranties for your chosen procurement route. This should include advising on the most appropriate contractual procedure at the various stages of a construction or other contract.
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Basic contract law and legislation</li> <li>• Contract documentation</li> <li>• The various standard forms of contract and sub-contract</li> <li>• When the different forms would be used</li> <li>• Basic contractual mechanisms and procedures at various stages of the contract</li> <li>• Third party rights including relevant legislation and the use of collateral warranties.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Producing contract documentation</li> <li>• Carrying out the contractual mechanisms and procedures relevant to the financial management aspects of your project, such as change procedures, valuations, loss and expense and final accounts</li> <li>• Understanding general contractual provisions such as letters of intent, insurances, retention, bonds, liquidated and ascertained damages, early possession, practical completion and other common contractual mechanisms.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Selecting the appropriate form of contract and/or sub-contract for your chosen procurement route</li> <li>• Advising on the most appropriate contractual procedure at the various stages of a contract</li> <li>• Evaluating the appropriateness and implications of proposed contractual amendments.</li> </ul>

## Design economics and cost planning

### Description of competency in context of this sector

This competency covers the impact of design and other factors on cost throughout the life of the building and the control of cost during the pre-contract stage. Candidates should have an awareness of how design decisions and construction processes impact on construction and operational costs. They must have a thorough understanding of techniques used to manage and control costs pre-contract.

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

Level 1	Level 2	Level 3
Demonstrate knowledge and understanding of the main factors that affect design economics over the whole life of a building. Demonstrate knowledge and understanding of how cost planning assists in the financial control of projects during the design development stage.	Apply your knowledge to the cost management of design development on a project from feasibility to design completion. Prepare and submit cost data to in-house and/or external data collection agencies.	Give strategic and reasoned advice, including the preparation and presentation of reports with reference to cost, time, quality and buildability. Advise on various market factors and trends in construction costs. Comment on accuracy and risk.
<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• The main factors that affect design economics over the whole life of the building including capital and life cycle costs</li> <li>• How cost planning assists in the financial control of projects during the design development stage</li> <li>• The various stages of cost planning</li> <li>• Sources of cost data</li> <li>• Adjustments that may be required for factors including location, specification, time and market forces.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Producing estimates and cost plans</li> <li>• Carrying out life cycle costing exercises</li> <li>• Applying value engineering processes</li> <li>• Preparing cost reports</li> <li>• Preparing and submitting cost data to in-house and/or external data collection agencies.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Preparing and presenting reports with reference to cost, time, quality and buildability, including qualifications and exclusions</li> <li>• Evaluating building design efficiency</li> <li>• Assessing/evaluating market factors and trends in construction costs</li> <li>• Analysing the accuracy of predicted cost using benchmarking techniques</li> <li>• Interrogating historical cost data</li> <li>• Using value and risk management techniques.</li> </ul>

## Development appraisals

### Description of competency in context of this sector

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	Level 2	Level 3
Demonstrate knowledge and understanding of the principles and practices underlying a valid development appraisal.	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.	Interpret and provide evidence of reasoned advice on development appraisals and further opportunities.
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• The role of development appraisals in the marketplace and the situations where their use is appropriate</li> <li>• The content of appraisals and how different issues such as planning requirements can be reflected</li> <li>• The sensitivities of appraisals, what factors affect the appraisal</li> <li>• Awareness of external factors which have an influence upon the appraisal process.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Analysing appropriate sources of information and data</li> <li>• Preparing appraisals for possible acquisition, disposal or valuation of development sites including residential, commercial and/or mixed use</li> <li>• Using different techniques and software available for appraisals [whilst having an understanding of the basic principles of a development appraisal]</li> <li>• Undertaking a sensitivity analysis</li> <li>• Assisting in the selection of appropriate sources of development finance.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Using development appraisals to advise on the acquisition, disposal or valuation of development sites</li> <li>• Producing reasoned analysis of risk using appropriate sensitivity analysis</li> <li>• Advising on the appropriate sources of development finance.</li> </ul>

## Due diligence

### Description of competency in context of this sector

This competency covers the due diligence work and/or fund monitoring on construction projects. It may also cover the duties of quantity surveyors monitoring the financial management of management style contracts. Candidates should have an awareness of the areas of concern for funders and clients within a project and the techniques used in monitoring of those areas. They must have a thorough understanding of the techniques used on their projects.

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

Level 1	Level 2	Level 3
Demonstrate knowledge of the techniques used for cost, quality and time related forensic examination in your area of practice.	Apply your knowledge of cost, quality and time related forensic examination in your area of practice.	Provide evidence of reasoned advice and report to clients on cost, quality and time related forensic examination in your area of practice.
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• The main areas of risk for a funder/client</li> <li>• The process of analysing contract documentation</li> <li>• How to interrogate pricing data in relation to development appraisals, cash flows, construction costs and risk allowances</li> <li>• Techniques for assessing suitability of programmes</li> <li>• Relevant statutory approvals, such as planning and building control</li> <li>• How to monitor interim payments and planned progress.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Reviewing development appraisals</li> <li>• Reviewing specialist reports and checking statutory and other approvals</li> <li>• Analysing the suitability of procurement strategies and contract documentation, including third party rights issues and insurances</li> <li>• Interrogating pricing data in relation to development appraisals, cash flows, construction costs and risk allowances</li> <li>• Establishing suitability of project programmes, quality control procedures and health and safety arrangements</li> <li>• Checking suitability and appointments of project team</li> <li>• Analysing project and construction risks</li> <li>• Reviewing interim valuations for draw-down</li> <li>• Monitoring progress against planned programmes</li> <li>• Reviewing final accounts.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Checking compliance with loan agreements and agreements to lease</li> <li>• Delivering reports to the funder/client on time, cost and quality matters covered by your monitoring activities</li> <li>• Giving advice to the funder/client on suitable action to be taken in respect of issues identified by your monitoring activities.</li> </ul>

## Insurance

### Description of competency in context of this sector

This competency covers specific insurance provisions related to property and development. Candidates should be aware of how insurance is used to deal with risk in development. They should have a detailed understanding of the contractual requirements under the various standard forms of contract.

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

Level 1	Level 2	Level 3
Demonstrate knowledge and understanding of the principles and practices of insurance in relation to your area of practice.	Apply your knowledge and/or be involved with the insurance of construction and/or property related matters.	Demonstrate a thorough understanding of the regulations and practice governing the insurance of construction and/or property related matters.
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>The insurance provisions within the standard forms of contract</li> <li>Specific insurance mechanisms such as joint names, subrogation, net contribution clauses, in the aggregate, each and every event and excess provisions</li> <li>Specialist insurances.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>Developing specialist knowledge in areas such as asbestos and terrorism</li> <li>Compiling cost data for an insurance claim</li> <li>Compiling cost data for a fire insurance valuation.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>Reporting on cost impact of insurance claims to loss adjustor</li> <li>Reporting on re-construction costs for fire insurance valuations</li> <li>Advising clients on trends in the construction insurance market</li> <li>Advising on how insurances can be used to mitigate risk.</li> </ul>

## Property finance and funding

### Description of competency in context of this sector

This competency focuses on the candidates' 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	Level 2	Level 3
Demonstrate knowledge and understanding of the role and importance of finance in property, including the principal forms of investment finance and their sources.	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.	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.
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• A broad knowledge of the various senior debt providers, and their expectations in terms of pricing and security</li> <li>• An understanding of the impact of gearing on equity returns</li> <li>• The ability to demonstrate this gearing affect numerically</li> <li>• A knowledge of how mezzanine and equity finance might be priced</li> <li>• A broad understanding of the financing process</li> <li>• Use of financial information such as audited report and accounts.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Analysing investment and development projects to ascertain the level of senior debt that could be raised within the mathematical limits</li> <li>• Applying likely finance pricing required by senior debt providers</li> <li>• Using market knowledge to assess whether the level of senior debt mathematically capable of being sustained is acceptable to the debt providers</li> <li>• Sourcing and collating information which is necessary to support a presentation to secure financing</li> <li>• Sourcing and understanding the role of valuation advice</li> <li>• Analysing and illustrating the impact of financial covenants.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Analysing and understanding stand alone financing from the outset to completion and draw down of funds</li> <li>• Reviewing and comprehending financing documents and in particular loan agreements</li> <li>• Confirming that financing documents reflect the commercial terms agreed and how the controls of the provider may impact on the borrower's management flexibility</li> <li>• Illustrating multi-tiered financing arrangements numerically and using this to assess the true cost of finance at each level</li> <li>• Advising accordingly on the above.</li> </ul>

## Property management accounting

### Description of competency in context of this sector

This competency is about all accounting aspects of property management whether this be in the commercial/residential or agricultural fields. The candidate would be expected to have knowledge of all the statutory requirements and be able to report to clients as well as residents associations regarding the accounting results.

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

Level 1	Level 2	Level 3
Demonstrate knowledge and understanding of any legal or regulatory principles (including taxation implications where appropriate) that apply to property management accounts and service charge accounts.	Undertake day-to-day management and recording of property management accounts and service charge accounts.	Prepare final accounts and tax returns, and report (applying statutory and regulatory standards) on property management accounts and service charge accounts.
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Understand lease terms and accounting implications</li> <li>• Landlord and Tenant Act requirements</li> <li>• RICS codes of practice and accounting regulations.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Creating service charge accounts</li> <li>• Service charge budget implementation</li> <li>• Reporting both rent and service charge figures to clients and residents' associations</li> <li>• Create clients' accounting systems/ templates for rent and service charge collection.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Producing trial balance for balance sheet service charge reporting</li> <li>• Producing draft tax computations in respect of overseas clients for auditors/accountants</li> <li>• Preparing clients' VAT returns.</li> </ul>

## Quantification and costing of construction works

### Description of competency in context of this sector

This competency covers the measurement and definition of construction works in order to value and control costs. Candidates should have an awareness of the various methods of quantifying and pricing construction works used throughout a project. They must have a thorough understanding of the specific methods used on their projects.

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

Level 1	Level 2	Level 3
Demonstrate knowledge and understanding of the principles of quantification and costing of construction works as a basis for the financial management of contracts.	Apply your knowledge to the quantification and costing of construction works, including the use of appropriate standard methods of measurement and forms of cost analysis. Carrying out measurement and costing of works at all stages of the construction process.	Advise on appropriate methods of quantification and costing for specific projects. Take responsibility for the preparing and issuing pricing documents. Price or analyse such documents. Give advice on and/or supervise the valuation of construction works throughout a project.
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• The quantification of construction works (including both measurement and definition)</li> <li>• The various standard methods of measurement</li> <li>• The costing of construction works</li> <li>• The measurement of buildings and structures to agreed standards.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Quantifying construction works at the various stages of a project</li> <li>• Producing pricing documents such as bills of quantities, schedules of activities/works, schedules of rates or contract sum analyses</li> <li>• Carrying out the costing of construction works by methods such as tendered rates, quotations or dayworks.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Advising on appropriate methods of measurement and costing</li> <li>• Selecting appropriate pricing documents</li> <li>• Negotiating and agreeing the valuation of construction works at various stages of the project such as the contract sum, construction and final account.</li> </ul>



## Risk management

### Description of competency in context of this sector

This competency covers the management of risk on construction projects. Candidates should be aware of the benefits to be gained and the techniques and processes used to manage risk. They should have a detailed understanding of how risk is dealt with on their projects.

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

Level 1	Level 2	Level 3
Demonstrate your knowledge and understanding of the nature of risk and, in particular, of the risks associated with your area of business/practice.	Apply your knowledge to carry out risk assessments taking into account all relevant factors. Understand the application of the various methods and techniques used to measure risk.	Provide evidence of reasoned advice and implement systems to manage risk by competent management in relation to specific projects.
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• The principles of risk management</li> <li>• How the various procurement routes deal with risk</li> <li>• Mitigation strategies</li> <li>• The techniques used to quantify risk</li> <li>• The effect of risk on programme and cost.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Contributing towards the identification of risk</li> <li>• Identifying who owns the risk in relation to the chosen procurement route on your project</li> <li>• Contributing towards strategies to mitigate risk</li> <li>• Contributing data towards the quantification of risk</li> <li>• Considering the effect of risk on programme and cost specific to their project.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Advising on the appropriate procurement route in relation to the client's attitude to risk</li> <li>• Recognising and advising on the appropriate methodologies and approach to risk on a project</li> <li>• Taking ownership of the risk register and advising on appropriate risk mitigation strategies</li> <li>• Applying techniques to quantify risk and advising clients on the appropriate level of contingency.</li> </ul>

## Sustainability

### Description of competency in context of this sector

This competency covers the role of the quantity surveyor in dealing with the impact of sustainability issues on development and construction. Candidates should have an awareness of the various ways in which sustainability can impact on development and construction. They must have a thorough understanding of the impact made by sustainability on their projects and have been involved with the financial management of that impact.

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

Level 1	Level 2	Level 3
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.	Provide evidence of the practical application of sustainability appropriate to your area of practice, and of awareness of the circumstances in which specialist advice is necessary.	Provide evidence of reasoned advice given to clients and others on the policy, law and best practice of sustainability in your area of practice.
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• The principles of sustainability within development and the construction process</li> <li>• The relationship between property and the environment</li> <li>• How national and international legislation, regulations and taxation relating to sustainability affect construction</li> <li>• Criteria by which sustainability is measured in relation to finished buildings</li> <li>• The principles of how design, technology and construction processes can contribute to sustainable building</li> <li>• The principles of material resource efficiency within the supply chain.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Carrying out capital cost and value engineering exercises to determine the impact of sustainability issues on design and construction processes</li> <li>• Carrying out life cycle cost exercises which take account of sustainability issues</li> <li>• Understanding the measures undertaken by governments and international bodies to encourage the reduction of the environmental impact of development.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Giving reasoned advice to your client and members of the project team on the financial impact of sustainability on a project</li> <li>• Giving reasoned advice on the application of environmental law and policy</li> <li>• Interpreting environmental reports and giving reasoned advice on the financial impact and programme implications on a project</li> <li>• Giving advice on sustainable material selection and how performance baselines can be estimated.</li> </ul>

## Valuation

### Description of competency in context of this sector

This competency covers the Valuation of property and land for taxation requirements. Candidates should have an awareness of the various types of valuation methods available, and in what circumstances they should be used. They must have a thorough understanding of the types used on their projects.

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

Level 1	Level 2	Level 3
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.	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.	Demonstrate practical competence in undertaking valuations, either of a range of property types or for a range of purposes. Demonstrate the application of a wide range of valuation methods and techniques. Be responsible for the preparation of formal valuation reports under proper supervision and provide reasoned advice. Demonstrate a thorough knowledge of the appropriate valuation standards and guidance and how they are applied in practice.
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• What type of valuations are required in relation to taxation requirements, eg capital allowances, land remediation relief, cost segregation, etc</li> <li>• Knowledge of the types of land valuation used</li> <li>• Knowledge of replacement cost buildings including services valuations.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Source relevant data to assist in valuations</li> <li>• Prepare land valuations, residual and comparable other</li> <li>• Prepare building replacement cost valuations</li> <li>• Prepare valuations where an apportionment of the land and/or building costs applies ie splitting the cost of a building element.</li> </ul>	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> <li>• Prepare and present reports and documentation</li> <li>• Provide advice on issues affecting the valuations</li> <li>• Be aware of the negotiation and agreement of the valuations with taxation authorities.</li> </ul>



## 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 118,000 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 members are involved the same professional 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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