



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **CPPDSM5002A Advise on property investment strategy**

**Release: 1**

## **CPPDSM5002A Advise on property investment strategy**

### **Modification History**

Not Applicable

### **Unit Descriptor**

#### **Unit descriptor**

This unit of competency specifies the outcomes required to provide effective advice on investment in property. It requires the ability to source and analyse market information, assess industry trends and provide effective advice and recommendations on property investment.

The unit may form part of the licensing requirements for persons working in the property industry, including in the real estate, business broking, stock and station agency and property operations and development sectors, in those States and Territories where these are regulated activities.

### **Application of the Unit**

#### **Application of the unit**

This unit of competency supports the work of those involved in providing effective advice on investment in property.

### **Licensing/Regulatory Information**

Refer to Unit Descriptor

## Pre-Requisites

**Prerequisite units** Nil

## Employability Skills Information

**Employability skills** The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary of the qualification in which this unit of competency is packaged, will assist in identifying employability skills requirements.

## Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the required performance needed to demonstrate achievement of the element. Where <b><i>bold italicised</i></b> text is used, further information is detailed in the required skills and knowledge and/or the range statement. Assessment of performance is to be consistent with the evidence guide.
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## Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<b>1 Determine investment requirements.</b>	<p>1.1 <i>Property investment</i> requirements are identified in consultation with <i>relevant people</i> according to <i>organisational requirements</i>.</p> <p>1.2 <i>Client</i> needs are assessed and clarified using appropriate research and survey techniques and <i>consultative processes</i>.</p> <p>1.3 Relevant <i>information</i> and <i>legislative requirements</i> are accessed to ensure investment options comply with requirements.</p> <p>1.4 Reliable methods for gathering information are used according to organisational requirements, making efficient use of time and <i>resources</i>.</p> <p>1.5 Situations requiring <i>specialist advice</i> are identified and assistance is sought as required according to organisational requirements.</p>
<b>2 Analyse investment opportunities.</b>	<p>2.1 Identified property investment opportunities are analysed and measured against property trends and <i>market parameters</i> to determine future recommendations.</p> <p>2.2 Reliable and valid data <i>analysis</i> methods are applied to identify facts, issues, patterns, interrelationships and trends.</p> <p>2.3 Trends are accurately assessed to provide meaningful information on the performance of property investment opportunities.</p> <p>2.4 Factors involved in increasing or diminishing investment <i>risk</i> are identified, analysed and discussed with client.</p> <p>2.5 Sound reasoning is applied to ensure consistency of interpretations based on available information.</p>
<b>3 Provide advice and recommendations.</b>	<p>3.1 <i>Property investment strategy</i> is prepared that provides clear advice and recommendations to meet identified client needs according to organisational requirements.</p> <p>3.2 <i>Feedback</i> on suitability and sufficiency of recommendations is obtained according to organisational requirements.</p> <p>3.3 Recommendations are provided that are consistent with research objectives and supported by verifiable evidence.</p> <p>3.4 Advice and recommendations are presented in an appropriate format, style and structure using <i>business</i></p>

**ELEMENT****PERFORMANCE CRITERIA**

*equipment and technology.*

3.5 Information is securely maintained with due regard to client confidentiality, and legislative and organisational requirements.

## **Required Skills and Knowledge**

### **REQUIRED SKILLS AND KNOWLEDGE**

This section describes the essential skills and knowledge and their level, required for this unit.

#### **Required skills:**

- analytical skills to apply basic statistical methods and techniques
- computing skills to access the internet and web pages, prepare and complete online forms, lodge electronic documents and search online databases
- interpersonal skills to relate to people from a range of social, cultural and ethnic backgrounds and varying physical and mental abilities and liaise with property investment stakeholders
- organisational skills to maintain records and databases, organise and prepare property investment submissions and propose models for property investment
- problem solving skills to determine factors that may affect property markets
- research skills to identify relevant sources of information and source, analyse and interpret property and market information
- technology skills to use financial and assessment software and spreadsheets efficiently and access and present market information.

#### **Required knowledge and understanding:**

- budgeting methods and techniques
- concepts and strategies for placement of capital in property for investment
- current property and investment market
- economics as it applies to property development
- ethical practices and relevant codes of conduct
- industry benchmarks
- investment risk factors and relationship to return expectations
- local government regulations
- local property market conditions and overall trends in the industry
- range of research methods and analysis techniques
- relevant federal and state or territory legislation and local government regulations related to:
  - anti-discrimination

## REQUIRED SKILLS AND KNOWLEDGE

- consumer protection
- environmental issues
- equal employment opportunity (EEO)
- financial probity
- franchise and business structures
- industrial relations
- OHS
- privacy
- property sales, leasing and management
- sources of funding
- specific market sector
- taxation as it applies to property development.

## Evidence Guide

### EVIDENCE GUIDE

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, the range statement and the Assessment Guidelines for this Training Package.

#### Overview of assessment

This unit of competency could be assessed through practical demonstration of providing effective advice on investment in property. Targeted written (including alternative formats where necessary) or verbal questioning to assess the candidate's underpinning knowledge would provide additional supporting evidence of competence. The demonstration and questioning would include collecting evidence of the candidate's knowledge and application of ethical standards and relevant federal, and state or territory legislation and regulations. This assessment may be carried out in a simulated or workplace environment.

#### Critical aspects for assessment and evidence required to demonstrate competency in this unit

A person who demonstrates competency in this unit must be able to provide evidence of:

- analysing property investment information and identifying property trends and risk factors
- consulting with investors and interested parties, receiving feedback and incorporating it where appropriate into future work processes
- documenting and presenting advice and recommendations on property investment opportunities

- knowledge of organisation's practices, ethical standards and legislative requirements associated with providing effective advice on investment in property
- sourcing and evaluating property investment information and identifying investment opportunities.

**Context of and specific resources for assessment**

Resource implications for assessment include:

- a registered provider of assessment services
- assessment materials and tools
- candidate special requirements
- competency standards
- cost and time considerations
- suitable assessment venue and equipment
- workplace documentation.

Where applicable, physical resources should include equipment modified for people with disabilities.

Access must be provided to appropriate learning and/or assessment support when required.

Assessment processes and techniques must be culturally appropriate, and appropriate to the language and literacy capacity of the candidate and the work being performed.

Validity and sufficiency of evidence require that:

- competency will need to be demonstrated over a period of time reflecting the scope of the role and the practical requirements of the workplace
- where the assessment is part of a structured learning experience the evidence collected must relate to a number of performances assessed at different points in time and separated by further learning and practice with a decision of competence only taken at the point when the assessor has complete confidence in the person's competence
- all assessment that is part of a structured learning experience must include a combination of direct, indirect and supplementary evidence
- where assessment is for the purpose of recognition (RCC/RPL), the evidence provided will need to be current and show that it represents competency demonstrated over a period of time
- assessment can be through simulated project-based activity and must include evidence relating to each of the elements in this unit.

In all cases activity and must include evidence relating to each of the where practical assessment is used it will be

combined with targeted questioning to assess the underpinning knowledge. Questioning will be undertaken in such a manner as is appropriate to the language and literacy levels of the candidate and any cultural issues that may affect responses to the questions, and will reflect the requirements of the competency and the work being performed.

## Range Statement

### RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. ***Bold italicised*** wording in the performance criteria is detailed below. Add any essential operating conditions that may be present with training and assessment depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts.

***Property investment*** may include:

- concepts, plans and strategies
- placement of capital in property for investment, productive use and customer service outcomes.

***Relevant people*** may include:

- accountants
- agents
- analysts
- clients
- government personnel
- legal representatives
- management and colleagues
- members of industry associations
- site personnel
- taxation specialists.

***Organisational requirements*** may be outlined and reflected in:

- access and equity principles and practice guidelines
- business and performance plans
- complaint and dispute resolution procedures
- goals, objectives, plans, systems and processes
- legal and ethical requirements and codes of practice
- mission statements and strategic plans
- OHS policies, procedures and programs
- policies and procedures in relation to client service
- quality and continuous improvement processes and standards
- quality assurance and procedure manuals.

***Clients*** may include:

- developers
- financial institutions
- fund managers
- individuals
- internal and external property groups
- investment organisations
- joint ventures
- owner-occupiers

- Consultative processes*** may include:
- partners
  - unit trustees.
  - face-to-face meetings
  - telephone, facsimile and written communication.
- Information*** may include:
- bank reports
  - general knowledge of industry
  - government statistics
  - industry reports and indices
  - market intelligence from industry operators or other interested parties
  - media reports
  - published analytical reports.
- Legislative requirements*** may be outlined and reflected in:
- Australian standards
  - general duty of care to clients
  - home building requirements
  - privacy requirements
  - relevant federal, and state or territory legislation that affects organisational operation, including:
    - anti-discrimination and diversity
    - environmental issues
    - EEO
    - industrial relations
    - OHS
  - relevant industry codes of practice covering the market sector and industry, financial transactions, taxation, environment, construction, land use, native title, zoning, utilities use (water, gas and electricity), and contract or common law
  - strata, community and company titles
  - tenancy agreements
  - trade practices laws and guidelines.
- Resources*** may include:
- materials
  - personnel
  - tools and equipment
  - training
  - transport.
- Specialist advice*** may be sought from:
- analysts
  - architects
  - bankers and financiers
  - business consultants
  - government officials

**Market parameters** may relate to:

- investment consultants
- members of industry associations
- planners
- real estate agents
- solicitors
- valuers.
- ability to control investment
- administrative talent
- balancing a portfolio
- capacity to improve assets
- capital growth versus short-term gains
- cash flows
- class and type of property
- demographics
- exit strategies
- gearing possibilities
- geographic aspects
- limits to financial resources
- market standing
- return on investment
- return versus risk
- taxation considerations.

**Analysis** may include:

- computer modelling
- examination of cash flows and other financial projections
- examination of collected data
- quantitative and qualitative analysis
- probability analysis
- time series recognition.

**Risk** may relate to:

- access restrictions on property
- borrowing risk
- gearing
- economic
- market and property sector risks, including:
  - fluctuations in economic cycle
  - interest rates
  - stock market
- risk factors and return expectations
- specific property risk
- volatility of income and capital.

**Property investment**

- determining market sectors

***strategy*** may cover:

- relative commitment of interested parties
- type of property.

***Feedback*** may be sought from:

- clients and their legal representatives
- management and colleagues
- formal and informal performance appraisals
- workplace assessment.

***Business equipment and technology*** may include:

- computers
- data storage devices
- email
- facsimile machines
- internet, extranet and intranet
- photocopiers
- printers and scanners
- software applications, such as databases and word applications.

## **Unit Sector(s)**

<b>Unit sector</b>	Property development, sales and management
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## **Competency field**

<b>Competency field</b>	Property operations and development
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