



**Australian Government**

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

# **CPPDSM4050A Lease industrial, commercial and retail property**

**Release: 1**

## **CPPDSM4050A Lease industrial, commercial and retail property**

### **Modification History**

Not Applicable

### **Unit Descriptor**

#### **Unit descriptor**

This unit of competency specifies the outcomes required to lease listed industrial, commercial and retail properties. It includes qualifying lessees, conducting property inspections, negotiating the terms and conditions of leases, coordinating completion of lease documentation and reviewing leasing arrangements.

The unit may form part of the licensing requirements for persons engaged in real estate activities in those States and Territories where these are regulated activities.

### **Application of the Unit**

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This unit of competency supports the work of licensed real estate agents and real estate representatives involved in arranging the lease of listed industrial, commercial and retail 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 ***bold italicised*** 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.

## Elements and Performance Criteria

### ELEMENT

### PERFORMANCE CRITERIA

#### 1 Qualify lessees.

- 1.1 *Enquiries from potential lessees* regarding *lease of property* are handled promptly to enable high quality service delivery in line with agency requirements.
- 1.2 *Appropriate rapport* is established with potential lessees.
- 1.3 Enquiries from potential lessees are qualified to determine their preferences, needs, financial limits and capacity to pay in line with agency practice, ethical standards and *legislative requirements*.
- 1.4 Factors likely to influence the lease of properties are identified and potential lessees' intentions are clarified.
- 1.5 Discussions with potential lessees are undertaken using *promotional materials* and *effective interpersonal communication techniques* to identify and match stated requirements with known listings.
- 1.6 Strategies for assisting potential lessees to decide to view properties are implemented in line with agency practice, ethical standards and legislative requirements.
- 1.7 Agency records associated with prospective lessee enquiries are completed in line with agency practice.

#### 2 Undertake property inspection.

- 2.1 Appointments are made for property inspections in line with agency practice, ethical standards and legislative requirements.
- 2.2 Preparations are made for property inspection in line with agency practice.
- 2.3 Procedure for property inspections is implemented in line with agency practice.
- 2.4 Promotional material on the property is used to describe main features of the property and lease terms and conditions.
- 2.5 *Effective questioning techniques* are used to clarify prospective lessee interest in the property.
- 2.6 Agency documentation associated with inspections is completed in line with agency practice.

#### 3 Negotiate terms and conditions of lease.

- 3.1 *Terms and conditions of lease* are negotiated with lessee in line with lessor instructions, agency practice, ethical standards and legislative requirements.
- 3.2 Negotiation approach is established in line with lessor instructions, agency practice and legislative requirements.

**ELEMENT****PERFORMANCE CRITERIA**

- 3.3 Negotiation is conducted in a professional manner, including showing respect for lessor and lessee in line with agency practice, ethical standards and legislative requirements.
- 3.4 *Effective negotiation techniques* are used to persuade and reach agreement with lessor and lessee.
- 3.5 Possible solutions are discussed and their viability assessed.
- 3.6 *Effective techniques are used for dealing with conflict and breaking deadlocks* where required.
- 3.7 Final position is confirmed, ensuring agreement and understanding of lessor and lessee.
- 3.8 As necessary, follow-up communication or reports are provided to lessor and lessee to confirm any adjustments required to conditions of agreement.
- 4 Arrange lease agreement.**
- 4.1 *Lease agreement* is arranged in line with agency practice and legislative requirements.
- 4.2 Appropriate interpersonal techniques are used to facilitate an accurate and relevant exchange of information with legal advisers.
- 4.3 Lease documentation is reviewed for accuracy and to ensure it meets client instructions, agreements with lessee, legislative requirements and agency practice.
- 4.4 Necessary amendments to documents are arranged prior to execution in line with legislative requirements and agency practice.
- 5 Formalise lease arrangements.**
- 5.1 Lease arrangements are implemented in line with client instructions, agency practice and legislative requirements.
- 5.2 Lease documentation is distributed to relevant people to enable necessary stamping and registration to occur.
- 5.3 Copies of lease contracts are distributed to contracting parties to confirm respective obligations in line with legislative requirements and agency practice.
- 5.4 Leasing documentation is completed in line with legislative requirements and agency practice.
- 5.5 Lease records and relevant information are securely stored in line with legislative requirements and agency practice.
- 6 Review leasing arrangements.**
- 6.1 Leasing arrangements and documentation are reviewed in line with client instructions, legislative requirements and agency practice.

**ELEMENT****PERFORMANCE CRITERIA**

- 6.2 Variations to leasing requirements are identified and negotiated with relevant people and amendments are made in line with client instructions, legislative requirements and agency practice.
- 6.3 Lease arrangements are monitored to ensure they meet the obligations of the lease agreement and relevant legislative requirements and agency practice.
- 6.4 *Business equipment and technology* are used to maintain relevant documentation securely in line with legislative requirements and agency practice.

## 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:

- ability to communicate with and relate to a range of people from diverse social, economic and cultural backgrounds and with varying physical and mental abilities
- analytical skills to interpret documents such as agency and statutory forms associated with the lease of industrial, commercial and retail property
- application of risk management strategies associated with leasing industrial, commercial and retail property
- computing skills to access agency databases, send and receive emails, and complete standard forms online
- decision making and problem solving skills to analyse situations associated with leasing industrial, commercial and retail property and make decisions consistent with legislative and ethical requirements
- literacy skills to access and interpret a variety of texts, including legislation and regulations; prepare general information, papers, and formal and informal letters; and complete standard and statutory forms
- negotiation skills to reach agreement with lessors and lessees on lease conditions
- numeracy skills to calculate and interpret data, such as rents and security deposits
- planning, organising and scheduling skills to finalise lease documentation
- research skills to identify and locate documents and information relating to leasing of industrial, commercial and retail properties.

#### Required knowledge and understanding:

- consumer protection and retail leases, including:

## REQUIRED SKILLS AND KNOWLEDGE

- consumer protection principles relevant to retail leases
- effect of consumer protection legislation on contracts
- penalties and remedies available for breaches of consumer protection legislation
- rights and obligations of estate agents under consumer protection legislation in relation to retail leases
- contracts
- ethical practices associated with leasing industrial, commercial and retail property
- negotiation skills and techniques
- property inspections, including:
  - agency documentation
  - benefits
  - conducting and following up property inspections
  - key control
  - planning property inspections
  - promotional materials
  - security of properties
- relevant federal, and state or territory legislation and local government regulations relating to:
  - anti-discrimination and equal employment opportunity
  - consumer protection, fair trading and trade practices
  - employment and industrial relations
  - environmental issues
  - financial services
  - franchises and business structure
  - leases
  - OHS
  - privacy
  - zoning
- rent, including:
  - calculation
  - rent increase
- qualifying lessees, including:
  - capacity to pay
  - financial limits
  - marketing aids
  - matching suitable properties to lessee needs
  - motives

## REQUIRED SKILLS AND KNOWLEDGE

- needs and preferences
- strategies for assisting potential lessee to view property
- leases, including:
  - condition report and disclosure statements
  - dispute resolution processes
  - format of agreements
  - key features and types of industrial, commercial and retail leases
  - legal obligations of agent, lessor and lessee
  - rents, security deposits and bond moneys
  - statutory and agency documentation
  - terms and conditions
  - risks and risk management strategies
- trust accounts.

## 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 arranging and completing the lease of industrial, commercial and retail 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:

- completing lease arrangements, including relevant agency and statutory documentation, in line with agency practice, ethical standards and legislative requirements
- conducting inspections for prospective lessees in line with agency practice, ethical standards and legislative



requirements

- knowledge of agency practice, ethical standards and legislative requirements associated with the lease of industrial, commercial and retail property
- knowledge of consumer protection principles and the rights and obligations of licensed real estate agents and real estate representatives in regard to retail leases
- monitoring lease arrangements against lease agreement requirements, and safely and securely maintaining all relevant documentation
- negotiating terms and conditions of industrial, commercial and retail leases in line with agency practice, ethical standards and legislative requirements
- qualifying lessees in line with agency practice, ethical standards and legislative requirements
- recording lease arrangements in line with agency practices.

### **Context of and specific resources for assessment**

Resource implications for assessment include:

- access to suitable simulated or real opportunities and resources to demonstrate competence
- assessment instruments that may include personal planner and assessment record book
- access to a registered provider of assessment services.

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 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.

***Enquiries from potential lessees*** may be received through:

- advertising
- email
- inspections
- office
- referral
- telephone
- website.

***Lease*** may include:

- business
- commercial
- industrial
- retail.

***Property*** may include:

- commercial properties
- industrial properties
- retail properties
- specialist business properties, such as marinas, hotels, open space, resorts and caravan parks.

***Appropriate rapport*** relates to use of techniques that:

- establish and build confidence and trust in the agency and its representatives
- make the lessee or lessor feel valued
- promote and maintain an effective relationship with the prospective lessee or lessor.

***Legislative requirements*** may include:

- relevant federal, and state or territory legislation and local government regulations relating to:
  - anti-discrimination and equal employment opportunity
  - consumer protection
  - employment
  - environmental issues
  - franchises and business structure
  - industrial relations
  - leases
  - OHS

- privacy
  - trade practices
  - zoning.
- Promotional materials*** may include:
- agency email and website details
  - agent business card
  - agent and agency profile
  - brochures
  - description of property
  - list properties for lease
  - pamphlets
  - testimonials from past clients
  - website.
- Effective interpersonal communication techniques*** may include:
- active listening
  - providing an opportunity for the client to clarify their understanding of the sales process
  - soft questioning and seeking feedback from the client to confirm own understanding of their needs and expectations
  - summarising and paraphrasing to check understanding of client message
  - using appropriate body language.
- Effective questioning techniques*** may include:
- active listening
  - clear questions
  - different question types
  - reflection
  - using silences.
- Terms and conditions of lease*** may include:
- default provisions
  - dispute resolution process
  - duration
  - equipment and services
  - general rules that apply to all lessees in property
  - goodwill
  - gross or nett lease
  - GST
  - insurance
  - options for extending period of lease
  - outgoings
  - permitted uses and access, including:
    - car parking
    - competitors
    - expansion or sale of business
    - hours of operation

- licences
- rights to use common areas
- zoning
- personal guarantees
- power of attorney
- rent, including:
  - method of calculation
  - rent increases
- renewal of lease or tenancy agreement, including:
  - exercise of option to renew
  - option to renew
  - renewal period
  - rent
- repairs and maintenance
- security
- security bond or deposit
- tenancy mix
- termination of lease or tenancy agreement.

***Effective negotiation techniques*** may include:

- analytical skills
- listening techniques
- non-verbal communication skills
- personal attributes
- presentation techniques
- questioning techniques
- speaking skills.

***Effective techniques for dealing with conflict and breaking deadlocks*** may include:

- calling in a third party
- clarifying the positions of both parties
- deferring the decision
- preparing a compromise
- restating the position
- summarising the progress to date.

***Lease agreements*** may include:

- acceptance and consideration
- agreement to lease
- heads of agreement
- letters of intent
- negotiations containing offers
- relative lessee or lessor obligations.

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

- computers and data storage devices
- email
- facsimile machines
- internet, extranet and intranet

- photocopiers
- printers
- scanners
- software applications.

## **Unit Sector(s)**

**Unit sector** Property development, sales and management

## **Competency field**

**Competency field** Real estate