



Australian Government

Department of Education, Employment and Workplace Relations

CPPDSM5012A Develop a strategic business plan in the real estate industry

Release: 1

CPPDSM5012A Develop a strategic business plan in the real estate industry

Modification History

Not Applicable

Unit Descriptor

Unit descriptor

This unit of competency specifies the outcomes required to develop a business strategy to position the real estate agency successfully in the property market. 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

Application of the unit

This unit of competency supports the work of those involved in developing the business strategy for a real estate agency.

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 Identify business opportunities in the property market.	<p>1.1 Valid and reliable <i>sources of information</i> concerning the property market and business environment are identified.</p> <p>1.2 Information relevant to agency business planning is collated.</p> <p>1.3 Immediate and ongoing <i>business opportunities</i> are identified and confirmed from an analysis of the business environment.</p> <p>1.4 Viable opportunities are identified by cost-benefit analysis, based on available property market information.</p>
2 Establish the potential demand for agency services.	<p>2.1 Property market profile applicable to the agency is developed using the information available.</p> <p>2.2 Estimate of the demand for agency services and a potential client profile are accurately developed and assessed.</p> <p>2.3 Resources required to service the projected demand are correctly identified and included in an overall cost-benefit analysis.</p> <p>2.4 Agency marketing positioning strategy is identified and adopted.</p> <p>2.5 Lists of the appropriate range of services are provided and associated service fees and charges are prepared.</p>
3 Establish business goals and objectives for agency.	<p>3.1 Activities relating to <i>business goals</i> are identified to achieve an increase in the agency's share of the property market.</p> <p>3.2 Required rates of return are accurately estimated for short and long-term agency viability to ensure cash flow management.</p>
4 Document and review agency business strategies.	<p>4.1 <i>Business plan</i> is documented to provide an accessible reference tool for evaluation of agency business performance.</p> <p>4.2 Strategic directions are developed within the plans that are assessable against performance benchmarks over time.</p>

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

REQUIRED SKILLS AND KNOWLEDGE

this unit.

REQUIRED SKILLS AND KNOWLEDGE

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 legislation, regulations and property documentation
- application of risk management strategies associated with strategic business planning
- computing skills to access databases, send and receive emails and complete standard forms online
- decision making and problem solving skills to analyse situations and make strategic business planning decisions
- literacy skills to access and interpret a variety of texts, including legislation, regulations and rules of ethics; prepare general information and papers; prepare marketing materials and marketing plans; and complete standard forms
- numeracy skills to calculate and interpret data, such as business costs and to ensure compliance with agreed budgets
- planning, organising and scheduling skills to implement business plans
- research skills to identify and locate documents and information relating to the preparation of business plans.

Required knowledge and understanding:

- preparation of a business plan
- principles of risk management relevant to business planning
- reasons for and benefits of business planning
- relevant federal, and state or territory legislation and local government regulations relating to:
 - anti-discrimination and equal employment opportunity
 - anti-money laundering
 - consumer protection, fair trading and trade practices
 - employment and industrial relations
 - environmental issues
 - financial services
 - industrial relations
 - leases and tenancy agreements
 - OHS
 - privacy
 - property sales and management
 - taxation
- risks and risk management associated with business planning
- setting business goals and objectives

REQUIRED SKILLS AND KNOWLEDGE

- tools for evaluating agency business performance
- types of business planning, including:
 - feasibility studies
 - strategic
 - operational
 - financial planning.

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 case studies, demonstrations and practical exercises of strategic business planning in an agency context. 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. 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:

- identifying business opportunities in the property market
- documenting agency business strategies
- establishing the potential demand for agency services
- establishing business goals and objectives for agency
- knowledge of ethical and legislative requirements associated with agency business planning
- reviewing agency business strategies.

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.

Sources of information may include:

- educational institutions
- government agencies
- industry associations
- market analysts
- property reports.

Business opportunities may relate to:

- property development
- property management
- property sales.

Business goals may include:

- goals, objectives, plans, systems and processes
- short, medium or long-term goals
- financial projections
- customer needs and marketing projections
- proposed size and scale of the business
- market focus of the business
- lifestyle issues.

Business plan may include:

- business opportunities
- details of ownership and management
- financial details, including:
 - balance sheet and cash flow forecast
 - capital expenditure and its timing
 - stock turnover
 - creditor payment period
 - debtor collection period
 - expected level of inflation and taxation
 - expected trend of interest rate
 - expenditure statement
 - level of risk involved
 - projections for the initial years of operation
 - assumptions underlying the business plan
 - return on investment
 - risk assessment and management

- market focus of the agency
- marketing requirements
- need to raise finance and requirements of lenders
- organisation and operational arrangements
- proposed size and scale of the agency
- recognition of any seasonal or cyclical (time-based) elements that are crucial to the success of the agency
- resources required and available
- sources of funding
- specialist services and sources of advice that may be required
- staffing
- stages in the business development.

Unit Sector(s)

Unit sector Property development, sales and management

Competency field

Competency field Real estate