



Australian Government

Department of Education, Employment and Workplace Relations

CPPDSM6003A Contract to invest in property

Release: 1

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Modification History

Not Applicable

Unit Descriptor

Unit descriptor

This unit of competency specifies the outcomes required to manage the development and performance of a property investment contract. It requires the ability to negotiate contract specifications and undertake a due diligence review against an investment feasibility study.

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 managing the development and performance of a property investment contract.

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 Formulate contract specifications.	<p>1.1 <i>Investment</i> contract specifications are <i>negotiated</i> and formulated in consultation with <i>relevant people</i>.</p> <p>1.2 <i>Communication strategies</i> and processes are established and implemented to assist ongoing communication between contract parties.</p> <p>1.3 <i>Analysis</i> is made of <i>relevant information</i> and legislation to provide <i>strategic context</i> to investment objectives.</p> <p>1.4 Instructions are issued to <i>consultants</i> to prepare draft contract.</p> <p>1.5 Applicable ethical, <i>organisational and legislative requirements</i> are interpreted and applied.</p>
2 Undertake due diligence review.	<p>2.1 Instructions are issued to relevant consultants to undertake <i>due diligence review</i> for assessment against feasibility study.</p> <p>2.2 Impacts of due diligence review are documented and assessed against feasibility study outcomes.</p> <p>2.3 Variations to feasibility study are identified and a decision made to proceed, renegotiate or withdraw as required.</p> <p>2.4 Required variations to contract are negotiated and agreed between parties to reflect outcomes of due diligence process.</p>
3 Develop investment contract.	<p>3.1 Contract is prepared in appropriate style and format ensuring compliance with contract specifications and due diligence outcomes.</p> <p>3.2 Contract is reviewed to ensure accuracy of information and is disseminated to relevant people for <i>feedback</i>.</p> <p>3.3 Contract text is amended to include feedback from client in line with organisational policy and procedures.</p> <p>3.4 Situations requiring <i>specialist advice</i> are identified and addressed.</p> <p>3.5 Contract is finalised and settlement effected according to agreed timeframes.</p>
4 Evaluate investment contract.	<p>4.1 Contract is reviewed using established <i>evaluation methods</i> relative to contract specifications.</p> <p>4.2 Reliable evaluation methods are used, making efficient use of time and resources.</p> <p>4.3 Verifiable conclusions are detailed with due diligence and according to feasibility outcomes.</p> <p>4.4 Comments and recommendations are made available for</p>

ELEMENT**PERFORMANCE CRITERIA**

- review and reformulation of strategic goals and policies.
- 4.5 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:

- communication skills to negotiate contract arrangements, obtain feedback and consult with clients
- computing skills to access the internet and web pages, prepare and complete online forms, lodge electronic documents and search online databases
- evaluation skills to analyse contract information and specifications, assess feasibility study outcomes and review contracts
- interpersonal skills to relate to people from a range of social, cultural and ethnic backgrounds and varying physical and mental abilities
- literacy skills to interpret written and oral information
- management skills to plan contract development processes, achieve contract objectives and make decisions about impact of due diligence outcomes on feasibility study
- organisational skills to manage consultative processes and determine appropriate timeframes.

Required knowledge and understanding:

- commercial and contract law
- due diligence processes
- economics as they relate to the property industry
- feasibility studies
- limitations of work role, responsibility and professional abilities
- property appraisal methods and interpretation of findings
- relevant Australian standards
- relevant federal and state or territory legislation and local government regulations related to:
 - anti-discrimination
 - consumer protection
 - environmental issues

REQUIRED SKILLS AND KNOWLEDGE

- equal employment opportunity (EEO)
- financial probity
- franchise and business structures
- industrial relations
- OHS
- privacy
- property sales, leasing and management
- risk management strategies
- strategic management principles and practices
- strategic 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 practical demonstration of managing the development and performance of a property investment contract. 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:

- interpreting and applying applicable legal, ethical and organisational requirements
- evaluating the property investment contract against contract specifications, due diligence and feasibility outcomes and documenting conclusions for future strategic goals and policies
- knowledge of organisation's practices, ethical standards and legislative requirements associated with managing the development and performance of a property

investment contract

- preparing a property investment contract within agreed timeframes and ensuring the interests of the client are protected
- undertaking a due diligence review against feasibility study and negotiating required variations to study or contract
- using effective communication strategies to formulate property investment contract specifications.

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.

- Investment*** may include:
- concepts and plans
 - strategies and placement of capital in property for investment
 - productive use of property and assets
 - customer service outcomes.
- Negotiated*** refers to negotiation techniques that should include:
- clearly presenting options and consequences
 - control of tone of voice and body language
 - demonstrating flexibility and willingness to negotiate
 - using positive, confident and cooperative language
 - using language and concepts appropriate to the people involved
 - using strategic questioning and listening to gather information and direct the focus of people involved
 - using summarising of positions and agreements to move understanding.
- Relevant people*** may include:
- agents
 - clients
 - company directors
 - consultants, including legal, banking, financial architectural, engineering, surveying, environmental, valuation, planning and insurance

- governing body
 - government personnel
 - management and colleagues
 - members of industry associations
 - property or facilities owners and managers.
- Communication strategies*** may relate to:
- clear and concise use of technical terminology
 - direct line supervision paths
 - face-to-face meetings
 - lateral supervision paths
 - organisational communication protocols and procedures
 - organisational networks
 - telephone, facsimile and written communication.
- Analysis:***
- may be:
 - explorative, descriptive, causative or predictive
 - quantitative and qualitative
 - may include:
 - basic statistical analysis
 - critical analysis
 - mathematical calculations
 - problem solving.
- Relevant information*** may include information relating to:
- financial, accounting and taxation records
 - insurances
 - leases
 - legal information relating to the property, including current claims, court actions, trade mark issues, prior charges and current ownership structures
 - licences
 - maintenance contracts
 - ownership, operational and adjoining owners' agreements
 - plans, photos and other property documentation
 - plant and equipment
 - property details
 - property investment feasibility study
 - remedial and contamination issues
 - research into investment market, demographics, competition and development proposals
 - technical issues, including:
 - building specifications
 - quantity surveyor's reports
 - statements of defects

- building permits
 - structural, mechanical, electrical, hydraulic and fire services and protection
 - air conditioning and ventilation
 - refrigeration
 - vertical transport
 - asbestos
 - valuations.
- Strategic context*** may include:
- competitive
 - cultural
 - financial
 - legal aspects of organisational functions
 - operational
 - political
 - social.
- Consultants*** may be sourced from the following sectors:
- architectural
 - banking
 - engineering
 - environmental
 - financial
 - insurance
 - legal
 - planning
 - surveying
 - valuation.
- 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.
- 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.

Due diligence means:

- the process by which an investor, lawyer, consistent auditor or other qualified person, verifies the accuracy of data provided by another organisation.

Due diligence review may relate to:

- financial issues, such as taxation and accounting
- legal issues, such as current claims, court actions, trademark issues and prior charges
- legal searches
- planning and development
- property documentation, including agreements, contracts, leases, valuations, authorities, plans and maintenance
- research conducted on such things as demographics and competition
- technical issues
- tenancy analysis
- town planning.

Feedback may include:

- formal and informal discussions, reviews and evaluations with:
 - colleagues and directors
 - existing and previous clients
- information provided by others involved in a professional capacity, both internal and external to the organisation.

Specialist advice may be sought from:

- clients and stakeholders
- company directors
- governing body
- management and colleagues
- relevant consultants, including legal, banking, financial, architectural, engineering, surveying, environmental, valuation, planning and insurance.

Evaluation methods could be qualitative or quantitative and may include:

- checklists
- cost data analysis
- expert and peer review
- interviews
- observation
- questionnaires
- review of quality assurance data.

Unit Sector(s)

Unit sector Property development, sales and management

Competency field

Competency field Property operations and development