



**Australian Government**

# **CPPREP4201 Appraise commercial property**

**Release: 1**

# CPPREP4201 Appraise commercial property

## Modification History

Release 1 This version first released with CPP Property Services Training Package Release 8.0.

Supersedes but is not equivalent to CPPDSM4026 Analyse property and facility information and CPPDSM4032A Arrange valuation of facilities and assets.

Merged to reduce duplication. Updated to the Standards for Training Packages.

## Application

This unit specifies the skills and knowledge required to appraise commercial properties for lease or sale.

It includes analysing property usage and land use controls and applying suitable appraisal methodologies. It also includes researching and analysing market, property and financial data to determine an appraised price and presenting documented appraisal reports to clients.

State or territory licensing requirements may apply to this unit.

## Pre-requisite Unit

Nil

## Unit Sector

Real estate

## Elements and Performance Criteria

| Elements describe the essential outcomes. | Performance criteria describe what needs to be done to demonstrate achievement of the element.                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Seek instructions.                     | <p>1.1 Confirm purpose of appraisal and client instructions according to legislation in the state or territory of operation.</p> <p>1.2 Discuss agency requirements and appraisal processes with client.</p> <p>1.3 Confirm commercial property usage, lease arrangements and land use controls.</p> <p>1.4 Obtain agreement to proceed with appraisal according to legislation in state or territory of operation.</p> |

|                                                                  |                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2. Conduct research to support appraisal of commercial property. | <p>2.1 Select appraisal methodology suitable to property type and based on available information.</p> <p>2.2 Analyse required documents, reports and financial data for property.</p> <p>2.3 Analyse current market data and trends that may affect lease or sale of property.</p> <p>2.4 Verify accuracy and reliability of collated data.</p>                                |
| 3. Complete appraisal report.                                    | <p>3.1 Analyse research findings to ascertain final appraisal, and record outcome according to agency requirements and client instructions.</p> <p>3.2 Prepare appraisal report in an acceptable format, highlighting findings and rationale.</p> <p>3.3 Present report to client.</p> <p>3.4 Retain records and documentation securely, according to agency requirements.</p> |

## Foundation Skills

Foundation skills essential to performance are explicit in the performance criteria of this unit of competency.

## Unit Mapping Information

No equivalent unit.

Supersedes but is not equivalent to:

- CPPDSM4026 Analyse property and facility information
- CPPDSM4032A Arrange valuation of facilities and assets.

## Links

Companion volumes to this training package are available at the VETNet website - <https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=6f3f9672-30e8-4835-b348-205dfcf13d9b>

# Assessment Requirements for CPPREP4201 Appraise commercial property

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## Performance Evidence

To demonstrate competency in this unit, a person must appraise and report on the lease or sales price of two different commercial properties.

In doing this, the person must meet the performance criteria for this unit.

## Knowledge Evidence

To be competent in this unit, a person must demonstrate knowledge of:

- legislation and regulations governing appraisal of commercial properties in the state or territory of operation
- agency documentation required to be completed and maintained when appraising commercial properties
- appraisal methodologies suitable for different types of commercial properties
- basic accounting principles and techniques for checking financial data and the status of commercial properties for lease or sale
- categories of commercial property:
  - industrial
  - retail
  - healthcare
  - leisure
  - warehouses
  - multi-family
- commercial property appraisal processes:
  - content and format of appraisal reports
  - factors that influence whether commercial properties are comparable for appraisal purposes
  - information required to be gathered and analysed for commercial property appraisals
  - key sources of information required for appraisal of commercial properties

- industry benchmarks for the appraisal of different types of commercial properties
- land use controls for different types of commercial properties
- regulatory and ethical responsibilities and role of agents in appraising commercial properties for lease or sale:
  - duty of disclosure
  - maintaining client privacy and confidentiality
  - providing accurate information
- types and purpose of financial records to be analysed when appraising commercial properties for lease or sale
- types of leases used for commercial properties
- value factors for the commercial property market.

## Assessment Conditions

Assessors must satisfy the requirements for assessors listed in the Standards for Registered Training Organisations.

Assessment must be conducted in the workplace or in a simulated workplace environment.

Assessors are responsible for ensuring that the person demonstrating competency has access to:

- materials and equipment that meet the operational requirements for a real estate agency, including:
  - policies, procedures and documentation relating to appraising commercial properties
  - relevant legislation in the state or territory of operation relating to appraising of commercial properties
  - equipment, communication and data access and storage technology required to conduct research and to prepare reports relating to appraising commercial properties for lease
- client briefs and financial and performance information to support the appraisal of two different commercial properties.

## Links

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