



Pathway guide

Taxation Allowances

August 2018



Pathway guide

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Taxation Allowances

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Introduction

This guide supports the Taxation Allowances pathway. It is designed to help you understand more about qualifying in this area.

You must use this guide in conjunction with the core assessment documentation which is available on the RICS website and comprises of:

- Requirements and competencies guide
- Candidate guide for your RICS assessment e.g. APC, Academic, Senior Professional, Specialist
- Counsellor guide.

You can download all the supporting guidance from [rics.org/apcguides](https://www.rics.org/apcguides)

All RICS pathways are global, though it is appreciated that markets may vary from country to country. If you have any queries please contact your local office.

About the competencies

The RICS competency framework ensures those applying for the RICS qualification are competent to practise and meet the highest standards of professionalism required by RICS. There is a wide range of pathways available to qualify as an RICS professional covering many different areas of practice.

The RICS assessment aims to assess that you are competent to carry out the work of a qualified chartered surveyor. To be competent is to have the skill or ability to perform a task or function. The RICS competencies are also based upon attitudes and behaviours. The competencies are presented in a generic way so they can be applied to different areas of practice and geographical locations. It is important that you interpret them within the context of your own area of practice or specialism and location.

Each competency is defined at three levels of attainment. You must reach the required level in a logical progression and in successive stages.

Level 1 – knowledge and understanding

Level 2 – application of knowledge

Level 3 – reasoned advice, depth and synthesis of technical knowledge and its implementation.

The competencies are in three distinct categories:

Mandatory – the personal, interpersonal, professional practice and business skills common to all pathways and mandatory for all candidates.

Technical core – the primary skills of your chosen pathway.

Technical optional – Selected as additional skill requirements for your pathway from a list of competencies relevant to the area of practice.

The mandatory competency requirements are set out in detail in the Requirements and competencies guide.

Choosing your competencies

It is important that you give careful thought to your choice and combination of competencies. Your choice will inevitably reflect the work you do in your day-to-day environment (driven by the needs of your clients/employer). Your choice and combination of competencies will be a reflection of your judgement.

At the final assessment interview, the assessors will take these choices into account. They will expect you to present a sensible and realistic choice that reflects the skills needed to fulfil the role of a surveyor in your field of practice.

This guide should help candidates and employers with a degree of assistance in choosing the competencies that are most appropriate to their area of practice.

Where to find help

RICS has fully trained teams across the globe who will be able to help you with any queries. For details of your local office – [rics.org/contactus](https://www.rics.org/contactus)

About the pathway

Taxation allowances surveyors combine the skills of a Quantity Surveyor with their knowledge of construction and experience of legislation, accounting and investment. They advise clients on the tax allowances available and the requirements of asset segregation to comply with their client's and the taxing authorities' requirements.

The market in which taxation surveyors operate is predominately commercial i.e. offices, industrial and retail. However, this also extends to other areas such as utilities, transportation and public services buildings usually when funded by private capital.

Advice is given on transfers of existing land and property as well as new construction. For existing land and property, the service usually includes a tax assessment at acquisition and a proposal to safeguard the client's position on any subsequent disposal.

For construction, the service includes an assessment of potential tax allowances arising out of construction activity and a proposal to minimise the client's tax liabilities. Construction expenditure covers new build, refurbishment, fit out, extension and demolition including land remediation, etc. The role is two-fold. Firstly, to give strategic advice on the alternatives allowances available, and secondly to quantify the value of the tax allowances. This will often include reaching an agreement with the relevant body such as the tax authorities and their agencies.

RICS qualification

As a consultant, you will work as a specialist in a professional practice of surveyors, accountants, and or the statutory body. Your work may include the following:

- Preliminary assessments of potential incentives both for developers and end users
- Advise on structuring developments for the efficient use of incentives
- Provide contract wording for transfer documents/contracts for sale to ensure entitlements are correctly established. Similar procedures will apply to contributions made
- Negotiating and agreeing claims with the relevant taxing authority
- Preparing land valuations for apportionment of purchase expenditure taxation purposes
- Cost segregation of buildings construction expenditure (for each client tax year) or preparing reconstruction estimates for acquired buildings to achieve a purchase-date cost for segregation
- Collating supporting documentation and decisions for past expenditure e.g. vendors unclaimed refurbishment construction expenditure
- Providing positive options as to product selection, specification advice and ensuring adequate documentary evidence of decisions made for future evidence/justification

- Writing manuals and developing systems for use by the client's internal property and accounting teams
- Assessing incentives for remediation of contaminated land
- Setting up information systems for maximising client capture of expenditure on projects by non-specialists
- Interaction with other taxes and relevant client requirements
- Advising on alternative strategies for portfolio acquisitions or construction roll-out programmes.

Chartered alternative designations

All candidates qualifying through this pathway will be entitled to use the designation 'Chartered Surveyor'.

Pathway requirements

Mandatory	Core	Optional
<p>Level 3</p> <ul style="list-style-type: none"> • Ethics, Rules of Conduct and professionalism <p>Level 2</p> <ul style="list-style-type: none"> • Client care • Communication and negotiation • Health and safety <p>Level 1</p> <ul style="list-style-type: none"> • Accounting principles and procedures • Business planning • Conflict avoidance, management and dispute resolution procedures • Data management • Diversity, inclusion and teamworking • Inclusive environments • Sustainability 	<p>Level 3</p> <ul style="list-style-type: none"> • Accounting principles and procedures • Capital allowances • Construction technology and environmental services • Quantification and costing (of construction works) • Valuation <p>Level 2</p> <ul style="list-style-type: none"> • Contract practice 	<p>Two to Level 2</p> <ul style="list-style-type: none"> • Capital taxation • Contaminated land • Design economics and cost planning • Development appraisals • Due diligence • Insurance • Property finance and funding • Property management • Risk management • Sustainability

Technical competencies guidance

Accounting principles and procedures

This competency covers the basic principles of taxation and accounting. Candidates should demonstrate a basic knowledge of taxation computations and the statutory requirements. They should also demonstrate knowledge of accounting principles, reporting standards and organisations statutory requirements.

Examples of likely knowledge, skills and experience at each level

Level 1	Level 2	Level 3
<p>Demonstrate knowledge of basic accounting and taxation.</p>	<p>Apply your knowledge of accounting principles to the preparation of taxation allowances.</p>	<p>Advise on the implications of taxation allowances to the client and their potential impact with other taxation/accounting issues.</p>
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> • What are balance sheets, profit and loss accounts and cash flows? • What is the basis of taxation computations and terms e.g. profit before tax, after tax, various tax rates, tax allowances, depreciation etc? • What is corporation, income tax? • The basic principles of corporate tax self-assessment and its impact on corporation and income tax. 	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> • Prepare a basic balance sheet, profit and loss account, and cash flow • Link property taxation valuations and their input into company accounts and tax • Apply current levels of taxation to the financial period with which you are concerned. 	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> • Advise on the implication of capital allowances, and other taxation reliefs have on an organisation’s accounts and computations • Value the depreciation risk in corporation accounts • Provide advice on issues affecting acquisitions, disposals and developments • Assess the implications of the incentives allowances on the clients for various taxes and rates.

Capital allowances

This competency covers the 'Taxation Incentives' capital allowances available on property and structures in order to prepare claims and give advice to clients, including the various types of capital allowances that are available in accordance with the capital allowances legislation. They must have a thorough understanding of the types used on their projects.

Examples of likely knowledge, skills and experience at each level

Level 1

Demonstrate knowledge and understanding of capital allowances and grants.

Examples of knowledge comprised within this level are:

- What are capital allowances and the history behind their existence
- The client types they apply to
- The various types of capital allowances available relating to property including plant and machinery, Industrial building allowances, Hotel allowances and enhanced capital allowances
- What property types do capital allowances apply.

Level 2

Apply knowledge of capital allowances and grants, including the ability to use source documents necessary to prepare taxation allowances analyses.

Examples of activities and knowledge comprised within this level are:

- Collect the relevant documentation to prepare a claim relating to the type of transaction – acquisition; sale agreements, valuation reports, ledgers, drawings and specifications etc.; and for development: ledgers, building contracts, final accounts; invoices, etc.
- Understand, apply and establish entitlement and compliance issues including other capital allowances for example long life assets, short life assets, flat conversion, research and development etc.
- Identify and quantify qualifying expenditure.

Level 3

Provide evidence of giving reasoned advice; preparing claims; making applications for grants; preparing and presenting reports to clients; and corresponding and negotiating with the relevant government and other authorities.

Examples of activities and knowledge comprised within this level are:

- Prepare and present reports and documentation
- Provide advice on issues effecting acquisitions, disposals and developments
- The effect that capital allowances has on general taxation and accounting issues
- The negotiation and agreement of the capital allowances claims with taxation authorities.

Capital taxation

This competency includes valuations and negotiations for inheritance tax, capital gains tax, capital allowances and other taxation types. It may also include advising on litigation. It involves measurement of and analysis of comparables and application of evidence to resolve negotiations. It also includes application of statute and case law.

Examples of likely knowledge, skills and experience at each level

Level 1

Demonstrate knowledge and understanding of the relevant provisions for capital taxation of real estate, equipment and/or other property.

Examples of knowledge comprised within this level are:

- Code of measuring practice to include zoning of shops
- Application of statute and case law
- Analysis of evidence and relevance of the law
- Valuation methods applicable to different types of property.

Level 2

Undertake valuations and negotiations for a variety of different property types using different valuation methods for the purposes of capital taxation.

Examples of activities and knowledge comprised within this level are:

- Assessing implications of CGT, stamp duty, land remediation relief, VAT, landfill tax exemption
- Undertaking measurement and inspection
- Undertaking valuation of a range of property types
- Using different methods of valuation using comparables, the investment method, profits and discounted cash flow techniques where appropriate
- Negotiating valuations and settlement of cases.

Level 3

Provide evidence of reasoned advice to stakeholders (to include senior management within your organisation, clients and courts/tribunal members) in respect of specific cases and/or other capital taxation issues.

Examples of activities and knowledge comprised within this level are:

- Advising on settlement or litigation of cases
- Advising on the costs of options and actions
- Advising on the impact of such actions across the wider arena.

Construction technology and environmental services

This competency covers the design and construction of buildings and other structures. Candidates should have a clear understanding of the design and construction processes commonly used in the industry. They should have detailed knowledge of construction solutions relevant to their projects.

Examples of likely knowledge, skills and experience at each level

Level 1

Demonstrate knowledge and understanding of the principles of design and construction relating to your chosen field of practice.

Examples of knowledge comprised within this level are:

- The stages of design from inception to completion
- Impact of current legislation and regulations (both national and international)
- How the various elements of the building work and inter-relate
- The process of constructing the works
- Operational and maintenance processes post contract.

Level 2

Apply your knowledge to the design and construction processes.

Examples of activities and knowledge comprised within this level are:

- Appreciating how design solutions vary for different types of building such as clear span requirements for warehousing or acoustic requirements for accommodation
- Understanding alternative construction details in relation to functional elements of the design such as different types of piling or structural frame solutions.

Level 3

Advise on the selection and application of particular processes within your area of experience. This should include liaison with specialists and consultants to develop project specific design and construction solutions.

Examples of activities and knowledge comprised within this level are:

- Advising on the choice of construction solutions for your project
- Reporting on the impact of different design solutions and construction processes on cost and programme.

Contaminated land

This competency is about an understanding of contaminated land in the context of urban and rural land and property asset management, transaction and development, law and planning.

Examples of likely knowledge, skills and experience at each level

Level 1	Level 2	Level 3
<p>Demonstrate knowledge and understanding of how land becomes contaminated through human activities and natural occurrences. Clearly illustrate the implications of contamination for real estate valuation, development and management.</p>	<p>Prepare a brief and/or specification for the appointment of a specialist[s] to undertake a site investigation.</p>	<p>Supervise a site investigation, interpret the results of laboratory analyses and make recommendations as to remedial treatments.</p>
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> • The definition of contaminated land under the Contaminated Land Regulations 2000, and associated legislation • Areas of professional practice where contaminated land is relevant, e.g. valuations, development, asset management, transactions, environmental assessment • The relevance under Part 11A of the Environmental Protection Act, planning policy guidance and RICS published guidance and practice notes • Demonstrate an understanding of the limitations upon Chartered Surveyors in this area, e.g. Professional Indemnity Insurance, Public Liability Insurance. 	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> • Assembling specialist team members to advise on contaminated land assessment and remediation • Undertaking Review Stage 1 and desk top environmental reports and advise clients accordingly • Assisting in project management of and undertaking phased contaminated land assessments and remediation options appraisals • Negotiating and liaising with clients and regulators on contaminated land issues • Working with specialist project teams dealing with contaminated land and assessment and remediation. 	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> • Advising clients on the application of contaminated land to their asset management, planning and development projects • Advising clients on the law and regulation and procedures and RICS guidance and practice appertaining to contaminated land.

Contract practice

This competency covers the various forms of contract used in the construction industry, including the main standard forms of contract and a thorough understanding of contract law, legislation and the specific forms that they have used.

Examples of likely knowledge, skills and experience at each level

Level 1

Demonstrate knowledge and understanding of the various forms of contract used in the construction industry and/or your area of business.

Examples of knowledge comprised within this level are:

- Basic contract law and legislation
- Contract documentation
- The various standard forms of contract and sub-contract
- When the different forms would be used
- Basic contractual mechanisms and procedures at various stages of the contract
- Third-party rights including relevant legislation and the use of collateral warranties.

Level 2

Apply your knowledge of the use of the various standard forms of contract at project level, including the implications and obligations that apply to the parties to the contract.

Examples of activities and knowledge comprised within this level are:

- Producing contract documentation
- Carrying out the contractual mechanisms and procedures relevant to the financial management aspects of your project, such as change procedures, valuations, loss and expense and final accounts
- Understanding general contractual provisions such as letters of intent, insurances, retention, bonds, liquidated damages, early possession, practical completion and other common contractual mechanisms.

Level 3

Provide evidence of reasoned advice, prepare and present reports on the selection of the appropriate form of contract and warranties for your chosen procurement route. This should include advising on the most appropriate contractual procedure at the various stages of a construction or other contract.

Examples of activities and knowledge comprised within this level are:

- Selecting the appropriate form of contract and/or sub-contract for your chosen procurement route
- Advising on the most appropriate contractual procedure at the various stages of a contract
- Evaluating the appropriateness and implications of proposed contractual amendments.

Design economics and cost planning

This competency covers the impact of design and other factors on cost throughout the life of the building and the control of cost during the pre-contract stage. This includes how design decisions and construction processes impact on construction and operational costs. They must have a thorough understanding of techniques used to manage and control costs pre-contract.

Examples of likely knowledge, skills and experience at each level

Level 1

Demonstrate knowledge and understanding of the main factors that affect design economics over the whole life of a building. Demonstrate knowledge and understanding of how cost planning assists in the financial control of projects during the design development stage.

Examples of knowledge comprised within this level are:

- The rules under which Order of Cost Estimates and Elemental Cost Plans are produced [NRM1 and NRM3]
- The main factors that affect design economics over the whole life of the building including capital and life cycle costs
- How cost planning assists in the financial control of projects during the design development stage
- The various stages of cost planning
- Sources of cost data
- Adjustments that may be required for factors including location, specification, time and market forces.

Level 2

Apply your knowledge to the cost management of design development on a project from feasibility to design completion. Prepare and submit cost data to in-house and/or external data collection agencies.

Examples of activities and knowledge comprised within this level are:

- Producing Order of Cost Estimates and Elemental Cost Plans
- Carrying out life cycle costing exercises
- Applying value engineering processes
- Quantifying risk
- Preparing cost reports
- Preparing and submitting cost data to in-house and/or external data collection agencies.

Level 3

Give strategic and reasoned advice, including the preparation and presentation of reports with reference to cost, time, quality and buildability. Advise on various market factors and trends in construction costs. Comment on accuracy and risk.

Examples of activities and knowledge comprised within this level are:

- Preparing and presenting reports with reference to cost, time, quality, risk and buildability, including qualifications and exclusions
- Evaluating building design efficiency
- Assessing/evaluating market factors and trends in construction costs
- Analysing the accuracy of predicted cost using benchmarking techniques
- Interrogating historical cost data
- Using value and risk management techniques.

Development appraisals

This competency is about the role of development appraisals in residential and commercial development. Development appraisals also have a role in residual valuations of development sites but it should be remembered that the two are different activities.

Examples of likely knowledge, skills and experience at each level

Level 1

Demonstrate knowledge and understanding of the principles and practices underlying a valid development appraisal.

Examples of knowledge comprised within this level are:

- The role of development appraisals in the marketplace and the situations where their use is appropriate
- The content of appraisals and how different issues such as planning requirements can be reflected
- The sensitivities of appraisals, what factors affect the appraisal
- External factors which have an influence upon the appraisal process.

Level 2

Identify, select, assemble and analyse data relevant to carrying out development appraisals. Undertake appraisals using relevant techniques and methodology and identify possible sources of development funding.

Examples of activities and knowledge comprised within this level are:

- Analysing appropriate sources of information and data
- Preparing appraisals for possible acquisition, disposal or valuation of development sites including residential, commercial and/or mixed use
- Using different techniques and software available for appraisals [whilst having an understanding of the basic principles of a development appraisal]
- Undertaking a sensitivity analysis
- Assisting in the selection of appropriate sources of development finance.

Level 3

Interpret and provide evidence of reasoned advice on development appraisals and further opportunities.

Examples of activities and knowledge comprised within this level are:

- Using development appraisals to advise on the acquisition, disposal or valuation of development sites
- Producing reasoned analysis of risk using appropriate sensitivity analysis
- Advising on the appropriate sources of development finance.

Due diligence

This competency covers the due diligence work and/or fund monitoring on construction projects. It may also cover the duties of quantity surveyors monitoring the financial management of management style contracts. This includes the areas of concern for funders and clients within a project and the techniques used in the forensic interrogation and monitoring of those areas. They must have a thorough understanding of the techniques used on their projects.

Examples of likely knowledge, skills and experience at each level

Level 1	Level 2	Level 3
<p>Demonstrate knowledge of the techniques used for cost, quality and time related forensic examination in your area of practice.</p>	<p>Apply your knowledge of cost, quality and time related forensic examination in your area of practice.</p>	<p>Provide evidence of reasoned advice and report to clients on cost, quality and time related forensic examination in your area of practice.</p>
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> • The main areas of risk for a funder/client • The process of analysing contract documentation • How to interrogate pricing data in relation to development appraisals, cash flows, construction costs and risk allowances • Techniques for assessing suitability of programmes • Relevant statutory approvals, such as planning and building control • How to monitor interim payments and planned progress. 	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> • Reviewing development appraisals • Reviewing specialist reports and checking statutory and other approvals • Analysing the suitability of procurement strategies and contract documentation, including third party rights issues and insurances • Interrogating pricing data in relation to development appraisals, cash flows, construction costs and risk allowances • Establishing suitability of project programmes, quality control procedures and health and safety arrangements • Checking suitability and appointments of project team • Analysing project and construction risks • Reviewing interim valuations for draw-down • Monitoring progress against planned programmes • Reviewing final accounts. 	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> • Checking compliance with loan agreements and agreements to lease • Delivering reports to the funder/client on time, cost and quality matters covered by your monitoring activities • Giving advice to the funder/client on suitable action to be taken in respect of issues identified by your monitoring activities.

Insurance

This competency covers specific insurance provisions related to property and development, including how insurance is used to deal with risk in development. They should have a detailed understanding of the contractual requirements under the various standard forms of contract.

Examples of likely knowledge, skills and experience at each level

Level 1	Level 2	Level 3
<p>Demonstrate knowledge and understanding of the principles and practices of insurance in relation to your area of practice.</p>	<p>Apply your knowledge and/or be involved with the insurance of construction and/or property related matters.</p>	<p>Demonstrate a thorough understanding of the regulations and practice governing the insurance of construction and/or property related matters.</p>
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> • The insurance provisions within the standard forms of contract • Specific insurance mechanisms such as joint names, subrogation, net contribution clauses, in the aggregate, each and every event and excess provisions • Specialist insurances such as performance bonds, professional indemnity and retention bonds. 	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> • Developing specialist knowledge in areas such as asbestos and terrorism • Compiling cost data for an insurance claim • Compiling cost data for a fire insurance valuation. 	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> • Reporting on cost impact of insurance claims to loss adjustor • Reporting on re-construction costs for fire insurance valuations • Advising clients on trends in the construction insurance market • Advising on how insurances can be used to mitigate risk.

Property finance and funding

This competency focuses on the candidates' understanding of the range of finance available, their understanding of how this is sourced and how this may be used to assist with property investment and development scenarios. Candidates will be expected to apply this knowledge in order to provide advice to clients on their financing options and the impact of this on their returns.

Examples of likely knowledge, skills and experience at each level

Level 1

Demonstrate knowledge and understanding of the role and importance of finance in property, including the principal forms of investment finance and their sources.

Examples of knowledge comprised within this level are:

- The various senior debt providers, and their expectations in terms of pricing and security
- The impact of gearing on equity returns
- The ability to demonstrate this gearing affect numerically
- How mezzanine and equity finance might be priced
- The financing process
- Use of financial information such as audited report and accounts.

Level 2

Identify the factors that affect the ability to obtain finance to fund any investment project. Identify appropriate sources of finance and understand the principles that apply to securing finance for different purposes.

Examples of activities and knowledge comprised within this level are:

- Analysing investment and development projects to ascertain the level of senior debt that could be raised within the mathematical limits
- Applying likely finance pricing required by senior debt providers
- Using market knowledge to assess whether the level of senior debt mathematically capable of being sustained is acceptable to the debt providers
- Sourcing and collating information which is necessary to support a presentation to secure financing
- Sourcing and understanding the role of valuation advice
- Analysing and illustrating the impact of financial covenants
- Reviewing and comprehending financing documents, particularly loan agreements
- Confirming that financing documents reflect the commercial terms agreed and how the controls of the provider may impact on the borrower's management flexibility.

Level 3

Provide evidence of reasoned advice on maximising the viability of any funding situation. Demonstrate your appreciation of the impact of property matters on valuation and funding. Demonstrate your understanding of the impact of funding matters on the property market.

Examples of activities and knowledge comprised within this level are:

- Analysing and understanding standalone financing from the outset to completion and draw down of funds
- Illustrating multi-tiered financing arrangements numerically and using this to assess the true cost of finance at each level
- Advising accordingly on the above.

Property management

For the Taxation Allowances pathway, this competency is about all accounting aspects of property management whether this be in the commercial/residential or agricultural fields. The candidate would be expected to have knowledge of all the statutory requirements and be able to report to clients as well as residents associations regarding the accounting results.

Examples of likely knowledge, skills and experience at each level

Level 1	Level 2	Level 3
<p>Demonstrate knowledge and understanding of any legal or regulatory principles (including taxation implications where appropriate) that apply to property management accounts and service charge accounts.</p>	<p>Undertake day-to-day management and recording of property management accounts and service charge accounts.</p>	<p>Prepare final accounts and tax returns, and report (applying statutory and regulatory standards) on property management accounts and service charge accounts.</p>
<p>Examples of knowledge comprised within this level are:</p> <ul style="list-style-type: none"> • Understand lease terms and accounting implications • Landlord and Tenant Act requirements • RICS codes of practice and accounting regulations. 	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> • Creating service charge accounts • Service charge budget implementation • Reporting both rent and service charge figures to clients and residents' associations • Create clients' accounting systems/ templates for rent and service charge collection. 	<p>Examples of activities and knowledge comprised within this level are:</p> <ul style="list-style-type: none"> • Producing trial balance for balance sheet service charge reporting • Producing draft tax computations in respect of overseas clients for auditors/accountants • Preparing clients' VAT returns.

Quantification and costing (of construction works)

This competency covers the measurement and definition of construction works in order to value works and control costs. This includes the various methods of quantifying and pricing construction works used throughout a project. They must have a thorough understanding of the specific methods used on their projects.

Examples of likely knowledge, skills and experience at each level

Level 1

Demonstrate knowledge and understanding of the principles of quantification and costing of construction works as a basis for the financial management of contracts.

Examples of knowledge comprised within this level are:

- The quantification of construction works (including both measurement and definition)
- The various standard methods of measurement
- The costing of construction works
- The measurement of buildings and structures to agreed standards.

Level 2

Apply your knowledge to the quantification and costing of construction works, including the use of appropriate standard methods of measurement and forms of cost analysis. Carrying out measurement and costing of works at all stages of the construction process.

Examples of activities and knowledge comprised within this level are:

- Quantifying construction works at the various stages of a project
- Producing pricing documents such as bills of quantities, schedules of activities/works, schedules of rates or contract sum analyses.
- Carrying out the costing of construction works by methods such as tendered rates, quotations or day works.

Level 3

Advise on appropriate methods of quantification and costing for specific projects. Take responsibility for the preparing and issuing pricing documents. Price or analyse such documents. Give advice on and/or supervise the valuation of construction works throughout a project.

Examples of activities and knowledge comprised within this level are:

- Advising on appropriate methods of measurement and costing
- Selecting of appropriate pricing documents
- Negotiating and agreeing the valuation of construction works at various stages of the project such as the contract sum, construction and final account.

Risk management

This competency covers the management of risk on construction projects, including the benefits to be gained and the techniques and processes used to manage risk. They should have a detailed understanding of how risk is dealt with on their projects.

Examples of likely knowledge, skills and experience at each level

Level 1

Demonstrate your knowledge and understanding of the nature of risk and, in particular, of the risks associated with your area of business/practice.

Examples of knowledge comprised within this level are:

- The principles of risk management
- How the various procurement routes deal with risk
- Mitigation strategies
- The techniques used to quantify risk
- The effect of risk on programme and cost.
- How the NRM deals with risk

Level 2

Apply your knowledge to carry out risk assessments taking into account all relevant factors. Understand the application of the various methods and techniques used to measure risk.

Examples of activities and knowledge comprised within this level are:

- Contributing towards the identification of risk
- Identifying who owns the risk in relation to the chosen procurement route on your project
- Contributing towards strategies to mitigate risk
- Contributing data towards the quantification of risk
- Considering the effect of risk on programme and management cost specific to their project.

Level 3

Provide evidence of reasoned advice and implement systems to manage risk by competent management in relation to specific projects.

Examples of activities and knowledge comprised within this level are:

- Advising on the appropriate procurement route in relation to the client's attitude to risk
- Recognising and advising on the appropriate methodologies and approach to risk on a project
- Taking ownership of the risk register and advising on appropriate risk mitigation strategies
- Applying techniques to quantify risk and advising client's on the appropriate level of contingency.

Sustainability

This competency covers the role of the quantity surveyor in dealing with the impact of sustainability issues on development and construction. Candidates should have a knowledge and understanding of the various ways in which sustainability can impact on development and construction. They must have a thorough understanding of the impact made by sustainability on their projects and have been involved with the financial management of that impact.

Examples of likely knowledge, skills and experience at each level

Level 1

Demonstrate knowledge and understanding of why and how sustainability seeks to balance economic, environmental and social objectives at global, national and local levels in the context of land, property and the built environment.

Examples of knowledge comprised within this level are:

- The principles of sustainability within development and the construction process
- The relationship between property and the environment
- How national and international legislation, regulations and taxation relating to sustainability affect construction
- Criteria by which sustainability is measured in relation to finished buildings
- The principles of how design, technology and construction processes can contribute to sustainable building
- The principles of material resource efficiency within the supply chain.

Level 2

Provide evidence of the practical application of sustainability appropriate to your area of practice, and the circumstances in which specialist advice is necessary.

Examples of activities and knowledge comprised within this level are:

- Carrying out capital cost and value engineering exercises to determine the impact of sustainability issues on design and construction processes
- Carrying out life cycle cost exercises which take account of sustainability issues
- Understanding the measures undertaken by governments and international bodies to encourage the reduction of the environmental impact of development.

Level 3

Provide evidence of reasoned advice given to clients and others on the policy, law and best practice of sustainability in your area of practice.

Examples of activities and knowledge comprised within this level are:

- Giving reasoned advice to your client and members of the project team on the financial impact of sustainability on a project
- Giving reasoned advice on the application of environmental law and policy
- Interpreting environmental reports and giving reasoned advice on the financial impact and programme implications on a project
- Giving advice on sustainable material selection and how performance baselines can be estimated.

Valuation

This competency covers the Valuation of property and land for taxation requirements, including the various types of valuation methods available, and in what circumstances they should be used. They must have a thorough understanding of the types used on their projects.

Examples of likely knowledge, skills and experience at each level

Level 1

Demonstrate knowledge and understanding of the purposes for which valuations are undertaken; the relevant valuation methods and techniques; the appropriate standards and guidance; and any relevant statutory or mandatory requirements for valuation work.

Examples of knowledge comprised within this level are:

- What type of valuations are required in relation to taxation requirements, e.g. capital allowances, land remediation relief, cost segregation, etc.
- Knowledge of the types of land valuation used
- Knowledge of replacement cost buildings including services valuations.

Level 2

Demonstrate practical competence in undertaking both capital and rental valuations and detailed involvement with the preparation and presentation of client reports. Demonstrate your ability to use valuation methods and techniques appropriate to your area of practice. Show how the relevant valuation standards and guidance have been applied to your valuation experience.

Examples of activities and knowledge comprised within this level are:

- Source relevant data to assist in valuations
- Prepare land valuations, residual and comparable other
- Prepare building replacement cost valuations
- Prepare valuations where an apportionment of the land and/or building costs applies i.e. splitting the cost of a building element.

Level 3

Demonstrate practical competence in undertaking valuations, either of a range of property types or for a range of purposes. Demonstrate the application of a wide range of valuation methods and techniques. Be responsible for the preparation of formal valuation reports under proper supervision and provide reasoned advice. Demonstrate a thorough knowledge of the appropriate valuation standards and guidance and how they are applied in practice.

Examples of activities and knowledge comprised within this level are:

- Prepare and present reports and documentation
- Provide advice on issues affecting the valuations
- The negotiation and agreement of the valuations with taxation authorities.



Confidence through professional standards

RICS promotes and enforces the highest professional qualifications and standards in the valuation, development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to markets and effecting positive change in the built and natural environments.

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