



Associate Assessment

Valuation

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Valuation

Introduction	3
Competencies	3
What is Valuation?	3
Valuation competencies	4
Technical competencies	5
Mandatory competencies	13
Continuing professional development (CPD)	14

Introduction

In order to become an RICS Associate you must demonstrate that you have knowledge, understanding and practical ability relevant to a surveying role – in this case, Valuation.

This guide explains the competencies for your pathway, with examples of how you can show you meet the requirements.

Refer to this guide while preparing your submission for assessment.

The **Associate Assessment Candidate Guide** gives further essential information on how to prepare for the assessment.

Competencies

A competency is the knowledge, skills, abilities and behaviours needed for a particular role or task. RICS competencies equip you to work in your chosen pathway.

The six technical competencies are the pathway-specific ‘hard’ skills needed for your role.

The eight mandatory competencies are the ‘soft’ business skills demonstrating your ability to work with colleagues, manage workloads and act with integrity. All candidates, regardless of their pathway, need these skills.

What is Valuation?

The most common types of valuations sought from RICS Associates are capital or rental valuations for loan security purposes or taxation.

Associate members qualifying through the Valuation pathway will have demonstrated to us their ability to prepare a limited range of valuations. The ability to prepare straightforward valuation calculations and reports is a key aspect of the qualification.

The appropriate job role for an RICS Associate will inevitably depend on their level of experience. Those who have relatively limited experience, for example in terms of the breadth of their work, should ideally work as part of a larger team and have the support of more experienced valuers. Those more experienced may work unsupervised, yet with a narrower range of valuations than a Chartered Surveyor.

The RICS Associate qualification meets the needs of clients for more limited valuations, while the Chartered Surveyor qualification is required for complex valuations such as company accounts and investment property portfolios.

Associates will have the skills to take responsibility for an entire valuation or, depending on the complexity, a significant part of a valuation. An RICS Associate will be able to supervise junior or unqualified colleagues, and will have an understanding of property types, valuation bases and techniques, along with a comprehensive knowledge of the property market in the local region.

Under RICS standards all RICS Associate are required to work only within their area of competence. It is important that RICS Associates do not go beyond the scope of their competence and recognise the limitations of the advice they can give. Any RICS Associate who undertakes valuations of a broad range of asset types or valuations of a complex nature is likely to be operating beyond his/her competence.

RICS Associates who play a significant part in preparing valuations will normally be expected to join the RICS Valuer Registration, depending on where they are based.

Valuation competencies

You must achieve the following **five** technical competencies:

- inspection
- legal/regulatory compliance
- measurement of land and property
- property records/information systems
- valuation.

Plus **either**

- analysis and appraisal
- or**
- building pathology.

You must complete all **eight** mandatory competencies:

- client care
- communication and negotiation
- conduct rules, ethics and professional practice
- conflict avoidance, management and dispute resolution procedures
- data management
- health and safety
- sustainability
- teamworking.

Technical competencies

Inspection	
Description	Inspections of property are undertaken for many purposes, but most commonly in relation to valuation, buying, selling or letting. Competent inspection is fundamental to providing accurate property advice. It is therefore important that candidates are able to demonstrate knowledge and understanding of the core principles of property inspection. Assessors will be seeking confirmation that all candidates have a good knowledge of building construction, location analysis and common defects.
Requirements	Demonstrate knowledge and understanding of the different requirements for inspection, together with the required information and factors affecting the approach to an inspection. Undertake inspections and apply the information gained to prepare reports, schedules and/or registers of equipment, presenting appropriate information gained from the inspection.
Examples of likely skills, knowledge and experience	<p>Knowledge</p> <ul style="list-style-type: none"> • construction technologies, building design features and location factors • common environmental factors affecting property • the common sustainability features in typical buildings within your area of practice • the role of the valuer in investigating and reporting on matters arising from inspection. <p>Activities</p> <ul style="list-style-type: none"> • accurate recording of building and site characteristics • preparing (or assisting in the preparation of) reports for clients • identifying common potential defects of buildings (both structural and environmental) and understanding related implications • assessing quality of location, design and specification.
Examples of tasks undertaken	<ul style="list-style-type: none"> • reporting of all relevant condition related findings (information gained from inspection) to clients as part of a valuation.

Legal/regulatory compliance	
Description	The legal/regulatory compliance issues affecting property owners and occupiers are increasingly complex and it is essential that all valuers have knowledge of the legal/regulatory requirements affecting properties and development projects, and how these impact upon value.
Requirements	Demonstrate knowledge and understanding of any legal/regulatory compliance requirements in relation to your area of practice. Apply your knowledge to comply with legal/regulatory requirements in specific situations within your area of practice.
Examples of likely skills, knowledge and experience	<p>Knowledge</p> <ul style="list-style-type: none"> • a broad awareness of: <ul style="list-style-type: none"> – legal principles (such as law of contract) – existing and emerging legal and regulatory provisions relating to property valuation and to ownership/occupation/transaction/development of property. <p>Activities</p> <ul style="list-style-type: none"> • instructing specialist advisers and contractors to report on or remedy specific issues related to legal and regulatory non-compliance • under appropriate supervision providing and procuring advice for clients in respect of their statutory obligations • complying with health and safety obligations • locating relevant legal information and key documents (such as legal title or planning policy documents) • reviewing and reporting on lease obligations and implications • reviewing planning application and related documentation.
Examples of tasks undertaken	<ul style="list-style-type: none"> • identifying legal and regulatory issues through use of recognised investigatory routes • how this was reported to client • the impact it had on value.

Measurement of land and property	
Description	This competency is relevant to all data capture and measurement of land or property. It refers particularly to measurement of saleable/lettable areas for valuation purposes and related advice.
Requirements	<p>Demonstrate knowledge and understanding of the principles and limitations of measurement relevant to your area of practice. Apply your knowledge to undertake measurement.</p> <p>Use basic and/or advanced instrumentation to collect data. Present appropriate information gained from measurement.</p>
Examples of likely skills, knowledge and experience	<p>Knowledge</p> <ul style="list-style-type: none"> the purpose of accurate measurement and the basis on which this is undertaken techniques and equipment key standards in use and the principal definitions commercially available mapping products limitations of different instruments. <p>Activities</p> <ul style="list-style-type: none"> using the appropriate instrumentation (including laser and tapes) to capture sufficiently accurate data dealing with and advising on sources of error from use of instruments applying the appropriate measurement rules correctly in practice to undertake measurement of a wide variety of properties use of data for specific purposes using commercially available mapping products and calculating dimensions using related software interpretation of measurements and drawings quoted in site notes and how they help make up the analysis for the valuation undertaking necessary calculations preparing and presenting measurements in a manner appropriate for the purpose for which they are to be used and for different types of property.
Examples of tasks undertaken	<ul style="list-style-type: none"> taking measurements using appropriate equipment ensuring accuracy of measurement using recognised quality assurance procedures e.g. International Standards Organisation presenting the data in reports.

Property records/information systems	
Description	This competency deals with the use, management and development of property information systems (including automated valuation models) and systems for registering land and property rights. Property records and information systems are increasingly sophisticated and are used widely in the public sector (e.g. for tax assessment or property/land title registration) and the private sector (e.g. for valuation, property management and transactional records).
Requirements	Demonstrate knowledge and understanding of the factors required for property records/ information systems, including the sourcing and collation of data. Demonstrate your ability to apply knowledge to analyse data and assemble it for use in a database.
Examples of likely skills, knowledge and experience	<p>Knowledge</p> <ul style="list-style-type: none"> • use and limitations of property information tools within your area of practice e.g. Automated Valuation Models • paper or electronic records systems in use • legal documentation including leases • difference between deeds/registered titles • supporting maps/plans • index maps. <p>Activities</p> <ul style="list-style-type: none"> • using property records (within an IT based or paper based system) to extract property information for a range of different scenarios • writing clear and factual reports on information extracted from a property record or information system • extracting and interpreting plan/map data • interpreting legal language in relation to property records • ensuring security of data.
Examples of tasks undertaken	<ul style="list-style-type: none"> • establishing property title • collation and application of comparable evidence • gathering other supporting evidence • calculations • provision of plans and maps • recognition of data protection requirements.

Valuation	
Description	This competency is about the preparation and provision of properly researched property valuation advice, made in accordance with the appropriate valuation standards, to enable clients to make informed decisions regarding property.
Requirements	<p>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.</p> <p>Demonstrate practical competence in undertaking both capital and rental valuations and detailed involvement with the preparation and presentation of client reports.</p> <p>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.</p>
Examples of likely skills, knowledge and experience	<p>Knowledge</p> <ul style="list-style-type: none"> • a general appreciation of the main drivers that have an impact on value • the principles and application of the RICS Appraisal and Valuation Standards (Red Book) or other relevant valuation standards • the principles of professional indemnity insurance • the underlying principles of property law, planning and other relevant regulations or controls and their impact upon values • the different purposes for which valuations may be required • the principles of the various methodologies needed to provide both capital and rental valuation advice • an understanding of the importance of independence and objectivity • client requirements including terms and conditions of engagement. <p>Activities</p> <ul style="list-style-type: none"> • undertaking (but not necessarily taking responsibility for) property valuations • inspection and information gathering • analysis and interpretation of comparable evidence • preparing valuation reports and advice to meet client needs, complying with the RICS Appraisal and Valuation Standards (Red Book) and other relevant standards • preparing terms and conditions of engagement • using or commenting on the results of appropriate valuation software and other IT based tools in undertaking valuation • undertaking a valuation task from beginning to end with appropriate supervision.

continued on next page

Valuation (cont.)

Examples of tasks undertaken

- terms and conditions of engagement
- conflicts of interest
- site notes
- measurement
- analysis of evidence
- use of property related IT tools and software packages e.g. Discounted Cash Flow and Automated Valuation Models
- compliance with the Red Book.

Plus EITHER

Analysis and appraisal	
Description	This competency is about reporting quantitative and qualitative advice to support valuation and value related advice based on assumptions derived from supporting data and wider indicators.
Requirements	<p>Demonstrate an understanding of the principal factors which affect the financial performance of an asset, the principal sources of supporting evidence, and the common techniques used to appraise and communicate their impact on value, in the context of valuation or investment/development appraisal.</p> <p>Prepare quantitative and qualitative analysis from relevant data and assumptions in the context of valuation or investment/development appraisal under appropriate supervision.</p>
Examples of likely skills, knowledge and experience	<p>Knowledge</p> <ul style="list-style-type: none"> • a broad understanding of property, environmental, market, and wider economic issues which impact on value both now and in the future • familiarity with sources of evidence for these such as market indices, growth forecasts, macro and local economic data, environmental data, planning and other regulatory factors, etc • an understanding of the quantitative techniques that may be appropriately used to appraise and communicate the impact of these factors including: <ul style="list-style-type: none"> – cash flow modelling, incorporating an understanding of the principal inputs and outputs of a Discounted Cash Flow and the main software packages available viability testing – scenario testing – sensitivity analysis – simulation. <p>Activities</p> <ul style="list-style-type: none"> • assembling relevant data • undertaking analysis to support a valuation or investment development appraisal (such as Discounted Cash Flow modelling or analysis of market and wider economic trends) • preparing results for use in reports.
Examples of tasks undertaken	<ul style="list-style-type: none"> • selecting appropriate inputs under supervision • undertaking the analysis using relevant software • presenting the results in a report.

OR

Building pathology	
Description	<p>Building pathology is core to competently undertaking surveys of property. This competency requires an understanding of defects analysis, and the likely defects arising from failures in building fabric. This will range from the effects of a defective waterproof covering at simple building pathology, to much more complex defects such as interstitial condensation, and the possible effects on building fabric. Candidates will be expected to have knowledge/experience of the range of defects found in buildings within their field of experience in their locality, as well as an understanding of defects that they may come across more infrequently. In order to be competent in building pathology and defects analysis candidates will need to have knowledge of construction technology.</p> <p>This competency will normally be selected by residential property candidates involved in providing condition surveys. Commercial property surveys are usually undertaken by specialist building surveyors.</p>
Requirements	Demonstrate your knowledge and understanding of building defects including collection of information, measurements and tests. Apply your knowledge to undertake surveys, use survey and other information to diagnose cause and mechanisms of failure.
Examples of likely skills, knowledge and experience	<p>Knowledge</p> <ul style="list-style-type: none"> the various types of surveying that may be required typical defects relating to typical buildings found in your locality differing types of testing, and the limitations of the tests e.g. the use of damp meters and other relevant equipment. <p>Activities</p> <ul style="list-style-type: none"> explaining the cause and mechanics of varying types of failure carrying out inspections of properties relevant to your area of practice explaining, with use of detailed examples, the relationship between observations taken on site and the diagnosis of failure in building fabric using knowledge and information gathered from several sources, including if necessary specialist inspections, diagnose and explain building fabric failure.
Examples of tasks undertaken	<ul style="list-style-type: none"> interpretation of basic structures and how this is reported in site notes differentiating the needs for different inspection types with differing property types and property ages defining limitations and scope of reports further investigations – lending, insurance ongoing investigation – engineer’s report sourcing information such as building regulations, trade sites etc.

Mandatory competencies

Title	Requirement
Client care	<p>Demonstrate knowledge and understanding of the principles and practice of client care including:</p> <ul style="list-style-type: none"> the concept of identifying all clients/colleagues/third parties who are your clients and the behaviours that are appropriate to establish good client relationships the systems and procedures that are appropriate for managing the process of client care, including complaints the requirement to collect data, analyse and define the needs of clients. <p>Demonstrate practical application of the principles and practice of client care in your area of practice.</p>
Communication and negotiation	<p>Demonstrate knowledge and understanding of effective oral, written, graphic and presentation skills including the methods and techniques that are appropriate to specific situations.</p> <p>Demonstrate practical application of these skills in a variety of situations, specifically including where negotiation is involved.</p>
Conduct rules, ethics and professional practice	<p>Although this is demonstrated through the RICS ethics module [see Candidate Guide] you should still refer to it [where applicable].</p> <p>Demonstrate knowledge and understanding of the role and significance of RICS and its functions. Also an appreciation of your personal professional role and society's expectations of professional practice and RICS Rules of Conduct and regulations, including the general principles of law and the legal system, as applicable in your country of practice.</p> <p>Demonstrate practical application in your area of practice, being able to justify actions at all times and demonstrate personal commitment to the RICS Rules of Conduct and RICS ethical standards.</p> <p>Demonstrate that you have applied these in the context of advising clients.</p>
Conflict avoidance, management and dispute resolution procedures	<p>Demonstrate knowledge and understanding of the techniques for conflict avoidance, conflict management and dispute resolution procedures including for example adjudication and arbitration, appropriate to your pathway.</p>
Data management	<p>Demonstrate knowledge and understanding of the sources of information and data, and of the systems applicable to your area of practice, including the methodologies and techniques most appropriate to collect, collate and store data.</p>
Health and safety	<p>Demonstrate knowledge and understanding of the principles and responsibilities imposed by law, codes of practice and other regulations appropriate to your area of practice.</p> <p>Demonstrate practical application of health and safety issues and the requirements for compliance, in your area of practice.</p>
Sustainability	<p>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.</p>
Teamworking	<p>Demonstrate knowledge and understanding of the principles, behaviour and dynamics of working in a team.</p>

Continuing professional development (CPD)

In your submission document you must record 48 hours of CPD, this must be 12 months prior to your associate assessment. The following are examples of the type of development relevant to this pathway.

Valuation			
Activity type	Purpose	Description	Learning outcomes
Work-based	To gain practical experience of using appropriate valuation bases for different types of valuations	Attend in-house workshop and demonstrate follow up self learning with practical exercises. Arrange a programme of questions and answers with an experienced valuer in an outside organisation	Improved understanding of the various valuation basis and their practical application with the use of the correct choice of basis for each valuation
Measurement of land and property			
Activity type	Purpose	Description	Learning outcomes
Private	Learn the correct use and interpretation of the main methods of property measurement	Structured programme of reading and investigation of information sources. This includes reference to the RICS Code of Measurement along with the execution and detailed recording of a number of practical examples	Display knowledge of the correct bases of measurement of different property types. Distinguish between the individual features of specific properties and measurement approaches
Valuation			
Activity type	Purpose	Description	Learning outcomes
Organised	Develop knowledge of valuation methodologies and techniques	Attend RICS Training and Conferences course covering valuation methodology and Red Book issues	Gained sufficient experience of the most commonly used valuation methodologies and techniques and understand when it is appropriate for them to be applied in practice



Confidence through professional standards

RICS promotes and enforces the highest professional qualifications and standards in the development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to the markets we serve.

We accredit 125,000 professionals and any individual or firm registered with RICS is subject to our quality assurance. Their expertise covers property, asset valuation and real estate management; the costing and leadership of construction projects; the development of infrastructure; and the management of natural resources, such as mining, farms and woodland. From environmental assessments and building controls to negotiating land rights in an emerging economy; if our professionals are involved the same standards and ethics apply.

We believe that standards underpin effective markets. With up to seventy per cent of the world's wealth bound up in land and real estate, our sector is vital to economic development, helping to support stable, sustainable investment and growth around the globe.

With offices covering the major political and financial centres of the world, our market presence means we are ideally placed to influence policy and embed professional standards. We work at a cross-governmental level, delivering international standards that will support a safe and vibrant marketplace in land, real estate, construction and infrastructure, for the benefit of all.

We are proud of our reputation and we guard it fiercely, so clients who work with an RICS professional can have confidence in the quality and ethics of the services they receive.

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