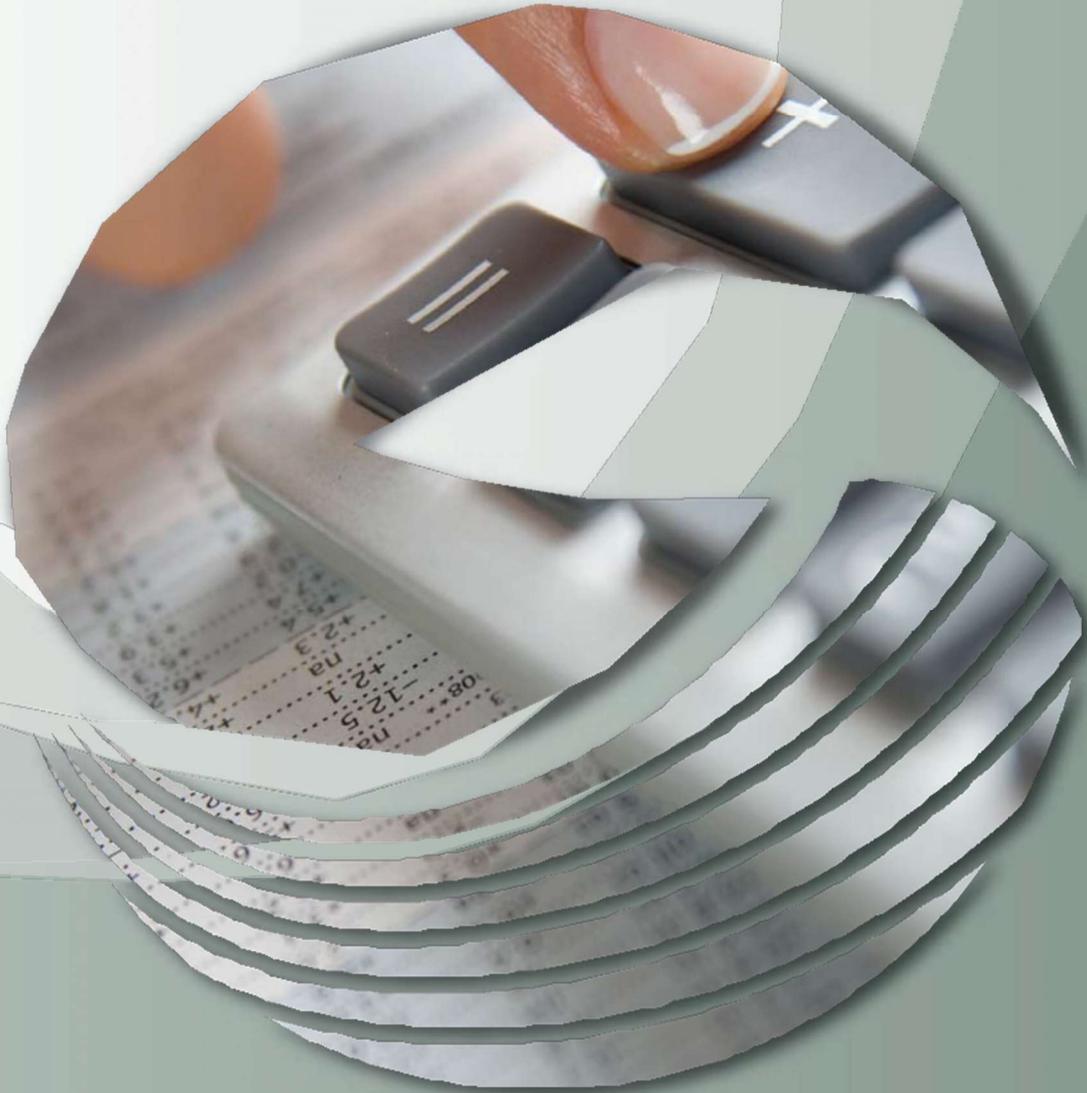


# Your APC pathway guide to Taxation Allowances Pathway Guide



# Your pathway guide to Taxation Allowances

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# Introduction

## About the APC

The RICS/SCSI Assessment of Professional Competence (APC) ensures that those applying for RICS/SCSI membership are competent to practise and meet the high standards of professionalism required by RICS/SCSI. There is a wide range of pathways available to qualify as an RICS/SCSI member covering 19 different areas of practice at APC (Chartered).

The APC normally consists of:

- a period of structured training
- a final assessment.

The structured training is based on candidates achieving a set of requirements or competencies. These are a mix of technical, professional, interpersonal, business and management skills.

## How to use this guide

This guide is designed to help you understand more about qualifying as an RICS/SCSI member in taxation allowances. The guide is based on Irish market practice and may be unsuitable for candidates based in other countries. The material is set out in three sections.

**Section one-** provides information on this area of practice with a general overview of the taxation allowances pathway.

**Section two-** lists the competency requirements of the taxation allowances APC.

**Section three-** describes the main technical competencies associated with taxation allowances, providing expanded sector specific guidance on each of them. This forms the main part of the guide.

## About the competencies

The APC aims to assess that you are competent to carry out the work of a qualified chartered/technical surveyor.

To be competent is to have the skill or ability to perform a task or function. The RICS/SCSI competencies are not just a list of tasks or functions, they are also based upon attitudes and behaviours. The competencies have been drawn up in a generic way so that they can be applied to different areas of practice and geographical locations. This guide is designed to help you interpret these competencies within the context of taxation allowances.

The competencies are defined at three levels of attainment and each APC pathway has its own specific combination of competencies that you must achieve at the appropriate level. You must reach the required level in a logical progression and in successive stages:

**Level 1** – knowledge and understanding

**Level 2** – application of knowledge and understanding

**Level 3** – reasoned advice and depth of technical knowledge.

**The competencies are in three distinct categories:**

**Mandatory competencies** – the personal, interpersonal, professional practice and business competencies common to all pathways and compulsory for all candidates. These are explained in more detail in the *Requirements and Competencies guide*.

**Core competencies** – the primary competencies of your chosen APC pathway.

**Optional competencies** – a set of competencies selected by the candidate from a list defined for the particular pathway. In most cases there is an element of choice. These are mostly technical competencies, but certain mandatory competencies also appear on the optional competency list and candidates are permitted to select one of these at a higher level.

**This guide only deals with the principal core and optional competencies associated with this area. It does not cover the mandatory competencies.**

## 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.

## How to find help

SCSI Education and Membership will be able to help you with any general APC queries:

T 01 6445500

F 01 6611797

education@scsi.ie

www.scsi.ie

## About taxation allowances

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 and residential. 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 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.

## Taxation Allowances APC

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 eg 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
- 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 related to this pathway

All candidates qualifying under the taxation allowances APC pathway will be entitled to use the designation Chartered Taxation Surveyor.

# Pathway Requirements

## Pathway requirements Taxation Allowances APC

### **Mandatory competencies**

You must achieve the minimum levels as set out in the mandatory competencies.

### **Core competencies**

Level 3

- Accounting principles and procedures
- Capital allowances
- Construction technology and environmental services
- Quantification and costing of construction works
- Valuation

Level 2

- Contract practice

### **Optional competencies**

Two competencies to Level 2 from the list below.

- Capital taxation
- Design economics and cost planning
- Development appraisals
- Due diligence
- Insurance
- Property finance and funding
- Property management accounting
- Risk management
- Sustainability

# Competency guidance

The pages that follow are intended to provide guidance for users on the main competencies associated with taxation allowances.

The guidance has been drawn up by experienced practitioners and aims to give you a clear and practical understanding of how to apply the listed core and optional competencies in the context of taxation allowances. The guidance does not cover the mandatory competency requirements.

The official competency definitions (at levels one, two and three) are provided, followed by a description of the key knowledge and activities that are likely to fall within the scope of each competency.

The information provided is designed to be helpful but informal guidance. The knowledge and activities described under each competency are not exhaustive, and should not be relied upon as any form of revision list. Candidates must satisfy themselves and their employers that they have reached the required level of attainment before applying for final assessment.

The competencies are arranged in alphabetical order.

The full list of RICS/SCSI competencies and pathway requirements can be found in the *Requirements and Competencies guide*.

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# Accounting principles and procedures

Reference no. T001

## Description of competency in context of this sector

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

**Demonstrate knowledge of basic accounting and taxation.**

#### Examples of knowledge comprised within this level are:

- What are balance sheets, profit and loss accounts and cash flows?
- What is the basis of taxation computations and terms ie profit before tax, after tax, various tax rates, tax allowances, depreciation etc?
- What is corporation, income tax?
- Understand the basic principles of corporate tax self assessment and its impact on corporation and income tax.

### Level 2

**Apply your knowledge of accounting principals to the preparation of taxation allowances.**

#### Examples of activities and knowledge comprised within this level are:

- 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.

### Level 3

**Advise on the implications of taxation allowances to the client and their potential impact with other taxation/accounting issues.**

#### Examples of activities and knowledge comprised within this level are:

- 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

Reference no. T008

## Description of competency in context of this sector

This competency covers the 'Taxation Incentives' capital allowances available on property and structures in order to prepare claims and give advice to clients. Candidates should have an awareness of 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
- What client types do they apply to?
- The various types of capital allowances available relating to property including plant and machinery, Industrial building allowances, and accelerated 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 research and development.
- 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
- Be aware of the effect that capital allowances has on general taxation and accounting issues
- Be aware of the negotiation and agreement of the capital allowances claims with taxation authorities.

# Capital taxation

Reference no. T009

## Description of competency in context of this sector

This competency includes valuations and negotiations for inheritance tax, chargeable gains, which may also include advising on stamp duty, 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 of landlord and tenant
- 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 chargeable gains, stamp duty and, VAT.
- 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/tax appeals commission) 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

Reference no. T013

## Description of competency in context of this sector

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. knowledge of construction solutions relevant to their projects.

# Contract practice

Reference no. T017

## Description of competency in context of this sector

This competency covers the various forms of contract used in the construction industry. Candidates should have an awareness of all of 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 and ascertained 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

Reference no. T022

## Description of competency in context of this sector

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. Candidates should have an awareness of 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 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 estimates and cost plans
- Carrying out life cycle costing exercises
- Applying value engineering processes
- 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 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

Reference no. T023

## Description of competency in context of this sector

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
- Awareness of 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

Reference no. T025

## Description of competency in context of this sector

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. Candidates should have an awareness of 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

**Demonstrate knowledge of the techniques used for cost, quality and time related forensic examination in your area of practice.**

#### Examples of knowledge comprised within this level are:

- 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.

### Level 2

**Apply your knowledge of cost, quality and time related forensic examination in your area of practice.**

#### Examples of activities and knowledge comprised within this level are:

- 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.

### Level 3

**Provide evidence of reasoned advice and report to clients on cost, quality and time related forensic examination in your area of practice.**

#### Examples of activities and knowledge comprised within this level are:

- 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

Reference no. T045

## Description of competency in context of this sector

This competency covers specific insurance provisions related to property and development. Candidates should be aware of 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

**Demonstrate knowledge and understanding of the principles and practices of insurance in relation to your area of practice.**

#### Examples of knowledge comprised within this level are:

- 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.

### Level 2

**Apply your knowledge and/or be involved with the insurance of construction and/or property related matters.**

#### Examples of activities and knowledge comprised within this level are:

- 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.

### Level 3

**Demonstrate a thorough understanding of the regulations and practice governing the insurance of construction and/or property related matters.**

#### Examples of activities and knowledge comprised within this level are:

- 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

Reference no. T069

## Description of competency in context of this sector

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:

- A broad knowledge of the various senior debt providers, and their expectations in terms of pricing and security
- An understanding of the impact of gearing on equity returns
- The ability to demonstrate this gearing affect numerically
- A knowledge of how mezzanine and equity finance might be priced
- A broad understanding of 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.

### 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 stand alone financing from the outset to completion and draw down of funds
- Reviewing and comprehending financing documents and in particular loan agreements and facility letters
- Confirming that financing documents reflect the commercial terms agreed and how the controls of the provider may impact on the borrower's management flexibility
- 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 accounting

Reference no. T071

## Description of competency in context of this sector

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

**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.**

#### Examples of knowledge comprised within this level are:

- Understand lease terms and accounting implications
- Landlord and Tenant Act requirements
- SCSI codes of practice and accounting regulations.

### Level 2

**Undertake day-to-day management and recording of property management accounts and service charge accounts.**

#### Examples of activities and knowledge comprised within this level are:

- 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.

### Level 3

**Prepare final accounts and tax returns, and report (applying statutory and regulatory standards) on property management accounts and service charge accounts.**

#### Examples of activities and knowledge comprised within this level are:

- 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

Reference no. T065

## Description of competency in context of this sector

This competency covers the measurement and definition of construction works in order to value and control costs. Candidates should have an awareness of 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 dayworks.

### 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 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

Reference no. T077

## Description of competency in context of this sector

This competency covers the management of risk on construction projects. Candidates should be aware of 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.

### 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 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 clients on the appropriate level of contingency.



# Sustainability

Reference no. M009

## Description of competency in context of this sector

This competency covers the role of the quantity surveyor in dealing with the impact of sustainability issues on development and construction. Candidates should have an awareness 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 of awareness of 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

Reference no. T083

## Description of competency in context of this sector

This competency covers the Valuation of property and land for taxation requirements. Candidates should have an awareness of 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 standard 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, eg capital allowances, 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 ie 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
- Be aware of the negotiation and agreement of the valuations with taxation authorities.







SOCIETY OF  
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