



Certificate in Commercial Property Valuation

Duration: **6 Months Distance Learning Programme**
Language: **English**

RICS Member: **£895.00 + VAT**
Non RICS Member **£995.00 + VAT**

Course Summary

Professional valuations are vital to a healthy property/asset market and a stable economy, forming the basis of performance analysis, financing decisions, transactional or development advice, dispute resolution, taxation and various statutory applications. This advanced level course has been designed to provide the knowledge required to become a registered valuer, including the application of International Valuation Standards and in particular the RICS Red Book.

The course provides the skills required to prepare reasoned valuations of a range of commercial property for purchase, sale, investment, rent review, lease renewal, mortgage lending and accounts. The course will also enable candidates to examine the effect of international requirements and valuation standards on valuation practice.

Who is this course for?

Suitable for delegates with around 3 years' experience carrying out practical valuations and are looking to develop your commercial property valuation experience to an advanced level, then this course will support you in gaining the required practical knowledge of applying valuation standards.

Course Structure

This distance learning course is made up of 12 units delivered across a 24 weeks (6 month) training course. It is best practice to 2 weeks on each unit and you should complete one unit before moving onto the next.

Each topic has been composed to provide candidates with a supportive and informative training schedule blended together using a combination of materials:

Unit 1 - Property investment opportunities

Unit 2 - How to apply the relevant professional standards

Unit 3 - How to prepare and adapt spread-sheets for valuations and analysis of sales

Unit 4 - Sale prices, lease terms and their effect on value

Unit 5 - Investment method – traditional approach and techniques

Unit 6 - Leasehold valuations and how premiums are calculated

Unit 7 - Investment method discounted cash flow techniques

Unit 8 - Income statements of properties valued with reference to trading potential

Unit 9 - The concept of synergistic value

Unit 10 - How contamination and other matters affect value

Unit 11 - Valuation uncertainty and valuation accuracy

Unit 12 - Taking into account the payment period of leases

Learning Method

The blended learning method is a self-directed learning approach. It involves a combination of provided reading material, audio presentations, case studies, personal research and tutor support in forums a live web class consolidation sessions.

Students get the most out of the course when they take a collaborative approach with other candidates, sharing resources and professional experiences.

Online audio presentations

The dedicated unit e-learning courses within the course will assist delegates in gaining the knowledge and practical application of property valuation techniques.

Case Studies and Practical Exercises

Simple case studies within the distance and blended approach assist in bringing the theory to life. Delegates are provided with structured case studies, which will direct them to share their answers with their fellow delegates within the module forum and web class sessions.

Topic Related Reading Material

- Provides a great opportunity to learn from existing theory and practice
- Learners can also study at their own pace and when convenient. These reading materials are available online so can be accessed anywhere at any time to help provide deeper context to the tutor audio presentations.

Online forums to share information and ask questions

Forums provide a great opportunity to share information and pose questions you may have related to the topics. During distance learning, having access to a forum allows all delegates to also share each other's questions and responses and helps to provide a community feel.

Consolidation Sessions

Virtual learning sessions have been design to support the delegates and help consolidate their knowledge. These 3 structured training sessions will allow the tutor to teach and explain the knowledge and theory in a live environment. Being online is like a face to face session without the need to leave the office, so delegates can be based anywhere geographically.

Course Textbook

The text book has been sourced to provide candidates with a thorough in-depth look into the topics covered throughout the course and supply further reading regarding best practice and key techniques regarding property management.

Learning Outcomes

This course will equip you with the tools and techniques to understand the application of these globally applicable property valuation skills.

Delegates who successfully complete the course will have gained the knowledge to allow them to:

- Describe the context of the property market.
- Give an overview of the leasing process and its effect on valuation.
- Explain the valuation approach to leaseholds and premiums.
- Outline the International Valuation Standards and the RICS Valuation – Professional Standards.
- Implement the appropriate methodology for valuing properties on the basis of trading potential
- Use the discounted cash flow valuation technique.
- Prepare valuations of development land using appropriate methodologies.
- Calculate risks yield, initial yield, equivalent yield and equated yield.
- Describe the concept of synergistic value and how to provide valuations for purchase and sale between landlord and tenant.
- Determine how contamination and sustainability affect value.
- State how uncertainty and accuracy applies to valuation, and the valuer's responsibility in reporting uncertainty.
- Convert rents on different payment patterns and lease periods.

Course Contents

Unit 1 – Property investment opportunities

Aim: To provide context for the property market.

Objectives:

1. State the advantages and disadvantages of investing in property.
2. Describe the role of the valuer in the property market.
3. Identify the features of the property market.
4. Describe the acquisitions process.

Unit 2 – How to apply the relevant professional standards

Aim: To appreciate the significance of the International Valuation Standards and the RICS Valuation – Professional Standards.

Objectives:

1. State when to apply the appropriate professional standards.
2. Outline the processes to be followed in a Red Book valuation.
3. List the minimum headings for terms of engagement and reports.
4. Explain how to reflect uncertainty.

Unit 3 – How to prepare and adapt spread-sheets for valuations and analysis of sales

Aim: To provide a methodology for evidencing opinion in comparable method of valuation.

Objectives:

1. To calculate required yield from transaction evidence.
2. To define all risks yield, initial yield, equivalent yield and equated yield.
3. To describe the difference between net and gross yields.
4. To adjust comparable rents/ sales and display in a spreadsheet.

Unit 4 - Sale prices, lease terms and their effect on value

Aim: To gain an overview of the leasing process and its effect on valuation.

Objectives:

1. Describe the leasing process.
2. List matters that affect market value when leasing.
3. Consider landlord and tenant perspectives.
4. Understand the need to check the final draft of the lease.

Unit 5 - Investment method – traditional approach and techniques

Aim: To gain an overview of traditional approach and Investment methods

Objectives:

1. Recognise traditional investment approaches
2. Implement traditional investment techniques

Unit 6 – Leasehold valuations and how premiums are calculated

Aim: To provide an overview of the valuation approach to leaseholds and premiums.

Objectives

1. Describe how to value leasehold interests
2. State how to calculate premiums
3. List the arguments for and against dual rate technique
4. Explain the effect of incentives of landlords and tenants.

Unit 7 – Investment method discounted cash flow techniques

Aim: To provide an overview of the discounted cash flow valuation technique.

Objectives:

1. To identify when the use of discounted cash flow approach is appropriate.
2. To describe the columns in a discounted cash flow table.
3. To describe the various uses of the discounted cash flow technique.
4. To state the shortcomings of discounted cash flow.

Unit 8 – Income statements of properties valued with reference to trading potential

Aim: To provide an overview of the appropriate methodology for valuing properties on the basis of trading potential.

Objectives:

1. Describe the concept of the reasonably efficient operator.
2. Identify the appropriate deductions from fair maintainable trade to fair maintainable operating profit.
3. Describe the steps in the divisible balance approach.

Unit 9 – Valuations of development land using appropriate methodologies

Aim: To provide an overview of the various methods and techniques used in valuing development land.

Objectives

1. To be able to use various methods for valuing a development site.
2. Explain the advantages and disadvantages of each method.
3. Describe the difference between sensitivity analysis and scenario analysis.

Unit 10 – The concept of synergistic value

Aim: To provide an overview of the approach to synergistic value.

Objectives:

1. To define synergistic value.
2. To state the key concepts involved.
3. To list the steps in the approach to valuation.

Unit 11 – How contamination and other matters affect value

Aim: To provide an overview of the effect of contamination on value.

Objectives:

1. Define contamination.
2. Define sustainability.
3. State the valuation approach to sustainability and contamination.

Unit 12 – Valuation uncertainty and valuation accuracy

Aim: To provide an overview of uncertainty and accuracy as it applies to valuation.

Objectives:

1. To list the factors that can give rise to uncertainty.
2. To state the valuer's responsibility in reporting uncertainty.

Unit 13 – Taking into account the payment period of leases

Aim: To understand the effect of different payment patterns on valuations.

Objectives:

1. To list the different payment periods
2. To list the different types of yield
3. To work through the technique to convert rents on different payment patterns to an annual equivalent.

End of Course Assessment

You will be assessed through an online examination hosted by the RICS Online Academy. The online examination will take place at the end of the 6 month course and you will need to acquire the requisite minimum score to successfully complete the course.

The exam will be available once all the units have been completed. The exam will be two hours long and in a multiple choice format. Calculators and valuation tables will be needed. Candidates will have two attempts to complete the exam..

Upon successful completion of the course you will have completed 200 CPD hours study over the 6 month period. You will also receive a certificate of course completion confirming you have successfully attended and passed the RICS Certificate in Commercial Property Valuation course