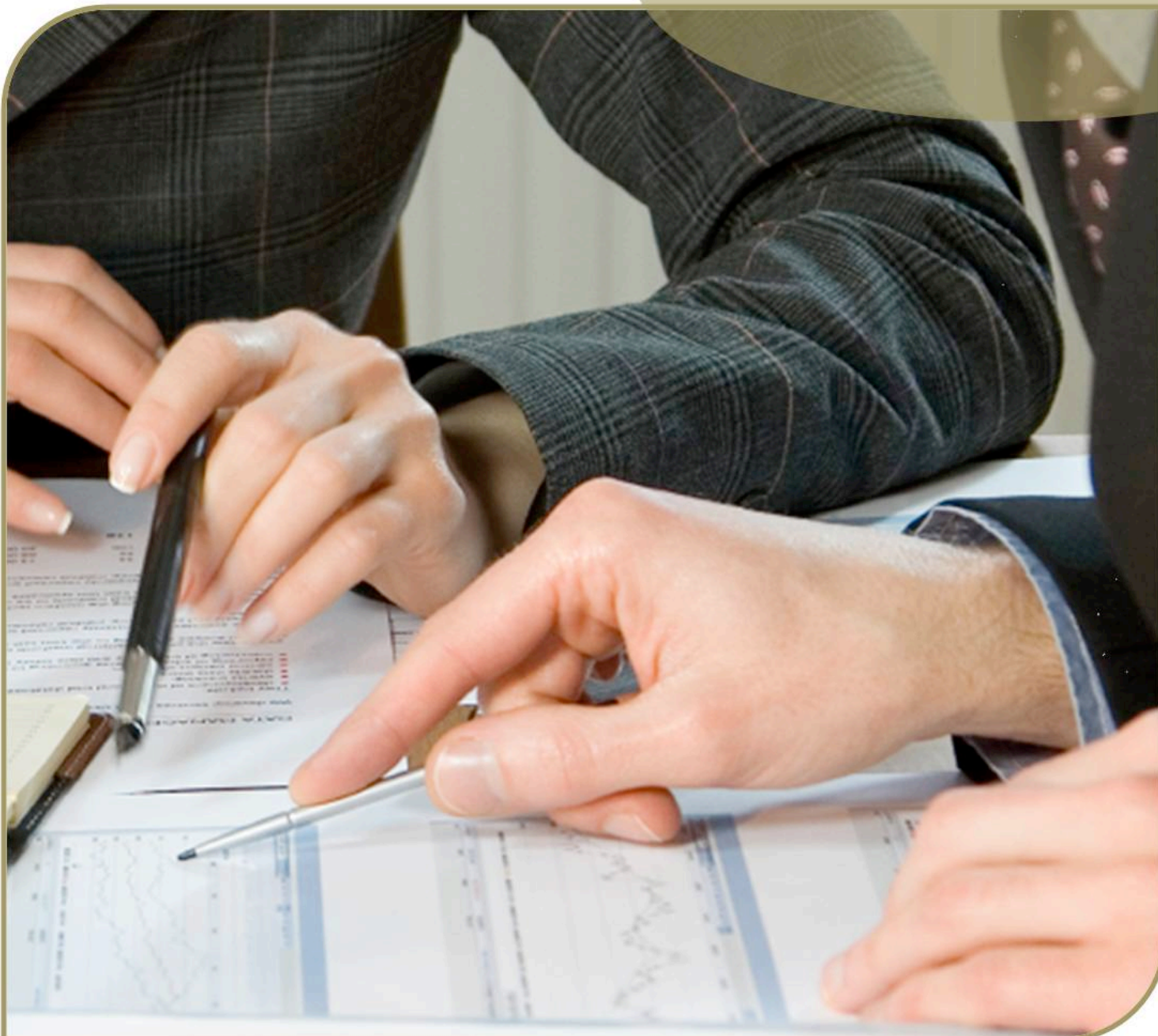


Competency framework in *commercial real estate brokerage*

***Professional competencies
evaluated by the OACIQ***

OACIQ
ORGANISME D'AUTORÉGLEMENTATION
DU COURTAGE IMMOBILIER DU QUÉBEC



Competency framework in commercial real estate brokerage

The competency framework is a guide to help future brokers understand what competencies must be developed and mastered in order to act ethically and responsibly in their brokerage practice.

Six competencies make up the competency framework in commercial real estate brokerage:

- Acting ethically and responsibly in one's brokerage practice
- Managing one's professional activities in the field of real estate
- Making use of general and special rules of law in commercial brokerage transactions
- Estimating the asset value
- Carrying out brokerage transactions pertaining to the sale, purchase, leasing or exchange of non-residential immovables including enterprises
- Performing a financial analysis of a real estate and enterprise project

Each competency of the framework was developed after an analysis of professional situations, followed by a validation process with the sector's practitioners and professionals to ensure that the framework corresponds to reality while meeting the requirements of the profession.

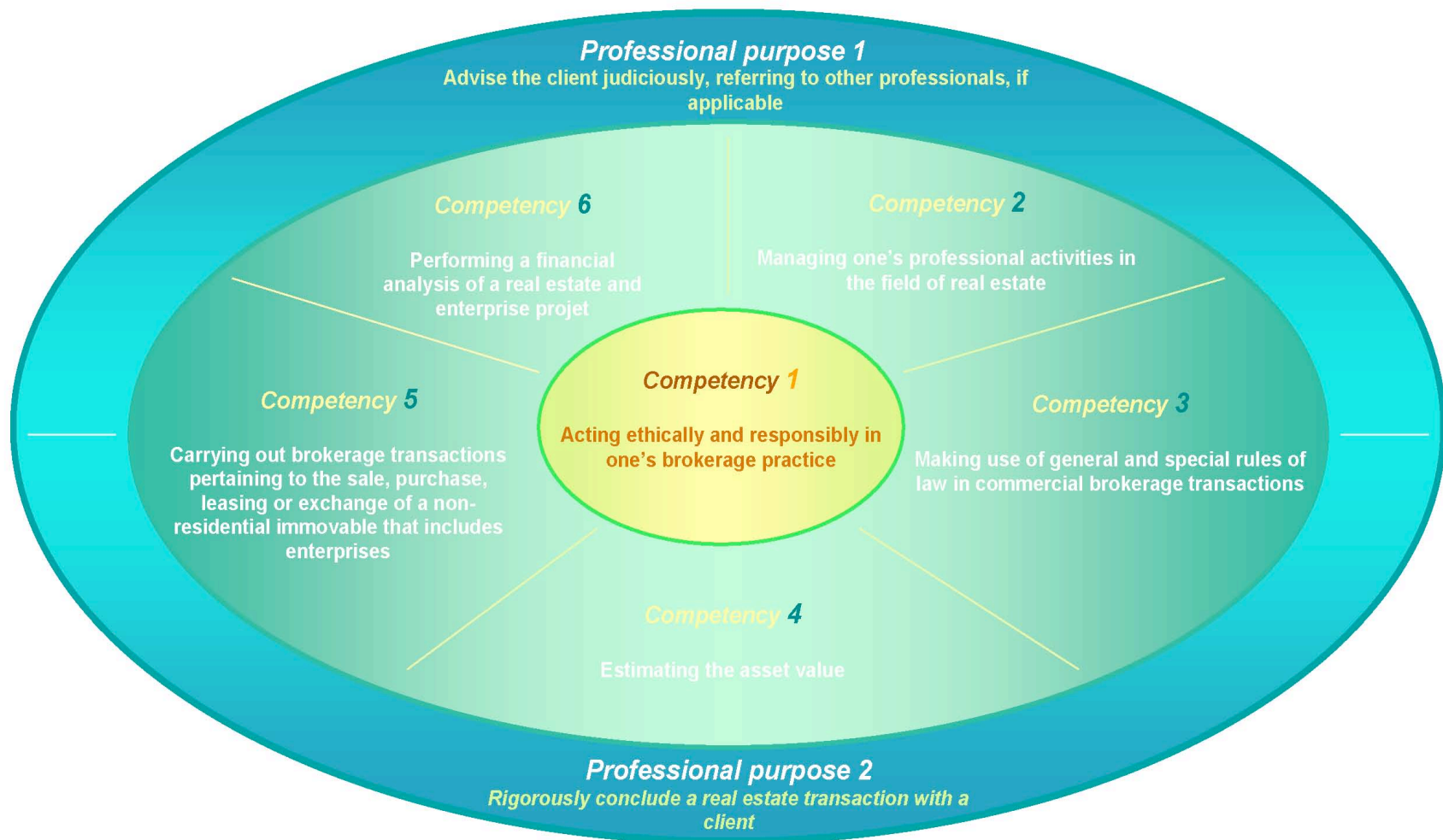
A professional situation represents the responsibility incumbent on the broker in the course of his/her professional duties. These professional situations give rise to professional actions that must be implemented to ensure the fulfillment of such responsibilities.

Finally, these professional actions necessitate mastery of professional resources. These resources are primarily the knowledge that the candidate must master in order to act professionally and effectively.

The OACIQ's new examination was designed based on this competency framework.

The development process of the competency framework in commercial real estate brokerage was patterned on the model proposed by Mr. Jacques Tardif, Professor at the Université de Sherbrooke.

Competency framework in *commercial real estate brokerage*



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Core competencies	Professional situations	Professional actions	Professional resources
Competency 1 Acting ethically and responsibly in one's brokerage practice	All	All	Code of ethics Rules of ethics
Competency 2 Managing one's professional activities in the field of real estate		Being in business	Basic accounting
			Working capital and liquidity
			Taxes on purchases and sales
			Looking for clients and solicitation
			Business plan
			Information management
	Fulfilling one's obligations as a self-employed broker or a salaried broker	Knowing one's obligations to a client	Indemnity Fund to protect deposits (explanation of concepts)
			Duty to inform on the progress of the file and representation of the trustee
			Compliance with the intervention framework
			Defining the type of client
			Liability insurance
	Defining one's practice as a salaried broker or as a self-employed broker		Self-employed broker
			Broker affiliated to an agency
Salaried broker			
Time management			

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Core competencies	Professional situations	Professional actions	Professional resources
Competency 2 Managing one's professional activities in the field of real estate (continued)	Using professional resources related to real estate	Knowing how to use the resources of real estate boards and others	Real estate structure in Canada
			Roles of the real estate boards
			Financial implications and dues
			Membership
			Other organizations (e.g. UDI, etc.)
	Establishing professional relationships with other brokers in the real estate field	Collaborating with another broker	Compensation in a multi-broker transaction
			Competition Act and compensation
			Code of Ethics
			Definition and limits of collaboration
	Keeping records, books and registers of real estate transactions	Doing the administrative work necessary to keep registers and records	OACIQ standards
			Code of Ethics
		Preparing for a professional inspection	Steps of a professional inspection
Syndic's investigation			
Using trust accounts		Operation of trust accounts	
		Trust account rules	
Competency 3 Making use of general and special rules of law in commercial brokerage transactions (5 or more dwellings)	Observing the general and specific rules of civil law pertaining to real estate	Fulfilling one's fiscal obligations	Taxation Act
			Goods and services tax
		Ensuring the legality of one's practice	Liability insurance

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Core competencies	Professional situations	Professional actions	Professional resources
Competency 3 Making use of general and special rules of law in commercial brokerage transactions (5 or more dwellings) (continued)	Observing the general and specific rules of civil law pertaining to real estate (continued)	Publicizing one's real estate brokerage services	Competition Act
			Advertising rules
		Acting in accordance with the laws and regulations	Real Estate Brokerage Act
			By-law of the OACIQ
			Code of Ethics
			Publication of rights and land register
			Civil law and concepts of liability
			Business law and types of enterprises
			Bankruptcy and Insolvency Act
			Civil law and types of contracts
		Promoting arbitration or mediation as a conflict resolution method in real estate	Rules and concepts of arbitration
			Arbitration procedure
		Determining the laws and regulations associated with a property	Zoning, cultural property, agricultural land, riparian zone, airport zone
			Environment and urban planning
			Act respecting the Régie du logement
Determining the ownership of an immovable	Powers of attorney and resolutions		
	Intervention of spouse		
	Declaration of co-ownership		

Competency framework in *commercial real estate brokerage*

Core competencies	Professional situations	Professional actions	Professional resources
Competency 3 Making use of general and special rules of law in commercial brokerage transactions (5 or more dwellings) (continued)	Observing the general and specific rules of civil law pertaining to real estate (continued)	Determining the ownership of an immovable (continued)	Certificate of location
			Claims, mortgages and hypothecs
			Succession and security for legal costs (legal warranty)
			Leases, sublet and cotenancy, emphyteutic leases
		Drafting a clause	Broker's liability
			Legal drafting
Competency 4 Estimating the asset value	Identifying the factors related to the sector and the location (land)	Keeping abreast and informed of possible signs of problems related to the site	Problems related to the region (clayey soil, etc.)
			Problems related to soils and subsoils (e.g. pyrite, iron ochre and others)
			Soil contamination
			Landfill sites
		Minimizing the risks of recourses	Broker's first visual inspection
			Inspection by a professional
	Identifying the factors related to the immovable	Advising use of professional services	Inspectors, experts, etc.
		Ensuring follow-up after inspection	Receipt and dissemination of the inspection report to the interested parties
			Declaration of satisfaction
		Protecting the parties by explaining the issues of the transaction	Knowing the broker's limits
Disclosing the involvement of the parties (liability, negotiations)			

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Core competencies	Professional situations	Professional actions	Professional resources
Competency 4 Estimating the asset value (continued)	Identifying building-related and other factors	Keeping abreast of and knowing the characteristics related to buildings, furniture and equipment	Identification and knowledge of building classes and categories
			Foundations
			Structure
			Building envelope
			Roofing
			Mechanical elements (plumbing, heating, air conditioning, ventilation)
			Electricity
			Leasehold improvements
	Providing an opinion on the value of an immovable and an enterprise	Evaluating the socioeconomic context of the sector and the assets	Movable property and equipment
			Effect of the geographic and economic situation
			Effect of the building's architectural style
			Effect of the limitations of public law (cultural property, etc.)
		Using different techniques to establish the value of an immovable	Sales market
			Parity method (comparables)
	Income method (economic)		
	Cost method		

Competency framework in *commercial real estate brokerage*

Core competencies	Professional situations	Professional actions	Professional resources	
Competency 4 Estimating the asset value (continued)	Providing an opinion on the value of an immovable and an enterprise (continued)	Estimating the market value of an enterprise	Parity method (comparables)	
			Income method (economic)	
			Cost method	
			Goodwill	
			Estimate of movable property	
Competency 5 Carrying out brokerage transactions pertaining to the sale, purchase, leasing or exchange of non-residential immovables including enterprises	Drafting a brokerage contract or a promise to purchase for sale, purchase or leasing	Completing the documents and forms relating to a brokerage transaction	Type of buyers, sellers, lessees, lessors	
			Time limits	
			Property (5 or more dwellings)	
			Forms available (exclusive, non-exclusive)	
			Preliminary contract for a new building	
			Preparation of a letter of intention on an offer to lease	
	Counter-proposal			
			Completing the documents and forms relating to a promise to purchase	Types of buyers, sellers, lessees, lessors
				Time limits
				Property (5 or more dwellings)
				Forms available (exclusive, non-exclusive)
Preliminary contract for a new building				
			Counter-proposal	

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Core competencies	Professional situations	Professional actions	Professional resources
<p>Competency 5</p> <p>Carrying out brokerage transactions pertaining to the sale, purchase, leasing or exchange of non-residential immovables including enterprises (continued)</p>	<p>Drafting a brokerage contract or a promise to purchase for sale, purchase or leasing (continued)</p>	<p>Completing the documents and forms relating to a promise to lease</p>	Understanding the jargon of the field
			Types of leases
			Rental market
			Determination of the needs
			Qualification of the lessees or lessors
			Examination of the contract clauses
			Reading plans
			Precise calculation of the leasable areas
	<p>Accompanying one's client throughout the approach</p>	<p>Negotiation of leases and selling techniques</p>	Normal progress of the transaction
			Notarial act
			Counter-proposal
			Leases, sublets and cotenancy
			Restricted availability for occupancy
			Negotiation of the transaction
Prior verification of information			

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Core competencies	Professional situations	Professional actions	Professional resources
Competency 6 Performing a financial analysis of a real estate and enterprise project	Applying the methodologies related to real estate and business finance	Interpreting the financial statements	Understanding and analyzing the financial statements
			Calculation mechanisms
			Adjustment of financial statements
		Distinguishing the concepts related to real estate taxation	Fiscal environment
			Purchase and sale of enterprise
			Income from enterprise and income from property
			Depreciation
			Eligible capital property
		Calculating the financial implications of the transaction	Calculation of taxes on operation and disposition (e.g. capital gains)
			Calculation mechanism
			Calculation method
			Subscription and qualification
			Loan repayment
			Financing and refinancing
		Leases	

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Core competencies	Professional situations	Professional actions	Professional resources
Competency 6 Performing a financial analysis of a real estate and enterprise project (continued)	Applying the methodologies related to real estate and business finance (continued)	Informing the parties about the expenses related to the sale and the purchase	Financing
			Penalty
			Release
			Transfer
			Consumption taxes
	Advising the parties	Giving advice on real estate and business investment	Expert reports
			Mortgage insurance
			Types of lending institutions
			Types of borrowing
			Presentation of the file
		Purchase and leasing	
		Hypothecary recourses	