



Australian Government

Department of Education, Employment and Workplace Relations

CPPDSM4017A Negotiate effectively in property transactions

Release: 1

CPPDSM4017A Negotiate effectively in property transactions

Modification History

Not Applicable

Unit Descriptor

Unit descriptor

This unit of competency specifies the outcomes required to manage effective negotiations in relation to the sale, lease or management of property. It includes establishing the needs and expectations of relevant parties, negotiating to achieve desired outcomes and managing potential and real disputes between parties.

The unit may form part of the licensing requirements for persons engaged in real estate activities in those States and Territories where these are regulated activities.

Application of the Unit

Application of the unit

This unit of competency supports the work of licensed real estate agents and real estate representatives involved in managing negotiations relating to property transactions.

Licensing/Regulatory Information

Refer to Unit Descriptor

Pre-Requisites

Prerequisite units Nil

Employability Skills Information

Employability skills The required outcomes described in this unit of competency contain applicable facets of employability skills. The Employability Skills Summary of the qualification in which this unit of competency is packaged, will assist in identifying employability skills requirements.

Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.

Performance criteria describe the required performance needed to demonstrate achievement of the element. Where ***bold italicised*** text is used, further information is detailed in the required skills and knowledge and/or the range statement. Assessment of performance is to be consistent with the evidence guide.

Elements and Performance Criteria

ELEMENT

PERFORMANCE CRITERIA

- | | |
|--|---|
| <p>1 Establish needs and expectations of relevant parties.</p> | <p>1.1 Clear and open discussions are held with relevant parties to clarify <i>issues</i> and identify desired outcomes in line with agency practice and <i>legislative requirements</i>.</p> <p>1.2 Consequences of not reaching agreement are identified and other <i>alternatives</i> are determined.</p> |
| <p>2 Negotiate with parties involved in property transactions to reach a desired outcome.</p> | <p>2.1 <i>Relevant</i> information is collected, analysed and organised to inform the negotiation.</p> <p>2.2 <i>Negotiation approach</i> is established in line with agency practice and legislative requirements.</p> <p>2.3 Negotiation is conducted in a professional manner, showing respect for all parties in line with agency practice, ethical standards and legislative requirements.</p> <p>2.4 <i>Effective negotiation techniques</i> are used to persuade and reach agreement between parties to the transaction.</p> <p>2.5 Possible solutions are discussed and their viability assessed.</p> <p>2.6 <i>Effective techniques are used for dealing with conflict and breaking deadlocks</i> where required.</p> <p>2.7 Final position is confirmed, ensuring <i>agreement</i> and understanding between all parties.</p> <p>2.8 As necessary, follow-up communication or reports are provided to all parties to confirm adjustments required to conditions of agreement.</p> |
| <p>3 Manage potential and real disputes with parties to property transactions.</p> | <p>3.1 Areas of dispute are analysed and evaluated according to agency procedures and market expectations to enable resolution of dispute.</p> <p>3.2 Further negotiation and clarification of lease or sale is carried out until agreement is reached to the satisfaction of all parties.</p> |

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the essential skills and knowledge and their level, required for this unit.

REQUIRED SKILLS AND KNOWLEDGE

Required skills:

- ability to communicate with and relate to a range of people from diverse social, economic and cultural backgrounds and with varying physical and mental abilities in order to come to an effective agreed outcome
- analytical skills to interpret documents such as authorities, leases, contracts of sale, legislation and regulations
- application of risk management strategies associated with property transactions
- computing skills to access agency databases, send and receive emails and complete standard forms online
- decision making and problem solving skills to know how to deal with unexpected questions or attitudes
- literacy skills to access and interpret a variety of texts, including authorities, contracts of sale, leases, legislation and regulations; prepare general information and papers; prepare reports and formal and informal letters
- negotiation skills to negotiate difficult situations and resolve problems as they arise
- numeracy skills to calculate and interpret data, such as estimated selling price, commissions, rents, bonds and security deposits that may be the subject of dispute between parties to a property transaction
- planning, organising and scheduling skills to plan, conduct and finalise negotiations between parties to a property transaction
- research skills to identify and locate documents and information relating to leases and contracts of sale.

Required knowledge and understanding:

- agency policies and procedures for negotiations
- alternatives to negotiation, including:
 - conciliation and mediation
 - courts
 - tribunals
- conflict resolution strategies and techniques
- decision making strategies
- ethical standards
- negotiation approaches and techniques
- questioning techniques
- relevant federal, and state or territory legislation and local government regulations relating to:
 - anti-discrimination and equal employment opportunity
 - consumer protection, fair trading and trade practices
 - employment and industrial relations
 - financial services
 - leases

REQUIRED SKILLS AND KNOWLEDGE

- OHS
- privacy
- property sales and management
- rights and duties of parties to property transactions
- risks and risk management strategies
- typical issues and problems in property management that may need to be negotiated with tenants and landlords, including:
 - access to property
 - bonds and security deposits
 - condition reports
 - disclosure statements
 - leases and tenancy agreements
 - property inspections
 - renewal of leases and tenancy agreements
 - rent reviews and increases
 - rent or lease payments
 - repairs and maintenance
 - termination of leases and tenancy agreements
- typical issues or problems in property sales that may need to be negotiated with sellers and buyers, including:
 - access to property during settlement period
 - offers
 - conditions of sale
 - deposits
 - marketing activities and budget
 - methods of sale
 - property conditions and improvements
 - property inspections
 - reserve price
 - selling price range
 - settlement period.

Evidence Guide

EVIDENCE GUIDE

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, the range statement and the Assessment Guidelines for this Training Package.

Overview of assessment

This unit of competency could be assessed through practical demonstration of effectively managing negotiations with all parties to a property transaction. Targeted written (including alternative formats where necessary) or verbal questioning to assess the candidate's underpinning knowledge would provide additional supporting evidence of competence. The demonstration and questioning would include collecting evidence of the candidate's knowledge and application of ethical standards and relevant federal, and state or territory legislation and regulations. This assessment may be carried out in a simulated or workplace environment.

Critical aspects for assessment and evidence required to demonstrate competency in this unit

A person who demonstrates competency in this unit must be able to provide evidence of:

- effectively managing negotiations with all parties to property transactions in line with agency practice and legislative requirements that result in mutually acceptable agreements for the negotiating parties
- knowledge of agency practice, ethical standards and legislative requirements relating to negotiations and conflict resolution with different parties
- knowledge of negotiation and conflict resolution techniques relevant to dealing with parties in property transactions
- managing potential and real disputes between all parties in property transactions
- using effective negotiation techniques to persuade and reach agreement between the parties
- using effective techniques for dealing with conflict and breaking deadlocks in negotiations with the parties.

Context of and specific resources for assessment

Resource implications for assessment include:

- access to suitable simulated or real opportunities and resources to demonstrate competence
- assessment instruments that may include personal planner and assessment record book
- access to a registered provider of assessment services.

Where applicable, physical resources should include equipment modified for people with disabilities.

Access must be provided to appropriate learning and/or assessment support when required.

Assessment processes and techniques must be culturally appropriate, and appropriate to the language and literacy

capacity of the candidate and the work being performed.

Validity and sufficiency of evidence require that:

- competency will need to be demonstrated over a period of time reflecting the scope of the role and the practical requirements of the workplace
- where the assessment is part of a structured learning experience the evidence collected must relate to a number of performances assessed at different points in time and separated by further learning and practice with a decision of competence only taken at the point when the assessor has complete confidence in the person's competence
- all assessment that is part of a structured learning experience must include a combination of direct, indirect and supplementary evidence
- where assessment is for the purpose of recognition (RCC/RPL), the evidence provided will need to be current and show that it represents competency demonstrated over a period of time
- assessment can be through simulated project-based activity and must include evidence relating to each of the elements in this unit.
- In all cases where practical assessment is used it will be combined with targeted questioning to assess the underpinning knowledge. Questioning will be undertaken in such a manner as is appropriate to the language and literacy levels of the candidate and any cultural issues that may affect responses to the questions, and will reflect the requirements of the competency and the work being performed.

Range Statement

RANGE STATEMENT

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. ***Bold italicised*** wording in the performance criteria is detailed below. Add any essential operating conditions that may be present with training and assessment depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts.

Issues may include:

- issues for property management, such as:
 - access to property
 - bonds and security deposits
 - condition reports
 - disclosure statements
 - leases and tenancy agreements
 - property inspections
 - renewals
 - rental arrears
 - rent reviews and increases
 - rent or lease payments
 - repairs and maintenance
 - terminations
- issues for property sales, such as:
 - access to property during settlement period
 - offers
 - conditions of sale
 - deposits
 - marketing activities and budget
 - method of sale
 - property conditions and improvements.

Legislative requirements may include:

- relevant federal, and state or territory legislation and local government regulations relating to:
 - anti-discrimination and equal employment opportunity
 - consumer protection, fair trading and trade practices
 - employment and industrial relations
 - financial services
 - leases
 - OHS

- privacy
 - property sales and management.
- Alternatives*** may include:
- alternative outcomes:
 - property management - new lease or agreement, and voiding lease or agreement
 - property sales - amendment or new condition in contract of sale, and termination of contract of sale
 - alternative ways of resolving dispute:
 - conciliation and mediation
 - courts
 - tribunals.
- Relevant information*** may include:
- condition reports
 - financial records and receipts
 - lease documentation
 - property reports
 - sale documentation
 - statement of rights and duties of all parties to property transaction
 - third-party reports.
- Negotiation approach*** may be:
- collaborative
 - competitive
 - subordinate.
- Effective negotiation techniques*** may include:
- analytical skills
 - listening techniques
 - non-verbal communication skills
 - personal attributes
 - presentation techniques
 - questioning techniques
 - speaking skills.
- Effective techniques for dealing with conflict and breaking deadlocks*** may include:
- calling in a third party
 - clarifying the positions of all parties
 - deferring the decision
 - preparing a compromise
 - restating the position
 - summarising the progress to date.
- Agreement*** may include:
- follow-up action
 - issues or undertakings to be completed, allocated or referred
 - time lines.

Unit Sector(s)

Unit sector Property development, sales and management

Competency field

Competency field Real estate