

Competency framework

COMMERCIAL REAL ESTATE BROKERAGE

*Professional competencies evaluated by
the OACIQ*

OACIQ

THE OACIQ IS THE AUTHORITY OF
REAL ESTATE BROKERAGE IN QUEBEC



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OACIQ



FIVE COMPETENCIES MAKE UP THE COMPETENCY FRAMEWORK

1. Managing one's professional activities in the field of real estate.
2. Applying general and specific rules of law in commercial brokerage transactions.
3. Estimating the asset value.
4. Carrying out brokerage transactions pertaining to the sale, purchase, leasing or exchange of non-residential immovables including enterprises.
5. Performing a financial analysis of a real estate and enterprise project.

Applying appropriate strategies to conclude a brokerage contract or a promise to purchase, sell or lease.

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, the professional actions taken require proficiency with the use of professional resources. These resources are primarily the knowledge that the candidate must master in order to act professionally and effectively.

The OACIQ certification examination is based on this competency framework.

Competency framework – commercial real estate brokerage

ETHICS AND PROFESSIONAL CONDUCT – TRANSVERSAL COMPETENCY

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice	Fulfilling one's obligations as real estate broker	Knowing and applying one's obligations under the <i>Real Estate Brokerage Act</i> (REBA) and its regulations	<ul style="list-style-type: none"> • Duties to inform, verify, advise and collaborate • Protecting and promoting the interests of the party represented • Refraining from disclosing any confidential or strategic information about the client or the transaction • Providing fair treatment to the unrepresented party • Avoiding placing oneself in a conflict of interest or apparent conflict of interest • Disclosing conflicts of interest • Disclosing the licence holder status of the broker who is a party to the transaction • Recognizing the limits of your knowledge 	<ul style="list-style-type: none"> • REBA • Regulation respecting brokerage requirements, professional conduct of brokers and advertising • Guidelines 	<ul style="list-style-type: none"> • Always placing the interests of the represented client ahead of those of the broker • Always act in the client's best interest • No representation against the client • Inform any other unrepresented party as soon as possible that one has a duty to protect and promote the interests of one's client • A licence holder who acquires an interest in an immovable or an enterprise cannot represent the seller

COMPETENCY 1 – MANAGING ONE’S PROFESSIONAL ACTIVITIES IN THE FIELD OF REAL ESTATE – (75 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one’s brokerage practice	Fulfilling one’s obligations as real estate broker	Being in business	<ul style="list-style-type: none"> Defining one’s business model Developing one’s brand image Determining one’s territory Targeting your field of activity or your type of clientele Soliciting clients 	<ul style="list-style-type: none"> Basic accounting Working capital and liquidity Taxes on purchases and sales Guideline: “Representation, solicitation, promotion and advertising” Business plan Information management 	<p>In which territory will you be practicing?</p> <p>Will you be a broker who does it all or will you choose to work in a specific area of commercial brokerage?</p>
		Knowing one’s obligations toward a client	<ul style="list-style-type: none"> Duty to inform Obligation to represent Obligation to avoid placing oneself in a conflict of interest or apparent conflict of interest Mandatory disclosures Managing deposits received for a transaction Verifications required in a transaction 	<ul style="list-style-type: none"> FICI (Fonds d’indemnisation du courtage immobilier) 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 	<p>You receive a \$10,000 deposit as part of a transaction. What must you do with this deposit to comply with current rules?</p>

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Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one’s brokerage practice	Using professional resources related to real estate	Defining one’s real estate brokerage practice	<ul style="list-style-type: none"> • Implications of working as a self-employed real estate broker • The characteristics of working within an agency (or as part of a team) • Managing one’s tasks and obligations • Participating in team, agency and banner activities 	<ul style="list-style-type: none"> • Self-employed broker • Broker affiliated to an agency • Salaried broker • Time management 	You are a new commercial real estate broker. How will you organize your work to meet all your obligations (solicitation, data entry, sign posting, participation in corporate activities, etc.)?
		Use the resources available from the OACIQ	<ul style="list-style-type: none"> • Licence renewal and maintenance 	<ul style="list-style-type: none"> • The Guideline “Representation, Solicitation, Promotion and Advertising” • The OACIQ website and licensed professionals 	Being a broker requires mastering the tools available to you for drafting contracts, promises to purchase, promises to lease, etc.

COMPETENCY 1 – MANAGING ONE’S PROFESSIONAL ACTIVITIES IN THE FIELD OF REAL ESTATE – (75 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one’s brokerage practice	Keeping records, books and registers of real estate transactions	Doing the administrative work necessary to keep registers and records	<ul style="list-style-type: none"> Record and file keeping Filing documentation Establishing or becoming familiar with an electronic document management system (EDMS) 	<ul style="list-style-type: none"> OACIQ guidelines “Maintenance, use, and retention of files, books, accounts, and records.” 	<p>You draft a promise to purchase which is accepted by the client. What should you do with the documentation generated to ensure it is kept in compliance with the regulations?</p> <p>If you work within a real estate agency, an EDM system will be in place. Are you familiar with it? Do you know how it works and what your obligations are in this regard?</p>
		Preparing for a professional inspection (agency leaders and self-employed brokers)	<ul style="list-style-type: none"> Completing mandatory self-inspection questionnaires Reviewing records, registers and documents to make sure everything is in compliance with expectations and one’s obligations 	<ul style="list-style-type: none"> Steps of a professional inspection Syndic’s investigation 	<p>As a self-employed broker, you are required to complete an annual inspection questionnaire provided by the OACIQ.</p> <p>What information do you need to provide? Will you be ready to meet your obligations?</p>

COMPETENCY 1 – MANAGING ONE’S PROFESSIONAL ACTIVITIES IN THE FIELD OF REAL ESTATE – (75 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one’s brokerage practice		Using trust accounts	<ul style="list-style-type: none">• Depositing sums received without delay• Issuing appropriate receipts to the parties concerned• Reporting on the management of the trust account	<ul style="list-style-type: none">• Operation of trust accounts• Guideline “Maintenance, use, and retention of records, books, accounts, and registers”	A real estate broker colleague gives you a deposit cheque from his client along with his promise to purchase. What must you do?

COMPETENCY 2 – MAKING USE OF GENERAL AND SPECIAL RULES OF LAW IN COMMERCIAL BROKERAGE TRANSACTIONS (5 OR MORE DWELLINGS) – (75 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice	Complying with the general and specific rules of civil law pertaining to real estate	Knowing and fulfilling one's obligations under the <i>Real Estate Brokerage Act</i> (REBA) and its regulations	<ul style="list-style-type: none"> • Duty to inform, verify, advise and collaborate • The licence holder must not, in the course of his activities, elude or attempt to elude his professional civil liability • Drafting of brokerage contracts 	<ul style="list-style-type: none"> • REBA • Regulation respecting brokerage requirements, professional conduct of brokers and advertising • Regulation respecting records, books and registers, trust accounting and inspection of brokers and agencies • Civil Code of Québec • Professional Practice Guide: <i>Law in the Practice of Real Estate Brokers</i> 	<p>The broker must always be able to prove the accuracy of information provided to the public.</p> <p>A licence holder must verify and ascertain the legal capacity of the party represented or the party's representative for the proposed transaction as well as the legal capacity of the other parties to the transaction if the latter parties are not represented by a licence holder.</p> <p>The broker must make sure the property is not already covered by a brokerage contract.</p> <p>The broker must know how to draft proper clauses.</p>

COMPETENCY 2 – MAKING USE OF GENERAL AND SPECIAL RULES OF LAW IN COMMERCIAL BROKERAGE TRANSACTIONS (5 OR MORE DWELLINGS) – (75 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice		Determining ownership of an immovable	<ul style="list-style-type: none"> • Having knowledge of the rules specific to the purchase, sale, exchange, and leasing of properties, businesses, and real estate assets 	<ul style="list-style-type: none"> • Land Register • Enterprise Register • Commission for the Protection of Agricultural Land • Leases, sublet and co-tenancy, emphyteutic leases • Lease format • Effective and end dates of commercial leases • Types of commercial leases • Main clauses • Publication of a commercial lease • Commercial leases and their implications in the event of a property sale • Certificate of location • Claims, mortgages and hypothecs • Succession and security for legal costs (legal warranty) • Powers of attorney and resolutions • Intervention of spouse • Declaration of co-ownership 	<p>An exclusive brokerage contract – Commercial Lease is concluded between the broker and the lessor. The broker must draft the commercial lease for a future tenant and insert the key clauses that will meet the expectations of his client.</p> <p>You represent a buyer who wishes to acquire a commercial property. What recommendations will you make regarding existing commercial leases (analysis, explanation to your client, appropriate advice, etc.)?</p>

COMPETENCY 2 – MAKING USE OF GENERAL AND SPECIAL RULES OF LAW IN COMMERCIAL BROKERAGE TRANSACTIONS (5 OR MORE DWELLINGS) – (75 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice		Drafting a clause in a commercial contract or lease	<ul style="list-style-type: none"> • Become familiar with the rules for drafting clauses in a commercial contract (purchase, sale, exchange, lease) 	<ul style="list-style-type: none"> • Non-competition clause • Business continuation clause • Disaster clause • Exclusivity clause • Renewal option clause • Broker's liability • Legal drafting 	Adequately protecting the broker's client (lessor or lessee) by inserting relevant clauses in the commercial lease and by drafting unambiguous clauses.
		Identifying the laws and regulations relating to an immovable	<ul style="list-style-type: none"> • Identifying the type of property, the business sector, the applicable zoning • Always referring to the relevant documentation • Understanding the laws involved in the transaction (regarding lessees – commercial / residential, the parties to the transaction, etc.) 	<ul style="list-style-type: none"> • Zoning, cultural property, agricultural land, riparian zone, airport zone • Environment and urban planning • <i>Act respecting the Administrative Housing Tribunal</i> 	Your client wishes to buy an immovable (vacant or built land) to develop a 12-unit income property. What verifications must you make? With which authorities? What will be the legal impacts for your client and the occupants if the building where they live is to be demolished to make way for the new construction?

COMPETENCY 2 – MAKING USE OF GENERAL AND SPECIAL RULES OF LAW IN COMMERCIAL BROKERAGE TRANSACTIONS (5 OR MORE DWELLINGS) – (75 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice	Apply arbitration or mediation as conflict resolution methods in real estate brokerage	<ul style="list-style-type: none"> • Helping reduce potential conflicts by adopting a highly communicative stance • Verifying and validating the source of the information prior to sharing it with the parties to the transaction • Discussing promptly with the parties to the transaction any element that could become problematic 	<ul style="list-style-type: none"> • Rules and concepts of arbitration • Arbitration procedure 	The PPG includes an arbitration clause. What is its use?	
	Acting in accordance with current laws and regulations	<ul style="list-style-type: none"> • Knowing the laws and regulations governing the profession of commercial real estate brokerage • Taking the rules and laws that apply to the situation into account when making recommendations to the parties to the transaction • Referring the parties to the appropriate professionals to get information relevant to the situation encountered 	<ul style="list-style-type: none"> • <i>Real Estate Brokerage Act</i> and its regulations • Publication of rights and the Land Register • Enterprise Registrar • Civil law and principles of liability • <i>Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)</i> • Business law and types of enterprises • <i>Bankruptcy and Insolvency Act</i> • Civil law and types of contracts 	You sign a brokerage contract to sell an income property. You receive five (5) promises to purchase. How will you manage them? How will you make sure your client gets the best representation to his benefit? What actions should you take to comply with the laws and regulations on collaboration?	

COMPETENCY 2 – MAKING USE OF GENERAL AND SPECIAL RULES OF LAW IN COMMERCIAL BROKERAGE TRANSACTIONS (5 OR MORE DWELLINGS) – (75 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice		Publicizing one's real estate brokerage services	<ul style="list-style-type: none"> Identifying the forms of advertising Retaining services for the production and installation of one's professional signs Adhering to advertising rules for one's listings and practice Maintaining one's information and the information concerning one's listings up to date in one's advertisements 	<ul style="list-style-type: none"> <i>Competition Act</i> Advertising rules Guideline "Representation, Solicitation, Promotion, and Advertising" 	How will you make sure the way you promote your services is compliant with the laws and regulations (Facebook, your website, mandatory statements, prohibited statements, etc.).
		Ensuring the legality of one's practice	<ul style="list-style-type: none"> Acting in compliance with the limits of one's rights to practice Being familiar with the Fonds d'assurance responsabilité professionnelle du courtage immobilier du Québec (FARCIQ) and the Real Estate Indemnity Fund (FICI) and their service offer 	<ul style="list-style-type: none"> Professional liability insurance Guideline "Licence Issuance and Maintenance" 	Knowing the practice situations where the real estate broker is or is not protected by his liability insurance. Publicize the FICI service offer to consumers who deal with a broker or agency and who are victims of fraud, fraudulent tactics or misappropriation of funds in the course of a transaction.

COMPETENCY 2 – MAKING USE OF GENERAL AND SPECIAL RULES OF LAW IN COMMERCIAL BROKERAGE TRANSACTIONS (5 OR MORE DWELLINGS) – (75 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice		Fulfilling one's fiscal obligations	<ul style="list-style-type: none"> • Billing in accordance with current rules • GST and QST refund • Tax instalment payments • Making a business budget • Business vs. personal expenses • Capital investments vs. current expenses • Annual tax obligations 	<ul style="list-style-type: none"> • Taxation Act • Goods and Services Tax (GST) • Québec Sales Tax (QST) 	<p>As a self-employed worker, you must invoice GST and QST on your services. How do you properly manage these sums in compliance with current tax rules? Managing your business expenses vs. your personal expenses. Making a fiscal year budget for your real estate practice.</p>

COMPETENCY 3 – ESTIMATING THE ASSET VALUE – (75 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice	Identifying the factors related to the sector and the location (land)	Knowing and applying one's obligations under the <i>Real Estate Brokerage Act</i> (REBA) and its regulations	<ul style="list-style-type: none"> • Duties to inform, verify, advise and collaborate • Consult experts as needed 	<ul style="list-style-type: none"> • REBA • Regulation respecting brokerage requirements, professional conduct of brokers and advertising • Regulation respecting records, books and registers, trust accounting and inspection of brokers and agencies • Land register 	<ul style="list-style-type: none"> • Verifying if there is a notice of contaminated land in the land register • Requesting Phase I and Phase II expert report, for example • Informing the client of issues raised by a building inspector • Having certain verifications done by a CPA or a tax expert regarding the value or market value of the immovable or enterprise

COMPETENCY 3 – ESTIMATING THE ASSET VALUE – (75 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice	Keeping abreast and informed of possible signs of problems related to the location	<ul style="list-style-type: none"> Contaminated land Development project planned (industrial, highway-related, commercial, residential) Presence of similar businesses nearby Flood zone Soil problem (pyrite, pyrrhotite, radon, etc.) History of the land and its environment (former dump, backfill zone, etc.) Zoning change announced or under study 	<ul style="list-style-type: none"> Problems related to the region (e.g. clayey soil) Problems related to soils and subsoils (pyrite, iron ochre, etc.) Soil contamination Landfill sites Environmental Professional Practices Guide 	The client's project must take shape on an immovable (land) where it is permitted. One of the real estate broker's first tasks is to make the necessary verifications to ensure the feasibility of the project at the location sought by the client.	
	Minimizing the risk of recourse	<ul style="list-style-type: none"> Informing the parties to the transaction of any irregularities encountered Anticipating obstacles that may arise (common obstacles) in the transaction, related to the land, and inform his client (and the other party) Include relevant clauses in the projected transaction to protect the client accordingly 	<ul style="list-style-type: none"> Initial visual inspection by the broker Inspection by a professional 	The buyer you represent absolutely wants to operate a car mechanic's shop on the desired lot. As a broker, you must ensure that you include a clause in the promise to purchase so that your client can withdraw if this activity is not permitted on this site.	

COMPETENCY 3 – ESTIMATING THE ASSET VALUE – (75 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice	Identifying the factors related to the immovable	Advising use of professional services	<ul style="list-style-type: none"> • Verifying the certificate of location • Validate the key issues identified in the inspection report that require correction with the relevant professional 	<ul style="list-style-type: none"> • Land surveyor, building inspector, civil engineer, expert in the issue identified for the property, notary, etc. 	A building inspector notices a major issue with the immovable in which your client is interested. What is your first recommendation?
		Providing post-inspection follow-up	<ul style="list-style-type: none"> • Being present during inspection and expert visits • Discussing with the clients the issues identified by the inspector following the site inspection • Recommending experts for clarification on important issues • Drafting documents related to the buyer's requests following review of the inspection report 	<ul style="list-style-type: none"> • Receiving and distributing the inspection report to stakeholders 	Your client attended the inspection of the immovable he wishes to purchase and has read the inspection report. Overall, he is satisfied with the inspection report and wants to remove this condition from the promise to purchase. How will you proceed?

COMPETENCY 3 – ESTIMATING THE ASSET VALUE – (75 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice		Protecting the parties by explaining the stakes of the transaction	<ul style="list-style-type: none">• Making sure the parties clearly understand the elements identified in the inspection report or during the site visit• Disclosing the impact that an uncovered issue can have on the immovable (time needed for expert assessment, cost of repairs after receiving the estimate, etc.)• Making the recommendations most apt to meet the client's needs based on the overall situation (withdrawing, buying and renovating, short, medium and long-term financial projection of the required investment, etc.)	<ul style="list-style-type: none">• Knowing the broker's limits• Disclosing the impacts for the parties (liability, negotiations, etc.)• Guideline: "Verification, information, and advice"	You represent the seller. During the inspection, a very large crack is observed in the foundation. The estimate for repairs prepared by an expert is very high. Your client is really desperate. What will you do to reassure him? What are his options? He does not want to lose the buyer, but he also wants to meet his financial objectives by selling this property. What will you advise him in this regard?

COMPETENCY 3 – ESTIMATING THE ASSET VALUE – (75 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice	Identifying building-related and other relevant factors	Keeping abreast of and knowing the characteristics related to buildings, furniture and equipment	<ul style="list-style-type: none"> • Making a list of the equipment requiring regular maintenance • Making a list of the movable property and equipment included in the sale • Identifying the materials used for the building's major components and explaining their features (e.g. asphalt shingle roof, estimated useful life, etc.) • Having a good knowledge of the quality of the materials used • Recommend to the client relevant improvements to the property or a budget forecast 	<ul style="list-style-type: none"> • Identification and knowledge of building classes and categories • Foundation • Structure • Building envelope • Roofing • Mechanical elements (plumbing, heating, air conditioning, ventilation) • Electricity • Leasehold improvements • Movable property and equipment 	<p>You visit an immovable with your buying client. You note that the roof of the building is covered with a recent elastomeric membrane (as indicated on the seller's broker description sheet). What comments will you make to your client regarding the pros and cons of this membrane?</p> <p>Your client wishes to sell his immovable, which houses a restaurant. All furniture and kitchen equipment are included in the sale. You observe that most of the equipment is very old and poorly maintained. What comments or recommendations will you make to the seller? What about to a potential buyer?</p>

COMPETENCY 3 – ESTIMATING THE ASSET VALUE – (75 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice	Providing an opinion on the value of an immovable and enterprise	Assessing the socio-economic context of the sector and the asset	<ul style="list-style-type: none"> • Is the immovable located in a heavily populated area, a rural setting, an environment that appeals to young families, to students (colleges, universities, etc.), a retirement living environment, etc.? • Listing the elements that contribute to or hinder the value of the immovable/enterprise and make the best recommendations based on the client's investment goal 	<ul style="list-style-type: none"> • Impact of the geographic and economic situation • Impact of the building's architectural style • Impact of public law restrictions (e.g., cultural property) • Resale market 	Your client asks you to look for an immovable or space in which he can open a fast-food franchise offering trendy cuisine that appeals to young people. What sectors of your city will you recommend? What elements will you take into consideration in support of your chosen sector(s)? Will you be able to convince your client with this selection?
		Using various techniques to estimate the value of an immovable	<ul style="list-style-type: none"> • Selecting the key elements to estimate the value of the immovable • Consulting manuals on property valuation • In case of doubt, seeking advice from experts in the field on how to estimate the value of an asset, a piece of equipment or an immovable • Conducting research to establish industry comparables (CMA) 	<ul style="list-style-type: none"> • Parity method (comparables) • Income method (economic) • Cost method 	A client contacts you to put his commercial immovable on the market. He is very excited about selling, because a nearby property just sold for a high price. How will you establish the selling price of this immovable if you find that the property that sold does not compare with your future client's immovable in any way (maintenance, building materials, income, expenses, etc.)?

COMPETENCY 3 – ESTIMATING THE ASSET VALUE – (75 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice		Estimating the market value of an enterprise	<ul style="list-style-type: none"> • Selecting the important elements to estimate the value of the enterprise • Making note of any major improvements made • Making note of any renovations or improvements required • Making a list of equipment, stocks and supplies existing and required (for the needs of your buying client) • In case of doubt, seeking advice from experts in the field on how to estimate the value of an asset, a piece of equipment or an immovable • Conducting research to establish industry comparables (CMA) 	<ul style="list-style-type: none"> • Parity method (comparables) • Income method (economic) • Cost method • Foot traffic • Real estate appraisal 	<p>A convenience store has just been put up for sale. You know that your buyer client has been looking for this type of business in this sector for a very long time. In discussing with him, he asks for your advice on what price he should offer vs. the asking price. How will you establish your recommendations? What verifications will you make to properly inform your client and enable him to offer a price that will not irritate the seller while showing that he has a good grasp of the market?</p>

COMPETENCY 4 – CARRYING OUT BROKERAGE TRANSACTIONS PERTAINING TO THE SALE, PURCHASE, LEASING OR EXCHANGE NON-RESIDENTIAL IMMOVABLES INCLUDING ENTERPRISES – (90 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice	Drafting a brokerage contract or promise to purchase for the sale, purchase or lease of an immovable	Knowing and applying one's obligations under the <i>Real Estate Brokerage Act</i> (REBA) and its regulations	<ul style="list-style-type: none"> • Duty to inform, verify, advise, and collaborate • Types of properties at the core of commercial transactions • Standard clauses 	<ul style="list-style-type: none"> • REBA • Regulation respecting brokerage requirements, professional conduct of brokers and advertising • Civil Code of Québec 	<ul style="list-style-type: none"> • Explaining/clarifying the content and impacts of clauses and forms • Drafting of standard clauses to be added – Sale of an enterprise • Drafting of clauses on the terms and conditions specific to the enterprise (standard clauses recommended and developed by the OACIQ) • Commercial leases

COMPETENCY 4 – CARRYING OUT BROKERAGE TRANSACTIONS PERTAINING TO THE SALE, PURCHASE, LEASING OR EXCHANGE NON-RESIDENTIAL IMMOVABLES INCLUDING ENTERPRISES – (90 HOURS)

Ethics and professional conduct

Acting ethically and responsibly in one's brokerage practice

Professional situations

Professional actions

(know-how to perform a task, observable behaviours required)

Completing the documents and forms relating to a brokerage transaction

Key elements

- Selecting the form appropriate to the proposed transaction (brokerage contract to sell, purchase or lease)
- Selecting all complementary forms that support the main contract
- Properly completing the forms
- Carrying out the necessary research in order to obtain all relevant information before completing the various forms

Resources and Basic Training Program

- Types of buyers, sellers, tenants, and landlords
- Deadlines
- Property (5 units and more)
- Available forms (exclusive, non-exclusive)

Examples

A client contacts you to sell a commercial space. What forms will you select to adequately fulfill this mandate? What prior verifications will you make? What organizations will you contact?
 What documents do you need to verify with your client when taking up the brokerage contract? Does he have the authority to commit his company to this contract?

COMPETENCY 4 – CARRYING OUT BROKERAGE TRANSACTIONS PERTAINING TO THE SALE, PURCHASE, LEASING OR EXCHANGE NON-RESIDENTIAL IMMOVABLES INCLUDING ENTERPRISES – (90 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice		Completing the documents and forms relating to a promise to purchase	<ul style="list-style-type: none"> • Selecting the form appropriate to the proposed transaction (brokerage contract for sale, purchase, or lease) • Selecting all complementary forms that support the main transaction proposal • Properly completing the forms • Carrying out the necessary research in order to obtain all relevant information before completing the various forms 	<ul style="list-style-type: none"> • Types of buyers, sellers, lessees, lessors • Timelines • Property (5 or more dwellings) • Forms available (exclusive, non-exclusive) • Preliminary contract for a new building • Letter of intention on an offer to lease • Counter-proposal 	<p>You represent a buyer who wishes to present a promise to purchase on a commercial building. What preliminary verifications must you make, before you even draft the documents, in order to properly advise your client?</p> <p>What clauses (conditions) will you insert in this transaction to enable your client to terminate it if his intended project cannot be carried out?</p>

COMPETENCY 4 – CARRYING OUT BROKERAGE TRANSACTIONS PERTAINING TO THE SALE, PURCHASE, LEASING OR EXCHANGE NON-RESIDENTIAL IMMOVABLES INCLUDING ENTERPRISES – (90 HOURS)

Ethics and professional conduct

Acting ethically and responsibly in one's brokerage practice

Professional situations

Professional actions

(know-how to perform a task, observable behaviours required)

Completing the documents and forms relating to a promise to lease

Key elements

- Selecting the form appropriate to the proposed transaction
- Selecting all complementary forms that support the main transaction proposal
- Properly completing the forms
- Carrying out the necessary research in order to obtain all relevant information before completing the various forms
- Inserting the clauses specific to commercial leasing and the proposed transaction

Resources and Basic Training Program

- Understanding the jargon of the field
- Types of leases
- Rental market
- Determination of the needs
- Qualification of the lessees or lessors
- Review of the contract clauses
- Reading plans
- Precise calculation of the leasable areas
- Negotiation of leases and selling techniques

Examples

As the lessor's broker, you wish to protect your client against potential default by the proposed lessee. What clauses will you insert in the transaction between them?
If you represent the lessee, what would you advise him regarding the space he wishes to lease for the new business he is starting? You are dealing with an entrepreneur who is starting his first business. What essential advice must you provide in this case?

COMPETENCY 4 – CARRYING OUT BROKERAGE TRANSACTIONS PERTAINING TO THE SALE, PURCHASE, LEASING OR EXCHANGE NON-RESIDENTIAL IMMOVABLES INCLUDING ENTERPRISES – (90 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice		Guiding one's client through the entire process	<ul style="list-style-type: none"> • Being available and courteous • Recognizing the limits of one's knowledge and surrounding oneself with competent professionals • Quickly sending all documents pertaining to the transaction to the client • Advise clients to seek assistance from professionals in relevant disciplines • Making recommendations that are customary or specific to the transaction to protect the client • Making a schedule of the deadlines to be met in the transaction and supporting one's client in this regard • Being present at every step of the transaction and providing sound advice 	<ul style="list-style-type: none"> • Normal progress of the transaction • Notarial act • Counter-proposal • Leases, sublet and co-tenancy • Restricted availability for occupancy • Negotiation of the transaction • Prior verification of information 	As a real estate broker, your presence during site inspections, visits by experts to provide opinions on key elements, or at the notary's office is part of your work. Will you be present at all these steps? This will increase your client's trust in you and show the other parties the added value of involving a real estate broker in a transaction.

COMPETENCY 5 – PERFORMING A FINANCIAL ANALYSIS OF A REAL ESTATE AND ENTERPRISE PROJECT – (90 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice	Applying the methodologies related to real estate and business finance	Knowing and applying one's obligations under the <i>Real Estate Brokerage Act</i> (REBA) and its regulations	<ul style="list-style-type: none"> • Duty to inform, verify, and advise • Consulting experts (CPA, tax expert) 	<ul style="list-style-type: none"> • REBA • Regulation respecting brokerage operations, the ethics of brokers, and advertising 	<p>A selling client asks you to evaluate his immovable in order to put it on the market. What financial elements will you take into consideration in order to establish the most accurate value for this property?</p> <p>You represent a lessor, and a commercial lessee comes forward. He wishes to move his business in the space you are leasing. How do you interpret his financial statements to determine the financial soundness of the business and the owner?</p>
		Interpreting the financial statements	<ul style="list-style-type: none"> • Relating to an income property, a company, an investment project (in the context of a purchase or sale) • Contacting relevant professionals as needed (accountant, tax expert, etc.) • Gross income • Net income • Fixed assets • Loans (mortgage or other) • Income sources • Dividends • Rolling stock • Perishables • Working capital 	<ul style="list-style-type: none"> • Understanding and analyzing financial statements • Calculation methods • Adjustment of financial statements 	

COMPETENCY 5 – PERFORMING A FINANCIAL ANALYSIS OF A REAL ESTATE AND ENTERPRISE PROJECT – (90 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice		Distinguishing the concepts related to real estate taxation	<ul style="list-style-type: none"> • Capital gain • Capital gain deferral strategy • Financing by the seller • Purchase of shares vs. purchase of company assets • Deferred purchase (of amount paid, in time, etc.) • Current vs. capital expenses • Changes of use of the immovable • Pros and cons of personal vs. corporate purchase 	<ul style="list-style-type: none"> • Tax environment • Purchase and sale of an enterprise • Business and property income • Depreciation • Eligible capital property • Calculation of taxes on operation and disposition (e.g. capital gains) 	<p>A selling client approaches you to determine the best time to sell the last of a series of properties he sold in the past year. What do you advise? To what professionals can you refer him?</p> <p>Is it advantageous for the seller to finance the buyer? To defer payment of tax on the capital gain? How to proceed? Who to consult?</p>

COMPETENCY 5 – PERFORMING A FINANCIAL ANALYSIS OF A REAL ESTATE AND ENTERPRISE PROJECT – (90 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice		Calculating the financial implications of the transaction	<ul style="list-style-type: none"> • Loan-to-value ratio • Evaluation of the immovable or enterprise by a professional • Qualification rules for conventional or insured financing • Down payment required • Timelines and different steps to obtain financing • Timelines of the various financing offers: pros and cons • Rent increases: when, how, how much? 	<ul style="list-style-type: none"> • Calculation mechanism • Calculation method • Subscription and qualification • Loan repayment • Financing and refinancing • Leases 	<p>Your client wishes to buy an 8-unit property and informs you that he wants to increase his income quickly. What would you recommend and on what particular aspects would you draw his attention based on applicable laws?</p> <p>A client wants you to sell his income property in 30 days. Is this feasible? What are the timelines to which you must draw his attention? Why?</p>

COMPETENCY 5 – PERFORMING A FINANCIAL ANALYSIS OF A REAL ESTATE AND ENTERPRISE PROJECT – (90 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice		Informing the parties about the expenses related to the sale and the purchase	<ul style="list-style-type: none"> • Inspection costs • Notary fees • Land transfer fees (Welcome tax) • Real estate broker's representation fees • Down payment required • Security required • Cost of financing • Working capital • Inventory purchases • Reserves for equipment (to be replaced, maintained, etc.) 	<ul style="list-style-type: none"> • Financing • Penalty • Release • Transfer • Consumer taxes • Expert reports 	Your buying client has a budget of \$600,000 to purchase an income property. Will you look at investments requiring the entire sum or should a sum be set aside for related costs? How do you estimate those costs and present them to your client?

COMPETENCY 5 – PERFORMING A FINANCIAL ANALYSIS OF A REAL ESTATE AND ENTERPRISE PROJECT – (90 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice	Advising the parties	Giving advice on real estate and business investment	<ul style="list-style-type: none"> • Evaluating client's risk tolerance • The right project based on the client's objective • Client's knowledge regarding his project • Selecting, evaluating and presenting real estate or commercial projects • Return on investment • Time needed to recoup the down payment • Sums to be invested in the long term (current expenses, capital expenses, decrease in asset value, etc.) • Planned investment sector • Relevant projections (real estate project coming to the sector, plant-closing on the horizon, etc.) 	<ul style="list-style-type: none"> • Mortgage insurance • Types of lending institutions • Types of borrowing • Presentation of the file • Purchase and leasing • Mortgage remedies 	<p>You must advise your client regarding an investment project which he presents to you. What are the variables to be considered? Will the client have the necessary funds to complete the transaction, or will this effort lead to an uncertain outcome?</p> <p>You represent the buyer. Your client wishes to invest an amount of X and is seeking a return of Y. On what bases will you select investment projects to present to him? What is their investor profile?</p>

APPLYING APPROPRIATE STRATEGIES TO CONCLUDE A BROKERAGE CONTRACT OR A PROMISE TO PURCHASE, SELL OR LEASE – (45 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice	Developing broad industry knowledge	Take ownership of established and emerging information sources	<ul style="list-style-type: none"> • Subscription to magazines specialized in one's activity sector (rental real estate, commercial property, agricultural property, vacation property, etc.) • Active member of associations, societies or groups in one's field of practice • Continuing education • Training specific to one's field of practice • Local and external practices (having an opening to the global market that can have an impact on one's daily activities) – in another region, province, country 	<ul style="list-style-type: none"> • Local, provincial, national and international reality • Current issues in your activity sector • Market history and trends • Your industry-specific business relationships • Your industry expertise • Social media • Managing your technological presence 	A client wishes to purchase a vineyard to realize his childhood dream and asks if you will be able to advise him properly regarding this project. How will you convince him that you are his best asset in the buying process?

APPLYING APPROPRIATE STRATEGIES TO CONCLUDE A BROKERAGE CONTRACT OR A PROMISE TO PURCHASE, SELL OR LEASE – (45 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice	Carrying out the transaction	Assess the client's needs	<ul style="list-style-type: none">• Actively listening to the client• Rephrasing his comments to avoid any discrepancy• Identifying the key components of the transaction (financial capacity, location, project, deadline, etc.)• Presenting and promoting one's assets to complete the transaction• Signing the brokerage contract, the promise to purchase	<ul style="list-style-type: none">• Practical scenario• Roleplay• Diversity of situations, purposes and actors• Knowing what forms are available and appropriate to each situation	A client contacts you wanting to purchase an income property. What will be the first questions you ask and steps you take?

APPLYING APPROPRIATE STRATEGIES TO CONCLUDE A BROKERAGE CONTRACT OR A PROMISE TO PURCHASE, SELL OR LEASE – (45 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice	Guiding the transaction	<ul style="list-style-type: none"> • Constantly monitoring the inputs and outputs of the transaction (market news, inspection results, financing, site visit, etc.) • Assessing the client's level of interest in the transaction (increasing, decreasing, unchanging, etc.) • Removing distortions from the transaction (new property on the market, announcement of an interest rate change, etc.) • Always proactively looking for solutions • Being constantly ahead of the transaction and not trailing behind (preparing the customer for next steps, contingencies, etc.) • Planning for the worst and hoping for the best 	<ul style="list-style-type: none"> • Practical scenario • Roleplay • Diversity of situations, purposes and actors • Personal and colleagues' toolboxes • Positive attitude at all times 	<p>A report from the Bank of Canada announces an imminent increase in the key interest rate, which will likely contribute to higher interest rates for a potential mortgage loan. Your client phones you to say he is worried about the impact of this upcoming hike on the profitability of his project in the short, medium and long term. How can you mitigate the impacts of this announcement and keep the transaction on track?</p> <p>What actions will you take quickly?</p>	

APPLYING APPROPRIATE STRATEGIES TO CONCLUDE A BROKERAGE CONTRACT OR A PROMISE TO PURCHASE, SELL OR LEASE – (45 HOURS)

Ethics and professional conduct	Professional situations	Professional actions <i>(know-how to perform a task, observable behaviours required)</i>	Key elements	Resources and Basic Training Program	Examples
Acting ethically and responsibly in one's brokerage practice		Concluding the transaction	<ul style="list-style-type: none"> • Dissipating doubt in the client's mind • Reassure the client as to the soundness of the transaction and bring them back to the original premises • Negotiating quickly and efficiently any disruptive element in the transaction between the parties 	<ul style="list-style-type: none"> • Practical scenario • Roleplay • Diversity of situations, purposes and actors • Personal and colleagues' toolboxes • Positive attitude at all times 	The anxiety surrounding the commitment step (signing at the notary's office) often catches well-intentioned clients off guard. Making the transaction official creates a stress that is difficult to manage for some. How will you be of valuable service in this situation and bring this transaction, on which you worked so hard, to fruition?



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