

Technical Members of RICS and Secured Lending Valuations of Residential Property

What is “TechRICS”?

Lenders are familiar with chartered surveyors, identified by the designatory letters MRICS (members) and FRICS (fellows), but increasingly a new designation, TechRICS is also encountered. The Purpose of this information sheet is to confirm the suitability of of Technical Members for undertaking residential valuation for the purpose of secured lending.

RICS introduced the “technical” grade of membership in recognition of the trend for increased reliance on technical staff to carry out focussed technical and analytical functions. In this context RICS has worked closely with the Council of Mortgage Lenders to create a Tech RICS qualification in Residential Survey and Valuation, designed to meet the needs of residential mortgage lenders. Most major lenders accept valuations of residential property undertaken by Technical surveyors for lending purposes. RICS expects that more and more users of valuation services will come to see the benefit of using RICS Technical members to carry out such valuations.

TechRICS qualification – fit for purpose

RICS is satisfied that individuals holding the TechRICS residential survey and valuation qualification are equally fit as other qualified members of RICS to provide advice on the condition and to value residential property for mortgage and other secured lending purposes. The valuation reports produced by Technical members (TechRICS) and chartered members (MRICS or FRICS) are identical and produced by the same process. As noted above most major lenders already accept valuations of residential property undertaken by Technical surveyors for lending purposes. **RICS therefore recommends that the UK property lending industry (lenders and ratings agencies) should treat “TechRICS” qualified members as equivalent to MRICS and FRICS.**

How are Technical Members Regulated?

Technical members are required to abide by the same professional and technical Standards as Chartered members, through the RICS Red Book and the Rules of Conduct. These requirements include compliance with RICS’:

- Rules of Conduct
- Valuation Standards (the Red Book)
- Continuing Professional Development (CPD) Rules
- Professional Indemnity Insurance Rules
- Complaints Handling Rules (including mandatory third party redress)

RICS’ regulatory monitoring and enforcement regime is also the same for all RICS members, whether Technical or Chartered.

How do Technical Members Qualify?

Training for Technical membership is more narrowly focused on the technical skills required for a specific role and. Technical membership is achieved through a combination of qualifications, experience and vocational training. Typically the qualification component is at HND/NVQ4 level and this is complimented by a minimum of one year of training/experience. Candidates who meet these requirements are assessed by RICS members against a framework of competences relevant to their chosen area of specialism.

RICS offers “pathways” to Technical Membership in a broad range of practice areas. The pathway which is likely to be of primary interest to CML members is Residential Survey & Valuation.

The assessment of technical competence is designed to ensure that those gaining Technical membership of RICS possess the appropriate blend of knowledge, skills and experience and are competent to perform relevant tasks to appropriate standards. The competencies tested in Residential Survey and Valuation are set out in the Appendix to this document.

The Appendix also gives a clear explanation of where the competency differences lie between the TechRICS final assessment (ATC) and the Chartered Surveyor final assessment (APC).

Further information about Assessment of Technical Competence

RICS provides a comprehensive guide to the ATC competencies themselves which can be downloaded from

http://www.rics.org/AboutRICS/RICSfaculties/pathway_residential_survey_valuation0807.htm

Register of Members

RICS maintains a register of its members. We are able to provide confirmation to lenders of the pathway through which a Technical Member has qualified upon request.

Appendix 1: Competency Requirements of the Residential Survey and Valuation ATC pathway

Mandatory Competences (required by all members)

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| • Conduct rules, ethics and professional practice | Level 3 |
| • Client care | Level 2 |
| • Communications and negotiation | Level 2 |
| • Health and safety | Level 2 |
| • Accounting principles and procedures | Level 1 |
| • Business planning | Level 1 |
| • Conflict avoidance, management and dispute resolution procedures | Level 1 |
| • Data management | Level 1 |
| • Sustainability | Level 1 |
| • Teamworking | Level 1 |

Core Competencies for Residential Survey and Valuation

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|------------------------------------|---------|
| • Building pathology | Level 2 |
| • Inspection | Level 2 |
| • Measurement of land and property | Level 2 |
| • Valuation | Level 2 |

Optional Competencies (any two of the following at Level 2)

- Auctioneering
- Capital taxation
- Compulsory purchase and compensation
- Contaminated land
- Environmental assessment
- Housing aid or advice
- Housing maintenance, repair and improvements
- Housing management and policy
- Housing strategy and provision
- Investment management (including fund and portfolio management)
- Landlord and tenant (including rent reviews and lease renewals)
- Land use and diversification
- Leasing/letting
- Local taxation/assessment
- Maintenance management
- Planning
- Property finance and funding
- Property management
- Property management accounting
- Property records/information systems
- Purchase and sale

Definition of levels

Level 1 Knowledge and understanding

Level 2 Application of knowledge and understanding

Level 3 Reasoned advice and depth of technical knowledge

Differences Between APC (chartered) and ATC (technical) competency requirements

TechRICS candidates are assessed on valuation to the same level as MRICS candidates.

Areas of difference are as follows:

- Building Pathology is to level 2 (level 3 in APC) – This means they have to identify and report on building defects but are not expected to provide the detailed analysis one would expect in a specialist structural survey
- Inspection is to level 2 (level 3 in APC) – This means that TechRICS candidates are expected to inspect residential properties and identify and report on all issues relevant to the lender that may arise from the inspection. They are not expected to write detailed analytical reports based on findings of inspection.
- TechRICS candidates are required to do two optional competencies to level 2 whereas APC candidates are required to select one optional competency to level 3 and three to level 2

RICS and CML have agreed that the qualification requirements set for TechRICS are sufficient to establish competence in undertaking survey and valuation of residential property for loan security purposes.