
Certification Brochure

- General information
- Conditions for certification
- Valuation requirements
- Price list
- Examination catalogue

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Subject to change

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General information

1 Initial situation

The real estate business in Germany, which is by far the largest real estate market in Europe, is of the utmost significance to the national economy. According to official estimates, this industry generates some 300 billion euros each year, i.e. about 8% of total gross output. The total value of real estate portfolio in Germany is around 7.2 trillion euros. In view of this fact, reliable real estate valuation is of great importance, not only to enable the real estate market to function, but also for the country's economy as a whole.

As a result of intensifying regulatory requirements in the area of finances (e.g. Basel II, PfandBG, BelWertV) as well as the growing complexity of real estate economic issues, the requirements placed on those who carry out orderly analysis and valuation of real estate are also growing, i.e. real estate valuers working in the financial arena. As all market participants depend on the high quality of appraisals carried out by these experts, quality assurance in this area leads to a considerable reduction in risk for all concerned.

In the German financial arena, HypZert GmbH's personnel certification has become the primary quality seal for real estate valuers. It is based on the strict requirements set down in ISO/IEC 17024. With this internationally recognised certificate which is awarded to individuals, real estate valuers can provide proof of their competence in compiling appraisals and at the same time show that they are committed to following professional principles. In addition to the tough initial certification examination, the quality of all HypZert-certified real estate valuers is assured through additional and ongoing monitoring of participation in specialised further training courses in the relevant area, appraisals compiled as well as a recertification examination carried out every five years.

In accordance with the above mentioned requirements, HypZert GmbH offers the following certification examinations:

Certification as HypZert real estate valuer for financial purposes

When granting loans against real estate securities, the financing credit institute assumes the risk of default by the borrower and of the change in value of the security for a fixed period. The main focus of a mortgage lending value analysis is to evaluate this risk, the aim being to determine a sustainable and secure value for the real estate, as far as possible for the full period of the loan. In addition to the current *Verkehrswert*/market value of the real estate, past experience and a view to the future result in values set within standardised procedures, which do not reflect the exact and true value on a certain date, but much rather a secure value for the future, which serves to minimise risk. This "mortgage lending value" also serves the purpose of fulfilling the regulatory and supervisory requirements set down in order to fulfil the statutory standards for protecting the creditor. It can take the form of ranges, upper and lower limits, methodological requirements, security reductions and the requirement to take account of possible risks such as modernisation risk, which must be calculated and stated accordingly.

The requirements for determining the mortgage lending value are set down in the *Beleihungswertermittlungsverordnung* (BelWertV – mortgage lending value regulation) which came into force on 01 August 2006. The BelWertV regulation is a milestone on the path to standardised quality assurance in risk analysis of real estate securities in the lending process, as it replaces the instructions on determining value which were agreed in the past bilaterally between the supervisory authorities and banks. Under this new umbrella, the BelWertV regulation bundles the various methodological approaches formulated and agreed in the past, so that they can be further developed on this basis. The requirements set down in § 6 in particular are of interest for real estate valuers working in the financial arena. § 6 of the BelWertV regulation sets down the requirements for the valuers. Here, certification in accordance with ISO/IEC 17024 as well as the existence of special knowledge and experience in the area of mortgage lending value analysis are explicitly stated.

Certification as HypZert real estate valuer for standard properties

Since autumn 2001, HypZert has been carrying out certification which focuses on primarily residential real estate and smaller standard commercial projects in the real estate valuers' regions.

The aim is to fulfil the requirements of many real estate valuers who focus on the valuation of standardised real estate.

The following real estate types in particular do not form part of the spectrum covered by a real estate valuer for standard properties:

- Properties for which the mortgage lending value analysis would have to include a modernisation risk factor (see annex 1 BelWertV – risk of modernisation b, c, d).
- Properties for which special expertise in the area of business administration is necessary for the valuation of managed/operated real estate, e.g. industrial parks, properties used for logistics, trade, catering or leisure purposes as well as council housing, petrol stations, truck stops etc.
- Real estate portfolios

For a more precise differentiation between the two areas of certification “standard properties” and “for financial purposes”, please refer to the examination catalogue.

Certification as HypZert real estate valuer for market value analysis (national/international)

With an annual transaction volume of over 150 billion euros on the German real estate market, those concerned need timely and market-compatible information on the value of a piece of real estate in order to make their decisions. The buyers and/or sellers usually base their transactions on a “current market value”, which is represented by the “*Verkehrswert*” in Germany in accordance with § 194 BauGB (town and country planning code) and in many other countries by the “market value”.

As cross-border real estate investment has seen extremely fast growth in the past few years, the question needs to be posed as to which value is to be used when dealing with such cross-border transactions. As globalisation has also penetrated the world of real estate, there is a trend towards using internationally common valuation methods such as the investment- or DCF method – not because they are better, but because market participants in other countries are not very familiar with the German capitalised value approach. Therefore, if an investor is participating in cross border transactions, it is very important for him to be able to depend on a valuation method which is internationally recognised. The *Verkehrswert* calculated in Germany in accordance with § 194 BauGB (town and country planning code) does not fully meet this requirement.

However, other influences such as supranational laws as well as international standards and guidelines (Basel II), also make it necessary to take a detailed look at the term “market value”. Due to the introduction of the international accounting rules IAS/IFRS for all listed companies in Europe, the international real estate valuation and accounting procedures, which require statement of the market value for investment properties, are gaining in importance. Thus, it is of the essence for those working in the financial arena to become very familiar with the market value in addition to the mortgage lending value which is in the focus of lending and financing activities.

Certification as HypZert real estate valuer for property and market rating

To fulfil future requirements for more transparency, suitable tools have now been developed by the real estate and finance industry for objective assessment of the quality of properties. These tools are designed to detect special risks in detail while at the same time keeping the result transparent in order to make the risk of the property clear at a glance by allocating it to a category.

With the aid of property and market ratings, a standardised opportunities and risk evaluation is guaranteed both for individual real estate projects as well as real estate portfolios. Property and market rating is gaining increasing importance as a risk management tool in the financial arena, e.g. in risk analysis for securitisation and to support the credit analysis when granting real estate loans. Here, transparency is of the essence as it is essential for effective action that is adequate for the risk involved. However, the creditworthiness of the tenant and the borrower as well as the probability of default on the loan are not part of the property and market rating.

2 Tasks and objectives of HypZert GmbH

The result of a successfully completed certification procedure is a certificate which is issued for the respective real estate valuer. With the certificate, HypZert GmbH as an independent third party confirms the personal and professional quality of the person certified in order to build up trust on the part of customers and market participants in his competence and capability to fulfil the set tasks. Building up this trust and achieving a wider recognition of the certificate are the main objectives of HypZert GmbH. With its rules and procedures, the certification body ensures that the certified valuers fulfil the following quality criteria:

- High level of qualification and expertise
- Continuous further education
- Consistent application of the valuation methods
- Professionalism
- Fulfilment of professional principles.

HypZert GmbH is an independent and impartial body. It is committed to implementing its objectives to the highest quality levels. By documenting its objectives and internal methods and procedures in detail in a quality management manual, it ensures that its quality policy is followed, understood and implemented at all levels of the organisation. The management of the certification body uses appropriate tools to transfer the criteria and content of the quality policy to customers, employees and third-party market participants and continuously monitors the situation to ensure the policy is followed. In addition, compliance with and implementation of the quality policy is permanently monitored by way of annual audits by the respective accreditation organisation.

3 Accreditation and recognition

HypZert GmbH has proven its independence and its competence in the process of accreditation for all certification areas in accordance with ISO/IEC 17024.

In 1997, it was the first personnel certification body in this industry in Europe to be accredited by the *Trägergemeinschaft für Akkreditierung GmbH (TGA)*, Frankfurt/Main for its certification of HypZert real estate valuers for financial purposes in accordance with ISO/IEC 17024.

Also the international recognised Dutch Raad voor Accreditatie (RvA), Utrecht, confirmed the high quality of HypZert's certification schemes according to ISO/IEC 17024 by its accreditation for each of HypZert's certification areas. The accreditations were granted in autumn 2004 for the certification of HypZert real estate valuers for market valuation and followed by the certification of HypZert real estate valuers for property and market rating, HypZert real estate valuers for standard properties as well as HypZert real estate valuers for financial purposes in 2005 respectively 2006.

Leading global appraisal organisations also confirm the quality of our methods:

As of 6/6/2007 HypZert GmbH is accredited additionally for all certifications by the national approved accreditationbody DAP (German Accreditation System for Testing).

In February 2004, a cooperation agreement was made with the Appraisal Institute, Chicago, one of the world's leading organisations for real estate valuers. This agreement includes recognition on the part of the Appraisal Institute of the high quality of HypZert.

4 Legal form and independence

HypZert GmbH is a Gesellschaft mit beschränkter Haftung (GmbH). It was founded in 1996 by the Verband deutscher Pfandbriefbanken e.V. (vdp). Since 1997, the Deutsche Sparkassen und Giroverband e. V. (DSGV), the Bundesverband Öffentlicher Banken Deutschlands e.V. (VÖB), the Bundesverband deutscher Banken e.V. (BdB) and since 01 January 1999 the Verband der privaten Bausparkassen e.V. have belonged to the group of shareholders of HypZert GmbH. Recently the group of shareholders has been further extended to include the Bundesverband der Deutschen Volks- und Raiffeisenbanken e.V. (BVR).

The company is funded by fees for certification, recertification as well as for the monitoring of the certificate holders.



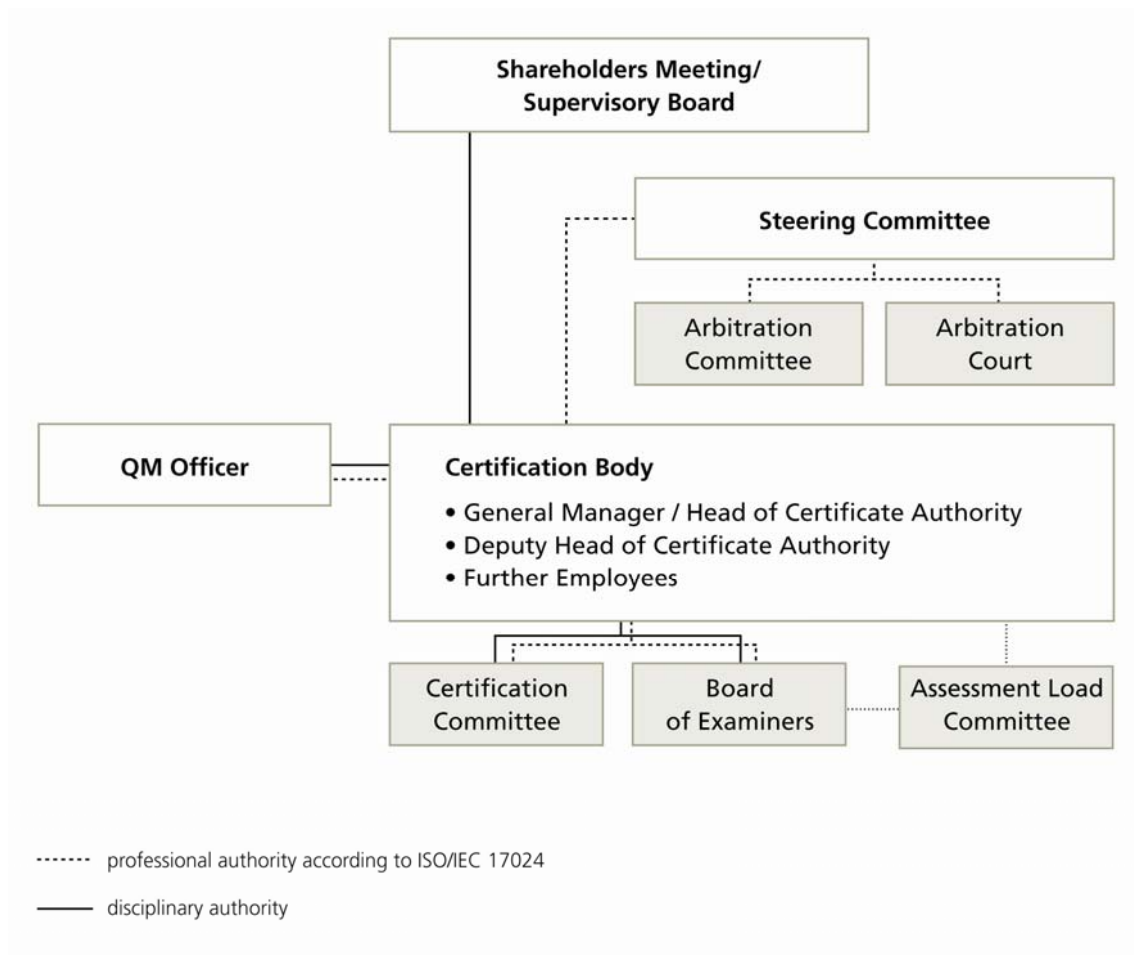
5 Organisational structure

The organisational structure of HypZert GmbH is determined by requirements based on the tasks and objectives of the certification body as well as the guidelines set down in the international standard ISO/IEC 17024.

HypZert committees include the shareholders meeting, the supervisory board as well as a steering committee. The steering committee is made up of groups with an interest in the certification system, so no individual interests would dominate.

The steering committee advises the management board on matters concerning the certification procedure and special business areas as well as on how to deal with applicants and cooperate with other bodies. The management board reports to the steering committee on how the business policy is being implemented by the certification body.

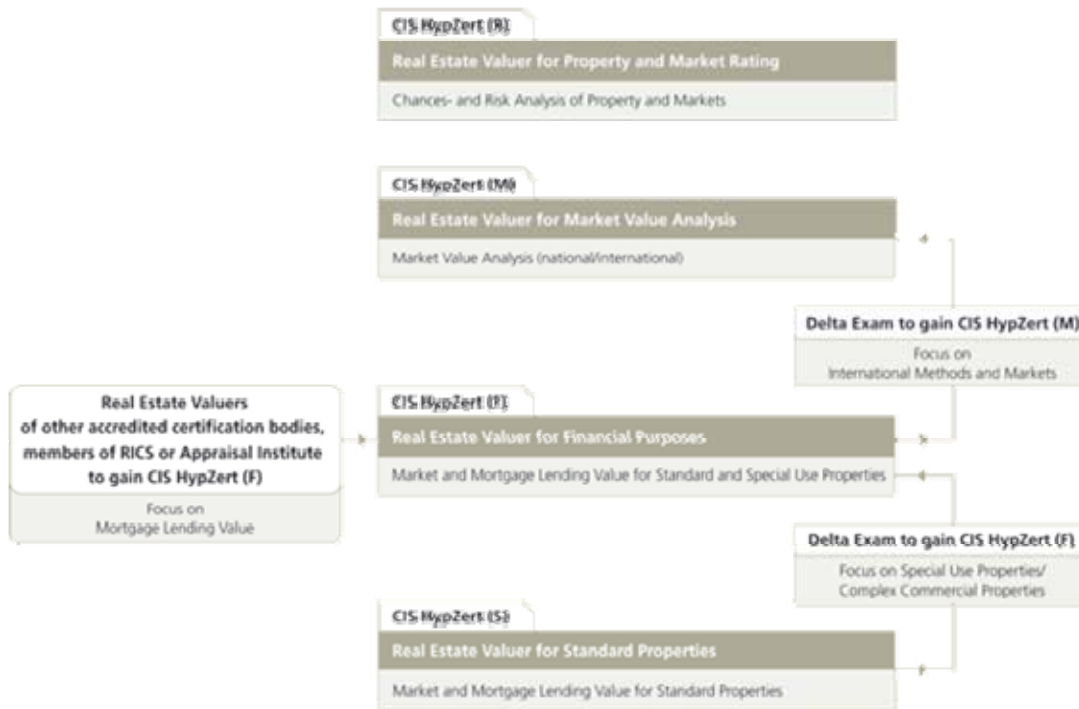
Valuers are tested by the examination committee which is made up of independent and competent experts in the area of national and international valuation. The certification committee decides on whether to grant or withdraw certificates.



Conditions for certification

6 An overview of our certifications

HypZert offers the following certifications:

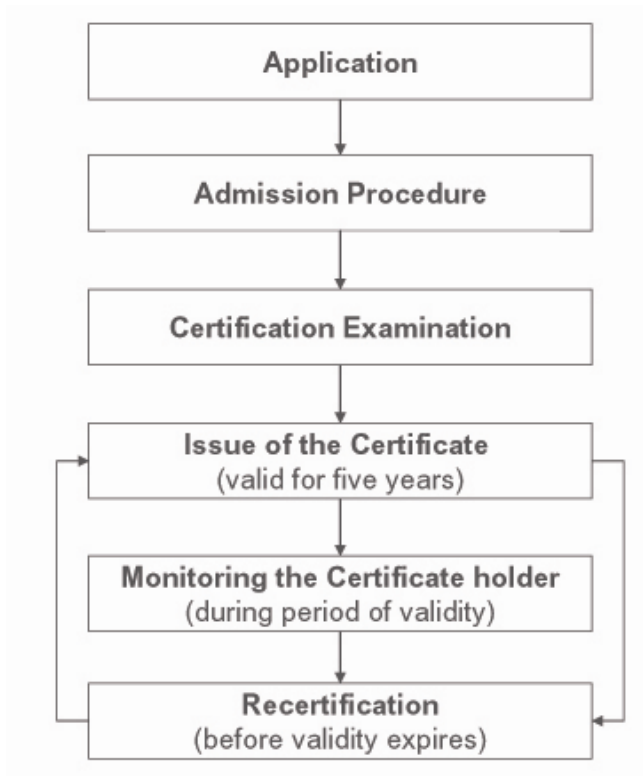


Detailed information will be provided on the following pages.

7 Certification procedure (in general)

7.1 Procedure

The certification procedure takes place as follows:



7.2 Admission requirements

To be admitted to the examination procedure, the applicant must fulfil certain admission requirements. In addition to reading and writing the German language at a good level, previous education as well as professional experience are important aspects. The individual criteria can be found in the respective certification area (see section “Special information and certification conditions”).

7.3 Application

Those who fulfil the criteria in terms of education and professional experience can submit to the certification body an application for admission to the certification examination.

The following documents are to be submitted:

- The appropriate application form completed and signed.
- Certification agreement and arbitration agreement completed and signed.
- Curriculum Vitae with photo.

- Valid police certificate of good conduct.
- A declaration by the applicant as to whether he has taken part in a certification procedure in the past five years and if so, to what level of success and with which certification body (see application form).
- Applicants with citizenship of non-German-speaking countries must provide proof that they are able to speak and write German.
- Certificates that serve to fulfil the respective admission requirements (e.g. degree or certificate of training). Only the highest level educational certificate received should be submitted. Do not submit certificates of participation in seminars!
- Proof confirming that required practical work has been carried out (proof of practical work):

If the applicant is in permanent employment, the employer must provide confirmation (see application form).

If the applicant works freelance or is self-employed, he must provide credible proof of the practical experience required. In this case, a list of appraisals already carried out may be requested.

- Depending on the certification area, a certain number of different types of anonymised (according to the bank-method, by blacking out all personal data) and signed appraisals and/or ratings which have been carried out within the past two years by the applicant personally. It is not necessary to anonymise these documents if a declaration of agreement by the persons concerned is submitted.
- Appraisals are only accepted if they are based on real properties and meet the respective appraisal/rating requirements (see annex: appraisal requirements).
- The appraisals/ratings must be submitted if the applicant is to be admitted to the examination procedure.
- N.B.: The appraisals/ratings submitted will be destroyed by the certification body one year after the applicant has passed the certification examination or at the latest after a period of five years.

The necessary application documents can be requested from the offices of HypZert GmbH or downloaded at (www.hypzert.de).

Should some documents already have been submitted to the certification body, it is not necessary to submit them again (e.g. in case of reexamination or application for other HypZert certifications), unless they have been changed in the meantime.

When legally valid application has been made, the applicant accepts the certification conditions of HypZert GmbH. The applicant undertakes to submit all documents and information required to HypZert GmbH.

7.4 Admission procedure

After submitting the application, the applicant receives confirmation of receipt of the documents.

- The application is checked. Based on the submitted documents, the certification body decides whether to approve or reject the application.

- Admission may be denied if

documents are missing

and/or

the requirements and criteria set down for admission are not fulfilled

and/or

the applicant has already failed three certification examinations according to the rules of chapter 7.5.5

and/or

the fees for the certification procedure have not been paid.

- The applicant can be granted an appropriate fixed period for submission of missing documents. On the date of admission, however, all required documents must have been made available to the certification body.

For every appraisal that shows serious deviations from the minimum requirements in terms of structure, form and content, the applicant must submit further appraisals for the same type of property on the request of the certification body.

If all documents are complete and satisfactory, HypZert GmbH will send out a confirmation of admission, an invitation to the examination as well as the invoices for payment of the application fee and if applicable, the examination fee. No bank transfer is to be made until an invoice has been received.

- Any appeal against this decision must be made within four weeks of receipt. The appeal is to be made in writing to the HypZert offices.
- To provide sufficient time for preparation for the examination, the admission procedure should be completed at least 10 weeks before the examination begins.
- If the admission requirements have been fulfilled, a date for the examination must be set as soon as possible and at the latest within one year of admission having been granted, insofar as the certification body has sufficient capacity to do this.

7.5 Certification examination

Purpose, scope and date

The objective of the certification examination is to judge whether the requirements set for the valuer are met as they are set down in the respective requirement profile.

Depending on the certification area (see section "Special information and certification conditions"), there is a written and if applicable an oral examination.

As a rule, the examinations take place once or twice a year, the dates being set at the discretion of HypZert GmbH in accordance with its capacity. For current examination dates go to (www.hypzert.de). The actual examination date and location will be sent in writing to the applicant.

Written examination

- In the written examination the applicant must prove that he can apply the usual methods to solve problems in the different areas tested within a certain period of time and with limited tools to support him.

- The examination committee determines what aids may be used. This information will be provided in writing together with the invitation to participate in the examination.
- The supervisor will provide a written record of any significant events at each written examination (e.g. withdrawal, deception on the part of an applicant etc.).
- If the applicant arrives late, no extra time will be granted. If the applicant is more than 30 minutes late, the supervisor can exclude the applicant from the examination.
- The supervisor must give permission for anyone to leave the examination room.
- The structure and duration of the written examination depends on the respective certification area.
- Severely disabled applicants may apply in writing to extend the duration of the exam by one quarter should the disability concerned justify such a measure.

- The examination committee marks the examinations. The applicant passes the written examination if he achieves a mark of at least 50% in each individual section of the examination. Over all sections of the examination he must achieve an average of at least 70%.
- The certification body informs the applicant in writing whether he has passed or failed the written examination.
- If the written examination has only been passed by a small margin, the examination committee can make the following recommendations:
 - Participation in more extensive further training in the first three years (e.g. five instead of three days a year); a recommendation may be made for the participant to take part in courses in areas where he has shown deficits

and/or

- Submission of one or more appraisals within one year of certification (possibly with a particular focus, e.g. residential, industrial valuation or a certain problematic area of valuation).

Oral examination

- In some certification areas (see section “Special information and certification conditions), an oral examination must be taken.
- Admission to the oral examination is granted after the written examination has been passed successfully.
- An examination commission of three examiners normally supervise the examination. Representatives of the certification body and the accreditation body may attend the examination.
- The examination is not open to the public. On agreement of the respective applicant and the examination commission, observers may be present at the examination.
- The examination can be carried out as an individual examination or a group examination with up to three applicants.
- The individual examination lasts 30 minutes, group examinations last 60 minutes with two participants or 90 minutes with three participants. The examination can be extended or cut short by up to five minutes.
- The areas tested are based on the certification body's examination catalogue. The questions should cover different topics from the examination catalogue.
- The main points of the examination are recorded in note form by the certification body.
- The examination commission judges the applicant's performance in the oral examination and informs the applicant of the result after the examination (pass or fail).
- The oral examination is considered passed if at least 70% of the maximum number of points possible have been achieved.

- If the written examination has only been passed by a small margin, the examination committee can make the following recommendations:

- Participation in more extensive further training in the first three years (e.g. five instead of three days a year); a recommendation may be made for the participant to take part in courses in areas where he has shown deficits

and/or

- Submission of one or more appraisals within one year of certification (possibly with a particular focus, e.g. residential, industrial valuation or a certain problematic area of valuation).

Result of certification examination

The certification examination is considered passed, if the minimum number of points required in the written and oral (if required) examination has been achieved (see sections 7.5.2 and 7.5.3). We ask for your understanding, that we will not disclose the effectively reached score.

The applicant fails the overall examination, if the written examination has not been passed due to unsatisfactory performance; in this case the applicant will not be admitted to the oral examination.

Repeating the certification examination

If a candidate passes the written examination but fails the oral examination, he can repeat the oral examination at the earliest three months after the failed oral test. He does not have to repeat the written test. The oral examination can be repeated once. The candidate must repeat the oral examination within one year of having failed it. Otherwise the pass result of the written examination is no longer valid.

If the applicant does not pass the written examination he must wait at least six months before repeating it. An application to repeat the respective examination must be made. In this case, an application form as well as a certification agreement and arbitration agreement must be submitted. The certification body has all other necessary documents; new versions must only be submitted if changes have been made in the meantime. The appraisals submitted to the certification body must be no more than two years old when the application is made for the repeat test. The certification body reserves the right to request additional documentation.

Candidates may repeat the whole examination not exceeding two times per certification type within a period of five years starting after the last failed certification examination. It is not possible to repeat the examination again within this period. It is only after this period, that an application for certification can be repeated and approved.

Default, withdrawal, deception, breach of regulations

- The certification examination is considered taken and failed if the applicant, by his own fault, does not appear for the examination or withdraws from the examination after registering.
- The certification examination is considered not taken if the applicant, after registering for the test, is not able to take it due to illness or if he cannot take the full examination due to an acute illness. The certification body may request a doctor's or medical examiner's note, stating the date of beginning and end of the illness. If the certification body accepts the reasons, a new date for the examination is set.
- The examination may be declared not passed if the applicant
 - obtained admission to the examination by devious means and/or
 - has tried to deceive or has aided in deceit and/or
 - has used inadmissible aids or help or
 - breaches the regulations during the examination and hinders the examination being carried out.
- Any alleged deficiencies in the examination procedure or the inability to take part in the examination while the examination itself is taking place must be registered immediately with the examination committee or the certification body, at the latest before the examination results are announced.

7.6 Certification and viewing of examination files

Based on the certification examination, the examination committee allocates a result (pass or fail) and then makes a recommendation to the certification committee.

After detailed assessment of the whole certification process, the certification committee will either grant or refuse certification.

On passing the certification examination, the applicant receives a certificate bearing the seal of the certification body and signed by the managing director of the certification body.

If the applicant fails the certification examination, the certification body informs the applicant of this fact in writing, enclosing details of the requirements and deadlines for a repeat test.

After the failed certification process has been completed, the applicant may apply informally to view his examination work. This application must be made within one year of the written announcement of the examination results by the certification body. The managing director of the certification body then coordinates the location and time for viewing with the examiners.

7.7 Invalidity of certification examination

If the applicant has cheated at an exam and if this fact is only discovered after the certificate has been issued, the examination committee must declare the examination failed after the fact.

If the requirements for admission to an examination have not been fulfilled, without any intent to deceive on the part of the applicant, this deficiency will be ignored if the applicant passes the exam.

If the applicant has gained admission by intentionally deceitful means, and has passed the examination and received the certificate, the examination will be declared failed.

If the examination is declared failed, the incorrect certificate must be taken back. The applicant must be removed from the list of certified valuers issued.

7.8 Certificate, logo regulations

Period and scope of validity

Certificates issued are valid for five years, calculated as of the date of issue. The certificate is only valid for the respective area of expertise. The certificates are issued on an individual basis and are not transferable.

Use of certificate, stamp and logo

The holder of the certificate undertakes to restrict use of the certificate, stamp and logo of the certification body to the extent set down in the logo regulations. The holder of the certificate must return the certificate and/or the stamp immediately after the period of validity of the certificate and/or the stamp comes to an end.

The certification stamp (= stamp) of HypZert GmbH, which is provided to the certified valuer may not be replaced by a self-made stamp. If the stamp is lost or damaged, a new stamp must be ordered directly and exclusively from HypZert GmbH.

Logo regulations

- Name and address of logo holder

HypZert GmbH, headquartered in Berlin, is the owner of the following sign.



- Users of sign

Users of the logo are real estate valuers certified by HypZert GmbH.

- Granting of right to use logo

HypZert GmbH allows the logo user to exclusively use the logo shown above in accordance with the logo regulations. The logo user ensures that use of the logo for advertising purposes or other events is in accordance with the logo regulations as well as the corporate design guidelines of HypZert GmbH. The logo user is solely responsible for the use of the logo, in particular for advertising purposes.

- Shape, size, minimum spacing, background and colour of logo

The shape and structure of the logo are precisely defined. The logo as a whole and its individual parts must always be maintained and may not be modified. The logo has a specially developed typeface which must always be used and it may not be "imitated" by using existing typefaces. It may only be used in the form provided.

The logo must be easy to read and clearly visible. When used it must be set at a minimum distance from other elements. This distance is based on two thirds of the height of the upper-case letters of the typeface.

The HypZert logo in colour should not be reproduced on other coloured surfaces, photographs or other graphical structures. White should be used as the background colour. The logo should be rendered in two colours (red = HKS 14, C0 M100 Y100 K0, RAL 3020; grey = Pantone 424, C0 M0 Y0 K60); in black-and-white print the logo is rendered in 100 percent black. If the background is 100 percent red or grey (logo colours) the word mark may only be used in negative white.

- Note on certification area

The logo may only be used in combination with the title awarded in the respective certification area and/or the abbreviation CIS HypZert (...).

- Suspension and revocation of certification

If certification is suspended or revoked in accordance with the regulations of HypZert GmbH, the logo user loses his right to use the logo. In such cases the logo user may use existing documents, media etc. featuring the logo for a maximum period of four weeks after the suspension or revocation of the certification has come into force.

- Other loss of right to use logo

The right to use the logo ceases automatically when the period of validity of the certificate ends, unless recertification has been applied for in due time before the validity period ends. If the right to use the logo ceases, the logo user may use existing documents, media etc., which feature the logo, for a maximum period of four weeks after the suspension or revocation of the certification has come into force.

- Changes

HypZert GmbH will inform the logo user immediately should there be any changes to the typeface. A letter, e-mail or information on the Internet at www.hypzert.de will suffice for this purpose.

8 Monitoring the certificate holder

During the validity period of the certificate, the certificate holder is subject to ongoing monitoring by the certification body. He must prove on a regular basis that his qualification is up to date by submitting documentation on participation in further training measures. In addition, the certification body requires submission of appraisals/ratings so that it can check for compliance with set quality standards.

The following is obligatory

Annual **further training of at least three days** in specialised further training courses. In addition, intensified further training may be recommended or prescript within the framework of the initial or recertification process.

These further training courses must cover content specific to the area of activity of the real estate valuer and the respective certification area.

The certified valuer must keep a record of the continuing and further training courses he has participated in. This record must be submitted to the certification body once a year, as a rule on request (list of courses attended with location, date, time, topic, and trainer). The certification body carries out regular random tests by requesting the original copies of the seminar certificates.

At least **three anonymised appraisals in a complexity that is customary in banking, carried out by the valuer himself** for each certification area, on request of the certification body. In addition, further appraisals may be requested or prescript within the framework of the initial or recertification process.

The Appraiser is responsible for seeing that the appraisals meet the property types requested in first time certification.

Within the validity period of the certificate, the certification body will request appraisals at least twice. All appraisals must receive a positive assessment. If this condition is not fulfilled, the certified valuer will be requested to take corrective action. We refer to the appraisal requirements in the annex. In special cases, a control audit may take place on site.

If there are deficiencies (insufficient further training, quality deficiencies in the appraisals etc.), the certification body will call upon the holder of the certificate (a maximum of two times and by a set deadline) to eliminate these deficiencies. If the deficiencies are not eliminated by the set deadline, the certification body will take necessary action to eliminate them (see section 10). In addition, further control audits may be carried out by examiners to be named by HypZert, in order to ensure that the certification conditions are being fulfilled. The control audit entails a random examination of appraisals as well as of the methods used by the certificate holder when compiling a valuation in practice. The result of the control audit is documented in an audit report. If there are deficiencies, the certificate may be revoked by the certification committee.

In case of maternity or parental leave etc., the certificate may be suspended at a maximum until the end of the validity period of the certificate. In the first year after suspension, the certification body may request intensified further training (up to two additional days) and/or submission of additional appraisals.

During suspension the certificate holder will be removed from the list of certified valuers. The certification stamp and title may not be used in the meantime. There is no monitoring fee during the period of suspension.

9 Recertification

Recertification extends the validity period of the certificate by another five years.

The main precondition for participation in a recertification examination is a positive assessment of the certificate holder during the ongoing monitoring process, i.e. full proof of further training each year and a positive assessment of the appraisals requested as well as a positive assessment by any control audit carried out.

Recertification must be applied for at the latest three months before validity of the certificate comes to an end. The certification body then fixes a date for an interview with the certified valuer, which will be along the lines of the oral certification examination and in which the valuer must prove that his level of expertise is in accordance with the current status in the area certified.

The recertification examination takes 30 minutes. If the examinee holds several certificates, the duration of the examination is extended by 15 minutes per additional certificate.

The interview will deal with any new developments affecting the area certified, in accordance with the examination catalogue, as well as general valuation methods and the appraisals submitted during the ongoing monitoring process.

The appraisals that are to be submitted are specified in section 8. They should refer to the property types requested in first time certification. A site plan as well as photos of the property are to be attached. Appraisers with a CIS HypZert (F) certificate are obliged to provide a commercial real estate.

- The main points of the examination are recorded in note form by the certification body.
- The examination commission judges the applicant's performance in the oral examination and informs the applicant of the result after the examination (pass or fail).

If the oral examination has only been passed by a small margin, the examination committee can make the following recommendations and request additional documents:

Recertification reduced to one year

and/or

Submission of one or several appraisals (if applicable with a focus on a particular aspect of valuation)

and/or

Repeat examination (oral interview) at the latest after one year, whereby the applicant is not admitted to the examination until the new appraisals submitted are without deficiencies.

If the examination was judged "not passed", a repetition of the examination may be applied for. For this purpose, the applicant must submit another application as well as two appraisals (the afore mentioned rules shall apply). The examination may be repeated only once and it must be held within one year after not passing.

After the repeat examination has been passed, the period is extended by the remaining four years.

10 Disciplinary measures

If a certificate holder breaches the rules of the certification body or does not fulfil the requirements made upon certified valuers in some other way (e.g. misuse of competence certificates), this must be followed up on by the certification body and its committees.

The certification body reports any breaches or similar issues to the certification committee.

The certification committee assesses how serious the breach is and its offices request a statement from the certified person.

Depending on how serious the breach is, the certification committee will carry out the following measures:

- Warning
- Suspension of certification (withdrawal)
- Revocation of certification (annulation)

Suspension (withdrawal) and revocation (annulation) of certification must be announced within one month. The person concerned must be removed from the list of certified valuers.

11 Professional principles

The professional principles regulate the behaviour of the certified valuers in their relations with clients, interested parties, employees, applicants, suppliers, associations and the public.

The certified valuers undertake to follow these principles. They sign a separate agreement stating that they will submit to the certification body's arbitration court in case of dispute.

Certified valuers can also be in permanent employment. Valuers working in valuation departments in credit and insurance companies must also follow the professional principles in their relations with internal clients (e.g. credit department of a bank).

Valuers in permanent employment are bound by these instructions in carrying out their professional activities, in particular in the process of valuation. The employer's authority to give disciplinary instructions is not, of course, affected by these professional principles. This is also true for principles specific to the industry, such as banker's discretion, compliance etc.

■ Behaviour

Always act in accordance with the professional principles.

Valuers must behave and carry out their work in such a way that the image of valuers certified by the certification body is not damaged.

There should be no disparagement of certified valuers as a profession.

■ Personal situation

Steady financial situation.

■ Commitment

Valuers commit to compiling appraisals to the best of their ability and in accordance with the statutory regulations, ordinances and instructions that are valid for the respective client.

Competence and professionalism

Jobs may only be carried out for which the valuer has the necessary skills, expertise and experience.

Certified valuers participate in regular further training.

Valuers submit realistic quotations in terms of service provided, deadlines and costs.

■ Objectivity, neutrality, responsibility

Certified valuers are basically responsible for their own work and do not accept any restriction of their independence in carrying out their professional activities.

Valuations are carried out objectively and to the best of the valuer's ability.

Certified valuers respect their employees' commitment to carrying out their professional activities independently.

■ Confidentiality

Compliance with data protection requirements and banker's discretion (under public-law, criminal law, in-company).

All internal procedures, information and data which the valuer becomes familiar with while carrying out his professional activities will be treated confidentially.

The data will only be used for the commissioned appraisal.

Documentation relating to the job will not be passed on to third parties and will be returned to the client after the project has been completed.

Lists of clients may be published, if the client agrees to this in writing.

Compliance guidelines of the credit- and insurance industry are to be followed.

■ Conflicts of interest

In the case of conflicts of interest, the client must immediately be provided with all relevant facts in writing.

Such a job may be carried out, only after the client has been provided with detailed written information of a conflict of interests, and has, in spite of this fact, insisted on the job being carried out, and has confirmed this in writing.

If a conflict of interests occurs while an appraisal is being carried out, the client must be informed immediately in writing and the valuer must offer to abort the job.

■ Pricing and fees

Fees for valuations are calculated in such a way that they are in accordance with the type and scope of the work carried out and are agreed with the client before commencement of work.

No remuneration may be made above and beyond the agreed fee.

■ It is forbidden to contract people away

Certified valuers will neither directly nor indirectly offer employment at their company or at other companies to employees of their clients.

For reasons of maintaining objectivity, it is expected of certified valuers and their employees that they will not negotiate employment with clients while working with them.

It is expected of clients that they will not contract away employees of the certified valuer while they are working together.

■ Appraisals for several clients forbidden

The certified valuer may not work on one property for several clients at the same time unless this has been expressly agreed to in writing by all clients.

■ Fair competition and professional advertising

Respect for the intellectual property rights of others and use of such material only if source is stated.

To maintain independence and for reasons of fair competition, no unpaid services may be rendered in advance, with the exception of compiling and submitting quotations.

Certified valuers carry out advertising in a professional way and present their qualifications only with reference to their skills and experience.

■ Obligation to keep records and documents, complaints

The valuer must keep a record of all appraisals he has been commissioned to carry out, this record must state the following:

Name of client

Date commissioned

Subject matter of job

Either the date the appraisal was compiled or the reason why the appraisal was not carried out.

If applicable any complaints about the work of the valuer or the appraisal services provided.

The valuer must keep the following documents safe during the validity period of the certification agreement as well as for at least one year after it has come to an end: Regardless of this, the period of safekeeping ends at the end of the sixth calendar year after the year in which the records or documents were made:

a.m. record of client and commission

a complete copy of the written appraisal

other written documents which are relevant to the valuer's professional work.

For valuers in permanent employment, it suffices for the employer to safe keep these documents. The storage of documents through valuers who are not employed by the remitter is only possible, if the valuer secures, that he can reach those documents as long as they are stored and are actually available in an appropriate time - not longer than ten working days - for the valuer.

The valuer must keep a record of all complaints made against him within the area of application of the certificate issued.

■ Obligation to report to and inform certification body

All certified valuers forward to the certification body business information which is important for the administrative offices of the certification body and for ensuring that the rules are complied with by the certified person, unless this would breach banker's discretion or similar regulations.

Certified valuers must provide comprehensive information to the certification body. Information must be provided within four weeks of the certification body requesting it. The certification body must be informed of changes to a current investigation method at the latest seven days after the change has been made.

■ Monitoring and penalties

The certification body ensures that the professional principles are complied with.

The certification body must only follow up on claims of breach of these professional principles if the claimant can provide proof.

If the professional principles are breached, the certification body should react by providing the necessary information and implementing step-by-step penalties.

■ Obligation to notify

The certified valuer must inform HypZert immediately of the following:

Change of office address

Change of residence

If he takes up self-employment as a valuer

If he signs an employment contract

If he loses the certificate

If he makes an affirmation under oath pursuant to § 807 ZPO (code of civil procedure) and a warrant for arrest is issued to force affirmation under oath pursuant to § 901 ZPO

If he applies for insolvency proceedings for his assets or the assets of a trading company he is managing director or shareholder of, the opening of such proceedings, and the rejection of insolvency proceedings because of insufficient assets.

Introduction of criminal investigation proceedings as well as conviction due to a crime or offence.

If another certificate from a certification body lapses in accordance with the TGA regulations for certification of valuers for property valuation and/or if a public appointment and oath lapses, also stating the main reason for this.

12 Impartiality, principle of equality

HypZert GmbH undertakes to be impartial in all of its activities. All applicants for certificates will – without having seen the person – be subject to the same procedure and will be certified in accordance with uniform rules and principles.

13 Confidentiality

All information about the applicant as well as information from the certification procedure will be treated with absolute confidentiality by HypZert GmbH, its committees, employees and contractors and will only be used within the framework of the tasks of the certification body. No information will be passed on to third parties, unless statutory stipulations state the contrary. The only exception to the confidentiality clause are statistical calculations as well as the publication of the name of the current certificate holder by HypZert GmbH.

14 Complaints

Any complaints concerning processing of applications, examination, granting of certificate or other activities of the certification body must be addressed in writing by the applicant or the certificate holder directly to the offices of HypZert GmbH within four weeks of the decision having been announced. Within two weeks of receipt, the complaint will be forwarded by the steering committee to the arbitration committee (and if necessary then to an arbitration court). Decisions made by the arbitration court are binding and oust the jurisdiction of the courts. A certificate is not recoverable at law, recourse to the courts is excluded.

15 Prices

The prices for activities carried out within the framework of the certification process are set down in the respective price list for HypZert GmbH (see annex).

16 Publications, announcements

Publication of certificate holders

HypZert GmbH always maintains an updated list of certificate holders. This is published regularly and can be made available on request.

Announcements to certificate holders

The currently valid version of the certification conditions, the examination catalogue, the price list as well as other information relevant to the certified valuers are available on the homepage of the certification body (www.hypzert.de).

Special information and certification conditions

17 Information and certification conditions for HypZert real estate valuers for standard properties – CIS HypZert (S)

17.1 Requirement profile

To work as a HypZert real estate valuer for standard properties, the certificate holder must

- have knowledge of the structure and functioning of the real estate market (prices, costs, rents, leases etc.)
- be able to assess the development of the property, rent, construction and capital markets and in particular the local supply and demand situation as well as trends in development
- have knowledge of the economic impact of rights and burdens on properties (under private and public law) as well as how to treat them in terms of evaluation
- have mastered the relevant theory of financial, statistical and economic rent methods
- have mastered the methods of market, location and returns analysis
- have basic knowledge of valuation-related business administration (balance sheet and accounting principles, principles of construction financing etc.)
- have valuation-related technical knowledge
- know about ground conditions, including contamination, structural design and statics; construction methods and procedures; construction materials, characteristics and application; relevant standards and technical regulations; procedures and criteria to identify and eliminate construction damage and deficiencies.
- have knowledge of public planning, construction and ground law as well as valuation law (calculation of market value and *Verkehrswert*, calculation of mortgage lending value and insurance value)
- know the relevant parts of the civil code including the ancillary laws, public and private law concerning the respective interests of neighbours, land register and ground register law and real-estate-relevant fiscal law.
- know the main statutory stipulations and regulations concerning residential real estate
- know the valuation procedure and have mastered its application
- have knowledge of the main framework conditions of the national (bank) supervisory authorities and Basel II
- be able to assess and explain which procedure is needed for which purpose (*Verkehrswert*/market value, mortgage lending value, insurance value) when valuing a certain property and what information this procedure provides in terms of, for example, results in conformity with the market or eligibility of securities (and other investments) for the investment of funds set aside as capital reserves.
- be able to compile and complete appraisals correctly
- have knowledge of liability and third-party insurance for surveyors as well as of managing and organising a surveyor's office.

17.2 Admission requirements

The applicant must fulfil one of the following criteria in order to be admitted to the certification examination for HypZert real estate valuer for standard properties:

➤ University degree

Degree from a generally recognised **third-level college** or **university of applied sciences**, e.g. in architecture, civil engineering, geodetic surveying, geography, surveying, law or economics

and

at least **three years** work experience in real estate,
of which **three years** in real estate valuation
within the **five years** before application

➤ Practitioner

Applicant with years of experience i.e.

at least **eight years** work experience in real estate,
of which **five years** in real estate valuation
within the **ten years** before application

Practical experience in real estate as mentioned above means a person's main professional activity i.e. intensive practical work in the area of valuation of developed and undeveloped properties and similar property leasehold rights and property rights. The practical work must be such that the basic knowledge of economics, technology, law and other areas named in the examination catalogue is learned. Appropriate areas would be in particular broker, property developer, project developer, facility and real estate administration, credit and insurance, as long as this work is related to real estate or the construction financing activities of a company, real estate companies, real estate funds etc.

Up to one year of an apprenticeship completed in the area of property valuation can be counted as part of this practical experience. Completed apprenticeships that would be recognised include in particular those in the areas of architecture, construction technician, surveyor, real estate, business administration, credit and insurance as well as administrative apprenticeships.

17.3 Appraisals to be submitted for admission

When applying, in addition to the documents listed in Section 7.3, the applicant must provide anonymised copies of three mortgage lending value analyses of at least the following property types:

Valuation of a single family house or a duplex

Valuation of a condominium

Valuation of an apartment block or valuation of a property used for mixed purposes

At least one of the above mentioned appraisals must refer to properties or similar property leasehold rights for which there is an encumbrance or tax relief which would affect the value (e.g. apartment law, ground servitude, usufructuary right, realty charge, ground rights) or an encumbrance or tax relief under public law (e.g. public land charge).

In addition, all of the above mentioned appraisals must also state a market value (understandable, calculated pursuant to § 16 PfandBG or plausibilised).

17.4 Certification examination

Certification as HypZert real estate valuer for standard properties entails a written examination.

Structure and duration of written examination

Part I: Two value appraisals (market/mortgage lending value), one of which is mainly residential and the other a standard commercial case. The applicant receives an oral description of the property, and maybe some other documents (plans etc.) as well as a valuation form.

Duration: two hours.

Part II: Plausibility test of an incorrect mortgage lending value analysis based on instructions provided.

Duration: one hour.

We would like to point out that Part II of the examination (plausibility test) can also be marked with minus points. This is the case if statements which are clearly correct are identified as being incorrect.

Part III: Answering of individual questions on various topics from the examination catalogue; one-third of the questions may be multiple choice. The applicant receives approximately 10 to 15 individual questions (divided into the areas and degrees of difficulty of the examination catalogue).

Duration: two hours.

The total duration of the written examination can be extended by up to 15 minutes if necessary in individual cases. This must be announced before the written examination begins.

The a.m. stipulations as set down in Section 7.5 apply.

17.5 Title

On successful completion of the certification procedure the following title is awarded:

HypZert real estate valuer for standard properties

In addition, the certified valuer may use the abbreviation

“CIS HypZert (S)”

This abbreviation may be printed, for example, on business cards after the person's university title.

The a.m. stipulations as set down in Section 7.8 apply.

18 Information and certification conditions for HypZert real estate valuers for financial purposes - CIS HypZert (F)

18.1 Requirement profile

To work as a HypZert real estate valuer for financial purposes, the certificate holder must

- have knowledge of the structure and functioning of the real estate market (prices, costs, rents, leases etc.)
- be able to assess the development of the property, rent, construction and capital markets and in particular the local supply and demand situation as well as trends in development
- have knowledge of the economic impact of rights and burdens on properties (under private and public law) as well as how to treat them in terms of evaluation
- have mastered the necessary theory of financial, statistical and economic rent methods
- have mastered the methods of market, location and returns analysis
- have basic knowledge of valuation-related business administration (balance sheet and accounting principles, principles of construction financing etc.)
- have special expertise in the area of business administration for the valuation of managed/operated real estate
- have valuation-related technical knowledge
- know about ground conditions, including contamination, structural design and statics; construction methods and procedures; construction materials, characteristics and application; relevant standards and technical regulations; procedures and criteria to identify and eliminate construction damage and deficiencies.
- have knowledge of public planning, construction and ground law as well as valuation law (calculation of market value and *Verkehrswert*, calculation of mortgage lending value and insurance value)
- know the relevant parts of the civil code including the ancillary laws, public and private law concerning the respective interests of neighbours, land register and ground register law and real-estate-relevant fiscal law.
- know the main statutory stipulations and regulations concerning residential real estate
- have knowledge of the main framework conditions of the national (bank) supervisory authorities and Basel II
- know the main aspects of valuing real estate portfolios (framework conditions, valuation design etc.) and be able to compile and plausibilise these in accordance with the usual methods (aggregated individual valuation, package valuation, mass valuation, desktop valuations)

- know the principles of project development which are relevant to valuation
- have knowledge of how to value special properties
- know the valuation procedure and have mastered its application
- be able to assess and explain which procedure is needed for which purpose (*Verkehrswert*/market value, mortgage lending value, insurance value) when valuing a certain property and what information this procedure provides in terms of, for example, results in conformity with the market or eligibility of securities (and other investments) for the investment of funds set aside as capital reserves.
- be able to compile and complete appraisals correctly
- have knowledge of liability and third-party insurance for surveyors as well as of managing and organising a surveyor's office.
- have knowledge of special regulations in the area of real estate fiscal law as well as year-end closing
- have mastered special methods of analysing the income and cost situation of (managed) real estate and of calculating the profitability of land use zoning (incl. use of buildings) and potential use.

18.2 Admission requirements

The applicant must fulfil one of the following criteria in order to be admitted to the certification examination for HypZert real estate valuer for financial purposes

➤ University degree

Degree from a generally recognised **third-level college** or **university of applied sciences**, e.g. in architecture, civil engineering, geodetic surveying, geography, surveying, law or economics

and

at least **five years** work experience in real estate,
of which **three years** in real estate valuation
within the **eight years** before application

➤ Practitioner

Applicant with years of experience i.e.

at least **eight years** work experience in real estate,
of which **five years** in real estate valuation
within the **ten years** before application

Practical experience in real estate as mentioned above means a person's main professional activity i.e. intensive practical work in the area of valuation of developed and undeveloped properties and similar property leasehold rights and property rights. The practical work must be such that the basic knowledge of economics, technology, law and other areas named in the examination catalogue is learned. Appropriate areas would be in particular broker, property developer, project developer, facility and real estate administration, credit and insurance, as long as this work is related to real estate or the construction financing activities of a company, real estate companies, real estate funds etc.

Up to one year of an apprenticeship completed in the area of property valuation can be counted as part of this practical experience. Completed apprenticeships that would be recognised include in particular those in the areas of architecture, construction technician, surveyor, real estate, business administration, credit and insurance as well as administrative apprenticeships.

18.3 Appraisals to be submitted for admission

When applying, in addition to the documents listed in Section 7.3, the applicant must provide anonymised copies of three mortgage lending value analyses of at least the following property types:

Valuation of an apartment block or valuation of a property used for mixed purposes

Valuation of two commercially used business, industrial or mixed-use properties, of which at least one must be a managed/operated property such as a trading property, leisure property, hotel or nursing home.

At least one of the above mentioned appraisals must refer to properties or similar property leasehold rights for which there is an encumbrance or tax relief which would affect the value (e.g. apartment law, ground servitude, usufructuary right, realty charge, ground rights) or an encumbrance or tax relief under public law (e.g. public land charge).

All of the above mentioned appraisals must also state a market value (understandable, calculated pursuant to § 16 PfandBG and/or plausibilised).

18.4 Certification examination

Certification as HypZert real estate valuer for financial purposes entails a written and an oral examination.

Structure and duration of written test

Part I: Two mortgage lending value appraisals, one of which is a mixed-use property as well as (mainly) commercial property (incl. special properties).

The applicant receives an oral description of the property, and maybe some other documents (plans etc.) as well as a valuation form.

Duration: two hours.

Part II: Plausibility test of an incorrect mortgage lending value analysis based on instructions provided.

Duration: one hour.

We would like to point out that Part II of the examination (plausibility test) can also be marked with minus points. This is the case if statements which are clearly correct are identified as being incorrect.

Part III: Answering of individual questions on various topics from the examination catalogue; one-third of the questions may be multiple choice. The applicant receives approximately 10 to 15 individual questions (divided into the areas and degrees of difficulty of the examination catalogue).

Duration: two hours.

The total duration of the written examination can be extended by up to 15 minutes if necessary in individual cases. This must be announced before the written examination begins.

The a.m. stipulations as set down in Section 7.5 apply.

18.5 Title

On successful completion of the certification procedure the following title is awarded:

HypZert real estate valuer for financial purposes

In addition the certified valuer may use the abbreviation
“CIS HypZert (F)”

This abbreviation may be printed, for example, on business cards after the person’s university title.

The a.m. stipulations as set down in Section 7.8 apply.

19 Information and certification conditions for HypZert real estate valuers for market value analysis - CIS HypZert (M)

19.1 Requirement profile

To work as a HypZert real estate valuer for market value analysis, the certificate holder must

- know the main requirements set by the increasingly international real estate business
- know the main statutory framework conditions for the valuation of real estate in Germany, e.g. BauGB, WertV, WertR, BauNVO etc.
- know the main statutory framework conditions and corresponding sets of regulations (valuation standards) of international valuation associations and valuation organisations for setting standards (TEGoVA, IVSC, Appraisal Institute, RICS etc.)
- know the main national and international market value terminology and market value derivatives (in accordance with IVS, EVS, RICS Appraisal and Valuation Manual/Red Book, BauGB/WertV etc.)
- know the standardised national and international procedures and commonly used non-standardised procedures (comparative value, asset value, capitalised value methods, residual value method, discounted cash flow method, Anglo-Saxon investment method)
- be able to carry out plausibility tests of appraisals compiled in accordance with the respective national and international methods (essential characteristics of real estate markets, value terminology and definitions, planning and construction law, focus on the countries GB, F, NL, USA, ESP)
- be able to compile market value analyses according to national (German) regulations
- be able to compile market value analyses according to international methods
- be able to carry out market value analyses within the framework of balance sheet property valuation
- know standard requirements, international standards and requirements of the capital market and/or the investor, relevant standards and the methods they require (IAS 2, IAS 11, IAS 16, IAS 17, IAS 36, IAS 40/IFRS), classification and allocation to the relevant standards (IAS 2, IAS 11, IAS 16, IAS 17, IAS 36, IAS 40)
- have knowledge of the main framework conditions of the national (bank) supervisory authorities and Basel II
- know the main aspects of valuing real estate portfolios (framework conditions, valuation design etc.) and be able to compile and plausibilise these in accordance with the usual methods (aggregated individual valuation, package valuation, mass valuation, desktop valuations)

- have knowledge of securitisation of mortgage debts pursuant to TEGoVA standards.

19.2 Admission requirements

The applicant must fulfil one of the following criteria in order to be admitted to the certification examination for HypZert real estate valuer for market value analysis

➤ University degree

Degree from a generally recognised **third-level college** or **university of applied sciences**, e.g. in architecture, civil engineering, geodetic surveying, geography, surveying, law or economics

and

at least **five years** work experience in real estate,

of which **three years** in real estate valuation, of which at least one year in valuation of real estate in other countries in accordance with international methods or the national methods used in the respective countries.

within the **eight years** before application

➤ Practitioner

Applicant with years of experience i.e.

at least **eight years** work experience in real estate,

of which **five years** in real estate valuation, of which at least one year in the valuation of real estate in other countries in accordance with international methods

within the **ten years** before application

Practical experience in real estate as mentioned above means a person's main professional activity i.e. intensive practical work in the area of valuation of developed and undeveloped properties and similar property leasehold rights and property rights. The practical work must be such that the basic knowledge of economics, technology, law and other areas named in the examination catalogue is learned. Appropriate areas would be in particular broker, property developer, project developer, facility and real estate administration, credit and insurance, as long as this work is related to real estate or the construction financing activities of a company, real estate companies, real estate funds etc.

Up to one year of an apprenticeship completed in the area of property valuation can be counted as part of this practical experience. Completed apprenticeships that would be recognised include in particular those in the areas of architecture, construction technician, surveyor, real estate, business administration, credit and insurance as well as administrative apprenticeships.

19.3 Appraisals to be submitted for admission

When applying, in addition to the documents listed in Section 7.3, the applicant must provide anonymised copies of three mortgage lending value analyses of at least the following property types:

Valuation of an apartment block or valuation of a property used for mixed purposes

Valuation of two commercially used business, industrial or mixed-use properties, of which at least one must be a managed/operated property such as a trading property, leisure property, hotel or nursing home.

At least one of the above mentioned appraisals must refer to properties or similar property leasehold rights for which there is an encumbrance or tax relief which would affect the value (e.g. apartment law, ground servitude, usufructuary right, realty charge, ground rights) or an encumbrance or tax relief under public law (e.g. public land charge).

Please note that at least the appraisals or plausibility reports must be in accordance with internationally acknowledged valuation methods or must refer to a property abroad.

19.4 Certification examination

Certification as HypZert real estate valuer for market value analysis entails a written and an oral examination.

Structure and duration of written test:

Part I: Two market value appraisals, one of which is carried out in accordance with internationally recognised valuation methods. The applicant receives an oral description of the property, and maybe some other documents (plans etc.) as well as a valuation form.

Duration: two hours.

Part II: Plausibility test of an incorrect market value analysis based on instructions provided.

Duration: one hour.

We would like to point out that Part II of the examination (plausibility test) can also be marked with minus points. This is the case if statements which are clearly correct are identified as being incorrect.

Part III: Answering of individual questions on various topics from the examination catalogue; one-third of the questions may be multiple choice. The applicant receives approximately 10 to 15 individual questions (divided into the areas and degrees of difficulty of the examination catalogue).

Duration: two hours.

The total duration of the written examination can be extended by up to 15 minutes if necessary in individual cases. This must be announced before the written examination begins.

The a.m. stipulations as set down in Section 7.5 apply.

19.5 Title

On successful completion of the certification procedure the following title is awarded:

HypZert real estate valuer for market value analysis
(national/international)

In addition the certified valuer may use the abbreviation

“CIS HypZert (M)”

This abbreviation may be printed, for example, on business cards after the person's university title.

The a.m. stipulations as set down in Section 7.8 apply.

20 Information and certification conditions for HypZert real estate valuers for property and market rating - CIS HypZert (R)

20.1 Requirement profile

To work as a HypZert real estate valuer for property and market rating, the certificate holder must

- have knowledge of the principles and objectives of ratings
- have knowledge of the equity regulations for credit institutes, in particular Basel I und II, standard approach, internal rating approach (basic approach, advanced approach)
- have knowledge of rating tools for objective evaluation of the quality of properties
- be able to carry out an opportunities and risk analysis of individual properties, real estate projects and real estate portfolios
- know the rating criteria, e.g. market, location, property, quality of cash flow, development risks and opportunities, and the standards used to measure whether they qualify
- be able to compile a property and market rating based on a valuation
- know the methods used for property and market rating and their analyses.

20.2 Admission requirements

The applicant must fulfil one of the following criteria in order to be admitted to the certification examination for HypZert real estate valuer for property and market rating:

- University degree

Degree from a generally recognised **third-level college** or **university of applied sciences**, e.g. in architecture, civil engineering, geodetic surveying, geography, surveying, law or economics

and

at least **five years** work experience in real estate,

of which **three years** in real estate valuation, of which at least **one year** must have been spent gaining practical experience in opportunities and risk analysis (property and market rating)

within the **eight years** before application

- Practitioner

Applicant with years of experience i.e.

at least **eight years** work experience in real estate,

of which **five years** in real estate valuation, of which at least **one year** must have been spent gaining practical experience in opportunities and risk analysis (property and market rating)

within the **ten years** before application

As proof of expertise in valuation either a corresponding certificate must be provided which is in accordance with ISO/IEC 17024, e.g. CIS HypZert (F), or proof of public appointment and official authority to value developed and undeveloped properties, or proof of membership of the Royal Institution of Chartered Surveyors or the Appraisal Institute.

Practical experience in real estate as mentioned above means a person's main professional activity i.e. intensive practical work in the area of valuation of developed and undeveloped properties and similar property leasehold rights and property rights. The practical work must be such that the basic knowledge of economics, technology, law and other areas named in the examination catalogue is learned. Appropriate areas would be in particular broker, property developer, project developer, facility and real estate administration, credit and insurance, as long as this work is related to real estate or the construction financing activities of a company, real estate companies, real estate funds etc.

Up to one year of an apprenticeship completed in the area of property valuation can be counted as part of this practical experience. Completed apprenticeships that would be recognised include in particular those in the areas of architecture, construction technician, surveyor, real estate, business administration, credit and insurance as well as administrative apprenticeships.

20.3 Appraisals to be submitted for admission

When applying, in addition to the documents listed in Section 7.3, the applicant must provide anonymised copies of at least three property and market ratings of at different property types, including the corresponding market value analyses.

20.4 Certification examination

Certification as HypZert real estate valuer for property and market rating entails a written examination.

Structure and duration of written test:

Part I: Property and market rating based on a market value analysis. The applicant receives an oral description of the property, and maybe some other documents (plans etc.) as well as a rating form.

Duration: one hour.

Part II: Answering of individual questions on various topics from the examination catalogue; one-third of the questions may be multiple choice. The applicant receives approximately 10 to 15 individual questions (divided into the areas and degrees of difficulty of the examination catalogue).

Duration: two hours.

The total duration of the written examination can be extended by up to 15 minutes if necessary in individual cases. This must be announced before the written examination begins.

The a.m. stipulations as set down in Section 7.5 apply.

20.5 Title

On successful completion of the certification procedure the following title is awarded:

HypZert real estate valuer for property and market rating

In addition the certified valuer may use the abbreviation

“CIS HypZert (R)”

This abbreviation may be printed, for example, on business cards after the person's university title.

The a.m. stipulations as set down in Section 7.8 apply.

21 Information and certification conditions for HypZert real estate valuers for standard properties to gain the title “CIS HypZert (F)”

HypZert real estate valuers for standard properties or real estate valuers with a similar qualification may take a delta examination to become HypZert real estate valuer for financial purposes, whereby parts of examinations already taken may be recognised. With this examination the applicant proves that he fulfils the requirements placed on “HypZert real estate valuers for financial purposes” or: CIS HypZert (F).

In general the general conditions for certification as HypZert real estate valuer for financial purposes apply. The deviating conditions listed below serve to simplify the procedure.

21.1 Admission requirements

To be able to take the delta examination as real estate valuer HypZert for financial purposes, the applicant must

have the certificate “HypZert real estate valuer for standard properties – CIS HypZert (S)” or be able to prove that he has a comparable general recognise qualification

and

have received a positive assessment from the certification body during the ongoing monitoring process

and

be able to provide proof that he holds a university degree and has worked for a total of at least five years in an area related to real estate, of which at least three years must have been spent in real estate valuation

or

if he has no university degree, be able to provide proof that he has worked for a total of at least eight years in an area related to real estate, of which at least five years must have been spent in real estate valuation

The certification body recommends, that the applicant should have erected at least thirty mortgage appraisals so far.

21.2 Appraisals to be submitted for admission

When applying, in addition to the documents listed in Section 7.3, the applicant must provide anonymised copies of at least three mortgage lending value analyses of the following property types:

Valuation of three commercially used business, industrial or mixed-use properties, of which at least one must be a managed/operated property such as a trading property, leisure property, hotel or nursing home.

All of the above mentioned appraisals must also state a market value (understandable, calculated pursuant to § 16 PfandBG and/or plausibilised).

21.3 Certification examination

The delta examination for certification as HypZert real estate valuer for financial purposes entails a written and an oral examination.

Structure and duration of written test:

Part I: One mortgage lending value appraisal of a (mainly) commercial property (incl. special properties). The applicant receives an oral description of the property, and maybe some other documents (plans etc.) as well as a valuation form.

Duration: one hour.

Part II: Answering of individual questions on various topics from the examination catalogue; one-third of the questions may be multiple choice. The applicant receives approximately 10 to 15 individual questions (divided into the areas and degrees of difficulty of the examination catalogue).

Duration: one hour and 30 minutes.

The total duration of the written examination can be extended by up to 15 minutes if necessary in individual cases. This must be announced before the written examination begins.

The a.m. stipulations as set down in Section 7.5 apply.

21.4 Title

On successful completion of the certification procedure the following title is awarded:

HypZert real estate valuer for financial purposes

In addition the certified valuer may use the abbreviation

“CIS HypZert (F)”

This abbreviation may be printed, for example, on business cards after the person's university title.

The a.m. stipulations as set down in Section 7.8 apply.

22 Information and certification conditions for delta examination as real estate valuer HypZert for market value analysis - CIS HypZert (M)

HypZert GmbH offers HypZert real estate valuers for financial purposes or real estate valuers with a similar qualification the possibility to take a delta examination to become HypZert real estate valuer for market value analysis, whereby parts of examinations already taken may be recognised. With this examination the applicant proves that he fulfils the requirements placed on “HypZert real estate valuers for market value analysis” or: CIS HypZert (M).

In general the general conditions for certification as HypZert real estate valuer for market value analysis apply. The deviating conditions listed below serve to simplify the procedure.

22.1 Admission requirements

To be able to take the delta examination as real estate valuer HypZert for market value analysis, the applicant must

have the certificate “HypZert real estate valuer for financial purposes - CIS HypZert (F)” or be able to prove that he has a comparable general recognise qualification

and

at least one year work experience in valuation of foreign real estate with international methods or national methods in the particular country

and

have received a positive assessment from the certification body during the ongoing monitoring process

22.2 Appraisals to be submitted for admission

When applying, in addition to the documents listed in Section 7.3, the applicant must provide anonymised copies of at least three market value analyses of commercial, industrial or mixed-use properties, of which at least one must be an operated/managed property. Please note that at least the appraisals or plausibility reports must be in accordance with internationally acknowledged valuation methods or must refer to a property abroad.

22.3 Certification examination

The supplementary certification examination as HypZert real estate valuer for market value analysis entails a written examination

Structure and duration of written test:

Part I: One market value appraisal, which is carried out in accordance with internationally recognised valuation methods. The applicant receives an oral description of the property, and maybe some other documents (plans etc.) as well as a valuation form.

Duration: one hour.

Part II: Answering of individual questions on various topics from the examination catalogue; one-third of the questions may be multiple choice. The applicant receives approximately 10 to 15 individual questions (divided into the areas and degrees of difficulty of the examination catalogue).

Duration: two hours.

The total duration of the written examination can be extended by up to 15 minutes if necessary in individual cases. This must be announced before the written examination begins.

The a.m. stipulations as set down in Section 7.5 apply.

22.4 Title

On successful completion of the certification procedure the following title is awarded:

HypZert real estate valuer for market value analysis
(national/international)

In addition the certified valuer may use the abbreviation

“CIS HypZert (M)”

This abbreviation may be printed, for example, on business cards after the person's university title.

The a.m. stipulations as set down in Section 7.8 apply.

23 Information and certification conditions for real estate valuers with focus on market value analysis to gain the title “CIS HypZert (F)”

The following documents apply to persons who already have taken examinations (not HypZert) with focus on market value analysis. The objective is to recognise examinations already taken if appropriate documentation is provided, in order to avoid having to take examinations twice.

Please note that we can only acknowledge successfully passed qualifications if there was a previous examination procedure that is comparable in terms of structure, sequence and examination content to the one HypZert GmbH requires. Considering this, we are obliged to review each case individually, for which we require the applicant's assistance.

With this examination the applicant proves that he fulfils the requirements placed on “HypZert real estate valuers for financial purposes” or: “CIS HypZert (F)”.

In general the above mentioned general conditions for certification as HypZert real estate valuer for financial purposes apply. The deviating conditions listed below serve to simplify the procedure.

23.1 Admission requirements

In order to participate in the certification procedure, the applicant must:

- hold a certificate awarded by a certification body for property valuation that is accredited pursuant to ISO/IEC 17024
- or
- hold the certificate “Sachverständiger für die Bewertung bebauter und unbebauter Grundstücke sowie Mieten und Pachten” [*expert for the valuation of built-up and non built-up plots of land as well as of rents and leaseholds*] of the Technische Akademie Südwest e.V. (TAS); the certificate may not be older than five years
- or
- be publicly appointed and sworn in for the valuation of built-up and non built-up plots of land; the public appointment and swearing-in must be based on a successfully passed examination that is comparable to the procedure of HypZert GmbH

or

- be a member of the Royal Institution of Chartered Surveyors with a focus on property valuation

or

- be a member of the Appraisal Institute and have sufficient knowledge of national regulatory provisions in the field of property valuation¹.

-

Proof of the above must be submitted by the applicant.

The certification body recommends, that the applicant should have erected at least thirty mortgage appraisals so far.

23.2 Application documents/Appraisals to be submitted for admission

When applying, the applicant must provide:

completed and signed application

completed and signed certification and arbitration agreement

resume in table form including photo

evidence of successfully attended performances (e.g. certificate, appointment and swearing-in etc.)

Furthermore at least three anonymous mortgage lending value analyses of the following property types: Valuation of three commercially used business, industrial or mixed-use properties, of which at least one must be a managed/operated property such as a trading property, leisure property, hotel or nursing home.

At least one of the above mentioned appraisals must refer to properties or similar property leasehold rights for which there is an encumbrance or tax relief which would affect the value (e.g. apartment law, ground servitude, usufructuary right, realty charge, ground rights) or an encumbrance or tax relief under public law (e.g. public land charge).

All of the above mentioned appraisals must also state a market value (understandable, calculated pursuant to § 16 PfandBG and/or plausibilised).

23.3 Certification examination

The delta examination for certification as HypZert real estate valuer for financial purposes entails a written examination.

Structure and duration of written examination:

Part I: Plausibility test of an incorrect mortgage lending value analysis based on instructions provided.

¹ Possession of such knowledge will be determined in advance in an individual talk.

Duration: one hour.

We would like to point out that Part I of the examination (plausibility test) can also be marked with minus points. This is the case if statements which are clearly correct are identified as being incorrect.

Part II: Answering of individual questions on various topics from the examination catalogue; one-third of the questions may be multiple choice. The applicant receives approximately 10 to 15 individual questions (divided into the areas and degrees of difficulty of the examination catalogue).

Duration: one hour.

The total duration of the written examination can be extended by up to 15 minutes if necessary in individual cases. This must be announced before the written examination begins.

The a.m. stipulations as set down in Section 7.5 apply.

23.4 Content of examination

In particular, the examination involves the following topics:

construction financing (Number 1.2 of examination catalogue)

report of building development, audit of allocation of funds and values for state of development of land; incl. § 4 par. 6 BelWertV (Number 2.9 of examination catalogue)

knowledge of bank supervisory law (Number 3.3 of examination catalogue)

mortgage lending value (Number 4.3 of examination catalogue)

special requirements set for real estate valuation from the business financing point of view (Number 5 of examination catalogue)

special knowledge of content and structure of appraisals according to legal requirements and regulations; WertV, WertR etc. (Number 6 of examination catalogue)

news and current events on real estate market

For all details please have a look at the examination catalogue.

23.5 Title

On successful completion of the certification procedure the following title is awarded:

HypZert real estate valuer for financial purposes

In addition the certified valuer may use the abbreviation

“CIS HypZert (F)”

This abbreviation may be printed, for example, on business cards after the person's university title.

The a.m. stipulations as set down in Section 7.8 apply.

Appraisal requirements

Appraisals must be understandable, well founded and complete and depending on the type of property and purpose or subject matter of valuation the following points should be considered:

Status: 26. September 2006

Table of contents	Calculation of mortgage lending value	Calculation of <i>Verkehrswert</i> /market value
1. General appraisal requirements		
1.1 Principles		
The valuer must	X	X
<ul style="list-style-type: none"> • work towards structuring and carrying out his task with due care 	X	X
<ul style="list-style-type: none"> • establish the basic valuation requirements independently 	X	X
<ul style="list-style-type: none"> • check the plausibility of documentation and information provided by third parties 	X	X
<ul style="list-style-type: none"> • provide sources for the data used 	X	X
<ul style="list-style-type: none"> • state any foreseeable change in the type of use or development potential and take this into account with a view to the prevailing legal and economic conditions 	X	X
<ul style="list-style-type: none"> • provide a clear summary of the results of the valuation. This includes in particular: <ul style="list-style-type: none"> - Total real estate value and value type - Valuation requirements (either statutory or from the client) which assume conditions that deviate from the actual situation in the valuation - Other conditions that have an effect on value 	X	X
1.2 Depending on the objective and the circumstances of the property the following points should be included in the appraisals:		
1.2.1 General information		
<ul style="list-style-type: none"> • Type of property, address (municipality, street, house number) 	X	X
<ul style="list-style-type: none"> • Order and client, date of order, owner 	X	X
<ul style="list-style-type: none"> • Objective of appraisal (content of order, purpose and/or order to take evidence) 	X	X
<ul style="list-style-type: none"> • Type of value 	X	X

Table of contents	Calculation of mortgage lending value	Calculation of <i>Verkehrswert</i> /market value
<ul style="list-style-type: none"> • Land register and ground register data <ul style="list-style-type: none"> - Land register district, page of the land register - Portfolio, section I and II, if applicable also section III (if it affects value) - Parcel, parcel number, plot size 	X	X
<ul style="list-style-type: none"> • Documentation and information relating to the property 	X	X
<ul style="list-style-type: none"> • Date and participants in on-site inspection 	X	X
<ul style="list-style-type: none"> • Support of assistants 	X	X
<ul style="list-style-type: none"> • Valuation date 	X	X
<ul style="list-style-type: none"> • Number of copies of appraisal 	X	X
<ul style="list-style-type: none"> • Table of contents with page numbers 	X	X
<ul style="list-style-type: none"> • Table of annexes 	X	X
<ul style="list-style-type: none"> • Bibliography 	X	X
<ul style="list-style-type: none"> • Materials used 	X	X
<ul style="list-style-type: none"> • Assumptions and exclusions 	X	X
1.2.2 Description and assessment of location		
<ul style="list-style-type: none"> • Location of property (macro location, micro location) 	X	X
<ul style="list-style-type: none"> • Details of location (image, access to transport, local supplies etc.) 	X	X
<ul style="list-style-type: none"> • Residential and/or commercial location, neighbourhood situation, traffic situation etc. 	X	X
1.2.3 Description and assessment of ground and land		
<ul style="list-style-type: none"> • Layout, topographical situation 	X	X
<ul style="list-style-type: none"> • Land quality (subsoil, ground water etc.) 	X	X
<ul style="list-style-type: none"> • Contamination 	X	X
<ul style="list-style-type: none"> • Infrastructure (traffic, supply and disposal) 	X	X
1.2.4 Legal situation, actual use		
<ul style="list-style-type: none"> • Actual/possible use 	X	X
<ul style="list-style-type: none"> • Situation in terms of tax and charges laws 	X	X
<ul style="list-style-type: none"> • Informal plans 	X	X
<ul style="list-style-type: none"> • Degree of development of property 	X	X

Table of contents	Calculation of mortgage lending value	Calculation of <i>Verkehrswert</i> /market value
<ul style="list-style-type: none"> • Situation in terms of construction planning <ul style="list-style-type: none"> - Preparatory land use planning etc. - Land utilisation plan - Area development plan/landscape plan and other planning - Binding land use planning etc. - Development plan (§ 30 par. 1, 2 and 3 of German federal building code) - Replacement planning provisions (§§ 34 and 35 of German federal building code) - Exceptions and exemptions - Type and extent of permissible use for construction (<i>BauNVO</i> – German federal town planning regulations) - Special urban development law - Redevelopment bye-laws, development bye-laws - Preservation statutes and urban development orders - Other municipal statutes - Urban development agreements - Project and infrastructure plans 	x	x
<ul style="list-style-type: none"> • Land order procedure 	x	x
<ul style="list-style-type: none"> • Urban renewal 	x	x
<ul style="list-style-type: none"> • Dispossession and compensation 	x	x
<ul style="list-style-type: none"> • Situation in terms of statutory building code <ul style="list-style-type: none"> - Planning permission - Separation areas/protection of neighbouring properties - Obligations in terms of parking spaces - Building encumbrances - Apartments that can be sold as self-contained condominiums 	x	x

Table of contents	Calculation of mortgage lending value	Calculation of <i>Verkehrswert</i> /market value
<ul style="list-style-type: none"> • Other regulations under public law, such as <ul style="list-style-type: none"> - Emission protection, environmental protection, nature conservation - Protection of ancient monuments - Official approvals of plans (major roads, railways etc.) - Agreements under public law 	X	X
<ul style="list-style-type: none"> • Situation under private law <ul style="list-style-type: none"> - Rights secured in land register (easements etc.) - Non-registered rights etc. - Agreements (rent and lease agreements, shared ownership deeds, management agreements etc. - Laws concerning the interests of neighbours or occupiers of adjoining property - Agreements under law of obligation 	X	X
1.2.5 Description and assessment of buildings and exterior facilities		
<ul style="list-style-type: none"> • Building type, type of use 	X	X
<ul style="list-style-type: none"> • Year of construction 	X	X
<ul style="list-style-type: none"> • Construction method, construction concept (e.g. ground plan design, height of storeys, utilisation key) 	X	X
<ul style="list-style-type: none"> • Description of construction 	X	X
<ul style="list-style-type: none"> • Condition of construction (incl. construction deficiencies, damage), note of non-tested building components or assumed damage, contamination 	X	X
<ul style="list-style-type: none"> • Environmental friendliness 	X	X
<ul style="list-style-type: none"> • Date and scope of modernisations and extensions 	X	X
<ul style="list-style-type: none"> • Demolition required 	X	X
<ul style="list-style-type: none"> • Possibilities for extension 	X	X
<ul style="list-style-type: none"> • Special building components, special equipment 	X	X
<ul style="list-style-type: none"> • Normal total period of use 	X	X
<ul style="list-style-type: none"> • Technical/economic remaining period of use 	X	X
<ul style="list-style-type: none"> • Ancillary buildings 	X	X

Table of contents	Calculation of mortgage lending value	Calculation of <i>Verkehrswert</i> /market value
<ul style="list-style-type: none"> Exterior facilities 	X	X
1.2.6 Details of area and dimensions including audit of documents used		
<ul style="list-style-type: none"> Calculation basis used (e.g. DIN regulations) 	X	X
<ul style="list-style-type: none"> Documents used (technical drawings, third-party calculations, on-site measurements etc.) 	X	X
<ul style="list-style-type: none"> Area developed 	X	X
<ul style="list-style-type: none"> Floor space 	X	X
<ul style="list-style-type: none"> Living space/useable floor area 	X	X
<ul style="list-style-type: none"> Rentable area (living/commercial area) 	X	X
<ul style="list-style-type: none"> Gross building area (GBA) 	X	X
<ul style="list-style-type: none"> Cubage (gross volume, converted areas etc.) 	X	X
<ul style="list-style-type: none"> Ratio of cubage to living area and useable floor area 	X	X
<ul style="list-style-type: none"> Building area (land bank of developable sites, area nearest road frontage/back land, building land, garden land etc.) 		
<ul style="list-style-type: none"> Ratios: <ul style="list-style-type: none"> Site coverage index Floor-to-area ratio Cubic density 	X	X
1.2.7 Economic situation and property market		
<ul style="list-style-type: none"> Supply and demand 	X	X
<ul style="list-style-type: none"> Utilisation possibilities and possibilities for third-party use 	X	X
1.3 Choice of valuation method and reason		
1.3.1 Comparative value method		
Land valuation:	X	X
<ul style="list-style-type: none"> Adjusted price comparison of actual sales (direct comparative value method) 	X	X
<ul style="list-style-type: none"> Standard land values with property-relevant adjustment (indirect comparative method) 	X	X
<ul style="list-style-type: none"> Details of reliability of data basis and of indices uses as well as conversion coefficients 	X	X
Condominiums and part ownership (including other developed properties)	X	X

Table of contents	Calculation of mortgage lending value	Calculation of <i>Verkehrswert</i> /market value
• Adjusted price comparison of actual sales (direct comparative value method)	X	X
• Comparative factors method with property-relevant adjustment (indirect comparative value method)	X	X
• Details of reliability of data basis and of indices uses as well as conversion coefficients	X	X
• Explanation of influence of other conditions affecting value (constructional damage, deviations from the sustainable rent etc.)	X	X
1.3.2 Capitalised income value method		
• Sustainably achievable income	X	X
• Actual rent income with definition of the term “rent” and assessment of long term achievability	X	X
• Overrent/underrent	X	X
• Details of rent agreement obligations	X	X
• Inclusion of non-rented or own-use rooms	X	X
• Management costs model: Source and derivation	X	X
• Calculation of net operating income	X	X
• Statement of property yield: Model, source and derivation	X	X
• Annual return on land value (also statement of independently utilisable partial areas)	X	X
• Explanation of value of the building assets	X	X
• Statement of normal total period of use	X	X
• Derivation of technical/economic remaining period of use and the notional year of construction if necessary; model	X	X
• Explanation of annuity factor	X	X
• Explanation of influence of other conditions affecting value (constructional damage, deviations from the sustainable rent etc.)	X	X
• Calculation of capitalised income value	X	X
• Account of situation on property market; model, source and derivation	X	X
• Account and explanation of influence of other conditions affecting value (constructional deficiencies and damage, deviations from sustainable income etc.)	X	X
• Explanation of terminology used and data basis	X	X

Table of contents	Calculation of mortgage lending value	Calculation of <i>Verkehrswert</i> /market value
<ul style="list-style-type: none"> Market adjustment 	X	X
1.3.3 Asset value method		
<ul style="list-style-type: none"> Calculation of normal production costs as per the valuation date; model, source and deviation 	X	X
<ul style="list-style-type: none"> Statement of incidentals; model, source and derivation 	X	X
<ul style="list-style-type: none"> Calculation of objective value 	X	X
<ul style="list-style-type: none"> Inclusion of construction conditions and if necessary constructional deficiencies 	X	X
<ul style="list-style-type: none"> Derivation of technical/economic remaining period of use and the notional year of construction if necessary; model 	X	X
<ul style="list-style-type: none"> Determination of technical/economic decrease in value 	X	X
<ul style="list-style-type: none"> Calculation of value of building (including special building components and special equipment) 	X	X
<ul style="list-style-type: none"> Valuation of exterior facilities 	X	X
<ul style="list-style-type: none"> Calculation of asset value; 	X	X
<ul style="list-style-type: none"> Account of situation on property market; model, source and derivation 	X	X
<ul style="list-style-type: none"> Account and explanation of influence of other conditions affecting value 	X	X
<ul style="list-style-type: none"> Explanation of terminology used and data basis 	X	X
<ul style="list-style-type: none"> Market adjustment 	X	X
1.3.4 Other methods, with assessment of their validity		
<ul style="list-style-type: none"> Other methods of land valuation (residual method etc.) 		X
<ul style="list-style-type: none"> Other methods of valuing developed properties (discounted cash flow method, residual method etc.) 		X
<ul style="list-style-type: none"> Other methods (e.g. control methods) 		X
1.4 <i>Verkehrswert</i>/market value		
<ul style="list-style-type: none"> Inclusion of market situation as per valuation date (if not completed during procedure) 		X
<ul style="list-style-type: none"> Derivation of <i>Verkehrswert</i>/market value from the results of procedure (reasons for any required additions or subtractions from capitalised income value, asset value or comparative value) 		X

Table of contents	Calculation of mortgage lending value	Calculation of <i>Verkehrswert</i> /market value
<ul style="list-style-type: none"> Statement of <i>Verkehrswert</i>/market value and the relative <i>Verkehrswert</i> per square metre of living or useable space and the multiple of the annual net income and/or gross proceeds 		X
<ul style="list-style-type: none"> If applicable answer the court order to take evidence 		X
<ul style="list-style-type: none"> Description of assumptions made (in particular if they deviate from the actual situation) 		X
<ul style="list-style-type: none"> If applicable, valuation of rights and encumbrances 		X
<ul style="list-style-type: none"> Rentability/utilisability 		X

Table of contents	Calculation of mortgage lending value	Calculation of <i>Verkehrswert</i> /market value
1.5 Mortgage lending value		
1.5.1 Special requirements from the BelWertV (mortgage lending value method, in particular		
<ul style="list-style-type: none"> • Mortgage lending value method (§ 4 BelWertV) <ul style="list-style-type: none"> - Separate calculation of asset value and capitalised income value - Separate calculation of comparative value and capitalised income value - If difference between asset value/comparative value and capitalised income value is more than 20 percent, a special sustainability audit should be carried out - Examination of possibility for owner occupation, calculation of state-of-development values for properties under construction etc. 	x	
<ul style="list-style-type: none"> • Appraisal (§5 BelWertV), e.g. <ul style="list-style-type: none"> - Details of quality of property and location - Details of regional real estate market - Details of potential buyer- and user groups etc. 	x	
<ul style="list-style-type: none"> • Management costs (§ 11 BelWertV), e.g. <ul style="list-style-type: none"> - Individual costs approach for management costs - Ranges - Minimum level for management costs approach - Modernisation risk etc. 	x	
<ul style="list-style-type: none"> • Capitalisation of net operating income (§ 12 BelWertV), e.g. <ul style="list-style-type: none"> - Minimum capitalisation rates, ranges - Below range in case of top-class real estate etc. 	x	
<ul style="list-style-type: none"> • Calculation of capitalised income value in special cases (§ 13 BelWertV), e.g. <ul style="list-style-type: none"> - Land value minus demolition costs - For remaining periods of use of less than 30 years - For land value of more than half of the capitalised income value etc. 	x	
<ul style="list-style-type: none"> • Land value (§ 15 BelWertV), e.g. <ul style="list-style-type: none"> - Data required to calculate land value 	x	

Table of contents	Calculation of mortgage lending value	Calculation of <i>Verkehrswert</i> /market value
<ul style="list-style-type: none"> • Value of constructional facilities (§ 16 BelWertV), e.g. <ul style="list-style-type: none"> - Safety factor reduction - Restriction of incidentals etc. 	x	
<ul style="list-style-type: none"> • Calculation of comparative value (§ 19 BelWertV) <ul style="list-style-type: none"> - Safety factor reduction 	x	
<ul style="list-style-type: none"> • Developable land (§ 20 BelWertV) <ul style="list-style-type: none"> - Exclusive inclusion of secured building rights 	x	
<ul style="list-style-type: none"> • Ground lease rights and similar property leasehold rights (§ 21 BelWertV) 	x	
<ul style="list-style-type: none"> • Machines and operational facilities (§ 23 BelWertV), e.g. <ul style="list-style-type: none"> - Main components 	x	
<ul style="list-style-type: none"> • Residentially used properties in case of granting of small loans (§ 24 BelWertV) <ul style="list-style-type: none"> - Limit of small loans - Simplified valuation - Possibility of not viewing site etc. 	x	
<ul style="list-style-type: none"> • Mortgage lending in other countries (§ 25 BelWertV), e.g. <ul style="list-style-type: none"> - Country-specific appraisal - Viewing requirements etc. 	x	
<ul style="list-style-type: none"> • Review of mortgage lending value calculation (§ 26 BelWertV), e.g. <ul style="list-style-type: none"> - Basis - Performance lag etc. 	x	
1.5.2 Assessment of property as bank security (e.g. possibility of use by third party)	x	
1.5.3 Assessment of property in terms of eligibility as cover funds	x	
1.5.4 Treatment of rights in section II from a financial perspective	x	
1.6 Other real estate values		
<ul style="list-style-type: none"> • Fiscal and balance sheet values, insurance values as well as other values depending on objectives 		x
1.7 Date, stamp, signature	x	x
<ul style="list-style-type: none"> • if applicable declaration of impartiality 	x	x
1.8 Annexes (if required for better understanding)		

Table of contents	Calculation of mortgage lending value	Calculation of <i>Verkehrswert</i> /market value
<ul style="list-style-type: none"> • Plans with suitable scale: <ul style="list-style-type: none"> - Site plans (1:100,000/macro location to 1:5,000/micro location) - Cadastral map - Standard ground value map 	x	x
<ul style="list-style-type: none"> • Building ground plans, sectional drawings and views 	x	x
<ul style="list-style-type: none"> • Calculations, photos with overviews etc. 	x	x

Examination catalogue

The real estate valuer must have different levels of expert knowledge in terms of scope and extent, depending on the certification area:

1 = Basic knowledge (basic principles, basic knowledge)

2 = More in-depth knowledge (be able to apply it)

3 = Detailed knowledge (additional derivations, be able to provide proof)

N.B.: The degree of expertise refers to differences in scope and extent of knowledge. The valuer's ability to take action in terms of real estate valuation provides the basis for assessment.

Status: 15.08.2006

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
1	Knowledge of economics						
1.1	Knowledge of economics (structure and functioning of property, rent and lease market)						
	Spatial and property-specific sub-markets	2	3	3	-	3	-
	Economic influencing factors and their effect <ul style="list-style-type: none"> on supply and demand on the real estate market on land policy on the price level of real estate (price mechanism and components of pricing) Definitions of above terms 	2	3	3	-	3	-
	Validity and application of index series	3	-	3	-	3	-
	Purchasing power and productivity nationwide and at regional level	1	2	2	-	2	-
	Gross domestic product and its interfaces with the real estate business and real estate valuation	1	2	2	-	2	-
	Money and capital market, how it functions and what effects it has	1	2	2	-	2	-
	Economic cycles and inflation (price development), their effects on the real estate markets	1	2	2	-	2	-
1.2	Knowledge of business administration						

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
	Balance sheets and accounting <ul style="list-style-type: none"> • Types of companies • Legal forms • Year-end accounts in accordance with HGB and IAS/IFRS (balance sheet, profit and loss accounting, management report, amendments, annexes) • Insolvency status 	1	2	2	-	2	-
	Balance sheet analysis <ul style="list-style-type: none"> • Balance sheet and key data of profit and loss accounts • Cash flow 	1	2	2	-	2	-
	Application of business administration knowledge in the area of <ul style="list-style-type: none"> • Property developers, development and residential associations • Real estate funds (open and closed) 	1	2	2	-	2	-
	Construction financing <ul style="list-style-type: none"> • Methods • Risk assessment • Security instruments • Significance and assessment of capacity for capital recovery • Significance of expiry • Differences between real estate credit and personal loans • Interest and capital costs • Types and structures of financing • Liquidity planning 	1	2	2	-	2	-
	Corporate valuation <ul style="list-style-type: none"> • Corporate value (term) • Valuation approaches • Valuation methods 	-	1	1	-	1	-
1.3	Development and current status of property, rent, construction and capital market						
	Values, costs and prices, rents and leases, according to types and levels (representative list of rents, rent data base, list of rents and digital property transactions inventory, standard ground values, analysis of other local sources, market adjustment factors and their reasons)	2	3	3	-	3	-

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
	Market volumes and groups participating in real estate market <ul style="list-style-type: none"> • Structure of real estate market according to portfolios • Segmentation of residential and commercial real estate market • Main market participants • Data sources available and the extent to which they can be used • Decision criteria according to property types and locations 	2	3	3	-	3	-
	Influence of socio-economic factors <ul style="list-style-type: none"> • Effects of population and household characteristics on the real estate market • Forecasting instruments and their basic principles • Effect of economic factors (e.g. influence of economic cycle) • Locational factors • Regional determining factors (location and spatial layout) 	2	3	3	-	3	-
	Assessment of requirements of individual property types <ul style="list-style-type: none"> • Differentiation of requirements (quantitative and qualitative) • Users' requirement criteria 	1	2	2	-	2	-
	Market monitoring and market analysis techniques <ul style="list-style-type: none"> • Valuers' committees, how they function, what their tasks are (property market reports) • Main official statistics from federal government, federal states and municipalities • Availability of data and assessment of published data (brokers as well as other associations and organisations) • Qualitative data retrieval instruments in the area of supply, demand, rent/leases and real estate returns • Analysis of rent and lease agreements (payment of management costs, indexing, agreement periods and creditworthiness rating of the tenant, in particular in the case of overrent etc.) 	2	3	3	-	3	-

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
	Factors of rent and price development <ul style="list-style-type: none"> • Rent and pricing structure as well as their development, differentiated according to spatial and type-specific sub-markets • Factors affecting pricing • Pricing structures in construction market and development of construction costs • Criteria for value aspects of construction methods/features • Data provided by official statistics organisations 	3	-	3	-	3	-
1.4	Rights and encumbrances on properties and their economic impact/treatment based on valuation theory						
	Public type, e.g. protection of listed buildings, building encumbrances, landscape protection, nature conservation, publicly funded residential constructions	3	-	3	-	3	-
	Private type, e.g. easements, rent agreements, similar property leasehold rights (in particular ground leases) and obligatory rights	3	-	3	-	3	-
1.5	Mathematical and statistical knowledge						
	Relevant financial accounting mathematical procedures, in particular for the valuation of properties subject to rights and rights to properties <ul style="list-style-type: none"> • Calculation of interest and compound interest • Calculation of annuity value and annuitisation (temporary annuity, life annuity, perpetual annuity, including payment method and dynamics) • Analysis, assessment and inclusion of influence of adjustment clauses 	3	-	3	-	3	-
	Statistical knowledge <ul style="list-style-type: none"> • Basic principles of statistics (population, random sample, random variable, error criteria) • Frequency distribution, mean values, quantiles • Precision analysis (sensitivity and risk analysis) • Regression analyses • Calculation of correlation 	1	2	2	-	2	-
1.6	Methods of real estate analysis and project development						
	Basic analyses (location analysis, market analysis, building analysis, rent analysis), special analysis (valuation analysis, investment analysis, feasibility analysis), cost-benefit analysis	1	3	3	-	3	-
	Managed/operated properties (requirements analysis, industry analysis, assessment of operator and catalogue of requirements)	-	3	3	-	3	-

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
	Project developments (project development market and companies, procedures and participants, analysis of profitability and returns)	-	3	3	-	3	-
2.	Technical knowledge						
2.1	Subsoil conditions						
	Interpretation of subsoil tests; <ul style="list-style-type: none"> Foundation types Water controls, sealing (necessity and costs) 	1	2	2	-	2	-
2.2	Polluted areas, contamination, environmental burdens						
	<ul style="list-style-type: none"> Find and recognise polluted areas and contaminations, procure information (sources) Assessment of redevelopment concepts Legal constellations (obligation to redevelop, parties responsible) Inclusion of existing, removed or supposed polluted areas in valuation 	1	2	2	-	2	-
2.3	Structural design and building statics						
	Utilisation-specific differences between individual construction methods (brickwork, reinforced concrete, steel, timber or mixed construction methods) and their respective limits in terms of development	1	2	2	-	2	-
	Possibilities to change, extend or add storeys to structural designs	1	2	2	-	2	-
2.4	Building methods and building procedures						
	Historical structural designs and building methods to assess existing fabric of building in terms of utilisation (potential) and useful life as well as possibilities of listed buildings measures (e.g. mock masonry, facework or faced brickwork, timber-beam, bearing- or solid-panel construction)	1	2	2	-	2	-
2.5	Building materials, characteristics and application						
	Building materials in terms of building physics, acoustics, thermal, humidity or fire characteristics, building materials technology	-	1	1	-	1	-
2.6	Standards and technical regulations						

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
	<ul style="list-style-type: none"> DIN 276, 277 Second <i>Berechnungsverordnung</i> (II. BV – regulations for calculation of factors related to residential lettings) <i>Wohnflächenverordnung</i> (WoFIV – German statutory regulations for the calculation of residential floor area) Other recommendations for calculation of area <i>Betriebskostenverordnung</i> (BetrKV – German ordinance on the distribution of running costs between landlord and tenant) 	3	-	3	-	3	-
	<ul style="list-style-type: none"> Fire protection, sound insulation, thermal insulation Compliance with technical regulations and the generally accepted rules of construction technology Regulations on place of employment etc. 	1	2	2	-	2	-
2.7	Procedures and criteria to identify and eliminate construction damage and deficiencies						
	Differentiation between feature, deficiency and damage as well as their respective relevance in terms of value	2	-	2	-	2	-
2.8	Calculation and settlement of construction costs						
	<ul style="list-style-type: none"> Legal basis (e.g. VOB, BGB,) Cost estimate (via BRI, BGF, rough estimate method) Cost estimate (tender, awarding) Cost determination (settlement) Cost structure (cost group) 	1	2	2	-	2	-
2.9	Buildings development report, audit of employment of funds and values for state of development of land (incl. § 4 par. 6 BelWertV)	2	3	3	-	3	-
2.10	Construction procedure and construction organisation (project planning)						
	Construction schedule based on network analysis, bar charts, path/time planning to assess whether deadlines are being met, organisational chart, names of those responsible for planning and implementation with their tasks and function	-	1	1	-	1	-
3	Legal knowledge						
3.1	Knowledge of public planning, construction and land law						
3.1.1	German federal building code (BauGB)						
	Objectives and purpose	1	-	1	-	1	-
	Land use plans and how they are set up	1	2	2	-	2	-

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
	Security instruments in land use planning	2	-	2	-	2	-
	Admissibility of projects in "planned" and/or "unplanned" indoor and outdoor areas	2	3	3	-	3	-
	Planning damage law	1	2	2	-	2	-
	Knowledge of allocation procedure (e.g. law on private sites, allocation value, increase in value resulting from a land reallocation)	1	-	1	-	1	-
	Knowledge of compulsory purchase procedures (e.g. preconditions, balance of advantages, blight due to proposed compulsory purchase, exclusion of economic development)	1	-	1	-	1	-
	Development law (secured development, contributions and charges for services, conclusions regarding the state of development as well as valuation)	2	-	2	-	2	-
	Redevelopment and development law (special aspects in calculating <i>Verkehrswert</i> and market value, initial and final value)	1	3	3	-	3	-
	Valuation regulations (meaning of <i>Verkehrswert</i> / market value, German digital property transactions inventory, standard ground values, other necessary data, valuer committees)	2	3	3	-	3	-
3.1.1.1	Ordinances pursuant to § 199 BauGB						
	German state ordinance for the board of valuation experts, ordinance on managing and analysing German digital property transactions inventory etc.	2	3	3	-	3	-
3.1.1.2	German federal town planning regulations (BauNVO)						
	Type of constructional use (German abbreviations WR, WA, WS, WB, MI etc.)	3	-	3	-	3	-
	Extent of constructional use (German abbreviations GFZ, GRZ, BMZ etc.)	3	-	3	-	3	-
	Method of construction, overbuildable plot etc.	3	-	3	-	3	-
3.1.1.3	German regulations for the drafting of development plans (PlanzVO)	2	-	2	-	2	-
3.1.2	German state charter governing the erection of structures (LBO)						
	Planning permission procedure	1	2	2	-	2	-
	Terms such as full storey, common rooms, apartment, building encumbrance, separation area, parking space	3	-	3	-	3	-
	Municipal statutes (e.g. parking space and planning byelaws)	1	2	2	-	2	-
3.1.3	Publicly funded housing						
	German law on housing subsidies (WoFG), German act on controlled rents (WoBindG)	2	-	2	-	2	-
3.1.4	Administrative legal procedures						
	<ul style="list-style-type: none"> • Appeals and claims procedures • Official approvals of plans 	-	1	1	-	1	-

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
3.1.5	Municipal tax laws (KAG)						
	Significance with regard to secured development and charges situation	1	2	2	-	2	-
3.1.6	Protection of ancient monuments						
	Laws of the German states on the protection and maintenance of ancient monuments	2	-	2	-	2	-
3.2	Knowledge of valuation laws, ordinances and regulations						
	German federal ordinance for evaluation (WertV), area of application, terminology, necessary data, application of valuation method in conformity with the market (comparative, capital value and asset methods)	3	-	3	-	3	-
	Special regulations on redevelopment (e.g. in § 27 par. 2, § 28 par. 3, WertV)	1	2	2	-	2	-
	German administrative regulations for valuation (WertR), German administrative regulations on the compensation for expropriation of agricultural property (LandR), German administrative regulations for valuation of woodland (WaldR), <i>Ziergehölzhinweise 2000</i> (ZierH2000 – German guidelines on valuation of copses)	1	2	2	-	2	-
	General conditions for fire insurance (AFB), general residential building conditions (VGB)	1	2	2	-	2	-
	Valuation law (BewG) and regulations	1	2	2	-	2	-
3.3	Knowledge of bank supervisory law						
	German banking act (KWG), mortgage bond act (PfandBG), mortgage lending value regulations (BelWertV), solvency ratio directive (SolV), directive on large exposures and loans of one million euros or more (GroMiKV)	3	-	3	-	3	-
3.4	Knowledge of private law						
3.4.1	BGB (German civil code)						
	Persons (natural person, legal entity)	1	2	2	-	2	-
	Types of ownership (joint ownership, sole ownership)	2	-	2	-	2	-
	Debt obligation law (purchase, in particular § 313)	2	-	2	-	2	-
	Rent, lease, service agreement, works agreement	3	-	3	-	3	-
	Property law (main elements § 93 and 94, gain and loss of ownership of property, conveyance, easements, overbuilding, emergency routes, right of first refusal, land charge, mortgage, ground charge, rent charge)	1	3	3	-	3	-
	Legal property rights (accrued gains, initial assets, final assets)	1	3	3	-	3	-
	Law of succession (succession by inheritance, compulsory portion, supplement to compulsory portion, jointly held property),	1	2	2	-	2	-
	Rent law (residential and commercial rent law or lease law)	3	-	3	-	3	-

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
	Rent terminology (local comparative rents, market rent, final rent etc.), rent increase procedure, allocation of modernisation costs to rent, allocation of running cost increases, allocation of capital cost increases, right to give notice	3	-	3	-	3	-
3.4.2	German ordinance on building leases (ErbbauVO)	3	-	3	-	3	-
3.4.3	German condominium act (WEG)	3	-	3	-	3	-
3.4.4	Laws of German states concerning the respective interest of neighbours	1	2	2		2	
3.5	Knowledge of fiscal law						
	Fiscal terminology concerning value (value of real estate, fair market value, assessed value, partial value etc.)	1	3	3	-	3	-
	Fiscal occasion for valuation and relevant basic legal principles (inheritance and gift tax etc.)	1	3	3	-	3	-
	Effects of sales tax (value added tax option, value added tax on sale)	1	2	2	-	2	-
	German income tax law (EStG)	1	2	2	-	2	-
	Write-down possibilities (for properties used by owners or third parties, for properties subject to law on ancient monuments etc.)	1	2	2	-	2	-
3.6	Knowledge of formal and material ownership law, land register and land register code, land survey register						
3.6.1	Land register						
	Land register code and land register decree, management of land register	3	-	3	-	3	-
	Structure of land register and/or land certificates	3	-	3	-	3	-
	Significance and function of land register <ul style="list-style-type: none"> • Inventory of land register • Tasks and functions of sections I, II and III 	3	-	3	-	3	-
	Ranking issues	3	-	3	-	3	-
	Public faith	3	-	3	-	3	-
	Entries in section II and their significance for valuation <ul style="list-style-type: none"> • Easement • Limited personal easement • Notes • Priority notices • Ground lease and similar property leasehold rights 	3	-	3	-	3	-

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
	Other <ul style="list-style-type: none"> Responsible parties Meaning of term "property" Division/write-down Securing right to transfer of a property Viewing of land register 	3	-	3	-	3	-
3.6.2	Land survey register						
	Content of land survey register (structure of figures, maps etc.)	2	-	2	-	2	-
	Terminology (district, cadastral section, land parcel)	3	-	3	-	3	-
	Public faith	2	-	2	-	2	-
3.7	Knowledge of other legal regulations relevant to valuation, in particular						
	German pricing and price clause law (PaPcG) and ordinance (PrKV)	-	1	1	-	1	-
	Law on compulsory sale of real property (ZVG)	2	-	2	-	2	-
	German federal law of mining (BBerG)	1	-	1	-	1	-
	German law of real estate transactions (GrdstVG)	1	-	1	-	1	-
	German federal nature protection law (BNatSchG)	1	2	2	-	2	-
	German federal soil protection act (BBodSchG)	1	2	2	-	2	-
	German federal immissions control act (BImSchG)	1	2	2	-	2	-
	German land consolidation act (FlurbG)	1	-	1	-	1	-
3.8	Other legal basis for certification, in particular						
	Criminal law/laws on breaching of administrative rules	1	-	1	-	1	-
	Differences between purpose of civil liability and criminal responsibility	1	-	1	-	1	-
	Basic principles of law of damages	1	-	1	-	1	-
	Knowledge of insurance law	1	-	1	-	1	-
	Insurance contract, insurance contract law	1	-	1	-	1	-
	Expert reports procedure in accordance with insurance contract law; arbitrator's expert opinion	1	2	2	-	2	-
	Legal position of expert if working privately	2	3	3	-	3	-
	Legal basis: Contract, definition, materialisation	2	-	2	-	2	-
	Law on contract for work and other relevant types of contract in German civil code	2	-	2	-	2	-
	Private preservation of evidence	-	1	1	2	2	-

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
	Remuneration of expert <ul style="list-style-type: none"> BGB (German civil code) Judicial remuneration and compensation law (JVEG) Official scale of fees for services by architects and engineers (HOAI) 	1	3	3	-	3	-
	Liability of expert <ul style="list-style-type: none"> If working privately from contract/law If working for court Possibilities of exclusion of liability and restriction of liability 	3	-	3	-	3	-
	Basic principles of judiciary structure, body of verdicts, stages of appeal	1	-	1	-	1	-
	Civil action process	-	1	1	-	1	-
	Independent procedure of taking evidence according to code of civil procedure (ZPO)	-	1	1	-	1	-
	Relevant parts of criminal procedure	-	1	1	-	1	-
	Differences between civil and criminal procedure	-	1	1	-	1	-
	Legal position of expert if working for court	1	2	2	-	2	-
	Rights and obligations of expert	3	-	3	-	3	-
	Industrial code	1	-	1	-	1	-
4	Application of valuation method						
4.1	General information						
4.1.1	Basic principles of choice of valuation method and reasons for choice						
	Property types such as undeveloped properties, developed residential properties (single family houses and duplexes, apartment blocks), mixed-use properties	3	-	3	-	3	-
	Properties for commercial use, e.g. commercial properties, wholesale/retail, industry, hotel/restaurant trade incl. holiday apartment resorts, special use properties, industrial ruins	1	3	3	-	3	-
	Home ownership/partial ownership, full ownership, ideal co ownership shares	3	-	3	-	3	-
	Ground leases, properties with ground lease encumbrances, residential ground leases and partial ground leases	3	-	3	-	3	-
	Agricultural properties	1	3	3	-	3	-
4.1.2	Comparative value method <ul style="list-style-type: none"> Required number and suitability of comparative purchase prices/standard values 	3	-	3	-	3	-

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
	<ul style="list-style-type: none"> • Rendering comparable purchase prices/standard values with regard to differences in state of properties and differences in general value conditions (e.g. allocation coefficient and index series) • Calculation of land value: Standard ground value, admissible use, actual use, stage of development, services charges and other public contributions and charges • Special application of mathematical/statistical knowledge 						
4.1.3	<p>Capitalised income value method</p> <ul style="list-style-type: none"> • Sustainably achievable gross proceeds • Technical and economic total utilisation period and remaining utilisation period • Shortening/extension of technical and economic remaining utilisation period (reasons) • Management costs: Running costs, management costs, maintenance and repair costs, vacancy costs, risk of rent loss, write-downs, modernisation risk • Property yield • Annuity factor • Other conditions affecting value (e.g. deviations from sustainably achievable gross proceeds and from normal state of development, service charges still to be paid and other public contributions and charges, property rights (housing law, pedestrian right of way, vehicular right of way, pipeline wayleave etc.) vacancy costs 	3	-	3	-	3	-
4.1.4	<p>Asset value method</p> <ul style="list-style-type: none"> • Calculation of objective value: Application of normal production costs, special building components, special (operational) facilities, application of index series, incidentals, exterior facilities, technical and economic total utilisation period and remaining utilisation period, reduction in value due to age, estimation of age of building (styles from different periods, building materials used) • Consideration of situation on real estate market • Other conditions affecting value (see section 4.1.3) 	3	-	3	-	3	-
4.1.5	<p>Assessment of relevance of valuation approaches and valuation methods with regard to results in conformity with the market as well as reasons, plausibility tests (also basic principles of valuations in conformity with the market)</p>	3	-	3	-	3	-
4.1.6	<p>Knowledge of other valuation procedures and methods (standardised and non-standardised) as well as special methods used for special valuation cases</p>						

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
	<ul style="list-style-type: none"> Special method for valuation of ground value (e.g. rent situation method, land value method, site area value method, residual method, deductive land valuation method (e.g. land being developed)) 	2	3	3	-	3	-
	<ul style="list-style-type: none"> Income annuity method for valuation purposes 	2	-	2	-	2	-
	<ul style="list-style-type: none"> Special methods in valuation of owned and partially owned properties 	3	-	3	-	3	-
	<ul style="list-style-type: none"> Special methods in valuation of ground leases and properties encumbered by ground leases 	3	-	3	-	3	-
	<ul style="list-style-type: none"> Assessment and valuation of property rights (e.g. housing law, permanent right of residence, usufruct, easement, building encumbrance) as well as calculation of reduction in value of a property due to existing rights 	1	3	3	-	3	-
	<ul style="list-style-type: none"> Methods of rent calculation and annuitisation with reference to temporary annuity, life annuity and perpetual annuity 	3	-	3	-	3	-
	<ul style="list-style-type: none"> Value calculations under special economic and legal conditions, such as allocation, redevelopment and development measures, protection of ancient buildings, urban development contracts, publicly subsidised housing construction, calculation of compulsory purpose compensation, agricultural properties, planning damage (loss of rights, pecuniary loss) 	2	3	3	-	3	-
	<ul style="list-style-type: none"> Returns and profitability analyses 	1	3	3	-	3	-
	<ul style="list-style-type: none"> Valuation within the scope of accounting according to HGB and IAS/IFRS 	1	3	3	-	3	-
	<ul style="list-style-type: none"> Special areas of valuation (e.g. forced auction, divorce, inheritance disputes, valuations for public prosecutor's office and courts) 	1	3	3	-	3	-
	<ul style="list-style-type: none"> International value terms (e.g. market value) and valuation methods (e.g. discounted cash flow method (DCF), profits method) 	-	3	3	-	3	-
4.1.7	<p>Special expertise in the area of business administration for the valuation of managed/operated real estate</p> <ul style="list-style-type: none"> Needs analysis Industry and market analysis Assessment of operators and requirements catalogue Knowledge in the area of industrial parks, properties used for logistics, trade, catering or leisure purposes as well as council housing, petrol stations, truck stops etc. 	-	3	3	-	3	-
4.1.8	<p>Valuation of real estate portfolios</p> <ul style="list-style-type: none"> Framework conditions Choice of valuation method 	-	3	3	-	3	-

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
	<ul style="list-style-type: none"> Individual valuation Package valuation Mass valuation Desktop valuation Quality assurance measures 						
4.1.9	Valuation within the scope of accounting according to HGB and IAS/IFRS <ul style="list-style-type: none"> Estimation and identification of properties as assets Classification criteria of investment and non-investment properties The fair value model as a valuation concept according to IAS/IFRS IAS/IFRS valuation rules for real estate valuation, divided into classification groups 	1	3	3	-	3	-
4.1.10	Special rules for different valuation cases (e.g. purchase/sale, apportionment of gains, inheritance disputes, compulsory purchase, urban renewal, land order, insurance, fiscal valuation, environmental protection)	1	2	2	-	2	-
4.1.11	Data required for valuation						
	<ul style="list-style-type: none"> Application of necessary data (index series, conversion coefficients, property yield, asset factors, comparative factors etc.) 	3	-	3	-	3	-
	<ul style="list-style-type: none"> Derivation from digital property transactions inventory 	3	-	3	-	3	-
	<ul style="list-style-type: none"> Derivation from other sources 	3	-	3	-	3	-
4.2	Verkehrswert/market value						
4.2.1	Reference dates of valuation, in particular <ul style="list-style-type: none"> Valuation date Date of determination of state of development of property 	3	-	3	-	3	-
4.2.2	Capitalised income value method pursuant to § 20 WertV (liquidation value)	3	-	3	-	3	-

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
4.3	Mortgage lending value						
4.3.1	Regulatory requirements from mortgage bond act (BelWertV) <ul style="list-style-type: none"> • Basic principle of mortgage bond act (§ 3 BelWertV) • Mortgage lending value method (§ 4 BelWertV) • Capitalised income value method <ul style="list-style-type: none"> - Basic principles of capitalised income value method (§ 8 BelWertV) - Calculation of capitalised income value of constructional facilities (§ 9 BelWertV) - Calculation of gross proceeds (§10 BelWertV) - Management costs (§ 11 BelWertV) - Capitalisation of net operating income (§ 12 BelWertV) - Calculation of capitalised income value in special cases (§ 13 BelWertV) • Asset value method <ul style="list-style-type: none"> - Basic principles of asset value method (§ 14 BelWertV) - Land value (§ 15 BelWertV) - Value of constructional facilities (§ 16 BelWertV) - Reduction in value due to age (§ 17 BelWertV) - Inclusion of other conditions affecting value (§ 18 BelWertV) • Comparative value method (§ 19 BelWertV) • Peculiarities of individual properties <ul style="list-style-type: none"> - Developable land (§ 20 BelWertV) - Ground lease rights and similar property leasehold rights (§ 21 BelWertV) - Agriculturally used properties (§ 22 BelWertV) - Machines and operational facilities (§ 23 BelWertV) - Residentially used properties with granting of small loans (§ 24 BelWertV) 	3	-	3	-	-	-
4.3.2	Lending in other countries pursuant to § 25 BelWertV	-	3	3	-	-	-
	Derivation of mortgage lending value based on market value appraisals carried out in other countries	-	3	3	-	-	-
4.3.3	Review of basic principles of mortgage lending value calculation pursuant to § 26 BelWertV	3	-	3	-	-	-
4.3.4	Other methodological differences in calculating mortgage lending value as compared to <i>Verkehrswert</i>/market value calculation <ul style="list-style-type: none"> • Treatment of superior and lower priority rights in section II of the ground register 	3	-	3	-	-	-

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
	<ul style="list-style-type: none"> Treatment of over/underrent and other benefits and disadvantages in money's worth 						
4.3.5	<p>Other peculiarities in the valuation and mortgage lending calculations for different property types</p> <ul style="list-style-type: none"> Ground leases ("Munich method"), properties with ground lease encumbrances Undeveloped properties (agricultural and wooded properties, developable land, mining land, valuation of developable land in general and for mortgage credit banks) Assessment of possibility of third-party use Estimation of eligibility as cover funds 	3	-	3	-	-	-
4.4	<p>Building insurance value (building fire insurance)</p> <ul style="list-style-type: none"> Term "building insurance value", types of insurance (escalation insurance reinstatement policy, current value, reinstatement costs, fixed sums) Methods and procedures of calculating insurance value, incl. statutory insurance requirements 	2	-	2	-	2	-
4.5	Rent and lease value, user fee						
4.5.1	<p>Rent value appraisal for privately financed residential properties</p> <ul style="list-style-type: none"> Terminology (BGB – German civil code, local comparative rent, capping limit, materiality limit, usury limit) Rent increase procedures in case of residential property rent agreements (legal basis, procedure) Rent value appraisal as means of providing reason for increasing rent Requirements set for rent value appraisals (structure and content) Methods of including certain features that affect rent value in the calculation of rent value (e.g. furnishings, special fittings, size of apartment) 	2	-	2	-	2	-
4.5.2	<p>Cost rent for publicly funded housing</p> <ul style="list-style-type: none"> Term "cost rent" and how to calculate it (profitability calculation etc.) 	1	2	2	-	2	-
4.5.3	<p>Appraisal of rented commercial value, lease value</p> <ul style="list-style-type: none"> Legal basis, terminology (BGB – German civil code, unconscionability, turnover rent etc.) Requirements of rented commercial value appraisal (structure and content) Methods of including certain features that affect rent value and/or lease value within the scope of the rent and/or lease value calculation 	2	-	2	-	2	-
5	Special requirements set for real estate valuation from the perspective of the						

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
	financial arena						
5.1	Reasons for valuation	3	-	3	-	3	-
5.2	Securing loans with mortgage liens <ul style="list-style-type: none"> • Term "loan", content and significance of loan agreement • Mortgage liens and types of mortgage liens (mortgage, land charge, rent charge) • Types of land charge (certificated land charge, registered charge on land, individual land charge, overall land charge, land charge in favour of the land owner) • Similar property leasehold rights as encumbrances • Land charge implemented by compulsory execution 	3	-	3	-	2	-
5.3	Real estate loan and mortgage backed bond as security	3	-	3	-	1	-
5.4	Basel II / solvency ratio directive (SolV) and German banking act (KWG) <ul style="list-style-type: none"> • Value review and value monitoring • Market fluctuation concepts • Market value adjustment • Market value forecasts 	3	-	3	-	3	-
6	Special knowledge of content and structure of appraisals according to statutory rules and regulations (WertV, WertR etc.) (see also appraisal requirements as well as § 5 of the BelWertV regulation)	3	-	3	-	3	-
7	Knowledge of theory of expert reporting process						
7.1	Legal forms of professional activity	1	-	1	-	1	-
7.2	Valuation organisations, experts' associations	2	-	2	-	2	-
7.3	Valuer committees to determine property values and other values as well as their tasks	3	-	3	-	3	-
7.4	Principles of professional activity (see certification conditions)	3	-	3	-	3	-
7.5	Contract law for valuers <ul style="list-style-type: none"> • Contracts for experts • Liability agreement 	2	-	2	-	2	-
7.6	Data protection <ul style="list-style-type: none"> • Legal basis • Practical implementation in expert's office 	2	-	2	-	2	-

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
8	International real estate valuation						
8.1	Basic principles of determination of market value	-	-	-	2	2	-
	<ul style="list-style-type: none"> • Reasons for valuations in the global real estate market <ul style="list-style-type: none"> – Cross-border property transactions – Auditing requirements and international accounting methods – Requirements in the area of insurance and credit business 						
	<ul style="list-style-type: none"> • Prevailing legal conditions and valuation standards <ul style="list-style-type: none"> - Scope of validity of German federal building code - National standards - International valuation standards 	-	-	-	3	3	-
	<ul style="list-style-type: none"> • The different value terms <ul style="list-style-type: none"> – <i>Verkehrswert</i> according to legal definition (§ 194 BauGB) – EU definition of market value – Market value according to TEGoVA – Market value of RICS – Fair value – Market value derivatives and other terms – Overlapping areas and differences 	-	-	-	3	3	-
8.2	Valuation according to valuation method, taking into consideration the “European and International Valuation Standards (EVS, IVS)” as well as the “Red Book”	-	-	-	2	2	-
8.3	Plausibility test of appraisals and real estate in other countries	-	-	3	-	3	-
8.4	International real estate markets and their valuation methods (in particular in Great Britain, France, The Netherlands, Spain and the USA)	-	-	-	3	3	-
	<ul style="list-style-type: none"> • Appraisal theory • Characteristics of commercial real estate markets • Prevailing legal conditions • Value terms/definitions • Commercial rent agreements • Calculation of area • Important valuation methods 						
9	Property and market rating						

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
9.1	Basic principles of rating						
9.1.1	Rating <ul style="list-style-type: none"> • Origins of ratings • Definitions, basic principles and objectives of ratings • Difference between scoring and rating • Internal and external rating • Rating procedure, including measuring standards and weighting • Requirements placed on rating systems (selectivity, empirical and statistical foundation and validation, calibration, transparency and comprehensibility) 	-	-	-	-	-	3
9.1.2	Analysis criteria <ul style="list-style-type: none"> • Criteria groups – influences on the properties (market, location, property, quality of property cash flow, development risks and opportunities of projects) • Encumbrances in land register • Notations and risk weightings 	-	-	-	-	-	3
9.1.3	Application and areas of use of real estate rating <ul style="list-style-type: none"> • Credit analysis in granting real estate loans • Risk analysis of portfolios within the scope of securitisation • Investment and disinvestment decisions • Portfolio analysis and management • Basel II Internal Ratings Advanced Approach • Market value analysis in accordance with IAS/IFRS 	-	-	-	-	-	3
9.1.4	Key figures and analysis of key figures	-	-	-	-	-	2
9.1.5	Real estate rating / property and market rating <ul style="list-style-type: none"> • Requirements placed on property and market rating • Peculiarities of real estate rating • Difference to “classical” creditworthiness rating • Real estate rating within the scope of valuation • Rating of portfolio properties • Rating of projects • Rating of open real estate funds • Property categories 	-	-	-	-	-	3

Number	Content	Degree of expertise					
		CIS HypZert (S)	Delta (F)	CIS HypZert (F)	Delta (M)	CIS HypZert (M)	CIS HypZert (R)
	<ul style="list-style-type: none"> Rating scale 						
9.2	<p>TEGoVA property and market rating</p> <ul style="list-style-type: none"> Definition <ul style="list-style-type: none"> Rating definition of portfolio properties Rating for projects Rating system <ul style="list-style-type: none"> Rating scale Criteria groups Measuring standards Criteria groups with their sub-criteria <ul style="list-style-type: none"> Market Location: <ul style="list-style-type: none"> Property Quality of real estate cash flow Development risks and opportunities of projects Rating result (rating sheet) Peculiarities of property and market rating 	-	-	-	-	-	3
9.3	<p>Special national real estate rating models / competition between systems</p> <ul style="list-style-type: none"> Peculiarities of property and market rating of the <i>Verband Deutscher Pfandbriefbanken e.V.</i> Peculiarities of real estate rating of the <i>Bundesverband Öffentlicher Banken Deutschlands</i> and the <i>Deutsche Sparkassen- und Giroverband (VÖB real estate analysis)</i> Other 	-	-	-	-	-	3
9.4	<p>Background knowledge</p> <ul style="list-style-type: none"> Requirements placed on rating agencies National/international rating agencies and their rating standards Requirements placed on Basel II rating model 	-	-	-	-	-	1