



CERTIFIED RETAIL PROPERTY EXECUTIVE EXAM SPECIFICATIONS OUTLINE

The CRX Admissions & Governing Committee, a representative panel of subject matter experts with global practice experience, developed the CRX content specifications and exam in conjunction with Prometric and in compliance with industry standard psychometric practices and in accordance with the *Standards for Educational and Psychological Testing* published by the American Psychological Association, the American Educational Research Association, and the National Council on Measurement in Education. The composition of the CRX exam is guided by extensive industry research into the knowledge, skills and experience needed for a qualifying candidate to hold the CRX designation, thus providing a valid and defensible foundation of domains and sub-domains to support the development of a credentialing exam. This methodical and comprehensive investigation into the content that should be assessed resulted in the identification of essential competency areas organized into nine knowledge domains with proportions (weights) for each that ensure the CRX exam is appropriately sampling the knowledge and skills necessary for a retailing or retail real estate professional to excel in a senior level position.

CRX KNOWLEDGE DOMAINS

Domain 1. Ownership and Asset Management (15%)

Domain 2. Development and Redevelopment (15%)

Domain 3. Finance and Accounting (10%)

Domain 4. Leasing and Revenue Generation (10%)

Domain 5. Retailing (10%)

Domain 6. Marketing and Communications (10%)

Domain 7. Legal & Compliance (7%)

Domain 8. Property and Facilities Management (10%)

Domain 9. Executive Management (13%)

CRX EXAM CONTENT OUTLINE

Domain 1. Ownership and Asset Management (15%)

1. Ownership and Asset Management

- 1.1. Ownership Structure (e.g., public and private real estate investment trusts [REITs], institutional, investment funds, joint venture, partnerships, limited liability company [LLC])
- 1.2. Ownership Objectives (e.g., long-term or short-term hold, redevelopment for capital appreciation, capital preservation)
- 1.3. Asset Management (e.g., functions, responsibilities, third-party service providers)
- 1.4. Performance Targets (e.g., internal rate of return [IRR], return on investment [ROI], leverage)
- 1.5. Acquisitions and Dispositions (e.g., market assessment, financial modeling, due diligence, hold-sell evaluation)
- 1.6. Portfolio Management (e.g., performance objectives, asset mix)

1.7. Business Information Systems (e.g., analytics, property management software, systems)

Domain 2. Development and Redevelopment (15%)

- 2. Development and Redevelopment
 - 2.1. Project Feasibility Analysis, Site Selection and Site Planning
 - 2.2. Design, Architectural and Engineering
 - 2.3. Design Concepts, Market Compatibility, Maximizing Land Use
 - 2.4. Sustainable Design (e.g., Leadership in Energy and Environmental Design [LEED] certification, Energy Star, Green Globes, British Real Estate Environmental Assessment Method [BREEAM], stormwater management, energy efficiency and renewables)
 - 2.5. Property Types (e.g., regional centers, mixed use, basic layouts, etc.)
 - 2.6. Typical Lease Language for Tenant Buildout and Landlord Requirement
 - 2.7. Governmental Entitlements and Compliance (including physical disability accessibility requirements, local codes, zoning)
 - 2.8. Development Incentives (e.g., tax increment financing [TIF], urban enterprise zones [UEZ])
 - 2.9. Environmental Evaluation (e.g., asbestos abatement, soil and ground-water remediation)
 - 2.10. Lender Requirements, Public Financing and Development Pro Forma
 - 2.11. Construction Management (e.g., pre-construction, construction documents, oversight and close-out, value engineering)

Domain 3. Finance and Accounting (10%)

- 3. Finance and Accounting
 - 3.1. Valuation Analysis (e.g., cost approach, comparison of similar transactions, income capitalization approach, cap rates, market-value pro forma)
 - 3.2. Taxes (e.g., rent, sales / gross receipts, income and capital gains)
 - 3.2.1. Real Estate Assessments and Tax Appeals
 - 3.3. Budgeting, Forecasting (e.g., revenue - including recoveries and reimbursements, operating expenses, capital expense planning)
 - 3.4. Generally Accepted Accounting Principles (e.g., mark-to-market, straight-line rents, capitalized expenses, depreciation, treasury functions)
 - 3.5. Financial Statements (e.g., project / center income statement, balance sheet, statement of cash flow)
 - 3.6. Financial Terminology (e.g., London interbank offered rate [Libor], net operating income [NOI], earnings before interest, taxes, depreciation and amortization [EBITDA], funds from operations [FFO], net present value [NPV], discounted cash flow [DCF], net effective rent [NER], accrual and cash basis accounting)
 - 3.7. Property Financing
 - 3.7.1. Methods of Financing (e.g., fixed, floating, construction, permanent, mezzanine, equity)
 - 3.7.2. Debt Service (e.g., mortgage amortization, principal and interest, mortgage constant, income participation debt structures)
 - 3.8. Financial Services
 - 3.8.1. Credit and Collections
 - 3.8.2. Lease Administration (e.g., minimum rent, fixed and prorata common area maintenance [CAM], real estate taxes, insurance, gross rent, percentage rent, gross sales reporting, natural and artificial breakpoints, consumer price index [CPI])

Domain 4. Leasing and Revenue Generation (10%)

- 4. Leasing and Revenue Generation
 - 4.1. Tenant / Landlord Relations
 - 4.2. Broker / Tenant Representation
 - 4.3. Leasing Plan (e.g., merchandise mix, tenant mix, revenue objectives, center layout)
 - 4.3.1. Retailer and Category Productivity Analysis and Establishing Rent Structures (e.g., occupancy cost ratio / effort ratio)
 - 4.3.2. Tenant Prospecting and Evaluation
 - 4.4. Rent (e.g., fixed-minimum, percentage, gross, additional)
 - 4.5. Deal Terms (economic and non-economic)
 - 4.5.1. Proposal / Letter of Intent (LOI)
 - 4.5.2. Negotiating Techniques and Closing the Deal
 - 4.5.3. Co-tenancy (opening and ongoing), Exclusives, Restrictive Covenants, Early Termination Rights

- 4.5.4. Cost-benefit Analysis (e.g., revenue vs. landlord work, tenant allowance, key money, leasing commissions, free rent)
- 4.6. Remerchandising (e.g., tenant retention, renewal, re-leasing, de-leasing, incubation, lease buyout, resizing, relocation)
- 4.7. Pad / Freestanding / Outparcel (e.g., ground lease, sale, build-to-suit, reverse build-to-suit)
- 4.8. Short-term Leasing and Setting License Fees (e.g., License agreement, retail merchandising unit [RMU], kiosk, temporary in-line)
- 4.9. Miscellaneous Revenue Sources (e.g., parking lot, rooftop, advertising, sponsorship, vending, static display, auto displays)

Domain 5. Retailing
(10%)

- 5. Retailing
 - 5.1. Mathematics of Retailing (e.g., markup, markdown, margins, trade discount, cash discount, stock / inventory turns)
 - 5.2. Terms and Definitions (e.g., loss leader, pop-up retail, shrinkage, buyer conversion, average unit retail [AUR], stock-keeping unit [SKU], average transaction, point of sale [POS] / point of purchase [POP])
 - 5.3. Categorization of Retailers
 - 5.3.1. Merchandise Type (e.g., general merchandise, apparel, furniture)
 - 5.3.2. Ownership Type (e.g., independent, regional, national, global, publicly owned / traded)
 - 5.3.3. Retailer Format (e.g., anchors, category specialists, specialty stores, catalog / internet, seasonal licensees)
 - 5.4. Multi-channel Retailing (e.g., stores, e-commerce, on-line retailing, warehouse clubs, catalogs, television, smartphone)
 - 5.5. Retailer Financial Statements and Metrics
 - 5.5.1. Income Statement / Profit and Loss (P&L)
 - 5.5.2. Balance Sheet
 - 5.5.3. Statement of Cash Flow
 - 5.5.4. Financial Ratios (e.g., quick ratio, liquidity ratio, current ratio)
 - 5.5.5. Four-wall Analysis
 - 5.6. Tenancy Costs per Store (landlord and non-landlord excluding sales costs)
 - 5.7. Retailer's Business Models, Brand Strategy and Business Plan
 - 5.8. Sales Performance by Type of Retailer
 - 5.9. Supply Chain Management
 - 5.9.1. Retailer Seasonality (e.g., sales planning, advertising, promotions, merchandising)
 - 5.9.2. Technology Application (e.g., consumer payment systems, radio frequency identification [RFID], cyber-fencing)

Domain 6. Marketing and Communications
(10%)

- 6. Marketing and Communications
 - 6.1. Corporate Communications (e.g., investor relations, media relations, public relations, crisis management)
 - 6.2. Digital Media / Social Networking (e.g., Facebook, Twitter, Four-Square)
 - 6.3. Property Marketing (e.g., budgeting guidelines, results management, structure and funding)
 - 6.3.1. Marketing for Event, Sponsorship and Other Income Generation
 - 6.3.2. Marketing for Leasing / Development
 - 6.3.3. Marketing for Community Relations and Public Relations (PR)

Domain 7. Legal & Compliance
(7%)

- 7. Legal & Compliance
 - 7.1. Lease Agreements
 - 7.1.1. Liable Entities (e.g., corporate, partnership, individual and guarantor)
 - 7.1.2. Key business terms
 - 7.1.2.1. Lease Commencement Date / Rent Commencement Date / Free Rent Period
 - 7.1.2.2. Rent / Percentage Rent (e.g., gross sales exclusions, definition)
 - 7.1.2.3. Common Area Maintenance [CAM] (e.g., definition – inclusions, exclusions, pro-rata)

- share, determination of the numerator and denominator, audits)
- 7.1.2.4. Assignment / Sublet / License (e.g., free vs. restricted rights, basis for rejection, profit sharing, recapture)
- 7.1.2.5. Rights and Remedies (e.g., cure periods, breach vs. default, termination, post default strategies, acceleration, mitigation, bankruptcy issues)
- 7.1.2.6. Creditworthiness (e.g., tenant, co-tenant, sub lessors, guarantors)
- 7.1.3. Green Building Lease Provisions
- 7.2. Legal terminology
 - 7.2.1. Term / Options / Holdover
 - 7.2.2. Permitted Uses and Exclusive Uses (e.g. restricted, tenant vs. premises, specific lines, square footage, lapse – due to time / use)
 - 7.2.3. Opening Co-tenancy / Ongoing Co-tenancy (e.g., rent adjustment remedies, termination rights, recapture, time frames)
 - 7.2.4. Radius Restrictions (e.g., measurement, exceptions, violation rights)
 - 7.2.5. Early Termination (e.g., kick out, relocation rights and recapture rights)
 - 7.2.6. Exterior Issues (e.g., sightlines, freeze areas, no-build areas, public access, access for disabilities, protestors, special events, pylons, monuments)
 - 7.2.7. Subordination, Non-disturbance and Attornment
 - 7.2.8. Repair and Maintenance vs. Replacement (e.g., expense vs. capital, cost recoveries, self help, offset rights)
 - 7.2.9. Defaults (e.g., notice vs. automatic)
 - 7.2.10. Dispute Resolution (e.g., litigation, arbitration, mediation, resolution protocols)
- 7.3. Other Legal Documents
 - 7.3.1. License Agreements, Use and Occupancy Agreements
 - 7.3.2. Reciprocal Easement Agreement [REA]
 - 7.3.3. Construction, Operations and Reciprocal Easement Agreement [COREA]

Domain 8. Property and Facilities Management (10%)

- 8. Property and Facilities Management
 - 8.1. Operations of the Retail Facility
 - 8.2. Security (e.g., patrol, coverage, systems, policy and procedures, local law enforcement, reporting protocols)
 - 8.3. Risk Management (e.g., life safety system, emergency response procedures, risk mitigation protocols)
 - 8.4. Insurance (e.g., types of insurance, coverages, self-insurance, co-insurance, claims management, evidence of insurance)
 - 8.5. Indemnification (e.g., indemnification clauses, scope of indemnification)
 - 8.6. Tenant Coordination (e.g., design criteria, construction management, tenant plan review, schedule management)
 - 8.7. General and Preventive Maintenance (e.g., housekeeping, landscaping, lighting, parking lot, heating, ventilation and air conditioning [HVAC], roof, in-house vs. outsourcing, waste management)
 - 8.8. Energy Management (e.g., energy efficiency measures and energy aggregation in deregulated jurisdictions)

Domain 9. Executive Management (13%)

- 9. Executive Management
 - 9.1. Leadership and Teamwork
 - 9.2. Recruiting and Succession Planning
 - 9.3. Organizational Structure (e.g., board of directors, investors, senior management, operating departmental structure)
 - 9.4. Training and Professional Development (e.g., initial training, ongoing training, special training, harassment training, diversity considerations)
 - 9.5. Performance Evaluations and Compensation
 - 9.6. Best Practices of Effective Negotiating (e.g., understanding your best alternative to a negotiated agreement [BATNA], reframing objections, probing for interests, managing multi-party negotiations, phases of a negotiation, managing sources of power)