



CSM EXAMINATION CONTENT

NORTH AMERICAN PRACTICES

Following is a detailed outline, or blueprint, of the major content areas of the CSM examination. This content outline was derived from an extensive study that defined the knowledge and experience needed for a qualifying candidate to hold the CSM designation, which demonstrates a broad knowledge across various disciplines involving management of retail real estate. The weight of each content area, how much of the exam is devoted to each area, is provided for your reference. The questions on the CSM examination reflect an integration of these areas. Prometric and the CSM Admissions and Governing Committee worked together to define these specifications. Prometric is the recognized global leader in technology-enabled testing and assessment services.

SPECIFICATIONS OUTLINE

Weight	Content Area	Specifications
5%	1. Ownership/ Asset Management	1.1 Ownership Structure (e.g., public and private Real Estate Investment Trusts [REITs], institutional, joint venture, partnerships, Limited Liability Company [LLC]) 1.2 Ownership Objectives (e.g., long-term or short-term hold, redevelopment) 1.3 Asset Management (e.g., functions, responsibilities) 1.4 Performance matrix and market assessment 1.5 Valuation, acquisitions and dispositions (e.g., cost approach, comparison of similar transactions, income capitalization approach, due diligence, change in property management)

Weight	Content Area	Specifications
10%	2. Accounting, Finance and Financial Reporting	2.1 Methods of financing 2.2 Return on investment (ROI) and internal rate of return (IRR) 2.3 Debt service (e.g., mortgage amortization, principal and interest, mortgage constant, income participation debt structures) 2.4 Net present value (NPV) (e.g., concept, application) 2.5 Balance sheet (e.g., assets, liabilities, stockholders equity) 2.6 Income statement (e.g., revenue and expenses net operating income [NOI], funds from operations [FFO], net cash flow) 2.7 Collection procedures, asset recovery (e.g., collection service, lease and tenant sales audits) <ul style="list-style-type: none"> 2.7.1 Cash management (e.g., petty cash, check handling, physical deposits, electronic processing of payables and receivables, statement of reconciliation, gift cards) 2.7.2 Real estate tax assessments (e.g., millage rate [tax rate], appraisal and contesting strategies) 2.7.3 Pro forma (e.g., purpose, preparation, comparisons) 2.7.4 Budgeting, forecasting and variance reporting 2.7.5 Internal controls, enforcement



2.7.6 Accrual v. cash basis accounting

Weight	Content Area	Specifications
10%	3. Lease Administration	<p>3.1 Interpretation of lease provisions (e.g., rent abatement, lease termination, restrictions, kick-out, co-tenancy, lease commencement, gross receipts, holding over, quiet enjoyment)</p> <p>3.2 Enforcement procedures (e.g., notification requirements, cure periods, common area usage)</p> <p>3.3 Fixed vs. prorata common area maintenance (CAM)</p> <p>3.4 Other rents and recoveries (e.g., utilities, heating, ventilation and air conditioning [HVAC], waste removal)</p> <p>3.5 Real estate taxes (RET) recoveries and billings</p> <p>3.6 Methods of calculating tenant prorata share (e.g., gross leasable area [GLA], gross leasable occupied area [GLOA], leased area, exclusions, CAM pools)</p> <p>3.7 Gross vs. net lease</p> <p>3.8 Reconciliation methods (e.g., CAM settlements, caps, offsets, year-end adjustments)</p> <p>3.9 Rent adjustments based on lease provisions (e.g., step rents, overage rents, consumer price index [CPI], overage recapture)</p> <p>3.10 Minimum and overage rent (e.g., natural vs. artificial breakpoints, percentage vs. overage rents)</p>

Weight	Content Area	Specifications
7%	4. Development / Redevelopment	<p>4.1 Land acquisition</p> <p>4.2 Site planning</p> <p>4.3 Tax Increment Financing (TIF) (e.g., districts, how cities use them, public improvements, other public economic incentives such as tax abatement)</p> <p>4.4 Overall Development Plan (ODP) (e.g., land use entitlements, administrative and municipal approvals)</p> <p>4.5 Sustainable design, construction and operation (e.g., green building, energy and water conservation, resources and material, indoor environmental quality, sustainable sites, Leadership in Energy and Environmental Design [LEED])</p> <p>4.6 Redevelopment opportunities (e.g., renovations and expansions, impact on operations, income and merchandise mix)</p> <p>4.7 Focus of project (e.g., superregional, regional, lifestyle, power, community, neighborhood, mixed use, anchor influence on target customer)</p>

Weight	Content Area	Specifications
5%	5. Retail	<p>5.1 Retailers financial statements and indicators (e.g., capital assets, business plan, balance sheet, income statement, profitability, gross profit margin, current ratio, quick ratio, debt-to-equity ratio)</p> <p>5.2 Retailing concepts and terminology (e.g., loss prevention, shrinkage, book inventory, inventory stock turns, stock keeping units [SKUs], customer relationship management [CRM], markups, mark downs, open-to-buy, visual merchandising)</p>



- 5.3 Retail store classification (e.g., apparel, accessories, footwear, jewelry, gifts, home furnishing, electronics, packaged food, food service)
- 5.4 Retailer types (e.g., department stores, mass retailers, specialty stores, catalog/internet)
- 5.5 Retailer ownership structures (e.g., independent, franchises, publicly held, privately held, regional chains, national chains, global)

Weight 9% **Content Area**
6. Long-term Leasing

Specifications

- 6.1 Market rent development (e.g., size, space, locations, market pressures)
- 6.2 Analysis of occupancy costs as a percentage of sales and rent restructuring
- 6.3 Relationship of retail use and sales potential to rent structure
- Sales reporting and analysis (e.g. sales per square foot, comparable/same-store, category ranges)
- 6.4 Merchandise mix (e.g., needs, niche, opportunities, co-tenancy of highly productive retailers)
- 6.5 Prospecting for long-term merchants (e.g. competitive analysis, literature review, site visits, cold calls, ICSC deal-making events)
- 6.6 Tenant incentives (e.g., tenant allowance/landlord work)
- 6.7 Rent restructuring
- 6.8 Leasing agents (e.g., cost, legal documents, brokers/tenant representation)

Weight 6% **Content Area**
7. Short-term occupancy and alternative revenue

Specifications

- 7.1 Retail merchandising unit [RMU] and short-term in-line occupancy
- 7.2 Short-term license fees vs. long-term rent (e.g., impact on expense recoveries and net operating income [NOI])
- 7.3 Impact on retail sales of long-term tenants
- 7.4 Prospecting for short-term merchants (e.g., competitive analysis, literature review, canvassing, site visits, cold calls)
- 7.5 Miscellaneous income (e.g., leasing storage space, parking lot events, sampling, malls as media)
- 7.6 Sponsorship and partnership income
- 7.7 Transition from short-term to long-term tenancy (e.g., incubation)

Weight 20% **Content Area**
8. Operations/ Physical Facilities Management

Specifications

- 8.1 Tenant coordination/building [3%]
 - 8.1.1 Tenant coordination process (e.g., objectives, design criteria, manual, tenant plan review, schedule management, landlord workletter/correspondence)
 - 8.1.2 Building codes
 - 8.1.3 Reviewing technical drawings (e.g., building contract drawings, construction drawings, as-builts)
 - 8.1.4 Coordination with local municipalities
- 8.2 General and preventive maintenance (e.g., inventory control, expense control, equipment) [1%]
- 8.3 Contract Administration [2%]



- 8.3.1 Contract specifications, scope of work and compliance
- 8.3.2 Competitive bid procedures (e.g., requests for proposals, bids required, deadlines, frequency, final approvals)
- 8.4 Building regulations and standards for accommodating persons with disabilities [1%]
- 8.5 Terminology and working knowledge (including costs) [13%]
 - 8.5.1 Heating, ventilating and air conditioning (HVAC)(e.g., rooftop units, central plant, chiller, cooling tower, boiler/furnace)
 - 8.5.2 Structural building systems
 - 8.5.3 Roof/skylight
 - 8.5.4 Fire protection
 - 8.5.5 Electrical
 - 8.5.6 Plumbing
 - 8.5.7 Interior and exterior lighting
 - 8.5.8 Emergency response systems
 - 8.5.9 Energy management systems
 - 8.5.10 Vertical transportation
 - 8.5.11 Parking lots and parking structures
 - 8.5.12 Sidewalks
 - 8.5.13 Interior and exterior landscaping
 - 8.5.14 Equipment (e.g. vehicles, compactors, lifts, communications, office equipment)
 - 8.5.15 Housekeeping
 - 8.5.16 Information technology (e.g., computer hardware and software)
 - 8.5.17 Snow removal
 - 8.5.18 Utilities and energy efficiencies
 - 8.5.19 Waste management (e.g., recycling, compactor, hauling, landfills, incineration)

Weight
8%

Content Area
9. Marketing, Promotion, Community and Public Relations

Specifications

- 9.1 Marketing for retail sales [3%]
 - 9.1.1 Budgeting guidelines (e.g., allocations by type, allocations by month)
 - 9.1.2 Research terminology (e.g., sales analysis, relative draw index (RDI), zip code [postal code] penetration, capture rate, demographics, psychographics, shopper intercept, telephone survey, focus groups, internet, secondary forms of research)
 - 9.1.3 Knowledge of area market including all competitive properties and area demographics
 - 9.1.4 Results measurement of marketing efforts (e.g., qualitative and quantitative analysis)
 - 9.1.5 Marketing funds structures (e.g., media fund, lease required advertising, merchants' association, landlord contribution)
 - 9.1.6 Market positioning (e.g., image projection, branding)
 - 9.1.7 Terminology, working knowledge and cost:



- 9.1.7.1 Advertising media (e.g., print, outdoor, broadcast)
- 9.1.7.2 E-commerce (e.g., web pages, reward programs, online shopping)
- 9.1.7.3 Visual merchandising
- 9.1.8 Gift cards (strategy, administration, restrictions, redemption, impact on sales, legal, business-to-business [B2B], business-to-consumer [B2C])
- 9.1.9 Merchant Relations
- 9.1.10 Customer service
- 9.1.11 Five steps in marketing plan (e.g., situation analysis, problems and opportunities, goals and objectives, strategies and tactics)
- 9.2 Marketing for income generation [1%]
 - 9.2.1 Declining marketing revenue and alternative sources
 - 9.2.2 Strategic partnerships/sponsorships
- 9.3 Marketing for leasing/development [1%]
 - 9.3.1 Leasing brochures, ads, publicity
 - 9.3.2 Grand openings and grand re-openings
 - 9.3.3 Additional leasing support
- 9.4 Marketing Promotions [1%]
 - 9.4.1 Retailer events
 - 9.4.2 Traffic generation
- 9.5 Marketing for Community Relations [1%]
 - 9.5.1 Community leaders and organizations
 - 9.5.2 Community/Charity events
- 9.6 Marketing for Public Relations (PR) [1%]
 - 9.6.1 Public relations strategies and tactics
 - 9.6.2 Media training
 - 9.6.3 Increasing media exposure vs. influencing public opinion
 - 9.6.4 Seeking customer acceptance (e.g., sustainability and environmentally friendly, atmosphere of safety, good corporate citizen)

Weight	Content Area	Specifications
15%	10. Security, Risk Management, Insurance and Law	10.1 Crisis management and business continuity plan (e.g., working with local emergency services, activation, communication plan) [2%] 10.2 Security/Public Safety [3%] <ul style="list-style-type: none"> 10.2.1 General security (e.g., security officer deployment, vehicle patrol, policies and procedures, trends, officer equipment and supplies, public and private, in-house and contract, surveillance equipment) 10.2.2 Statistical analysis, reporting and security planning (e.g., within the center and immediate surroundings) 10.2.3 Access control and parking management 10.3 Insurance and Risk Management [3%] <ul style="list-style-type: none"> 10.3.1 Property insurance coverage (e.g., building, rental income/business interruption, personal property, tenant's improvements) 10.3.2 Liability insurance coverage (e.g., bodily injury, personal injury, property damage, commercial general liability, umbrella excess liability,



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- automobile, directors and officers [D & O], errors and omissions [E & O], employment practices)
- 10.3.3 Insurance and risk management terms and concepts (e.g., subrogation, replacement cost vs. actual cash value, hold harmless/indemnification, "all risk", extended coverage, voluntary major medical (VMM), stipulated amount/coinsurance, building code endorsement, difference in conditions (DIC), pollution hazards, boiler and machinery, employee fidelity & crime, surety, worker's compensation/workplace safety)
- 10.3.4 Assessing risks, liability, precautions and responding to regulations
- 10.3.5 Proof of coverage (e.g., binders, certificates of insurance, additional insured)
- 10.3.6 Loss prevention survey
- 10.3.7 Security audit (e.g., deployment, policies and procedures, trends, equipment, statistical reporting, public and private)
- 10.3.8 Liability claims reduction plans (e.g., policies, procedures, safety committees/meetings)
- 10.3.9 Environmental concerns and risks (e.g., hazardous waste management, asbestos abatement, polychlorinated biphenyls [PCBS], chlorofluorocarbons [CFC], grease reclamation, underground storage tanks [UST], mold)
- 10.4 Law/Documents [7%]
 - 10.4.1 Lease document
 - 10.4.1.1 Lease assignments and sublease
 - 10.4.1.2 Legal entity (e.g., corporations, partnerships, personal guarantors)
 - 10.4.1.3 Other standard provisions and exhibits (e.g., force majeure, use clause, construction exhibits)
 - 10.4.2 Bankruptcy laws and remedies
 - 10.4.3 Defaults and eviction proceedings
 - 10.4.4 Public access and labor union access
 - 10.4.5 Liens, lien waivers, lien laws
 - 10.4.6 Leases vs. licenses (e.g., net lease, gross lease, ground lease, temporary/specialty leasing license agreements, tenancy rights vs. license to operate)
 - 10.4.7 Agreement interpretation and implications (e.g., reciprocal easement agreement [REA]; construction, operations and reciprocal easement agreement [COREA]; conditions, covenants and restrictions [CCR], operating covenants, estoppels, subordination, non-disturbance and attornment [SNDA])
 - 10.4.8 Registered agent and service of legal notices

Weight
5% **Content Area**
11. Human Resources Management

Specifications
11.1 Human Resources [3%]
11.1.1 Labor laws
11.1.2 Equal employment opportunity regulations, discrimination in the



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workplace

11.1.3 Diversity programs

11.1.4 Accommodating the disabled

11.1.5 Leadership and teamwork

11.1.6 Organizational skills and people management

11.2 Staff [2%]

11.2.1 Recruiting

11.2.2 Hiring

11.2.3 Compensation (e.g., base, incentive bonus, payroll, benefits)

11.2.4 Training and development (e.g., initial training, ongoing training, special training, harassment training)

11.2.5 Staff performance evaluations

11.2.6 Progressive discipline

11.2.7 Separation