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CERTIFIED SHOPPING CENTER MANAGER EXAM SPECIFICATIONS OUTLINE

The CSM Admissions & Governing Committee, a representative panel of subject matter experts with global practice experience, oversees the periodical update of the CSM content specifications and CSM exam 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 CSM exam is guided by extensive industry research into the knowledge, skills and experience needed for a qualifying candidate to hold the CSM designation, thus providing a valid and defensible foundation of domains (and sub-domains if appropriate) to support the development of credentialing exams (and related educational programming.) This methodical and comprehensive investigation into the content that should be assessed resulted in the identification of 141 essential competency areas organized into eleven knowledge domains with proportions (weights) for each that ensure the CSM exam is appropriately sampling the knowledge and skills necessary for center management professionals in the retail real estate industry.

CSM KNOWLEDGE DOMAINS

Domain 1. Ownership, Asset Management and Type (6%)

Domain 2. Accounting, Finance and Financial Reporting (10%)

Domain 3. Legal and Lease Administration (12%)

Domain 4. Development and Redevelopment (6%)

Domain 5. Retail (6%)

Domain 6. Long-term Leasing (10%)

Domain 7. Short-term occupancy and alternative revenue (10%)

Domain 8. Operations, Facilities Management and Sustainability (22%)

Domain 9. Marketing and Research (8%)

Domain 10. Risk Management and Insurance (5%)

Domain 11. Personnel Management (5%)

CSM EXAM CONTENT OUTLINE

Domain 1. Ownership, Asset Management and Type (6%)

- 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, business plan, capital planning, budgets)
- 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, property management transition)
- 1.6 Retail Asset Classes (e.g., mixed use, outlets, superregional, community center, neighborhood, power, lifestyle, single tenant)

Domain 2. Accounting, Finance and Financial Reporting (10%)

- 2.1 Return on investment (ROI) and internal rate of return (IRR)
- 2.2 Net present value (NPV) (e.g., concept, application)
- 2.3 Equity and Debt Financing (e.g., initial, construction, refinance)
- 2.4 Balance sheet (e.g., assets, liabilities, stockholders equity)
- 2.5 Income statement (e.g., revenue and expenses, net operating income [NOI], earnings before interest, taxes, depreciation and amortization [EBITDA], funds from operations [FFO], net cash flow)
 - 2.5.1 Debt service (e.g., mortgage amortization, principal and interest, mortgage)
- 2.6 Collection procedures, asset recovery (e.g., reserves for bad debt, write offs, collection service, lease and tenant sales audits)
- 2.7 Cash management (e.g., petty cash, check handling, physical deposits, electronic processing of payables and receivables, statement of reconciliation, gift cards)
- 2.8 Real estate tax assessments (e.g., millage rate [tax rate], appraisal and contesting strategies)
- 2.9 Pro forma (e.g., purpose, preparation, comparisons)
- 2.10 Budgeting, forecasting and variance reporting
- 2.11 Internal controls, enforcement, internal audit
- 2.12 Accrual v. cash basis accounting

Domain 3. Legal and Lease Administration (12%)

- 3.1 The Lease
 - 3.1.1 Lease assignments and sublease
 - 3.1.2 Legal entity (e.g., corporations, partnerships, personal guarantors)
 - 3.1.3 Other standard provisions and exhibits (e.g., force majeure, permitted use, construction exhibits)
- 3.2 Lease Administration
 - 3.2.1 Interpretation of lease provisions (e.g., lease termination, restrictions, early termination rights, co-tenancy, gross receipts, exclusives, quiet enjoyment, options, holding over, commencement)
 - 3.2.2 Enforcement procedures and lease provisions (e.g., notification requirements, cure periods, common area usage, defaults and eviction proceedings)
 - 3.2.3 Fixed vs. pro rata recoveries (e.g., utilities, heating, ventilation and air conditioning [HVAC], waste removal, common area maintenance (CAM), Real estate taxes (RET) recoveries and billings)
 - 3.2.3.1 Methods of calculating tenant pro rata share (e.g., gross leasable area [GLA], gross leased and occupied area [GLOA], leased area, exclusions, common area maintenance [CAM] expense allocations)
 - 3.2.3.2 Gross vs. net lease
 - 3.2.3.3 Reconciliation methods (e.g., CAM/property tax settlements, caps, offsets, year-end adjustments)
 - 3.2.4 Rent adjustments (e.g., Rent restructuring, step rents, percentage rents, indexation/consumer price index [CPI])
 - 3.2.5 Minimum and percentage rent (e.g., percent in lieu of minimum rent, natural vs. artificial breakpoints)
- 3.3 Legal
 - 3.3.1 Bankruptcy laws and remedies
 - 3.3.2 Public access and labor union access
 - 3.3.3 Liens and lien waivers
 - 3.3.4 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])
 - 3.3.5 Registered agent and service of legal notices

Domain 4. Development and Redevelopment (6%)

- 4.1 Public-Private Development Assistance (e.g., tax increment financing (TIF), districts, how cities use them, public improvements, other public economic incentives such as tax abatement)
- 4.2 Zoning and Municipal Requirements (e.g., parking ratios, noise pollution, light pollution)
- 4.3 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], Building Research Establishment Environmental Assessment Method [BREEAM])
- 4.4 Redevelopment opportunities (e.g., renovations and expansions, impact on operations, income, merchandise mix)
- 4.5 Peripheral property and ground leases

Domain 5. Retail (6%)

- 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)
- 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, buyer conversion rates)
- 5.3 Merchandise classification (e.g., apparel, accessories, footwear, jewelry, gifts, home furnishing, electronics, packaged food, food service)
- 5.4 Retailer store types (e.g., department stores, mass retailers, specialty)
- 5.5 Retailer ownership structures (e.g., independent, franchises, licensing, publicly held, privately held, regional chains, national chains, global)
- 5.6 Omni-channel Retailing (e.g., e-commerce, Internet, catalogs, smartphone, television)
- 5.7 Performance Optimization and Assessment (e.g., assortment, store design, stock levels, service levels, price points, positioning)

Domain 6. Long-term Leasing (10%)

- 6.1 Market rent development (e.g., size, space, locations, market pressures)
- 6.2 Rent Structure
 - 6.2.1 Analysis of occupancy costs as a percentage of sales/turnover
 - 6.2.2 Structure (e.g. effective rent, minimum rent, percentage rent, additional rents from common area maintenance [CAM], real estate taxes, insurance, marketing and utilities)
- 6.3 Sales reporting and analysis (e.g. sales per square foot, comparable/same-store, category ranges)
- 6.4 Tenant mix (e.g., needs, niche, opportunities)
- 6.5 Prospecting for long-term tenants (e.g. competitive analysis, literature review, site visits, cold calls, leasing deal-making events)
- 6.6 Tenant incentives (e.g., tenant allowance/landlord work)
- 6.7 Leasing costs (e.g., legal documents, brokers/tenant representation)

Domain 7. Short-term occupancy and alternative revenue (10%)

- 7.1. License agreement
- 7.2. Revenue generating sources
 - 7.2.1. Retail (e.g., Retail merchandising unit [RMU], Kiosk, In Line, Vending)
 - 7.2.2. Non-retail (e.g., Advertising, Sponsorship, Rooftop, Events)
- 7.3. Setting fees (short-term “rents”)
- 7.4. Short-term leasing prospecting
 - 7.4.1. Qualifying the merchant
 - 7.4.2. Negotiation
 - 7.4.3. Impact on retail sales of long-term tenants
- 7.5. Transition from short-term to long-term tenancy (e.g., incubation)
- 7.6. Common area limitations and restrictions
- 7.7. Visual presentation
- 7.8. Securing sponsorship, advertising and events

Domain 8. Operations, Facilities Management and Sustainability (22%)

- 8.1 Tenant coordination/construction
 - 8.1.1 Tenant coordination process (e.g., objectives, design criteria manual, tenant plan review, schedule management, landlord work letter, possession of leased premises)
 - 8.1.2 Building codes and municipal compliance
- 8.2 General and preventive maintenance (e.g., supplies inventory control, expense control, equipment)
- 8.3 Contract Administration
 - 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 Reviewing technical drawings (e.g., building contract drawings, construction drawings, as-builts)
 - 8.4.1 Building regulations and standards for accommodating persons with disabilities
 - 8.4.2 Structural building systems
- 8.5 Physical Plant Operations
 - 8.5.1 Heating, ventilating and air conditioning (HVAC)(e.g., rooftop units, central plant, chiller, cooling tower, boiler/furnace)
 - 8.5.2 Roof/skylight
 - 8.5.3 Fire and Life Safety Systems
 - 8.5.4 Electrical
 - 8.5.5 Plumbing
 - 8.5.6 Interior and exterior lighting
 - 8.5.7 Energy management systems
 - 8.5.8 Vertical transportation
 - 8.5.9 Parking lots and parking structures
 - 8.5.10 Sidewalks, walkways and entrances
 - 8.5.11 Interior and exterior landscaping
 - 8.5.12 Equipment (e.g. vehicles, communications, office equipment)
 - 8.5.13 Housekeeping
 - 8.5.14 Information technology (e.g., computer hardware and software)
 - 8.5.15 Snow removal
 - 8.5.16 Utilities and energy efficiencies
 - 8.5.17 Waste management (e.g., recycling, compactor, hauling, landfills, incineration)
- 8.6 Security/Public Safety
 - 8.6.1 Security Planning (e.g., security officer deployment, access control, vehicle patrol, policies and procedures, trends, officer equipment and supplies, public and private, in-house and contract, surveillance equipment)
 - 8.6.2 Statistical analysis and reporting (e.g., within the center and immediate surroundings)
- 8.7 Crisis management and business continuity plan (e.g., working with local emergency services, activation, communication plan)

Domain 9. Marketing and Research (8%)

- 9.1 Research (e.g., traffic/footfall patterns, 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)
- 9.2 The Marketing Plan as a component to business plan (e.g., situation analysis, problems and opportunities, goals and objectives, strategies and tactics, funding and budgeting, result evaluation)
- 9.3 Branding, Advertising and Media
 - 9.3.1 Digital and Social Media (e.g., mobile, text messaging, Facebook, Twitter, e-blasts, websites)
 - 9.3.2 Key Terms (e.g., geofencing, search engine optimization [SEO], digital wallets, data mining, heat map, click-through rate)
 - 9.3.3 Brand Strategy (e.g., brand story, promise/proposition, essence, positioning)
- 9.4 Traditional Media

- 9.4.1 On-Property Media (e.g., property signage, point of purchase, promotional materials)
- 9.4.2 Media (e.g., print, broadcast, outdoor, direct mail)
- 9.5 Marketing for leasing/development (e.g., brochures, ads, publicity, grand openings, grand re-openings, other leasing support)
- 9.6 Promotions and Communications (e.g., community relations, public relations, merchant relations, retailer events, traffic/footfall generation, community charity)
- 9.7 Customer service and Loyalty Programs (e.g., gift cards, mobile apps, database management, web presence, incentives)

Domain 10. Risk Management and Insurance (5%)

- 10.1 Types of Coverage
 - 10.1.1 Property insurance coverage (e.g., building, rental income/business interruption, personal property, tenant improvements)
 - 10.1.2 Liability insurance coverage (e.g., bodily injury, personal injury, property damage, commercial general liability, umbrella excess liability)
 - 10.1.3 Other coverage (e.g., automobile, boiler and machinery, workers compensation, directors and officers [D&O], errors and omissions [E&O])
- 10.2 Terms and Concepts (e.g., subrogation, replacement cost vs. actual cash value, hold harmless/indemnification, extended coverage, voluntary major medical (VMM), stipulated amount/coinsurance, building code endorsement, difference in conditions (DIC), pollution hazards, employee fidelity & crime, surety, workplace safety)
- 10.3 Proof of coverage (e.g., binders, certificates of insurance, additional insured)
- 10.4 Insurance company inspection
 - 10.4.1 Liability claims reduction plans (e.g., procedures, safety committees/meetings, policy compliance)
- 10.5 Environmental concerns and risks (e.g., hazardous waste management, asbestos abatement, polychlorinated biphenyls [PCBS], chlorofluorocarbons [CFC], grease reclamation, underground storage tanks [UST], mold, groundwater contamination, airborne contamination, volatile organic compounds [VOC])

Domain 11. Personnel Management (5%)

- 11.1 Organizational Management (e.g., staffing levels, job descriptions, succession planning)
- 11.2 Recruiting, Hiring, Performance Management and Separation
- 11.3 Compensation (e.g., base, incentive, bonus, payroll, benefits)
- 11.4 Training and development (e.g., initial training, ongoing training, special training, promotions, harassment training)
- 11.5 Labor laws (e.g., Equal employment opportunity regulations, discrimination in the workplace, Diversity programs, Accommodating the disabled)