



RECON

The Future Starts Now

Certified Shopping Center Manager CSM Brief

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Why CSM Matters...

For our industry:

- Elevate Professional Standards
- Recognize Industry Leaders

For your company:

- Identify Emerging Leaders
- Enhance Individual Performance

For you:

- Increase your worth and recognition
- Achieve highest professional standards



Certified Shopping Center Manager

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%)



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Domain 1

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Ownership, Asset Management and Type

- Ownership Structure
- Ownership Objectives
- Asset Management
- Performance Matrix and Market Assessment
- Valuation, Acquisitions and Dispositions
- Retail Asset Classes



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pop? quiz

Ownership, Asset Management and Type

A Power Centre is best described as a

- A. Neighborhood centre that has a grocery and discount store as anchors
- B. Lifestyle centre that is associated with upscale apparel, home furnishings and restaurants
- C. Centre with a majority of its space dedicated to large retail stores
- D. Superregional centre that has at least five anchors

Ownership, Asset Management and Type

A review of the tenant mix at Samurai-Moto Shopping Centre, a 120,000 square metre suburban regional centre in Osaka, Japan, shows the tenants with the following percentages of GLA:

Category	Percent
Food	15%
Jewelry	18%
Shoes	26%
Women's Apparel	27%

Ownership, Asset Management and Type

Which of the following would be appropriate actions for the management of this centre to take?

- A. Increase the number of stores in the women's apparel sales classification
- B. Decrease the number of stores in the shoe and Jewelry sales classifications
- C. Increase the number of stores in the food and shoe sales classification
- D. Decrease the number of stores in the jewelry and women's apparel sales classification



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Domain 2

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Accounting, Finance & Financial Reporting

- Return on Investment (ROI) and Internal Rate of Return (IRR)
- Net Present Value (NPV)
- Equity and Debt Financing
- Balance Sheet
- Income Statement
- Collection of Procedures, Asset Recovery

Accounting, Finance & Financial Reporting

- Cash Management
- Real Estate Tax Assessments
- Pro Forma
- Budgeting, Forecasting and Variance Reporting
- Internal Controls, Enforcement, Internal Audit
- Accrual v. Cash Basis Accounting



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Accounting, Finance & Financial Reporting

Which of the following statements about caps is true?

- A. A tax cap is based on an assessed value.
- B. A tax cap is the maximum contribution by the landlord.
- C. A common area maintenance cap is a proportionate share.
- D. A common area maintenance cap is the maximum contribution by the tenant.

Accounting, Finance & Financial Reporting

A regional mall that follows typical sales cycles has sales for the two-month period of January and February amounting to a total of \$12 million. Which of the following are projected annual sales for the mall?

- A. \$80 million
- B. \$100 million
- C. \$120 million
- D. \$150 million

Accounting, Finance & Financial Reporting

Which of the following is a component of net operating income?

- A. Amortized capital
- B. Mortgage interest
- C. Income taxes
- D. Real estate taxes



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Domain 3

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Legal and Lease Administration

- The Lease
- Lease Administration
- Legal



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Legal and Lease Administration

On a gross lease, tenants generally pay charges for:

- A. Common area trash removal
- B. Sidewalk cleaning
- C. Central plant repairs
- D. Repairs to cash wrap counter

Legal and Lease Administration

A developer's lease calls for all lease years to run from January 1 to December 31, with any opening date later than January 1 resulting in a partial lease year at the beginning of the lease term. All charges are to be prorated accordingly. In which of the following areas might a tenant expect a midyear opening date to have an adverse impact on the charges?

- A. Minimum rent
- B. Percentage rent
- C. CAM charges
- D. Real estate taxes



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Domain 4

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Development/Redevelopment

- Public-Private Development Assistance
- Zoning and Municipal Requirements
- Sustainable Design, Construction and Operation
- Redevelopment Opportunities
- Peripheral Property and Ground Leases



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Development/Redevelopment

What is the minimum slope to an asphalt ground parking lot that is sufficient for water to drain off its surface?

- A. .50%
- B. .75%
- C. 1.00%
- D. 1.50%



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Domain 5

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Retail

- Retailers Financial Statements and Indicators
- Retailing Concepts and Terminology
- Merchandise Classification
- Retailer Store Types
- Retailer Ownership Structures
- Omni-Channel Retailing
- Performance Optimization and Assessment



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Retail

For an apparel store, what percentage of sales usually relates to the cost of the merchandise?

- A. 20%
- B. 30%
- C. 50%
- D. 70%

Retail

Galleries Jean-Louis purchased 300 dresses at €100 each. The dresses had an initial markup of keystone also known as 50% markup. As the season neared its end, inventory and accounting records showed that 200 of the dresses had sold at full price. To clear the rest of the inventory, the dresses were marked down and sold during the store's annual "everything at 40 percent off" sale. There was no shrinkage, alteration costs, or discounts earned. What was the approximate gross profit margin on the 300 dresses?

- A. 16%
- B. 42%
- C. 50%
- D. 64%



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Long-Term Leasing

- Market Rent Development
- Rent Structure
- Sales Reporting and Analysis
- Tenant Mix
- Prospecting for Long-term Tenants
- Tenant Incentives
- Leasing Costs



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Long-Term Leasing

If a 2,200-square-foot store has annual sales of \$520,000, which of the following types of rent would yield the greatest amount for the landlord?

- A. \$10 psf base rent, 6% percentage rent factor with a natural breakpoint
- B. \$11 psf base rent, 5% percentage rent factor with a natural breakpoint
- C. \$12 psf base rent, 5% percentage rent factor with a \$428,000 breakpoint
- D. \$14 psf base rent, with no percentage rent



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Short-Term Occupancy & Alternative Revenue

- License Agreements
- Revenue Generating Sources
- Setting Fees
- Short-Term Leasing Prospecting
- Transition from Short-Term to Long-Term Tenancy
- Common Area Limitations and Restrictions
- Visual Presentation
- Securing Sponsorship, Advertising and Events



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Short-Term Occupancy & Alternative Revenue

Which of the following is likely to produce the LEAST amount of non-rental revenue in a shopping center?

- A. Wheelchair and stroller rentals
- B. Sponsorships
- C. Mall-as-media advertising
- D. Parking lot events

Short-Term Occupancy & Alternative Revenue

	% OF RESIDENTS IN	% OF CENTER SHOPPERS FROM
Market A	60	55
Market B	30	40
Market C	10	5

Which of the following statements about the relative draw index is NOT true according to the research results above?

- A. It is 1.33 for Market B.
- B. It is .50 for Market C.
- C. It is lower for Market B than for Market C.
- D. It is lower for Market A than for Market B.



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Domain 8

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Operations, Facilities Management & Sustainability

- Tenant Coordination/Construction
- General and Preventive Maintenance
- Contract Administration
- Reviewing Technical Drawings
- Physical Plant Operations
- Security/Public Safety
- Crisis Management and Business Continuity Plan



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Operations, Facilities Management & Sustainability

A good maintenance program for a shopping center roof should include all of the following procedure EXCEPT:

- A. when scaffolds or ladders are used, protective boards should be placed below them to prevent gouging and damage may result from dropped tools.
- B. leaves should be removed regularly.
- C. traffic on the roof should be kept to a minimum and then only on prescribed pathways.
- D. recoating should be done with the felts have deteriorated but the damage is localized and the flashings are sound.

Operations, Facilities Management & Sustainability

Which of the following procedures would NOT help to reduce exterior landscape watering costs?

- A. Using drip irrigation systems
- B. Using plant material native to the area
- C. Using high-nitrogen fertilisers
- D. Watering at night or in early morning

Operations, Facilities Management & Sustainability

Which of the following is an example of a 1-hour fire-rated wall?

- A. A 5/8-inch gypsum plasterboard wall
- B. A 1-inch green plywood wall
- C. An 8-inch cinder-block wall
- D. A 1/2-inch acoustical-tile wall



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Domain 9

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Marketing and Research

- Research
- The Marketing Plan as a Component to Business Plan
- Branding, Advertising and Media
- Traditional Media
- Marketing for Leasing/Development
- Promotions and Communications
- Customer Service and Loyalty Programs



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quiz

Marketing and Research

In an annual marketing plan, all of the following would be proper objectives for converting traffic to sales EXCEPT to increase the

- A. marketing budget to provide for more advertising.
- B. sales in the shopping center to \$175 per square foot.
- C. average purchase per customer to \$45.
- D. number of stores visited to 4.0 by September.

Marketing and Research

What percentage of a marketing budget that should typically be allocated to administrative costs?

- A. 30% to 36%
- B. 22% to 28%.
- C. 12% to 18%
- D. 5% to 7%



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Domain 10

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Risk Management & Insurance

- Types of Coverage
- Terms and Concepts
- Proof of Coverage
- Insurance Company Inspection
- Environmental Concerns and Risks





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Risk Management & Insurance

A brief temporary insuring agreement until a regular policy is issued is known as a

- A. basic coverage endorsement.
- B. certificate of insurance.
- C. license agreement.
- D. binder.

Risk Management & Insurance

A center manager has been charged with buying insurance coverage for Fanciful Shopping Center. The building construction cost was \$13,000,000, which included site improvement and fees costing \$500,000. The land was purchased for \$2,000,000. With a 10 percent depreciation factor, what is the sound insurance value?

- A. \$11,250,000
- B. \$13,500,000
- C. \$14,500,000
- D. \$15,000,000



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Domain 11

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Personnel Management

- Organizational Management
- Recruiting, Hiring, Performance Management and Separation
- Compensation
- Training and Development
- Labor Laws

Personnel Management

When confronting an employee who admits to stealing shopping center property, a general manager should tell the employee to return the property and then

- A. terminate the employee immediately.
- B. give the employee a written warning.
- C. call the police to investigate.
- D. take no further action.

Personnel Management

A full time, non-exempt employee reported to the shopping center to handle an emergency call for an after-hours event. What **MUST** be provided for the employee?

- A. Additional time off
- B. Vacation/holiday pay
- C. Paid overtime
- D. Paid break time

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Format

- Arrive 30 Minutes Early
- Take Tutorial
- 3 ½ Hours for Exam
- 100 Questions
- Multiple Choice
- 15 Minute Break

- **What to Bring on Test Day**
- Approved Calculator
- Government Issued ID
- **What is Provided**
- Lockers for personal items
- Scratch Paper

Testing Tips

- Be Prepared
- Budget your time
- Read Questions Carefully
- Eliminate Answers you know are wrong
- Always answer the question- there is no penalty for guessing

Exam Preparation and Study Aids

- Exam Specifications
 - These blueprints provide you with a detailed and organized list of domains and knowledge areas you will be tested on
- Shopping Center Study Series
 - 12 webinars covering key concepts in the retail real estate industry

Available online at www.icsc.org/CSM

Exam Preparation and Study Aids

- Knowledge Assessments & Practice Tests
 - In key areas available online, anytime
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Questions & Discussion



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