



The Competence Profile, a priority dossier for CEPI

European versus national regulation

The single market is all about enabling everyone in the EU – individuals, consumers and businesses – to make the most of the opportunities offered to them by having direct access to 27 countries and 480 million people. This represents an opportunity and a challenge for real estate professionals whose work is sometimes cross-border, is regularly challenged by international players and competitors, and is in many instances influenced or determined by European or international rules of the game.

Therefore, European regulation for the real estate professions has long been an objective of and desired output for lobbying efforts in Brussels, such as applies already for example to lawyers, medical professions and architects. Nevertheless, it has repeatedly been made evident that this as such is not a realistic scenario. Real estate is a matter of national competence and the EU does not intend to take direct action in respect of it.

Notwithstanding this matter of principle, it is our experience that the EU does in fact take a direct and increasing interest in property related matters. It does so in two different ways. On the one hand, the need to reinforce the European Single Market imposes the need for action to remove remaining barriers between Member States; professional regulations at national level are in part perceived to represent such barriers and many professions including the real estate ones are therefore faced with a trend to deregulate. On the other hand, as the current financial and debt crisis call for urgent and proactive action to strengthen the European economic area, heads of governments of the EU Member States are being called on to give more room for manoeuvre to the European legislator and executive to impose more common economic and financial rules.

The Directive on credit agreements relating to residential properties as well as the Capital Requirements Directive are both likely to affect the supply of mortgage credit and so national property markets. The Services Directive is all about mobility and is intended to pave the way to easier service provision abroad. The revision of the Directive on Professional Qualifications aims at supporting mobility by providing more transparent and accelerated procedures to give recognition to professional qualifications which may vary between countries. The European Council recently issued country-specific recommendations to all EU Member States on their economic and fiscal policies including some national housing markets, so applying economic surveillance and imposing “stabilisers” to keep national economies within specific limits. Economic governance and financial control are amongst the ways in which the EU is imposing rules to strengthen a Single European Market, with a direct and indirect impact on real estate professions and professionals, as well as certain specific legislative proposals.

These and other decisions to encourage people and professionals to access the different markets within the European area evidently impact real estate professionals. For example, the great potential for energy saving in the use of buildings makes it inevitable that the revised Energy Performance of Buildings and Energy Efficiency Directives touch on the real estate sector¹ and represent a most important challenge for the property managers in particular.

¹ EU measures and decisions serve the common interests of the Member States, in that they contribute to position them together more strongly on the global market. The EU receives a mandate in respect thereof and has been given a lot of room for manoeuvre in areas such as energy. The EU also receives a lot of power to make the Internal Market a reality for professionals: the free movement of goods has been a reality for over twenty years; people move freely throughout the European area and the Erasmus programme is probably one of the most successful and visible outcomes of the European construction; the current crisis is currently harmonizing rules of the game in the financial sector; nevertheless, the freedom to provide services remains probably the most difficult area in the development of the



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As a matter of fact, access to and the exercise of some professions such as the real estate ones tend to be increasingly affected by different EU measures. Think of environmental, consumer related and financial

obligations, representing a rosary of points and obligations real estate professionals have to comply with. These EU measures become challenging for a specific profession when they can be linked and even clustered.

Such is the case at present for a number of policy dossiers of direct interest to CEPI.

With this note, we would like to demonstrate and make explicit how policy dossiers need to be looked at together, as they impact on each other and together contribute to the formation of a European frame for the provision of services by and the mobility of real estate professionals in Europe.

The example of the Competence Profile

CEPI is working on a competence profile for real estate agents (in collaboration with CEI- Confédération européenne de l'Immobilier) and property managers. This is an important project in its own right in that defining the competences required and expected of real estate agents and property managers is necessary for an understanding of their professional role. It is also important because the element of professional competence is being applied more and more to different issues at EU level.

The project to work out a competence profile for part is an educational one. Indeed, it aims at revising the Eureduc criteria and prospectively including a request for training that should answer recent and anticipated professional developments.

The competence profile is also part of a series of educational reforms at EU level, which promote greater comparability between the qualifications of professionals from different EU Member States and thereto focuses increasingly on learning outcomes, which should make it easier to compare qualifications which are understood as being a set of competences (knowledge, skills and attitudes) which are needed to exercise a profession.

An output driven approach should also contribute to the comparison and formalization of different learning paths. The Bologna process created the European Higher Education Area and learning outputs contributed to the alignment of a number of academic programmes throughout the EU. The Copenhagen process, which lays the basis for co-operation in vocational education and training, boosted the development of a common approach to evaluation based on results, rather than length of study or type of institution. Very recently, the European Commission also published a proposal for a Recommendation on the validation of non-formal (outside the formal system) and informal (by doing) learning. It confirms this as being an essential contribution to greater economic growth in the EU by increasing the transparency of competences and also by making mobility easier. It follows on from a series of initiatives since the Copenhagen Process and includes the recommendation that Member States have in place by 2015 national systems for the validation of non-formal and informal learning providing the opportunity for all citizens to have their competences validated, irrespective of where the learning took place. This validation provides the basis on which the award of a full or partial qualification takes place.

These education measures concern a movement from “teaching only knowledge” to a broader competence-based approach which puts more emphasis on acquiring knowledge, skills and attitudes.

European Single Market so far, and it is the area that is most protected by the national Member States. When touching on areas of national competence, EU measures are mostly justified by the need to limit or correct risk factors that threaten to seriously disturb the Single Market and its development.

What is the relevance to policy dossiers being worked on by CEPI?

The element of competence features directly in a number of priority policy dossiers:

1. The revision of the Directive on the Recognition of Professional Qualifications

One of the objectives of the modernisation of the Directive is to bring it into greater alignment with the European Higher Education Area. The proposal includes the possibility of training frameworks based on a common set of knowledge, skills and competences (and with reference also to levels established by the European Qualifications Framework).

The proposal also introduces the possibility of the development of a European Professional Card for different professions, based on a transparent and efficient system of recognition of qualifications acquired in differing national environments. Such a system would benefit from clear and univocal points of reference. A European Competence Profile, based on learning outcomes and output driven, aims at contributing to an easier comparison of qualifications acquired in different national environments, and may well ease comparability by facilitating the development of a common training framework.

2. The Services Directive

The Services Directive is to remove unjustified barriers to the exercise of cross-border services but it also:

- includes provisions relating to the quality of services and encourages the setting up of codes of conduct by professional associations, certification by independent bodies and the drawing up of quality charters;
- requests Member States to encourage professional bodies to promote the quality of service provision, especially by making it easier to assess the competence of a provider;
- encourages Member States to support the development of voluntary European standards.

The development of a competence profile is of direct relevance to these provisions and will therefore contribute to greater mobility.

3. Standardisation

This is foreseen in the Services Directive and has recently been formalised in the form of a new Regulation on European Standardisation. Amongst its objectives are to enable the development of European service standards, facilitate the participation of stakeholders in the standardisation process, improve planning through the establishment by the Commission of an annual work programme identifying priorities for European standardisation.

There is an existing CEN standard for estate agents which has recently been confirmed by the CEN following its own internal review process. This standard is based on 120 ECTS. It is recognised that, this standard now having been in existence for several years, this does not reflect current developments with regard to the educational reforms highlighted previously. Therefore it is proposed to request that an amendment be made to the existing standard in this respect basing it rather on competences. Defining an accurate competence profile is a vital starting point for this work.

4. Alternative Dispute Resolution



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The EU is introducing new legislation in this area to include a Directive on Alternative Dispute Resolution and Regulation on Online Dispute Resolution. This is important for the development of dispute resolution schemes in EU countries. It is also linked to another important dossier for CEPI on a related topic, conflict prevention, aimed

at early intervention to prevent disputes from arising. For such measures to be successful it is important to be clear what competences are to be defined and expected from professionals.

5. Corporate Social Responsibility

All of these dossiers also related to behavioural skills. Corporate social responsibility (CSR) is of increasing importance to businesses and something which the EU is eager to promote. In October 2011 the European Commission published a new policy on CSR setting out a strategy for 2011 to 2014. This includes improving self and co-regulation processes. It also includes the establishment of sector-based platforms for enterprises and stakeholders to make commitments and monitor progress. The development of a competence profile is an important tool to complement such initiatives.

Apart from these specific examples the development of a competence profile could also be relevant to other dossiers such as for example anti-money laundering legislation and energy efficiency in respect of which more, and often technical requirements are being imposed by EU legislation which have a bearing on the competences of the professionals working in the property sector.

