

Public consultation on new intl measurement std

The International Property Measurement Standards Coalition (IPMSC) launched a public consultation on the new International Property Measurement Standard (IPMS) for office buildings in January 2014.

The three-month consultation, closing on 4 April 2014, is calling for real estate (office) sector practitioners and stakeholders to contribute to the new international standard.

The new standard, produced by the IPMSC Standards Setting Committee, is the first of its kind and will provide a common language for measuring offices across international markets, benefiting real estate practitioners including investors, lenders, agents, valuers and occupiers. It is considered one of the most significant developments in the real estate profession in recent history and will go beyond office measurement standardisation to include other property types, such as residential, in the coming months.

The international standard will ensure that property assets are measured in a consistent way, creating a more transparent marketplace, greater public trust, consistency in the reporting of property size, stronger investor confidence and increased market stability.

Presenting unified system

At present, the way property assets - such as homes, office buildings or shopping centres - are measured varies dramatically from one market to the next. With so many different methods of measurement in use, it makes it difficult for global investors, occupiers and tenants to compare space accurately.

Research by global property firm Jones Lang LaSalle suggests that, depending on the method used, a property's floor area measurement can deviate by as much as 24%.

IPMS will be adopted by all 28-coalition organisations, with firms around the world already lined up to implement IPMS from June 2014. The Dubai Government is the first government to commit to its adoption, which will underpin valuations of commercial property and financial reporting through IVS* and IFRS**.

Board of Trustees

Strengthening public accountability of the IPMSC, the coalition can now announce the appointment of a Board of Trustees. Members from each of the 28 organisations are represented on the board, chaired by Ken Creighton (RICS), with vice chair Lisa Prats (BOMA International) and secretary general, Jean-Yves Pirlot (CLGE). As a leading professional (standard-setting) organisation in the property industry in South Africa, SAPOA (South African Property Owners

Association) is a member of this 28-strong coalition.

The coalition also confirms new IPMS members joining the coalition. Property Council of New Zealand (PCNZ); Asian Non-listed Real Estate Vehicles (ANREV), Assoimmobiliare, National Society of Professional Surveyors (NSPS) and Japan Association of Real Estate Agents (JAREA) have committed to the standards programme.

Says Ken Creighton, chair of the IPMSC Board of Trustees and RICS director of professional standards, says, "Less than a year after the coalition met for the first time at the World Bank in Washington, we now have an international standard. This standard will undoubtedly have a profound and lasting benefit for the global real estate industry, financial markets and society as a whole, ensuring transparency and consistency are at the very heart of this global industry."

Billy Davidson, Vodafone Global property director says, "Vodafone occupies space for a wide range of uses all around the world. Like many other corporates, it has had to develop its own means of benchmarking these property assets. I am certain that IPMS will save corporate occupiers time, money and effort across their property portfolios and will enable us to compare space between companies far more easily than today."

Adds Martin Bruehl, Union Investment, head of international investment management, "The usable space within a building is a vital metric in understanding the valuation and thus investment potential of a property. Investors currently suffer from having to make decisions based on information, which is inconsistent from one market to the next. IPMS will address this existing problem; removing risk and ensuring property investors are armed with reliable and transparent information."

Committee

The independent standards setting committee is comprised of nominated representatives of the IPMSC. The 19 SSC members are:

- Max Crofts, Commonwealth Association of Surveying & Land Economy (UK) - Chair
- Allen Crawford, Australian Property Institute (Australia) - Vice Chair
- Alexander Aronsohn, RICS (UK) - Executive Secretary to the Committee
- Will Chen, China Development Bank & GoHigh Capital (China)
- Anthony Gebhardt, South African Property Owners Association (South Africa)
- Kent Gibson, Capstone Property Management (USA)
- Prof. Marc Grief, Society of Property Researchers (Germany)
- Liu Hongyu, China Institute of Real Estate Appraisers and Agents (China)
- Prof. Sr Dr Ting Kien Hwa, Centre for Real Estate Research, University Teknologi MARA (Malaysia)
- Luke Mackintosh, Ernst & Young (Australia)
- Scott McMillan, International Monetary Fund (USA)
- Howard Morley, NZ Realtors LTD (New Zealand)
- Frederic Mortier, Council of European Geodetic Surveyors (Belgium)
- Sara Stephens, Appraisal Institute (USA)
- Peter L. Stevenson, Stevenson Systems, Inc (USA)
- Nicholas Stolatits, TIAA-CREF (USA)
- V. Suresh, HIRCO Developments (India)
- Koji Tanaka, Mitsui Fudosan (Japan)
- Dr. Piyush Tiwari, RICS School of Built Environment, Amity University (India) and University of Melbourne (Australia)

For more information, go to <http://ipmsc.org>.

*IVS - International Valuation Standards

** IFRS - International Financial Reporting Standards

For more, visit: <https://www.bizcommunity.com>