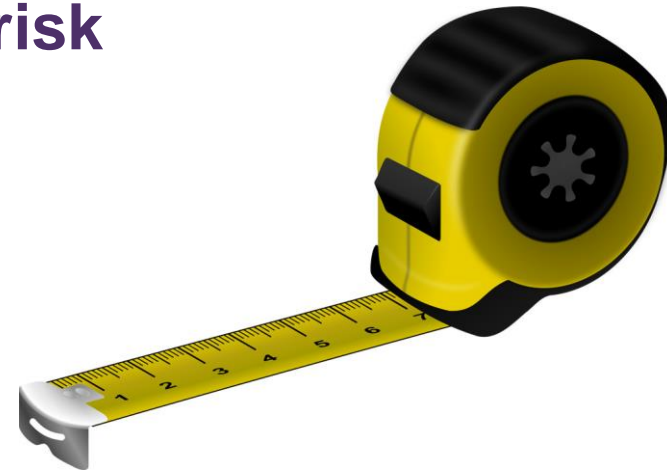


# International standards

Consistently measuring to reduce risk

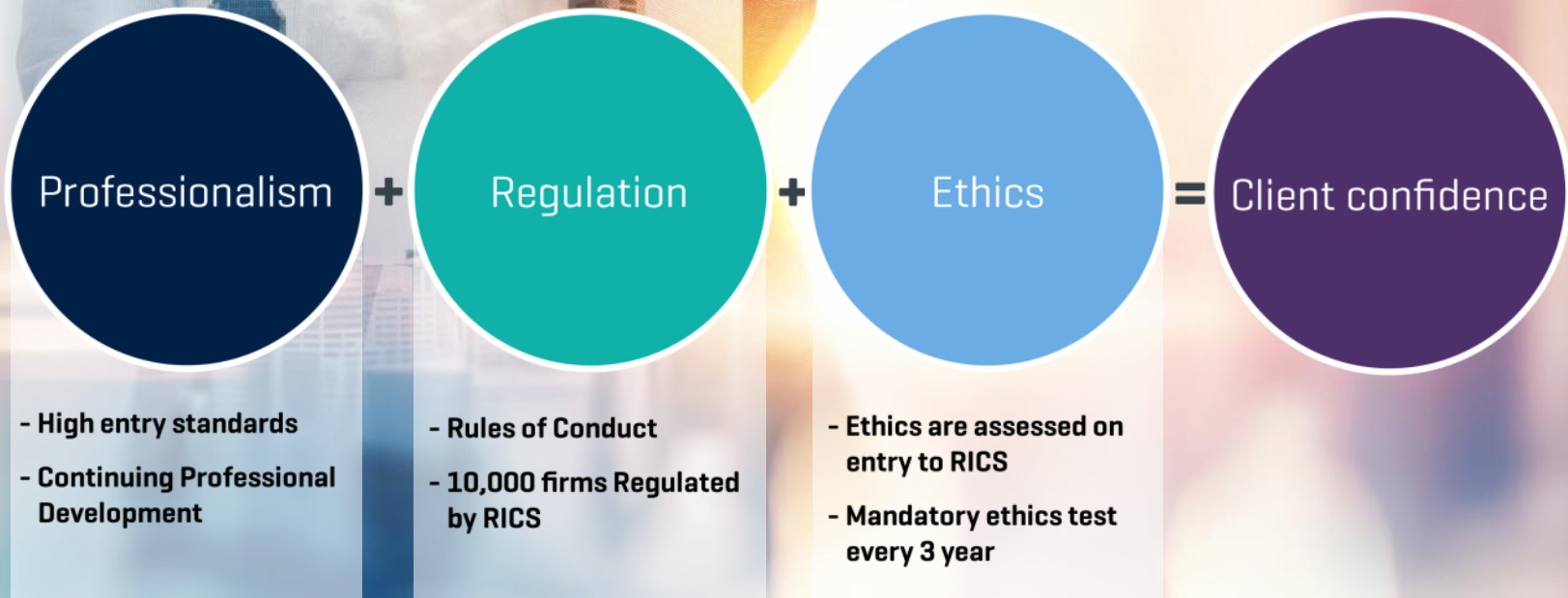


RICS is the world's leading professional body that promotes and enforces standards in **land, real estate, construction** and **infrastructure**

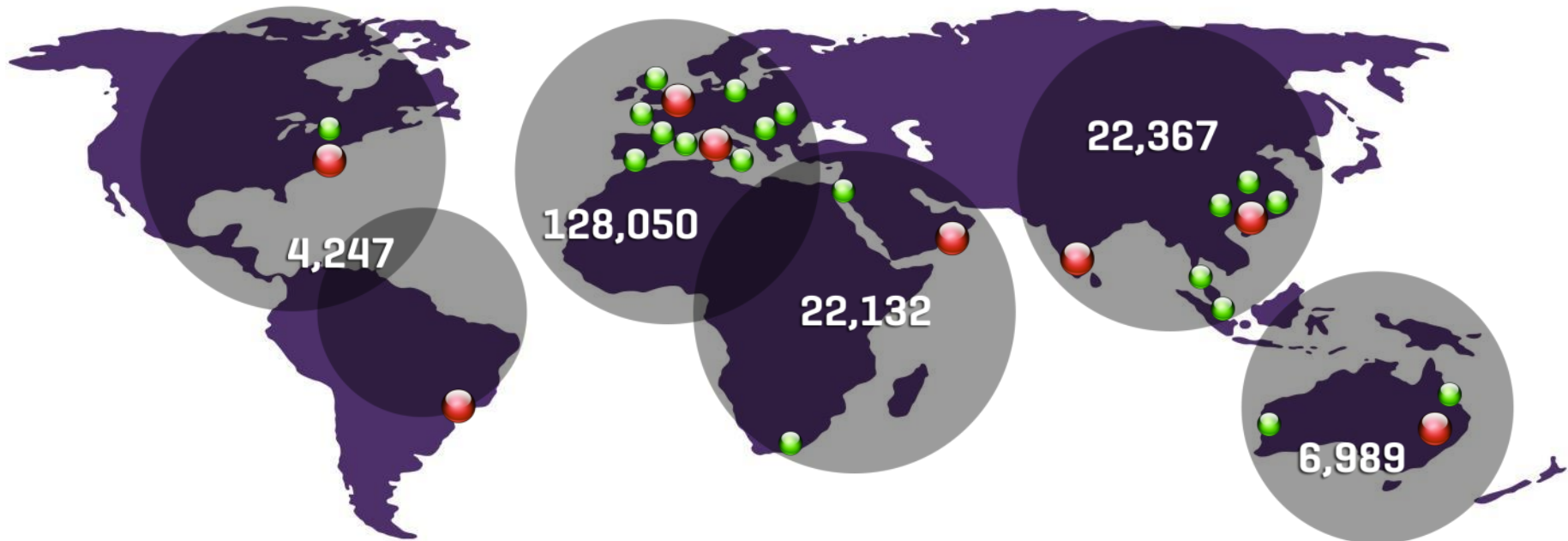




Our name promises the consistent delivery of professional standards - bringing confidence to the markets we serve



We accredit **118,000 professionals** worldwide



**118,000**  
accredited  
professionals

**65,000**  
students

**Members in**  
**146 countries**

**Recognised by**  
**governments**  
**and markets**

**Offices in 27**  
**cities around**  
**the world**



Our role is **to promote excellence in professional standards** in land, real estate, construction and infrastructure which we have been doing since 1868

Through the promotion of our standards we aim to:

grow the  
profession

support  
members

protect  
the public

increase the  
profile and  
credibility of  
the profession

take the latest  
industry thinking  
to inform  
governments and  
policy makers





# What do we do?

## Professional guidance

RICS Red Book for valuation

## Research and publications

Commercial Property Monitor

The Hub and the place

Modus

Journals

Guidance notes

## Training

Courses are available to non-members

## Structured Development Programme

Work-based pathway to professional qualifications

Find out more – [www.rics.org](http://www.rics.org)



# How do you measure up?

We all measure things

- ▶ Our weight and height
- ▶ The time it takes to get from A to B
- ▶ How much we earn
- ▶ Ingredients in a cake

We all compare things

- ▶ Our height and weight to others
- ▶ How long our colleagues take to get to/from work
- ▶ Our value to our employer, or a future employer
- ▶ Whether the cake turned out okay

But these measurements and comparisons are for nothing if they are not *consistent*.

# But isn't a metre a metre?

- ▶ What is included in a property's space measurement can vary wildly:
  - ▶ In Spain, the outdoor swimming pool might be included
  - ▶ In the Middle East, they will include unbuilt (but approved) floors that you might add later on,
  - ▶ In India, as well as 'phantom space', the area measured might include off-site carparks and common areas
  - ▶ In the United States, as well as not using the metric system, they might also measure by 'air conditioned space', rather than the actual floor area!



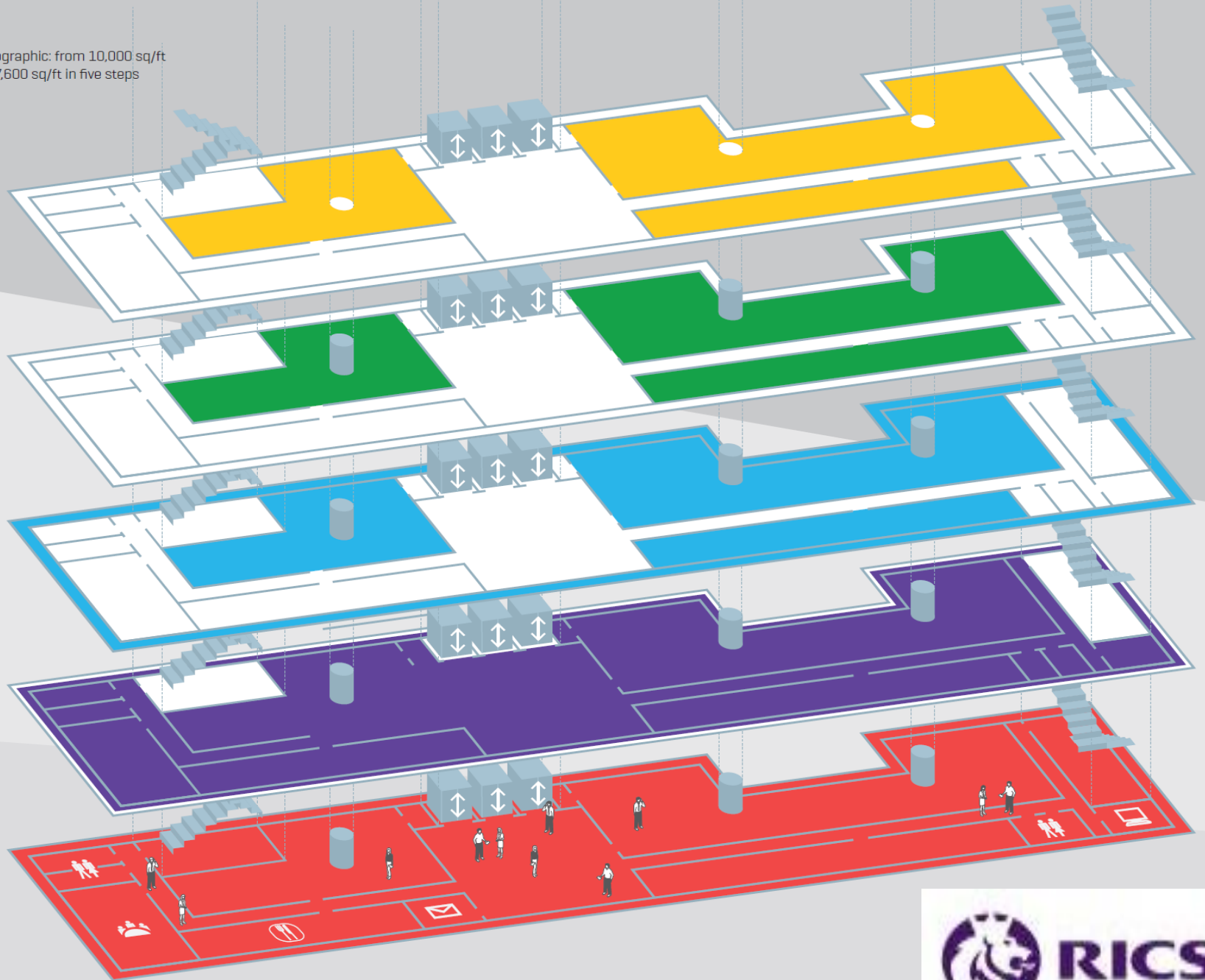
# It can't vary that much, though?

- ▶ A study by JLL found that measurement variation could be as high as 24 per cent
  - ▶ This could reduce the capacity of the space from accommodating 100 people to 76 people.
- ▶ If you thought building a wall was the solution, think again...
  - ▶ In the United States, building area measurements include the outside face of the wall.
  - ▶ In Japan, the mid-point between the inside and outside face is used
  - ▶ In Australia, sometimes we measure to the inside of the wall, sometimes not
- ▶ Should you include the space under a stairwell?
  - ▶ Or under a dormer window?
  - ▶ A sloping ceiling?
- ▶ What about 'air conditioned space'?

# Okay, so what's the solution?

- ▶ *Consistency* requires the development of a standard
- ▶ At RICS we have worked with a global coalition to develop a clear, easily defined measurement standard to give *confidence through professional standards* to the market
- ▶ Regional members of the IPMS Coalition include:
  - ▶ Property Council of Australia
  - ▶ Australian Property Institute
  - ▶ Property Council of New Zealand
  - ▶ Property Institute of New Zealand
  - ▶ Housing New Zealand Corporation

Infographic: from 10,000 sq/ft  
to 7,600 sq/ft in five steps



# What is IPMS?

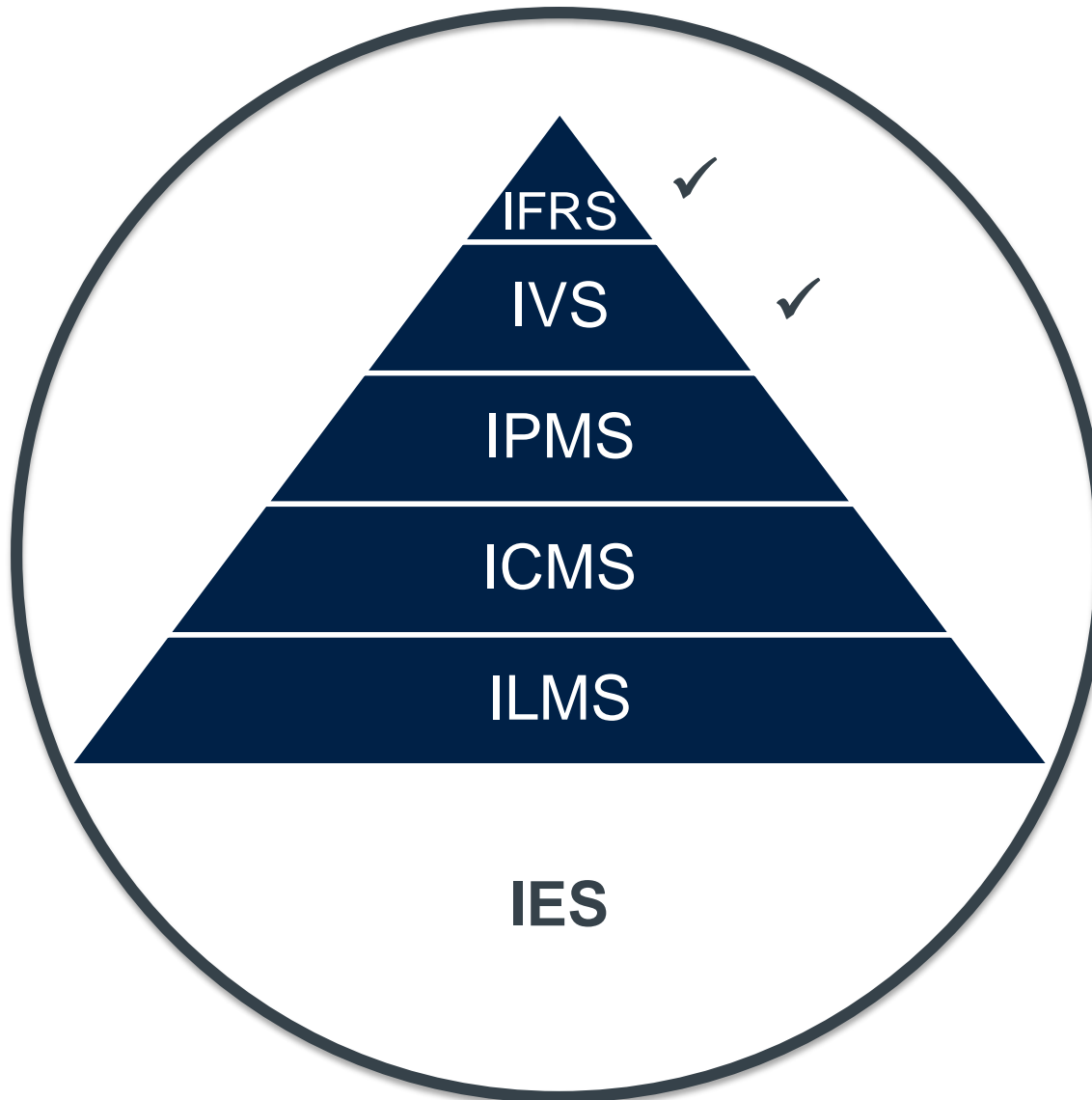
- ▶ In its simplest form, IPMS measures each individual component of a building and then switches components 'on' and 'off' to determine the area.
  - ▶ IPMS 1 is roughly equivalent to the commonly-used term Gross External Area
  - ▶ IPMS 2 is roughly equivalent to Gross Lettable Area
  - ▶ IPMS 3 is roughly equivalent to Net Lettable Area
- ▶ By measuring each component once, and recording it, the measurements taken can be used by any professional working on the building, from an engineer and architect to a valuer and real estate agent.
  - ▶ And unless the building's structure significantly changes, the building never has to be measured again.



## What the New South Wales Government said:

“The International Property Measurement Standard will ensure that property assets are measured in a consistent way, creating a more transparent marketplace, greater public trust, stronger investor confidence, and increased market stability.

It will also address a major barrier to creating an international benchmark for building sustainability performance.”



- International **Financial Reporting** Standards
- International **Valuation** Standards
- International **Property Measurement** Standards
  - Office
  - Residential
  - Retail
  - Industrial
- International **Construction Measurement** Standards
- International **Land Measurement** Standards
- International **Ethics** Standards

# What's next?

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- ▶ RICS can arrange one on one briefings about the technicalities of IPMS
- ▶ We can train your staff in how IPMS works
- ▶ Adopt the Code of Measurement Practice as one of the means by which you measure your property – assurance through professional standards.

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