



## A change around the corner for global real estate

**The International Property Measurement Standards Coalition (IPMSC) launches public consultation on new international measurement standard and appoints Board of Trustees.**

**Pedro Ortiz, CLGE Vice President**



**Jean-Yves Pirlot, Secretary General of the IPMSC and President of the Council of European Geodetic Surveyors CLGE:**

*“About two hundred and twenty two years after the invention of the meter as a standard for distances, it was time to get universal surface measurement rules for buildings. This endeavour was heralded as a ‘visionary cross boarder tool for transparency’ by a European Commission official and we think that he’s totally right. Moreover, many European regulations invoke surface measurements without referring to a standard. Our approach will eventually enable us to get a consistent approach.”*

This initiative as a logical follow up of our euREAL project, that we’ve unanimously adopted in Tallinn, in September 2011 and endorsed by a solemn approval in Hanover in October 2012. It is essential for our delegations to contribute.

To do this please contact our member of the Standards Setting Commission (SSC), or CLGE Vice President, Pedro Ortiz, in charge of the Follow-Up team via [http://www.clge.eu/about\\_us/contact](http://www.clge.eu/about_us/contact)

But first, read this please:

Today (Monday 13 January 2014) the International Property Measurement Standards Coalition (IPMSC) has launched a [public consultation](#) on the new International Property Measurement Standard (IPMS) for office buildings.

The three month consultation, closing on 04 April 2014, is calling for real estate (office) sector practitioners and stakeholders to contribute their expertise to the new 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.

An International Property Measurement Standard (IPMS) 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.

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 accurately compare space. 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 when the standard is finalized in June 2014. The Dubai Government are the first government to commit to its adoption, which will underpin valuations of commercial property and financial reporting through IVS\* and IFRS\*\*. The new standard 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.

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).

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 – bringing the IPMSC now to 28 organisations.

**Ken Creighton, Chair of the IPMSC RICS Director of Professional Standards:**

*“Less than a year after the coalition met for the first time at the World Bank in Washington we now have a draft international standard written. 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, Global Property Director, Vodafone:**

*“Vodafone occupies space for a wide range of uses all around the world. Like many other corporates we have had to develop our 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.”*



*\*IVS – International Valuation Standards \*\* IFRS – International Financial Reporting Standards*

**Lisa Prats, Vice Chair of the IPMSC and Vice President of BOMA International:**

*“BOMA International, the secretariat of the property measurement standards used in North America, recognizes the need for consistency in how property is measured around the world. We applaud the work of the IPMSC Standards Setting Committee in developing this first in a series of standards that will provide a true basis for cross-border comparison, transparency and self-regulation.”*

**Martin Bruehl, Head of International Investment Management, Union Investment:**

*“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.”*

Brussels, 13 January 2014