



The European Surveyors trigger an Earthquake in the Global Property Market

The International Property Measurement Standards Coalition (IPMSC) launches a public consultation on new international measurement standards 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 metre as a standard for distances, it was time to implement universal surface measurement rules for buildings. This endeavour was heralded as a 'visionary cross border 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 was a logical follow up to our euREAL project, which was 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, who is in charge of the Follow-Up team, via www.clge.eu/about_us/contact.

But please read this first:

On Monday 13th January 2014 the International Property Measurement Standards Coalition (IPMSC) launched a public consultation about the new International Property Measurement Standard (IPMS) for office buildings. The three month consultation, closing on 4th 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



The first live meeting of the Standard Setting Committee in Brussels, September 2013

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, which have companies worldwide. These companies stand ready to implement IPMS when the standard is finalized in June 2014. The Dubai Government are the first government to commit to its adoption and this 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 times and will go beyond office measurement standardisation to include other property types, such as residential, in the coming months.



The initial IPMS-Coalition gathering in Washington, May 2013.

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 total number of members in the IPMSC at the present time 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 which 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.”

The International Property Measurement Standards Coalition was established at a meeting hosted by the World Bank in Washington on 1st-2nd May 2013. As of 3rd February 2014, the IPMSC is comprised of:

- American Society of Farm Managers and Rural Appraisers (ASFMRA)
- Appraisal Institute (AI)
- Asia Pacific Real Estate Association (APREA)
- Asian Association for Investors in Non-listed Real Estate Vehicles (ANREV)
- Asociacion Profesional de Sociedades de Valoracion (ATASA)
- Italian Real Estate Industry Association (ASSOIMMOBILIARE)
- ASTM International
- Australian Property Institute (API)
- Building Owners and Managers Association International (BOMA International)
- China Institute of Real Estate Appraisers and Agents (CIREA)
- Commonwealth Association of Surveying and Land Economy (CASLE)
- CoreNet Global
- Council of European Geodetic Surveyors (CLGE)
- Counselors of Real Estate (CRE)
- European Council of Real Estate Professions (CEPI)
- International Association of Assessing Officers (IAAO)
- International Consortium of Real Estate Associations (ICREA)
- International Federation of Surveyors (FIG)
- International Monetary Fund (IMF)
- International Real Estate Federation (FIABCI)
- Japan Association of Real Estate Appraisers (JAREA)
- National Society of Professional Surveyors (NSPS)
- Open Standards Consortium for Real Estate (OSCRE)
- Property Council of Australia (PCA)
- Property Council of New Zealand (PCNZ)
- Royal Institution of Chartered Surveyors (RICS)
- Society of Chartered Surveyors of Ireland (SCSI)
- Seocovi SP (SECOVI)
- South African Property Owners Association (SAPOA)
- The Appraisal Foundation (TAF)





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 Stolatis, 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)

Interview with Jean-Yves Pirlot

Geoinformatics: Jean-Yves Pirlot, you were recently appointed as Secretary General of the IPMSC, congrats. The consultation that you've just launched (see our report) raises some questions which you are happy to address, thank you for that.

What is the interest of this initiative?

JYP: As you probably will remember, we launched an initiative with the intention of achieving the same result in Europe: a uniform code for the measurement of floor areas in buildings. We've written and approved such a code in 2011. It was solemnly presented to the general public in October 2012, during the INTERGEO.

The code was successfully translated into the European Real Estate Area Label. In the meantime, the same initiative has started at a global level. What's true for Europe is true for the world. We need a tool to improve the transparency of the property market in our region but abroad too. That's another aspect of globalisation.

Geoinformatics: The European measurement code was meant to be universal, but yet IPMSC starts with a code for office buildings? Is this coherent?

JYP: You're right. The founding idea of our initial code was to have a single set of rules applying to all types of building: commercial, offices, residential ... We've suggested this principle to the coalition and the Board of Trustees tends to agree. There's an urgent need for an international regulation for office building, hence this topic was considered first. However, our idea of universality is not discarded. We will keep the same basic principles for all types of buildings.

Geoinformatics: And what's the future of euREAL?

JYP: We will keep euREAL as a quality label. Once the different International Property Measurement Standards are available, we will translate them into a set of recommendations to our members which



will be workable in Europe. We will, of course, make certain that the result remains compliant with IPMS, but euREAL will enable us to give a regional touch. An example? The European Commission has asked us to make a provision about for rooms above and under below the ground level. This was not judged to be essential at the global level; it and could be put in an appendix to the general text. In euREAL we will keep it in the main text. As simple as that, it doesn't change the outcome of the measurements but improves the user-friendliness for the European professional.