International Property Measurement Standards (IPMS)

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International Property Measurement Standards Coalition (IPMSC):

- By the profession; for the profession
- Professional members in more than 150 countries
- Public interest mandate
- Nominated Standards Setting Committee
- Guardians of IPMS

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Why is a vibrant property profession important to society?

- 60% of a nation's wealth
- 60% of all utilised materials used in Construction
- 60% of energy used on heating and servicing buildings
- 40% of carbon emissions emitted from Buildings
- 10% of workforce employed in the sector
Why is property measurement so important?

- Sound measurement is fundamental to property markets
- It underpins decisions made by all property users
- It provides a tool for comparison
Markets

• Allocate scare resources
  – Highest and best use
• Markets operate on information
  – Information is imperfect
  – Information v knowledge
  – Knowledge reduces risk and increases productivity
• Balance between ‘market’ and ‘regulation’
Hernando De Soto –
“*The mystery of capital*”

**Capital Creation**–

- “*Capital is not created by money; it is created by people whose property systems help them to cooperate and think about how they can get assets they accumulate to deploy additional production*”
Hernando De Soto –
“*The mystery of capital*”

Fungiability

- “If standard descriptions of assets were not readily available, anyone who wanted to buy, rent or give credit against an asset would have to expend enormous resources comparing and evaluating it against other assets- which would also lack standard descriptions.”
VARIATION IN PROPERTY MEASUREMENT GLOBALLY

**RICS CODE OF MEASURING PRACTICE (INTERNATIONAL)**
OFFICE AREA

**API MEASUREMENT CODE (AUSTRALIA)**
OFFICE AREA, COLUMNS

**SINGAPORE MEASUREMENT PRACTICE (SINGAPORE)**
OFFICE AREA, COLUMNS, EX WALLS

**BOMA (INTERNATIONAL)**
OFFICE AREA, COMMON PARTS, EX WALLS (50%), TOILETS, MAIN IT ROOMS, COLUMNS

**HKIS CODE OF MEASURING PRACTICE (HONG KONG)**
OFFICE AREA, LIFTS, STAIRS, COLUMNS, EX WALLS, TOILETS, COMMON PARTS

MEASUREMENT VARIATIONS BETWEEN MARKETS CAUSED BY INCONSISTENT MEASUREMENT STANDARDS CAN BE AS HIGH AS:

24%

IN INDIA
OFF-SITE AREAS SUCH AS CAR PARKING AND COMMON AREAS CAN BE INCLUDED

IN SOME COUNTRIES, ONLY AIR CONDITIONED SPACE IS INCLUDED

LOOKING FOR AN OFFICE BUILDING FOR 100 MEMBERS OF STAFF?
MEASUREMENT VARIATIONS COULD MEAN THE ACTUAL CAPACITY IS JUST 76 STAFF

GLOBAL VARIATIONS IN PROPERTY MEASUREMENT IMPede Overseas Investment in Office Buildings

**BENEFITS OF IPMS:**
INCREASED TRANSPARENCY OF PROPERTY DATA
CONSISTENT LANGUAGE FOR MEASUREMENT WORLDWIDE
REDUCES RISK, FACILITATING INTERNATIONAL TRADE IN PROPERTY
EASIER PROPERTY PORTFOLIO BENCHMARKING
GREATER CREDIBILITY FOR VALUATION PROFESSIONS WORLDWIDE

[www.ipmsc.org](http://www.ipmsc.org)

IPMS
INTERNATIONAL PROPERTY MEASUREMENT STANDARDS

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International Property Measurement Standards are the missing link
What do you see?
Thank you for listening

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