

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





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 scarce 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”*

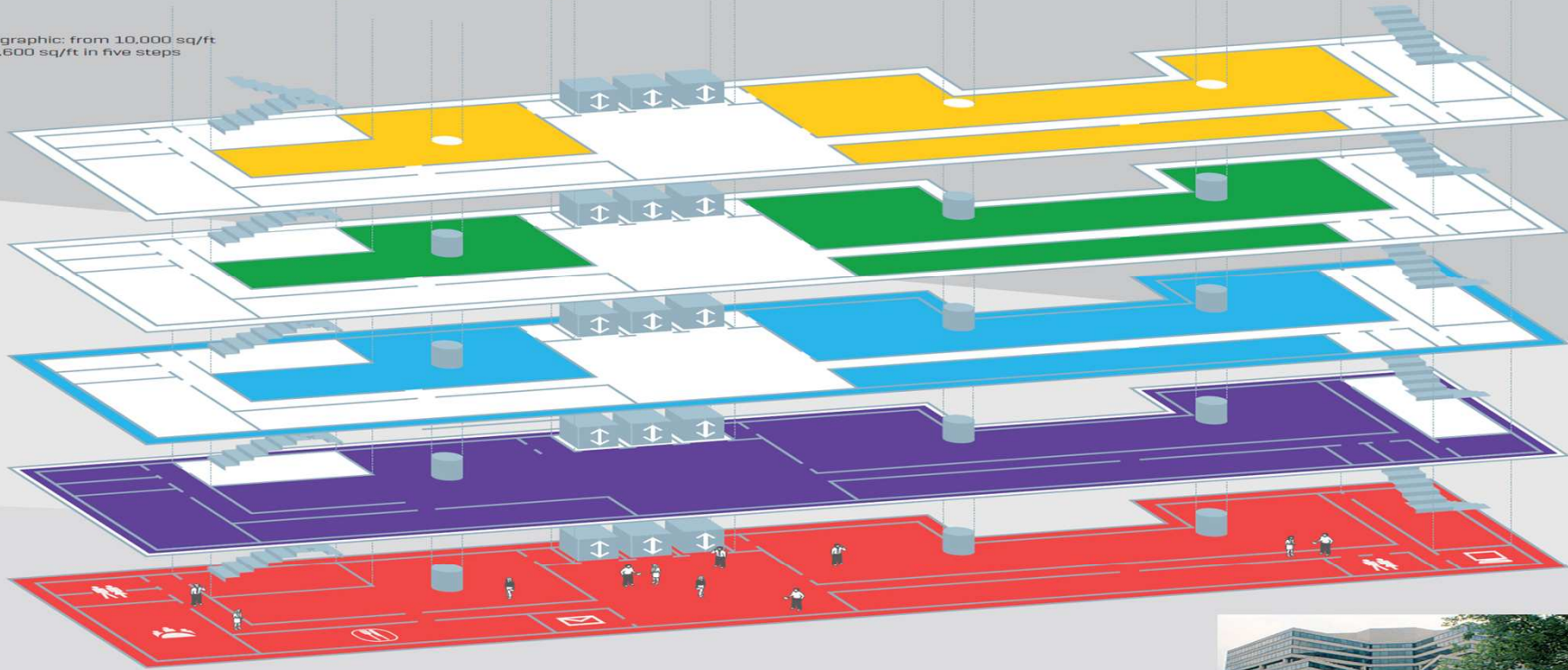
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Fungibility

- *“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.”*

Infographic: from 10,000 sq/ft to 7,500 sq/ft in five steps



VARIATION IN PROPERTY MEASUREMENT GLOBALLY



Global variations in property measurement impede overseas investment in office buildings

RICS CODE OF MEASURING PRACTICE [INTERNATIONAL]
OFFICE AREA

API MEASUREMENT CODE [AUSTRALIA]
OFFICE AREA, COLUMNS

SINGAPORE MEASURING PRACTICE [SINGAPORE]
OFFICE AREA, COLUMNS, EXT WALLS

BOMA [INTERNATIONAL]
OFFICE AREA, COMMON PARTS, EXT WALLS (50%), TOILETS, MAIN IT ROOMS, COLUMNS

HKIS CODE OF MEASURING PRACTICE [HONG KONG]
OFFICE AREA, LIFTS, STAIRS, COLUMNS, EXT WALLS, TOILETS, COMMON PARTS

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

24%

IN SOME PARTS OF THE MIDDLE EAST FLOORS NOT PRESENT BUT SUPPORTABLE BY EXISTING FOUNDATIONS CAN BE INCLUDED

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

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

International Property Measurement Standards are the missing link

IFRS

IVS

What do you see?



Thank you for listening

Ben Elder

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