



International Property Measurement Standards (IPMS)

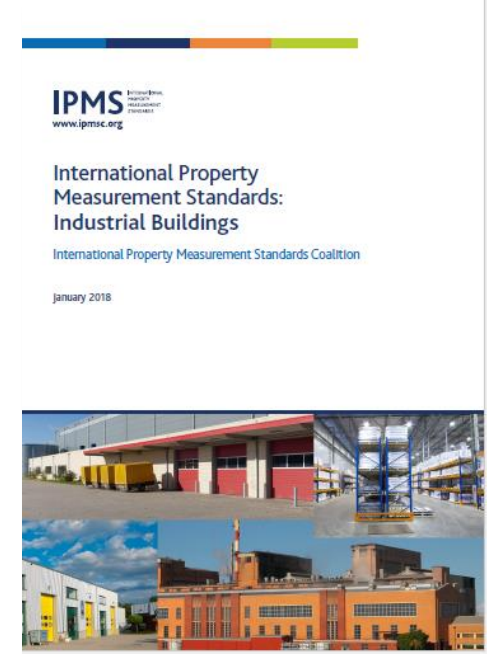
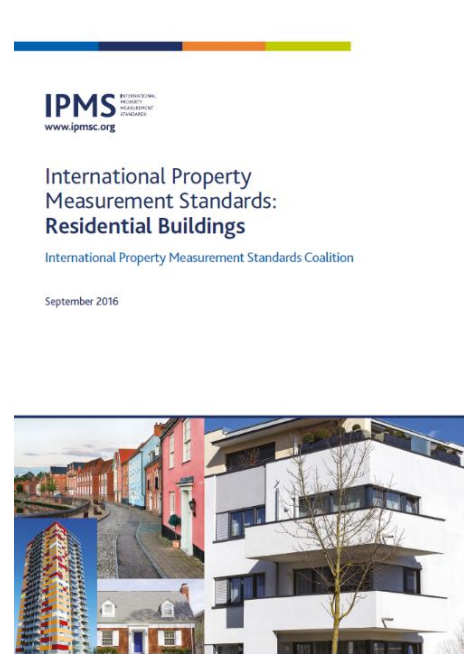
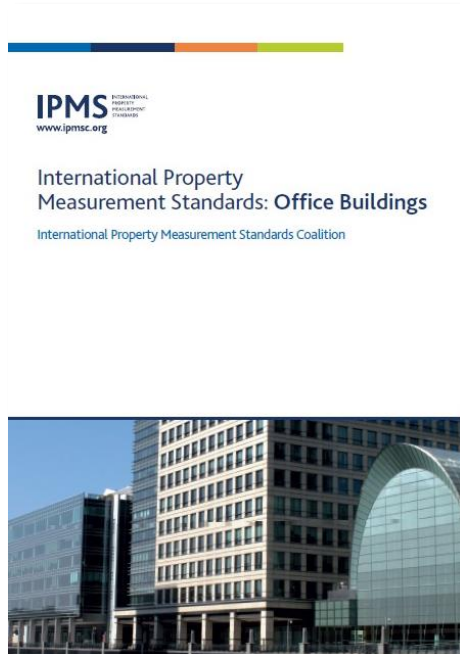
David Faulkner
Managing Director, Valuation and Advisory Services

International Property Measurement Standards (IPMS): One Standard for All

IPMS INTERNATIONAL
PROPERTY
MEASUREMENT
STANDARDS
www.ipmsc.org



International Property Measurement Standards



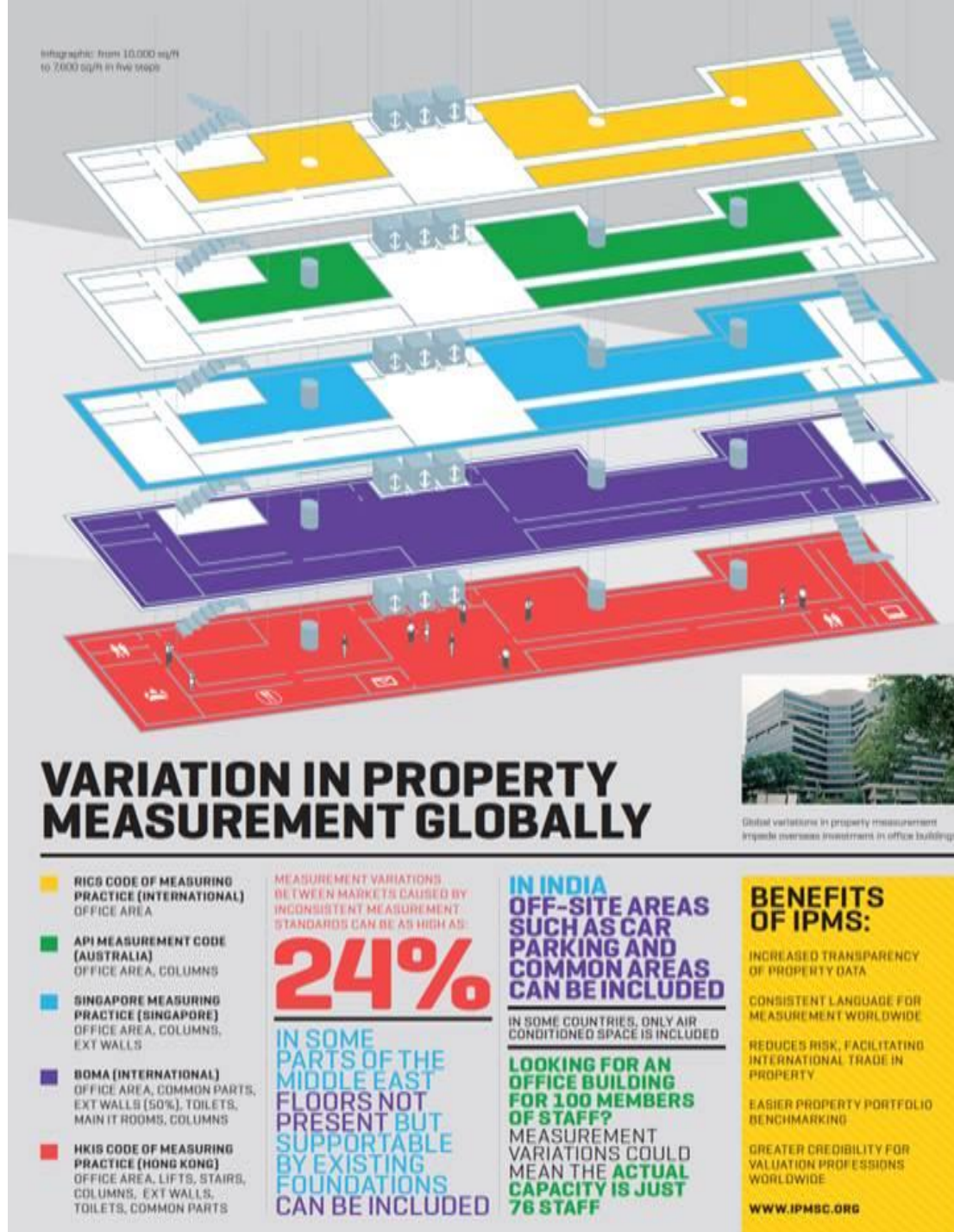
Why is property measurement so important?

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

Understanding IPMS

Today, measurement standards are not consistent.

- Property is measured in many different ways around the world.
- Depending on the standard used, the floor area measurement can vary dramatically...

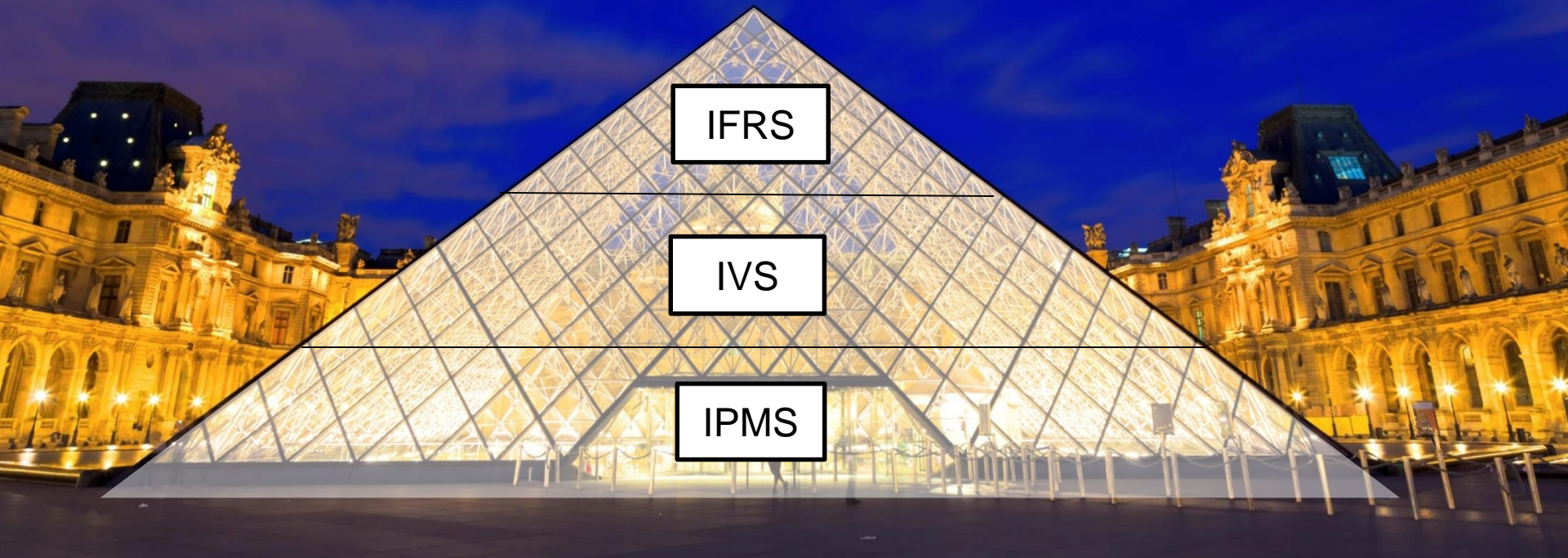




IPMS, IVS and IFRS

- World Bank estimates up to 70% of global wealth is in real estate and land
- International Financial Reporting Standards used in 120 countries already
- International standards provide a common global language for business
- International Valuation Standards are used globally to inform financial reporting

International Property Measurement Standards ...the missing link



WORLD BANK GROUP

International Property Measurement Standards Coalition (IPMSC):

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



Dubai becomes first Government to adopt IPMS

In September 2014 Dubai became the first government to officially endorse IPMS and commit to its adoption.

Dubai's endorsement of IPMS was a core theme in their successful bid to host Expo 2020.



IPMS

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www.ipmsc.org

Sustainability Partners:

BREAM, GRESB,
NABERS and LEED

Buildings use 40%
of global energy
resources

Buildings create 30%
of global emissions

IPMS 'Partners'

- IPMS Partners are commercial organizations that have announced their intention to use or request IPMS measurements.
- Partners sign up on a voluntary basis to show their support for international standards.

“This issue has challenged the entire property industry for a long time, with implications of trust, transparency and consistency for tenants, landlords and owners alike. Through the vision and collective efforts of the coalition and others, we now have IPMS, which will help bring transparency and consistency for all. As an owner, landlord and tenant; we will fully embrace IPMS across our global portfolio”

Scott McMillan Division Chief: Real Estate, International Monetary Fund (IMF)

“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.”

Bill Davidson, Global Property Director, Vodafone

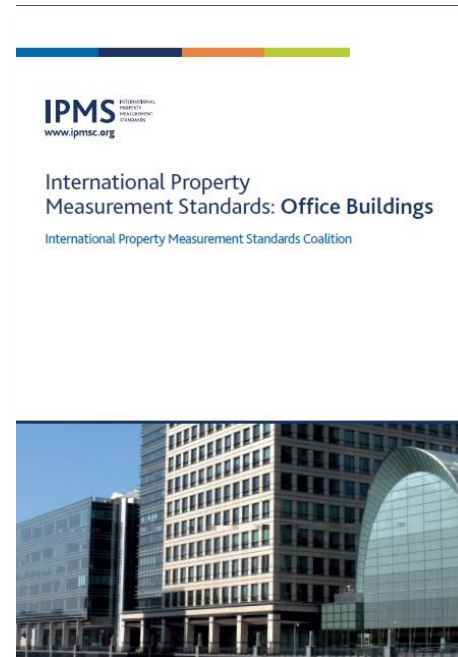
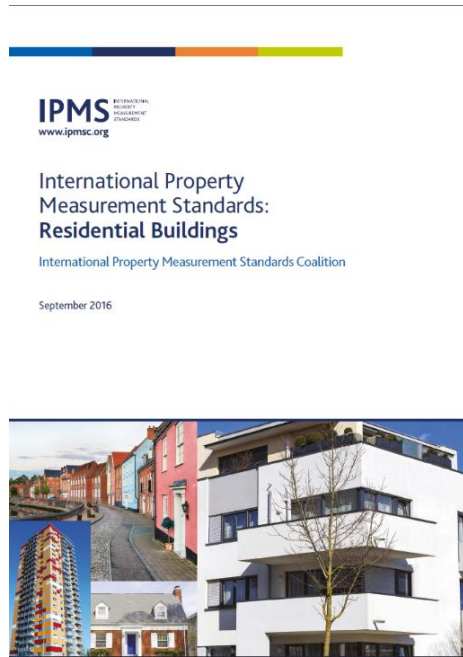
“Our involvement in this initiative supports our position in raising the benchmark for unifying surveying standards in Dubai. The efforts to unify surveying standards will benefit owners and investors, as it will negate some of the issues and problems that can arise from differing standards used by real estate operators. It will support transparency and trust and will contribute to the convergence of global markets.”

Sultan Butti Bin Mejren, Director General of the Dubai Land Department



IPMS

The aim of IPMS is to provide a consistent measurement of property.



IPMS in Asia

- Already incorporated into RICS and BOMA measuring standards, which are widely used in Asia.
- Gaining popularity in those markets without their own e.g. Myanmar and Vietnam.
- Need to be harmonized with local standards in other markets e.g. Hong Kong, Singapore.
- A conversion tool has been developed to facilitate the transition in some markets e.g. Hong Kong

Technical Definitions

Internal Dominant Face (IDF)

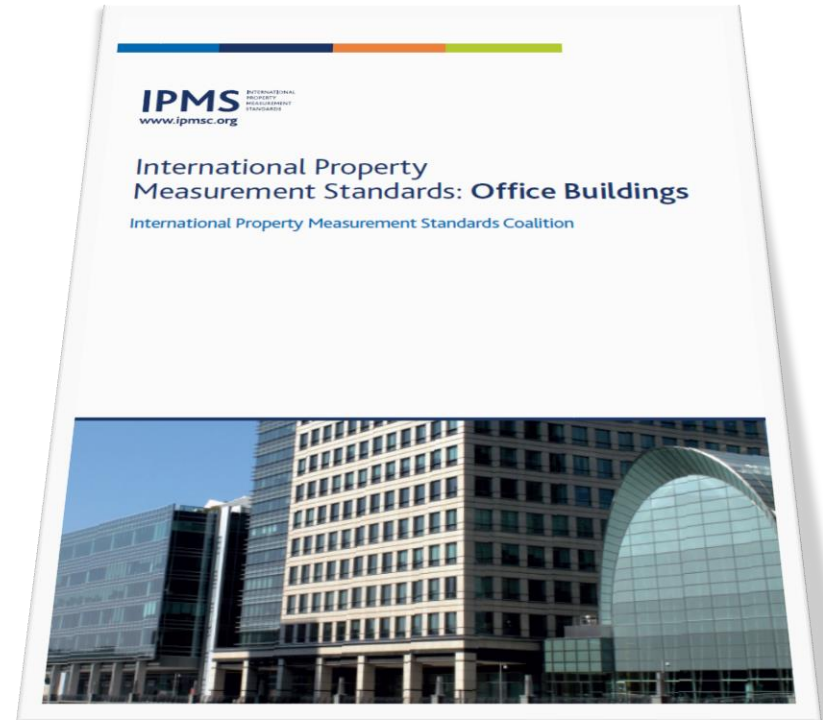
Internal Dominant Face: The inside surface area comprising more than 50% of the floor to ceiling height for each IDF Wall Section.

If such does not occur, then the Finished Surface is deemed to be the IDF.



IPMS Office Buildings

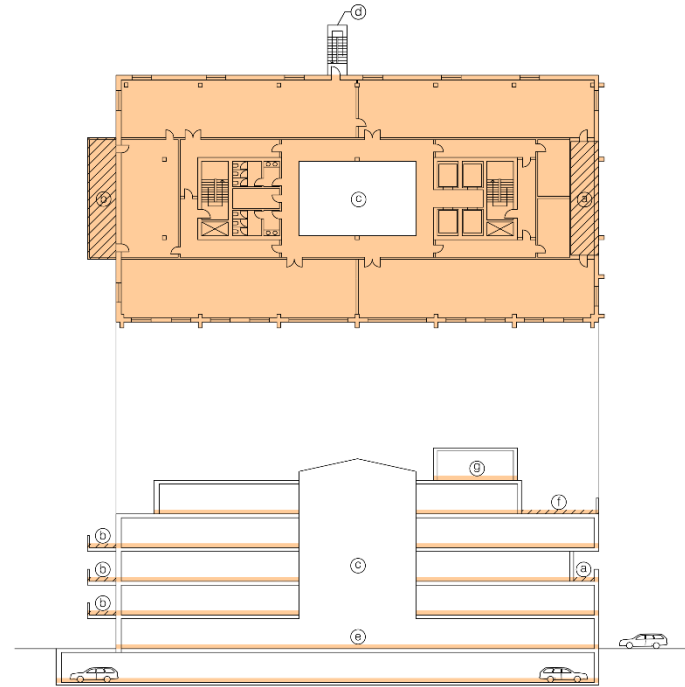
- Concise at 26 pages long
- Covers measurement of offices and includes definitions and drawings.
- Consultation drafts downloaded more than 800 times.
- First launched in English with translations into 12 other languages
- Available to access for free on the IPMSC website: www.ipmsc.org



Understanding IPMS

Definition

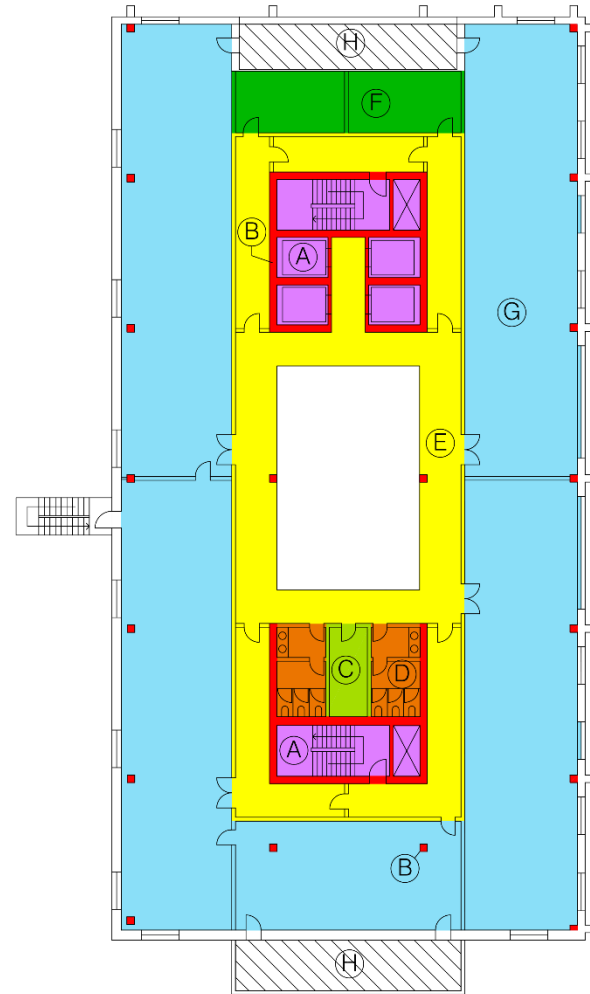
IPMS 1: The sum of the areas of each floor level of a Building measured to the outer perimeter of external construction features and reported on a floor-by-floor basis.



IPMS 2 – Office

Definition

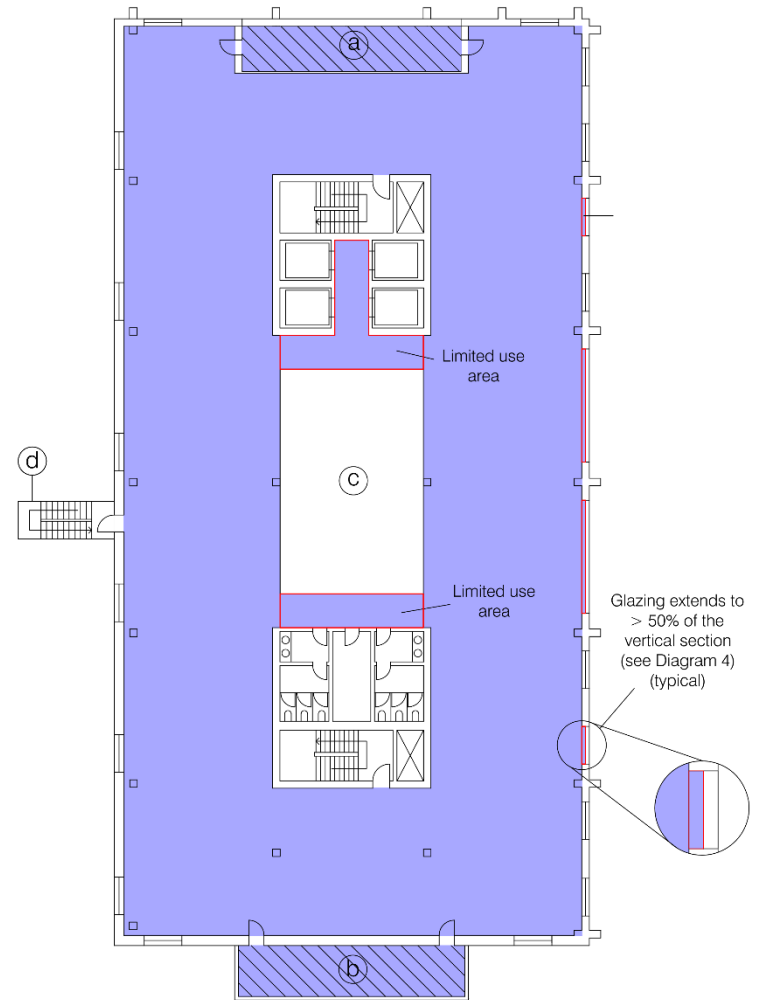
IPMS 2 - Office: The sum of the areas of each floor level of an office Building measured to the Internal Dominant Face (see 3.2.3) and reported on a Component-by-Component basis for each floor of a Building. In many markets, but not universally, this is known as Gross Internal Area.



IPMS 3 – Office

Definition

IPMS 3 – Office: The Floor Area available on an exclusive basis to an occupier, but excluding Standard Facilities and shared circulation areas, and calculated on an occupier-by-occupier or floor-by-floor basis for each building.

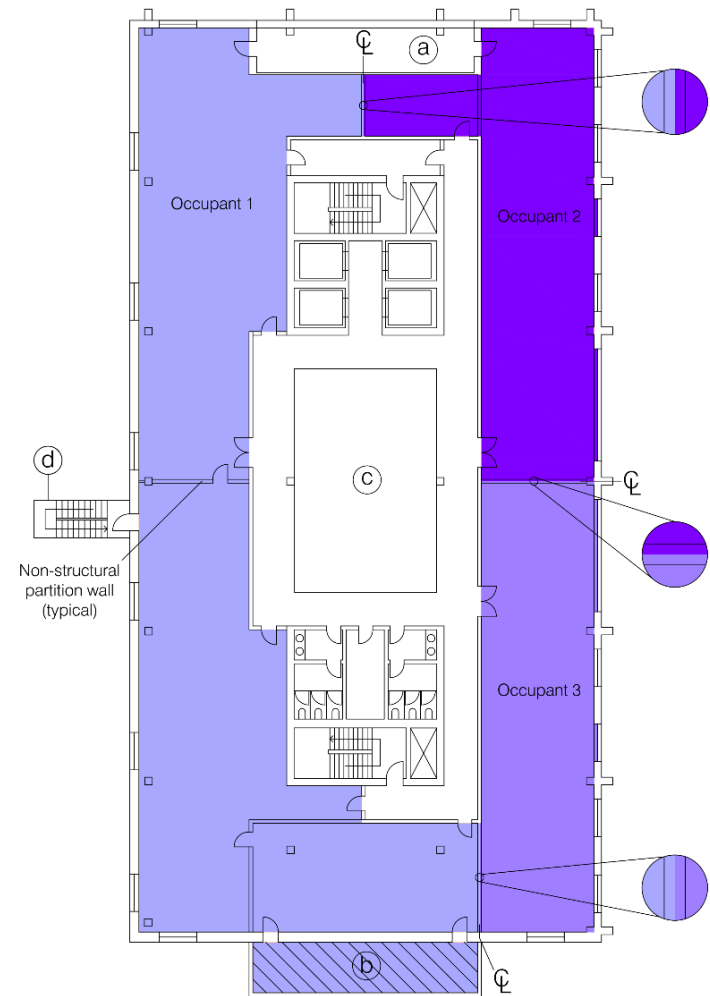


IPMS 3 – Office

Standard Facilities

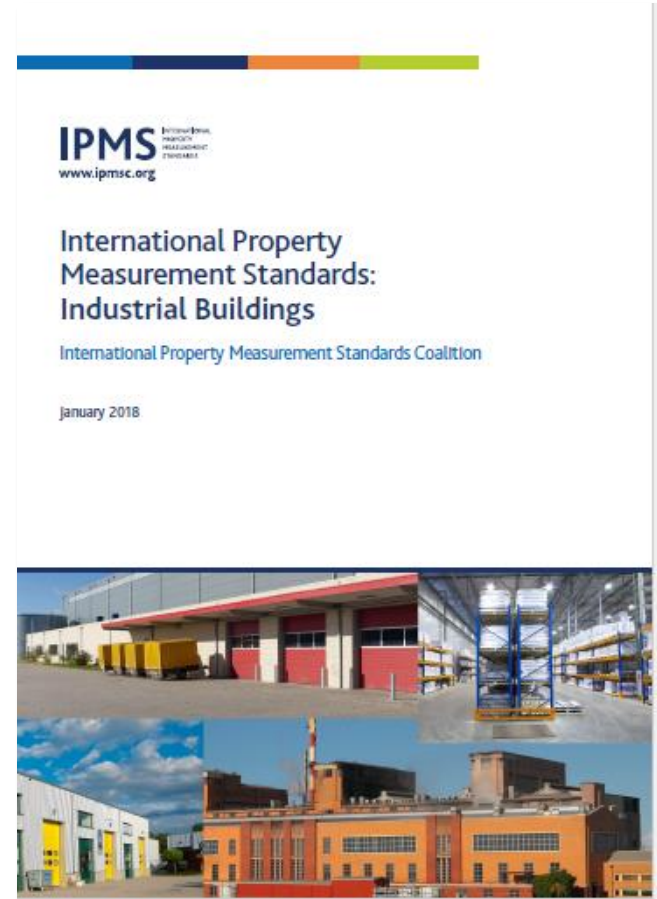
Standard Facilities are those parts of a Building providing shared or common facilities that typically do not change over time.

This includes, for example, stairs, escalators, lifts/elevators and motor rooms, toilets, cleaners' cupboards, plant rooms, fire refuge areas and maintenance rooms.



IPMS: Industrial Buildings

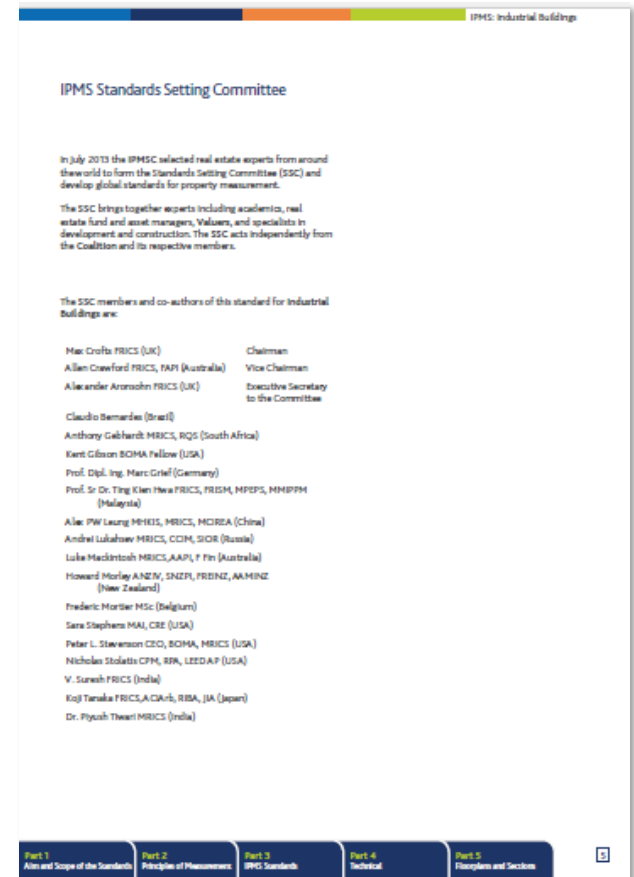
- Concise at 44 pages long
- Covers measurement of industrial buildings and includes definitions and drawings.
- Follows same principles as IPMS: Office Buildings.
- IPMS 1, IPMS 2, IPMS 3A and 3B.
- Available to access for free on the IPMSC website:
www.ipmsc.org/consultation



IPMS Standard Setting Committee

“Our research found there was a need to measure the external area of a Building, for planning purposes or the summary costing of development proposals. The SSC decided to refer to this as IPMS 1 and apply it to all classes of Buildings. IPMS 2 – Industrial was developed to measure the internal area of a Building and, with the use of Component Areas, will assist the Property Industry in making efficient use of space and in benchmarking data. It was also important to measure areas in exclusive occupation for transactions and other purposes. The SSC identified two different measurement bases, IPMS 3A – Industrial and IPMS 3B – Industrial, that were required to meet global market needs for measuring areas in exclusive occupation. Some markets require only one of these measurement bases, but others may use both for different purposes.”

Max Crofts, Consultant at Jones Lang LaSalle, and Chairman of the Standards Setting Committee.



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