

RICS property measurement 2nd edition: Basis for conclusions

Purpose

This document has been prepared to accompany publication of the *RICS property measurement 2nd edition* in order to explain the rationale behind the more significant changes made in this new edition, which takes effect from 1 May 2018. Specifically, it addresses the main refinements made in consequence of the responses received to the public consultation. **It is emphasised that it has been produced purely to assist the reader and does not form part of the standards.**

RICS Professional Groups

23 January 2018

Overview

The main reason for issuing a new edition of *RICS property measurement* is to incorporate the publication of *International Property Measurement Standard: Residential Buildings*, which *RICS property measurement* adopts and applies. The rationale for the IPMS: Residential Buildings changes has already been set out in a comprehensive document issued by the International Property Measurement Standards Coalition and does not need to be repeated here.

The public consultation on *RICS property measurement* 2nd edition was open between 1 May and 31 July 2017. Over 42 responses on single or multiple points were received from individuals, firms and other organisations containing constructive observations and suggestions. In addition to the consultation process, the international standards team worked with the world regions to identify key stakeholders and provided presentations in order to highlight any issues in relation to adoption and implementation. **This document focuses not only on the more significant changes** made, but also a number of minor textual refinements put forward by commentators have also been adopted, which improve the overall clarity. RICS is very grateful to all those who responded.

It is now almost 40 years since RICS first published the *Code of measuring practice UK* in 1979, since then the content and coverage has evolved into what is now known as the *RICS property measurement* professional statement. Over that period, international standards in valuation and allied areas of professional activity such as measurement have become more firmly established and continue to evolve, a process to which RICS has itself substantially contributed. *RICS property measurement* 2nd edition has an important role in drawing together these various international standards and requirements relevant to all aspects of the real estate industry and ensuring their effective implementation by RICS members through the addition of RICS-specific material. The formal title of this new edition, *RICS Property Measurement* 2nd edition, is designed to recognise this broadening context, within which RICS members continue to operate to the highest professional standards.

Comments on the individual *RICS property measurement* 2nd edition sections follow below.

RICS professional standards and guidance

Consultation responses underline that members continue to look for absolute clarity as to what is mandatory in *RICS property measurement* and what is advisory, and that some doubts or difficulties are caused by the status of International Property Measurement Standards; particularly as the 1st edition of *RICS property measurement* stated that IPMS: Office Buildings was 'mandatory for RICS members from 1 January 2016 unless the client instructs otherwise'. These criticisms are recognised as having a good deal of validity, and the opportunity has been taken in the second edition to:

- distinguish between mandatory matters that RICS members and regulated firms **must** comply and those that are best practice and **should** be complied with. Further clarification on mandatory matters is provided by the use of text boxes for mandatory elements and bold formatting for **must**

- provide clear definition and scope on the practice requirements for RICS members and RICS regulated firms
- be more consistent in the language used (for example, the word ‘must’ is used to set mandatory professional, behavioural, competence and/or technical requirements, from which members must not depart)
- add additional explanation on the application of these provisions in legal or disciplinary proceedings
- refine the definition of an RICS professional statement (PS), which is now defined as ‘mandatory requirements for RICS members and regulated firms’ and
- reduce the size of the document and avoid repetition through the unnecessary inclusion of IPMS: Office Buildings and IPMS: Residential Buildings within the professional statement.

The opportunity has also been taken to recognise that, as the definitive version of the professional statement *RICS property measurement* 2nd edition on any given day is to be found on the RICS website, RICS will seek to ensure that members are aware of any changes made over time by highlighting them in the relevant professional group newsletters or through other established electronic communication channels at the point in time the changes are made.

Structure

Further to comments received particularly in relation to the size of the professional statement and unnecessary repetition of IPMS standards, which are already included in *Part 1 – Professional statement: property measurement*, it has been decided not to include the individual International Property Measurement Standards (IPMS) Building Class standards within the professional statement. However, these are freely available to download from the website: www.ipmsc.org

It was also noted through the consultation process that a number of RICS members and RICS regulated firms were confused by the current status of the *Code of measuring practice* 6th edition (COMP), particularly due to its inclusion within *RICS property measurement* 1st edition. In order to remove this confusion, it was decided not to include the COMP within the professional statement, though it remains available to be used in appropriate circumstances. As stated within Section 1.2 on *Use of IPMS*, ‘it is understood that IPMS is not suitable in all circumstances and in these circumstances RICS members must document the reason for departure’.

As a result of the above changes the structure of the document has been revised as follows:

Glossary

Part 1 – Professional statement: property measurement

1. Application of this professional statement
2. Technical definitions
3. IPMS: Office Buildings as applied in the RICS professional statement

4. IPMS: Residential Buildings as applied in the RICS professional statement Part 2 – RICS IPMS data standard

Further comments received on these sections as part of the consultation process are shown below.

Glossary

A glossary has been added in order to provide additional clarity to the professional statement and it now includes the definitions and terms used in both IPMS; Office Buildings and IPMS; Residential Buildings.

Minor changes have also been made to minimise overlap between RICS-defined technical terms and IPMS-defined terms (the latter being contained in the individual IPMS). **Cross-references to the relevant IPMS have been added where appropriate.** For the avoidance of doubt, ‘**property**’ is a term used within the professional statement for ‘**any real estate asset in the built environment**’ and ‘**building**’ is a term used within the professional statement for ‘**an independent Structure forming part of a Property**’.

Queries were raised as to definition of ‘office building’ and ‘residential building’ within the professional statement. ‘Office Building’ and ‘Residential Building’ are now expressly defined as ‘a building predominantly used for’ that purpose, ‘whether or not part of the Building is used for other purposes’.

A number of queries were also expressed in relation to height and the need for the professional statement to provide a definition for clearance height due to varying interpretations and market practices across the world regions. The PS now defines ‘clearance height’ as ‘the maximum height within a Building or section of a Building measured to the lowest point of the roof structural element’.

Finally, questions were raised over the use of IPMS and the definition of a ‘user’, ‘service provider’ and ‘third party’. These definitions are now contained within the professional statement together with a revised section contained in Part 1 on the *Application of this professional statement*.

Part 1 – Professional statement: property measurement

1 – Application of this professional statement

Consultation responses differed on this section and many respondents felt the contents should be reordered to provide additional clarity and highlight critical matters such as the effective date. In light of these comments the numbering has been reordered so *1.5 Effective date* is contained at the end of this section.

Queries were received in relation to the application of the professional statement, with many members misinterpreting the previous wording, which stated ‘all RICS members involved with

the measurement of building must comply' to imply that the professional statement only applied to members directly undertaking a measurement instruction.

Further clarification on the matter and on the 'Use of IPMS' has also been provided through the addition of the following paragraph: **'All RICS members and RICS regulated firms involved with work that includes the measurement of buildings must comply with the following requirements and retain the following information on file or in their report'**.

2 – Technical definitions

Many respondents commented on the usefulness of this section, though felt that the mandatory paragraph, which preceded this section, caused confusion on the mandatory application of IPMS. The second edition professional statement has removed the highlighting from this paragraph and revised it as follows: '*IPMS: Office Buildings* and *IPMS: Residential Buildings* avoid using the various existing descriptions that have different interpretations between countries and even within a country. The comparison between IPMS for offices and residential and the generic descriptions for area bases contained within the *Code of measuring practice*, 6th edition are shown below'.

Queries were also received on uses for each of the IPMS areas within the professional statement and as a result of these queries a table has been added highlighting the application of IPMS across practice areas.

Furthermore, a number of respondents felt that the inclusion of *IPMS: Office Buildings* paragraph 3.2.3 on Limited Use Areas within Section 2.3 of the profession statement was unnecessary and therefore this paragraph has been deleted from this section.

A number of respondents felt that the positioning of the labelling within 'Diagram 3: Residential apartment block component areas' and 'Diagram 4: Residential dwelling component areas' affected the legibility of some aspects of the diagram. Diagram 3 and 4 have now been revised so the component areas are more legible.

3 – IPMS: Office Buildings as applied in the RICS professional statement

There were very few comments on this section, which was previously contained with RICS Property Measurement 1st Edition and had been subject to minimal change.

However, some respondents commented that as IPMS 1 applied to all building classes there was no need to state in section 3.1 that it is 'including office buildings'. Section 3.1 has been revised to state that: 'IPMS 1 is a universal standard that applies to all building classes'.

Queries were received on IPMS 2 - Office and whether component areas are mandatory. As use of component areas is not mandatory and as it is possible to provide the IPMS 2 - Office as a single total it was felt that the *Sample Spreadsheet for IPMS 2 – Office with component areas* should be repositioned within the professional statement. The sample spreadsheet is now situated within *Section 2 Technical definitions*.

Further to comments received the colours of the shading within 'Diagram 11: IPMS 3 – Office – upper floor, multiple occupancy' have been revised to provide additional clarity.

Additional comments were received in relation to 'Diagram 18: IPMS 3 office – period building' and as a result the floorplan has been slightly amended and the shading has been revised to provide additional clarity.

Queries were also received in relation to *Section 3.4 Vehicle parking and ancillary areas within an office site boundary*. Further to the queries received this section has been shortened and revised to provide additional clarity. The new wording for this section is as follows: 'The area taken up by car parking may be measured and the number and type of spaces within that area recorded. The type of spaces, and their size and layout, will largely be determined by the occupiers' requirements, which may differ from other potential occupiers. Occupiers may have security or other buildings on site. These should be measured in accordance with the principles in chapter 4 and, if measuring to IPMS 2 – Office, recorded under ancillaries on a spreadsheet such as that set out under section 3.2 and in IPMS: Office Buildings'.

4 – IPMS: Residential Buildings as applied in the RICS professional statement

Some respondents commented that as IPMS 1 applied to all building classes, there was no need to state in section 3.1 that it is 'including residential buildings'. Section 4.1 has been revised to state that: 'IPMS 1 is a universal standard that applies to all building classes'.

Amendments were made to the second paragraph within *4.1.3 Comparing IPMS 1 with Code of measuring practice measurements*, as a number of respondents felt that the information would be better shown as a bulleted list.

Further to comments received, 'Diagram 21: IPMS 1 – residential dwelling' has been magnified to provide additional clarity. The last sentence within the first paragraph, which stated: '*If there are no external walls there is no IPMS – Residential*' has been removed.

Some queries were also received on 'Table 5: Comparison chart – IPMS 2 – Residential and GIA (COMP)' and further to these queries the table has been revised and some items have been removed to provide additional clarity.

A number of queries were received in respect of Limited Use Areas and whether they formed part of the total IPMS 3 – Residential Measurements. In order to clarify this matter the subsection on 'measurements included but stated separately and individually' contained within *Section 4.3.3 IPMS 3A – Residential* has been revised to include Limited Use Areas.

Additional queries were received in relation to the purpose of IPMS 3C - Residential and whether measurements can be taken on a room by room basis. In order to clarify this matter the following sentence has been added to *Section 4.3.5 IPMS 3C - Residential*: 'IPMS 3C can be used for measuring the area on a room by room basis and is defined as...'

'Table 6: Comparison chart – IPMS 3A – Residential, IPMS 3B – Residential and IPMS 3C – Residential' has been subject to minor revisions with some items such as 'garages' and 'other ground level areas that are not fully enclosed' being deleted, merged or amended in order to be more user friendly and provide additional clarification.

A number of comments were also received in relation to *Section 4.4 Comparing IPMS 3C – Residential with effective floor area (EFA) as defined in the Code of measuring practice, 6th edition*. Many respondents felt that this section was too verbose and the differences between IPMS 3C and EFA would be better explained as a bulleted list. Further to the comments received this section has been significantly revised and a bulleted list has been added to advise users on how to make a direct comparison between IPMS 3C Residential and EFA.

Queries were also received in relation to *Section 4.5 Vehicle parking and ancillary areas within an office site boundary*. In response, this section has been shortened and revised to provide additional clarity. The new wording for this section is as follows: ‘The area taken up by car parking must be measured and the number and type of spaces within that area recorded. The type of spaces, and their size and layout, will largely be determined by the occupiers’ requirements, which may differ from other potential occupiers. Occupiers may have security or other buildings on site. These should be measured in accordance with the principles in chapter 4 and, if measuring to IPMS 2 – Residential, recorded under ancillaries on a spreadsheet such as that set out under section 3.2 and in IPMS: Residential Buildings’.

A number of respondents commented that though the table contained within Section 5 on Uses was extremely helpful they felt that it was wrongly titled as it dealt more with application of IPMS than uses. As a result, this table has been retitled ‘*Application of IPMS*’ and has been moved to Section 2.2.

Part 2 – RICS IPMS data standard

In order to aid adoption of IPMS by users and external parties the professional statement now also includes an IPMS data standard. This will help provide consistency for software developers and applications. RICS has developed the data standard to encapsulate the attributes and elements of an IPMS measurement. It is an XML schema and is available with further documentation at www.rics.org/propertymeasurement. Software developers and those requiring the use of structured data are advised to follow the schemas as defined and those wishing to pursue RICS software certification must demonstrate compliance with this data standard.

Miscellaneous matters

Several issues were raised in relation to specific, and in some instances unique, aspects of measurement practice for particular building classes or jurisdictions. It was felt that the level of detail required in these instances were too detailed for a professional statement and would be better contained within a separate document of Frequently Asked Questions. This will be issued during Q2 2018.