

Press Release

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DCBIA evaluates new international property measurement standard

IPMS focus of well-attended forum at IMF headquarters

Washington, D.C. - An idea that has the opportunity to bring greater efficiency and transparency to international real estate transactions is coming full circle, back to its roots in Washington, DC. The concept for the International Property Measurement Standards (IPMS) was envisioned in a set of meetings held in Washington, DC in 2013. For two years, a coalition of 61 professional and not-for-profit organizations has been working to create standard methodologies for measuring real estate. The coalition appointed an independent group of experts to develop the first set of standards, International Property Measurement Standards: Office Buildings, which was introduced on November 25, 2014. The standard is available at: <http://ipmsc.org/standards/office/>.

It may seem like a simple concept, but in the absence of international measurement standards, different methodologies are being used in different countries, states and even cities. In fact, research by global property firm JLL found that by using different measurement standards the size of the same space can differ by as much as 24 percent. In some countries, parking facilities and even swimming pools are included in space calculations.

Here in Washington, the District of Columbia Building Industry Association (DCBIA) is in the process of evaluating the new standards and educating its members about them. "We need to look at assets with predictability," said Lisa Mallory, CEO of DCBIA. "D.C. can be a pilot for implementation of IPMS in the U.S., especially by working with our members and organizations such as BOMA International and the Apartment and Office Building Association of Metropolitan Washington," she said. "Standardization of building measurement could build a lot of traction here by eliminating variability in this crucial area," Mallory added.

Mallory was one of the panelists at a well-attended DC Real Estate Leaders' Event on IPMS, including its possible implications for the District, held March 17 at International Monetary Fund headquarters. The forum was sponsored by DCBIA, BOMA, AOBA, the American Institute of Architects-DC and RICS. "We view IPMS as an essential approach to bring greater clarity to the property industry," said Scott McMillan, Division Chief for the IMF's Facilities Management Division. "This will help owners,

occupiers, and the broader industry professionals, work from a common platform and understanding,” he added.

With investors, corporate occupiers and third-party management firms expanding globally, there is an increased need for consistency and transparency in how properties are measured. “BOMA is pleased to be a founding member of the IPMS Coalition,” stated BOMA International Vice President Lisa Prats, who serves as Vice Chair of the IPMSC Board of Trustees. “With the introduction of the IPMS for Office Buildings we now have a methodology that can be consistently applied anywhere in the world, creating cross-border transparency and the ability to accurately benchmark operations.”

IPMS establishes standard methodologies for how to categorize elements such as support columns, common areas, terraces, emergency stairwells, and what can and can't be included in measurements. These are used to tabulate three measures: IPMS 1, which measures the external area of a building; IPMS 2, which measures the interior area and categorizes components such as service areas and stairwells; and IPMS 3, which measures the occupant area. The three measures provide flexibility for local real estate markets, which can use the IPMS measure that best lines up with their traditional practice. IPMS also provides standards for how measurements are to be performed, and what information, such as methodology, units of measurement, and measurement of tolerance, must also be presented as part of the report

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The **District of Columbia Building Industry Association (DCBIA)** is the voice of the DC real estate development industry providing educational, social, research, and community service programming for a membership of over 500 member companies representing thousands of real estate development industry professionals, including developers, general contractors, subcontractors, architects, engineers, lenders, attorneys, brokers, title companies, utility companies, community development organizations and other real estate development industry professionals. DCBIA also advocates on behalf of its members before the District of Columbia and federal governments.

The **Building Owners and Managers Association (BOMA) International** is a federation of 91 BOMA U.S. associations and 17 international affiliates. Founded in 1907, BOMA represents the owners and managers of all commercial property types including 10.4 billion square feet of U.S. office space that supports 1.8 million jobs and contributes \$226.7 billion to the U.S. GDP. Its mission is to advance a vibrant commercial real estate industry through advocacy, influence and knowledge. Learn more at www.boma.org.

AOBA is the leading membership organization representing owners/managers of commercial office buildings and multi-family residential real estate in the Washington, DC region. AOBA members enjoy membership benefits in its national affiliates: the Building Owners and Managers Association International (BOMA) and the National Apartment Association. For details, visit www.aoba-metro.org

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We accredit 118,000 professionals and any individual or firm registered with RICS is subject to our quality assurance. Their expertise covers valuation and management across all asset classes; the costing and leadership of construction projects; the development of infrastructure; and the management of natural resources, such as mining, farms and land. From environmental assessments and building controls to negotiating land rights in an emerging economy; if our members are involved, the same professional standards and ethics apply.

With offices covering the major political and financial centers of the world, our market presence means we are ideally placed to influence policy and embed professional standards. We work at a cross-governmental level, delivering international standards that will support a safe and vibrant marketplace in land, real estate, property and construction, for the benefit of all.

In the Americas we have staff in New York, Washington D.C., Los Angeles, Chicago, Toronto, Sao Paulo and Barbados.