Moving Toward International Management Standards

Aug 8, 2014 Nancye Kirk

It may be true that all real estate is local. But it is also true that real estate has become a global business. Yet the way that real estate is measured continues to be based on local practices. This is about to change with the work being done by the International Property Measurement Standards (IPMS) Coalition. The coalition – of which IREM recently became a member – is an international group of professional and not-for-profit organizations working collaboratively to develop and help implement a single global property measurement standard.

The IPMS coalition came together out of a globally recognized need for, and with the goal of creating, a shared international standard for property measurement. Currently, the way real property assets are measured can differ dramatically from one asset class to another and from country to country. This makes it extremely challenging for global investors and occupiers to accurately compare space. Indeed, a property’s floor area measurement can deviate by as much as 24 percent, depending on the method used, according to research findings by the international commercial real estate services and investment management firm JLL. As declared by the trustees of the IPMS coalition, “Our profession and marketplaces deserve better.”

In advancing IREM as a member of this coalition, IREM President Joseph Greenblatt, CPM, asserted that, “Real estate today is playing out on the world stage, underscoring the growing need for internationally uniform industry standards and practices. With members in 39 countries and on six continents, IREM enthusiastically supports the efforts of the IPMSC to establish globally consistent and recognized property measurement standards, confident that they will lead to greater marketplace transparency, stronger investor and public confidence, and increased market stability.”

The IPMS coalition was organized in May 2013, and already is nearing completion of its initial standards for measurement of offices. Work has already begun on IPMS for residential properties; this will be followed by industrial, retail, and other sectors.

IREM is one of 44 organizations that comprise the IPMS coalition, all of which have committed to promoting the implementation of property measurement standards and encouraging world markets to accept and adopt the IMPS as the primary method of property measurement.

In my role as IREM’s chief strategy officer and vice president of global services, I am serving as IREM’s representative on the board of trustees of the coalition and will serve as liaison with IREM members in providing comment and input into the standards process and communicating the results of the coalition’s work.

Nancye Kirk, in her role as IREM’s chief strategy officer, supports real estate management businesses, helping them address the big issues with which they are wrestling – issues related to business strategy and growth, talent management, and best practices.