

INTERNATIONAL

PROPERTY

MEASUREMENT

STANDARDS:

RETAIL

**Exposure Draft Feedback on Second Public
Consultation (between February and April 2019)**

**And
SSC Response**

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Introduction

The International Property Measurement Standards for Retail Buildings Exposure Draft was in the second public consultation between 20 February and 9 April 2019. In total there were over 1000 downloads of this document and the previous consultation document, which was in consultation between 11 June and 10 August 2018 and had 53 responses. In respect of the Exposure Draft consultation there were 20 responses from the organisations or individuals listed below, two of whom chose to remain anonymous. The IPMS Standards Setting Committee has considered all the comments received before completing IPMS – Retail Buildings.

In order to encourage an open and transparent consultation process the International Property Measurement Standards Coalition (IPMSC) has asked the Standards Setting Committee to publish the comments received during the consultation process and to explain how these comments were taken into consideration post-consultation.

ACCESSIBLE RETAIL
ALLSOP
AUSTRALIAN PROPERTY INSTITUTE
BCIS
BNP PARIBAS REAL ESTATE UK
BRITISH LAND
CBRE Ltd
CBRE Ltd 2
CLGE
GERALD EVE LLP
GIF
IAN SCOTT INTERNATIONAL
MALCOLM HOLLIS
McCOLL's RETAIL GROUP
PINZ AND PCNZ
PLOWMAN AND CRAVEN
ROBERT ASH PERSONAL RESPONSE
SOCIETY OF CHARTERED SURVEYORS IRELAND

In the previous consultation a number of identical responses were received from retailers as part of an umbrella organisation. In these cases, the SSC considered the overall response and did not give too much weight due to the number responses received but concentrated on fully considering the contents of those responses and where necessary revising IPMS Retail Buildings accordingly.

We are aware that several other responses such as those prepared by API, BCIS, GIF, PCNZ, PINZ and Plowman Craven were also prepared by boards or working groups.

The IPMS principles, methodology and measurement practices used in this standard are applied across the other IPMS standards for other building classes, for example office, residential and industrial. Obviously, these will need to be consistent as another building class is mixed use, which will incorporate several IPMS standards. The objective is that there will be no variance between IPMS 1 and IPMS 2 across the building classes. However, it should be noted that though the concept of IPMS 3 as the area in exclusive occupation will be the same across building classes there may be some variances in the definition of IPMS 3 across the building classes to meet varying market practices and needs.

Individual markets around the world have well-established local measurement codes. The SSC realised that a standard that attempted to change these well-established concepts would not be globally adopted. It was therefore necessary to create a standard that allowed existing standards to interface with the IPMS Standard.

Finally, the diversity of responses received from major stakeholders within the industrial market has underlined the need for IPMS Standards.

Summary of Feedbacks and SCC Responses

In respect to the Exposure Draft consultation process a consultation response form was issued and respondents were asked the following seven questions in relation to the Exposure Draft. Please find here below the response summary and the IPMS Standards Setting Committee's rationale in relation to the way these responses were treated: -

Q1. What are your general comments on the IPMS Retail Buildings Exposure Draft?

Response Summary: There were 20 responses to this question and a range of different opinions. The comments ranged from comments such as *"The proposals seem to try and resolve a problem that we are not aware exists. There is no confusion over existing measurement terms and their use is widely understood"* to comments on specific applications such as cost planning or valuation or specific national standards such as the UK lease code. Other respondents were more positive about IPMS Retail with respondents commenting that they *"applaud and support the need for a universal standard of measurement for retail buildings"* or that IPMS Retail *"does answer some previously 'grey' areas, particularly in terms of where to measure the shop frontage from in a high street / shopping centre context."* There were also four respondents, who had no further comment.

Furthermore, in the responses received the following concerns were expressed;-

- *"IPMS is solving a problem that does not exist."*
- *"There is considerable potential for confusion. The names used in the proposals do not seem to accord with any existing ones such as NIA, GIA, and there are different definitions that apply in differing circumstances i.e. IPMS 1, IPMS 2, IPMS 3a, 3b, 3c etc."*
- *"We are concerned at the potential cost. Has any consideration been given to the cost of adopting the suggested new definitions? In particular, will owners of real estate need to remeasure all their assets and have to recalculate service charges across their centres and parks? Similarly comments express concern about the cost to implement and the impact on value."*

- *“IPMS measurements do not take into account all areas of income producing property.”*
- *“It is expressed that an individual market does not need IPMS 3A Retail, IPMS 3B Retail and IPMS 3C Retail.”*
- *“Further some responses put forward reasons and particular IPMS 3 Retail approach was inappropriate.”*
- *“Explain the hierarchy of the application of the measurement boundaries.”*
- *“What criteria is used to decide whether to measure to the centre line or Finished Surface of Shared Walls.”*

SSC Rationale: The SSC considered the responses, some of which showed a misunderstanding of IPMS principles, such as areas with a height of less than 1.5 metres being included in overall measurements, but also measured and stated separately as Limited Use Areas. In terms of the more specific comments received the SSC responses are shown below;

- *“IPMS is solving a problem that does not exist.”*

This view is incorrect. Whilst market pockets, in a global sense may not experience problems, it is organisations with multi-national property interests who experience the most difficulty. Many tenants have retail interests in more than one country and, as there is no transparency in the way property is measured, those organisations have difficulty with the inconsistency. The 89 coalition members all recognise the need to address the inconsistency and create a single global method which is to be known as IPMS. It will happen over time.

- *“There is considerable potential for confusion. The names used in the proposals do not seem to accord with any existing ones such as NIA, GIA, and there are different definitions that apply in differing circumstances i.e. IPMS 1, IPMS 2, IPMS 3a, 3b, 3c etc.”*

A conscious decision was made to select a generic name so as not to confuse with existing global descriptive names that are similar even though the measurement convention is to entirely different boundaries. To adopt descriptive names will only serve to reintroduce that confusion. Even with different generic names there still seems to be confusion that

the concept should be the same as an existing measurement convention. It may be similar, but it is not the same.

- *“We are concerned at the potential cost. Has any consideration been given to the cost of adopting the suggested new definitions? In particular, will owners of real estate need to remeasure all their assets and have to recalculate service charges across their centres and parks? Similarly comments express concern about the cost to implement and the impact on value.”*

There is no need to re-measure buildings immediately. IPMS will be implemented gradually in the medium term. There is no expectation of an overnight change. At best it will be 10 years before IPMS is the primary method of measuring buildings. Further there is no impact on value. There seems to be an impression that IPMS changes the size of the building. It does not. Valuers must still compare like with like. The requirement is dual reporting where IPMS is not the primary method of measurement. It is the responsibility of individual members of the Coalition who currently adopt a particular measurement convention to explain the process of converting to IPMS. It may be that initially the valuers compare using the existing convention(s) but report the subject property in both the existing convention(s) and IPMS.

- *“IPMS measurements do not take into account all areas of income producing property.”*

IPMS does provide that flexibility. Whilst certain areas may be excluded from IPMS 3A Retail, 3B Retail and 3C Retail for example each provides that other areas may be measured and stated separately. We needed to set a set of inclusions that would work on a global basis. For example, in some instances, we have included Sheltered Area but stated such area is to be stated separately. In other instances, it may be measured and stated separately. Nothing that needed to be included for valuation purposes is obstructed from being assessed. It is just how that measured area is to be expressed.

- *“It is expressed that an individual market does not need IPMS 3A Retail, IPMS 3B Retail and IPMS 3C Retail.”*

That may be the case for that market pocket. It is not the case on a global sense. In some markets two of these measurements are needed for service charge allocation. IPMS is not necessarily consistent with any market in the world but all those market conventions have been considered in arriving at a globally consistent solution.

- *“Further some responses put forward reasons and particular IPMS 3 Retail approach was inappropriate.”*

This is not the role of the IPMS. It is for individual member organisations to advise the approach to be taken by their members. It may be the number of approaches are further reduced in the future but IPMS needed to come up with a solution that could be adopted on a global basis. The reason we have adopted 3 approaches to IPMS 3 Retail is a reflection of the fact that in some market pockets a particular approach seems to be totally inappropriate. In these circumstances an alternate IPMS 3 is the preferred approach.

- *“Explain the hierarchy of the application of the measurement boundaries.”*

IPMS Retail now defines the hierarchy of the measurement boundaries for each of the IPMS category.

- *“What criteria is used to decide whether to measure to the centre line or Finished Surface of Shared Walls.”*

This is set out in each of the IPMS category.

Q2. Do you require a separate definition for an Auxiliary Areas? If so what do you see as the primary difference between an Ancillary area and an Auxiliary Area?

Response Summary: There were 20 responses to this question, five of which were “No further comment” and three of which felt that there was “no difference between ancillary and auxiliary”. Further comments stated that “there is no point in an ‘Auxiliary Area’ ” or “that Ancillary Area will be sufficient” or that “the revised floorplans with the inclusion of examples of possible ancillary areas is sufficient.” Perhaps the most detailed response stated that;

- *“Not necessary in my opinion. However, would like to see Amenities as a defined term. Amenities is different from Common Facilities, particularly in residential apartment buildings, retail shopping centres and in many cases office buildings. Under Component Areas in IPMS Residential ‘Amenities’ it is stated that “an example of amenities include internal facilities such as cafeterias, day-care facilities, sport, leisure and fitness areas and prayer rooms.” Under Component Areas in IPMS Retail ‘Amenities’ is as ‘examples of amenities include internal facilities such as child-minding facilities and prayer rooms for the benefit of shoppers.’ IPMS Office notes ‘Amenities’ under Component Areas as “examples of amenities include cafeterias, day-care facilities, fitness areas and prayer rooms. Would be good to see Amenities Areas defined in the Standards along the lines of; “Internal facilities for the use of the occupiers of the Building, or in some cases the uses of the Building, for example <and then give examples>”. It may be necessary to have different examples for each property class.”*

SSC Rationale: The SSC discussed this concept further and considered whether it was a wording problem and whether the SSC should define areas such as Amenities. The SSC also felt that to a large extent the definition of Amenities was contained within the component areas. The SSC also discussed the difference between Ancillary/Auxiliary Areas and Amenities and felt that the to a large extent the difference was as follows;

Ancillary/Auxiliary Areas are specific to a single user.

Amenities relate to common areas which are in shared use.

The SSC discussed the fact that in North America facilities such as toilets and other amenities may over time become an ancillary/auxiliary area if the amenity became the occupier's personal space. SSC felt that it was extremely important that the correct word was used so the user knew whether the space was shared or in exclusive use and questioned whether both the terms auxiliary and ancillary were needed as this could cause further confusion. Further to discussions the SSC felt that both words were not needed and suggested that only the term ancillary was needed. The SSC have therefore revised IPMS Retail to ensure only the term Ancillary Area was used and reviewed the use of the term Amenities for meaning and function and included a definition for "*Amenities*" and provided more examples of Amenities within the Component Areas.

Q3. Do you need a floorplan illustrating the situation in IPMS 1 and IPMS 2, where a property line (ownership line) goes across more than one building?

Response Summary: There were 20 responses to this question, 6 of which were *“no further comment”* and a further 6 felt that it was not necessary to include a floorplan illustrating the situation in IPMS 1 and IPMS 2, where a property line (ownership line) goes across more than one building. Others commented that *“a properly delineated floor plan would be sensible and preferred”* and that *“Greater clarification with illustrations will always be of benefit. I currently have a situation where a tenant’s occupation crosses the ownership of two landlords’ but not in a regular basis. The parties could establish a NIA of the individual occupation but were this to be under IPMS 1 or 2 it is not clear how this would work.”*

SSC Rationale: The SSC discussed this matter in detail and felt that additional diagram(s) were not necessary, and it would be better to clarify the existing diagrams and ensure they are fit for purpose. The SSC also felt that this was an unusual scenario and too detailed for an international standard. It may be better to prepare guidance for the local markets on this matter. Furthermore, the SSC pointed out that if you were dealing with a high street shop you would use the existing Shop Front rather than a notional line. Further to discussion the SSC felt that this was more a matter for local guidance as the required measurement practice may vary across markets. Moreover, the SSC also agreed to write an article or a FAQ to provide more details on this situation.

Q4. The SSC has currently incorporated in the definition of Balcony ‘generally accessible rooftop terraces, external galleries and loggia’. Are you comfortable with this inclusion? If not, how would you separately define Balcony, external rooftop terrace, external gallery and loggia?

Response Summary: There were 20 responses to this question, 6 of which were *“no further comment”* and the rest seemed to represent a range of different opinions. Comments varied ranging from *“I think it is quite clear”* to *“this seems fine, although it is generally self-evident as to what would count as a balcony or accessible rooftop terrace”* and *“Not comfortable. If the SSC wants to group these similar external areas (because they are all treated in the same way within the various IPMS categorization*

scheme), it would be better to use a new name.” Further comments included “Our main concern is that the cost planning attributes of these areas need to be differentiated. The main categories for component areas for cost planning and Life-Cycle costing would be: FECA – Fully enclosed covered areas – the enclosed internal areas of a building. UCA – Unenclosed covered areas - not fully enclosed but within the curtilage of the roof. UUA – Unenclosed uncovered areas such as roof terraces and observation decks. These differences arise due to significant differences in both cost per m2 to construct and different maintenance schedules due to exposure.”

SSC Rationale: The SSC considered the responses received and accepted that the current definition shown below for Balcony was confusing as this was a term that already had a distinct definition in most user’s minds.

“Balcony; An external platform at an upper floor level with a balustrade to the open sides projecting from or recessed from an External Wall and including in this definition generally accessible rooftop terraces, external galleries and loggia.”

Further to discussion the SSC felt that the nomenclature for this term was incorrect and could cause unnecessary confusion. SSC have therefore changed the nomenclature of this definition to “External Floor Area” and have revised the definition as follows;

“External Floor Area: An external platform at an upper floor level with a balustrade (railing) to the open sides projecting from or recessed from an External Wall and including in this definition generally accessible rooftop terraces, balconies, external galleries and loggia.”

Q5. Do you need to specify and provide a measurement for an area in front of the physical counter of a food shop for customer service? If so, should this area be classified as part of the exclusive area of a Shop/Store and do you have a typical distance from the counter that you would assign to exclusive use?

Response Summary: There were 20 responses to this question, 7 of which were “no further comment” and 10 of which felt that this change was not needed. Examples of comments received include; “No. Isn’t this area public mall space? If it’s part of the lease or ownership of an individual

Title then it's exclusive use, but only if it on the lease plan or Title Plan. If it's not defined on a plan as 'exclusive use' to the shop, then it does not form part of the tenancy or ownership area" and "No. Depending on the use or the specific function this area will be classified as retailing area or circulation area. Within both we can make a distinction between private and common area if needed." Further comments included;

- *"The area in front of the physical counter of a shop unit or kiosk for customer service for food or any other use (e.g. key/heel bar, click & collect, dry cleaning receiving unit, mobile accessories, newsagents, lottery/ ticket agency, currency exchange, tourism etc.) should be measured where
 - *the rights granted over it are exclusive to the occupier, and/or;*
 - *it is either physically cordoned off and/or delineated in some other way (for example by use of a canopy, shelter or differentiated floor surface) for the benefit of the occupier.*It should be mentioned but not measured where this area is generally accessible to both customers and the general public (such as a Mall)."*

SSC Rationale: The SSC considered discussed this matter and felt that in most cases this area would not be relevant. Furthermore, the SSC agreed with the comment that: *"Depending on the use or the specific function this area will be classified as retailing area or circulation area. Within both 'the Space Measurement Professional' can make a distinction between private and common area if needed."* The SSC have therefore have made no changes within IPMS Retail in relation to this matter.

Q6. Do you want more or less IPMS Retail plans for each type of building? Please highlight the areas where you feel more or less IPMS Retail plans would assist.

Response Summary: There were 20 responses to this question, 4 of which were *"No Further Comment"*. Responses ranged from *"Don't include more plans but make the definitions and explanations of the purpose of each option clearer"* to *"Include an example of a single standalone shop fronting a street and perhaps a row of shops on separate title fronting a street with or without designated parking to the rear on individual titles."* Further responses included requests for *"Plans reflecting high street retail units with all their intricacies"* and *"More detail in the plans"* and *"IPMS*

3C Retail would benefit from further plans showing different retail units; if all the existing diagrams are illustrating something slightly different to assist with user interpretation then more plans are warranted.”

SSC Rationale: The SSC appreciated the time, care and thought that had been taken submitting their responses to this and the other questions.

The SSC considered the responses received and noted that respondents generally felt that though the retail floorplans were sufficient a greater level of detail would be helpful. The SSC paid particular attention to responses requiring a greater level of detail such as *“More plans are needed for hard / soft frontages and period buildings.”* Further to the responses received the SSC have revised all the floorplans to provide more detailed content in the plans and the details on specific diagrams, highlighted in the responses, have been addressed and the diagrams amended accordingly.

Q7. Do you have any other comments?

Response Summary: There were 20 responses to this question, 4 of which were *“No further Comments.”* Most of the responses reiterated the response to Q1, but there some additional comments which dealt with specific matters within IPMS Retail Buildings Exposure Draft such as *“Excluding the areas taken by Stud partitioning from IPMS 3C Retail is a nonsense and bears no resemblance to how the market deals with such matters”* and *“Including staircases at ground level but excluding them at the upper level in IPMS 3B Retail & IPMS 3C retail makes no sense whatsoever – it is inconsistent - staircases should be excluded throughout the whole store as should lift shafts.”* Further responses dealt with existing local market practice such as *“Staff toilets are required by law and should be excluded from IPMS 3C Retail as per how the market deals with it”* or with particular valuation practices such as *“None of the scenarios in IPMS 3 Retail reflects the income approach to valuation adopted by RICS for some other purpose.”* In fact one respondent felt that *“Consideration should be applied to local customs and generally accepted procedures in that country for adopting a method of measurement peculiar to certain types of retail buildings that have been in place for many years and acknowledged by owners and occupiers alike.”*

SSC Rationale: The SSC considered the responses received and where there are inconsistencies within IPMS Retail Buildings the SSC have made the necessary revisions to ensure there are none. However, the SSC would point out that IPMS is an International Property Measurement Standard and as such does not refer to or adopt any particular local market practices or deal with any particular specialisms (e.g. leasing, rent review, and valuation). In respect of local market practices the IPMS Coalition comprises 89 professional organisations, many of whom will be issuing further detailed guidance in relation to the adoption of IPMS, existing specialisms and how IPMS integrates with local market practices.

Q1. What are your general comments on the IPMS Retail Buildings Exposure Draft?

Consultation Responses:

1. *ACCESSIBLE RETAIL - W A McKee, UK: The proposals seem to try and resolve a problem that we are not aware exists. There is no confusion over existing measurement terms and their use is widely understood. The RICS is steadily incorporating IPMS guidance and its Code of Measuring Practice is both widely adopted and fit for purpose and therefore we wish to see these definitions retained for retail property. In the light of this, we have the following concerns:*
 1. *There is considerable potential for confusion. The names used in the proposals do not seem to accord with any existing ones such as NIA, GIA, and there are different definitions that apply in differing circumstances i.e. IPMS 1, IPMS 2, IPMS 3a, 3b, 3c etc.*
 2. *We are concerned at the potential cost. Has any consideration been given to the cost of adopting the suggested new definitions? In particular, will owners of real estate need to remeasure all their assets and have to recalculate service charges across their centres and parks?*
 3. *How is it proposed Valuers deal with comparing evidence from differently measured properties?*
 6. *Is there a sanction for non-compliance and how will privates/non RICS regulated entities be encouraged to use this new system?*
 7. *How can we prevent a two-tier market developing exacerbating existing market challenges?*
 8. *Are other regulatory bodies, e.g. the FCA, in agreement with these changes having regard to potential market uncertainty?*
 9. *How do the changes sit in relation to proposed changes to the Service Charge and Leasing Codes?*

We consider answers to these points are needed before meaningful answers can be given to the detailed questions posed below.
2. *ALLSOP - Richard Bouchier, UK and Hong Kong: It is totally unnecessary – the market in the UK is not going to use it.*
3. *ANONYMOUS 1: As a Lease advisory professional I have serious concerns that if IPMS Retail is adopted by RICS as the method to be used for measurement it will be unworkable in my field. Not one of the scenarios (1,2 3A, 3B or 3C) takes account of the ability to*

generate income from a specific retail unit in exclusive occupation. If the purpose of IPMS 3A, 3B or 3C is to identify quantify the space capable of generating rental value/income (and thus convert to capital value) then it should reflect the way that rental value is calculated. None of the above takes account of the demise of lettable units. I make the following observations on the wording of the draft and the diagrams: Definitions Retail Building – What is meant by “predominantly used for retail purposes ”? Is the predominance in terms of proportion of value or floor space? Internal Wall - “.....whether or not structural” Temporary Structure – “a physical element within a building installed on an interim or permanent basis, the removal of which will not damage the physical integrity of the building.” The above two definitions are incompatible with the definition of IPMS 3C which excludes Internal Walls. In most cases an internal wall in a unit with exclusive occupation will be a temporary structure which the occupier will install/remove to suit its particular shop fit). All the diagrams in IPMS 3C show that the internal walls are Permanent, and are thus excluded. No thought is given to the ownership of a Temporary Structure. If installed by the owner it is probably capable of generating rental income, but would fall to be excluded under IPMS 3C. IPMS 1 – Retail Page 15 – Diagram 2 – should the shading not be to the Shop Line in this case? Page 16 - Retail at Mezzanine Level – Diagram 3 mezzanine level. In the lowest unit in the diagram (with the projecting staircase), the same staircase will be included at both mezzanine and ground floor levels so would seem to be double counting. The stair does not provide floor space at mezzanine level itself so why include it? If the intention is to include the area of the staircase itself that projects out from the mezzanine (not the footprint of the stair on the ground floor) then one must presumably calculate the width by the length of the stair (the hypotenuse) and not by its base? Also what is the rationale for excluding an open external stairway, but including this stair? IPMS 2 – Retail No comment IPMS 3A, B and C – Retail Definitions Measurement Practice It would be helpful if it could be clarified how the hierarchy is to be applied. “Hierarchy” would usually suggest that the first item in the list should prevail where possible. What criteria are used to decide whether to measure to the centre-line of a shared wall between occupants or the finished surface? The approach to Internal Walls shown in 3C adopts the last item on the list. The Floor

Area I remain concerned that the stair is included at lower level and excluded at upper level. This means that where the lower level of the stair is at ground floor level, the area of its base (unusable) will be included in the area. In my experience, the ground floor is likely to have a higher valuer than upper or lower levels, so these measurements will not be useable for valuation purposes. "The stair is measured on the lower level but not the upper level. " NB The stair void will need to be measured at upper level in order for it to be excluded. Shop Line - "the maximum potential extent of the retail area in exclusive use". The definition is correct but the application shown in many of the diagrams in IPMS 3 is not. When measuring to side and rear walls, this seems inconsistent with the approach to measuring to the Shop Line, being "the legally accessible part of the shop or retail unit, not its enclosure ". I suggest that internal walls should also be measured to the legally accessible part. Ancillary Areas - "An area in exclusive use....and is being used for supplementary purposes " No thought is given to how the ancillary area could be used by a different occupier. The standard suggests measurement as it is actually used. IPMS 3B Diagrams 21 and 22 need to be clearer (show white line in shared walls between units). Why does diagram 21 show the actual line of the shop front, not the Shop Line? Diagrams 23 and 24 – these relate to still under 3B but diagrams now show shared walls between units measured to the centre line. Diagram 24 - on the pink shaded unit (on lower RHS) it is unclear where the Shop Line is. Does one measure the shaded area only as shown on the main plan or to the dotted line indicated in the detail? IPMS 3C My concern is that the definition states the area is to exclude Internal Walls, (irrespective of whether these are Temporary Structures, probably constructed by the occupier). If the definition of Temporary takes precedence, this should be made clear. I have expressed my concern above about the approach to stairs. In my opinion the useable space (excluding the footprint or void of any stair or stairwell) at each and every level should be measured. Diagram 27 – shading shows the actual shop front, not the Shop Line. This is not consistent with the definition. Diagram 30 – (as 24 above), on the pink shaded unit (lower RHS) it is unclear where the Shop Line is. Diagram 29 – Plantroom. If this is part of a legally accessible area to an exclusive occupier it would be appropriate for this to be included (albeit possibly stated separately). If an occupier installs its own plant, the size and the

location of the ancillary area could change according to the occupier.

- 4. AUSTRALIAN PROPERTY INSTITUTE - David Brandon, Australia: Clear and concise. Builds on and clarifies the previous Standards and completes the suite of property classes.*
- 5. BCIS - Paul Burrows, UK: Our main interest in IPMS is its use for Cost Estimating and Benchmarking for both construction and life-cycle cost planning. IPMS contains a lot of technical detail, addressing as it does, the needs of a broad group of professional users of measurement data and the different purposes to which the data will be put. To gauge the suitability of IPMS for any given purpose, it must be assessed against the use-cases of all intended users. We believe that the Cost Planning and Benchmarking requirements for IPMS are still not completely addressed and have detailed the reasoning for this in our responses below.*
- 6. BNP PARIBAS REAL ESTATE UK - Stephen Shapiro, Global: From further reviewing of the February 2019 Exposure Draft it is still not considered that it is appropriate to introduce IPMS Retail to the UK market. Due to the nature of a large percentage of the retail market they are not in the same market that require global comparison. Where this would occur then it would be for either shopping centres or trophy buildings, thereby excluding the wider market. Indeed, these generally compare the rent and yield and not the area. In these instances, a prospective purchaser will be considering the gross area, and if the RICS wants to implement a global standard then it is considered IPMS 1 would suffice across all use classes. The fact that there are 3 versions of IPMS 3 Retail when compared to the current NIA shows that this is unwieldy, impractical and in all probability unwanted in the UK market. Dealing with rent reviews and lease renewals in the UK retail market it is not considered any of the 3 versions of IMPS 3 are usable and a beneficial replacement for the current system.*
- 7. BRITISH LAND - Kate Lea, UK: I hope you are well. I am conscious that representations need to be in on the IPMS consultation and wanted to flag a few points / queries from BL. We do think this needs more work, in particular to remove some of the areas of*

confusion and if there is a working group on this going forward my colleague Richard Nield (copied in) would be happy to be involved. Our queries are as follows:

- There are differences between the IPMS and Code Of Measuring practice – do the 2 work alongside each other going forward or one take precedence? Up until now we have used the Code of Measuring Practice, therefore to change would cause inconsistencies in approach across our portfolio.*
- In valuations how do valuers address comparable evidence if properties are measured differently?*
- The definitions are confusing and not in accordance with current definitions in the lease code.*
- To adopt the IPMS would bring significant extra costs for remeasuring all of our assets is this really the intention?*

We understand and are supportive of the RICS's drive for best practice and global standardisation, however as you are aware, the retail property industry is currently under huge pressure, and we are keen to avoid any unforeseen consequences that could end up being inadvertently costly or detrimental. I look forward to hearing how you are proposing to take things forward and if you would like any further input from us.

- 8. CBRE Ltd 1 - David Brigden, Global: The majority of comments made in response to the Initial Consultation in Aug 18 still apply. We remain concerned at the inconsistencies between the IPMS Retail and the RICS Code of measuring practice 6th edition, May 2015 (CMP) which sets out the current UK guidance – notably the inclusion in the definition of IPMS 3C (the equivalent of NIA in the CMP) of staircases, lift shafts, WCs, 'stud' walls, non-usable areas below 1.5m and non-tradeable areas between pillars and walls. The RICS property measurement Professional statement, Global January 2018 includes comparison of IPMS with relevant definitions under the CMP. It would be helpful to include something similar in the IPMS Retail or at least a summary of the material differences. In the Introduction to the CMP, there is a helpful section 'A code of measurement, not a code of valuation'. This could be paraphrased and would be a helpful addition to the Introduction to the IPMS Retail. It would be helpful to include an 'Application of this Professional Statement' section to reference the status of the current guidance contained in the CMP. Presumably this will run in*

parallel with IPMS Retail 'on a dual reporting basis' as envisaged in para 4 of the Introduction.

9. *CBRE Ltd 2 - David Brigden, Global: I have now had a chance to read, digest and review the IPMS Retail Building Exposure Draft. It does answer some previously 'grey' areas, particularly in terms of where to measure the shop frontage from in a high street / shopping centre context. I am also pleased to see that the ITZA / Zoning issue has seemingly been taken away from the Geomatics Surveyor. Although, I suspect that 'dual-reporting' will probably be the preferred methodology for several years. A couple of further points on which I'm unclear:*

- When to use IPMS 3A against IPMS 3B? I would potentially be likely to advise on IPMS 3B in the first instance.*
- I'm not sure IPMS 3C deviates far from NIA. Therefore, would there be an obvious benefit of using this method against dual-reporting?*

I look forward to the Final version and the endless amount of presentations / meetings I will require in-house to help get it adopted in CBRE.

10. *CLGE - Jean-Yves Perlot, Global: We want to promote a high level of quality for the measurements and the computed results. This quality level can only be reached if a space measurement specialist is in charge of this work. From the definitions it's still not clear if a column that touch an external wall will be considered as part of the external wall or as a column inside the building. This is critical for the measurement of IPMS 2, IPMS 3B and IPMS 3C. Retailing Areas (component area G) should be subdivided in Full Use Retailing Area (G1) and Limited Use Retailing Area (G2).*

11. *GERALD EVE LLP - Christopher Gilbertson, Global: I hope IPMS 3A, 3B and 3C retail can be renamed to offer some descriptive clarity on their separate roles. It appears that IPMS 3C has not sufficiently taken into account the pursuant effect of the measurement standards on issues of valuation. In particular the impact these standards could have on rent negotiations as many of the areas that were excluded under the RICS Code of Measuring Practice are now included under all proposed IPMS Retail criteria.*

12. *GIF - Ira Hörndler, Germany: Trying to translate the Standards into German we found some inconsistencies and points that have to be clarified. It would be helpful to discuss and decide now what should be stated in the harmonised standard.*
13. *IAN SCOTT INTERNATIONAL - Mike Sheridan, Global: Overall a comprehensive and well put together draft document covering all aspects of measurement standards in retail buildings.*
14. *ANONYMOUS 2: Potentially a big impact - the definitions do not accord with any existing definition, ie NIA, GIA, and there are various different definitions that apply in differing circumstances IPMS 1, IPMS 2, IPMS 3a, 3b, 3c etc. The potential for confusion is high as the names don't define what they are. We have concerns as to the cost of introducing this – do we need to remeasure all the assets and will we need to recalculate service charges across our centres and parks? Our proposed questions of IPMS:*
- 1/ Why is this being introduced? It seems to try and resolve a problem that we are not aware exists. There is no confusion over existing measurement terms and their use is widely understood.*
 - 2/ How is it proposed Valuers deal with comparing evidence from differently measured properties?*
 - 3/ Is there a sanction for non-compliance and how will privates / non RICS regulated entities be encouraged to use this new system?*
 - 4/ As a result of 3/ how can we prevent a two tier market developing exacerbating existing market challenges.*
 - 5/ Are other regulatory bodies, ie the FCA, in agreement with these changes having regard to potential market uncertainty?*
 - 6/ How does this sit with the proposed changes to Service Charge and Leasing Codes?*
15. *MALCOLM HOLLIS - Rory Kennedy, Alistair Barrett and Matthew Robinson, European: Overall there is a lot of information to digest, mainly due to the breakdown of IPMS3:Retail A,B&C and trying to show each and every scenarios.*
16. *McCOLLS RETAIL GROUP - Kevin Tiernan, UK: Could be more user friendly. For ease, name each measuring standard (IPMS 1, 2, 3A, 3B, 3C) as follows:*
- IPMS 1 – All Classes Gross External Area*

- IPMS 2 – All Classes Gross Internal Area
- IPMS 3A – Retail Gross External Occupied Area
- IPMS 3B – Retail Gross Internal Occupied Area
- IPMS 3C – Retail Net Internal Occupied Area (Rent & Transactional)

17. PINZ AND PCNZ - John Darroch, New Zealand: Method 3C- We query why this method needs to deduct internal, non- load bearing partitions . This could be problematic where for instance a landlord provides fitout, agrees a return on fitout as part of the rent and yet can't charge rent on the actual floor area occupied by the partitions/fitout. We also query that the work and cost to measure out and deduct the partitions from the floor area outweighs any benefit. We ask that the guide provide for guidance on valuation matters – you do say on page 10 that Valuation is one of the uses of the guide, yet after that statement, there is no direct reference to valuation (not on pages 13, 21 or 29) . The closest reference to valuation is on page 29 – which talks about use for transaction purposes. We suggest it would be very helpful if the guide states which parts can/should be used to determine rentable areas, which as you know drive the rental for any space and in turn the value, for all income earning space. The colours which identify Component B1 and Component B2 (page 51) refer Diagram 33 -38 (page 52 -57) are very similar when the document is printed. It would be useful to have a larger contrast in colours.

18. PLOWMAN AND CRAVEN - Peter Folwell, UK: There are a lot of inconsistencies and contradictions in the diagrams which need to be addressed.

19. ROBERT ASH PERSONAL RESPONSE - Robert Ash, UK: Comprehensive, covering a wide range of different types of retail properties.

20. SOCIETY OF CHARTERED SURVEYORS IRELAND - Edward McAuley, Ireland: Comments in respect of the draft Code Diagram 12: IPMS 2 – Retail mall level 1. We are raising as a possible discrepancy - the large void is included whereas the void between the escalators is excluded. Diagram 14: IPMS 2 – Retail strip centre. In the definition (3.2.2) it is suggested that IPMS 2 is similar to GIA however

measuring to the recessed shop front rather than legal shop line is outside of current practice. The Committee should reconsider the reporting framework in this regard as the impact on area could in some instances, be excessive.

3.3.2 IPMS 3A – Retail The area in exclusive occupation, including the Floor Area occupied by External Walls, Internal Walls and Columns. IPMS says that the stairs are measured on the lower level but not on the upper level & that landings, unless they provide separate access to other rooms are part of the stair. By the definition it does not seem logical to exclude the stairs (and landing on upper levels). Diagram 16: IPMS 3A - Retail units mezzanine level / Retail mall level 1. The stairs are excluded which goes against the definition - if its equivalent of GEA. SCSi is interested in any reasoning behind this approach. Diagram 19: IPMS 3A - Retail standalone unit The entrance lobby is excluded whereas the loading dock and sheltered area is included which goes against the definition - if its equivalent of GEA. Unless the Entrance lobby is considered a common area - this is not logical as the Diagram is for a standalone unit which is understood as one occupier. If they intend it for 2 occupiers that should be made clear. Diagram 21: IPMS 3B - Retail units' level 0 Shading on the diagram appears to be incorrect. Measurement is to internal wall of units - this is said and illustrated in the magnifier so the party wall on the diagram, we believe, should therefore be shaded white. Also, magnifier at cotton of Diagram is possibly misleading as it shows a column but is making a point about the window. Diagram 22: IPMS 3B - Retail units mezzanine level Shading of party walls on the diagram appears incorrect (as above). Query as to why stairs is excluded. In top and bottom unit this may be okay as the stairs is outside the floor. Note that the landing is included in the top unit whereas the standard says landings are part of the stairs. Diagram 23: IPMS 3B - Retail units mezzanine level Query regarding why should the area between the shop line and actual shop front be sated separately? Diagram 24: IPMS 3B - Retail mall level 1 We are raising as a potential error in the "measured to Shop Line" magnifier - might be misleading. Diagram 25: IPMS 3B - Retail standalone unit The entrance lobby is excluded which goes against the definition - if its equivalent of GIA. Unless the Entrance lobby is considered a common area - this is not logical as the Diagram is for a standalone unit which we understand as one occupier. If they intend it for 2 occupiers that should be made clear.

3.3.4 IPMS 3C -

Retail The area in exclusive occupation excluding the Floor Area occupied by External Walls, Internal Walls and Columns. This seems to closely align with NIA. From the definitions it appears that that internal wall includes a partition. Also, in general - toilets & associated lobbies and fire exit lobbies are included which deviates from local practice particularly in old buildings.

Response Summary: There were 20 responses to this question and a range of different opinions. The comments ranged from comments such as *“The proposals seem to try and resolve a problem that we are not aware exists. There is no confusion over existing measurement terms and their use is widely understood”* to comments on specific applications such as cost planning or valuation or specific national standards such as the UK lease code. Other respondents were more positive about IPMS Retail with respondents commenting that they *“applaud and support the need for a universal standard of measurement for retail buildings”* or that IPMS Retail *“does answer some previously ‘grey’ areas, particularly in terms of where to measure the shop frontage from in a high street / shopping centre context.”* There were also four respondents, who had no further comment.

Furthermore, in the responses received the following concerns were expressed;-

- *IPMS is solving a problem that does not exist.*
- *There is considerable potential for confusion. The names used in the proposals do not seem to accord with any existing ones such as NIA, GIA, and there are different definitions that apply in differing circumstances i.e. IPMS 1, IPMS 2, IPMS 3a, 3b, 3c etc.*
- *We are concerned at the potential cost. Has any consideration been given to the cost of adopting the suggested new definitions? In particular, will owners of real estate need to remeasure all their assets and have to recalculate service charges across their centres and parks? Similarly comments express concern about the cost to implement and the impact on value.*
- *IPMS measurements do not take into account all areas of income producing property.*
- *It is expressed that an individual market does not need IPMS 3A Retail, IPMS 3B Retail and IPMS 3C Retail.*

- *Further some responses put forward reasons and particular IPMS 3 Retail approach was inappropriate.*
- *Explain the hierarchy of the application of the measurement boundaries.*
- *What criteria is used to decide whether to measure to the centre line or Finished Surface of Shared Walls.*

SSC Rationale: The SSC considered the responses, some of which showed a misunderstanding of IPMS principles, such as areas with a height of less than 1.5 metres being included in overall measurements, but also measured and stated separately as Limited Use Areas. In terms of the more specific comments received the SSC responses are shown below;

- *IPMS is solving a problem that does not exist.*

This view is incorrect. Whilst market pockets, in a global sense may not experience problems, it is organisations with multi-national property interests who experience the most difficulty. Many tenants have retail interests in more than one country and, as there is no transparency in the way property is measured, those organisations have difficulty with the inconsistency. The 89 coalition members all recognise the need to address the inconsistency and create a single global method which is to be known as IPMS. It will happen over time.

- *There is considerable potential for confusion. The names used in the proposals do not seem to accord with any existing ones such as NIA, GIA, and there are different definitions that apply in differing circumstances i.e. IPMS 1, IPMS 2, IPMS 3a, 3b, 3c etc.*

A conscious decision was made to select a generic name so as not to confuse with existing global descriptive names that are similar even though the measurement convention is to entirely different boundaries. To adopt descriptive names will only serve to reintroduce that confusion. Even with different generic names there still seems to be confusion that the concept should be the same as an existing measurement convention. It may be similar, but it is not the same.

- *We are concerned at the potential cost. Has any consideration been given to the cost of adopting the suggested new definitions? In particular,*

will owners of real estate need to remeasure all their assets and have to recalculate service charges across their centres and parks? Similarly comments express concern about the cost to implement and the impact on value.

There is no need to re-measure buildings immediately. IPMS will be implemented gradually in the medium term. There is no expectation of an overnight change. At best it will be 10 years before IPMS is the primary method of measuring buildings. Further there is no impact on value. There seems to be an impression that IPMS changes the size of the building. It does not. Valuers must still compare like with like. The requirement is dual reporting where IPMS is not the primary method of measurement. It is the responsibility of individual members of the Coalition who currently adopt a particular measurement convention to explain the process of converting to IPMS. It may be that initially the valuer compares using the existing convention but reports the subject property in both the existing and IPMS conventions.

- *IPMS measurements do not take into account all areas of income producing property.*

IPMS does provide that flexibility. Whilst certain areas may be excluded from IPMS 3A Retail, 3B Retail and 3C Retail for example each provides that other areas may be measured and stated separately. We needed to set a set of inclusions that would work on a global basis. In some instances, we have included areas but stated the area is to be stated separately. In other instances, it may be measured and stated separately. Nothing that needed to be included for value purposes is obstructed from being assessed. It is just how that measured area is to be expressed.

- *It is expressed that an individual market does not need IPMS 3A Retail, IPMS 3B Retail and IPMS 3C Retail.*

That may be the case for that market pocket. It is not the case on a global sense. In some markets two of these measurements are needed, for service charge allocation. IPMS is not necessarily consistent with any market in the world but all those market conventions have been considered in arriving at a globally consistent solution.

- *Further some responses put forward reasons and particular IPMS 3 Retail approach was inappropriate.*

This is not the role of the IPMS. It is for individual member organisations to advise the approach to be taken by their members. It may be the number of approaches are further reduced in the future but IPMS needed to come up with a solution that could be adopted on a global basis. The reason we have adopted 3 approaches to IPMS 3 Retail is a reflection of the fact that in some market pockets a particular approach seems to be totally inappropriate. In these circumstances an alternate IPMS 3 is the preferred approach.

- *Explain the hierarchy of the application of the measurement boundaries.*

IPMS Retail now defines the hierarchy of the measurement boundaries for each of the IPMS categories.

- *What criteria is used to decide whether to measure to the centre line or Finished Surface of Shared Walls.*

This is set out in each of the IPMS categories.

Q2. Do you require a separate definition for an Auxiliary Areas? If so what do you see as the primary difference between an Ancillary area and an Auxiliary Area?

Consultation Responses:

1. *ACCESSIBLE RETAIL - W A McKee, UK: No comment.*
2. *ALLSOP - Richard Bouchier, UK and Hong Kong: No there is no point in an "Auxiliary Area". Ancillary Area will be sufficient.*
3. *ANONYMOUS 1: No, I do not see a difference between ancillary and auxiliary.*
4. *AUSTRALIAN PROPERTY INSTITUTE - David Brandon, Australia: Not necessary in my opinion. However, would like to see Amenities as a defined term. Amenities is different from Common Facilities, particularly in residential apartment buildings, retail shopping centres and in many cases office buildings. Under Component Areas in IPMS Residential 'Amenities' is as "an example of amenities include internal facilities such as cafeterias, day-care facilities, sport, leisure and fitness areas and prayer rooms." Under Component Areas in IPMS Retail 'Amenities' is as 'examples of amenities include internal facilities such as child-minding facilities and prayer rooms for the benefit of shoppers.' IPMS Office notes 'Amenities' under Component Areas as "examples of amenities include cafeterias, day-care facilities, fitness areas and prayer rooms." "Would be good to see Amenities Areas defined in the Standards along the lines of; "Internal facilities for the use of the occupiers of the Building, or in some cases the uses of the Building, for example <and then give examples>". It may be necessary to have different examples for each property class.*
5. *BCIS - Paul Burrows, UK: We do not have a requirement for a separate definition specifically for Auxiliary areas. There are areas for which we do believe clear definitions are required, which we have detailed in our responses below.*
6. *BNP PARIBAS REAL ESTATE UK - Stephen Shapiro, Global: There is no current usage of Auxiliary Areas and it is unclear what is intended by this, and how it would differ from an Ancillary Area. The mere*

fact that this is being raised as an issue indicates how unwieldy the proposals are and that they are not fit for purpose. The current guidance works well as it is self-evident and therefore enable a degree of agreement between the parties whereas the proposals will result in greater difficulties in reaching an agreement especially if a heading along the lines of Auxiliary Areas is added, which is not evidently obvious as to the meaning of it when there are already ancillary areas.

7. *BRITISH LAND - Kate Lea, UK: No further comment.*
8. *CBRE Ltd 1 - David Brigden, Global: No further comment.*
9. *CBRE Ltd 2 - David Brigden, Global: No further comment.*
10. *CLGE - Jean-Yves Perlot, Global: No. The revised floorplans with the inclusion of examples of possible ancillary areas is sufficient. Although, we still believe the floorplans are too detailed. More simplified diagrams would be better.*
11. *GERALD EVE LLP - Christopher Gilbertson, Global: Yes. Please provide an additional definition if there is a difference.*
12. *GIF - Ira Hörndler, Germany: Yes, we require a separate definition if there is any difference. If not, please use always the same word. In addition: we see the problem that an area which might be an auxiliary are in one type of building could be categorised as area for main use in another building. This will cause a big problem for the mixed use buildings.*
13. *IAN SCOTT INTERNATIONAL - Mike Sheridan, Global: I believe the term Ancillary area already covers any area considered to be auxiliary and therefore feel it is not necessary to have a separate definition.*
14. *ANONYMOUS 2: No further comment.*
15. *MALCOLM HOLLIS - Rory Kennedy, Alistair Barrett and Matthew Robinson, European: Yes. We would define Auxiliary areas as areas separate to the retail unit itself, required by the tenant for the*

running of the unit, ex; plant or extra stores. Also, anything in the tenancies of the unit that would be of a temporary nature.

16. *McCOLLS RETAIL GROUP - Kevin Tiernan, UK: No.*

17. *PINZ AND PCNZ - John Darroch, New Zealand: Not a key issue in our view.*

18. *PLOWMAN AND CRAVEN - Peter Folwell, UK: There is no reference to Auxiliary in the document – Is there a need for this? An expanded definition of ancillary may be all that is required.*

19. *ROBERT ASH PERSONAL RESPONSE - Robert Ash, UK: If not already the case, I think that examples of areas are best illustrated in plan/diagram format.*

20. *SOCIETY OF CHARTERED SURVEYORS IRELAND - Edward McAuley, Ireland: A separate definition for auxiliary area is not required, as both auxiliary and ancillary areas are used for supplementary purposes.*

Response Summary: There were 20 responses to this question, five of which were “No further comment” and three of which felt that there was “no difference between ancillary and auxiliary”. Further comments stated that “there is no point in an “Auxiliary Area” or “that Ancillary Area will be sufficient” or that “the revised floorplans with the inclusion of examples of possible ancillary areas is sufficient.” Perhaps the most detailed response state that; “Not necessary in my opinion. However, would like to see Amenities as a defined term. Amenities is different from Common Facilities, particularly in residential apartment buildings, retail shopping centres and in many cases office buildings. Under Component Areas in IPMS Residential ‘Amenities’ it is stated that “an example of amenities include internal facilities such as cafeterias, day-care facilities, sport, leisure and fitness areas and prayer rooms.” Under Component Areas in IPMS Retail ‘Amenities’ is as ‘examples of amenities include internal facilities such as child-minding facilities and prayer rooms for the benefit of shoppers.” IPMS Office notes ‘Amenities’ under Component Areas as “examples of amenities include cafeterias, day-care facilities, fitness areas and prayer rooms. Would be good to see Amenities Areas defined in the Standards along the lines of; “Internal facilities for the use of the occupiers

*of the Building, or in some cases the uses of the Building, for example
<and then give examples>”. It may be necessary to have different
examples for each property class.”*

SSC Rationale: The SSC discussed this concept further and considered whether it was a wording problem and whether the SSC should define areas such as amenities. The SSC also felt that to a large extent the definition of amenities was contained within the component areas. The SSC also discussed the difference between Ancillary/Auxiliary Areas and Amenities and felt that the to a large extent the difference was as follows;

Ancillary/Auxiliary Areas are specific to a single user.

Amenities relate to common areas which are in shared use.

The SSC discussed the fact that in North America facilities such as toilets and other amenities may over time become an ancillary/auxiliary area if the amenity became the occupier’s personal space. SSC felt that it was extremely important that the correct word was used so the user knew whether the space was shared or in exclusive use and questioned whether both the terms auxiliary and ancillary were needed as this could cause further confusion. Further to discussions the SSC felt that both words were not needed and suggested that only the term ancillary was needed. The SSC have therefore revised IPMS Retail to ensure only the term ancillary area was used and reviewed the use of the term amenity for meaning and function and included a definition for “*Amenity Area*” and provided more examples of Amenities within the Component Areas.

Q3. Do you need a floorplan illustrating the situation in IPMS 1 and IPMS 2, where a property line (ownership line) goes across more than one building?

Consultation Responses:

1. *ACCESSIBLE RETAIL - W A McKee, UK: No comment.*
2. *ALLSOP - Richard Bouchier, UK and Hong Kong: No – not necessary.*
3. *ANONYMOUS 1: Not it my experience.*
4. *AUSTRALIAN PROPERTY INSTITUTE - David Brandon, Australia: No. It I am reading this correctly then, in the situation described each Building would be measured and reported independently anyway. That is, the Buildings in the same ownership (on the same Title) would be measured and reported separately. If they were leased to different tenants, then they would also be measured and reported separately as they are different occupancies.*
5. *BCIS - Paul Burrows, UK: Not necessary for DIPG purposes.*
6. *BNP PARIBAS REAL ESTATE UK - Stephen Shapiro, Global: Greater clarification with illustrations will always be of benefit. I currently have a situation where a tenant's occupation crosses the ownership of two landlords' but not in a regular basis. The parties could establish a NIA of the individual occupation but were this to be under IPMS 1 or 2 it is not clear how this would work.*
7. *BRITISH LAND - Kate Lea, UK: No further comment.*
8. *CBRE Ltd 1 - David Brigden, Global: No further comment.*
9. *CBRE Ltd 2 - David Brigden, Global: No further comment.*
10. *CLGE - Jean-Yves Perlot, Global: This could be helpful if simplified.*
11. *GERALD EVE LLP - Christopher Gilbertson, Global: No further comment.*

12. GIF - Ira Hörndler, Germany: No.
13. IAN SCOTT INTERNATIONAL - Mike Sheridan, Global: A properly delineated floor plan would be sensible and preferred.
14. ANONYMOUS 2: No further comment.
15. MALCOLM HOLLIS - Rory Kennedy, Alistair Barrett and Matthew Robinson, European: No.
16. McCOLLS RETAIL GROUP - Kevin Tiernan, UK: Yes.
17. PINZ AND PCNZ - John Darroch, New Zealand: Level of detail is spot on.
18. PLOWMAN AND CRAVEN - Peter Folwell, UK: No. IPMS1 & 2 Need to be coloured differently as per other documents.
19. ROBERT ASH PERSONAL RESPONSE - Robert Ash, UK: Not understood.
20. SOCIETY OF CHARTERED SURVEYORS IRELAND - Edward McAuley, Ireland: Yes, it could be beneficial for a floor plan illustrating the situation in IPMS 1 and IPMS 2 where a property line goes across more than one building.

Response Summary: There were 20 responses to this question, 6 of which were “no further comment” and a further 6 felt that it was not necessary to include a floorplan illustrating the situation in IPMS 1 and IPMS 2, where a property line (ownership line) goes across more than one building. Others commented that “a properly delineated floor plan would be sensible and preferred” and that “Greater clarification with illustrations will always be of benefit. I currently have a situation where a tenant’s occupation crosses the ownership of two landlords’ but not in a regular basis. The parties could establish a NIA of the individual occupation but were this to be under IPMS 1 or 2 it is not clear how this would work.”

SSC Rationale: The SSC discussed this matter in detail and felt that additional diagrams were not necessary, and it would be better to clarify the existing diagrams and ensure they are fit for purpose. The SSC also felt

that this was an unusual scenario and too detailed for an international standard. It may be better to prepare guidance for the local market on this matter. Furthermore, the SSC pointed out that if you were dealing with a high street you would use the existing Shop Front rather than a notional line. Further to discussion the SSC felt that this was more a matter for local guidance as the required measurement practice may vary across markets. Moreover, the SSC also agreed to write an article or an FAQ to provide more detail on this situation.

Q4. The SSC has currently incorporated in the definition of Balcony 'generally accessible rooftop terraces, external galleries and loggia'. Are you comfortable with this inclusion? If not, how would you separately define Balcony, external rooftop terrace, external gallery and loggia?

Consultation Responses:

1. *ACCESSIBLE RETAIL - W A McKee, UK: No comment.*
2. *ALLSOP - Richard Bouchier, UK and Hong Kong: I think it is quite clear.*
3. *ANONYMOUS 1: No comment.*
4. *AUSTRALIAN PROPERTY INSTITUTE - David Brandon, Australia: No major issues with the inclusions in the definitions. Although 'external rooftop terrace' could probably have its own definition. They tend to be uncovered in whole or part, as opposed to the others which are generally covered or roofed.*
5. *BCIS - Paul Burrows, UK: Our main concern is that the cost planning attributes of these areas need to be differentiated. The main categories for component areas for cost planning and Life-Cycle costing would be:
FECA – Fully enclosed covered areas – the enclosed internal areas of a building.
UCA – Unenclosed covered areas - not fully enclosed but within the curtilage of the roof.
UUA – Unenclosed uncovered areas such as roof terraces and observation decks.
These differences arise due to significant differences in both cost per m² to construct and different maintenance schedules due to exposure.*
6. *BNP PARIBAS REAL ESTATE UK - Stephen Shapiro, Global: This seems fine, although it is generally self-evident as to what would count as a balcony or accessible rooftop terrace.*
7. *BRITISH LAND - Kate Lea, UK: No further comment.*
8. *CBRE Ltd 1 - David Brigden, Global: No further comment.*

9. *CBRE Ltd 2 - David Brigden, Global: No further comment.*
10. *CLGE - Jean-Yves Perlot, Global: It seems to be better to have separate definitions.*
A balcony is a platform for the use of occupants located above ground-floor level, that can be accessed from inside the building and projects from the wall. It is enclosed on its open sides by a railing or balustrade.
An external rooftop terrace is a paved structure on top of a building. It forms a roof for part of the floor below and is an open area that can be accessed from the inside.
A loggia is a platform that can be accessed only from inside a building. It is recessed into the wall and therefore usually covered. It is enclosed on the outer wall by a railing or balustrade.
We don't know exactly what is meant by "external gallery". Depending on the situation, two options can appear:
- an external gallery, as part of a building, is a long, narrow balcony on the outside of a building,
- an external gallery is not part of a building and may be subject to a specific measurement, not covered by the IPMS standard.
11. *GERALD EVE LLP - Christopher Gilbertson, Global: No further comment.*
12. *GIF - Ira Hörndler, Germany: The inclusion is good.*
13. *IAN SCOTT INTERNATIONAL - Mike Sheridan, Global: Balcony is a misleading term and it would be better to adopt a title that more accurately reflects the space to be included – external useable space?*
14. *ANONYMOUS 2: No further comment.*
15. *MALCOLM HOLLIS - Rory Kennedy, Alistair Barrett and Matthew Robinson, European: Yes.*
16. *McCOLLS RETAIL GROUP - Kevin Tiernan, UK: A clearer definition would be:*
Balcony 'external gallery, loggia and/or rooftop terrace generally intended for use by the occupier'.

Gangway 'external or internal area generally intended for use as an access solely for maintenance purposes'.

17. PINZ AND PCNZ - John Darroch, New Zealand: *Yes fine.*

18. PLOWMAN AND CRAVEN - Peter Folwell, UK: *Comfortable with this.*

19. ROBERT ASH PERSONAL RESPONSE - Robert Ash, UK: *Not comfortable. If the SSC wants to group these similar external areas (because they are all treated in the same way within the various IPMS categorization scheme), it would be better to use a new name.*

20. SOCIETY OF CHARTERED SURVEYORS IRELAND - Edward McAuley, Ireland: *The definition of Balcony to incorporate 'external rooftop terrace, external gallery and loggia is appropriate.*

Response Summary: There were 20 responses to this question, 6 of which were “no further comment” and the rest seemed to represent a range of different opinions. Comments varied ranged from “I think it is quite clear” to “this seems fine, although it is generally self-evident as to what would count as a balcony or accessible rooftop terrace” and “Not comfortable. If the SSC wants to group these similar external areas (because they are all treated in the same way within the various IPMS categorization scheme), it would be better to use a new name.” Further comments included “Our main concern is that the cost planning attributes of these areas need to be differentiated. The main categories for component areas for cost planning and Life-Cycle costing would be: FECA – Fully enclosed covered areas – the enclosed internal areas of a building. UCA – Unenclosed covered areas - not fully enclosed but within the curtilage of the roof. UUA – Unenclosed uncovered areas such as roof terraces and observation decks. These differences arise due to significant differences in both cost per m2 to construct and different maintenance schedules due to exposure.”

SSC Rationale: The SSC considered the responses received and accepted that the current definition shown for Balcony was confusing as this was a term that already had a distinct definition in most user’s minds.

“Balcony; An external platform at an upper floor level with a balustrade to the open sides projecting from or recessed from an External Wall and

including in this definition generally accessible rooftop terraces, external galleries and loggia.”

Further to discussion the SSC felt that the nomenclature for this term was incorrect and could cause unnecessary confusion. SSC have therefore changed the nomenclature of this definition to “*External Floor Area*” and have revised the definition as follows;

“External Floor Area: An external platform at an upper floor level with a balustrade to the open sides projecting from or recessed from an External Wall and including in this definition generally accessible rooftop terraces, balconies, external galleries and loggia.”

Q5. Do you need to specify and provide a measurement for an area in front of the physical counter of a food shop for customer service? If so, should this area be classified as part of the exclusive area of a Shop/Store and do you have a typical distance from the counter that you would assign to exclusive use?

Consultation Responses:

1. *ACCESSIBLE RETAIL - W A McKee, UK: No comment.*
2. *ALLSOP - Richard Bouchier, UK and Hong Kong: No – not needed.*
3. *ANONYMOUS 1: No typical distance between counter. Any area that is granted for exclusive use by an occupier - whether for service or for customer seating - should be defined and measured.*
4. *AUSTRALIAN PROPERTY INSTITUTE - David Brandon, Australia: No. Isn't this area public mall space? If its part of the lease or ownership of an individual Title then it's exclusive use, but only if it on the lease plan or Title Plan. If it's not defined on a plan as 'exclusive use' to the shop, then it does not form part of the tenancy or ownership area.*
5. *BCIS - Paul Burrows, UK: From a cost planning point of view, areas which are to be fully fitted out, serviced and maintained by the occupier need to be separated from those which are not. Areas within the occupier's area of exclusive use but for which maintenance of finishes, lighting and services are the responsibility of the landlord should be separated to enable maintenance schedules and fit out costs to be calculated separately. This is a question particularly in relation to those areas within the "shop line" which are for the exclusive use of the occupier but are not otherwise enclosed or separated from general circulation areas. (Food Courts and the like). Where these areas are finished and serviced by the landlord, they need to be identified separately. This is particularly important for life-cycle costing because the maintenance and replacement schedules will be different. Clearly, these areas should also be treated differently when calculating fit-out costs.*
6. *BNP PARIBAS REAL ESTATE UK - Stephen Shapiro, Global: I do not understand the implication here as a food counter is by its nature*

within the internal demise. The only case that I can think of where this does not apply is in a food court setting. Again, this appears to be an over complication of an established measurement methodology as the leases will show the demise to be included rather than continue to a notional wider area.

7. *BRITISH LAND - Kate Lea, UK: No further comment.*
8. *CBRE Ltd 1 - David Brigden, Global: No further comment.*
9. *CBRE Ltd 2 - David Brigden, Global: No further comment.*
10. *CLGE - Jean-Yves Perlot, Global: No. Depending on the use or the specific function this area will be classified as retailing area or circulation area. Within both we can make a distinction between private and common area if needed.*
11. *GERALD EVE LLP - Christopher Gilbertson, Global: No – this would usually encompass fit out and not therefore fall to be valued by a hypothetical tenant.*
12. *GIF - Ira Hörndler, Germany: No, there is no need to measure this area.*
13. *IAN SCOTT INTERNATIONAL - Mike Sheridan, Global: No – this is unnecessary as it is all part & parcel of the useable retail space in the shop.*
14. *ANONYMOUS 2: No further comment.*
15. *MALCOLM HOLLIS - Rory Kennedy, Alistair Barrett and Matthew Robinson, European: No unless specifically requested by a client.*
16. *McCOLLS RETAIL GROUP - Kevin Tiernan, UK: The area in front of the physical counter of a shop unit or kiosk for customer service for food or any other use (e.g. key/heel bar, click & collect, dry cleaning receiving unit, mobile accessories, newsagents, lottery/ ticket agency, currency exchange, tourism etc.) should be measured where*

- *the rights granted over it are exclusive to the occupier, and/or;*
- *it is either physically cordoned off and/or delineated in some other way (for example by use of a canopy, shelter or differentiated floor surface) for the benefit of the occupier.*

It should be mentioned but not measured where this area is generally accessible to both customers and the general public (such as a Mall).

17. PINZ AND PCNZ - John Darroch, New Zealand: *No, this will be problematic. We suggest that the wait areas remain as common area.*

18. PLOWMAN AND CRAVEN - Peter Folwell, UK: *No comment – This is not within our remit as measurement surveyors.*

19. ROBERT ASH PERSONAL RESPONSE - Robert Ash, UK: *No further comment.*

20. SOCIETY OF CHARTERED SURVEYORS IRELAND - Edward McAuley, Ireland: *No requirement for a measurement of the area in front of the physical to be provided as this area can alter / change depending upon the food operator and also their fit-out.*

Response Summary: There were 20 responses to this question, 7 of which were “no further comment” and 10 of which felt that this change was not needed. Examples of comments received include; “No. Isn’t this area public mall space? If it’s part of the lease or ownership of an individual Title then it’s exclusive use, but only if it on the lease plan or Title Plan. If it’s not defined on a plan as ‘exclusive use’ to the shop, then it does not form part of the tenancy or ownership area” and “No. Depending on the use or the specific function this area will be classified as retailing area or circulation area. Within both we can make a distinction between private and common area if needed.” Further comments include; “The area in front of the physical counter of a shop unit or kiosk for customer service for food or any other use (e.g. key/heel bar, click & collect, dry cleaning receiving unit, mobile accessories, newsagents, lottery/ ticket agency, currency exchange, tourism etc.) should be measured where

- *the rights granted over it are exclusive to the occupier, and/or;*

- *it is either physically cordoned off and/or delineated in some other way (for example by use of a canopy, shelter or differentiated floor surface) for the benefit of the occupier.*

It should be mentioned but not measured where this area is generally accessible to both customers and the general public (such as a Mall)."

SSC Rationale: The SSC considered discussed this matter and felt that in most cases this area would not be relevant. Furthermore, the SSC agreed with the comment that: *"Depending on the use or the specific function this area will be classified as retailing area or circulation area. Within both the Space Measurement Professional can make a distinction between private and common area if needed."* The SSC have therefore have made no changes within IPMS Retail in relation to this matter.

Q6. Do you want more or less IPMS Retail plans for each type of building? Please highlight the areas where you feel more or less IPMS Retail plans would assist.

Consultation Responses:

1. *ACCESSIBLE RETAIL - W A McKee, UK: No comment.*
2. *ALLSOP - Richard Bouchier, UK and Hong Kong: No.*
3. *ANONYMOUS 1: Don't include more plans, but if anything, make the definitions and explanation of the purpose of each option clearer.*
4. *AUSTRALIAN PROPERTY INSTITUTE - David Brandon, Australia: The examples included are adequate, although it would have been good to see an example of a single standalone shop fronting a street, and perhaps a row of shops on separate Titles fronting a street with or without designated carparking to the rear on the individual Titles.*
5. *BCIS - Paul Burrows, UK: Our concerns are more with definition and classification. Appropriate plans to illustrate the concepts may be required one these are understood and agreed.*
6. *BNP PARIBAS REAL ESTATE UK - Stephen Shapiro, Global: The IPMS plans are only shown for modern box type retail units. The vast majority of retail units within the market do not conform with this idealised model. Therefore, there would need to be plans reflecting high street retail units with all their intricacies.*
7. *BRITISH LAND - Kate Lea, UK: No further comment.*
8. *CBRE Ltd 1 - David Brigden, Global: No further comment.*
9. *CBRE Ltd 2 - David Brigden, Global: No further comment.*
10. *CLGE - Jean-Yves Perlot, Global: In general, less floorplans are desirable. It's not easy to understand the necessity of showing diagrams for each type of retail building. The use of simplified diagrams can help to delete redundant floorplans.*

11. GERALD EVE LLP - Christopher Gilbertson, Global: More plans. IPMS 3C would benefit from further plans showing different retail units.
12. GIF - Ira Hörndler, Germany: All the plans are very helpful and there is no need for more plans for other types of buildings but it would be helpful to have more details in the plans (see below). 2.2.2 Inconsistent headline: Accuracy and Tolerance vs. unit of measurement; in the text accuracy is explained in 1.3. In Addition: The level of accuracy has to be part of the documentation. This is stated in 2.2.1 but not in 2.1 item 4. Please incorporate the accuracy in the documentation requirements in item 4 of section 2.2.1 Definitions:- where is the different concept of "room" and "space" needed for? We didn't find a need for the difference in the text. - reading the draft itself, the word "service provider" seems to mean any user of the standard but is defined otherwise. This causes the question if the text talking about what a service provider should or should not do applies to a stakeholder/tenant using the standard or not. p.11 Section 2.1: In the industrial standard it is stated: "... Must not include inflated or exaggerated floor areas. In the retail draft you write"; "... must not include understated or inflated..." The text in the retail draft seems more clear but it should be clarified if the difference is voluntary or if the text in industrial was mistaken. p. 13 (before part 3): the "explanation" external, internal, occupier seems to be more confusing than helpful. Please think about deleting it. p.13 3.1.2: That the areas can be taken from drawings or on site is already stated in section 2.2.1. if you really want to repeat it, please repeat it not only concerning IPMS 1 but also for IPMS 2 and all versions of IPMS 3. p.15 Diagramm 2: what does "treated as a building" mean? Is it a building (as defined in the Definitions) or not? IPMS 3 (same in all 3 versions of IPMS 3): - The definition is much better than the one in IPMS industrial. Please use the one out of the retail draft for your harmonisation. - the 2nd item of the hierarchy causes the question if this shop line can also be outside a building. If yes, a plan showing such a situation would be helpful. And: the definition of "shop line" in the definitions doesn't match exactly the definition you give in 3.3.2. A complete and exact definition only in the definitions would be required. - measuring of stairs: in industrial it is stated the a stair is only to be included on the lowest level. In the retail draft you write that it is to be included at the lower level which seems to mean that it is measured at every floor (when the

stair is going over more than one) and not only at the lowest. Is that right and is the difference between the two standards a wanted one? And: if you measure a stair on the lower level, how do you measure at the lowest floor? When there is a floor underneath the stair to, do you measure the floor twice? Wouldn't it be easier to measure a stair on the upper level? Concerning the landings: in the floor plans every landing is white. As stated above, we didn't find a difference between room and space in the text. The measuring of stairs seems to be the only one where this difference could be relevant. If so there should be a plan, showing the difference. p. 29 measurement excluded but stated separately: it is confusing that only Ancillary areas "stated separately" are mentioned. Please delete the parentheses or explain when ancillary areas have to be stated separately. Part 4 Technical: It is stated that component areas "may" be used. In Industrial it was stated that they should be used. "Should" seems to be the right word. - A1: the inclusion of "staircase openings" is new. Why? Could you implement a staircase opening in a floor plan? Is there a difference between staircase opening and stairwell? - G: could you implement temporary retail stores and mall promotion areas in a floor plan? - Legend of components: it would be better to have the colours implemented in p. 50 and not a separated Legend. And: please use 2 different colours for E1 / E2. The difference between the 2 Components is very important and should be clarified. - In the plans, all stairs have the colour of the component they are placed in. Is that correct? If yes please clarify when stairs are vertical penetrations and when they are not. 4.2: Internal Dominant Face: Here (and in industrial) only the first 2,75 m are relevant. This is ok but causes inconsistencies in mixed uses buildings with higher ceilings. Please discuss now, if the 2,75 m should be the relevant high also for residential and office use. The last section of 4.2 is too short and causes a lot of questions. The wording in the office standard was clear. Please use the same wording here.

13. IAN SCOTT INTERNATIONAL - Mike Sheridan, Global: *I believe no further plans are needed.*

14. ANONYMOUS 2: *No further comment.*

15. *MALCOLM HOLLIS - Rory Kennedy, Alistair Barrett and Matthew Robinson, European: Would be nicer to have less drawings. The report seems to try to cover every scenario under each code. It is a lot to digest in one document.*
16. *McCOLLS RETAIL GROUP - Kevin Tiernan, UK: IPMS 3A diagrams should be merged with IPMS 1 diagrams and IPMS 3B diagrams should be merged IPMS 2 diagrams. Office, leisure and industrial building diagrams – showing eaves height and/or how Common Areas are separated out when there are multiple occupiers would be useful.*
17. *PINZ AND PCNZ - John Darroch, New Zealand: Existing plans are OK.*
18. *PLOWMAN AND CRAVEN - Peter Folwell, UK: Yes - For hard / soft frontages and period buildings.*
19. *ROBERT ASH PERSONAL RESPONSE - Robert Ash, UK If all the existing plans/diagrams are illustrating something slightly different to assist with user interpretation, then they are warranted.*
20. *SOCIETY OF CHARTERED SURVEYORS IRELAND - Edward McAuley, Ireland: Sufficient number of floor plans provided for each type of building, except a floorplan where a property line goes across more than one building could be provided.*

Response Summary: There were 20 responses to this question, four of which were “No Further Comment”. Responses ranged from “Don’t include more plans but make the definitions and explanations of the purpose of each option clearer” to “Include an example of a single standalone shop fronting a street and perhaps a row of shops on separate title fronting a street with or without designated parking to the rear on individual titles.” Further responses included requests for “Plans reflecting high street retail units with all their intricacies” and “More detail in the plans” and “IPMS 3C Retail would benefit from further plans showing different retail units; If all the existing diagrams are illustrating something slightly different to assist with user interpretation then more plans are warranted.”

SSC Rationale: The SSC appreciated the time, care and thought that had been taken submitting their responses to this and the other questions.

The SSC considered the responses received and noted that respondents generally felt that though the retail floorplans were sufficient a greater level of detail would be helpful. The SSC paid particular attention to responses requiring a greater level of detail such as *“More plans are needed for hard / soft frontages and period buildings.”* Further to the responses received the SSC have revised all the floorplans to provide more detailed content in the plans and the details on specific diagrams, highlighted in the responses, have been addressed and the diagrams amended accordingly.

Q7. Do you have any other comments?

Consultation Responses:

1. *ACCESSIBLE RETAIL - W A McKee, UK: The proposals seem to try and resolve a problem that we are not aware exists. There is no confusion over existing measurement terms and their use is widely understood. The RICS is steadily incorporating IPMS guidance and its Code of Measuring Practice is both widely adopted and fit for purpose and therefore we wish to see these definitions retained for retail property. In the light of this, we have the following concerns:*
 1. *There is considerable potential for confusion. The names used in the proposals do not seem to accord with any existing ones such as NIA, GIA, and there are different definitions that apply in differing circumstances i.e. IPMS 1, IPMS 2, IPMS 3a, 3b, 3c etc.*
 2. *We are concerned at the potential cost. Has any consideration been given to the cost of adopting the suggested new definitions? In particular, will owners of real estate need to remeasure all their assets and have to recalculate service charges across their centres and parks?*
 3. *How is it proposed Valuers deal with comparing evidence from differently measured properties?*
 6. *Is there a sanction for non-compliance and how will privates/non RICS regulated entities be encouraged to use this new system?*
 7. *How can we prevent a two-tier market developing exacerbating existing market challenges?*
 8. *Are other regulatory bodies, e.g. the FCA, in agreement with these changes having regard to potential market uncertainty?*
 9. *How do the changes sit in relation to proposed changes to the Service Charge and Leasing Codes?*

We consider answers to these points are needed before meaningful answers can be given to the detailed questions posed below.
2. *ALLSOP - Richard Bouchier, UK and Hong Kong: The whole basis of this consultation is nonsense. I along with dozens of other surveyors dealing with retail property in the UK highlighted in the first consultation the following:*
 - *Excluding the areas taken up by stud partitioning from IPMS 3C is nonsense and bears no resemblance to how the market deals with such matters*

- *Including staircases at ground level but excluding the same staircases at 1st floor level in both IPMS 3B & 3C makes no sense whatsoever - it is inconsistent. Staircases should be excluded though the retail store as should lift shafts*
 - *Staff toilets are required by law and should be excluded from IPMS 3C as per how the market deals with it.*
- Despite our comments no changes were made, and I suspect no changes will be made this time around.*
3. *ANONYMOUS 1: None of the scenarios in IPMS 3 reflects the income approach to valuation so if adopted by RICS for some other purpose, there will still be a need for the RICS Code of Measuring Practice (6th Edition).*
 4. *AUSTRALIAN PROPERTY INSTITUTE - David Brandon, Australia: No further comments.*
 5. *BCIS - Paul Burrows, UK: See response for detailed comments on the use of floor areas in Cost Planning.*
 6. *BNP PARIBAS REAL ESTATE UK - Stephen Shapiro, Global: It is not considered that IPMS Retail is an improvement on the current Code of Measuring Practice. It is not clear which of IPMS 3 A/B/C is appropriate and therefore complicates the usage of comparables with a distortion of the devaluation. Currently there is an understanding of NIA and a devaluation can be made. Going forward, if the subject property is measured on IPMS 3C, but the comparable on IPMS 3A, both are technically 'correct' but will distort the devaluation. This cannot be the intention and will adversely affect the assessment of the local market. Furthermore, it is understood that within IPMS 3C internal walls are to be excluded, even if they are stud. When adopting the zoning method, these stud walls could fall within a zone and one would state Zone X before stud wall, and after stud wall, but exclude a stud wall. It is still considered erroneous that wc's, stairs and lifts are included within these areas, as well as an area between a pillar and a wall which is non-tradable.*
 7. *BRITISH LAND - Kate Lea, UK: I hope you are well. I am conscious that representations need to be in on the IPMS consultation and*

wanted to flag a few points / queries from BL. We do think this needs more work, in particular to remove some of the areas of confusion and if there is a working group on this going forward my colleague Richard Nield (copied in) would be happy to be involved. Our queries are as follows:

- There are differences between the IPMS and Code Of Measuring practice – do the 2 work alongside each other going forward or one take precedence? Up until now we have used the Code of Measuring Practice, therefore to change would cause inconsistencies in approach across our portfolio.
- In valuations how do valuers address comparable evidence if properties are measured differently?
- The definitions are confusing and not in accordance with current definitions in the lease code.
- To adopt the IPMS would bring significant extra costs for remeasuring all of our assets is this really the intention?

We understand and are supportive of the RICS's drive for best practice and global standardisation, however as you are aware, the retail property industry is currently under huge pressure, and we are keen to avoid any unforeseen consequences that could end up being inadvertently costly or detrimental. I look forward to hearing how you are proposing to take things forward and if you would like any further input from us.

8. CBRE Ltd 1 - David Brigden, Global: The majority of comments made in response to the Initial Consultation in Aug 18 still apply. We remain concerned at the inconsistencies between the IPMS Retail and the RICS Code of measuring practice 6th edition, May 2015 (CMP) which sets out the current UK guidance – notably the inclusion in the definition of IPMS 3C (the equivalent of NIA in the CMP) of staircases, lift shafts, WCs, 'stud' walls, non-usable areas below 1.5m and non-tradeable areas between pillars and walls. The RICS property measurement Professional statement, Global January 2018 includes comparison of IPMS with relevant definitions under the CMP. It would be helpful to include something similar in the IPMS Retail or at least a summary of the material differences. In the Introduction to the CMP, there is a helpful section 'A code of measurement, not a code of valuation'. This could be paraphrased and would be a helpful addition to the Introduction to the IPMS Retail. It would be helpful to include an 'Application of this

Professional Statement' section to reference the status of the current guidance contained in the CMP. Presumably this will run in parallel with IPMS Retail 'on a dual reporting basis' as envisaged in para 4 of the Introduction.

9. *CBRE Ltd 2 - David Brigden, Global: I have now had a chance to read, digest and review the IPMS Retail Building Exposure Draft. It does answer some previously 'grey' areas, particularly in terms of where to measure the shop frontage from in a high street / shopping centre context. I am also pleased to see that the ITZA / Zoning issue has seemingly been taken away from the Geomatics Surveyor. Although, I suspect that 'dual-reporting' will probably be the preferred methodology for several years. A couple of further points on which I'm unclear:*

- *When to use IPMS 3A against IPMS 3B? I would potentially be likely to advise on IPMS 3B in the first instance.*
- *I'm not sure IPMS 3C deviates far from NIA. Therefore, would there be an obvious benefit of using this method against dual-reporting?*

I look forward to the Final version and the endless amount of presentations / meetings I will require in-house to help get it adopted in CBRE.

10. *CLGE - Jean-Yves Perlot, Global: The series of IPMS documents being prepared must be consistent between each other. The SSC has to make sure that there are no conflicting concepts and definitions in different standards. Concepts and definitions which appear in one document should also apply in other documents in the series. Any improvements or amendments which have been made in IPMS-Retail should be retrospectively applied to the same concepts and definitions in IPMS-Office, IPMS-Industrial and IPMS-Residential. Our members still want to have the highest level of integration of the different IPMS Standards. The goal must be to have only one IPMS for all types of buildings at the end.*

11. *GERALD EVE LLP - Christopher Gilbertson, Global: This draft fails to address various specific measurement questions in particular within IPMS 3C. The main area of concern remains the inclusion of stairs, even at lower level within IPMS 3C – Retail. I do not believe stairs should be included in IPMS 3C. They form circulation space and not*

usable retail space. Stairs and WCs are contained within Part 4 Technical Retail Component Areas and fall to be stated separately under IPMS 1 and IPMS 2 – Retail. However, under IPMS 3C Retail, stairs and WCs are to be included, and therefore valued. I believe this opens up the prospect of valuation disputes arising out of the IPMS. The areas to be excluded under IPMS 3C are not extensive enough. There is no reference of how to treat WC lobbies, permanent lift shafts, areas of permanent heating and cooling and areas below 1.5m.

12. GIF - Ira Hörndler, Germany: No further comments.

13. IAN SCOTT INTERNATIONAL - Mike Sheridan, Global: *I applaud and support the need for a universal standard of measurement for retail buildings, but the caveat should be that due consideration should be applied to local customs and generally accepted procedures in that country for adopting a method of measurement peculiar to certain types of retail buildings that have been in place for many years and acknowledged by owners and occupiers alike.*

14. ANONYMOUS 2: *Potentially a big impact - the definitions do not accord with any existing definition, ie NIA, GIA, and there are various different definitions that apply in differing circumstances IPMS 1, IPMS 2, IPMS 3a, 3b, 3c etc. The potential for confusion is high as the names don't define what they are. We have concerns as to the cost of introducing this – do we need to remeasure all the assets and will we need to recalculate service charges across our centres and parks? Our proposed questions of IPMS:*

1/ Why is this being introduced? It seems to try and resolve a problem that we are not aware exists. There is no confusion over existing measurement terms and their use is widely understood.

2/ How is it proposed Valuers deal with comparing evidence from differently measured properties?

3/ Is there a sanction for non-compliance and how will privates / non RICS regulated entities be encouraged to use this new system?

4/ As a result of 3/ how can we prevent a two tier market developing exacerbating existing market challenges.

5/ Are other regulatory bodies, ie the FCA, in agreement with these changes having regard to potential market uncertainty?

6/ How does this sit with the proposed changes to Service Charge and Leasing Codes?

15. MALCOLM HOLLIS - Rory Kennedy, Alistair Barrett and Matthew Robinson, European: No further comment.

16. McCOLLS RETAIL GROUP - Kevin Tiernan, UK:

Point 1 – Multiple Occupiers & Common Areas.

Separating out measures 3A, 3B & 3C for “Retail” only is not logical particularly as other Classes and Mixed Use Buildings also have Multiple Occupiers with Common Areas. Accordingly:

IPMS 3A should be completely submerged within IPMS 1;

IPMS 3B should be completely submerged within IPMS 2, and;

IPMS 3C should be widened for to all Buildings / use classes

Such that we end up with:

- IPMS 1 – All Classes Gross External Area (Construction & Planning)*

- IPMS 2 – All Classes Gross Internal Area (Reinstatement & Insurance)*

- IPMS 3 – All Classes Net Occupational Area (Transactions & Management)*

This should enable the future expansion of the document into Residential & Mixed Use buildings.

Point 2 – Missing Definitions

Common Area ‘external or internal area not intended for exclusive occupational use but for general use in common by the occupiers of the Building and their visitors – typically including entrances, passages, circulation areas, refuse areas and service areas within the curtilage of the Building’ Gangway ‘external or internal area generally intended for use as an access solely for maintenance purposes’.

17. PINZ AND PCNZ - John Darroch, New Zealand: We note that measurements for retail space in New Zealand are generally taken from the internal face of enclosing external walls at a height of 1.5 metres above the floor level (net basis). However, measurements are taken to the external face for premises located in predominantly large format or bulk retail premises and or premises exceeding 800 square metres and or supermarkets or departments stores and or freestanding purpose built retail outlets such as fast food, service

stations or drive through premises (gross basis). Thanks for the excellent work of the SSC.

18. PLOWMAN AND CRAVEN - Peter Folwell, UK: These have not been addressed from the 1st Doc: The definitions of IPMS 3 states that the floor area occupied by stairs should be only included at ground. The diagrams at upper levels do not show this situation. IPMS 2 Retail Mall upper floor (Dia 12) escalator appears to be included when it should be excluded (has been excluded in IPMS 1 upper mall) Why under IPMS 2 (Dia 14) has the internal line gone to the shop front and not the shop line (centre two units). Whereas the diagram for IPMS 3B (Dia 26) goes to the shop line. Effectively making the area smaller than the IPMS3B equivalent. IPMS 1 page 23 Dia 5 – what is the criteria for excluding the area between the escalators? Are you saying that this is an upper atrium level – so therefore excluded. If it's a void than this is not considered until IPMS 3 and should be include Consideration needs to be made of tenant modifications – are these treated at face value IMPS 3B – Retail appears to differ from IPMS 3B – Residential by measuring to the centre line of walls with adjoining occupants. Whilst it is accepted this should be the case for Shopping Mall type units we do not believe this should be adopted for individually owned and occupied adjoining units on a high street. I believe the diagram 21 is contradictory stating measurements to centre line (in plan) and finished surface (in call out), can clarification be provided on this? Definition of IPMS3C needs to be clarified. The reference to “Internal Walls” should be expanded to say “Internal Structural Walls” and that tenant installed walls should be ignored. IPMS1 (Diagram 3) Why are stairs going down into the voids included? Likewise as with the escalators shown on diagram 5 in the void in the middle. This means including something that is sloping. As per definition 2.1.3 Measurements should be horizontal. So how can you measure a sloping feature that runs between 2 floors. The diagrams is also indicating that the bottom of these escalators will be double-counted as they would have been measured a Ground level. Dia 9: IPMS 2 – what is the reason for excluding the recess (3rd unit down from the top) Dia 12 IPMS – Void should be excluded Dia 17 – text ‘measured to strip line’ may need moving closer to call out circle Dia 19 – Entrance Lobby excluded – it is a stand alone unit – should this be included? Greater clarity required with these areas on their

inclusion or stated separately Dia 21 & 22 – Main diagram shows colouring going to centre line. Call out circle shows it going to wall face -inconsistency. General – could we have greater clarity on when you should be going to centreline of adjacent units and when you don't?

Dia 23 & Dia 17 – Void next to plant at top of the diagram – included in Dia 23 but excluded in Dia 1

Dia 24 – Text on left hand side truncated Dia 24 – ‘measured to shop line’ call out circle is inconsistent with diagram

Dia 27 – call out circle second down from top does not match diagram

Dia 28 - call out circle second down from top does not match diagram colour

Dia 29/30/31 – A number of inconsistencies with call out circles matching main diagram – both colours and description lines

Dia 32 – Door recess in the top unit - should this be included?

Dia 32 – Columns in Sheltered Area have been included

19. ROBERT ASH PERSONAL RESPONSE - Robert Ash, UK: Additional comments in the form of questions that may reviewed:

Diag 3: Should the use of shared wall centre-lines be used as the IPMS 1 area delineators? Why not the entire width of the shared walls that abut the adjacent voids?

Diags 4 & 5: Are not the areas of the escalators included twice as they are coloured on both plans?

Diag 10: Again questioning the use of shared wall centre-lines, (as with diag 3) but here, should not the area extents be to the finished surface of shared walls? Don't follow why the shared wall centre-lines are depicted at all on IPMS 1 – Retail or IPMS 2 – Retail. Not shown on IPMS Industrial illustrative plans. Also, are the lower parts of the staircases measured twice, on diag 9 and diag 10?

Diag 12: Should not the central void area be uncoloured and not included? Again, an aspect of double counting escalator areas?

Diag 26: Should not the structural elements (?columns) at the front of the second shop unit be uncoloured?

Are support columns for ‘Sheltered Areas’ always included within the quoted area, making the area figures for sheltered areas the same irrespective of IPMS category?

20. SOCIETY OF CHARTERED SURVEYORS IRELAND - Edward McAuley, Ireland: No further comments.

Response Summary: There were 20 responses to this question, four of which were “*No further Comments.*” Most of the responses reiterated the response to Question 1, but there some additional comment which dealt with specific matters within IPMS Retail Buildings Exposure Draft such as “*Excluding the areas taken by Stud partitioning from IPMS 3C Retail is a nonsense and bears no resemblance to how the market deals with such matters*” and “*Including staircases at ground level but excluding them at the upper level in IPMS 3B Retail & IPMS 3C retail makes no sense whatsoever – it is inconsistent - staircases should be excluded throughout the whole store as should lift shafts.*” Further responses dealt with existing local market practice such as “*Staff toilets are required by law and should be excluded from IPMS 3C Retail as per how the market deals with it*” or with particular valuation practices such as “*None of the scenarios in IPMS 3 Retail reflects the income approach to valuation adopted by RICS for some other purpose.*” In fact one respondent felt that “*Consideration should be applied to local customs and generally accepted procedures in that country for adopting a method of measurement peculiar to certain types of retail buildings that have been in place for many years and acknowledged by owners and occupiers alike.*”

SSC Rationale: The SSC considered the responses received and where there are inconsistencies within IPMS Retail Buildings the SSC have made the necessary revisions to ensure there are none. However, the SSC would point out that IPMS is an International Property Measurement Standard and as such does not refer to or adopt any particular local market practices or deal with any particular specialisms (eg leasing, rent review, valuation). In respect of local market practices the IPMS Coalition comprises 89 professional organisations, many of whom will be issuing further detailed guidance in relation to the adoption of IPMS, existing specialisms and how IPMS integrates with local market practice.