

Common ground

24 January 2017

Alan Muse discusses progress on the International Construction Measurement Standard

Businesses operating internationally increasingly demand global rules. We have seen this in accountancy with the [International Financial Reporting Standards](#), and the same approach is now being extended to professionals in land, property and construction.

In a previous RICS Construction Journal article, I introduced the [International Construction Measurement Standards](#) (ICMS) initiative (see the related feature: [Measuring up](#)). So how has this developed? How will it affect cost management professionals and others interested in the economics of construction, both in the UK and globally?

After the formation of the ICMS Coalition at the International Monetary Fund in Washington DC in June 2015, an ICMS Standard Setting Committee (SSC) was elected, comprising 27 experts from around the world. Since then, the Coalition has grown to 42 professional bodies, representing cost management professionals in building and infrastructure in key global markets.

Meanwhile, the SSC has been busy developing the standard. After an initial review of practice in different parts of the world it established a project brief, which was then agreed with the coalition. The aims and objectives of ICMS are:

- to agree what is included and excluded from construction costs at both a project level and a national reporting level
- to create a framework for a standard system of costing for building and civil engineering projects, which will allow cost comparisons to be made on a like-for-like basis between countries
- to let governments and international bodies compare construction costs for building and civil engineering projects so:
 - construction costs can be consistently and transparently benchmarked
 - the causes of costs differences between projects can be identified
 - properly informed decisions on the design and location of construction projects can be made
 - data can be used with confidence for construction project financing and investment, programme and project decision-making and related purposes.

To meet this brief, the SSC divided itself into 4 groups, the first 3 covering buildings, infrastructure and drafting, with a steering group providing oversight. This allowed a closer focus on specific problems together with regular, integrated reviews.

Meetings were held by teleconference and augmented by a pair of 2-day workshop sessions. The first of these was hosted in March 2016 by the European Commission in Brussels, which has been very supportive of ICMS, with the second at the RICS offices in London in June 2016.

A private consultation with selected external stakeholders was completed in October 2016. Responses were considered and incorporated and the ICMS Coalition trustees and the SSC met in London in November to launch the first formal public consultation, which ended on 13 January 2017. A second public consultation will begin in February with final publication expected in June 2017. After publication, each Coalition member will need to assess the changes required to their existing guidance to ensure compliance with ICMS.

Key features of ICMS are a high-level cost presentation and reporting classification system, aligned with the UN's Standard Industrial Codes, with standard project values and attributes across buildings and principal infrastructure sectors (see Figure 1). They are designed to be used both with the [International Property Measurement Standards](#), in terms of reporting cost per square metre or square foot of building area, and with [building information modelling](#), in terms of a standard classification, values and attributes. At the moment, the ICMS only deals with capital costs across defined project categories: there are plans to add lifecycle cost classification and further civil engineering sectors at a later date.

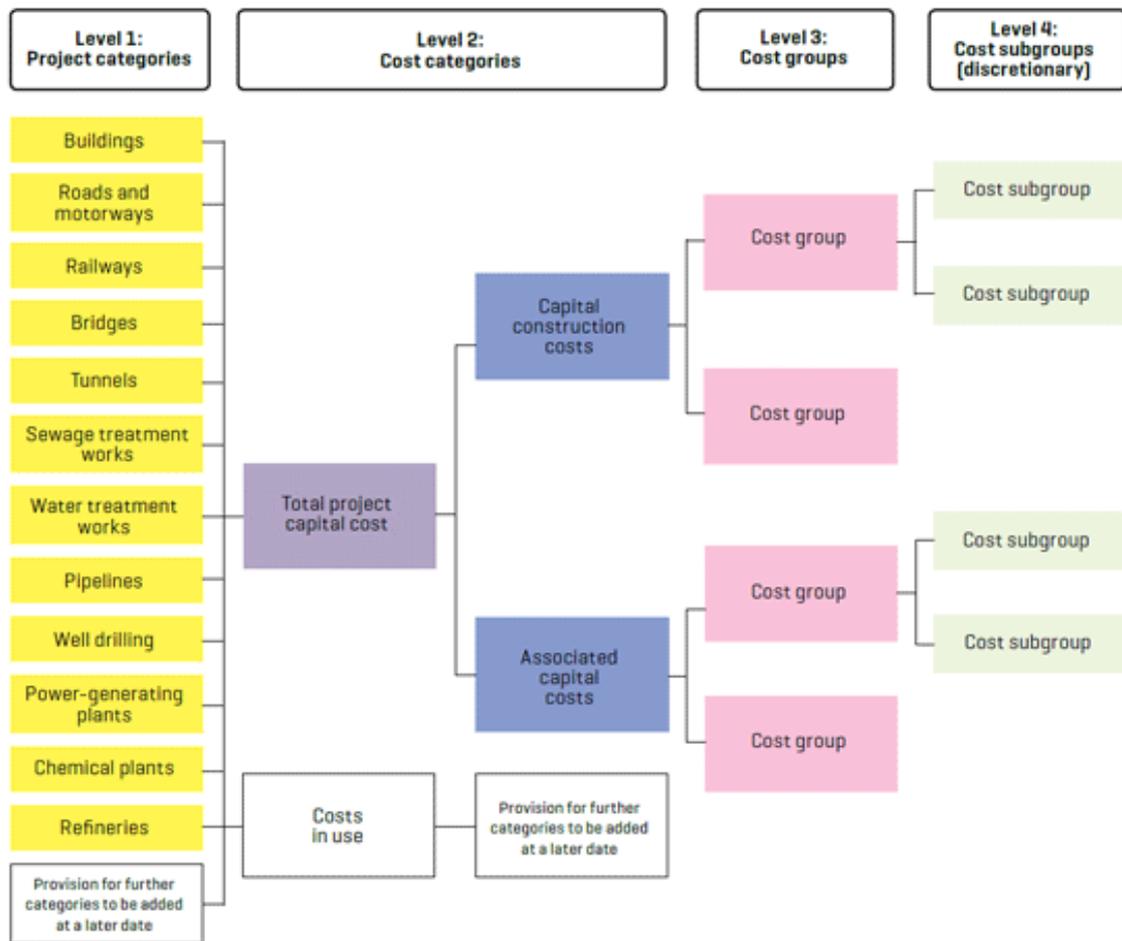


Figure 1: Draft ICMS framework

As the UK works through the implications of Brexit, international standards may assume greater significance. These will provide common terminologies and systems for the development of trade agreements, particularly in professional services.

In any case, foreign direct investment in property and infrastructure is an important component of the UK economy, and harmonised ways of presenting and reporting space (IPMS) and cost (ICMS) enable such investors to make better decisions. ICMS also helps with the globalisation of the quantity surveying, cost management and cost engineering professions. These have similar core skills, but there has been no universal taxonomy or body of knowledge: ICMS brings that a step closer.

UK practice will need to adapt to this new environment. Therefore, after the publication of ICMS, RICS will review its current UK guidance material, such as the New Rules of Measurement (NRM) and the QS and Construction Standards, so that this accords with ICMS. It may also be necessary to write a new global professional statement that, within the framework of ICMS, summarises the principles included in the NRM and the QS and Construction Standards. This could then be used to regulate RICS cost management professionals on a global basis.

This also presents huge opportunities for the global cost management profession. In both mature markets, where cross-border consistency in making investment decisions is increasingly critical, and in emerging and developing economies, where establishing transparent cost systems is necessary for investment, ICMS allow global rules for the first time.

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Further information

- Visit the [ICMS Coalition website](#)
- Related competencies include [Quantification and costing of construction work](#)
- This feature is taken from the RICS *Construction journal* (November/December 2016)