

First among equals

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Alexander Aronsohn explains why international standards are so important

Many are confused by the term 'international standards', often seeing it as relating to anywhere other than where they are. But it means professionalism: standards are the unique selling point of RICS, compared with other service providers. It is why clients choose RICS members rather than other professionals doing a similar job. Alternative service providers may not adhere to the same standards of professionalism that are expected of every RICS member.

'International standards' [...] means professionalism

Professionalism and RICS

The importance of professionalism is seen in the following 2 key questions that RICS is exploring:

- What are the expectations of a professional today, and how do these differ from those of the past?
- What constitutes a high standard of service, and how do we manage and meet clients' expectations in a world where so much information is freely available?

These and other questions need answering to ensure that RICS and its members remain relevant. People have a more global outlook today, and even when they are working nationally or regionally they can be affected by international factors.

Avoidable scandals

The [Financial Times reports](#) that VW has had to set aside '6.5bn to deal with its recent emissions scandal' – a figure that does not cover share or brand damage. If VW had been a member of the [International Ethical Standards \(IES\) coalition](#), though, the scandal may not have happened, as all its suppliers and contractors would also have to have been members and abide by its 10 ethical principles, including:

- accountability;
- financial responsibility;
- integrity;
- standard of service; and
- transparency.

However, Enron had a code of ethics, but it was not implemented or enforced, which is what

led to the firm's eventual collapse.

Good business sense

Chartered surveyors are highly qualified service providers, but service providers nonetheless. There are a number of other providers operating in our markets, such as brokers ? who may have significant experience but limited qualifications ? as well as architects and engineers providing property valuations, but who often incorrectly equate price with value. International standards are what distinguish RICS professionals from the competition.

We are involved in the following international standards:

- International Land Measurement Standards;
- [International Construction Measurement Standards](#) (ICMS);
- [International Property Measurement Standards](#) (IPMS);
- [International Valuation Standards](#) (IVS); and
- [International Ethics Standards](#) (IES).

International measurement standards

ILMS

International Land Measurement Standards are discussed by James Kavanagh in the March/April 2017 issue of the RICS *Land journal*.

ICMS

Construction costs can vary enormously between countries and firms, each of which may use their own basis for calculation and may include planning and professional fees. The ICMS provide an internationally agreed system for comparison, giving firms and non-governmental organisations greater confidence in developments' overall costs.

IPMS

New premises must be measured for transactions such as lettings or sales. Many transactions are made according to national measurement standards and many occupiers and investors operate on a local basis so external developers may not be aware of the national standard. Office measurements can vary by up to 24%, residential apartments by up to 15% and houses by up to 58% across world regions. In local markets there can be a 27% variance in the measurement of residential apartments and 10% for houses (read the RICS article [Loggias and lodgings](#) for more).

The IPMS coalition comprises more than 80 organisations and 300 partners. The global adoption of IPMS will make transactions much easier for international investors and tenants.

IVS

RICS is a member of the IVS Council, which includes academic, corporate and institutional members. IVS offer agreed terms, and in some cases a methodology, for the valuation of:

- businesses;
- intangible assets such as intellectual property; and
- tangible assets such as personal property, plant and machinery, and real estate.

International financial reporting standards, which are adopted by more than 120 countries, work with the council encouraging business and stimulating trade, and giving investors and lenders the confidence that reported valuation figures are accurate.

IES

As an IES Coalition member, RICS incorporates the standards into its own 5 ethical principles and regulates its members under them. RICS' code of conduct will also be incorporated.

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Further information

- Visit the [international standards section of the RICS website](#)
- Related competencies include [Conduct rules, ethics and professional practice](#) and [Measurement of land and property](#)
- This feature is taken from the RICS *Land journal* (March/April 2017)