

SEMINAR 17th SEPTEMBER 2018

08.00HRS TO 09.00HRS

VENUE : **CBRE**

'C-BAR'

Henrietta House

Henrietta Place

W1G 0NB

SUBJECT

Q & A

- V/P for re-devt S.30(f) - Re-devt break clause
- Zoning or Overall on Convenience Store - Current Rent/Rental Value/Rateable Value
- MEES - Dual Agency - Inside or Outside 54 Act
- RICS (Comp) & IPMS - RICS Standards/Statements/Guidelines/Services

50 mins

OPEN QUESTIONS 10 mins

*SEMINAR BY DOUG STEVENS TO 1st & 2nd YEAR GRADUATES
DELIVERED AS A POWERPOINT PRESENTATION*

NEXT SEMINAR 22nd OCTOBER 2018

PREVIOUS SEMINARS FROM OCT 2014 ON www.douglasstevens.co.uk SEMINARS

Q. YOUR CLIENT PLANS TO REDEVELOP A SMALL BLOCK OF PROPERTY SO HE CAN DO A RESIDENTIAL DEVELOPMENT. HE HAS PLANNING ADVISERS TO SECURE PLANNING CONSENT BUT DOES NOT HAVE PLANNING CONSENT YET. IT IS A 2 STOREY BLOCK IN A RETAIL LOCATION WITH 2 RETAIL UNITS AT GROUND FLOOR WITH STORAGE AT FIRST FLOOR.

THE TENANT ON UNIT 1 IS CONTRACTED OUT & LEASE EXPIRES 24TH JUNE 2019

THE TENANT ON UNIT 2 HAS SECURITY OF TENURE - CONTRACTUAL EXPIRY DATE IS 25TH DECEMBER 2019

YOUR TASK IS TO SECURE FULL VACANT POSSESSION BY 25TH DEC 2019 - HOW DO YOU DO SO?

▶ UNIT 1

▶ Q. HAS THE TENANT (T) THE LEGAL RIGHT TO OCCUPY AFTER 24TH JUNE 2019?

▶ A. NO. T MUST GIVE VACANT POSSESSION. NO FORMAL NOTICE REQUIRED - BUT CONFIRM POSITION

▶ UNIT 2

▶ Q. WHEN DOES THIS LEASE COME TO AN END?

▶ A. NEVER - UNLESS LANDLORD (L/L) or TENANT (T) SERVES NOTICE TO TERMINATE THE LEASE

▶ Q. HOW DOES LANDLORD (L/L) TERMINATE LEASE TO SECURE VACANT POSSESSION ?

▶ A. L/L SERVES 'hostile' L & T ACT 1954 S.25 NOTICE TO TERMINATE THE LEASE OBJECTING TO THE TENANT RENEWING THE LEASE.

▶ Q. WHEN CAN THE L/L SERVE THE 'hostile' S.25 NOTICE

▶ A. NOT EARLIER THAN 26TH DECEMBER 2018 (ie LESS THAN < 12 MONTHS)

Q. WHAT IS THE GROUND L/L USES IN S.25 NOTICE TO OBJECT TO GRANT OF NEW LEASE ie TO SECURE VACANT POSSESSION ?

- ▶ A. S.30 (f) L & T ACT 1954
- ▶ S.30 (f) *“that on the termination of the current tenancy the landlord intends to demolish or reconstruct the premises comprised in the holding or a substantial part of those premises or to carry out substantial work of construction on the holding or part thereof and that he could not reasonably do so without obtaining possession of the holding”*
- ▶ IN OUR CASE L/L INTENDS TO DEMOLISH - SO SATISFIES S.30 (f)
- ▶ Q. BUT L/L DOESN'T YET HAVE PLANNING CONSENT - SO CAN HE STILL SERVE 'hostile' S.25 NOTICE USING S.30 (f)?
- ▶ A. YES - YOU DON'T NEED PLANNING CONSENT AT THE DATE OF SERVING 'hostile' S.25 NOTICE

Betty's Café v Phillips Furnishing Stores [1959] AC 20 (House of Lords)

The court held that the relevant date for the landlord to show intention was the date of the court hearing not the date at which the landlord served the section 25 notice on the tenant.

- ▶ YOU DON'T NEED IT EVEN BY THE DATE OF THE COURT HEARING - BUT YOU WILL NEED TO DEMONSTRATE THAT YOU HAVE THE REASONABLE PROSPECT OF PLANNING CONSENT & YOU WILL NEED TO PERSUADE THE COURT OF YOUR INTENTION
- ▶ ***Cunliffe v Goodman [1950] 2 KB 237 at 254***
- ▶ Court held that the landlord must demonstrate : *“a firm and settled intention”* - proposal for doing the work has moved *‘out of the zone of contemplation...into the valley of decision*

Q. IF T LOSES RIGHT TO RENEW LEASE ON S.30 (f) DOES THE L/L HAVE TO COMPENSATE HIM

▶ A. YES - STATUTORY COMPENSATION

▶ Q. HOW IS THE LEVEL OF COMPENSATION CALCULATED ?

▶ A BY A MULTIPLIER OF THE RATEABLE VALUE AT THE DATE OF VACANT POSSESSION
1X RATEABLE VALUE IF TENANCY WAS FOR LESS THAN 14 YEARS
2 X RATEABLE FOR VLAUE IF TENANCY WAS GREATER THAN 14 YEARS

▶ Q. POSSESSION OF UNIT 1 IS GUARANTEED BUT WILL YOU DEFINITELY GET VACANT POSSESSION OF UNIT ON 25TH DECEMBER 2019?

▶ A. NO

T MIGHT CHALLENGE THE 'hostile' S.25 NOTICE AND FIGHT THE CASE IN COURT
THERE IS NO CERTAINTY OF SECURING A COURT DATE FOR 25TH DECEMBER 2019
COURT MIGHT ALLOW T TO STAY IN OCCUPATION FOR A PERIOD TO SECURE A RELOCATION

▶ IF T CONTESTS THE S.25 AT COURT THE COSTS FOR BOTH SIDES (PLANNING, LEGAL AND SURVEYORS) WILL BE HIGH

▶ Q. IS THERE AN ALTERNATIVE WAY OF SECURING V/P OF UNIT 2?

▶ A. YES - BY NEGOTIATION YOU COULD AGREE A SURRENDER OF THE LEASE

▶ L/L COULD AGREE TO PAY A SUM GREATER THAN THE STATUTORY COMPENSATION

▶ THE BENEFIT IS CERTAINTY OF V/P DATE. CERTAINTY OF COSTS

Q. IT IS NOW COMMONPLACE FOR T's TO REQUEST A BREAK CLAUSE IN A NEW LEASE EITHER AT LEASE RENEWAL OF AN EXISTING UNIT OR ON A NEW UNIT. WHEN CAN A L/L HAVE BREAK CLAUSE IN A NEW LEASE OR AT LEASE RENEWAL?

- ▶ A. THE ANSWER IS DIFFERENT DEPENDENT ON WHETHER THE LEASE IS CONTRACTED IN OR CONTRACTED OUT OF THE L & T ACT 1954
- ▶ IF THE NEW LEASE IS CONTRACTED OUT EITHER L/L OR T CAN HAVE A BREAK CLAUSE - OR - BOTH CAN HAVE ONE OR MORE (MUTUAL BREAK CLAUSE)
- ▶ FOR A LEASE INSIDE THE 54 ACT ON A NEW GRANT OR AT LEASE RENEWAL A T CAN HAVE A BREAK CLAUSE BUT A L/L CANT HAVE A BINDING CONTRACTUAL BREAK CLAUSE

▶ Q. IN WHAT CIRCUMSTANCES MIGHT A L/L BE PERMITTED A BREAK CLAUSE IN A LEASE CONTRACTED INSIDE THE ACT?

- ▶ A. IF IT IS A REDEVELOPMENT BREAK CLAUSE?
- ▶ L/L MAY HAVE PLANS TO REDEVELOP AT SOME TIME IN THE FUTURE (BEFORE THE EXPIRY OF THE LEASE TERM) BUT IS NOT READY YET
- ▶ BY AGREEMENT WITH THE T OR WITH THE APPROVAL OF A COURT A L/L CAN AT THE GRANT OF A NEW LEASE INSERT A REDEVELOPMENT CLAUSE
- ▶ TO SECURE V/P THEY MUST SERVE A 'hostile' S.25 NOTICE AND PROVE GROUND 30 (f) AND IF SUCCESSFUL PAY STATUTORY COMPENSATION
- ▶ T WILL SECURE A LOWER RENT AS THEY HAVE A SHORTER SECURITY OF TENURE

Q. YOU ARE DEALING WITH A RENT REVIEW ON A CONVENIENCE STORE.
GROUND FLOOR 3,000 SQ FT NIA BASEMENT 1,500 SQ FT NIA
IT IS IN A STRONG RETAIL LOCATION CLOSE TO A STATION.
IT IS THE SAME SIZE AS A DOUBLE SHOP UNIT WITH AN OPEN A1 USER.

YOU ARE LANDLORD AND KNOW THE HIGHEST RENTAL VALUE IS IF IT IS ZONED.
THE TENANT KNOWS VALUE IS LOWER IF OVERALL GIA APPROACH ADOPTED

WHOSE VALUATION APPROACH IS CORRECT?

- ▶ A. THERE ARE 6 DIFFERENT WAYS OF VALUING CONVENIENCE STORES.
- ▶ THERE IS NO UNIVERSALLY ADOPTED APPROACH - IT IS ON A CASE BY CASE BASIS
- ▶ LET'S LOOK AT THE LANDLORD'S CASE
- ▶ Q. THIS A GOOD CONVENIENCE STORE - WHY
- ▶ A. CLOSE TO STATION - SO WILL BENEFIT FROM COMMUTERS
- ▶ STRONG RETAIL LOCATION - SO HAS GOOD FOOTFALL OFF-PEAK AS WELL AS PEAK
- ▶ DOUBLE FRONTAGE SO HAS GOOD PROMINENCE
- ▶ Q. WHY IS THE STORE SIZE OF IMPORTANCE?
- ▶ A. IT IS THE PERFECT SIZE TO COMPLY WITH SUNDAY TRADING ACT -
- ▶ LESS THAN 280 SQ M (3,014 SQ FT SALES) AND SO CAN TRADE > 6HRS ON SUNDAYS

Q. WHY IS THE OPEN A1 USER IMPORTANT

- ▶ A. LANDLORD ARGUES THAT HYPOTHETICAL TENANT COULD BE ANY RETAIL TRADE NOT NECESSARILY CONVENIENCE SO CAN APPLY ZONE A RATE FROM ADJOINING RETAIL UNITS

▶ Q. WHAT IS THE TENANTS CASE?

- ▶ A. TENANT ARGUES CONVENIENCE OPERATORS ASSESS NEW STORES ON A GIA BASIS
- ▶ THEY WILL USE OVERALL GIA EVIDENCE FROM OTHER LOCATIONS
- ▶ THEY WILL ARGUE THAT ZONING PRODUCES A RENTAL LEVEL AT WHICH THERE WOULD BE NO DEMAND FROM A CONVENIENCE STORE OPERATOR

▶ Q. WHAT ARE THE 6 DIFFERENT WAYS TO VALUE A CONVENIENCE STORE?

- ▶ GIA single rate per sq ft applied to entire GIA area
- ▶ GIA SPLIT LEVEL 100% rate applied to ground floor - lower rates to ancillary floors
- ▶ NIA single rate applied to entire NIA area
- ▶ NIA SPLIT LEVEL 100% rate applied to ground floor - lower rates to ancillary floors
- ▶ ZONED Apply appropriate Zone A rate to ground and appropriate rate to ancillary
- ▶ SUNDAY TRADING METHOD Value 4,500 sq ft (418 sq m) AT 100% - then value RESIDUE AT A LOWER % say 50% Doesn't apply in our example BUT would do if > 4,500 sq ft
- ▶ IN THIS CASE THE ZONING APPROACH IS THE CORRECT ONE. THE UNIT IS VACANT AND TO LET. IT CAN BE LET FOR ANY A1 RETAIL USE (fashion, etc) SO APPLY THE ZONED EVIDENCE. IT IS THE 'BEST FIT'
- ▶ IN A LESS PRIME LOCATION THE OVERALL APPROACH MAY PROVIDE THE 'BEST FIT' OF EVIDENCE

Q. YOU MANAGE A RETAIL UNIT WHICH HAS A CURRENT RENT PASSING OF £100,000 per annum
A RENTAL VALUE OF £50,000 per annum AND A RATEABLE VALUE OF £70,000 per annum

EXPLAIN WHY THE 3 FIGURES COULD BE SO DIFFERENT?

- ▶ A CURRENT RENT
- ▶ MAY HAVE BEEN SET YEARS AGO IN STRONGER MARKET ON A LEASE SUBJECT TO UPWARD ONLY RENT REVIEWS - SO HASN'T GONE DOWN EVEN THOUGH VALUES HAVE FALLEN
- ▶ MAY BE A LEASE WITH FIXED UPLIFTS OR %AGE COMPOUND UPLIFTS OR RPI UPLIFTS
- ▶ A. RENTAL VALUE
- ▶ MAY HAVE FALLEN DUE TO WEAK RETAIL MARKET -ie OVER SUPPLY AND WEAK DEMAND - LOCATION HAS WEAKENED DUE TO COMPETITION OUT OF TOWN OR FROM COMPETING TOWN
- ▶ Q. WHY IS THE RATEABLE VALUE OFTEN DIFFERENT FROM THE RENTAL VALUE?
- ▶ A IT IS CALCULATED ON A DIFFERENT BASIS OFTEN AT A DIFFERENT VALUATION DATE
- ▶ RATING REVALUATIONS USUALLY HAPPENS EVERY 5 YEARS. THE MOST RECENT REVALUATION CAME INTO EFFECT IN ENGLAND AND WALES ON 1 APRIL 2017, BASED ON RATEABLE VALUES FROM 1 APRIL 2015 – THE ANTECEDENT VALUATION DATE .
- ▶ RENTAL VALUATIONS ARE CARRIED OUT AT SPECIFIC DATES – AS SPECIFIED IN A RENT REVIEW CLAUSE OR IN COURT AT LEASE RENEWAL. THERE IS NO REQUIREMENT TO VALUE EVERYTHING AT THE SAME DATE, IE, 1ST APRIL 2015
- ▶ A. RATEABLE VALUE IS BASED ON THE PROPERTY AS IT PHYSICALLY EXISTS
- ▶ A. A RENTAL VALUE MAY BE BASED ON AN HYPOTHETICAL UNIT OR AN UNIMPROVED UNIT

THE TERM FOR THE ASSUMPTION OF WHAT IS PHYSICALLY VALUED IN RATING IS REBUS SIC STANTIBUS - value as it stands, ie, as is

- ▶ A. RENTAL VALUE MAY BE BASED ON AN ENTIRELY HYPOTHETICAL UNIT (AS DEFINED IN THE LEASE – EXAMPLE NIKE STORE AT OXFORD STREET – ASSUMPTION IS A UNIT SHOP IN THE ex-BHS / RESERVED BLOCK X A MULTIPLIER) IE, NOT AS IT STANDS BUT AS IT IS DEFINED IN THE LEASE
- ▶ A. THE RATEABLE VALUE OF A NON-DOMESTIC HEREDITAMENT IS THE AMOUNT EQUAL TO THE RENT AT WHICH IT IS ESTIMATED THE HEREDITAMENT MIGHT REASONABLY BE EXPECTED TO LET FROM YEAR TO YEAR ON THESE THREE ASSUMPTIONS:-
 - ▶ (a) the first assumption is that the tenancy begins on the day by reference to which the determination is to be made;
 - ▶ (b) the second assumption is that immediately before the tenancy begins the hereditament is in a state of reasonable repair, but excluding from this assumption any repairs which a reasonable landlord would consider uneconomic;
 - ▶ (c) the third assumption is that the tenant undertakes to pay all usual tenant's rates and taxes and to bear the cost of the repairs and insurance and the other expenses (if any) necessary to maintain the hereditament in a state to command the rent mentioned above.]
- ▶ Q. WHAT IS EMPTY PROPERTY RATE RELIEF?
- ▶ A. You do not have to pay business rates on empty buildings for 3 months. Some properties get longer exemptions from empty business rates.
 - ▶ industrial premises exempt for a further 3 months- listed buildings - until they're reoccupied
 - ▶ buildings with rateable value under £2,900 -properties owned by charities
- ▶ Q WHAT IS TRANSITIONAL RELIEF?
- ▶ A. Transitional relief limits how much your bill can change each year as a result of a revaluation
 - ▶ changes to your bill are phased in gradually - dependent on increase/decrease or location

Q. WHAT REGULATIONS CAME INTO EFFECT ON 1ST APRIL 2018 TO GOVERN THE ENERGY EFFICIENCY OF NON-DOMESTIC BUILDINGS?

▶ A MINIMUM ENERGY EFFICIENCY STANDARDS (MEES) REGULATIONS

▶ Q. WHAT IS THE REQUIRED STANDARD - WHEN DOES IT APPLY

▶ The Regulations make it unlawful from 1ST April 2018 to let buildings in England and Wales which do not achieve a minimum Energy Performance Certificate (EPC) rating of 'E'.

▶ MEES apply to the grant of a lease on or after 1 April 2018, including lease renewals where an EPC exists. In certain circumstances, the landlord will have six months after the lease is completed to comply with the regulations in the event that the landlord had no choice whether to grant the lease.

▶ Q. WHEN WILL MEES APPLY TO ALL BUILDINGS WHETHER BEING LET OR NOT?

▶ A FROM 1 APRIL 2023, THE LEGISLATION WILL BE EXTENDED TO EXISTING LEASES, REGARDLESS OF WHEN THE LEASE WAS GRANTED BUT ONLY IN THE EVENT THAT THE PROPERTY HAD AN EPC ON THE RELEVANT DATE.

Q. YOUR LONG ESTABLISHED CLIENT HAS GIVEN ITS INFORMED CONSENT TO ALLOW YOU TO ACT FOR IT IN THE PURCHASE OF A BUILDING YOUR OWN AGENCY PRACTICE IS SELLING. YOU HAVE SEPARATE TEAM FROM THE SELLING TEAM AND CAN SET UP AN INFORMATION BARRIER TO ENSURE THERE IS NO LEAKAGE OF INFORMATION IN THE BIDDING PROCESS

WHAT IS THERE TO STOP YOU FROM BUYING THIS BUILDING FOR YOUR CLIENT?

- A. THE RICS CONFLICTS OF INTEREST (Global) 1ST EDITION
- FIRST ANNOUNCED MARCH 2017 - TOOK EFFECT **1ST JANUARY 2018**
- **THIS A QUESTION ABOUT DUAL AGENCY (Double Dipping)**
- ▶ A. DOUBLE DIPPING (A COLLOQUIAL TERM FOR DUAL AGENCY) IS USED TO DESCRIBE A SITUATION WHEREBY AN AGENCY ACTS FOR BOTH THE SELLER AND BUYER IN THE SAME DEAL.
- ▶ **IT IS AN RICS STATEMENT WHICH IS MANDATORY**
- ▶ Section 2.3 of the new RICS Conflicts of Interest 1st Edition states that
- ▶ “The practice of dual agency within the UK commercial property investment market is not universally accepted and that there are no exceptions to this general rule. Consequently dual agency must not be undertaken under any circumstances”

Q. WHAT IS INFORMED CONSENT?

- ▶ A. Informed Consent' means: consent given willingly by a party who may be affected by a Conflict of Interest, that party having demonstrated to the RICS member working independently or within a non-regulated firm or regulated firm concerned that the party understands:
 - ▶ (a) that there is a Conflict of Interest or a significant risk of a Conflict of Interest and
 - ▶ (b) the facts known by the RICS member (working independently or within a non-regulated firm or within a regulated firm) or the regulated firm that are material to the Conflict of Interest and
 - ▶ (c) what that Conflict of Interest is or may be and
 - ▶ (d) that a Conflict of Interest may affect the ability of the RICS member (working independently or within a non-regulated firm or within a regulated firm) or a regulated firm to advise or act fully in the interests of a client.

▶ Q. WHAT IS A CONFLICT OF INTEREST?

- ▶ A. A conflict of interest is anything that impedes or might be perceived to impede an individual's or firm's ability to act impartially and in the best interest of a client. **PERCEPTION OF CONFLICT**
- ▶ A conflict of interest may occur where you or your firm:
 - Are acting for another person with competing interests at the same time (e.g. advising both the seller and buyer (or more than one buyer) of a single commercial property simultaneously)
 - Have other obligations or pressures that detract from or affect your relationship with the client (e.g. acting as an expert witness where you/your firm has an interest in the outcome of the proceedings)

Q. YOU ACT FOR A LANDLORD WHO WANTS YOU TO LET A NEWLY DEVELOPED BLOCK OF 3 SHOP UNITS. WOULD YOU ADVISE LETTINGS INSIDE OR OUTSIDE THE LANDLORD & TENANT ACT 1954?

- ▶ A MOST LIKELY YOU WOULD ADVISE LETTINGS CONTRACTED OUT OF THE 54 ACT - WHY
- ▶ L/L CAN INSERT BREAK CLAUSES
- ▶ L/L CAN SECURE VACANT POSSESSION AT LEASE EXPIRY
- ▶ L/L CAN PUT IN A DIFFERENT TENANT
- ▶ HE CAN LET AT AN OPEN MARKET RENT AND NOT HAVE TO PROVE THAT RENTAL LEVEL
- ▶ WHEN GRANTING A NEW LEASE HE DOES NOT HAVE TO FOLLOW THE TERMS OF THE OLD LEASE
- ▶ HE DOES NOT NEED TO GO TO COURT AND INCUR COURT /SOLICITORS COSTS
- ▶ HE DOES NOT NEED TO PAY STATUTORY COMPENSATION TO OUTGOING TENANT
- ▶ IF HE WANTS TO REDEVELOP HE DOES NOT HAVE TO PROVE GROUNDS

Q. YOU ACT FOR A TENANT WHO WANTS YOU TO ACQUIRE A NEW RETAIL UNIT.
WOULD YOU ADVISE A LEASE INSIDE OR OUTSIDE THE LANDLORD & TENANT ACT 1954?

- ▶ A. MOST LIKELY A LEASE INSIDE THE 54 ACT - WHY
- ▶ SECURITY OF TENURE - THIS MEANS YOU WILL BE ENTITLED TO RENEW THE LEASE
- ▶ UPON EXPIRY UNLESS THE L/L HAS GROUNDS FOR POSSESSION UNDER S.30 (a-g)
- ▶ YOUR NEW LEASE AT RENEWAL WILL BE ON SIMILAR TERMS TO THE EXISTING LEASE
- ▶ SUBJECT TO MODERN UPDATING AND O'MAY PRINCIPLES (O'May vs City of London Real Property Co Ltd)
- ▶ IF L/L CAN SUCCESSFULLY OPPOSE LEASE RENEWAL YOU GET STATUTORY COMPENSATION
- ▶ IF TERMS CANNOT BE AGREED BY THE CONTRACTUAL EXPIRY DATE YOU CAN 'HOLD OVER'
- ▶ IF YOU DO NOT LIKE THE TERMS FOR THE NEW LEASE SET BY THE COURT (or by a PACT Arbitrator or Expert) YOU ARE NOT OBLIGED TO TAKE UP THE NEW LEASE AND CAN
- ▶ GIVE 3 MONTHS NOTICE TO VACATE

Q. WHAT HAS REPLACED THE RICS CODE OF MEASURING PRACTICE (COMP) 6TH EDITION?

▶ A. IPMS INTERNATIONAL PROPERTY MEASURING STANDARDS

▶ Q. WHY?

▶ A. TO ALIGN WITH MEASURING STANDARDS INTERNATIONALLY

- ▶ There were significant differences in what is included/excluded in measurements/floor areas in UK and abroad - up to 25% differences

- ▶ In creating IPMS, first for offices and then for other types of building classes including residential, industrial and retail, the IPMS Coalition hopes to enhance transparency and consistency in the way property measurement information is collected and reported globally and so is material to corporate occupiers, investors and developers,

- ▶ The IPMSC has selected real estate experts from around the world to form its Standards Setting Committee (SSC) and develop global standards for property measurement

▶ Q. WHAT SECTORS DOES IPMS COVER?

- ▶ OFFICES since 2016

- ▶ RESIDENTIAL

- ▶ INDUSTRIAL

- ▶ RETAIL - out for consultation from June 2018

- ▶ SSC research found there was a need to measure the **EXTERNAL** area of a Building, for planning purposes or for the summary costing of development proposals.

- ▶ The SSC decided to refer to this as IPMS 1 and apply it to all classes of Buildings.

- ▶ IPMS 2 - Retail was developed to measure the **INTERNAL** area of a Building and Component Areas and will assist the **Property Industry** in making efficient use of space and benchmarking data. It was also important to measure areas in exclusive occupation for transactions and other purposes

- ▶ The SSC identified three different measurement bases: **IPMS 3A - Retail**, **IPMS 3B - Retail** and **IPMS 3C Retail**

IPMS RETAIL

▶ FLOOR AREA

- ▶ The area of a normally horizontal, permanent, load-bearing structure for each level of a Building.

▶ IDF (INTERNAL DOMINANT FACE) WALL SECTION

- ▶ The extent of each section of an External Wall where the inside finished surface area of each part of a window, wall or other external construction features varies from the inside surface area of the adjoining window, wall or external construction feature, ignoring the existence of any columns.

▶ INTERNAL DOMINANT FACE (IDF)

- ▶ The inside surface area comprising more than 50% of the first 2.75 metres measured vertically from the floor, or to the ceiling if lower, for each IDF Wall Section. If such does not occur, then the Finished Surface is deemed to be the IDF.

▶ INTERNAL HEIGHT

- ▶ The height within a Building, or section of a Building, measured from the floor to the lowest point of a ceiling or suspended ceiling, ignoring the existence of any brackets, struts or fixtures and fittings.

- ▶ IPMS 1 The total of the areas of each floor level of a Building measured to the outer perimeter of External Walls, Sheltered Areas and Balconies.

▶ IMPS 2

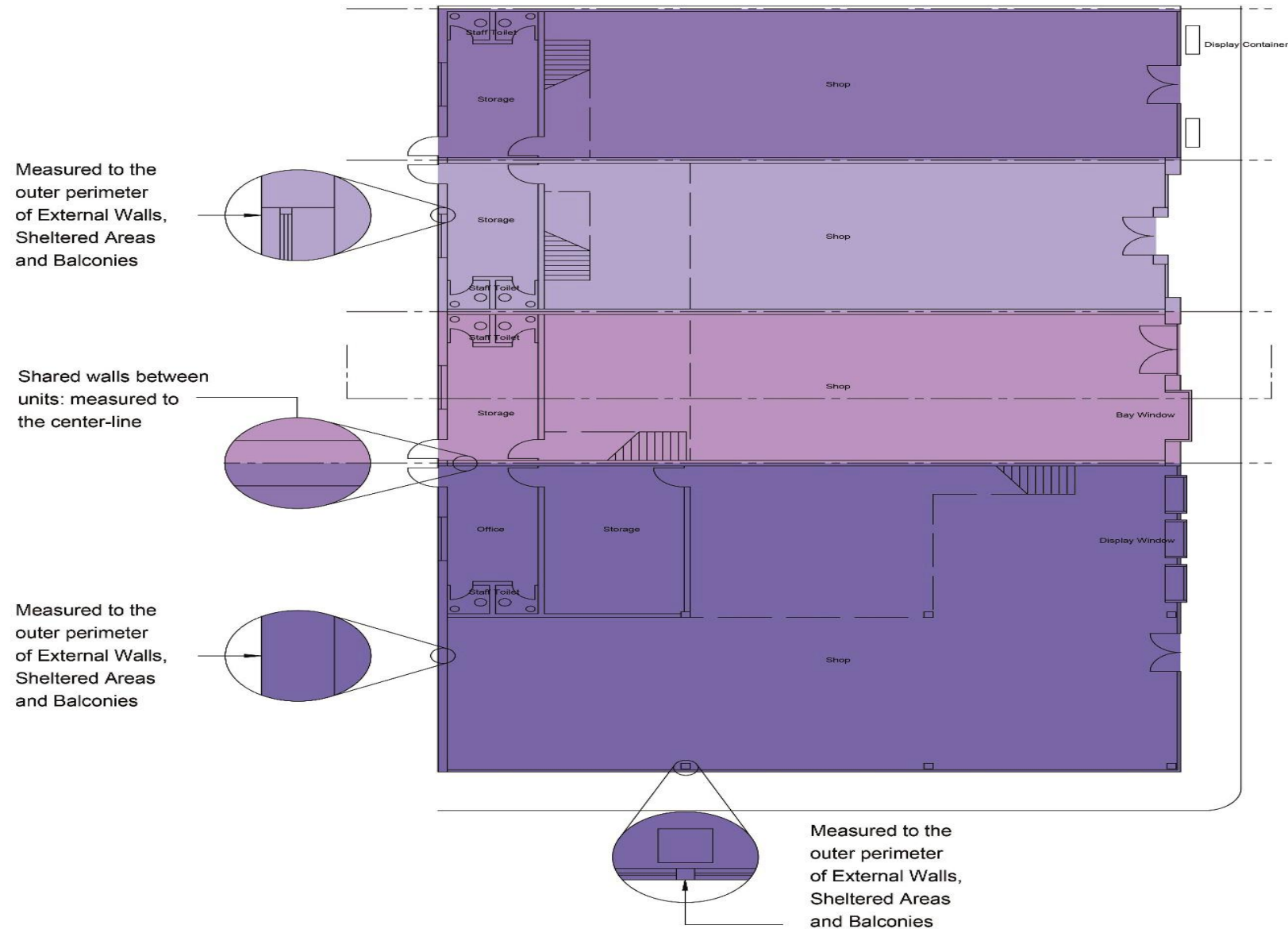
- ▶ The total of the areas of each floor level of a Building measured to the Internal Dominant Face of all External Walls and Balconies on each level

IMPS 3

The Floor Area available on an exclusive basis to an occupier.

- ▶ IPMS 3A - Retail: The area in exclusive occupation, including the Floor Area occupied by External Walls, internal walls and columns.
- ▶ IPMS 3B - Retail: The area in exclusive occupation, including the Floor Area occupied by internal walls and columns.
- ▶ IPMS 3C - Retail: The area in exclusive occupation excluding the Floor Area occupied by External Walls, full-height permanent internal walls and columns.
- ▶ Q. ARE YOU NOW REQUIRED TO USE THE NEW IPMS WHEN MEASURING AND REPORTING?
- ▶ A. YES IT IS MANDATORY
- ▶ HOWEVER WITH THE CONSENT OF THE PARTIES/CLIENT YOU CAN STILL ADOPT COMP 6th EDITION

IPMS 3A Retail High Street Ground Floor



Q. YOU KNOW WHAT THE ROMANS DID FOR US MEDICINE IRRIGATION ROADS EDUCATION etc

WHAT HAVE THE RICS DONE FOR US?

- ▶ A. RICS IS A GLOBAL PROFESSIONAL BODY PROMOTING AND ENFORCING THE HIGHEST INTERNATIONAL STANDARDS IN THE VALUATION, MANAGEMENT AND DEVELOPMENT OF LAND, REAL ESTATE, CONSTRUCTION AND INFRASTRUCTURE.
- ▶ 125,000 PROFESSIONAL MEMBERS
- ▶ SETS STANDARDS FOR BUILDING SURVEYING - CONSTRUCTION - DISPUTE RESOLUTION
- ▶ - LAND - REAL ESTATE - VALUATION
- ▶ [Rules of Conduct](#) [Ethics](#) [Conflicts of Interest](#) [Client Money](#)
- ▶ [PROFESSIONAL STATEMENTS](#)
- ▶ These contain 'musts' - our mandatory requirements, along with details of regulatory interventions if these requirements are not met eg RED BOOK VALUATIONS
- ▶ [GUIDANCE NOTES](#)
- ▶ These contain 'shoulds' - non-mandatory requirements, but recommendations of best practice on undertaking given tasks eg Guidance for Arbitrators & Experts and parties in role of Expert Witness
- ▶ [ASSESSMENT OF PROFESSIONAL COMPETENCE \(APC\) & CONTINUING PROFESSIONAL DEVELOPMENT \(CPD\)](#)
- ▶ These are the requirements and guidelines relating to entry into the profession and maintaining study
- ▶ [DATA STANDARDS](#)
- ▶ These ensure software programmes and technology can adopt RICS standards into their offering.
- ▶ Deciding when a standard is necessary
- ▶ [DISPUTE RESOLUTION SERVICE \(DRS\)](#) appoints Arbitrators, Experts, Mediators