



Technical Memo

INTERNATIONAL LAND MEASUREMENT STANDARDS (ILMS)

Comments on the Draft version December 2017

NZIS

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HG PROJECT NO : 1030-000000-99
DATE: 31 January 2018

INTRODUCTION

As surveyors we are the go-to professionals when it comes to buying and selling land and real estate. When dealing with international investors differing legal background can lead to misunderstanding and misjudgement. This is where the ILMS will come to the help. They are international principle-based standards for recording and reporting information and material relevant to land and property transfers, aiming to reduce risks in the land transfer process. They are both, standards and a framework for reporting that can be applied at a project, regional, state, national or international level.

The goal is to provide a due diligence tool that informs the overall investment analysis by setting a non-prescriptive framework for reporting on land assets and their transactions that is flexible enough to allow for updates over time as required.

It is not a replacement of any existing guidelines, standards, cadastral or Land Information Systems and is not a general database but rather for use on a case by case basis.

BACKGROUND

To ensure legal and financial security of transactions in our increasingly globalised world it is important to sing from the same song sheet and to compare apples with apples.

Various international coalitions have formed over recent decades to formulate standards for financial reporting, property measurements and for land/real estate.

While some standards are already in use, others are still in the development process. Of the latter are the International Land Measurement Standards (ILMS). Setting them up is a coalition of non-governmental, not-for-profit land professionals from over 30 not-for-profit member organisations like the NZIS.

In December 2017 the coalition published a consultation draft of the standards that is available on their web site (<https://consultations.intstandards.org/consult.ti/ilms/consultationHome>) and are inviting feedback until 28 February 2018.

PARAMETERS

To produce a report in terms of the ILMS there are seven parameters to be researched and reported:

1. Land Tenure
2. Parcel Identification (Boundaries)
3. Site/Land Area
4. Land Use
5. Services
6. Building(s)
7. Land Valuation (Transfer Price)

For each of the parameters the report will provide the following information:

1. The origin/basis of the information
2. The valuation date
3. Whether the information is formal or informal
4. Any supporting documents
5. A traffic light status (green/amber/red – where green denotes full compliance with ILMS)
6. A risk status

Each parameter is explained in detail within the standards and different interpretations for varying jurisdictions are pointed out.

CONCLUSION

The ILMS will be a useful tool for global investors, playing into a whole range of international standards to support sound decision making. But over and above that I can see it as a valuable instrument for sound due diligence on any land purchase also for the local market.

I would recommend to every surveyor to familiarise themselves with the ILMS and possibly comment to the ILMS Coalition (www.ilms-coalition.org) with any concerns or supporting ideas.

Any questions, suggestions or discussions can be directed to Ricky Schamall of Harrison Grierson (r.schamall@harrisingrierson.com). Ricky has an extensive background in NZ commercial real estate survey (Rentable Area Survey) and can also answer to the IPMS (International Property Measurement Standards).