

# METHODS OF MEASUREMENT

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**Table of Contents**

1.0 Introduction.....4

1.1 Scope of this Guidance Paper .....4

1.2 Status of Guidance Papers:.....4

1.3 PCNZ and PINZ Guidance .....4

1.4 International Property Measurement Standards (IPMS) .....4

1.5 Use of this Guidance Paper.....4

1.6 Measurement Convention .....4

2.0 Specialised Buildings and Assets.....5

2.1 Cinemas.....5

2.2 Motels, Backpacker Hostels and Boarding Houses .....5

2.3 Rural Buildings and Rural Assets .....5

3.0 Effective Date .....5

# **Guidance Papers**

## **Objectives**

The principal objective of a Guidance Paper and Resource Pack (if applicable) is to clarify professional and industry processes, best practices, and procedures and to discuss their use and implementation.

A Guidance Paper is designed to be of assistance to Members and those who use Members' services. They serve as a guide and measure of acceptable professional practice and conduct of a Member.

The intention of a Guidance Paper is to:

- a) provide information on the characteristics of different types of assets that are relevant to the advice.
- b) provide information on appropriate practices and their application.
- c) provide information that assists Members in exercising the judgements they are required to make in specific situations'; and
- d) convey elements of what is considered "best practice" for Property Institute of New Zealand (PINZ) and New Zealand Institute of Valuers (NZIV) members.

A Guidance Paper is not intended to provide comprehensive training, instruction or prescriptive practices and procedures, or direct that a process, professional approach, or method should or should not be used in any specific instruction or situation.

## **Member Obligations**

The Member is responsible for choosing the most appropriate approach in a matter based upon the task and instruction. It is a matter for each Member to decide the appropriate practice in any situation, and if they are unclear, seek professional advice from others, or contact the Institute(s). Members have the responsibility of deciding when it is appropriate to depart from the guidance and practices contained in a Guidance Paper.

The Institute(s) do not warrant that anything contained in this, or any Guidance Paper is the definitive or final statement on any issue. Members must perform their own work pursuant to their own professional expertise and experience and if required, seek additional advice which might include legal advice.

## **Court or Tribunal Reliance**

A court or tribunal may consider the contents of any relevant GP or other document relating to a recommended professional practice published by Institute(s) in deciding whether the member acted to a standard required by law.

## **Currency of Publication**

Case law and relevant legislation may change over time and whilst the Institutes(s) consider this Guidance Paper current at the time of publication, Members and those who use Members' services should have regard to legislative changes and new rulings and if necessary, seek further advice prior to having regard to this Guidance Paper.

## **Departure or Non-Compliance**

Where a Member considers that a circumstance exists that warrants the departure from or non-compliance with any of this Guidance Paper, the Member's report (or other advice) must include a statement that outlines:

- a) the reasons for the departure or non-compliance with this GP; and
- b) any impact the Members departure or non-compliance may have on the content of the report.

Members are advised to seek legal and/or other advice before departing from practice recommended in a GP.

## **Enquiries**

If any Member considers any information or advice in this Guidance Paper to not be accurate or up to date, or wish to raise any issue for consideration arising from the contents of this Guidance Paper, please refer this to

PINZ contact: [standards@property.org.nz](mailto:standards@property.org.nz)

## **1.0 Introduction**

### **1.1 Scope of this Guidance Paper**

This Guidance Paper is to provide a national guide to members for the consistent measurement of buildings. It is intended to be used for the purpose of valuations, property management, property analysis, leasing and sales.

### **1.2 Status of Guidance Papers:**

Guidance papers are intended to embody recognised 'good practice' and therefore may (although this should not be assumed) provide some professional support if properly applied. While they are not mandatory, it is likely that they will serve as a comparative measure of the level of performance of a member. They are an integral part of the Valuation and Property Standards.

### **1.3 PCNZ and PINZ Guidance**

Please refer to following two documents:

- (1) The Property Council of New Zealand (PCNZ) and Property Institute of New Zealand (PINZ) Guide for the Measurement of Rentable Areas.
- (2) The PCNZ and PINZ Guide for the Measurement of Residential Properties.

Both these guides should be used in all relevant cases, except for those specialised buildings and assets covered in this Guidance Paper.

### **1.4 International Property Measurement Standards (IPMS)**

The IPMS is an internationally recognized measurement standard that differs considerably from current measurement convention in New Zealand.

If asked to complete a measure under IPMS the Member should ensure they understand the differences between the IPMS and both this Guidance Paper and the PCNZ and PINZ Guides, advise their client of said differences and make sure the finished work is relevant to New Zealand property market conditions.

### **1.5 Use of this Guidance Paper**

The specialised buildings and assets listed in section 2.0, should generally be measured in accordance with the following measurement convention.

### **1.6 Measurement Convention**

The properties covered in this Guidance Paper are to be measured on an external or gross basis which is typically referred to as gross floor area.

These measurements should be taken to the outside face of enclosing walls or the centre line of common walls between different properties. The enclosed and unenclosed areas are usually shown separately.

Measurements shall be taken at a height of 1.5 metres above the floor level.

## **2.0 Specialised Buildings and Assets**

### **2.1 Cinemas**

The seating capacity and Cinema screen numbers is usually part of the market analysis.

### **2.2 Motels, Backpacker Hostels and Boarding Houses**

When measuring motels, it is desirable to show separate areas for the following:

- a) Managers Residence
- b) Office and Back of House
- c) Motel Rooms
- d) Restaurant
- e) Facilities (games room, pool, etc)

(Market analysis is usually made on a per room and/or per bed basis.)

### **2.3 Rural Buildings and Rural Assets**

Rural buildings should generally be measured in accordance with the Measurement convention in this guidance paper.

Some specialised rural buildings and assets may be required to be measured by a unit of comparison and/or measure basis that applies in the specific geographic area and/or sector to which the land use relates. This may result in more than one unit of comparison being used. The objective is to ensure consistency of comparison for individual valuers when undertaking valuation assessments while still retaining flexibility to adapt as industries evolve.

## **3.0 Effective Date**

This Guidance Paper is applicable from 1 July 2023 and earlier adoption is permitted and encouraged.

This GP is an update of NZPGP 601 first released 1 July 2021, and withdrawn 30 June 2023, which in turn replaced *ANZRPNGN 4* which was in effect from 1 October 2009 and was withdrawn on 30 June 2021.