



CORPORATE REPORTING

Q1 global performance report

August 2021 – October 2021





111,973

members hold RICS professional designations (FRICS, MRICS, AssocRICS) worldwide

To achieve Governing Council's vision, Management Board established strategic goals for the 2018/21 business plan period. To be:

- influential on matters of societal importance
- trusted by our stakeholders
- a profession in demand
- sustainable as an organisation, both financially and in contribution to ESG

1,709

new candidate enrolments at quarter end

478

new professionals awarded RICS designations at quarter end

4,457

downloads of economic surveys and insight papers



Over

10,900

registrations across our training and conferences portfolio

20,902

unique visitors to our World Built Environment Forum content



Financial performance

As we have now reached the end of our financial year, it is important to reflect on the context of our financial plan for the year. The pandemic created an unprecedented level of financial uncertainty not only for our organisation but the whole global economy. Our Board approved a plan for the year that assumed a worst-case scenario for revenues, which was to be offset through cost reduction and improvement in business efficiency. In addition, and as a contingency, we put in place a credit facility with our bank to ensure the availability of cash to meet our needs.

We are pleased to report that we have outperformed our financial plan and expect to present a positive set of results, once these have been audited, at our next AGM. Although our revenues deteriorated, they did not decline to worst-case levels and our cost containment actions have more than compensated. We do however remain focused on our operating costs and cash flows as some of the benefits are 'one off' resulting from a global lockdown. We will however end the year in a stronger cash position, and this will enable us to revisit our future external financing needs in 2022. Importantly, the Institution's reserves have been maintained.

Our Chief Executive has also written to the UK Government's Chancellor of the Exchequer to confirm Management Board's commitment to repay furlough monies, beginning with a first installment in October 2021.

1 Delivering confidence for public advantage



Interim Chair of Management Board's and Interim Chief Executive Officer's introduction

The first quarter of the business year saw significant changes for the Institution following the release of Alison Levitt QC's independent external review, including the two of us stepping into new roles as Interim Chief Executive Officer and Interim Management Board Chair.

Nick Maclean FRICS was also appointed as Interim Chair of the RICS Governing Council, and Mike Driver was appointed Chair of the Audit Committee. In an effort to increase transparency and open communication with our members and stakeholders, we have made the report and all subsequent information and announcements available on [our website](#).

Despite the tumultuous weeks that followed the independent review, RICS and our members continued tremendous work to deliver confidence across the built and natural environment. This quarter saw the much-anticipated launch of the new [Rules of Conduct](#) and we built on 100 years of history for the profession by launching updated [New Rules of Measurement](#).

Additionally, RICS shaped thought leadership at this year's COP26 following the release of the [Sustainability Report](#) and launching a world first for cost and carbon management in infrastructure with the [International Cost Management Standard](#) (ICMS 3) in the next quarter.

We expect an independent external review of governance, purpose and strategy to begin in the second quarter and are committed to rebuilding trust and confidence in RICS by delivering high-quality services, support, value and thought leadership for our members and stakeholders.

This report is available to members of the profession, RICS employees and other key stakeholders, including our Governing Council and Board members. We welcome all comments.

We wish the best for our profession, our employees and our partners, as well as all those who have been impacted by the ongoing challenges and trauma that this global health and economic crisis has brought.



Isobel O'Regan
Interim Chair, Management Board



Richard Collins
Interim Global Chief Executive Officer

2 Influencing the global agenda in times of change

A lot of our work over the first quarter has been focused on sustainability, especially in the run up to COP26 in Glasgow.

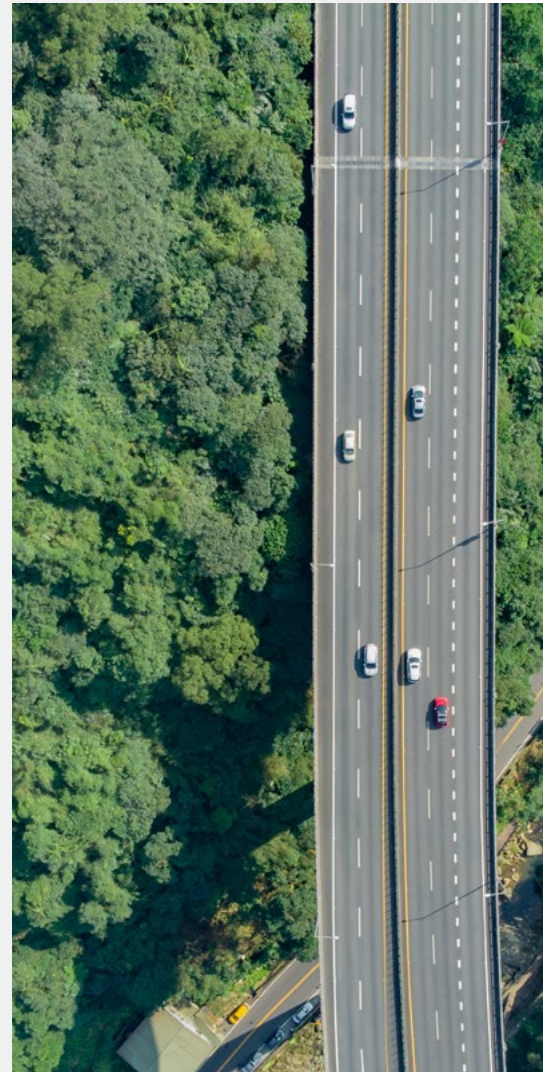
As such, we have started positively with two key adoptions of our inaugural WBEF [Sustainability Report](#). First, the International Valuation Standards Council (IVSC) cited the data on whether there was a rent or price premium in their 2021 [ESG and Real Estate Valuation Perspectives Paper](#). In addition, a summary of the report was included in the [UN's 2021 Global Status Report for Buildings and Construction](#). This report also included data from both the [Global Construction](#) and [Global Commercial Property](#) Monitors – this is the second consecutive year that the monitors have been included in the report.

In Greater China, our President Clement Lau was a keynote speaker at the closing ceremony of World Cities Day 2021 in Shanghai. Clement [shared his thoughts](#) and the work RICS is doing to create sustainable urbanisation.

Ahead of our Global Commercial Real Estate Campaign launch in January, we held a roundtable with senior leaders from across the sector in the UK. This broad group represented the diversity of the sector and helped us shape and validate the themes for the campaign. These included:

- 1 the socio-economic impact
- 2 the role it plays and will play in levelling up/building back better
- 3 placemaking – investment in mixed-use is delivering social and green value returns to communities
- 4 environmental, social and governance (ESG) – building performance and well managed real estate as the driver of ESG outcomes that level up
- 5 smart cities/digitisation/modern methods of construction (MMC) – the impact of strategic investment in professionally led innovations

We will be hosting two global roundtables before the end of the year to ensure that we capture the thoughts and ideas from our other key markets.



In the UK, the Residential Market Survey has again been picked up by the media, with the November edition in particular generating a lot of headlines:

[Lack of properties on estate agent books pushing house prices up](#) | The Independent

[U.K. Property Prices Surge With Not Enough Houses on Market](#) | Bloomberg

[U.K. House Prices Surge Again With Lack of Supply, RICS Says](#) | BNN Bloomberg

[Will UK house prices fall as interest rates rise?](#) | Financial Times

[Buyers flock to property market in search of green homes](#) | Telegraph

[Lack of stock hitting home sales, says RICS](#) | EG News

[Only 37 properties on estate agents books: Lack of homes is pushing up house prices](#) | CITYAM

Overall it has been a positive quarter, which has helped advance our standing as an influential thought leader.



3 Building trust through respected standards

The new Rules of Conduct launched on 11 October

The RICS Rules of Conduct are changing to help the global profession respond to new risks and opportunities. The existing Rules of Conduct, which have been in place for RICS members and regulated firms since 2007, have been updated following extensive research and consultation.

The following changes will bring our ethical standards into one clear framework.

- **A simpler structure.** We are making it easier for RICS members and firms to understand our rules, providing more confidence for clients and the public.
- **Clear examples.** We want to support members' professional judgement, so each Rule is illustrated with examples of how members and firms can behave to comply with the Rule. There are also 12 scenarios showing real-life application of the Rules.
- **Focusing on respect, diversity and inclusion.** Whether it's encouraging diversity and inclusion, or tackling modern slavery, respect and courtesy underpin all our professional ethics.
- **Understanding evolving technology.** The Rules highlight the importance of understanding the evolving use of data and technology, and the associated benefits and risks.
- **Tackling global challenges.** The Rules show that ethical practice by RICS members and firms has an important role when it comes to global challenges, including creating sustainable development and tackling climate change.

The new Rules of Conduct are effective from 2 February 2022.

Priority projects over the next quarter

The next quarter will cover a number of key priorities that will be communicated extensively to the membership.

- Findings of the Independent Review into Real Estate Investment Valuations.
- Consultation on solutions in response to the crisis of Professional Indemnity Insurance availability.



- Launch of the International Building Operation Standards (IBOS) to assess and manage building performance.
- Launch of the International Cost Management Standard (ICMS) to provide standardised reporting for embodied carbon in buildings.
- Communicating updates to the New Rules of Measurement and publication of a new guidance note on Planned Preventative Maintenance.

For more information on any of these projects please visit the [RICS website](#) or [email us](#).

Standards adoption activity

Work has been underway to influence governments and key stakeholders on the value of the RICS accreditation and the standards that underpin it. Much of the demand is around low carbon/ decarbonisation and the role of chartered surveyors to be part of the solution. The RICS professional statement, [Whole life carbon assessment for the built environment](#) and the [consumer guide to reducing carbon in your home](#) have proved to be influential. Continued work with government on the cladding crisis and future solutions also dominates activity.

Outside the UK, we are exploring the following opportunities.

- Liaison with the Abu Dhabi government to discuss standards and regulation of land surveyors.
- Collaborating with the UK/UAE business council and joining the decarbonisation of construction working group.
- Submitting a bid to Uganda government to draft their valuation standards.
- Further discussions with key stakeholders across Europe on the adoption of the International Building Operation Standards (IBOS).

If you have any ideas about how RICS can drive up adoption to get wider recognition of the RICS accreditation then please [email us](#).



Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

Americas, Europe, Middle East & Africa
aemea@rics.org

Asia Pacific
apac@rics.org

United Kingdom & Ireland
contactrics@rics.org



[rics.org](https://www.rics.org)