

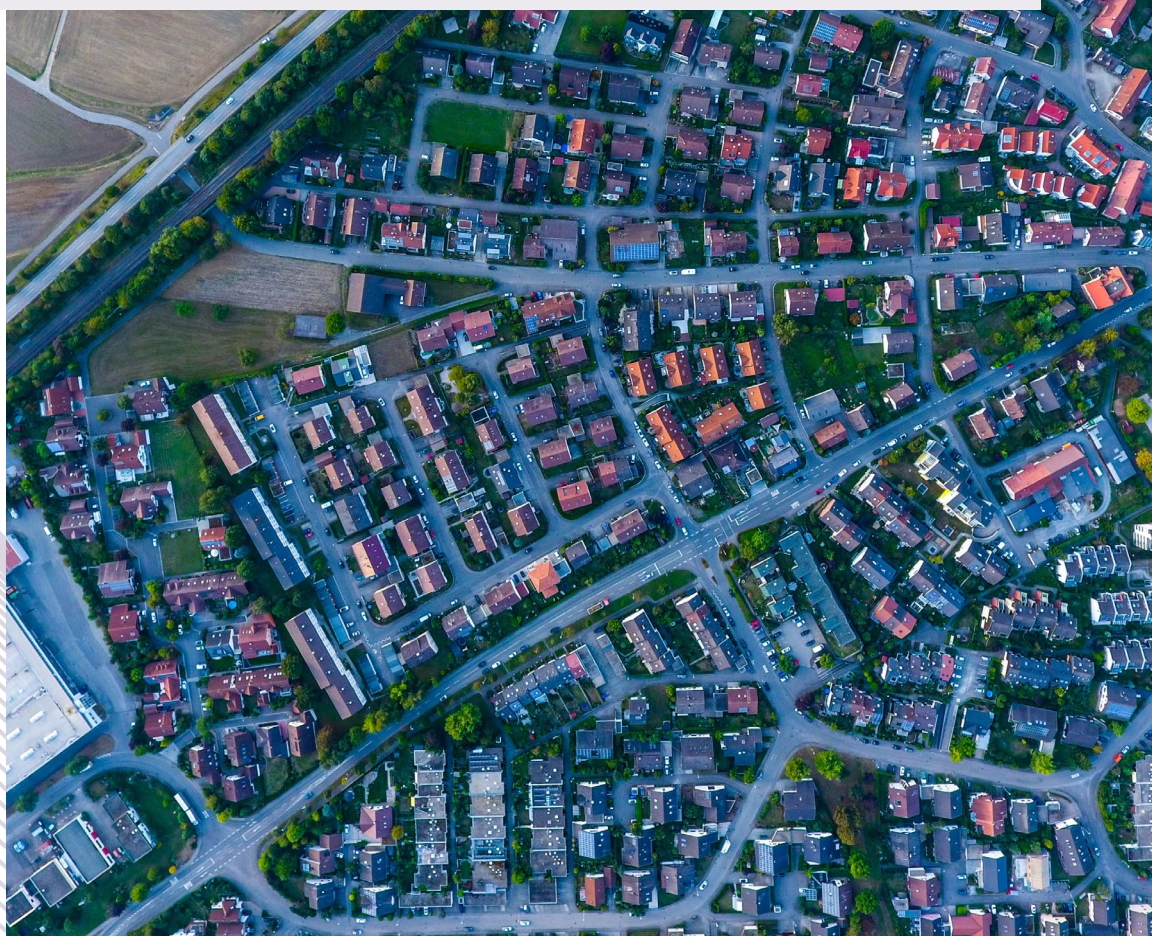
CORPORATE REPORTING

Global performance report Q2 2023



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Our key numbers

CANDIDATES AND DESIGNATIONS

1,596

new professionals awarded RICS designations

2,768

professional assessments

1,659

new candidate enrolments

TRAINING AND CONFERENCES

18,185

registrations across our portfolio

5,768

viewers for digital seminars and CPD

WORLD BUILT ENVIRONMENT FORUM

17,000

unique visitors to our content





Financial update

We are pleased to announce that the first-half operating result has achieved budgeted expectations, reaching £1.4m (budget: £1.3m). This performance is attributed to robust growth in subscriptions with a strong renewal rate of 92.5%, and other income in specific areas such as DRS and Regulation.

Certain challenges have impacted our operating result including reduced commercial margins, which are 25% below budget, and increased people costs.

The Executive team remains optimistic about achieving our full-year forecast, which is aligned with our budgetary target of an operating result of £3.3m.



Introduction

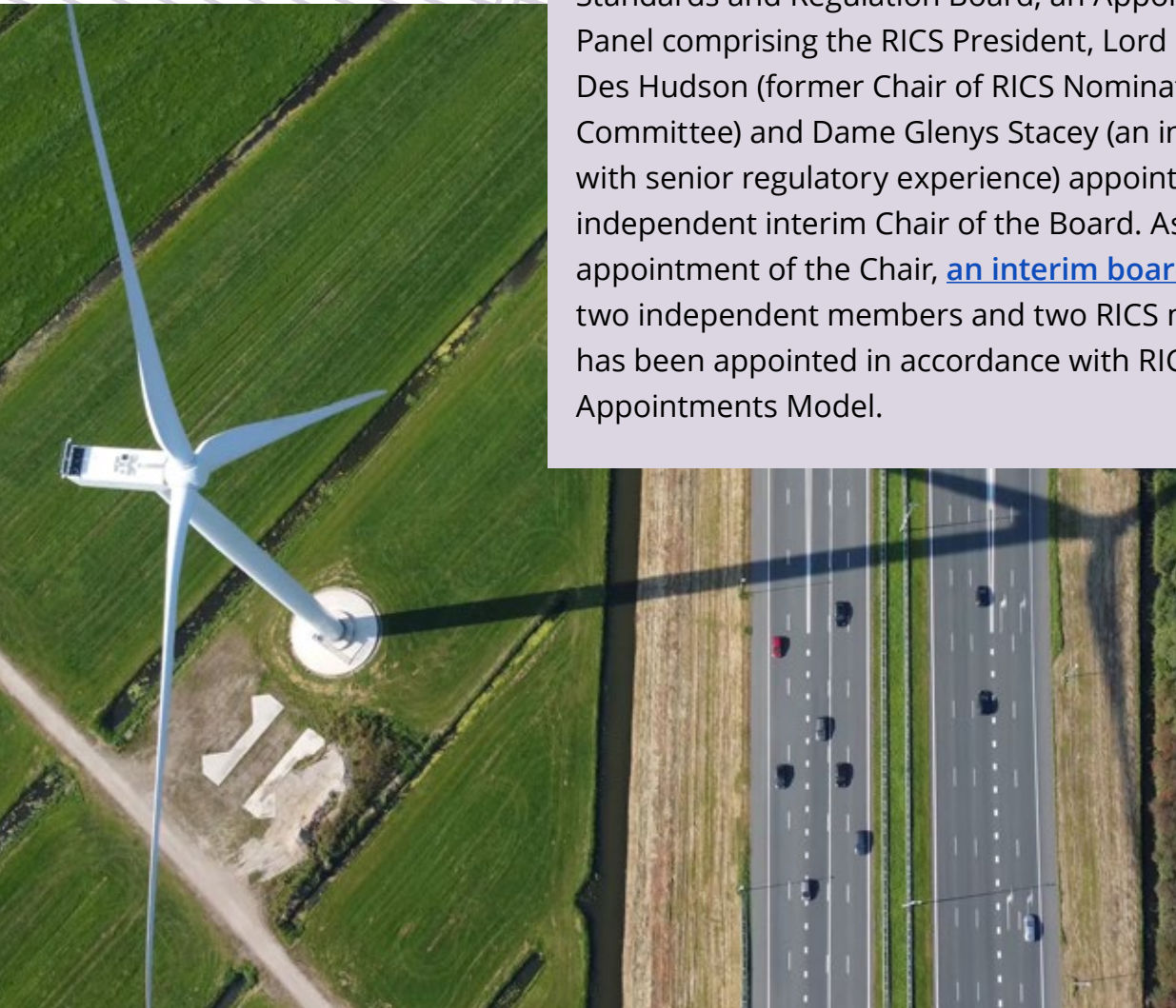
This report covers RICS' performance from April to June 2023.

RICS continued its progress towards our strategic objectives, with positive developments on standards, thought leadership, membership and corporate performance. This includes ongoing collaboration between RICS members and stakeholders to deliver our transformation.

New leadership leverages the profession's strength and perspective

In this period, we completed several recruitment and appointment processes for key governance and Executive roles. This includes the appointment of new members to [Governing Council](#), Justin Sullivan FRICS becoming [RICS Senior Vice President \(SVP\)](#), and Justin Young taking on the [role of RICS CEO](#). We also saw new and returning Chairs and members of World Regional Boards. We look forward to seeing the impact of their experience and dedication in taking forward RICS' ongoing transformation.

Following the resignation of members of the Standards and Regulation Board, an Appointment Panel comprising the RICS President, Lord Bichard, Des Hudson (former Chair of RICS Nominations Committee) and Dame Glenys Stacey (an independent with senior regulatory experience) appointed an independent interim Chair of the Board. As with the appointment of the Chair, [an interim board](#) comprising two independent members and two RICS members has been appointed in accordance with RICS' Global Appointments Model.



Placing professional insight at the heart of global policymaking

RICS remains active in ensuring key professional insight helps inform policy development and industry collaboration across the world. In the quarter, RICS:

- [contributed to US policy deliberation on decarbonisation](#) via the National Institute of Building Sciences' *Moving Forward* report
- [engaged closely](#) on the Levelling Up and Regeneration Bill's Parliamentary progress in the UK
- commenced work to help develop and implement recommendations from the [Rock Review](#) on the agricultural tenanted sector in England
- [contributed to the Welsh Parliament's committee inquiry](#) on the private rental sector
- [delivered recommendations](#) prior to reference to the International Property Measurement Standards (IPMS) and the International Cost Management Standard (ICMS) in the EU's Taxonomy Environmental Delegated Act in June, and were selected to join the European Commission's Emissions Trading System II expert group to help shape the future of the EU's carbon pricing mechanism.



Advancing diversity, equity and inclusion (DEI)

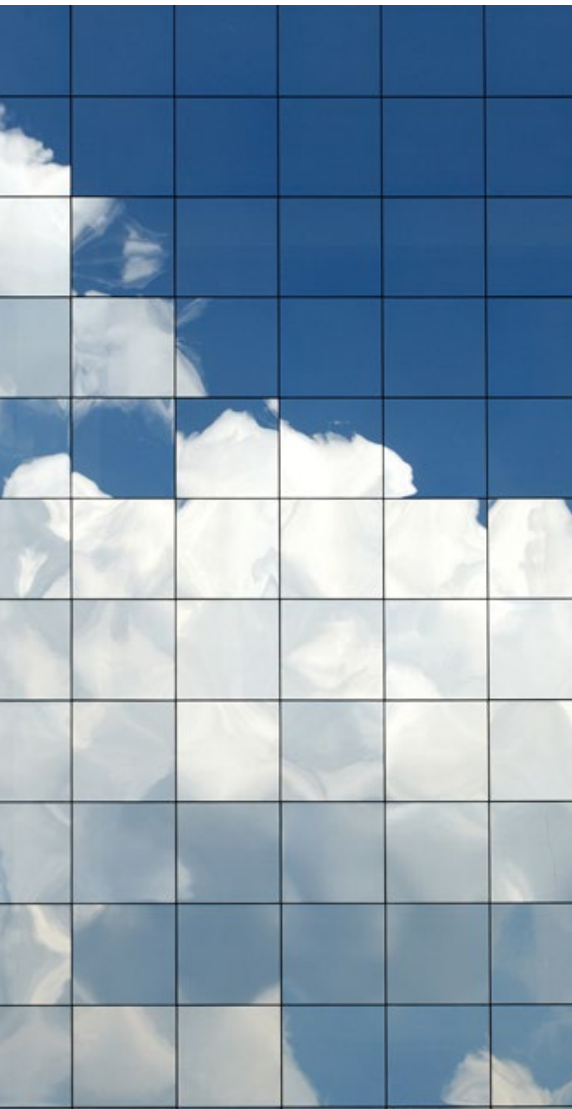
We celebrated Pride Month in June and through events and published content, members were able to hear inspiring stories of achievement across the profession and share their own experiences.

Elsewhere we also began seeking information related to DEI (for now only from UK firms) to be aggregated and benchmarked in order to inform efforts to advance DEI in our profession.

Securing the profession's future talent base

2,768 assessments were delivered in April–June 2023

1,596 individuals elected Associate or Chartered Members



Ensuring members' priorities shape our institution's future

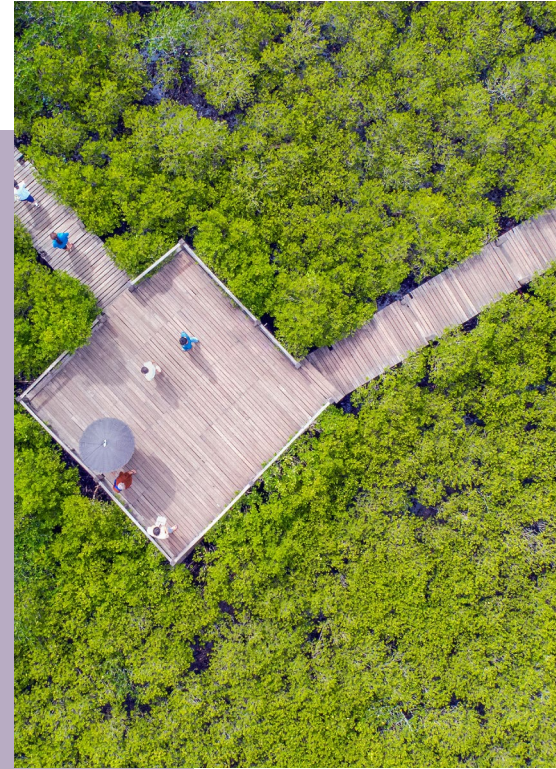
The latest research activity for Survey of the Profession ended in June, with data showing continuity in the previous trends of both durability and steady improvement across major measures of net satisfaction, trust, influence and advocacy.

While these scores remain below the most recent highs recorded three years ago, sentiment improved in all cases at regional level, and significantly among APC candidates whose satisfaction rose by 12%. Beneath these headline dynamics, the Survey delivers valuable insight and feedback to help RICS ensure its activities support members' priorities. As ever we thank members for taking the time to share their views.

Delivering improved engagement, experience and value for RICS members

In June, the Member Services Steering Group (MSSG) [provided an update](#) on its work to improve engagement, experience and value for RICS members. As well as providing a forum to hear members' priorities for change and collaboration between members and staff, the steering group has driven forward solutions to upgrade IT infrastructure and navigate global data protection legislation to empower and assist World Regional Boards in their communication with markets.

This has resulted in the delivery of more relevant and tailored email, web and social content in local languages to keep members informed about developments in their area.



Leading thinking on important issues

In the quarter, RICS continued to publish and convene leading thinking on important issues for clients and communities who rely on RICS professionals. This includes the establishment of the COP28 Global Student Competition, which provides an important channel for students to contribute their voices to the global conversation on climate progress, platforming innovative practical solutions across policy, finance, technology, society and skills areas.

We also saw continued positive engagement with content and events on the RICS World Built Environment Forum, with 17,000 unique visitors to WBEF content.



Member engagement and support

We have continued to see increased activity across all key markets building on the foundation of the Member Engagement Experience and Value (MEEV) working group.

The MSSG has introduced key initiatives that ensure we are transforming member engagement and how members derive value from RICS.

Member engagement round-up

1,804

members attended free CPD member-engagement webinars

62

free face-to-face networking events held globally

+2,000

members attended networking events in over 30 countries

2,312

members engaged in global and regional conferences

Improving in-market member communications and engagement

The MSSG consulted with members and recognised that relevant local member communications are imperative for increased engagement and improved value to members globally.

From May and going forward, members received local news and event opportunities in real time, in their language and directly from their local market Boards.

These improvements will help deliver even more value to members, wherever they are located by offering a more bespoke membership service and experience, as well as optimal connectivity with fellow professionals. Thanks to the focus and collaboration of the MSSG's member-staff partnership, innovative solutions have been achieved on complex issues relating to IT infrastructure.



UK and Ireland (UK&I) Matrics activity

Engaging with our next generation continues to be a top priority.

In second quarter of 2023, a [new chair for the UK Matrics board was recruited](#).

1,200 Matrics members engaged via events activities

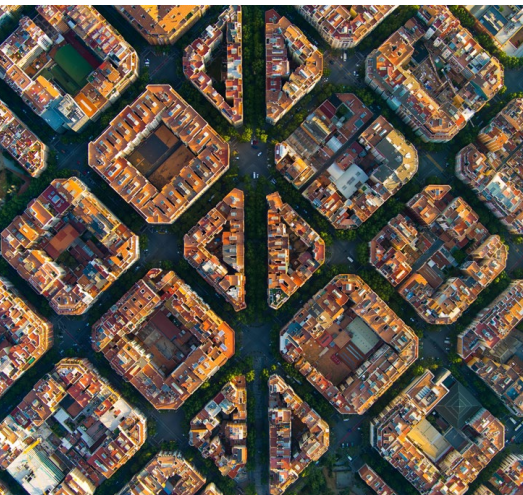
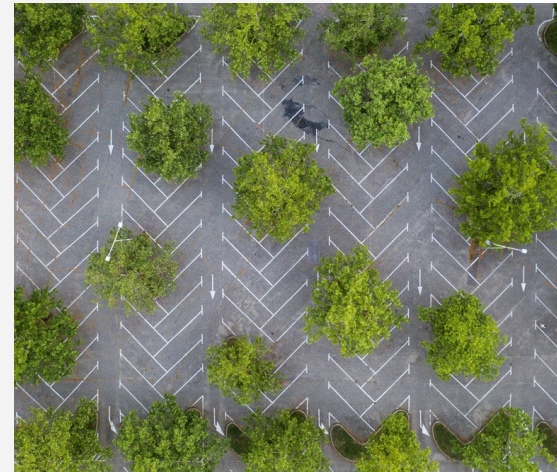
£4,965 raised (to date) for Lionheart through events

50 Matrics events have taken place

Global Matrics activity

The framework to drive Matrics globally is now underway. Matrics committees are starting to form in Europe, India, Africa and AsiaPac to build and grow new and existing Matrics groups.

We are working with a group of key individual volunteers across the globe to build the Matrics brand. With the purpose to build networks to support our members entering or early career surveying professionals ensuring it is more accessible, inclusive and modern around the globe for a sustainable and successful future is a key priority.



World Regional Boards (WRBs)

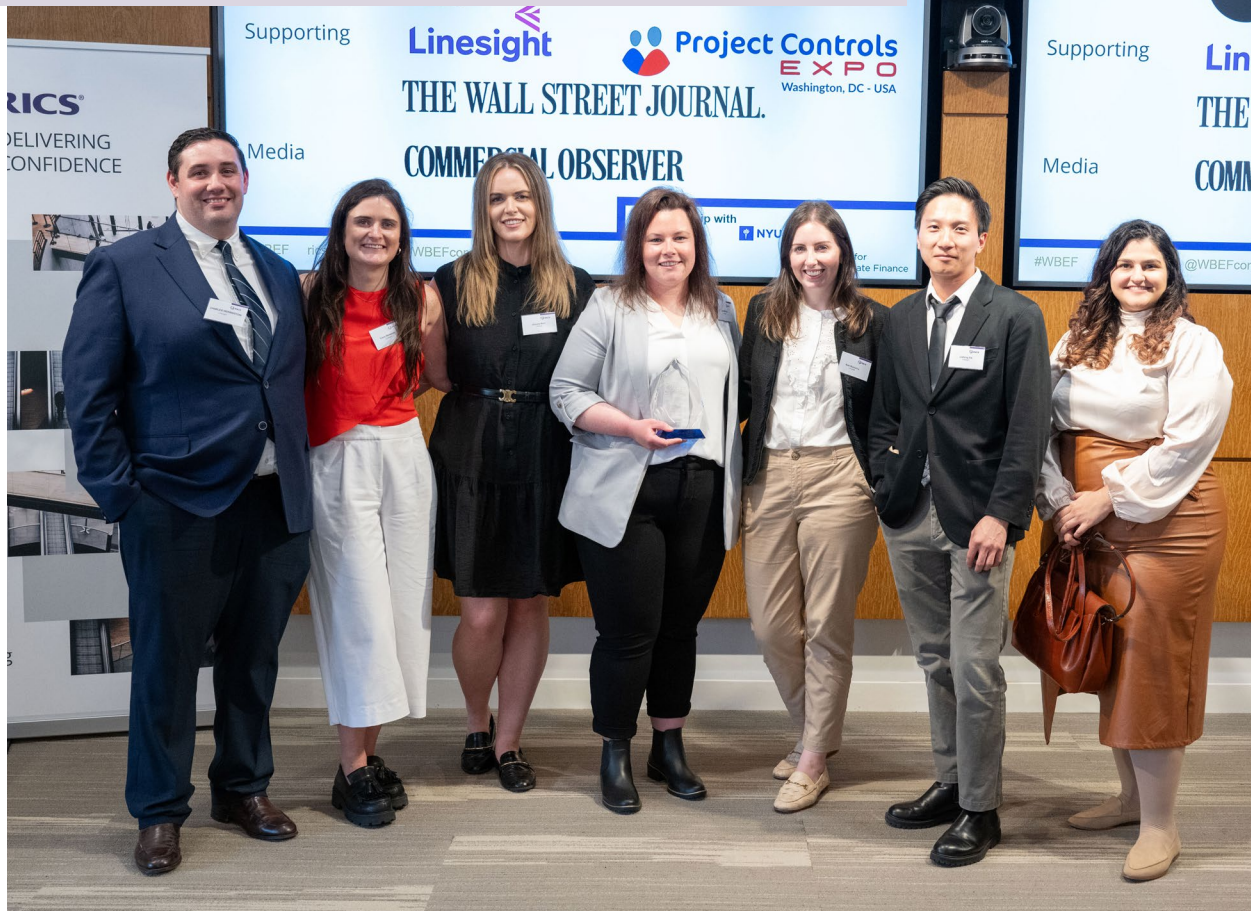
Changes to align our efforts to support members and drive local relevance collaboratively, including more effective member engagement and communication, are underway as we move into Q3. We will see reinforcement of what makes RICS the most sought-after professional status globally through a reimagined member–staff partnership.

RICS Awards

The inaugural RICS Americas Awards 2023

For the first time in the Americas, we officially celebrated the achievements of individuals, teams and organisations in the region and showcased their great work on the world stage.

- The RICS Awards showcase the most inspirational initiatives and developments in land, real estate, construction and infrastructure.
- The winners were presented with their awards at a ceremony held at the Stern School of Business in New York, on 15 June.



RICS Matrics Surveyor Awards

Formerly Young Surveyor of the Year Awards, this event is back for its 10th year to showcase the exceptional talent in the UK surveying profession and raise awareness of surveying as a career for diverse young talent from all backgrounds.

We received an incredible 131 submission and in May we shortlisted 114. Each shortlisted entrant will be considered in 1 of 11 category awards, across various surveying disciplines, as well as the new 'Ambassador of the Year' category.

The winners will be announced at the awards ceremony on 20 October at The Londoner, marking a decade of this prestigious event.

Good luck to our shortlisted candidates!





Thought leadership

Our market surveys over the last quarter have continued to underline the importance of our members' insight across various sectors, the built environment and across the globe.

The UK Residential Market Survey has continued to attract significant engagement.

4,557 downloads from April–June

14% increase in downloads over the equivalent period in 2022

RICS market surveys featured frequently over the three-month period in many channels from broadcast to national, regional and trade titles.

UK Residential Market Survey:

- [RICS survey cements housebuilders' growth](#) | The Times, April
- [Renting: Shortfall of properties creates frenzied market](#) | BBC News, April
- [UK House sales predicted to grow for first time in a year?](#) | Bloomberg, April

Global Construction Monitor:

- [Construction companies can't get staff or materials](#) | The Times, May
- [Skills shortage and inflation concerns as construction slows](#) | Build Australia, May
- [UAE construction sector remains solidly positive in 2023 but regional resource demands create challenges](#) | Zawya, May
- [Construction showing resilience and growth](#) | On-Site Magazine, May
- [RICS Releases Report on U.S. Construction Monitor](#) | citybiz, May

Global Commercial Monitor:

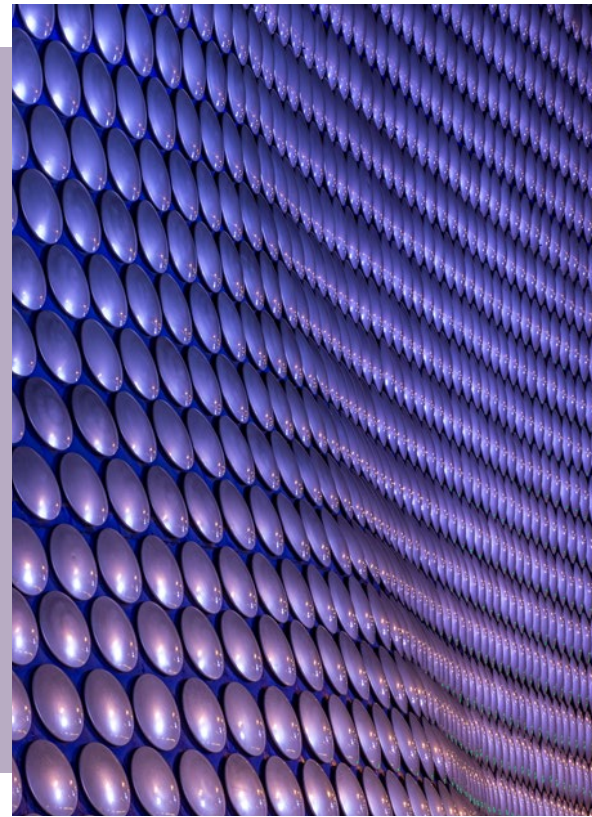
- [Most difficult period for commercial property 'may now have passed'](#) | CoStar, April
- [Occupier demand for commercial property continues to fall](#) | The Irish News, April
- [UAE's commercial property sector surges ahead](#) | Construction Week, April
- [India's commercial property sector is strong and stable: Report](#) | The Economic Times, May
- [CRE markets across the globe are a mixed bag](#) | Commercial Property Executive, April

In June, in partnership with Glodon, RICS published [Role and importance of data and technology in quantity surveying and cost management practice](#).

The report is essential to understanding why data and technology are a vital part of the toolkit for quantity surveyors and cost managers.

James Garner, Senior Director at Gleeds commented:

'As we continue to navigate the rapidly changing world around us, it is paramount that quantity surveyors and cost management professionals keep pace with the digital and AI revolution. By embracing data and technology, these professionals can unlock their true potential and play a significant role in shaping the future of their industry!'



The World Built Environment Forum continues to provide forward-thinking content on a variety of crucial themes across the industry. Recent webinars include:

- [Risk management and the giga-projects of the Middle East](#)
- [Generative design: a knowledge-based approach to construction](#)
- [A new cycle for CRE? APAC](#)
- [A new cycle for CRE? UK, Europe, Middle East, North America](#)
- [Affordable housing: challenges and solutions](#)

6
webinars hosted in the last quarter

+1,300
total webinar audience globally



Standards and professional practice

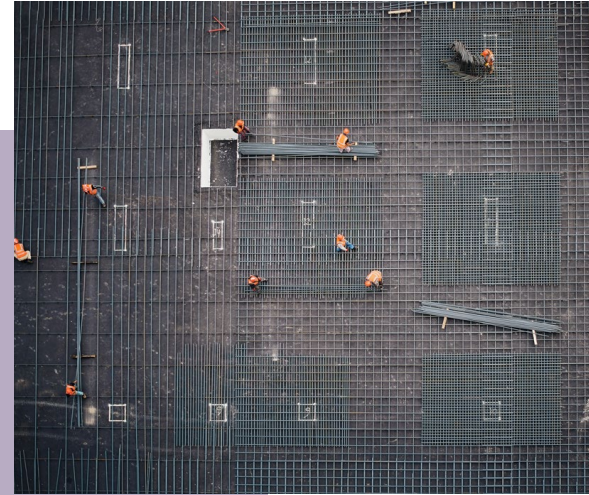
The Knowledge and Practice Committee will be responsible for overseeing the advancement of knowledge and professional practice. Reporting to the RICS Board, the Committee will support the implementation and development of technical standards (providing input to the Standards and Regulation Board) and assist in amplifying the voice of the profession.

UK policy engagement

RICS has been promoting the role of the profession in the decarbonisation of the built environment, securing adoption of the [Built Environment Carbon Database](#) by Defra, Scottish Futures Trust and Lloyds Banking Group who will all use or stipulate the use of this tool for carbon estimating and benchmarking of construction projects.

In Scotland, the centre of procurement expertise for the local government sector Scotland Excel is including ICMS 3 for Scotland's tender award criteria and framework terms, which means that project costs and carbon will be comparable across Scotland. Similarly in Northern Ireland the Strategic Investment Board will now require the New Rules of Measurement and ICMS 3 to be used to estimate and benchmark construction projects.

On housing issues, RICS are engaging with policymakers to drive a greater supply of green, quality, affordable homes; with our calls on the Renters Reform Bill making it into The Times. On housing and planning reform, RICS are engaging Labour ahead of the next general election and advising government directly on their proposed Infrastructure Levy through a series of workshops between RICS members and the Department of Levelling Up, Housing and Communities.



G20 Valuation Working Group

RICS is chairing a technical group associated with the establishment of a G20 Valuation Working Group under the auspices of the G20 Presidency, currently held by India. If successful, this would elevate IVS and the *RICS Valuation – Global Standards* to be potentially 'required use' in all G20 activities.

RICS standards

[RICS guidance on Global Navigation Satellite Systems \(GNSS\)](#)

launched to expert plaudits at GeoBusiness 2024 and FIG Orlando with endorsement and adoption by major stakeholders (CICES, TSA, HS2 and Ordnance Survey GB). Three RICS geospatial professional standards have been adopted by UK government and will be added to the [UK geospatial data standards register](#).

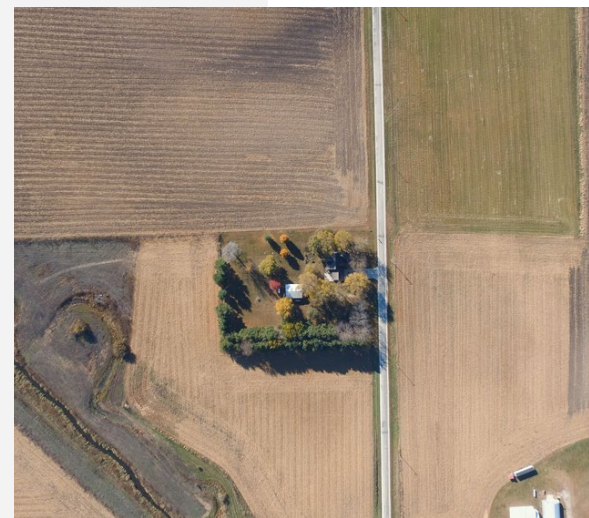
The professional standard [Valuation of woodlands and forests](#) has now published. This is a key standard for the land market, as a result of increased investment in natural capital, carbon offsetting, sequestration, rewilding and UK national net-zero targets.



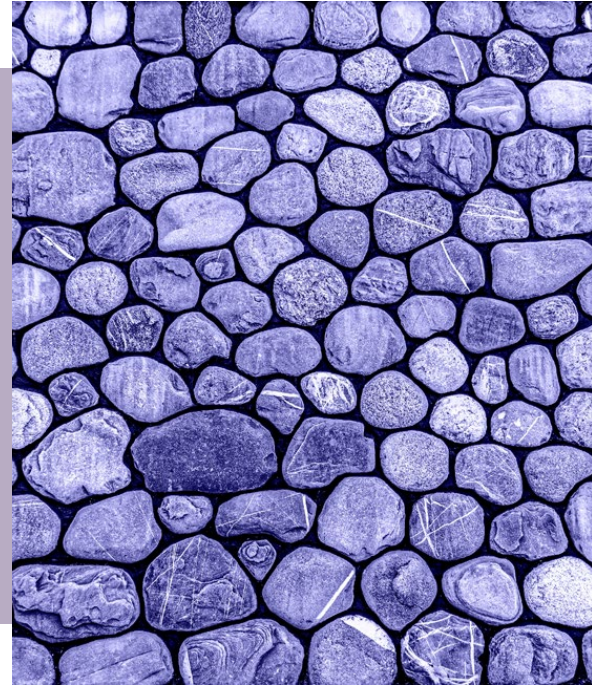
Agricultural tenancies and the Rock Review

RICS have agreed to take part in the Defra expert working group being set up to develop a new code of practice for the agricultural tenanted sector in England, which will be focused on behaviours, one of the key recommendations for Defra arising from the [Rock Review](#).

A further recommendation from the Rock Review is the creation of a new Farm Tenancy Forum and RICS is delighted to have put forward a representative for the forum.



The Levelling Up and Regeneration Bill and Infrastructure Levy (P&D) saw a substantial response as well as changes to the National Planning Policy Framework helping to clarify RICS' position on a number of critical areas of public policy on land and development. RICS engaged with members of the House of Lords and the HM Opposition in formulating our response and continued to engage with peers as the Bill made its way through the House of Lords, where the government minister referred to key areas of our professional competence.



International Federation of Surveyors (FIG)

In Orlando, USA, over 1,200 delegates from 85 nations came together for the International Federation of Surveyors (FIG) Working Week – a conference that brought together the international community of surveying and spatial professionals. This was Dr Diane Dumashie's inaugural Working Week of her four-year tenure as FIG president.

GhIS (Ghana) were there in force, with the largest delegation and preparing the FIG delegates for what they can expect at [FIG Accra 2024](#).



Fire safety

RICS contributed to the development and publication of British Standards PAS 8671, 8672 and 8673 on competence in the built environment; and presented to the CEBC (hosted in the UK) on leading the IFSS Decade of Action for Fire Safety 2022–2032.

In addition, RICS published the [consumer guide on spray foam insulation](#), a major public interest topic in the UK.

ICMS adoption in the European Commission (EC)

The European Commission's (EC) [Level\(s\) framework](#) has gained significant traction as a sustainability assessment tool for building projects. Level(s) focuses on various indicators, including environmental, social and economic aspects, aiming to promote a holistic approach to construction practices that prioritise sustainability. As this framework becomes increasingly embedded in EU legislation, such as the ongoing revision of the Energy Performance of Buildings Directive and the EU Taxonomy for Sustainable Activities, its impact on the industry is set to grow exponentially. Once finalised, our European members will be greatly impacted by these policies.

The EC intends to align the Level(s) framework with ICMS. A contractor, hired by the EC will be looking into it in the next months. The mapping exercise was initiated in the fall of 2022 by RICS in collaboration with the ICMS Coalition, and based on the mapping executed by the ICMS Coalition the two are well aligned.

The alignment between the Level(s) framework and ICMS presents numerous advantages for RICS members and the wider construction community. By harmonising the Life Cycle Global Warming Potential indicator, professionals can better assess and compare the environmental impacts of construction projects. This alignment paves the way for more cohesion between policy and industry initiatives in Europe and for the adoption of ICMS in Europe.





Whole life carbon assessment (WLCA)

This initiative builds on the excellent traction gained by the existing 2017 RICS standard, which has become the principal industry standard for WLCA within the UK and used widely around the world.

The 2023 update will align with ICMS 3 and the Built Environment Carbon Database to provide a consistent output of cost and carbon reporting and benchmarking.

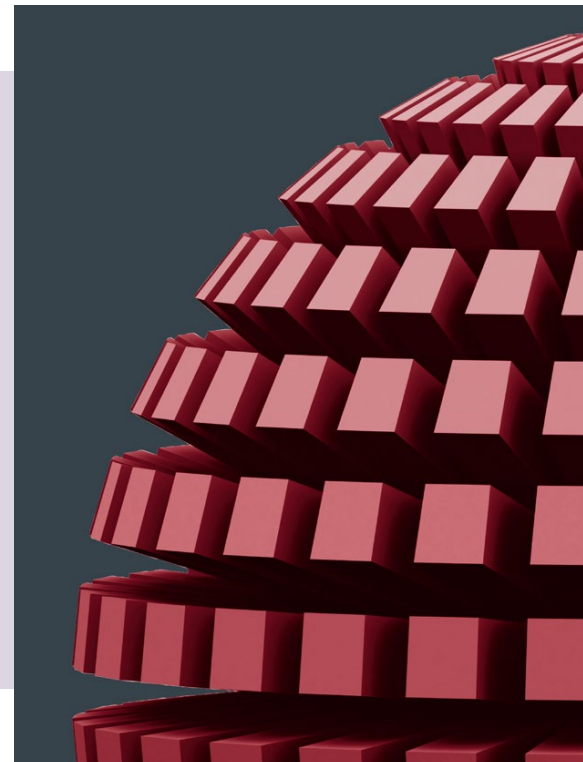
It will set a standard approach for assessing WLCA across the project life cycle, particularly for benchmarking and early-stage advice and will provide a framework methodology for undertaking WLCA across all global regions.

Public consultation in spring 2023 produced 1,300 responses and publication is now set for 19 September 2023 with a ministerial launch event being planned at RICS HQ.

Implementation of the Independent Review of Real Estate Investment Valuations

Updates to the *RICS Valuation – Global Standards: UK national supplement*, incorporating the RICS response to the Valuation Review recommendations for mandatory valuation firm rotation, is due for publication in Q4 2023.

Guidance on discounted cash flow and supporting training and practitioner tools are planned to be launched in the same timescale.





Regulation

The Regulation directorate supports the profession to underpin client and wider public confidence and uphold professional standards through regulatory activities and assurance programmes.

See [Regulation](#) for more detail.

Worldwide, we monitor:

9,983 RICS-regulated firms 112,570 individual professionals

29,017 trainees (candidates) 16,210 Registered Valuers

In this quarter, we have received 435 concerns about RICS members or firms from members of the public, other members or clients.

175
new investigations opened

108
investigations closed

95.4%
global CPD compliance rate for 2022 (as of 25 April)
(annual CPD campaign concludes in April)

The Profession Support and Assurance teams supporting the Valuer Registration, Client Money Protection and Designated Professional Body Schemes have undertaken:

69 member support visits

14 workshops and webinars with 685 attendees

Education and qualification

The Entry and Assessment Steering Group (EASG) [published an interim report](#) in May 2023. This is a key milestone in helping to shape what future assessment and entry processes could look like. More roundtables and discussions are needed to develop options that will be put to members for consultation.

1,596

individuals were elected as AssocRICS or MRICS January–June 2023

2,768

AssocRICS and MRICS assessments took place

Due to lack of assessor availability, 157 quantity surveyors and building surveyor candidates' assessment interviews were postponed to July. Additional assessor training and assessor events will be organised before the UK autumn/winter session assessments (session 2 2023). Assessment interviews continue to take place online.

Dispute resolution service (DRS)

DRS Appointment Services

- There have been increases for both key operational areas of commercial and construction.
- In the commercial sector there was an 8% increase in commercial rent review applications against Q1 and a 12% increase on the same period in 2022, demonstrating some renewed confidence from landlords and tenants entertaining commercial rent reviews in the market.
- Industrial and distribution warehouses remain the growth area for rent reviews.
- In the construction sector the adjudication area continues to be active and has seen a 15% rise on Q1 and a 14% increase on the same period in 2022.

DRS Consultancy

- We continue to encourage parties to utilise the RICS Conflict Avoidance Process to resolve disputes in an efficient and cost-effective manner.
- In the UK, the Construction Industry Council (CIC) published a new second edition [Low Value Disputes Model Adjudication Procedure](#). Since its initial launch in 2020, the CIC procedure has been adopted by hundreds of SMEs to resolve their disputes. This second edition is more concise and accessible and will provide opportunities for more parties involved in lower value disputes to have them resolved quickly and cost effectively.
- In India, DRS recently held several roundtables where we have established a panel of qualified arbitrators made up of senior professionals from Indian real estate, construction, infrastructure and other businesses in the built environment. They have been joined by several retired judges from the Supreme and High Courts of India and senior arbitrators from the RICS International Panel of Arbitrators. A formal launch of the RICS India Arbitration Service is planned for Q4.

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.

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