

Summary of Responses: RICS UK regulated purpose valuation survey

Introduction

RICS recently undertook a survey covering the UK VPS 3 regulated purpose valuation standards introduced in the [Red Book UK National Supplement](#) effective from 1 May 2024.

The survey had two aims:

- To understand the impact on valuation stakeholders
- To provide insight into our future direction.

The survey ran from **25 February to 11 April 2025**.

We received responses from key industry stakeholders who use and provide regulated purpose valuations, such as valuers, valuation firms, asset managers, fund managers, investment managers, financial institutions, SMEs and large companies.

The most prominent and frequently asked about update to UK VPS 3 is the mandatory rotation of responsible valuers and valuation firms in certain circumstances, which formed a prominent part of the survey. In addition to rotation, the survey also covered valuation instructions, audit and administration. It also asked questions to allow RICS to better understand who is instructing and providing UK regulated purpose valuations.

In addition to this summary of responses, the results will also be considered in detail by our internal governance groups.

This summary does not attempt to reproduce every text response in full, but everything has been considered, and we thank all those who engaged with the survey.

This summary of responses does not change the interpretation or application of the UK VPS 3 standards, which should continue to be applied as per the update effective from 1 May 2024.

Overview

- RICS received 50 substantive responses to the survey¹, including a written response from a client trade body, which did not directly respond to the survey questions, but did

¹ Test and blank surveys were excluded.

make technical points in respect of the UK VPS 3 policy. Although a relatively small number, responses came from a good range of key client and valuation provider stakeholders.

- Responses included answers to multiple choice questions and additional suggestions in open text at the end of the survey. This summary refers to both sets of insight.
- 94% of respondents were RICS members.
- The majority of responses (73%) were from large firms.
- Around half the responses were undertaken on behalf of firms and the other half in a personal capacity.
- Two thirds of respondents were providers of valuations and a third users (clients).
- The most frequently used regulated purpose valuation was for financial reporting (82% of respondents), but the other regulated purpose categories were also well used (an average of around a third of users).
- Just under half of respondent providers undertook more than a 1000 regulated purpose valuations a year and over half of them provided valuations to more than 100 clients.

Key insights

- There were 27 free text responses suggesting potential changes RICS could make to the UK VPS 3 valuation governance (including rotation) policy.
 - A number of respondents requested an extension of the transition period.
 - Numerous respondents requested consideration of further proportionality and materiality tests, including a better reflection of the dynamics between asset and fund/portfolio level considerations. Some respondents felt it was unfair/disproportionate under the current system that a fund/portfolio might require the services of more than one valuation firm, because a valuation firm breaches the rotation policy on just one asset in the fund/portfolio.
 - Some respondents thought what constituted an exception could be made more explicit and others thought the current range of assets/purposes in the scope of UK VPS 3 was too broad and/or not based on risk.
 - Some respondents suggested changes to the rotation cycle and framework.
- **70% of respondents suggested that RICS should start reviewing the UK VPS 3.3 rotation policy** now or from 1 May 2025. 30% of respondents referred to reviewing the policy from dates after 1 May 2026.
- Around **75% of respondents had rotated off a valuation or had to change valuers** since the effective date of the UK VPS 3.3 (rotation) policy of 1 May 2024. The policy had

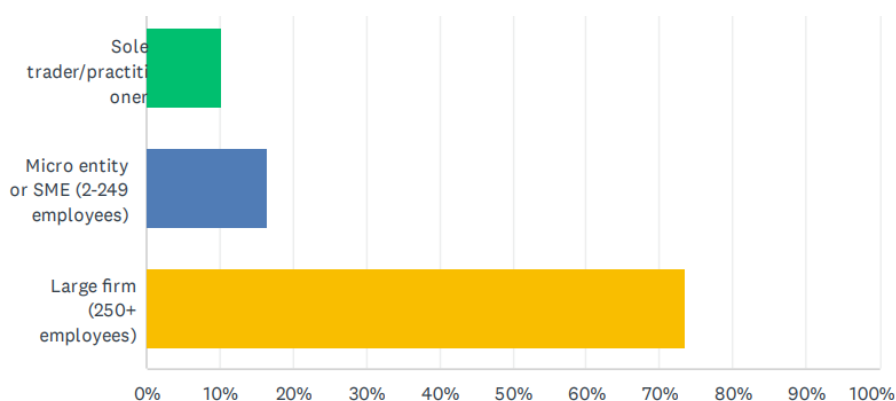
formed a part of current or pending instructions for around 80% of respondents. The policy has led to more than 78% of respondents to take measures to change their valuation governance procedures.

- **80% of respondents suggested RICS can better support valuation users regarding UK valuation governance by providing clear information for them** through e.g. client guides. Over half of respondents suggested engaging with valuation user's regulators about changing valuation procurement policy.
- Around **14% of client respondents only used 1 provider to undertake their regulated purpose valuations**. 43% used more than 5 providers.
- **57% of valuer respondents had been asked to provide sample valuations as part of regulated purpose valuation tendering**, 21% of those frequently. 46% of client respondents asked for sample valuations, 23% frequently.
- The average impact on the valuation process of valuation audit on a scale of 1-10 as rated by respondents was 6. **87% of respondents cited additional time as an impact of audit, two thirds referred to additional costs**. Only around 8% of respondents considered there to be no impact. Just under half of respondents asked or were asked to accommodate additional resource in a regulated purpose valuation engagement to specifically consider the requirements of valuation audit.
- **Around 56% of respondents have been involved with a shadowing process** (as provider or client). The average success of the shadowing process on a scale of 1-10 as rated by respondents was 6. This section also included free text responses which suggested that for a shadowing period to be successful it needed to be organised and properly consider the resource (cost to participants) involved.

Appendix A – Full results by question (excluding personal and firm level information)

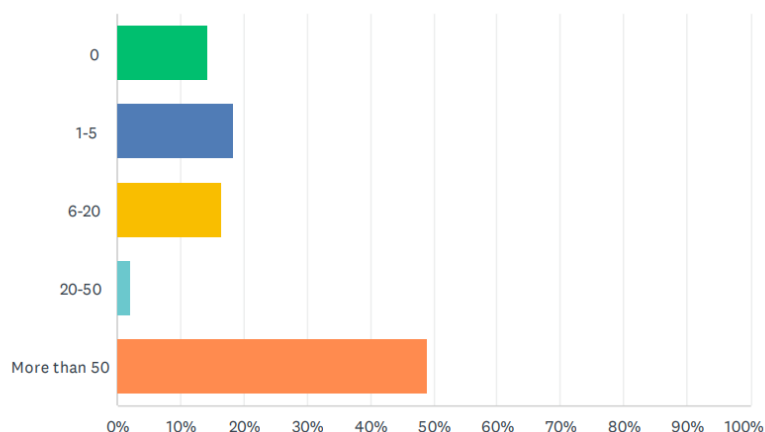
Questions 1 to 3 and 7 are administrative questions which referenced personal and firm level data and are not published here. The survey was dynamic, and some questions were only put to valuation providers and some only to users. Questions 29 and 32 were free text questions and the full responses are not reproduced in this summary but are referred to above.

Q4 What is the size of your firm/organisation?



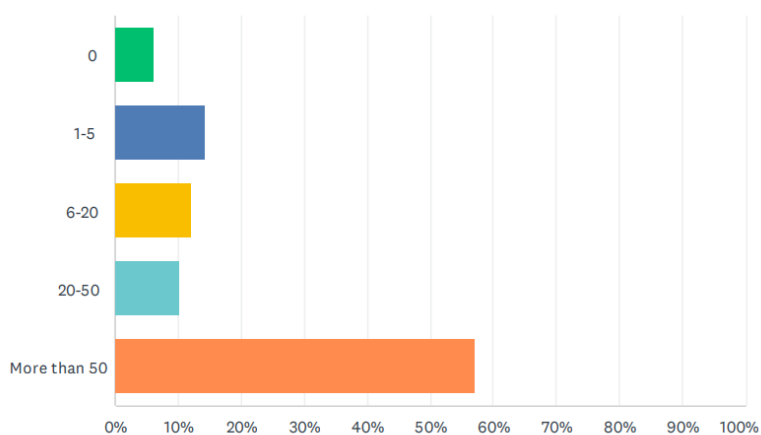
ANSWER CHOICES	RESPONSES	
Sole trader/practitioner	10.20%	5
Micro entity or SME (2-249 employees)	16.33%	8
Large firm (250+ employees)	73.47%	36
TOTAL		49

Q5 Approximately how many valuation professionals does your firm/organisation employ?



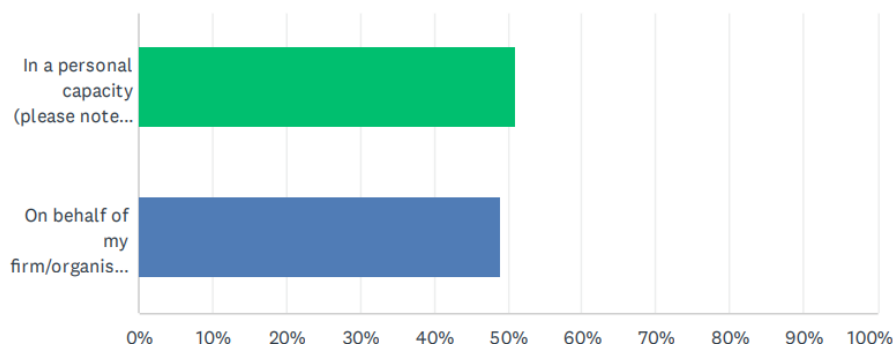
ANSWER CHOICES	RESPONSES	
0	14.29%	7
1-5	18.37%	9
6-20	16.33%	8
20-50	2.04%	1
More than 50	48.98%	24
TOTAL		49

Q6 Approximately how many RICS members does your firm/organisation employ?



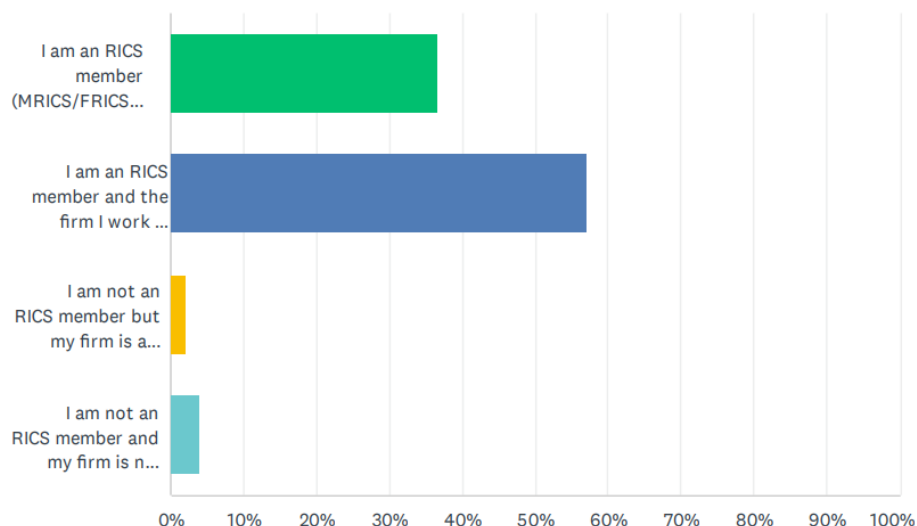
ANSWER CHOICES	RESPONSES	
0	6.12%	3
1-5	14.29%	7
6-20	12.24%	6
20-50	10.20%	5
More than 50	57.14%	28
TOTAL		49

Q8 Are you responding in a personal capacity or on behalf of your firm/organisation?



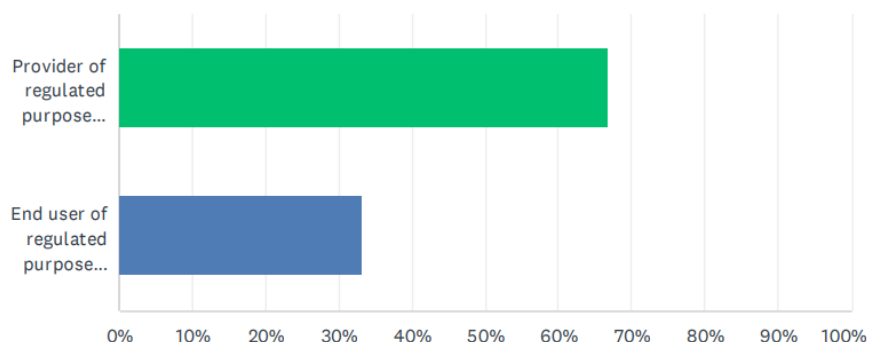
ANSWER CHOICES	RESPONSES	
In a personal capacity (please note there are still questions about your firm/organisation)	51.02%	25
On behalf of my firm/organisation	48.98%	24
TOTAL		49

Q9 Are you or your firm regulated by RICS?



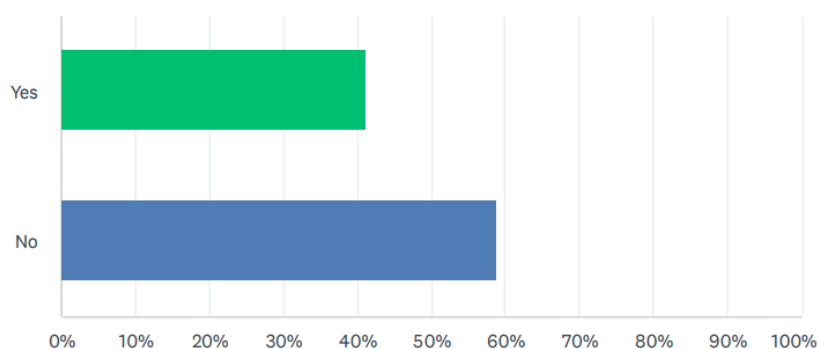
ANSWER CHOICES	RESPONSES	
I am an RICS member (MRICS/FRICS/AssocRICS) but my firm is not an RICS regulated firm	36.73%	18
I am an RICS member and the firm I work for is an RICS regulated firm	57.14%	28
I am not an RICS member but my firm is an RICS regulated firm	2.04%	1
I am not an RICS member and my firm is not an RICS regulated firm	4.08%	2
TOTAL		49

Q10 Which of these best describes your role in respect of UK regulated purpose valuations?



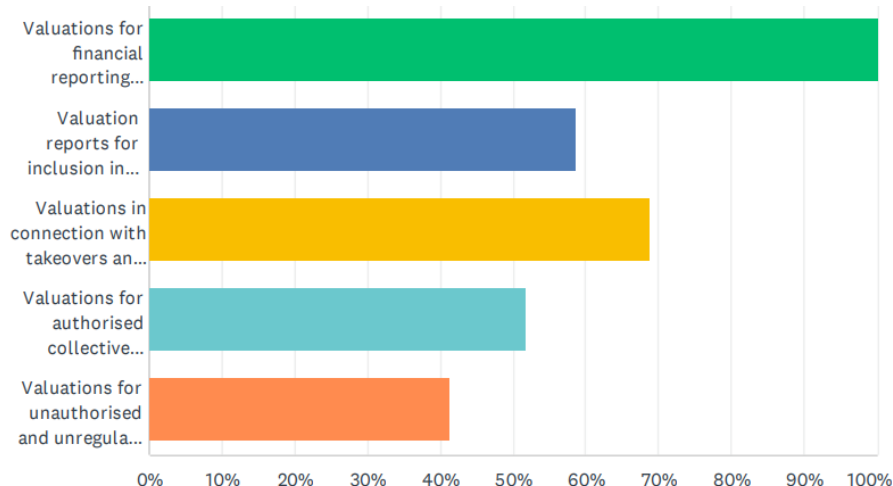
ANSWER CHOICES	RESPONSES	
Provider of regulated purpose valuations to (external) clients	66.67%	32
End user of regulated purpose valuations (such as an individual or firm that instructs external valuation providers to produce valuations for them)	33.33%	16
Total Respondents: 48		

Q11 Is your firm one that has transferable securities admitted to trading on a regulated market?



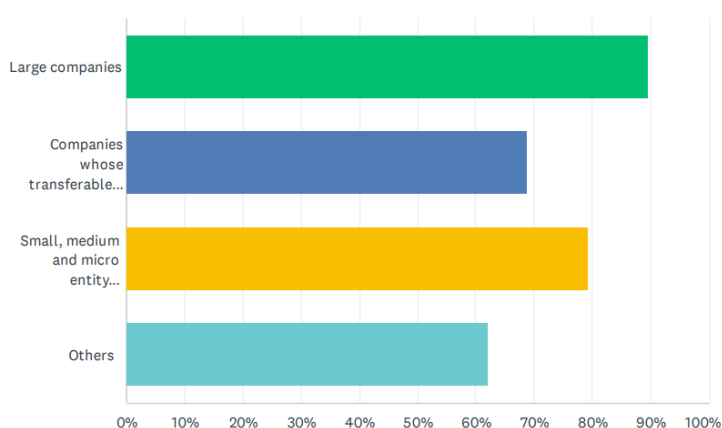
ANSWER CHOICES	RESPONSES	
Yes	41.18%	7
No	58.82%	10
TOTAL		17

Q12 What types of regulated purpose valuations does your firm provide?



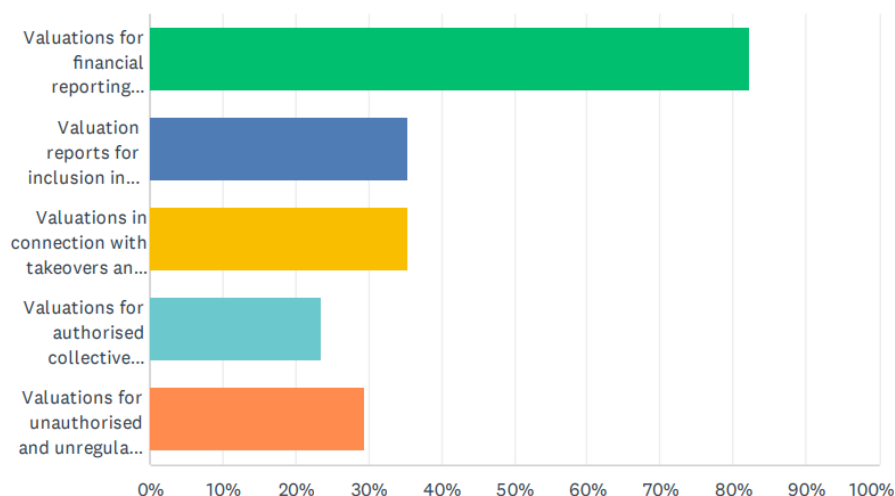
ANSWER CHOICES	RESPONSES	
Valuations for financial reporting (excluding public sector)	100.00%	29
Valuation reports for inclusion in prospectuses and circulars to be issued by UK companies	58.62%	17
Valuations in connection with takeovers and mergers	68.97%	20
Valuations for authorised collective investment schemes	51.72%	15
Valuations for unauthorised and unregulated collective investment schemes	41.38%	12
Total Respondents: 29		

Q13 Which of these does your firm provide financial reporting valuations to?



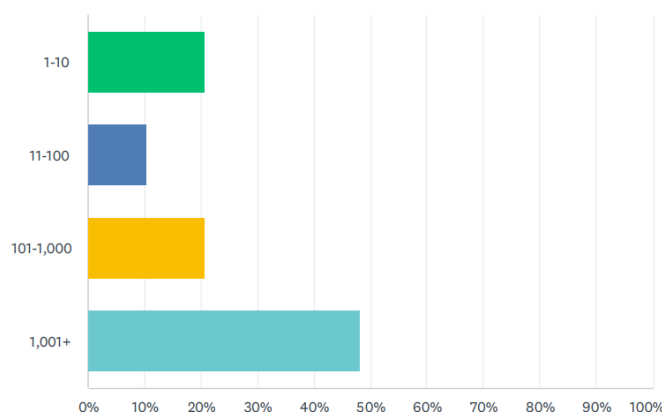
ANSWER CHOICES	RESPONSES	
Large companies	89.66%	26
Companies whose transferable securities are admitted to trading on a regulated market	68.97%	20
Small, medium and micro entity companies	79.31%	23
Others	62.07%	18
Total Respondents: 29		

Q14 What types of regulated purpose valuations does your firm use?



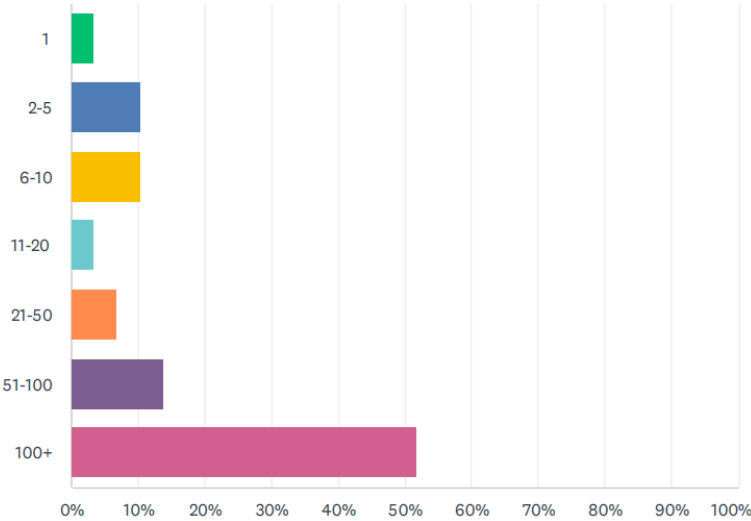
ANSWER CHOICES	RESPONSES	
Valuations for financial reporting (excluding public sector)	82.35%	14
Valuation reports for inclusion in prospectuses and circulars to be issued by UK companies	35.29%	6
Valuations in connection with takeovers and mergers	35.29%	6
Valuations for authorised collective investment schemes	23.53%	4
Valuations for unauthorised and unregulated collective investment schemes	29.41%	5
Total Respondents: 17		

Q15 Roughly how many regulated purpose valuations does your firm undertake in an average year?



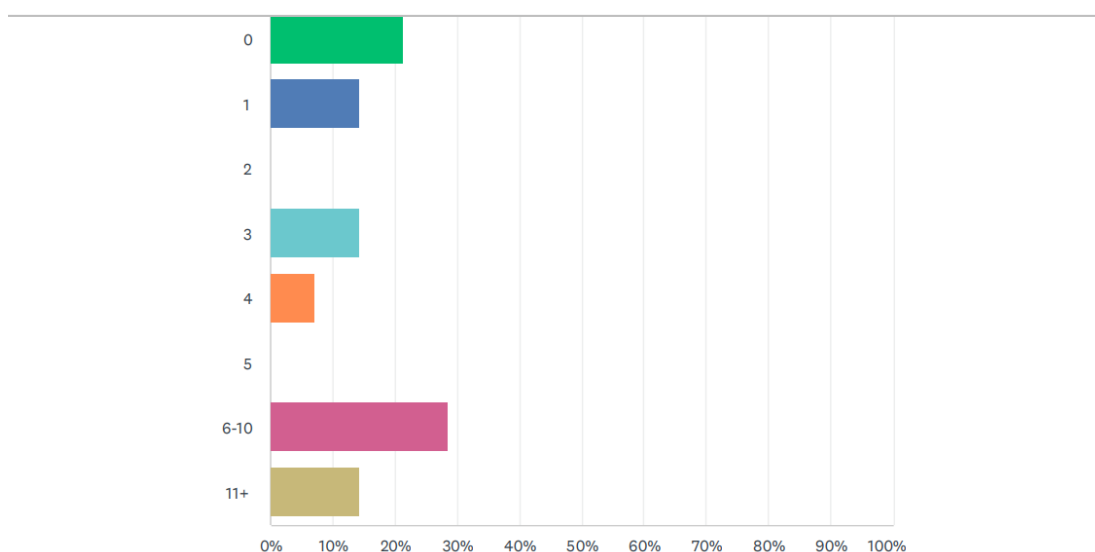
ANSWER CHOICES	RESPONSES	
1-10	20.69%	6
11-100	10.34%	3
101-1,000	20.69%	6
1,001+	48.28%	14
TOTAL		29

Q16 Approximately how many clients does your firm provide regulated purpose valuations for?



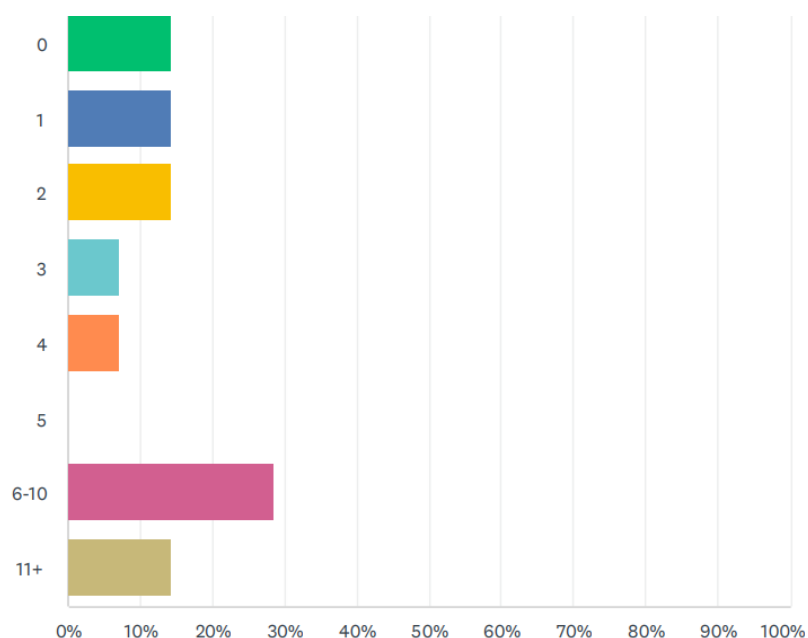
ANSWER CHOICES	RESPONSES	
1	3.45%	1
2-5	10.34%	3
6-10	10.34%	3
11-20	3.45%	1
21-50	6.90%	2
51-100	13.79%	4
100+	51.72%	15
TOTAL		29

Q17 Approximately how many valuation firms do you currently use to undertake your regulated purpose valuations each year?



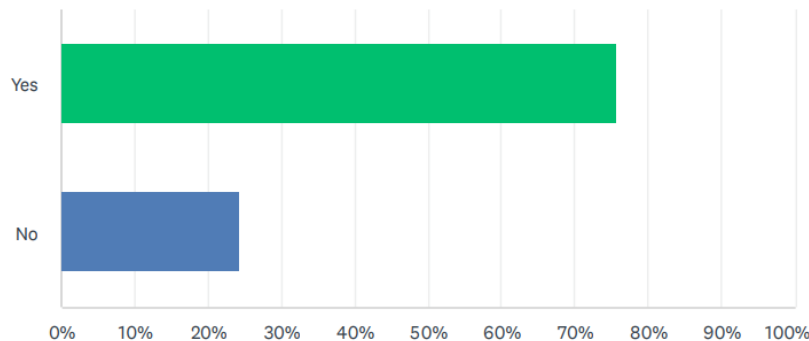
ANSWER CHOICES	RESPONSES	
0	21.43%	3
1	14.29%	2
2	0.00%	0
3	14.29%	2
4	7.14%	1
5	0.00%	0
6-10	28.57%	4
11+	14.29%	2
TOTAL		14

Q18 Following the end of the transition period for the RICS UK regulated purpose valuation policy (1 May 2026), approximately how many valuation firms do you envisage using to undertake your regulated purpose valuations each year?



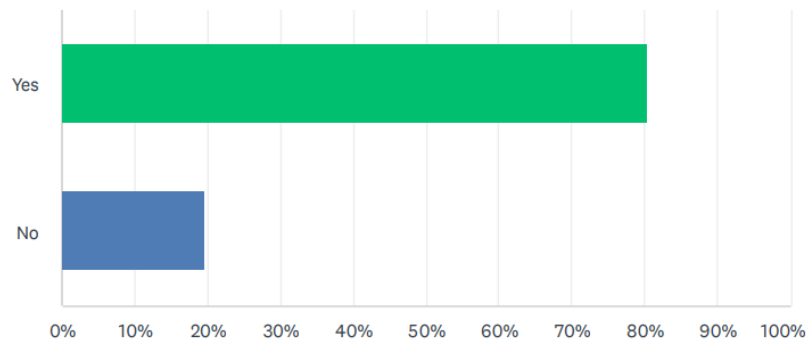
ANSWER CHOICES	RESPONSES	
0	14.29%	2
1	14.29%	2
2	14.29%	2
3	7.14%	1
4	7.14%	1
5	0.00%	0
6-10	28.57%	4
11+	14.29%	2
TOTAL		14

Q19 Has your firm rotated off valuations, or as a user have you had to change valuers because of rotation, since the effective date of the RICS UK regulated purpose valuation rotation policy (1 May 2024)?



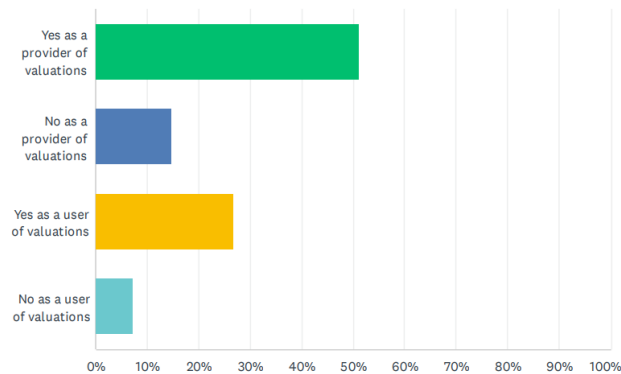
ANSWER CHOICES	RESPONSES	
Yes	75.61%	31
No	24.39%	10
TOTAL		41

Q20 Has the RICS UK regulated purpose valuation rotation policy formed a part of current or pending instructions you are undertaking (as a provider or end user) for regulated purpose valuations?



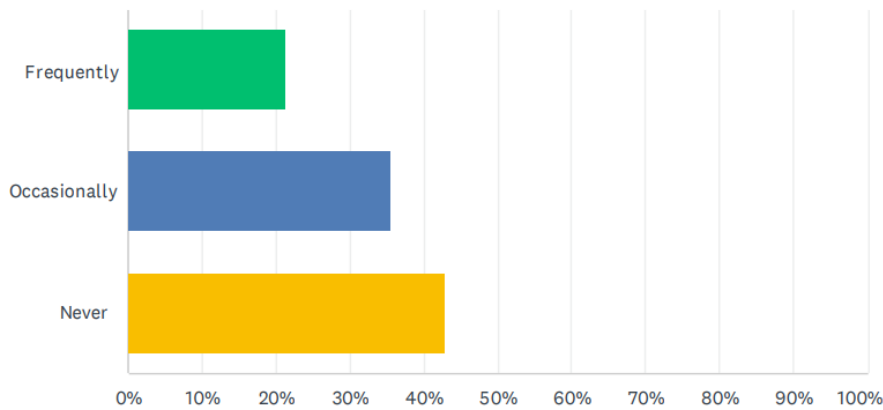
ANSWER CHOICES	RESPONSES	
Yes	80.49%	33
No	19.51%	8
TOTAL		41

Q21 Has the RICS UK valuation governance provisions (UK VPS 3), including the valuation rotation policy, led you to take measures to change your valuation governance procedures?



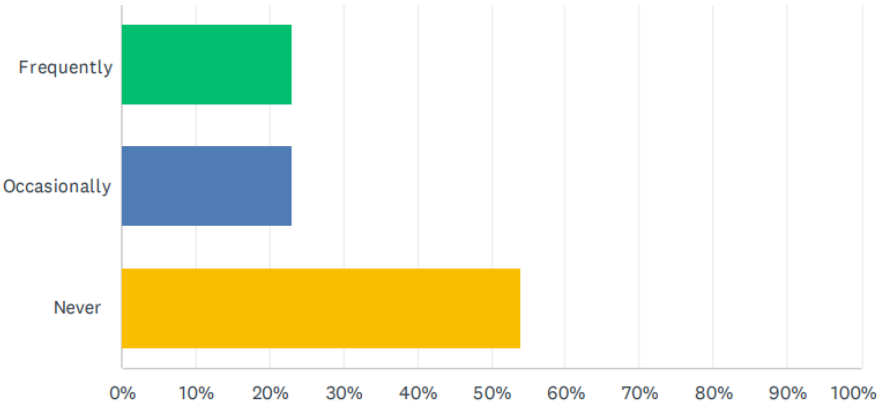
ANSWER CHOICES	RESPONSES	
Yes as a provider of valuations	51.22%	21
No as a provider of valuations	14.63%	6
Yes as a user of valuations	26.83%	11
No as a user of valuations	7.32%	3
TOTAL		41

Q22 Since 1 May 2024, approximately how often have you been asked to provide sample valuations as part of regulated purpose valuation tendering?



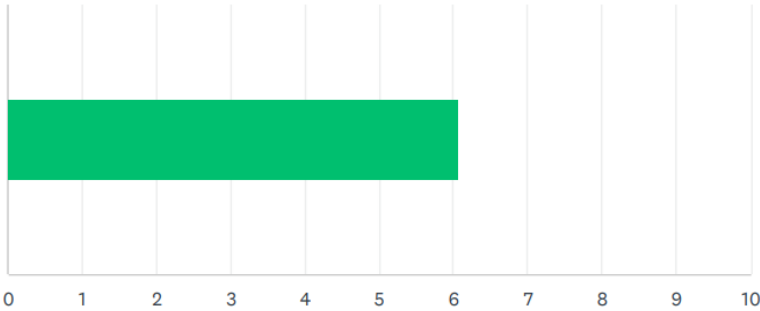
ANSWER CHOICES	RESPONSES	
Frequently	21.43%	6
Occasionally	35.71%	10
Never	42.86%	12
TOTAL		28

Q23 Since 1 May 2024, approximately how often have you asked your valuation provider to provide sample valuations as part of regulated purpose valuation tendering?



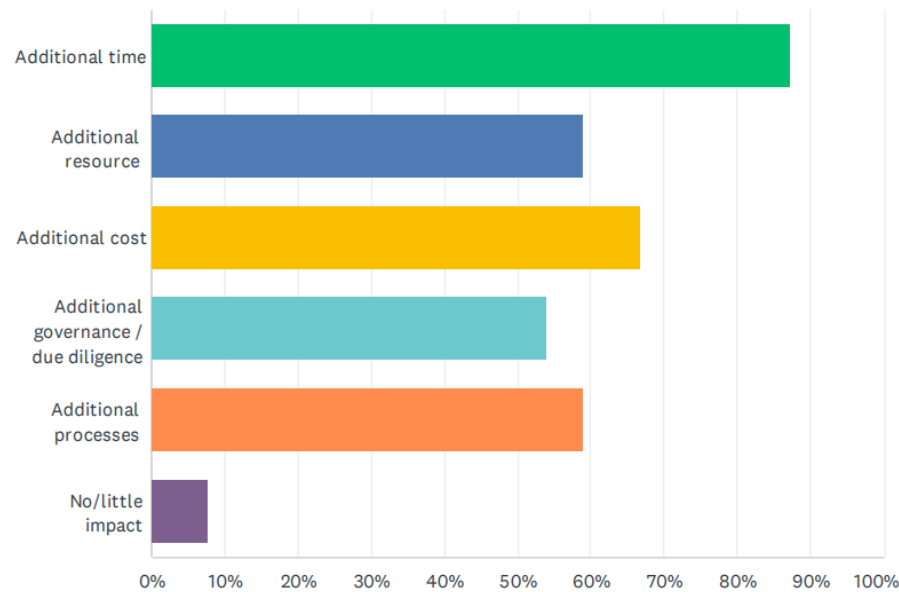
ANSWER CHOICES	RESPONSES	
Frequently	23.08%	3
Occasionally	23.08%	3
Never	53.85%	7
TOTAL		13

Q24 On a scale of 1 to 10, with one 1 representing the lowest impact, what is the approximate impact on the valuation process of valuation audit in terms of time, resource etc?



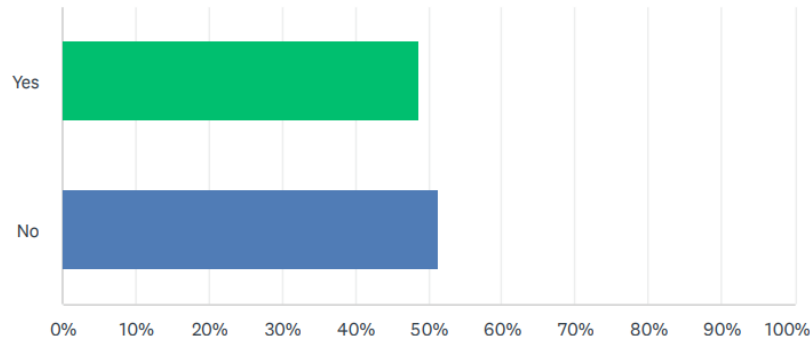
ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	6	225	37

Q25 What is the nature of the impact of valuation audit?



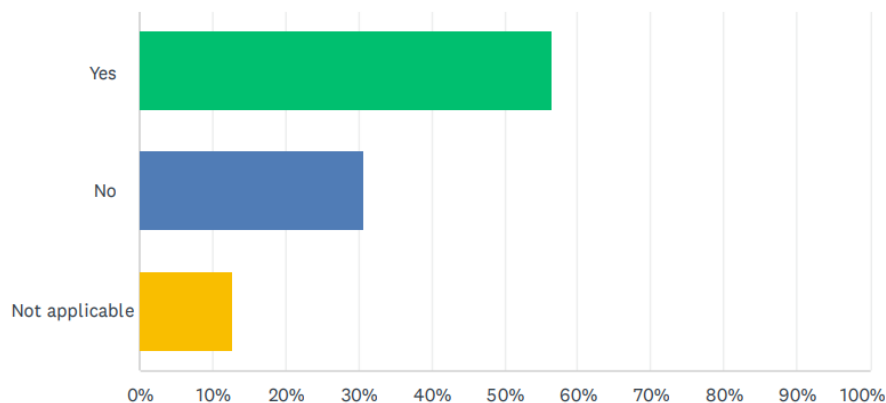
ANSWER CHOICES	RESPONSES	
Additional time	87.18%	34
Additional resource	58.97%	23
Additional cost	66.67%	26
Additional governance / due diligence	53.85%	21
Additional processes	58.97%	23
No/little impact	7.69%	3
Total Respondents: 39		

Q26 Have you and/or your firm asked (as a valuation user) or been asked (as a valuation provider) to accommodate additional resource in a regulated purpose valuation engagement to specifically consider the requirements of valuation audit?



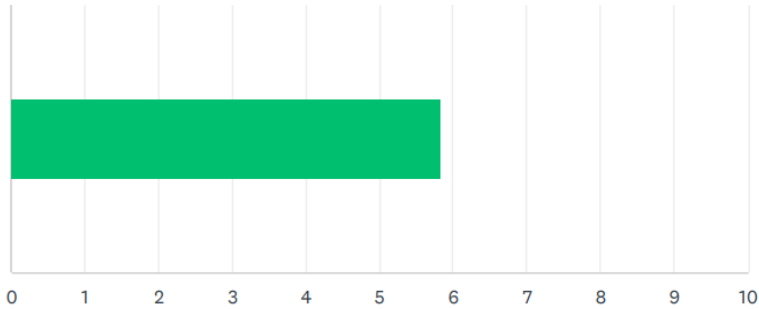
ANSWER CHOICES	RESPONSES	
Yes	48.72%	19
No	51.28%	20
TOTAL		39

Q27 Has your firm instructed or been involved with a shadowing period (where a regulated purpose valuation instruction overlaps with another firm)?



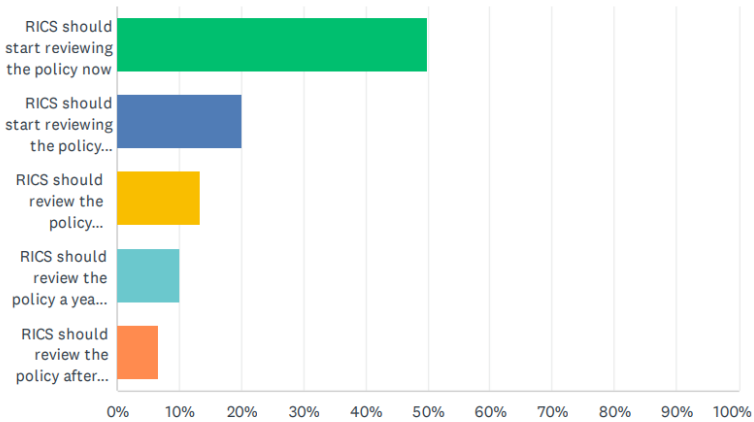
ANSWER CHOICES	RESPONSES	
Yes	56.41%	22
No	30.77%	12
Not applicable	12.82%	5
TOTAL		39

Q28 Where answering yes to the previous question, on a scale of 1 to 10, in your view, how successful was/were the shadowing period/period(s) in achieving its/their aims, with 1 representing the lowest success?



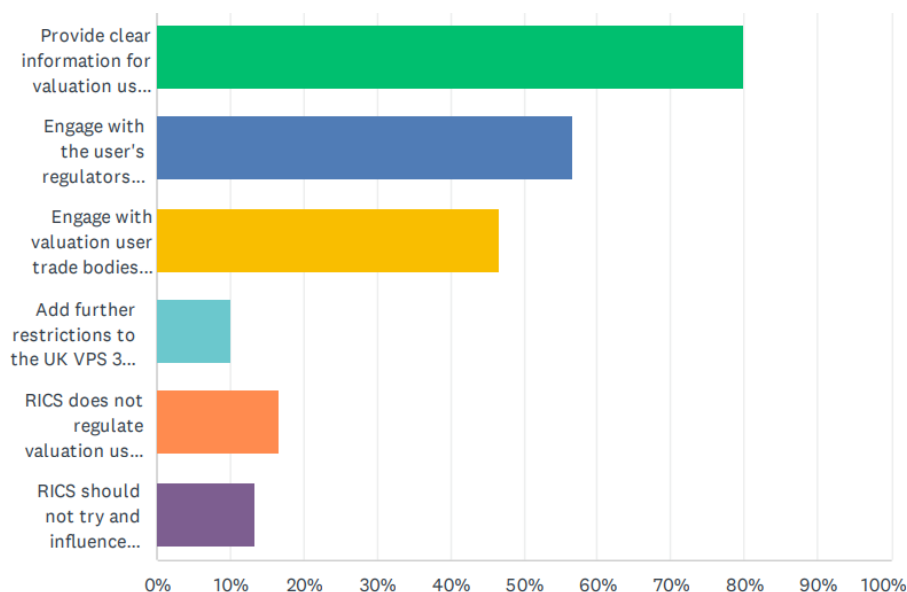
ANSWER CHOICES	AVERAGE NUMBER	TOTAL NUMBER	RESPONSES
	6	158	27
Total Respondents: 27			

Q30 Which of the following statements best represents your view on reviewing the RICS UK VPS 3.3. regulated purpose valuation rotation policy?



ANSWER CHOICES	RESPONSES	
RICS should start reviewing the policy now	50.00%	15
RICS should start reviewing the policy after it has been effective for one year (1 May 2025)	20.00%	6
RICS should review the policy immediately after the transition period (1 May 2026)	13.33%	4
RICS should review the policy a year after the transition period (1 May 2027)	10.00%	3
RICS should review the policy after it has been effective for 5 years (1 May 2029)	6.67%	2
TOTAL		30

Q31 Which of these statements best represent your view of how RICS can better support valuation users regarding UK valuation governance? [Tick all that apply]



ANSWER CHOICES	RESPONSES	
Provide clear information for valuation users through e.g. client guides	80.00%	24
Engage with the user's regulators about changing valuation procurement policy	56.67%	17
Engage with valuation user trade bodies to enhance valuation governance within their codes/guides etc	46.67%	14
Add further restrictions to the UK VPS 3 valuation governance standards regarding what terms RICS regulated firms can agree with valuation users	10.00%	3
RICS does not regulate valuation users and therefore their role is limited	16.67%	5
RICS should not try and influence valuation user behaviours, this is not their role	13.33%	4
Total Respondents: 30		

14 July 2025