Introduction

Reflecting the strategic direction we are taking, and the expectations placed on us, our Governing Council has set out an ambitious new vision: Through our credential and our professional standards, we will create confidence in markets and be known for effecting positive change in the built and natural environments.

We believe demand for our profession will continue to grow as the forecast pace of global urbanisation builds to 2050, coupled with an increasing and shifting population, climate change and rising pressures on food, water and energy supplies. Professionals must lead the way in addressing these trends, working to consistent technical standards and upholding the highest standards of ethics. A willing acceptance of and adherence to independent self-regulation and scrutiny distinguishes RICS and the profession around the world.

Our business plan for 2017-20 sets three strategic priorities that will position RICS as a fit, globally relevant and trusted professional body for the 21st century:

- Trusted: the standards to which RICS professionals work are demanded and adopted in the major economies of the world; as a result of market demand for RICS standards and credentials, highly talented individuals choose to qualify and work to our standards, and we remain trusted to set and enforce standards for the profession.
- Influential: RICS is an influential body on issues of global significance and brings about beneficial change in the world.
- Sustainable: the organisation is efficient and financially stable, and the profession and RICS employees are highly engaged, proud and increasingly diverse.

As a body aspiring to create standards of global relevance, our collaboration with like-minded organisations is essential to set a framework of standards that will help us realise our vision to create confidence in markets and effect positive change in the built and natural environments.

Significant milestones in this quarter:

- Our recently agreed strategic alliance with the Australian Property Institute will boost confidence and trust in the market, by streamlining pathways, regulations and standards under a common framework. In addition, aligning intent between two professional bodies will enhance value for the profession and reduce compliance costs.
- Government bodies beginning to adopt our entire suite of international standards, in China and Qatar.
- Our strategic partnership agreement with the Administrative Commission of Tianjin Binhai New Area CBD is RICS’ first government adoption in China and the first by a major future financial district.
- Government bodies beginning to adopt our entire suite of international standards, in China and Qatar.

This Q2 report is a summary of RICS’ worldwide performance against our objectives and strategic goals in the second quarter of the 2017/2018 financial year (November 2017 – January 2018). It is available to all RICS professionals, employees and other key stakeholders.

We welcome all comments on this report.

Paul Marcuse
Chairman, RICS Management Board

Sean Tompkins
Chief Executive Officer, RICS

e contactrics@rics.org
To achieve Governing Council's vision, Management Board established strategic goals for the 2017-20 business plan period.

**Strategic goals**

- **Our standards adopted**
  The standards to which RICS professionals work are demanded and adopted in the major economies of the world.

- **Profession in demand**
  As a result of market demand for RICS standards and credentials, highly talented individuals choose to qualify and work to our standards.

- **Trusted by our stakeholders**
  We remain trusted to set and enforce standards for the profession.

- **Influential profession**
  RICS brings about beneficial change in response to the major challenges the world faces.

- **Sustainable professional body**
  The profession and RICS employees are highly engaged, proud and increasingly diverse. The organisation is efficient and financially stable.
Key achievements this quarter

**Market trust in our profession, our standards and how we assure them**

**Governments and major end-users**
The Qatar Government have written International Construction Measurement Standards (ICMS), International Property Measurement Standards (IPMS) and International Ethics Standards (IES) into Qatar Construction Standards (QCS 2018). They are also looking for ways to officially recognise the standing of the profession and to incorporate our professional qualification as the standard for government employees to attain.

Our Strategic Partnership Agreement with the Administrative Commission of Tianjin Binhai New Area CBD is RICS’ first government adoption in China. The Administrative Commission will adopt ICMS, IPMS, IES and the RICS Red Book.

Spain’s Stock Exchange Regulator (CNMV), has confirmed that valuations for Real-Estate Investment Trusts (REITs) listed in the ‘MAB’ alternative equity market for small businesses are carried out using the RICS Red Book.

**Major end users and employers**
The Luxembourg Fund Association (ALFI), with over €4trn of assets under management, reports that 77% of all member valuations have been done according to the RICS Red Book.

Fundiestamo, the fund that administers Portuguese National RE assets now specifies that valuations be carried out by RICS qualified professionals.

Santander UK has confirmed their adoption of International Valuation Standards (IVS) and the RICS Red Book.

Chen Yue, a leading project consulting group in China has agreed to adopt and implement the ICMS across their projects in the international construction market.

China National Aviation Fuel Group (CNAF), a Fortune Global 500 company, has agreed to adopt IPMS. CNAF is the largest aviation transportation logistics service provider in China.

**Standards we are developing**
In this quarter, we launched ICMS in the Middle East, to over 150 representatives from government, developers, construction and cost consultancy. We also launched the Chinese translation of ICMS. Following Infrastructure Ontario’s adoption of ICMS we are working with QS firms in Canada to implement ICMS more broadly across the profession.

We have presented International Land Measurement Standards (ILMS) to 400 delegates in Turkey, a growing community seeking to adopt global surveying professional practice.

We organised Business Valuation conferences and workshops in Hong Kong, Tokyo and Taiwan to launch the Certified in Entity and Intangible Valuations (CEIV) credential to senior valuers, consultancies and investors. We are one of only three organisations approved to offer this credential globally.

**An influential body on issues of global significance that brings about beneficial change in the world**

We have decided to collaborate with the Council for Tall Buildings (CTBUH) on fire safety in order to develop an international standard on fire safety. CTBUH has 800,000 members worldwide.

The UK Government has invited us to prepare guidance for built environment professionals on cladding surveying, in the form of a consolidated building advice note. We will develop changes to the competencies in the APC pathways in relation to fire safety, and we will prepare proposals for a national and international register of fire risk assessors.
Our UK budget commentary was picked up by the Financial Times, Property Week, Mortgage Strategy, The Mirror, City Wire, Architects Journal, Construction News, Channel 4 News and The Negotiator.

The Dutch Central Bank has requested our historical commercial property data for the Netherlands, to assist them in analysing risks to financial stability.

In November, our attendance at COP23 in Bonn highlighted our insight on Property Technology to an influential international audience. We subsequently launched a professional statement for conducting whole life carbon assessment.

**Operationally efficient and financially stable. RICS professionals and employees are highly engaged, proud and increasingly diverse**

We have concluded a strategic alliance with the Australian Property Institute (API).

- RICS’ Valuer Registration will become a mandatory requirement for all Australian professionals wishing to access API’s professional indemnity capping scheme.
- API will align its professional competency pathways, standards and regulation to RICS.
- RICS regulation will undertake complaint handling.
- Mutual recognition of professional credentials of either body in Australia.

BHP (Australia), a world-leading resources company, will adopt the RICS QS competences and encourage BHP employees to attain the RICS professional qualification.

We have agreed to establish a training centre in the Tianjin New Area CBD in China.

Chen Yue project consulting group in China will jointly organise a conference in April 2018 in Chengdu with RICS and actively promote our qualification as the standard to achieve in China.

The Singapore Institute of Surveyors and Valuers has agreed to align their QS qualification processes to those of RICS.

An agreement with Dutch residential real estate broker Qalis aims to qualify all 50 of their residential brokers to AssocRICS.

> “The Alliance [with RICS] brings together the individual strengths of the API and RICS to create a world leading professional framework in Australia.”

Mike Zissler, CEO, API
85,600 followers on Twitter

79,300 people in the global LinkedIn group and 67,303 followers

24,736 fans on Facebook

4,721 followers on Instagram

3,968 subscribers on YouTube

£0.4 million operating deficit at end December 2017, a slightly adverse performance to Business Plan which we will seek to recover by year end

3,9994 new candidate enrolments at the end of quarter two
2,413 new professionals awarded RICS designations up to the end of quarter two

108,557 RICS-qualified professionals worldwide

45% newly qualified professionals are based outside the UK & Ireland, notably Europe (12%), China (9%), East Asia (5%) and South Asia (5%)

15,490 candidates using our on-line assessment resource (ARC) to prepare for their professional assessments

3,470 of our assessor population now using ARC (over 40% of our existing pool of assessors) – providing information on their availability for assessments and carrying out those assessments

4,458 counsellors are now using ARC and

9,857 supporting candidates

87% of service complaints resolved within five days
Confidence through professional standards

RICS promotes and enforces the highest professional qualifications and standards in the valuation, development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to markets and effecting positive change in the built and natural environments.