



CORPORATE REPORTING

Q3 global performance report

February 2022 – April 2022





110,570

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

To achieve Governing Council's vision, Management Board established five key pillars within our business plan for 2021-22.

1. Trusted by our stakeholders and society
2. RICS qualifications in demand by remaining relevant for the next more diverse generations
3. Influential voice on sustainability, data and technology, and diversity and inclusion.
4. Involved and engaged members
5. Sustainable 21st century professional body by improving our financial sustainability and enhance the transparency of our governance.

1,760

new candidate enrolments at quarter end

696

new professionals awarded RICS designations at quarter end

5,075

downloads of economic surveys and insight papers



Over

17,291

registrations across our training and conferences portfolio

20,098

unique visitors to our World Built Environment Forum content



Financial performance

The Q3 YTD RICS financial performance is £5.0m against a business plan of £1.9m. Full-year expectations are therefore that we exceed the business plan. This reflects the work on strengthening cost control and making the organisation financially stable.

- Revenue to Q3 YTD is down £2.1m (3.7%) compared to budget, with commercial revenue making up most of the shortfall. In particular, knowledge and competence product sales have been impacted by the economic environment.
- Staff costs are better than budget by £3.8m (12.3%), driven by significant vacancy numbers.
- Other operating costs are £0.9m (6.2%) better than budget, driven by further work on controlling costs and a reduction in travelling costs.
- We remain underspent on our projects budget; this is due to the timing of spend.
- Our cash position has improved significantly over the past 18 months as a result of the cost controls we have put in place. This has enabled us to move away from our Revolving Credit Facility, with no expectation of requiring short term funding over the winter period.

1 Delivering confidence for public advantage



Interim Chief Executive Officer's introduction

In the third quarter of RICS' business year, I am pleased to report continued progress against key thought leadership, standards and member engagement goals.

This has been enabled and complemented by ongoing member-driven work to ensure RICS activity and support adds value, by addressing members' priorities and increasing opportunities for members to lead and connect across our global profession.

These initiatives are enhancing members' work to the public advantage by strengthening links and insight within the profession, and providing RICS teams with the chance to hear directly from members as we work hard to improve the functioning of the Institution.

As member-led engagement continues to flourish, I and all RICS colleagues remain focused on making changes we committed to deliver as a result of listening to member feedback.

While we have more work to do, we stand ready ahead of the publication of Lord Bichard's review to implement any additional changes that may result from Governing Council's consideration of its recommendations.

Implementing the outcomes of the independent review

We have made good progress on implementing the independent review recommendations since our last update. Of the 18 recommendations, only two remain to be implemented, and I am confident that this will take place by the end of our year in July 2022.

Enhancing member engagement, experience and value

As part of the work of the member engagement, experience and value (MEEV) working group led by Rory Murphy FRICS, over 1,500 members in 19 countries have met in person and online to share expertise and build their networks as part of free member-led engagement events, with dedicated funding agreed with World Regional Boards and RICS regional leads for further events. The [Member Value Hub](#) provides further information on support for members, including the over 500 resources available in the [free CPD Support Pack](#).



Listening to members and increasing leadership opportunities

The annual Survey of the Profession opened this quarter, providing an important opportunity for RICS to hear members' views and ensure the Institution is delivering the support focused in the right areas. Responses were lower than usual, however we look forward to analysing responses in the next quarter, and as always we will use the valuable insight gathered from members to help inform and shape RICS' priorities. In April we also opened a consultation to gather member views on RICS' flagship Modus and Journals publications, and launched three new valuation forums, in which members can help shape and maintain standards relevant to their specialisms and sectors.

Delivering positive outcomes through respected standards

February saw the launch of the **International Building Operation Standard**, a new approach to measuring and managing through data how buildings perform for people. With user experience at its heart, this innovative standard provides a consistent way to benchmark performance across a number of properties, equipping professionals to enable informed decisions around ESG criteria, building optimisation and cost measurement. **International Cost Management Standard** (ICMS) also continued to garner support and build recognition for the value of RICS professionals' expertise, with interest from the Port Authority of New York in using this standard for project work, and collaboration between RICS and the Government Property Unity and Defence Infrastructure Organisation.

Leading thinking to shape the global agenda

RICS thought leadership continues to exercise influence at scale among decision-makers, investors and policy-makers across the built environment. In the UK we launched our **UK Commercial Real Estate Outlook report**, produced in collaboration with key leaders from across the sector to provide a framework for co-created, sector-relevant future research. RICS also became a strategic partner for the **World Cities Summit**, which will be delivered in July by the Government of Singapore, providing a key opportunity to deepen the impact of RICS thought leadership in the region. The quarter also saw 20,093 web visits for The World Built Environment Forum and ongoing high downloads across the suite of market surveys and other RICS reports.

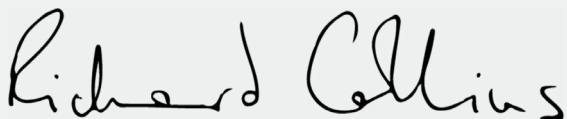
Improving access and inclusion in our profession

In April RICS signed a **Memorandum of Understanding** with five other built environment industry bodies – CIOB, ICE, RIBA, RTPI and the Landscape Institute – to ensure progress towards a more diverse, equitable and inclusive sector. This followed celebration of **International Women’s History Month** and International Women’s Day in March, which saw debate and discussion of the challenges and opportunities facing women in our sector through a blend of online and in-person events, many of which were led by members.

Nurturing the profession’s future through its scale, skills and talent pipeline

At the time of writing, professional renewals stand at 88% and CPD completion at 96%, which is on-track with expectation in our renewal and completion cycles. Despite previously reported technical issues with candidate assessments, we have carried out just under 500 assessments, an indication of the commitment and interest that candidates maintain towards becoming chartered or otherwise accredited with RICS.

This report can only provide a brief overview of the many areas of progress we saw in the third quarter of RICS’ business year. As part of my commitment to reporting regularly and transparently to members, I look forward to providing further updates on the Institution’s work to support members better as they serve the public advantage in the months to come.



Richard Collins
Interim Global Chief Executive Officer



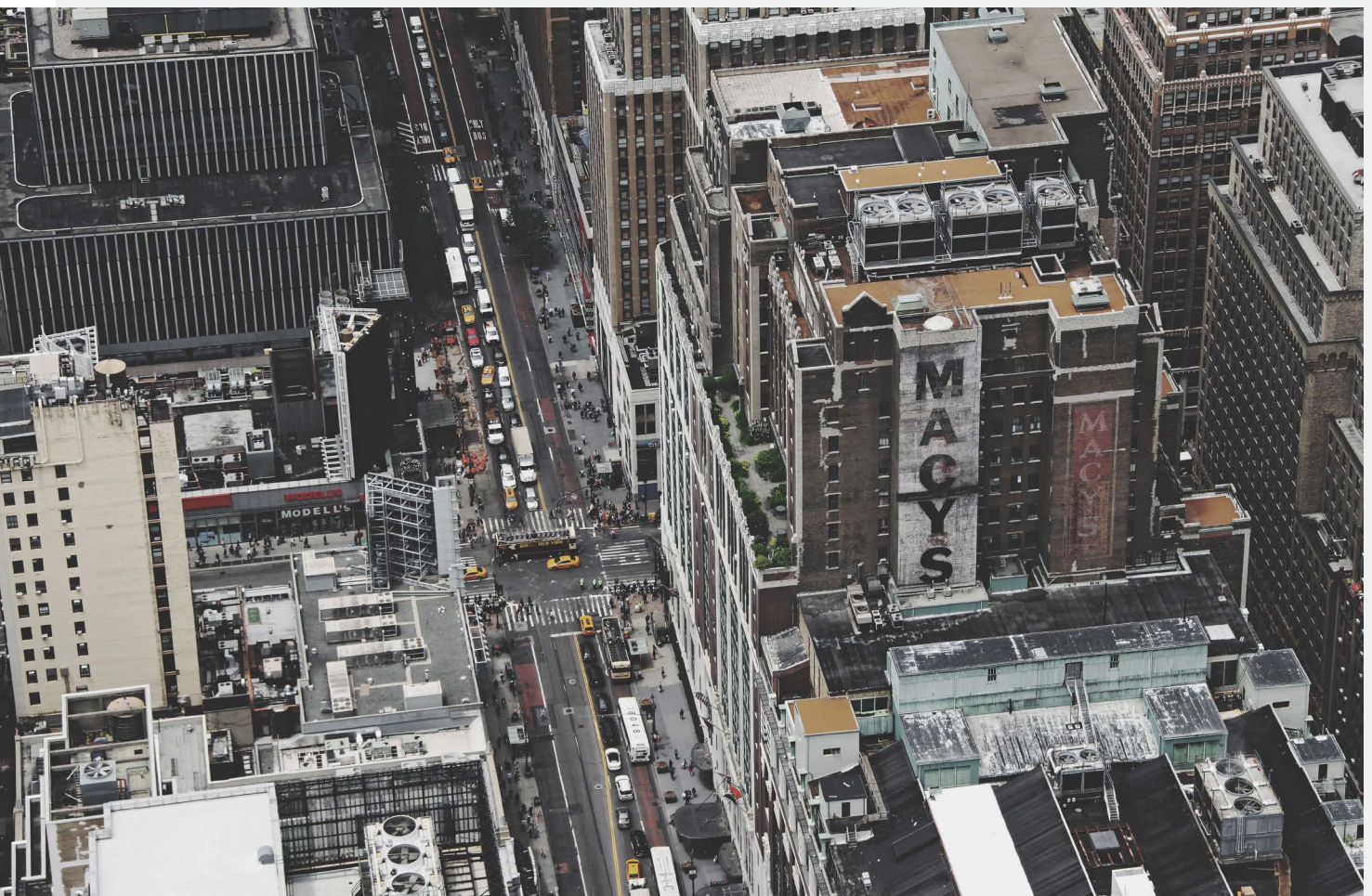
2 Influencing the global agenda in times of change

The last quarter has seen significant influence and advocacy activities across our markets.

In the UK, we launched our landmark **UK commercial real estate impact report**. The report was produced in collaboration with key leaders from across the sector and set the blueprint for the future of co-created, sector-specific research that RICS will be conducting going forward. The in-person launch event was attended by Emran Mian, Director General for Decentralisation and Growth at DLUHC, where he endorsed the robustness of the report.

'Excellent report, thanks to Phil Clark, Dominic Collyer and fellow panel members for the enjoyable presentation and discussion.' **Megan Walters, Global Head of Research, Allianz**

'A pleasure to be involved and well done you and RICS for grabbing the bull by the horns to progress the agenda.' **Neil Odom-Haslett, Head of Commercial Real Estate Lending, abrdn**



Other highlights from across the globe

RICS is now a strategic partner for the **World Cities Summit**, which will be held in Singapore in July, and delivered by the Singapore government entity **Centre for Liveable Cities**. This will be a key opportunity to showcase RICS' thought leadership in the region and build stronger links with the government.

We have continued to have high downloads across our suite of market surveys and other RICS reports:

Survey	Downloads
UK Residential Survey	3,787
Global Commercial Property Monitor	361
Global Construction Monitor	347
WBEF Sustainability Report	580
UK commercial real estate impact report	359
Total	5,434

The World Built Environment Forum has continued to see high levels of engagement with content across all formats, with 20,093 web visits for the quarter.

Over the last quarter there has been a sharpened focus on diversity and inclusion. In April we signed a **Memorandum of Understanding** (MOU) with five other industry bodies – CIOB, ICE, RIBA, RTPI and the Landscape Institute – to drive forward the creation of a more diverse, equitable and inclusive sector, ensuring it is more representative of the society it serves.

Richard Collins, Interim CEO of RICS, commented:

'Improving diversity, equity and inclusion is a top priority for RICS and we recognise that true progress can only be made through effective collaboration. This MOU demonstrates our collective commitment to driving positive changes for the built environment.'



In March we celebrated **International Women's History Month** and International Women's Day. Through a host of in-person and virtual events, we celebrated the role of women in the profession. We also discussed the key issues and challenges that women face in work and life, and how we can collectively promote and support women in the profession. Our social media campaign to encourage engagement with these issues had a record 45.5K engagements and 600 comments.

3 Building trust through respected standards

The main highlight this quarter was the launch of RICS' **International Building Operation Standard (IBOS)**, a new approach to using data to manage and measure how buildings perform for people.

IBOS has been well received in the market, as the following testimonials show.

'We are delighted to have had the opportunity to support RICS in their ambition to develop international building operation guidelines for real estate. This is applied similarly at 22 Bishopsgate, a human-centred workplace in the heart of the City of London. 22 Bishopsgate champions better business through creating an inclusive community. Its purpose to bring together a diverse range of occupiers across numerous sectors, to create a workspace where people and ideas can thrive.' **Danny Lemon - Head, 22 Bishopsgate**



'In a clear, industry-wide document, IBOS helps to consolidate a range of strategies to support asset managers and developers in optimising user experience, health and well-being. Through internal monitoring and reporting, companies can track their progress, benchmark their performance and build upon targets in each given area. IBOS helps to ensure that post-construction performance remains a key consideration and metric for all existing and future buildings.' **Olga Turner Baker, MD, Ekkist**

RICS will continue to work with industry to increase adoption and recognition of IBOS, and drive recognition of RICS members' services in assessing and managing building performance. It has achieved global press coverage and 18 firms have adopted IBOS to date, including John Lewis, Legal & General and Sodexo.

Other standards adoption highlights

RICS was represented at OREX during March at the Oman Convention and Exhibition Centre. A key milestone was the signing of the International Fire Safety Standards (IFSS) by the Chair of the Oman Real Estate Association (ORA), Asim Zadjali.



RICS' suite of sustainability solutions continues to build traction in Scotland, with several high-profile adoptions, recognising the role of the chartered surveyor profession at the forefront of carbon management. The Scottish government confirmed it advocates for the use of RICS' **Whole life carbon assessment for the built environment** professional statement as part of its carbon management guidance for Scottish City Region and Regional Growth Deals:

'For building projects, The Royal Institution of Chartered Surveyors (RICS) Whole Life Carbon Professional Statement should be applied. This document addresses the emerging understanding of the importance of embodied carbon in building projects and is compatible with other approaches to building sustainability. The RICS whole life carbon approach identifies the best overall combined opportunities for reducing carbon and helps to avoid any unintended consequences of focusing on operational emissions alone.' **Carbon Management Guidance for Projects and Programmes**

The professional statement was also formally adopted at local authority level, with Midlothian Council mandating its use on all new housing projects.

The Scottish Futures Trust also agreed to promote the use of **International Cost Management Standard 3 (ICMS3)** as part of its Net Zero Public Sector Buildings Standard.

RICS was delighted to support the Scottish Land Commission's recent Rural Land Market Insights Report, which combined **RICS' Rural Land Market Survey and Farmland Market Directory** with proprietary research to provide greater transparency on supply and demand.

This understanding is crucial to ensuring that investment in natural capital and carbon sequestration is done in the local and public interest.

Hamish Trench, Chief Executive of the Scottish Land Commission, said:

‘This report shows what is happening in the rural land market and helps us understand why. Emerging carbon and natural capital value is an increasing influence, but other drivers, particularly high timber prices and forestry values remain significant.’

International Cost Management Standard (ICMS) continues to gain interest across the world. The Port Authority of New York are now looking to undertake project work using this standard, and RICS has been working with the Government Property Unity and Defence Infrastructure



Organisation on the use of ICMS, all of which helps build recognition for the value of the RICS qualification in the market.

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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