

CORPORATE REPORTING

# Global performance report Q1 2023



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# Our key numbers

## CANDIDATES AND DESIGNATIONS

399

new professionals awarded RICS designations

344

professional assessments

1,964

new candidate enrolments

## TRAINING AND CONFERENCES

26,550

registrations across our portfolio

8,765

viewers for digital seminars and CPD

## WORLD BUILT ENVIRONMENT FORUM

14,213

unique visitors to our content





## Financial update

The first quarter operating result is slightly above budgeted expectations at £0.74m (budget: £0.66m). This is driven by a strong performance on subscriptions and other income received in specific areas (DRS). However, this may be offset by anticipated operating costs.

Cashflow is slightly below budgeted expectations, but this is fully expected to reverse in the coming months due to improvements in working capital management.

The Executive team is confident that the full year forecast remains on target to achieve budget.



# Introduction

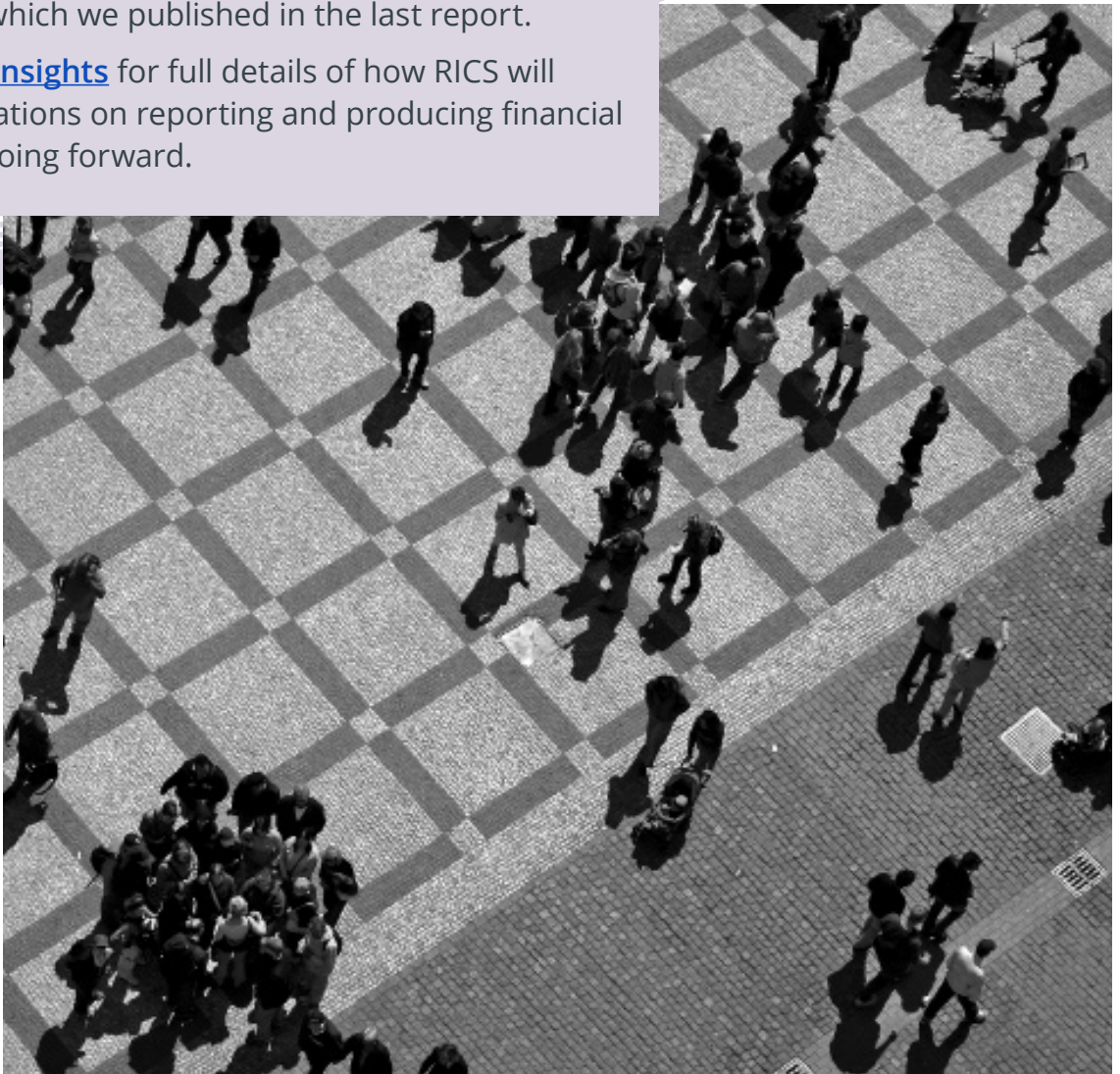
This report covers RICS' performance from January to March 2023. RICS made continued progress against our strategic objectives in this period, with positive developments towards our goals for adoption, thought leadership, membership and corporate performance. This takes place alongside successful ongoing collaboration with RICS members and stakeholders to continue our transformation.

## New reporting schedule and structures

This is the first quarterly report to be published under the new schedule, as announced by RICS Governing Council in July 2022, with the aim of reviewing RICS' performance against our business plan alongside subscription renewals, budget allocation and the ongoing transformation.

The report comprises activities delivered within the distinct responsibilities of the RICS Board and those of the independently led Standards and Regulation Board (SRB); these each report separately and directly to RICS Governing Council, in line with the council's regulatory framework, which we published in the last report.

See [News & Insights](#) for full details of how RICS will fulfil its obligations on reporting and producing financial statements going forward.



## Empowering members to lead change

In January, Ann Gray FRICS became RICS President and Chair of RICS Governing Council, following Martin Samworth FRICS becoming Chair of the RICS Board in December. Each bring significant experience to their new roles. I welcome them both and look forward to supporting their leadership of the institution and delivery of RICS' transformation.



Elsewhere, throughout Q1, RICS published a range of opportunities to enable members to take a greater role in leading change and accountability across the institution. This is in line with the aim to fill to up to 60 positions in the first half of 2023 as part of our transformation, encompassing both elected and appointed roles. Advertised positions included:

**2 Senior Vice President positions**

**20 Governing Council seats**

(comprising 6 professional disciplines, 13 geographic seats and 1 young member seat)

**membership of the Europe World Regional Board**

**a member of the RICS Audit, Risk, Assurance and Finance Committee and**

**a new Chief Executive Office for the organisation.**



Following the initial application period, the window for Governing Council elections was extended, with the aim of providing opportunity for the broadest range of candidates covering a range of backgrounds to register interest. [A new Governing Council](#) is intended to be in place by 1 July 2023.

I thank members who provided feedback on the processes, and who either applied or nominated others for any of the positions advertised.

## Leveraging speciality member expertise to the public advantage

Governing Council approved a key milestone in the development of professional group panels (PGPs) at the start of the year, with a decision that six initial groups should be created:



construction

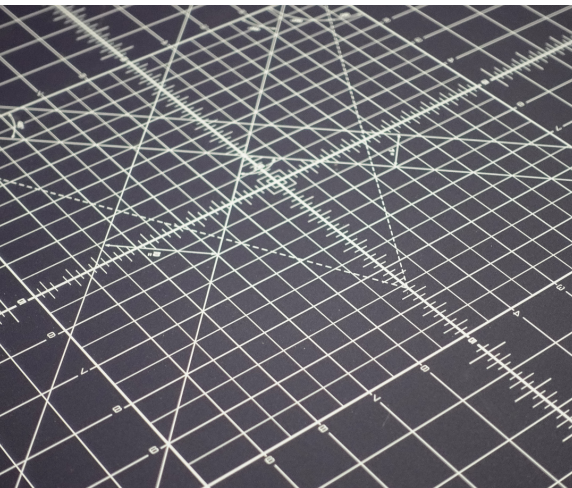
residential property

valuation

land and natural resources

commercial property

building surveying and control



This milestone follows Governing Council's review of steering group recommendations and member feedback from consultation presented in December 2022; it supports the transformation goal of reflecting professional specialisms in RICS' governance and in building its institutional knowledge. It is also recognised that the Knowledge and Practice Committee should have flexibility to evolve PGP naming and count if required, working with the RICS Board and Governing Council.

Separately, in March the timeline for further PGP implementation milestones was confirmed, including the appointment of the Knowledge and Practice Committee Chair in May, and the advertisement of six PGP chairs and other member positions. Chair and member appointments are expected to take place between Q2 and Q3 2023. Groups are first due to convene in September or October 2023.



## Leading thinking and convening action on issues that matter

The World Built Environment Forum Week 2023 in January brought registered attendees together to discuss priorities and innovations that will define the future of the built environment.

Elsewhere, in March RICS hosted members and played a leading role at the annual MIPIIM gathering in Cannes as part of the Road to Zero coalition, which focuses on decarbonisation, measurement standardisation and promoting biodiversity through built environment initiatives.

RICS also marked LGBTQ+ History Month in the UK and Black History Month in the US in February, and Women's History Month in March (see page 10 for more detail).



## Securing the professional talent pipeline via improved experience

The new Assessment Platform was used for the first assessments in January 2023. Feedback from the first users has been encouraging. It is now being used for all assessments, except for candidates in the UK, who will use the system later this year.



## Delivering confidence in valuation methods and built environment decarbonisation

Through the Valuation Review Implementation Committee, reporting to the SRB, in February RICS began consulting on the use of discounted cash flow in real estate investment valuation, as part of implementing the Valuation Review recommendations. The consultation sought views on measures intended to future-proof practices in real estate investment valuation, aiming to build understanding and deliver clarity on the appropriate application of this method in support of the public interest. The SRB also advertised for the role of Chair of the Valuation Assurance Committee.

In March, we began consulting on a second edition of RICS' *Whole life carbon assessment*. The update builds on the success of the first edition in establishing a global benchmark for consistent carbon measurement across all project stages, and is the product of collaboration with members, stakeholders and other internationally recognised professional bodies.



## Member engagement and support

The Member Services Steering Group (MSSG) (formerly the Member Engagement Experience and Value working group) was formed in September 2022 and is a collaboration between RICS staff and members. Its purpose is to deliver key initiatives that will align a staff operating model with market plans driven by members and stakeholders in our global markets.

## Member engagement roundup

The MSSG has listened carefully to member feedback, as well as conducting further outreach, and understands that what members want to see is

- more local relevance and context, which come from local support and local member involvement
- a greater mix of online and in-person engagement and
- the introduction of free continuing professional development (CPD).

In response to this feedback, RICS has put additional member-engagement resources in place across the UK and global markets to deliver increased levels of engagement.



**3,000**

members attended free CPD member-engagement webinars

**30**

free face-to-face networking events held globally

**+1,500**

members attended networking events in over 25 countries

**1,434**

members engaged in global and regional conferences

## Budget doubled

for member-engagement events in 2023 following work to secure funds by the MSSG

## 8.44%

overall customer satisfaction score achieved on our global market-led events (benchmark: 7.5%)

## 41.4%

member-engagement measures in 2022 (rising from 29% in 2021)

## 48%

overall global member satisfaction in the previous (2022) Survey of the Profession (an increase), with the MSSG focusing on driving further increases in 2023



'This conference not only allowed me to learn about the latest standards and trends in the world, but also about the similarities, differences and trends in standards and forms in Europe and various European countries'.  
(Attendee feedback, RICS Europe Townhall meeting)



### Next generation

We want to ensure that we provide the best possible experience, support and career progression and that we reinforce a culture of respect and inclusion for the new talent joining us.

RICS Matrics is a gateway for looking after the interests of entering members or early career surveying professionals. A key Matrics priority for a sustainable and successful future of the profession around the globe is to ensure that it is more accessible, inclusive and modern.

## UK and Ireland Matrics activities

The additional support for Matrics communities in the UK and Ireland (UK&I) to provide an increased focus on newer members has created more opportunities for early career professionals to network and share best practice as their careers evolve.

**30** UK&I local committees with a regional chair tier, with a segue to the UK&I World Regional Board

**1,000** Matrics members engaged via events activities

**£5,376** raised (to date) for Lionheart through events and Chair of UK Matrics board's chairs' challenge

## Matrics committee vision launched to be a network that enables personal and skills development

**42**  
Matrics events held

**41%**  
of committee chairs are women

'It feels as though Matrics is running better than I've ever known it to have done, to be honest. We have clear processes in place for planning out the months ahead, getting events booked in and the requirements by RICS for getting our events set up'.  
(Matrics Chair, Brighton)

## Global Matrics activity

The initial focus of the post-Covid restart of Matrics has been on the UK market. However, the framework and intent are to drive Matrics globally. We have already started work in Europe and APAC to build and grow new and existing Matrics groups.



## World regional boards (WRBs)

- The five WRBs (APAC, UK&I, Europe, MEA and Americas) have transitioned into RICS governance bodies as part of the ongoing transformation programme. Their main purpose is to deliver the agreed RICS strategy at a world regional level by overseeing plans and allocating resources to the nations within that region.
- This change gives boards more autonomy to set out priorities relevant to their markets, supported by regional business plans.
- More budget has been allocated to WRBs to enable them to better engage with their local membership and deliver further member activities through funded market plans.

Further changes are underway to align our efforts to support members and drive local relevance collaboratively, including more effective member engagement and communication. With this new approach, we will see reinforcement of what makes RICS the most sought-after professional status globally through a reimagined member-staff partnership.

'Matrics feels like it's going in a great direction and hopefully we can keep it going into the coming years'.  
(Matrics Chair, Cambridge)



## Thought leadership

In this quarter, our thought leadership and advocacy activities have advanced the role of the profession through engagement and influence with key external stakeholders across the globe. This helps to create demand for the profession's expertise, develop a sustainable business environment and ensure that the profession continues to work for the public advantage.

## World Built Environment Forum (WBEF)

Our [World Built Environment Forum Week 2023](#) in January saw attendees come together to discuss priorities and innovations that will define the future of the built environment.

Delivered across four time zones, the week-long programme featured leading speakers from across the sector who shared their thoughts both online and in-person, marking a positive start to the year's programme.

We received positive feedback from both speakers and attendees.

Further in-person WBEF gatherings for 2023 have been announced, which will take place in New York in June and Venice in October.



**+2,000**  
registered attendees

**130**  
leading speakers

'It was a privilege to take part in WBEF Week 2023 as a speaker with an engaged and experienced panel sharing insights that will hopefully assist RICS' members'.  
(Speaker, Cheryl Cairns, Partner, Trowers & Hamlins)

'A very comprehensive, insightful and engaging week of sessions and speakers, highlighting the key challenges and identifying potential solutions to a broad range of topics concerning the built environment'.  
(Attendee, Kieran Morgan FCIArb FAIADR, Construction Lawyer and Arbitrator)



## Wider thought leadership work

We have seen good levels of web traffic across the WBEF platform.

And in terms of our wider thought leadership work, we have again seen a keen interest in the use and reporting of our economic analysis and commentary.



**+14,000**

unique visitors to the WBEF platform

**+3,800**

downloads of our reports

We've also had extensive press coverage:

- [Budget 2023: How to fix London's 'toxic' housing market](#) | Evening Standard, March
- [Why UK house prices could plunge by 20% after the latest interest rate hike](#) | The Guardian, January
- [Daily Telegraph](#) | 'For many, the most accurate picture of the state of the housing market (and the place to find pretty reliable forecasts) is the Royal Institution of Chartered Surveyors' monthly residential market survey', February.



## Diversity, equity and inclusion

In February, RICS marked LGBTQ+ History Month in the UK and Black History Month in the US. In March, we marked Women's History Month.

Under these themes, we saw many well-attended gatherings and conversations take place that showcased inspirational professional stories and celebrated achievements, but, more importantly, which focused attention on progress that needs to be made.

Events included a mentoring session with President Ann Gray FRICS in attendance at Great George Street, and contributions from President Elect Tina Paillet FRICS.



## Standards and regulation

The independently chaired Standards and Regulation Board (SRB) oversees standard setting, entry to the profession, and ensures that RICS-qualified professionals and regulated firms operate to RICS' Rules of Conduct and professional standards.

# Education and qualification

## New assessment platform

The new assessment platform has been in use since January 2023, and all regions are expected to be using it by June 2023. No major system issues have been reported, and deadline extensions have been provided in the small number of cases where system downtime occurred. See [New RICS Assessment Platform live](#).



## Quality Assurance Agency for Higher Education (QAA) (UK) Subject Benchmark Statement: review

Georgina Shaw (Head of Education and Qualifications Policy) has been appointed to the QAA review panel for undergraduate and postgraduate surveying degree standards, continuing RICS' long-standing involvement in helping to set educational standards. See [The Quality Assurance Agency for Higher Education \(qaa.ac.uk\)](http://qaa.ac.uk).

**344**

assessments from January–March 2023

**399**

individuals elected AssocRICS or MRICS

**+1,700**

candidates submitted for AssocRICS and MRICS assessment (including those through a direct entry route from another professional body/regulator)

# Standards and professional development

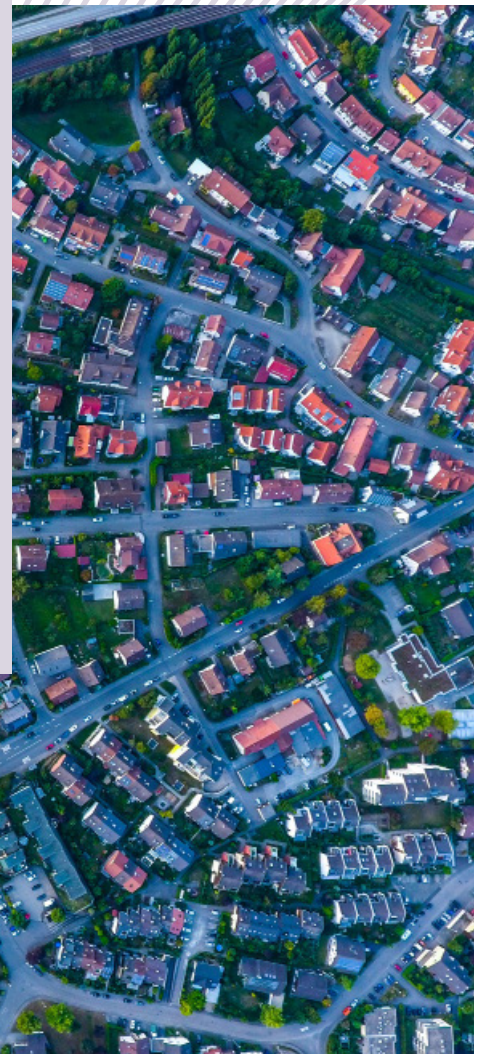
## Implementing the Investment Valuation Review

RICS has continued to work with the [Valuation Review Implementation Committee](#) to implement recommendations on the valuation of real estate investment assets from the Pereira Gray review, including:

- consulting on the use of discounted cash flow (see [RICS valuation review – launch of consultation focusing on DCF valuation](#)) and
- implementing proposed changes to the governance of certain valuations in the UK, following consultation.

## Prudential Regulation Authority consultation

RICS responded to the UK Prudential Regulation Authority's (PRA) [consultation on proposals to implement Basel 3.1 rules](#). RICS submitted that the optimum approach to implementing a prudent valuation framework would be to adopt a single, consistent, market-wide measure of cycle risk as opposed to at the individual property level. RICS continues to engage closely with the PRA and industry.



## Whole life carbon assessment standard

A consultation on proposed revisions to this critical standard ran from March to April.

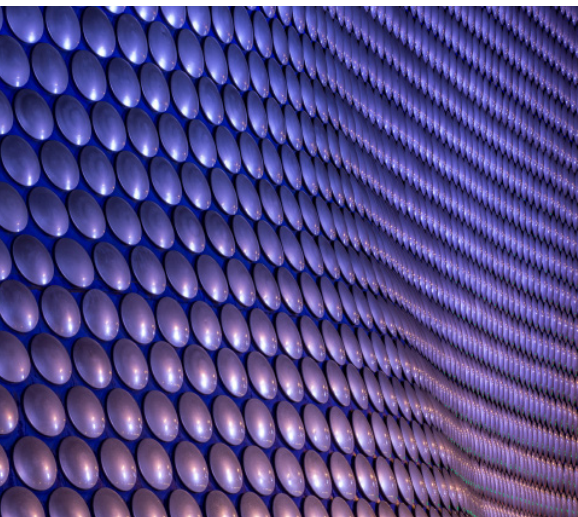
It is expected that whole life carbon assessments will become central for development and that disclosures will become mandatory throughout the life cycle of built assets.

- See the current edition of [Whole life carbon assessment](#).
- See the [Whole life carbon assessment consultation](#) (now closed).



## Agricultural tenancies

RICS met with Baroness Rock, author of the 2022 [Rock Review](#) on tenant farming in England (commissioned by the UK government), to offer support with delivering improvements in the agricultural tenanted sector. In collaboration with other industry stakeholders, RICS proposes to lead the development of a code of practice for land agents.



## Building safety and cladding

RICS provided evidence to the UK government's Department for Levelling Up, Housing and Communities Select Committee on building safety and building remediation.

We are closely engaged with the Building Safety Regulator (BSR) to create an approved route for chartered building control surveyors to register for authorisation under new BSR competency arrangements. Similar work will follow for other roles within the scope of the new regulator.

# Regulation

## 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:

**9,974** RICS-regulated firms

**112,676** individual professionals

**28,546** trainees (candidates)

**16,267** Registered Valuers

In this quarter, we have received 502 concerns about RICS members or firms from members of the public, other members or clients.

**129**

new investigations opened

**88**

investigations closed

**95.31%**

global CPD compliance rate for 2022 (as of 31 March)  
(annual CPD campaign concludes in April)

## Dispute resolution service (DRS)

- In the construction sector, we have seen an increase of 13% (40 applications) compared with the same period in 2022.
- In the commercial sector, warehouses have seen accelerated growth due to increased numbers of parcels from online purchasing. This has resulted in more distribution/industrial warehouse properties coming for review.
- RICS DRS, our Canadian partners ADRIAC (ADR Institute of Canada) and ADRIA (ADR Institute of Alberta) have been appointed as the joint construction adjudicator nominating authority for the province of Alberta. Six applications have been received since the appointment in March.
- We are working with ADRIAC and its French Quebec affiliate, IMAQ (Institut de médiation et d'arbitrage du Québec), on a joint bid to be appointed an adjudicator nominating authority for the whole of Canada.
- The Future for Infrastructure Group (FIG) has invited DRS to join a roundtable discussion with the Ontario Roadbuilders' Association to discuss the potential use of the RICS conflict avoidance process (CAP) on government-funded road, rail and bridge-building disputes.
- DRS is setting up an RICS register of dispute board members to cover the United Arab Emirates (UAE) and the wider Gulf region in response to enquiries about how to adopt conflict avoidance measures in the construction sector in the UAE.



## 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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