



CORPORATE REPORTING

Global performance report

August – December 2022



1,885

new professionals awarded RICS designations

3,422

new candidate enrolments

32,993

viewers for digital seminars and CPD

1,928

professional assessments



Over

49,995

registrations across our training and conferences portfolio

32,874

unique visitors to our World Built Environment Forum content



Financial performance

The five-month performance for August–December 2022 is in line with budgeted expectations. Revenues and margins are slightly up on budget, and staff costs and operating costs are slightly worse than budget, delivering an overall operating result of £1.0m compared with a budget of £1.0m.

The five-month period has been one of controlled operational spend in order to:

- ensure we deliver on the recommendations from the Bichard Review and
- continue the work required on our IT infrastructure.

Both are on track as we move into 2023.

It is promising to see that, at the end of December, our 2023 subs campaign was ahead of expectation, and we have now moved away from the annual need for external financing over the winter period. This ensures that RICS has a strong foundation from which to deliver our 2023 plans, allowing us to focus on the future of RICS with confidence.

1 Delivering confidence for public advantage



Interim Chief Executive Officer's introduction

This report covers August to December 2022, and I am pleased to report strong performance towards our strategic objectives in this period. We delivered substantial progress against our goals for standards, thought leadership, membership and corporate performance alongside the ongoing transformation being delivered in partnership with RICS members and stakeholders.

Change in reporting schedule

The publication of this report marks a change in reporting practice, in line with RICS Governing Council's decision, announced in July 2022, to align RICS' financial year with the membership year. Both will now run from January to December. This change aims to support transparency by enabling members and stakeholders to scrutinise more easily RICS' performance against our business plan alongside progress on subscription renewals, budget allocation and our ongoing transformation.

From now on, quarterly and annual reports will be published at the relevant interval under the new schedule. The next report will be published in April 2023 and will cover quarter 1 (January to March 2023). **Financial year change** provides full details on how RICS will fulfil its obligations on reporting and producing financial statements as a result of the changes.

Driving forward transformation, transparency and member empowerment in the public interest

The final month of 2022 marked an important moment for RICS' transformation as a member-led organisation with the public advantage at its heart, with the phase-one recommendations of the Bichard RICS Review

being completed. Eight out of a total of 36 recommendations were completed between June and December 2022, including:

- strengthening independent regulation under the Standards and Regulation Board's exclusive responsibility (see [New RICS framework for increased autonomy of regulation of surveying](#) for further information).

I would like to thank RICS members and staff, whose exceptional commitment and collaboration have made such remarkable progress possible in such a short period of time across the many strands of this vital programme. The [Richard RICS review timeline](#) shows the ongoing delivery milestones for 2023.

Leading on issues that matter

RICS continues to lead debate and convene stakeholders to deliver a positive impact on issues of importance for the natural and built environment and wider society as part of our public advantage purpose. In September, we began seeking additional data on the demographic diversity of the profession. This forms part of our efforts under the [Memorandum of Understanding action plan](#) on equity, diversity and inclusion, which was signed by RICS and six other membership bodies to:

- create a more inclusive sector and
- develop better-targeted RICS initiatives and services.

RICS also led collaboration and conversation on ways to mitigate the effects of climate change (see [Key takeaways from COP27 for RICS professionals](#)). This included the publication of policy



recommendations in the [Decarbonising UK real estate report](#) as well as participating at the gathering of global leaders at COP 27 in November. The latter covered initiatives including the [Net Zero Carbon Building Standard coalition](#), in which we are playing a leading role and on which RICS members were invited to share perspectives and expertise regarding developing relevant standards via a [call for evidence](#), which closed in December.

Further member consultation took place on the establishment of professional group panels. Proposed reforms aim to gather and reflect more effectively in the institution's governance the perspective of members' specific professional disciplines. Findings were presented to Governing Council and a steering group was formed to consider feedback in December.

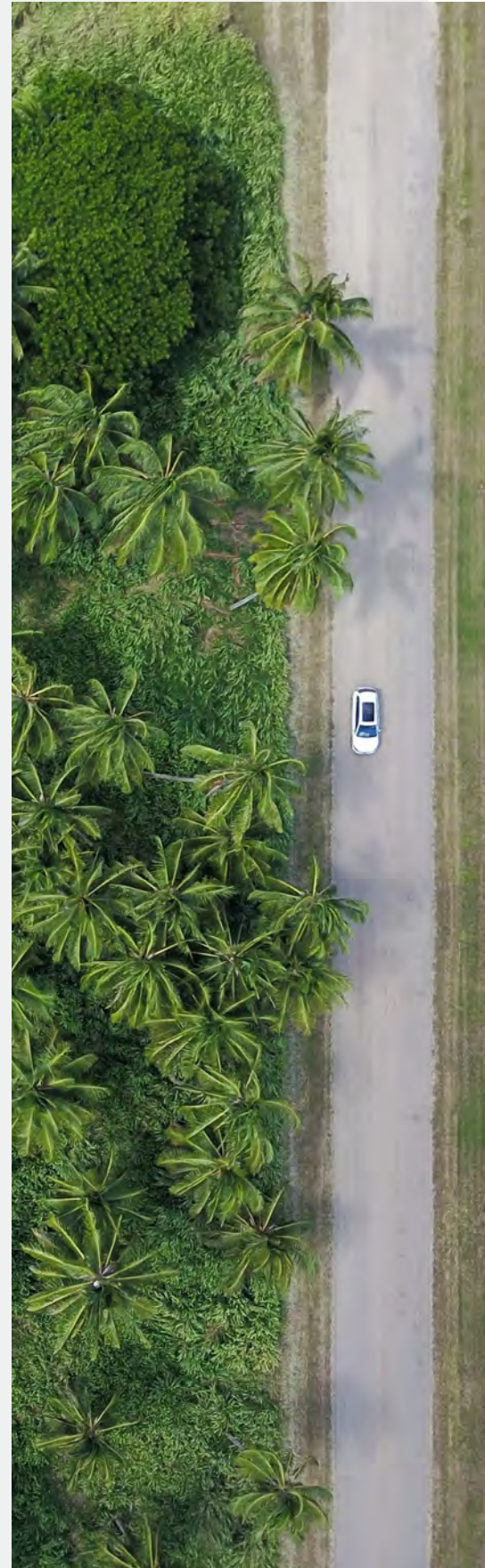
Members' views shaping RICS services and future activity

The most recent survey of the profession concluded in December. It provides an important temperature check as to member sentiment in the preceding six months as well as important insight into members' priorities for the ongoing development of RICS' activity and services. The data show continued improving sentiment among members across major measures of net satisfaction, trust, influence and advocacy. These results can be seen as an encouraging continuation of the trend observed in the previous research wave (see [Q4 2022 report](#)), in which members reported broad satisfaction with the benefits being delivered by the transformation and an endorsement of its direction of travel. This wave also saw an improved response rate of 5.1%, a return to levels in line with historic averages.

As always, the insights uncovered in this research will further deepen and refine RICS' understanding of members' needs and priorities. We will ensure that they are used to inform and support the ongoing transformation that members are leading. Data from this most recent wave will be published in early 2023 alongside analysis of results for the full year, ensuring transparency.

Delivering the next generation of professional talent

Following extensive development and testing, the new RICS Assessment Platform came online in December. The new system provides a single location for candidates, assessors, counsellors and development staff in firms to manage and access relevant information and activity related to the assessment journey. It marks a significant step forward in functionality and



ease of access, and is designed to facilitate a smoother experience for all involved in the over 5,000 assessments delivered each year for associate and chartered qualifications. See [New RICS assessment platform live](#) for full guidance on the new system.

Leadership roles

At the Annual General Meeting on 8 December 2022, [Ann Gray FRICS](#) was confirmed as RICS President and Chair of RICS Governing Council for 2023. Her 12-month tenure for both roles began on 1 January 2023.



Separately, following a process overseen by the Nominations and Remuneration Committee, [Martin Samworth FRICS](#) was appointed Chair of the RICS Board. I welcome them both to their roles and, in my capacity as Interim CEO, I look forward to supporting them in their leadership of the institution.



Finally, the Nominations and Remuneration Committee decided to relaunch recruitment for a permanent executive lead for RICS after no appointment was made for the role of Director General, advertised in the autumn of 2022. The role has been updated as a Chief Executive Officer post.

Richard Collins

Richard Collins
Interim Chief Executive Officer



2 Influencing the global agenda in times of change

From August to December 2022, there were significant outputs that contributed to RICS' and our members' increased global impact and influence across the globe.

In September, we published the second edition of the **RICS sustainability report**. Compiled with responses from over 4,000 RICS global members from across commercial real estate and construction, it highlighted the continued shift towards demand for green buildings, as well as the increasing use of technology to create a more sustainable construction industry.

The report was and continues to be cited by many leading organisations, as well as being covered by trade press across all of our world regions.

In terms of engagement, it has performed well:

- 7,048 page views from 5,168 page visits
- 1,697 downloads.

In November, we launched the **Decarbonising UK real estate report**. This provides a forensic look at the current UK policy framework around the decarbonisation of domestic and non-domestic buildings. It called for a series of policy reforms and highlighted the role RICS and our members can play in achieving the ambitious net-zero targets by 2050. These include:

- modernisation of the Energy Performance Certificate (EPC) scheme
- establishment of a UK-wide retrofit programme and
- a whole-life approach to measuring carbon emissions with metrics and benchmarks to regulate emissions in line with climate targets.

In the two months since it launched, the report has generated significant interest:

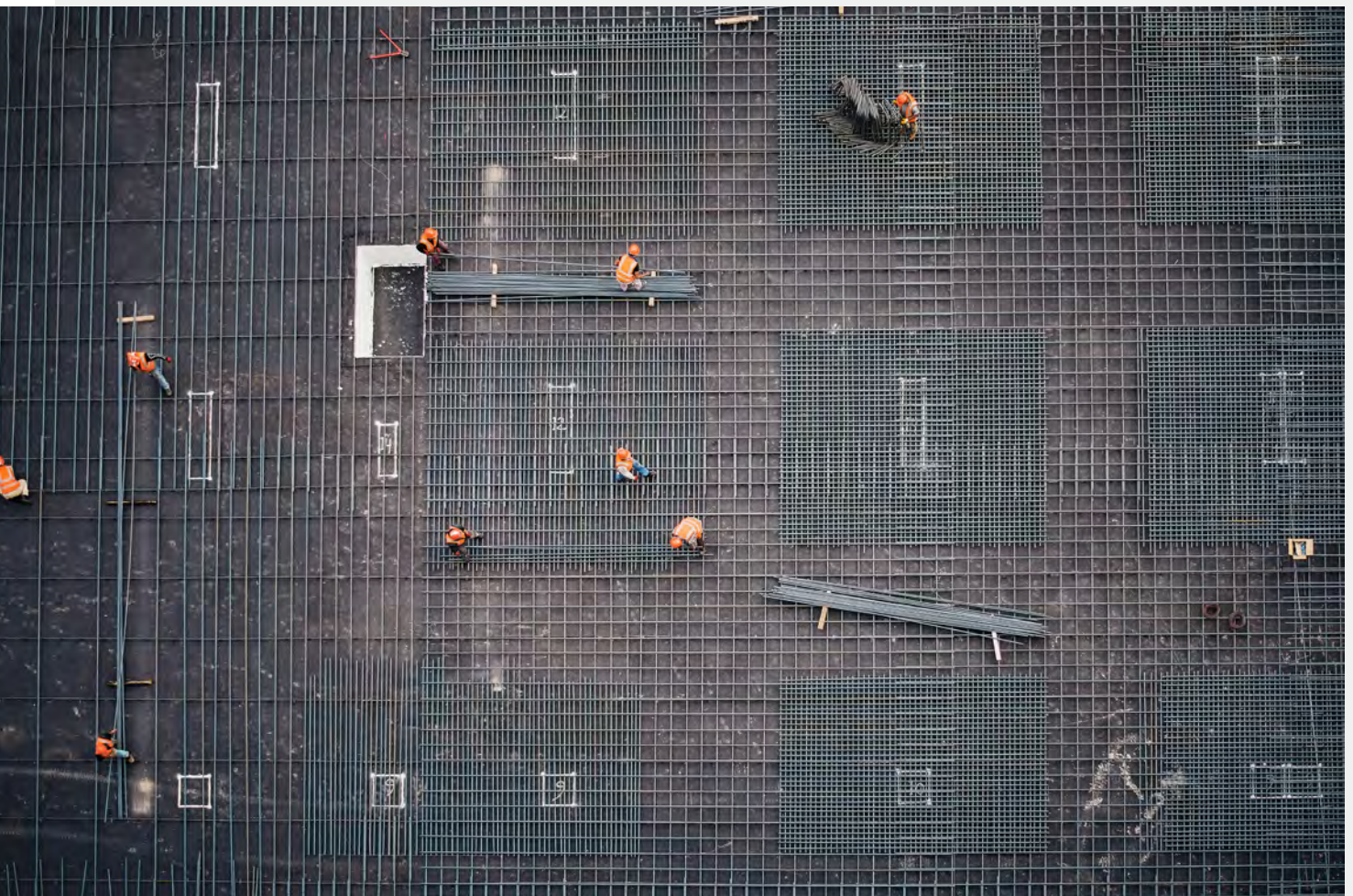
- 1,975 page views from 1,647 visits
- 1,077 downloads.



The Development Bank of Wales is working with RICS to develop a range of finance options for retrofitting private-sector homes, incorporating RICS surveys and our advice on EPCs to support this work. Officials from the bank were keen to learn more about our work in developing retrofit standards, the role of Home Surveys and how valuations are influenced by sustainability.

RICS continues to demonstrate leadership on sustainability in Wales. RICS' **Whole life carbon assessment** has been recognised by a consortium of Welsh local authorities which has endorsed its use and is embedding it within its frameworks, such as the Cardiff Carbon Standard. The Welsh government has also acknowledged the important role that RICS plays in supporting decarbonisation by requiring entrants to a net-zero school competition to demonstrate good use of standards including RICS' *Whole life carbon assessment* and the Built Environment Carbon Database.

The Strategic Investment Board Northern Ireland has adopted RICS' *Whole life carbon assessment*, specifying its methodology in their guide to achieving net-zero carbon outcomes for non-domestic public-sector buildings. The guide also promotes to government construction clients the need to use chartered building surveyors to undertake condition surveys to understand assets being renovated/refurbished and to support the retention of original structures and features. Similarly, Northern Ireland's Department of Finance has been working with RICS on cost and carbon measurement: in its Sourcing and Construction Toolkits it sets out the **International cost management standard** (ICMS) and **New rules of measurement** as best practice in recognition of the role that chartered surveyors play in delivering sustainable capital projects.



Economic analysis

We continue to receive high levels of engagement and consumption of our market surveys:

- Total webpage views – 8,135 from 5,932 visits.

The table below shows a percentage breakdown of visitors.

Surveys and products	Percentage of visitors
UK Residential	43%
Global Commercial Property Monitor	14%
UK Economy and Property Market Update	12%
Global Construction Monitor	5%
Valuation Dashboard	4%
Market surveys	21%

Due to the current position of the UK housing market, the UK residential market survey has received significant coverage across broadcast, national, local and trade press, such as:

[UK commercial property extends downturn as investors retreat: RICS](#) | Reuters

[RICS: 'Storm clouds are visible in the housing market'](#) | estateagenttoday.co.uk

[Why UK house prices could plunge by 20% after the latest interest rate hike](#) | The Guardian

World Built Environment Forum (WBEF)

WBEF has continued to discuss key macro themes across the built and natural environment. We saw significant engagement with our content from August to December, as evidenced by:

- Ten webinars
- Total number of registrants – 2,571
- Total number of attendees – 1,082.



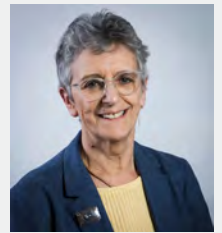
3 Building trust through respected standards

Working under the oversight of the independent Standards and Regulation Board (SRB), RICS continues to support public and stakeholder trust through advancing standards of practice in surveying across the built and natural environment.

In December 2022, working closely with the UK government, we delivered another key milestone in unlocking the lending market for flats affected by cladding through the publication of the [Valuation approach for properties in residential buildings with cladding](#). The guidance received support from the Secretary of State and has been welcomed by all market stakeholders. We will continue to review its impact in the first half of 2023, including agreeing related arrangements in the devolved UK nations.

The Chair of the SRB, Dame Janet Paraskeva, said:

'Our role is to safeguard the public interest. The protections brought into law for leaseholders and the pledge made by the lending industry to provide mortgages on properties covered by these protections have enabled us to provide guidance to valuers, ensuring a consistent approach for their lender clients. This brings much-needed confidence to buyers, sellers and the market as a whole.'



During the last quarter of 2022 (October–December), we ran a key consultation exercise to help inform RICS' approach to the implementation of the Pereira Gray [Review of real estate investment valuations](#). The consultation proposed changes to RICS' rules on valuer independence, incorporating a mandatory firm-rotation cycle. It gathered feedback from valuers, institutional investors, industry bodies, major audit firms, other regulators and the audit profession. During 2023, the SRB will decide on its policy in this crucial area.

We continued our work with the UK government and industry stakeholders on proposed interventions around leaseholder transparency concerns, which were identified in a recent Financial Conduct Authority report on building insurance. Closely linked to this, in the period October–December 2022, we finished consulting on updates to RICS' *Service charge residential management code*, which is recognised as the common industry standard in the leasehold sector. The review will result in a fourth edition being published in 2023, with

the aim of maintaining its wider recognition while applying it as a mandatory standard for RICS members and firms.

In other parts of the UK, RICS remains a critical partner for the Welsh government and the housing sector in tackling building safety challenges. RICS was asked by the Welsh government to develop valuation guidance for its Leaseholder Support Scheme, a landmark initiative to support residents living in a cladding-affected property by purchasing the leasehold and enabling tenants to move. The Welsh government has also approached RICS to support its remediation and funding plans and has enabled RICS' *Valuation approach for properties in residential buildings with cladding* to apply in Wales (see [Safer buildings in Wales update](#) for more).

'RICS continues to work extensively with the Welsh government and partners to develop a robust, properly resourced building safety framework in Wales. This includes training a significant number of new EWS1 assessors, creating guidance that protects leaseholders from picking up unfair costs and helping to unlock the housing market'. (Sam Rees, RICS Senior Public Affairs Officer for Wales)

Global adoptions and activities

In Europe, RICS has been selected as one of the official partners of the [New European Bauhaus](#) initiative. This programme aims to bring the EU Green Deal into everyday life by transforming experiences in buildings and public spaces.

- The partners community includes organisations from all over Europe that support the values of the initiative. Working closely with the European Commission, they will contribute to discussions about the next steps. RICS' contribution will be the importance of standards and the knowledge of our European members.
- As a partner, we will organise activities or projects through our thought leadership vehicle, WBEF. Key topics that we will address include legislation, education and skills to help build a sustainable and inclusive built and natural environment.

Since the publication of the Italian edition of [ICMS3](#), Assoimmobiliare, which represents real estate operators and institutional investors in Italy, has become part of the scientific committee set up by RICS to collaborate on the promotion and adoption of ICMS in Italy. Assoimmobiliare is





also the spokesperson for the regulatory improvement measures that the real estate industry proposes for an inclusive and sustainable development of the country.

Infrastructure Australia confirmed that it is using ICMS in costing all major Australian infrastructure projects. For its 2022 Market Capacity report, it also used ICMS as part of its methodology to provide greater certainty around costs in a period of significant cost uncertainty in the market.

In September, the ASEAN Quantity Surveyors Association (AQSA) became the 50th member of the **ICMS Coalition**. The declaration was signed by AQSA Chairman Dato' Sr Aziz Bin Abdullah and, together with RICS President Clement Lau, they signed a memorandum of understanding outlining a commitment to collaboration between AQSA and RICS on the sharing of international best practices across the ASEAN region.

The Indian Institution of Surveyors (IOS) became the first professional body in India to adopt ICMS 3. IOS also joined the International Land Measurement Standard coalition. It was agreed that collaboration opportunities would be explored for the development of the profession in India and to promote best global practices and standards.

The Bureau of Indian Standards has incorporated the **International property measurement standard** into its updated *Methods of measurement of works of civil engineering* standard.

RICS signed a memorandum of understanding with Shanghai Lin-gang Special Area Economic Development Co., Ltd. (SAE), which includes:

- standards adoption and promotion
- activities and exchanges on city construction and
- the training and introduction of more RICS talent into SAE.

Acting as the main developer (on behalf of the government) of the China Pilot Free Trade Zone, SAE is responsible for civil engineering, introducing industries, designing innovative functions and attracting investors to the opening-up of the modern service industry in the Lin-gang special area.

RICS has joined the Mechanism of International Sustainable Infrastructure Promotion (MISIP), which aims to facilitate and serve global sustainable infrastructure development. MISIP seeks to combine the efforts of all relevant parties towards the inclusive, low-carbon, climate-resilient, high-quality growth of sustainable infrastructure. It intends to be an open and collaborative partnership platform that will provide opportunities for cooperation on knowledge sharing, project financing, capacity building and other critical work streams.

In the US, RICS is serving on the Appraisal Foundation's Governance Steering Group, a body created by US Congress to create practice and qualification standards for appraisers (surveyors) in the US. It was developed to address issues around diversity and discrimination in the appraisal sector. Work is underway on a bridging document that will allow RICS members to demonstrate compliance with Uniform Standards of Professional Appraisal Practice (USPAP). This will allow RICS members conducting Red Book valuations to meet the experience criteria under USPAP for obtaining their state licence across the US. RICS is an international sponsor of the foundation.

In the Eastern Caribbean, as part of a broader training and consultation project, RICS has trained over 100 regional appraisers and financial services staff. We have seen adoption of Red Book and RICS qualifications by financial institutions and governments in Anguilla, Montserrat, and Turks and Caicos.



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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