

CORPORATE REPORTING

Q2 global performance report

November 2021 – January 2022





113,314

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.

1,807

new candidate enrolments at quarter end

888

new professionals awarded RICS designations at quarter end

6,054

downloads of economic surveys and insight papers



Over

18,377

registrations across our training and conferences portfolio

25,439

unique visitors to our World Built Environment Forum content



Financial performance

At half year, RICS' total financial position is £4.2m against a business plan of £0.3m. This puts the organisation in a very strong position to beat business plan and reflects the work on strengthening cost control that has gone into making the organisation financially sustainable.

- Revenue to half year is down £1.4m (3.7%) compared to budget, with commercial revenue making up most of the shortfall. In particular, knowledge and competence products sales have been impacted by the economic environment.
- Staff costs are better than budget by £2.8m (13.9%) driven by more than 100 vacancies not recruited.
- Other operating costs are £1.5m (15.6%) better than budget driven by further work on controlling costs and the inability to travel by staff and remote working.
- Projects and post review costs are underspent to the half way stage but this is largely timing
- From a cash perspective, 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 meant that we no longer have a reliance on any short-term seasonal funding.

1 Delivering confidence for public advantage



Interim Chief Executive Officer's introduction

At the start of the new year I issued a [membership update](#) and committed to consistent and transparent communication on a quarterly basis, which will be delivered here in our quarterly reports moving forward. Through our network of membership boards, external reviews and record participation in the latest [Survey of the Profession](#), we are listening to members and keeping their feedback at the forefront of our work to improve the Institution and our work, on members' behalf, for the public advantage.

This update, published alongside our regular quarterly performance review, covers a number of important initiatives where we continue to make progress. There is much more to do, and we remain committed to successfully delivering the changes we have promised and ensuring that the organisation is ready to rapidly progress with the implementation of further reforms which might follow Governing Council's consideration of Lord Bichard's review recommendations this Summer.

Implementing the outcomes of the independent review

At the [Annual General Meeting](#) held in December we announced continued progress in implementing the 18 recommendations from the Independent Review, which I'm confident will be completed by the end of our fiscal year in July 2022. The call for evidence for the [Bichard RICS Review](#) of purpose, governance and strategy closed at the end of January and the final report will be submitted to Governing Council by June 2022.

Member engagement, experience and value (MEEV)

Early in the new year we [published](#) the first round of outputs from the member-led working group driving positive changes for member engagement, experience and value, which included the launch of the new [Member Value Hub](#) and expanded offerings with new [Member CPD Support Packs](#). More outputs from the MEEV group are forthcoming as we work to ensure the membership experience with RICS is valued and of the standard our members expect and deserve.



Our commitment to diversity, equity and inclusion

In Q2 we also announced the establishment of a diversity, equity and inclusion oversight group led by Governing Council and work is currently ongoing to finalise the terms of reference and makeup of this very important team and the work they will do to advance equality and drive positive changes for the profession.

Upholding standards

The independent Standards and Regulation Board commissioned a **Review of Real Estate Investment Valuations** and accepted all recommendations from the review. Work is now underway to initiate programmes of work, with input from the profession and its stakeholders, to consider how they should be implemented to achieve the best possible outcomes in the public interest.

UK candidate assessments

After a major IT upgrade disrupted our assessment capabilities and caused major impact on UK and Ireland candidates, RICS staff and our incredible network of assessors went above and beyond to assess more than 550 candidates whose assessments were pushed into the new year. On behalf of all of us at RICS, I would like to thank our assessors for their unprecedented support and dedication to the profession.

We have made a number of process changes for future assessments, and I'm pleased to report that that Session 1 is progressing well. We have had 535 land and property candidates submitted and all are on track to be assessed on time. The submission window for built environment candidates opened on 24 March and I'm confident candidates and assessors will have a more positive experience this session.

In January we launched the **Review of Entry and Assessments into the Profession** to help us shape a better future and ensure the assessment process is keeping pace with industry changes and assessment best practice, and I thank all who have taken the time to participate.

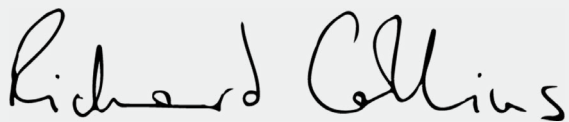
Membership renewals

I know membership renewal is a personal choice and not guaranteed, and for that I would like to thank all who have chosen to renew and continue your professional journey with us. I am proud to say that over 60% had renewed their membership at the end of January increasing to 79% today, and 94.98% of our members have now completed their annual CPD requirements (for 2021).

Leadership opportunities for members

In this quarter we also launched nominations for **RICS Governing Council strategy seat elections**, and applications for the role of **Senior Vice President**. Both involve excellent opportunities to lead the profession and we encourage all who are interested in playing an active role in shaping the future of the profession to apply.

These updates are merely a snapshot of all of that was accomplished in the second quarter of our RICS business year, and more progress and positive changes for our members will be delivered in the months ahead. While we are actively working to improve the value of your membership, we are always open to feedback on how we can improve member experience and work together toward a more positive future.



Richard Collins
Interim Global Chief Executive Officer



2 Influencing the global agenda in times of change

In January we held the 2022 edition of the World Built Environment Forum Global Summit.

Over 1,300 RICS members from 87 countries registered to attend to explore, examine, debate and discuss 'The Liveable City: Agile, healthy, resilient'. Contributors included the Global Infrastructure Hub, the World Green Building Council, McKinsey & Company and Microsoft.

The summit was well-received by delegates:

"It is one of the best international professional organisation for the built environment and worth joining their communities."

"A great insight into the high-level thinking that is looking to get the issues addressed regarding new and existing building stock to help in reducing the footprint generated by humans."

"I would say an excellent Real Property issues resource, but still biased in providing almost all its resources to "1st world" large economies."

Members can access the content on-demand for free. To request access please email wbef@rics.org

There has been a 20% increase in the number of unique visitors to WBEF content In the last quarter and a good level of engagement across our market surveys and thematic reports

Survey	Downloads
UK Residential Survey	4,001
Global Commercial Propety Monitor	412
Global Construction Monitor	573
WBEF Sustainability Report	1,068
Total	6,054



Dubai 2022
24-25 January

#WBEF



Other activity

Europe

RICS is a partner to the Green Building Council (GBC) Building Life campaign, aimed at tackling whole life environmental impacts of buildings and advising both EU and national decision making. GBC has agreed to create a sub-group on carbon accounting where alongside RICS and GBC sit the World Business Council for Sustainable Development (WBCSD) and the Building Performance Institute for Europe (BPIE). The starting point of this sub-group will be RICS' Whole lifecycle carbon assessment for the built environment (WLCE) guidance note. The aim is to work towards globally consistent carbon assessment of buildings.

APAC

RICS delivered a successful workshop together with the World Bank on the topic of Valuation of Unregistered Land. This was done at the request of the World Bank Headquarter and following an earlier session delivered to the World Bank Indonesia office and Indonesian Society of Appraisers (MAPPI). The workshop was attended by over 120 participants, mainly from the WB environmental, social development, land and legal teams.

UK&I

Following RICS submitting evidence to the House of Lords inquiry into meeting the UK's housing demand, with RICS highlighting its ongoing work with the Welsh Built Environment GCSE and the benefits of expanding it across the UK, the Committee has now backed the call to introduce a Built Environment GCSE across all four nations of the UK.

The Earl of Lytton FRICS and member of the House of Lords Built Environment Committee welcomed the report, commenting:

“We suffer from a substantial skills deficit in the built environment, which will impede future growth and prosperity of the sector and with it the quality of services and facilities on which we all rely. We need to be better at making it an attractive career choice, in the first instance by offering it as a subject in the formative years of education choices and capturing the imagination of young minds and I welcome the engagement of RICS in this challenge.”

Overall it has been a positive quarter, which has helped advance our standing as an influential thought leader.



3 Building trust through respected standards

This quarter saw the publication of the Review of Real Estate Investment Valuations led by Peter Pereira Gray

Responding to feedback and rapidly changing market dynamics, the RICS Standards and Regulation Board (SRB) commissioned a Review of Real Estate Investment Valuation. The Valuation Review's aim is to future-proof confidence in this important area of valuation upon which economies and the public rely most heavily. The Review's focus is on valuations relied upon directly by third parties, predominately for financial reporting purposes.

The review issued a number of key recommendations that have all been fully accepted by the RICS Standards and Regulation Board and will now instigate programmes of work to deliver on those recommendations

Review of Real Estate Investment Valuations

Standards adoption activity

A significant number of standards launched across all areas of RICS including:

- Sustainability and ESG in commercial property valuation
- International Cost Management Standard (ICMS)
- Responsible business framework
- Japanese knotweed and residential property
- Compulsory purchase: how is it working?
- Real estate registration and cadastre insight paper



Independent Review of Real Estate Investment Valuations

Peter J. Pereira Gray
December 2021

RICS standards recognition and adoption in the market

Singapore has launched a new Green Mark building certification scheme that incorporates the principles from the RICS standard Whole life carbon assessment for the built environment.

Desmond Lee, Minister for National Development in Singapore, stated that the certification is aligned with the UN's Sustainable Development Goals, taking reference from "leading international standards such as the Whole Life Carbon methodology developed by the Royal Institution of Chartered Surveyors".

Abu Dhabi Government have referenced the RICS Red Book Global Standards into their new Abu Dhabi Valuation Standard. RICS will be working closely with the government to train and support the licencing of valuers in the region.

The Scottish Government has signalled strong support to of the International Cost Management Standard (ICMS) and has signalled intentions to encourage industry to adopt the standard and related carbon guidance and the new BCIS Carbon Database.

Crown Commercial Services in the UK requires that all public estates services are delivered by RICS Regulated Firms so that all public estates management services are delivered to RICS standards.

RICS has collaborated with the Indonesian Society of Appraisers at the request of the World Bank to develop collaborative guidance on the valuation of unregistered land which is a significant issue in the region.



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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