

RICS PROFESSIONAL STANDARD

Property agency and management principles

Global

1st edition, October 2024

Effective from January 2025



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This document applies globally. If any of the requirements contained in this document conflict with national legal requirements in the country or region in which the regulated member is operating, those national legal requirements take precedence and must be applied.

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RICS standards framework

RICS' standards setting is governed and overseen by the Standards and Regulation Board (SRB). The SRB's aims are to operate in the public interest, and to develop the technical and ethical competence of the profession and its ability to deliver ethical practice to high standards globally.

The [RICS Rules of Conduct](#) set high-level professional requirements for the global chartered surveying profession. These are supported by more detailed standards and information relating to professional conduct and technical competency.

The SRB focuses on the conduct and competence of RICS members, to set standards that are proportionate, in the public interest and based on risk. Its approach is to foster a supportive atmosphere that encourages a strong, diverse, inclusive, effective and sustainable surveying profession.

As well as developing its own standards, RICS works collaboratively with other bodies at a national and international level to develop documents relevant to professional practice, such as cross-sector guidance, codes and standards. The application of these collaborative documents by RICS members will be defined either within the document itself or in associated RICS-published documents.

Document definitions

Document type	Definition
RICS professional standards	<p>Set requirements or expectations for RICS members and regulated firms about how they provide services or the outcomes of their actions.</p> <p>RICS professional standards are principles-based and focused on outcomes and good practice. Any requirements included set a baseline expectation for competent delivery or ethical behaviour.</p> <p>They include practices and behaviours intended to protect clients and other stakeholders, as well as ensuring their reasonable expectations of ethics, integrity, technical competence and diligence are met. Members must comply with an RICS professional standard. They may include:</p> <ul style="list-style-type: none"> • mandatory requirements, which use the word 'must' and must be complied with, and/or • recommended best practice, which uses the word 'should'. It is recognised that there may be acceptable alternatives to best practice that achieve the same or a better outcome. <p>In regulatory or disciplinary proceedings, RICS will take into account relevant professional standards when deciding whether an RICS member or regulated firm acted appropriately and with reasonable competence. It is also likely that during any legal proceedings a judge, adjudicator or equivalent will take RICS professional standards into account.</p>
RICS practice information	<p>Information to support the practice, knowledge and performance of RICS members and regulated firms, and the demand for professional services.</p> <p>Practice information includes definitions, processes, toolkits, checklists, insights, research and technical information or advice. It also includes documents that aim to provide common benchmarks or approaches across a sector to help build efficient and consistent practice.</p> <p>This information is not mandatory and does not set requirements for RICS members or make explicit recommendations.</p>

Glossary

Term	Definition
Agency	Businesses offering services for the buying, selling, leasing (in some areas known as letting) or management of property.
Broker	A person acting as an intermediary between the parties buying and selling real estate. In many jurisdictions this is a licensed activity.
Client	Any person, firm, trust, body corporate or other organisation instructing a property agent to act on their behalf for the buying, selling, leasing or management of property. This includes prospective clients. Where appropriate, this definition includes a client's properly appointed representative.
Commercial (property)	Any land or buildings being used in connection with a business. Commercial property can be subdivided into: <ul style="list-style-type: none"> • offices • retail • industrial (manufacturing, storage, logistics, data centres) • leisure (hotels, recreation, sports, music, arts, gaming) • public sector/infrastructure (education, civic administration, law and justice, health, transport) and • life sciences.
Complainant	An actual, potential or former buyer, seller, landlord, leaseholder, lessee or tenant making a complaint against a property agent or broker.
Contractor	A person or business appointed by a property agent to perform non-agency services.
Cooling-off period	A period of time after a contract is agreed where the client can cancel the contract without incurring a penalty.
Customer	An actual, potential or previous buyer, seller, tenant, landlord, leaseholder, freeholder or lessee.

Term	Definition
Dual fee	Where a property has been marketed with another agent or a client has used another agent for buying or letting in accordance with the relevant RICS standard or local guidance, where appropriate.
Joint agency	Where two property agents/brokers are instructed to sell the same property on agreed terms. It can also apply to management, where multiple managing agents operate on the same fund/client or, for mixed-use assets, specialist agents are used for different elements of the property but may have joint responsibilities for engaging on services for shared areas.
Lease/let (leasing/letting)	A lease is a contract outlining the terms under which one party agrees to rent an asset, in this case, property, owned by another party. Alternatively known as letting. In accounting terms under IFRS 16, a 'lease' is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.
Management	Managing property on behalf of a client, this can include individual properties, blocks and estates whether residential, commercial or mixed-use.
Mixed-use	A property that is used for more than one purpose, such as residential, retail or office.
Property agent	A company or individual employed to buy, sell, lease/let, rent or manage real estate. The term also includes those acting as brokers. Also known as a real estate agent.
Records	All written correspondence, file notes, contracts and agreements in hard or digital copy, or electronic communications including emails, texts and other forms of digital messages, including social media.
Residential (property)	A property used as a private dwelling, such as a house or flat in apartment buildings, irrespective of size. These may be owner-occupied or rented from a landlord.
Subagent	Instruction of a separate or related firm to provide agency services to the client on their behalf. Subagents may be used where specialist experience is needed, for example, for rural properties and listed buildings. Subagents can also be used as part of service delivery (e.g. subcontracting to a residential specialist).

Term	Definition
Third party	Business entities, charitable trusts, foundations, not-for-profit organisations or individuals that provide products or services directly to an organisation or its customers on the organisation's behalf outside of the client/agent relationship.
Valuation	An opinion of the value of an asset or liability on a stated basis, at a specified date. For a detailed explanation of what constitutes a valuation, see the current edition of RICS Valuation – Global Standards (Red Book Global Standards). The Red Book Global Standards include an exception covering the provision of advice in the expectation of, or in the course of, an agency instruction to acquire or dispose of an interest in an asset. The exception also covers advice on whether a given offer should be made or accepted. However, the exception does not cover a purchase report that includes a valuation.
Vulnerable person	A person who agents believe requires tailored support or advice because of a physical, mental or emotional impairment, or for any other reason.

1 Introduction

This professional standard brings together the different agency and management disciplines in the property sector.

Reflecting the changing nature of real estate and the work carried out by RICS members and RICS-regulated firms, this professional standard covers residential and commercial auctioneering, property agency and property management as well as mixed-use real estate.

This professional standard is mandatory for RICS members (members) and RICS-regulated firms (firms) and supports a new framework developed for property agency and management. At the top of the framework is the [RICS Rules of Conduct](#), setting out the ethical principles that RICS members and firms **must** follow regardless of where in the world they work or practise.

RICS Rules of Conduct

Rule 1

Members and firms **must** be honest, act with integrity and comply with their professional obligations, including obligations to RICS.

Rule 2

Members and firms **must** maintain their professional competence and ensure that services are provided by competent individuals who have the necessary expertise.

Rule 3

Members and firms **must** provide good-quality and diligent service.

Rule 4

Members and firms **must** treat others with respect and encourage diversity and inclusion.

Rule 5

Members and firms **must** act in the public interest, take responsibility for their actions and act to prevent harm and maintain public confidence in the profession.

1.1 Application and scope

This professional standard applies globally to all RICS members and RICS-regulated firms working in the following areas of the agency and management sector:

- auctioneering – commercial, residential and mixed-use
- commercial agency – sales and leasing

- commercial management
- residential – sales and leasing
- residential – management
- mixed-use – sales and leasing
- mixed-use – management
- landlord and tenant lease advisory.

Members and firms **must** ensure that they and all staff (where appropriate) are familiar with and adhere to relevant RICS professional standards and practice information. The current editions of the following RICS standards are particularly relevant:

- [Countering bribery and corruption, money laundering and terrorist financing](#)
- [Conflicts of interest](#) and
- [Conflicts of interest: UK commercial property market investment agency](#).

Members and firms should also be aware of all the relevant professional standards that apply in their jurisdiction.

This professional standard applies globally. RICS recognises that laws differ between jurisdictions and that members and firms **must** comply with the legal obligations that apply to them in the country they work and operate in. Where this involves a departure from this professional standard, the legal obligations take precedence but the departure and the reasons for it **must** be recorded. Departure from this professional standard may have a material impact on the member's advice and as such, the client **must** be informed in writing of any departure and the reason(s) for the departure.

1.2 Effective date

This professional standard is effective from 1 January 2025.

2 Working with clients

Members and firms **must not** seek business by methods that are dishonest, deceitful, manipulative or involve misrepresentation.

Members and firms **must** communicate accurately and transparently to correctly represent their service or product. Information **must** be provided in a clear and easily accessible way.

Members and firms **must**:

- a** communicate to clients how their fees, and any other charges, will be calculated openly and transparently in writing (including any local taxes), the point at which they should be paid and to whom, and any action that will be taken for late payment of fees and/or interest that may be charged. In the case of dual fees (if a fee is also required to another agent), this should be communicated in writing to the client. If there are any changes in fees this should be communicated to the client before starting the work
- b** set out their terms of business, clearly stating the services that will be provided, the period of instruction (where applicable) and the manner in which either party can amend or end the contract, along with details of any financial liabilities should the contract be terminated early
- c** ensure that terms of business are agreed with the client
- d** abide by any contractual cooling-off periods relevant to the local jurisdiction
- e** declare in writing any referral fee or commission that has been or will be received by the member or firm and any intentions to offer or recommend third-party services to the client or customers where the member or firm may receive a referral fee, gift or other form of benefit.

Members and firms **must** consider the needs of the individual and, where appropriate, make reasonable adjustments when dealing with clients and other parties to transactions or users of properties who may be vulnerable persons. People are not required to declare that they are vulnerable, therefore members and firms should, to the best of their ability, identify where they believe a vulnerability exists. If someone may be a vulnerable person, this should be considered in any information or guidance given to them – particularly if any decision they make is based solely on that information or advice. If a customer makes a decision that may have legal connotations, the member or firm should advise the customer to discuss this with their legal advisers.

Where a jurisdiction allows for a member or firm to provide services on behalf of someone else involved in the transaction, for example, advising both the seller and the buyer, the member or firm should be satisfied that proceeding is in the interests of all of those involved,

they will not be prevented from providing competent and diligent advice and the clients have given informed consent. Members and firms **must** also consider any specific legislation in the jurisdiction with regards to offering services to other parties involved in the transaction.

Members and firms **must** take all reasonable steps to confirm the identity of their client before accepting instructions and that the client has the right to enter into an agreement with the member or firm. This can be particularly relevant for the sale of a deceased person's real estate or following possession by a lender. The member and firm **must** perform due diligence in relation to the client prior to taking instructions and notify the appropriate authorities if they suspect any client – individual or firm – using their services is engaged in money laundering or other criminal activity.

Members and firms **must** comply with all relevant legislation in their jurisdiction. Where there is conflict between the law and the interests of the client, adherence to the law **must** take precedence and this **must** be made known to the client (unless the law prohibits this notification).

Members and firms **must not** mislead or attempt to mislead when marketing properties on behalf of clients and **must** ensure compliance with relevant sales and marketing legislation relating to their jurisdiction.

Members and firms **must** act with diligence, meeting the reasonable expectations of clients by exercising professional skill and care in every aspect of their services and throughout the duration of the instruction/contract.

Members and firms **must**:

- a** provide suitable, accurate and unbiased advice to meet their client's aims and needs. Assumptions should not be made about the degree of knowledge that a person has
- b** perform contractual obligations within agreed timescales. Where circumstances change and timescales can no longer be met, this **must** be communicated with the client
- c** **not** accept an instruction that is beyond their field or experience and/or qualification, unless they can source any necessary support, resources or supervision to carry out the work appropriately and the client has given informed consent. This is particularly pertinent when dealing with mixed-use developments, where a member or firm has residential or commercial expertise, but not both
- d** **not** appoint a subagent without the client's permission, where there is not a contractual agreement or where the contract does not provide provision for a subagent. The member or firm **must** seek consent from the client if the appointment of a subagent would be beneficial for the client
- e** be diligent in the selection, appointment and use of contractors engaged to carry out work on behalf of or to provide advice to clients. The member or firm **must** ensure that contractors appointed hold relevant insurance and have suitable qualifications

or membership of an appropriate professional or trade body where required in their jurisdiction

- f comply with the instructions of the client. If the member or firm cannot comply with instructions (for example, the instruction would lead to breach of legislation), they **must** provide the reason why to the client (unless they cannot lawfully do so) and give the client a reasonable period of time to issue alternative instructions. If illegal activity is suspected, the member or firm **must** report it to the relevant authorities where required or permitted to do so.

Members and firms **must** provide realistic and justifiable advice regarding the selling price or rent based on their professional judgement.

Members and firms **must**:

- a only provide advice on an appropriate price or rent if they have a thorough knowledge of the market. Ensure that any figure provided is given in good faith and reflects current market conditions. Consider adequate and appropriate available comparable data for similar properties and consider whether adjustments are required to reflect subsequent changes in the market
- b establish as many facts about comparable transactions as possible to ensure that they were an open market agreement and not influenced by special factors such as a seller needing to sell quickly or issues about the condition of the property
- c when advising on rent, also advise the key lease terms on which this rent is based. These should be terms that would be typical for the property in the current market
- d ensure that all material facts used in decision making have been disclosed to the client
- e make it clear to the client that the member or firm is providing an estimate of anticipated market price or rent solely for the purpose of marketing the property. If the client requires a valuation, this **must** be prepared by a valuer with the appropriate professional qualifications and in accordance with the applicable professional standards

Some clients (principally institutional investors or charities) may ask an agent acting for them in an acquisition of property for a 'purchase report' before exchanging contracts. Such a report would need to be prepared by a valuer with the appropriate professional qualifications and in accordance with the applicable professional standards.

3 Managing businesses and staff

Members and firms **must** manage their businesses and staff effectively.

Members and firms **must** take all reasonable steps to ensure that all business and marketing materials are honest, professional, fair and accurately reflect the services that are provided. All advertisements **must** meet requirements of any relevant local legislation.

Members who are responsible for the management of their businesses, and firms **must**:

- a apply their policies and procedures consistently and reasonably
- b take all reasonable measures to manage their operations and staff effectively, ethically and in a transparent manner
- c have a sustainability policy (covering issues such as, but not limited to, the business's carbon emissions, waste reduction and recycling).

Members and firms **must** take all reasonable steps to protect client money. UK members and firms **must** adhere to the current edition of RICS' [Client money handling](#).

Members and firms outside the UK **must**:

- a comply with all current requirements in their jurisdiction in relation to client money and **must** ensure that documentation is kept up to date
- b keep clients' money in a client money account with a bank, building society or approved payment supplier
- c be able to account for all monies being held on behalf of clients
- d **not** deduct any cost or charges from any client money they hold, unless contractually agreed (with the exception of service charge accounts) or the client has given them written authority to do so. Authority **must** be obtained prior to or at the time of the deduction, or they **must** give sufficient notice prior to the deduction to allow written objections to it.

Members and firms **must** maintain appropriate accounts and records of their business activities.

Members and firms should keep full and detailed records of all the evidence that was used to reach an opinion, including all comparative data used and the sources of the data collected.

Save where a member or firm is required to delete such records sooner under applicable law, they **must** keep clear and full written records of their business relationships and produce them when required by an appropriate redress scheme and/or any enforcement authority.

Firms **must** ensure that they have adequate and appropriate indemnity cover for the work that is undertaken.

Members and firms **must** ensure that they and all staff they employ are trained and capable of handling the responsibilities delegated to them.

Firms **must** ensure that all staff are trained to deal with clients and colleagues in an inclusive manner that respects equity, diversity and inclusion.

Firms **must** ensure that all staff have been given the correct guidance and training to comply with relevant legislation applicable to their role and appropriately supervised.

Members and firms **must** handle personal data sensitively and process it in accordance with data protection legislation and their published privacy notice.

Members and firms **must** protect confidential information and only use or disclose it for the purposes that it was provided, where they have the necessary consent to do so or where required or permitted by law.

Firms **must** have appropriate cyber security in place to protect theirs and their client's data.

Members who are responsible for the management of their businesses and firms **must** have an effective complaints procedure in place for complainants. This procedure **must** be in writing, explain how to complain to their business and to an appropriate redress scheme (where applicable), set out the timescales in which their business will respond to complaints, be readily available in their office(s) and on their website.

Members and firms **must**:

- a** make a record of all verbal and written complaints at the time they are made
- b** agree to deal with any formally appointed representative of a complainant
- c** **not** charge for handling a complaint made against them.

Firms **must** have processes in place to support the health and safety of their staff and ensure that all necessary precautions are put in place for staff who are working alone or directly with clients out of the office. All relevant health and safety legislation **must** be adhered to in the workplace for their jurisdiction.

Delivering confidence

We are RICS. As a member-led chartered professional body working in the public interest, we uphold the highest technical and ethical standards.

We inspire professionalism, advance knowledge and support our members across global markets to make an effective contribution for the benefit of society. We independently regulate our members in the management of land, real estate, construction and infrastructure. Our work with others supports their professional practice and pioneers a natural and built environment that is sustainable, resilient and inclusive for all.

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