



RICS[®]

Delivering confidence

Global performance
report 2019-20

Q4





110,201

RICS-qualified professionals worldwide

To achieve Governing Council's vision, Management Board established strategic goals for the 2018-21 business plan period, namely to be:

- Influential on matters of societal importance
- Trusted by our stakeholders
- A profession in demand
- Sustainable as an organisation both financially and in contribution to ESG

Full year operating surplus is ahead of Plan. This is due to emergency action taken by management to counter the impact of COVID-19 by controlling and reducing cost. The cost saving initiatives included a recruitment freeze, pay cut for senior leaders, cessation of business travel and a full transition to home-working as a result of the organisation's well-developed digital capability. These measures have temporarily helped to offset the immediate decline on our commercial income and enabled us to provide extensive free support to the profession during an unprecedented time. All financials are subject to external audit.

4,724

 new professionals awarded RICS designations at quarter end [ahead of same time last year]

8,190

 new candidate enrolments at quarter end [ahead of plan]

100%

professional assessment interviews online from April

Over

40,000



registrations on online CPD sessions/webinars & events

29

 significant thought leadership recognitions to-date and ahead of plan

YTD
29

Target 15

14,500

downloads of economic surveys, insight papers and Research Trust reports



18%

increase in WBEF community members from the previous quarter





Delivering confidence in a changing world

Chair of Management Board's & Chief Executive Officer's introduction

Some things never change. People always need good homes where they can build their lives, adaptable workplaces that support dependable livelihoods, and communities and investments that will stand the test of time.

Nevertheless, the way that societal goods must be delivered changes constantly, shaped by the specific demands of their era. It is essential that professionals and organisations responsible for delivering remain responsive, evolving to stay sustainable, remain relevant and retain trust in the societies that rely on their critical expertise.

Against the backdrop of a unique health and economic crisis that is defining our times, this report summarises RICS' performance from May to July 2020 – Q4 financial year 2019-20 – towards our 152 year-old purpose: to promote the usefulness of the profession to the public advantage.

It outlines how RICS has sought to deliver confidence in built and natural environment professionals around the world as they work to create better places, enhancing their professionalism and adapting ourselves to deliver against the strategic priorities defined by Management Board to help achieve Governing Council's aim for RICS to be a relevant and trusted 21st Century global professional body.

Like most organisations, for at least the next couple of years RICS will remain fully tested by the unparalleled societal and economic trauma of COVID-19. We are not immune from its effects, nor has the uncertainty of other factors diminished, from the UK's future relationship with the EU, to global trade tensions, to unrest in Hong Kong.

RICS has had to take a number of tough and immediate decisions to support the profession, ensure our people's wellbeing and safeguard the finances of the organisation during an unprecedented period. Globally, we have worked hard to bring about immediate changes to our cost base in the face of declining revenues, while seeking to stay on track with our corporate objectives. It is a credit to everyone involved that we have managed to achieve this. Purposeful immediate decision-making combined with substantial investment in digital capability over previous years allowed us to be agile, enabling our people to work safely and productively to support the profession wherever they are.

We recognise that we are far from out of this crisis. To ensure RICS has a resilient and sustainable future, we need to fully embrace the power of digital and alongside it review our global operating model, ensuring it is lean and efficient and capable of supporting the next generations of the

profession to come. This is a major focus for the next financial year.

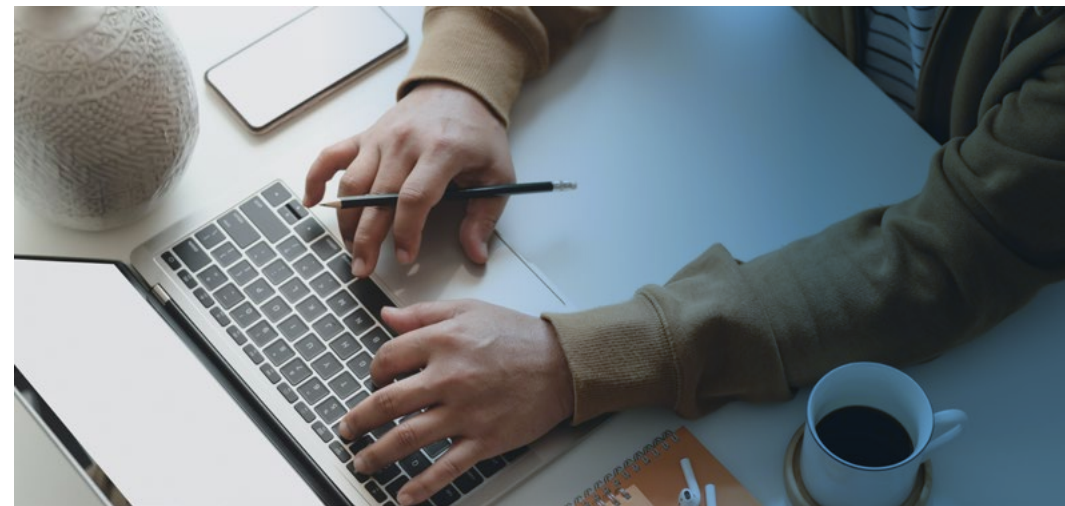
We continue to focus on maintaining public trust that members of this profession embody the highest standards. We are delivering world-class knowledge development and competence growth for the profession, offered via accessible and sustainable global digital platforms. All the while, we are taking the necessary steps to manage our cash flows and adapt at pace RICS' operating model so that we can deliver confidence in both the future of the profession and our own organisation.

Our actions include:

- Providing clarity to enable the profession to return to key activities post-pandemic in our 'Beyond Covid-19' guides, covering valuation, re-opening commercial buildings, and more
- Ensuring governments and policy-makers globally grasp critical issues impacting built and natural environment users and professionals through proactive engagement
- Presenting leading built and natural environment thinking via our World Built Environment Forum community, securing participation from major partners like the World Economic Forum
- Delivering an improved digital experience with personalised 24/7 access to key insights and innovation by launching a brand-new online home for our Modus and Journals publications
- Continuing to prioritise our people's well-being by maintaining home-working while constantly reviewing our office needs, shifting to digital delivery, and closing a number of UK offices, the nature of which does not give us the type of space we will need for the new future of work
- Managing costs via spending restrictions, increasing short-term funding to protect reserves and doing everything we can to avoid the need for any professional fee increases during the year ahead

Results have included:

- Over 2,200 assessments delivered digitally since lockdowns began, reflecting the continued resilience and flexibility of our global candidate and assessor community
- Continued growth of newly qualified professionals to 4,724 for the full year, a 4.7% increase versus last year. New candidate enrolments were ahead of Plan



- Engaging the UK Government to secure a stamp duty holiday and grant to drive energy efficiency via retrofitting, as well as influencing the commercial property sector code of practice. We also achieved an RICS-first in shaping national building and office standards in China
- Over 40,000 professionals registering for over 65,000 previously paid-for training sessions since April, with professionals continuing to access free online CPD to the end of the quarter
- An 18% increase in our World Built Environment Forum membership to nearly 14,600, as professionals and decision-makers benefit from leading built and natural environment insight

In recognition of the unpredictable forward-view for the world economy, we are reviewing our business planning to ensure we continue to advance Governing Council's existing strategic direction for RICS and the profession in an emergent external context. This will let us accelerate our digital transformation to enable a "work-from-anywhere" mindset, giving us greater scope to deliver a resilient long-term operating model and ambitious Environmental, Social and Governance goals.

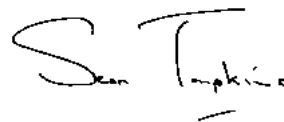
Many challenges have confronted us so far this year, but the uncertainty we face now is even greater. However, we have confidence in the remarkable resilience and adaptability that has characterised our profession and our organisation throughout our 152-year history. In the years ahead, we firmly believe that together, RICS and the profession will continue to make a significant positive impact for people who live and work in the built and natural environment.

This report is available to members of the profession, RICS employees and other key stakeholders, including our Governing Council and Board members. We welcome all comments.

Our thoughts are with the profession, our employees and our partners, as well as with all those grappling with the unfolding health and economic consequences of this worldwide crisis.



Paul Marcuse
Chair, Management Board



Sean Tompkins
Global Chief Executive Officer

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Supporting a diverse and growing profession through change

RICS has built on the emergency steps it took to assist the profession at the outset of the crisis, embracing the full potential of digital technology to deliver confidence in today's profession and inspire the next generations that will form its future talent pipeline.

Recognising that a digital world needs digital professionals, RICS has published timely regulatory updates and practical advice on priorities for successful operation within lockdown. It has evolved the delivery methods and range of its leading sector insights and CPD, aiming to enhance professionals' capability and equip them to thrive in a radically-altered future of work. We also continue proudly championing to policy-makers and the public the positive social impact that RICS professionals are delivering worldwide, in relation to the challenges and opportunities presented both by the pandemic and the enduring mega-trends that shape the built and natural environment.

Our actions included:

- Opening access until September for all professionals to Modus and Journals online, while launching a new improved digital experience across the publications
- Maintaining no-charge access to our isurv knowledge hub and online CPD until June and the end of the quarter respectively
- Facilitating participation by permanently shifting APC interviews online
- Continuing our showcasing of professionals' #ResilientResponse to COVID-19 on rics.org
- Delivering firsts for digital engagement, including a multi-national induction for newly qualified professionals, and a support event to connect 700 global early-career professionals with built and

natural environment leaders, to discuss resilience, development and networking

Results included:

- 1,652 newly qualified professionals worldwide in the quarter – an increase on the same period last year, with significant growth in APAC, EMEA and the Americas.
- 40,000 professionals registering for over 65,000 webinars, events and trainings since April – one week in June showed a more than tenfold increase versus pre-lockdown averages
- Supporting RICS' commitment to supporting the profession sustainably, via the Modus and Journals digitalisation which removes the need to print an annualised 55 million pages

Using our transformed digital capability, RICS is reaching existing and future professionals at greater scale with more relevant content than ever before. Not only is this helping today's professionals remain at the forefront of response to some of our world's biggest challenges, it also demonstrates the enduring opportunity to make lasting positive change that a built and natural environment career offers.

Influencing the global agenda in times of change

RICS is committed to engaging with stakeholders and policymakers in the public interest, utilising the collective expertise of the profession to help secure a more sustainable, resilient future for all.

The dramatic recent shift in worldwide socio-economic conditions makes it even more important that RICS influences global debate to benefit everyone who lives and works in the built and natural environment. It is also critical that the pivotal role RICS professionals will play in the global recovery is recognised and leveraged by policy-makers from the outset.

Whether delivering thought leadership through our impactful digital presence, or working across physical boundaries in leading coalitions and informing policy decision-making, RICS has continued to deliver confidence and shape positive change through its public engagements.

As a result, in the year 2019-2020, RICS has achieved 29 global recognitions for its work in this area, far in excess of its original ambition of 15.

Highlights for the final quarter of the year include:

- Increasing membership of RICS' World Built Environment Forum to nearly 14,600, up by 18% from the previous quarter, delivering 14 webinars on critical global issues and engaging with key partners such as the World Economic Forum
- Shaping national standards in China for the first time, with involvement in drafting the Terminology of Building Economy, the Public Service Specification for Office Building and the Office Building Rating Standard
- Securing positive policy results for the built and natural environment via advocacy to governments in the UK and China, including new energy efficiency incentives for retrofitting properties
- Providing global institutions such as Central banks with trusted data to inform analysis and decision-making, including the use of RICS' market surveys by the Hungarian Central Bank in its Commercial Real Estate Report and the Hong Kong Monetary Authority's use of residential data in assessing the local housing market
- Achieving downloads of RICS economic surveys, insight papers and research reports by more than 14,500 people

RICS' trusted research, data and insight continues to influence the global policy agenda, and deliver confidence in built and natural environment professionals.

Global thought leadership recognitions

Year to date: **29** Full year target: 15

Enabling professionals through respected standards

The overriding priority for RICS' standards activity in this uncertain climate has been to support professionals with clear guidance that helps them to remain resilient and get back to work to deliver confidence safely.

Technology has enabled RICS to be responsive and engage closely with professionals in delivering this support throughout lockdowns, leading to RICS standards playing a major role in facilitating the resumption of global professional activity and client service delivery as restrictions began to ease. The positive enduring relevance of our broader standards portfolio has also been evident as demand remained strong.

Highlights from the quarter include:

- Enabling a safe return to activity through the adoption of our 'Beyond Covid-19 – Re-Opening Guides', including by the UK and Scottish governments. 13 guides including:
 - Re-opening commercial buildings (Global)
 - Re-opening the UK housing market
 - Undertaking physical property inspections (UK)
 - Valuation approaches and evidence (Global)
- Maintaining confidence in fund management and the secured loans market via adoption of the Red Book Material Uncertainty clause by the Financial Conduct Authority, UK Finance, and the Building Surveyors Association
- Adoption of RICS standards on Anti-Money Laundering in the German property market
- Facilitating Mace Group in the Middle East in adoption and rollout of ICMS to its client base
- Colliers International signing up to RICS' professional assurance regime in Australia

By ensuring a responsive and resilient approach to developing and upholding respected standards, RICS will continue to deliver confidence in professionals as they work to the public advantage.

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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