



Driving trust and  
confidence into Africa  
and future proofing the  
profession

[The work that shapes our world video](#)



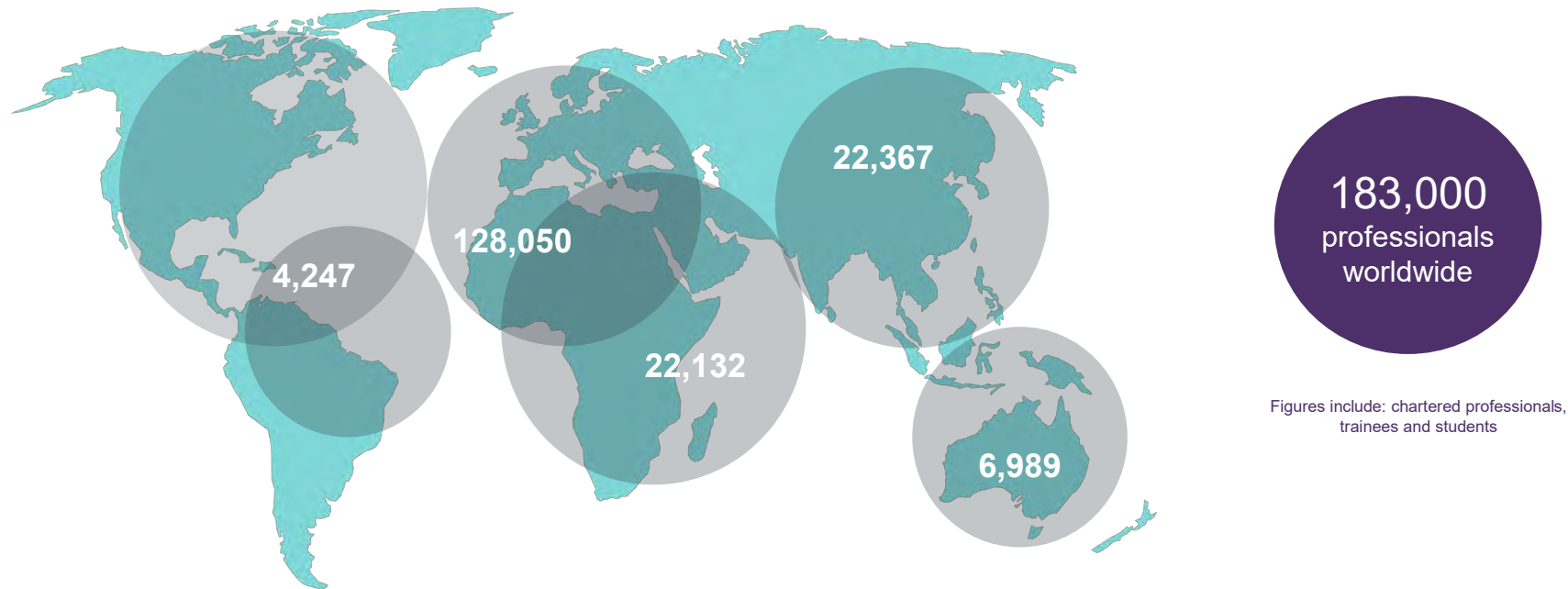
RICS is the world's leading professional body that promotes and enforces standards in **land, real estate, construction** and **infrastructure**

Our name promises the consistent delivery of professional standards - bringing confidence to the markets we serve



# Qualified and regulated professionals

Our professionals provide holistic support across the built environment sector. RICS regulation ensures they are delivering the highest standards and ethics in everything they do, giving greater assurance to clients and markets globally.



RICS chartered surveyors are highly trained professionals and experts governed by the RICS rules, quality assurance standards and codes of conduct.

# Setting standards for chartered surveyors / built environment professionals

## Land & Environment



- Rural
- Environment
- Minerals & waste
- Geomatics

## Specialist



- Taxation allowances
- Research
- Arts & antiques
- Valuation of Businesses & Intangible Assets
- Dispute resolution
- Planning & development

## Property



- Valuation
- Building surveying
- Residential
- Property finance and investment
- Facilities Management
- Building control
- Commercial
- Mgmt. consultancy

## Construction



- QS & Construction
- Project Management
- Built infrastructure

# Internationally recognisable standards



## Valuation Standards



## Construction Standards



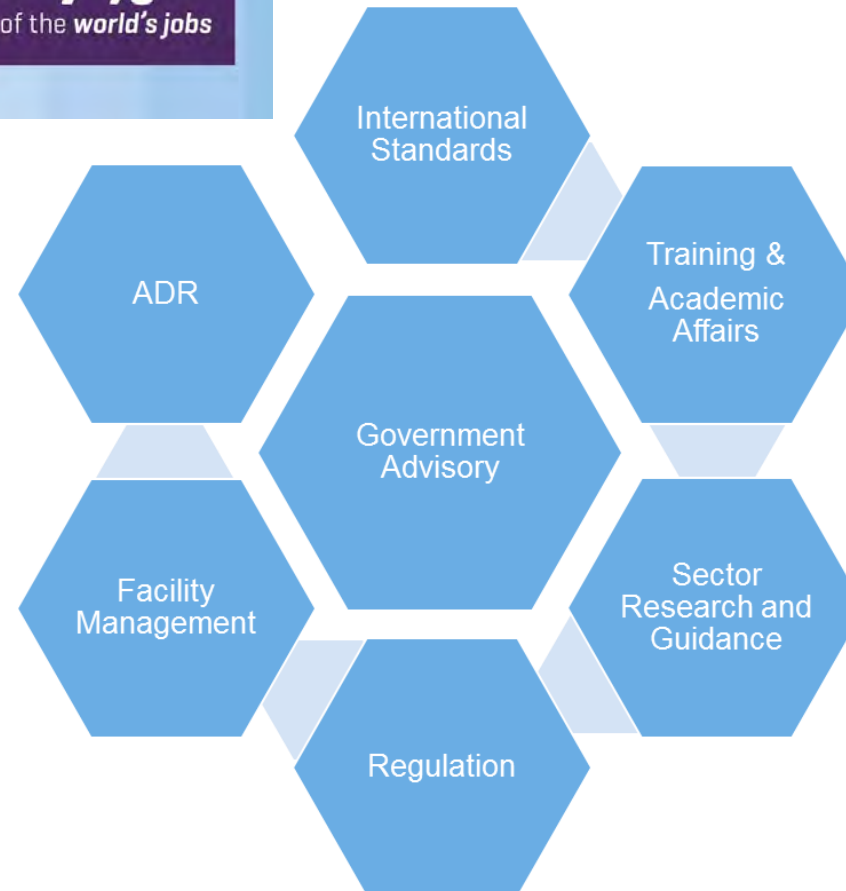
## Real Estate Agency & Brokerage Standards



# Why is this sector so important..... ?



..... and what do we do.



# Challenges in the African Market

- ▶ Sluggish growth although improvement predicted through 2019/2020
- ▶ Economic growth is inconsistent across the continent country by country
- ▶ Difficulty in structuring, financing, and delivering mega projects
- ▶ Shortage of professional skills
- ▶ Shortfall in financing for infrastructure estimated at around US\$100bn
- ▶ Governments need to tackle the big policy and regulatory issues
- ▶ Key challenges will be to supply the ever increasing population with reliable electricity, affordable housing and transport infrastructure



# Opportunities in the African Market

- ▶ Expectations of technological growth meaning high demand for infrastructure and rapid urbanisation.
- ▶ It is forecast that 20 years from now, Africa's combined GDP will be among the fastest growing in the world.
- ▶ Africa's vast infrastructure deficit is a constraint on its growth but also an opportunity to leapfrog to new , more efficient technologies
- ▶ Africa has a fast growing young population providing opportunities to build, upskill and retain fresh innovative talent in the construction sector.
- ▶ Restructured debt, shifting trade relations and rising incomes make investment in African infrastructure increasingly attractive.
- ▶ Govt's keen to generate mechanisms /instruments to enhance appetite for private sector infrastructure investment.
- ▶ PPP's proven successful in driving sustainable infrastructure development in Africa





# Why do we need Consistency and Standards?



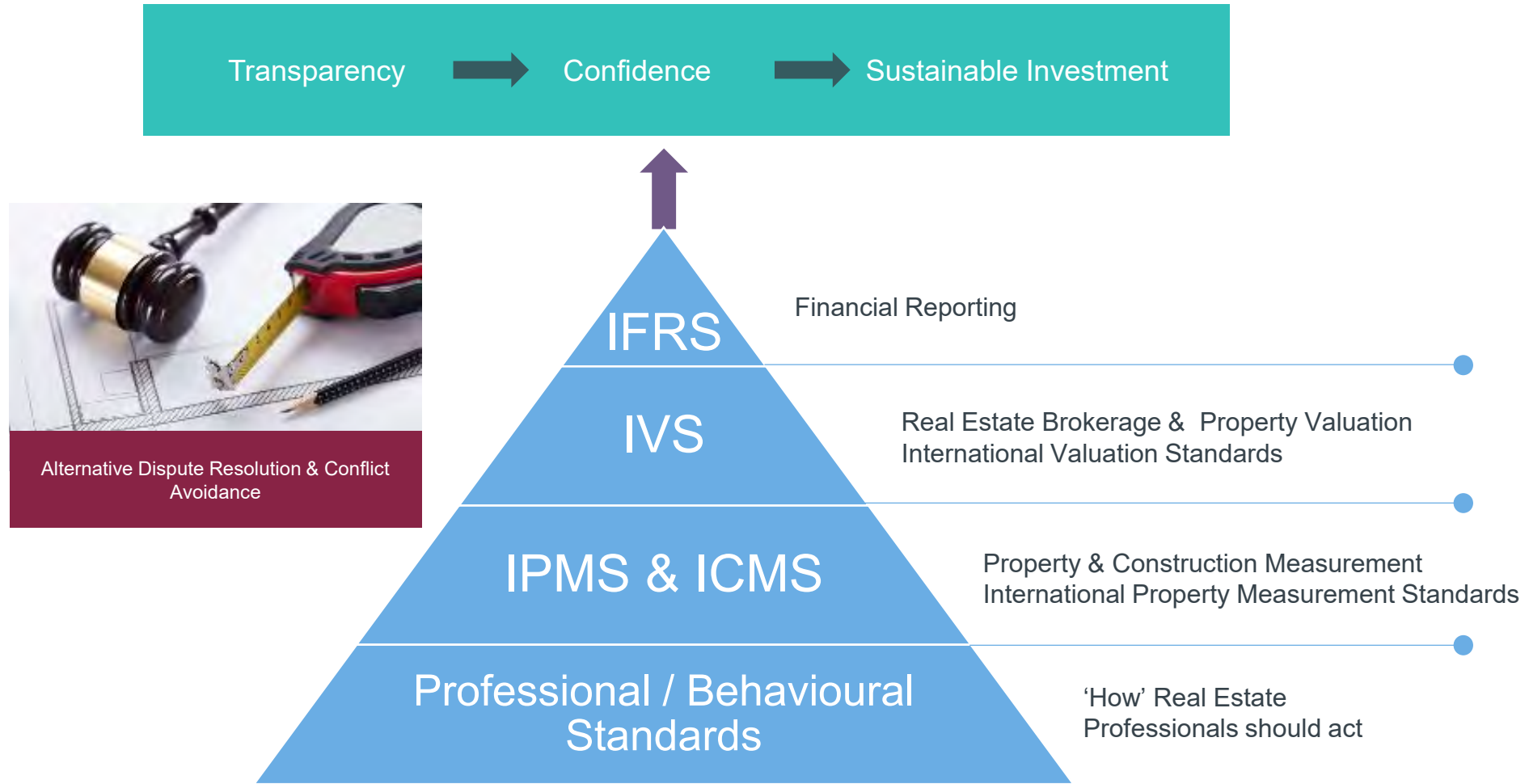
# What problems do we face?

- Like accountancy, our sector faces major challenges. Globalisation is connecting markets, yet the standards adopted locally can differ dramatically, increasing risk. Risk is one of the primary factors stemming investment. (IRF)
- Fundamental challenges include:
  - Real Estate Valuation (unregulated valuations)
  - Property measurement (24% variance)
  - Construction costs measurements (what is/isn't included)
  - Ethics (no Hippocratic oath for our sector)

Many of the challenges have inconsistent or lack of standards at their origin = lack of transparency = RISK



# Fundamental Standards Impacting Real Estate





# IVS - What are International Valuation Standards?

- IVS has been created to build trust in valuation, and set out to:
- reduce risk for all parties
- establish best practice
- promote consistency of approach
- offer independence, objectivity, and transparency
- assist in making sound investment decisions
- provide a consistent approach to portfolio management

## Why is there a need for IVS?

We are in a global market.

A wide variation in valuation methodologies and approaches across markets makes it difficult to:

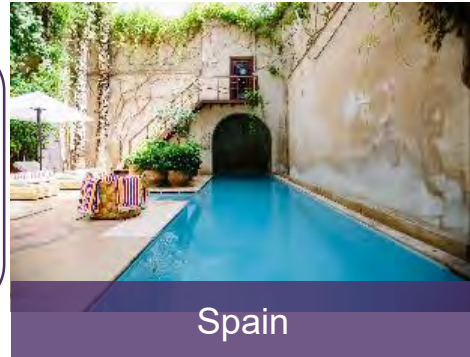
- compare valuations
- compare potential investments
- ensure reduction of risk; and secure or provide lending on a like for like basis



# Global measurement standards

## IPMS – One standard for all!

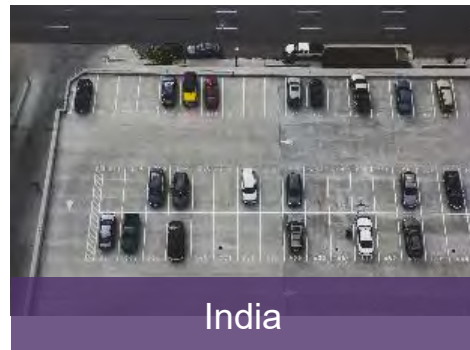
In Spain, floor area measurements often include outdoor **swimming pools**



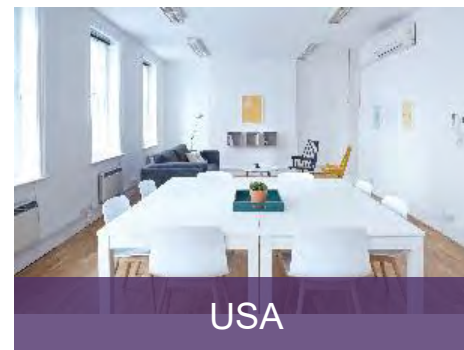
In parts of the Middle East, floor measurements can include **hypothetical areas**



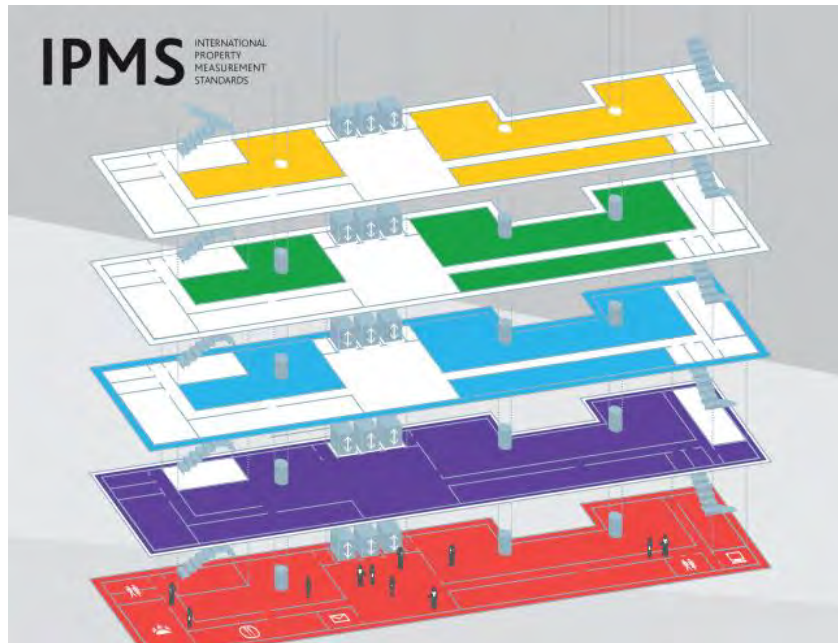
In India, floor measurements can include off-site **car parks** as well as common areas



In the U.S. sometimes the **air-conditioned space** is used instead



# Inconsistent measurement standards causes up to 24% variation





# ICMS – What are International Construction Measurement Standards?

- Construction measurement standards refer to the way construction project costs are calculated, classified and reported.
- ICMS establishes a global standard for assessing project costs.
- It defines what should be included in the calculation of a construction project and will enable global consistency.

## Why is there a need for ICMS?

Depending on where the project is located the costs might include some or all of the following elements:

- labour and materials
- land acquisition
- professional fees
- client costs

The implications of global inconsistency include:

- inability to accurately compare project costs land acquisition
- investment risk
- lack of transparency



## What's Next?

- **ICMS 2 Lifecycle Costing**
- **Global database**

# Behavioural standards

Our standards of conduct include a number of mandatory standards that apply to all professional members and RICS-regulated firms.

AML, Bribery & Corruption	Conflicts of interest	Rules of Conduct	Ethics
We have published a professional statement	Identify and manage conflicts of interest through our global guidance	Ensure the highest standards with our rules of conduct for all professionals	Commit to honesty and integrity through our global ethical standards

# Global Real Estate Transparency Index

Highly Transparent	<b>Key Characteristics</b> The world's leading investment destinations, pushing the boundaries of transparency.	1 United Kingdom	2 Australia	3 United States
	<b>2018 Highlights</b> The United Kingdom leads the way. Sweden moves into the top group, while the Netherlands is one of the top improvers.	4 France	5 Canada	6 Netherlands
Transparent	<b>Key Characteristics</b> European and, increasingly, Asian markets which have strong regulation and good governance. Market fundamentals data and performance measurement are areas for improvement.	7 New Zealand	8 Germany	9 Ireland
		10 Sweden	11 Finland	
	<b>2018 Highlights</b> Singapore, Hong Kong and Japan sit on the verge of 'Highly Transparent', while South Korea enters group of 'Transparent' markets.	12 Singapore	13 Hong Kong	14 Japan
		15 Switzerland	16 Belgium	17 Denmark
		18 Italy	19 Spain	20 Poland
		21 South Africa	22 Austria	23 Czech Republic
		24 Norway	25 Portugal	26 Taiwan
		27 Slovakia	28 Hungary	29 Romania
		30 Malaysia	31 South Korea	32 Luxembourg

90 – 95% of global RE investment on High and Transparent categories

80 – 85% of global corporate HQ's in these markets

(JLL GRTI 2016)



# Global Real Estate Transparency Index

Semi-Transparent	<b>Key Characteristics</b> Dominated by large emerging markets, including the BRIC economies. These markets have made steady advancements in recent years, but need to address issues of corporate governance and regulatory enforcement if they are to progress.	33 China	34 Thailand	35 India
	<b>2018 Highlights</b> Dubai, Thailand and India are among the top improvers – while the major emerging markets (the 'Big 8') sit on the edge of the 'Transparent' tier as improvements plateau.	36 Israel	37 Brazil	38 Russia
Low Transparency	<b>Key Characteristics</b> Emerging destinations in Africa, the Middle East and Latin America, where market tracking and real estate regulation are still nascent.	39 Mexico	40 UAE - Dubai	41 Turkey
	<b>2018 Highlights</b> Colombia, Costa Rica and Myanmar are among the global top improvers, with Myanmar the most improved market in GRETI 2018.	42 Indonesia	43 Greece	44 Croatia
Opaque	<b>Key Characteristics</b> Emerging markets, often hampered by geopolitical and economic challenges. With limited regulatory frameworks, these markets are vulnerable to regression.	45 Botswana	46 Slovenia	47 Serbia
	<b>2018 Highlights</b> A number of markets show regression, as Venezuela takes its position as the least transparent market.	48 Philippines	49 Bulgaria	50 Puerto Rico
		51 Mauritius	52 Chile	53 Kenya
		54 Saudi Arabia	55 UAE - Abu Dhabi	56 Zambia
		57 Egypt	58 Peru	59 Argentina
		60 Macau		
		61 Vietnam	62 Bahrain	63 Morocco
		64 Colombia	65 Costa Rica	66 Sri Lanka
		67 Nigeria	68 Jordan	69 Ukraine
		70 Kuwait	71 Qatar	72 Uruguay
		73 Myanmar	74 Iran	75 Pakistan
		76 Ghana	77 Kazakhstan	78 Rwanda
		79 Ecuador	80 Panama	
		81 Lebanon	82 Oman	83 Tunisia
		84 Uganda	85 Angola	86 Cayman Islands
		87 Algeria	88 Belarus	89 Bahamas
		90 Tanzania	91 Guatemala	92 Ethiopia
		93 Dominican Rep.	94 Honduras	95 Iraq
		96 Ivory Coast	97 Mozambique	98 Senegal
		99 Libya	100 Venezuela	

Source: JLL Global Real Estate Transparency Index 2018

# RICS Dispute Resolution Services - Globally we make over 7,000 appointments, nominations or referrals per annum of:

- Arbitrators
- Mediators
- Independent Experts
- Dispute Board members
- Expert Witnesses
- Adjudicators



We are the oldest and largest built environment-specific Conflict Avoidance and Dispute Resolution service provider in the world.

1. Provide appointment/referral services, which give parties access to highly qualified and impartial dispute resolvers, who are professionals in the land, property and construction sectors
2. Train, assess and qualify built environment professionals to discharge the roles of arbitrator, mediator, adjudicator and other dispute resolver functions to the highest standards
3. Design and deliver conflict avoidance and dispute resolution services for governments and individual organisations, which are tailored to meet their particular needs and challenges

# Construction and Real Estate sector - challenges



Risk pricing



Erodes investor confidence



Claims culture



Project Delays



Adversarial,  
fragmented climate



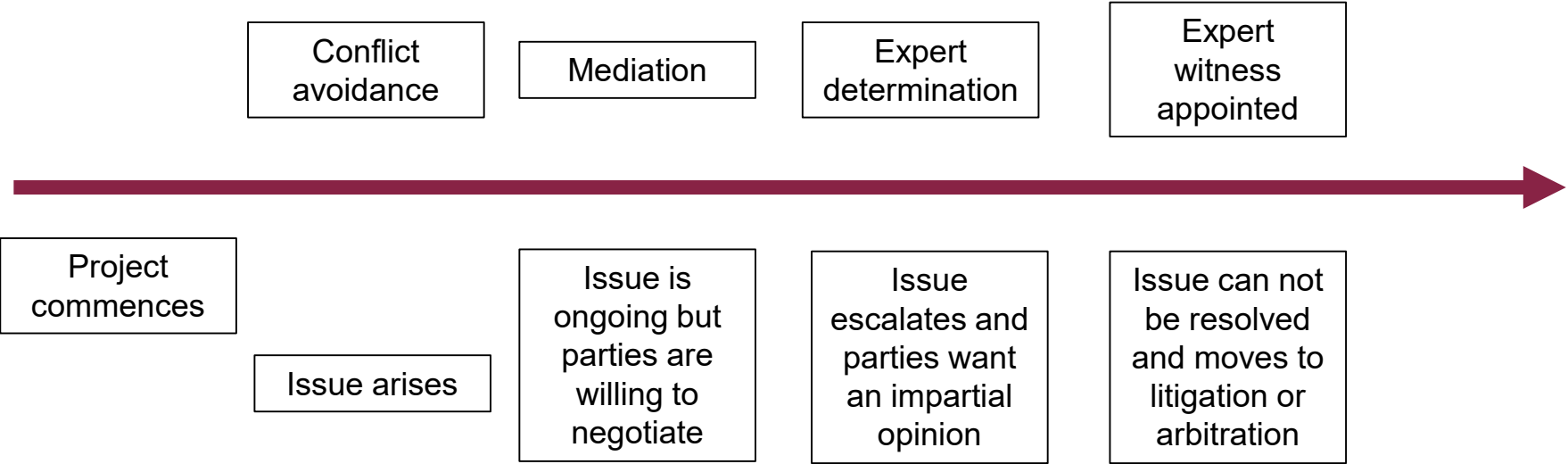
Breakdown in relationships



Low productivity &  
efficiency  
= lack of innovation



# Evolution of a dispute



RICS Conflict Avoidance Panels  
– Driving Industry Change



## IFMA – RICS collaboration

def!ne.fm

- Advance standards and professionalism in FM worldwide
- Raise the profile of FM, giving a greater voice and increased status to the profession
- Foster a more inclusive, robust global FM knowledge-sharing community
- Create a one-stop shop for FM professional development needs and a suite of credentials for entry into and advancement in the FM discipline.

[FM is the future video](#)



# Future of the Profession

- To address challenges of technology, work and people in the built environment, the world needs professionalism

[www.rics.org/futureprofession](http://www.rics.org/futureprofession)

*“Professionals play such a central role in our lives that we can barely imagine different ways of tackling the problem that they sort out for us.*

*But the professions are not immutable. They are an artefact that we have built to meet a particular set of needs in a print-based society.*

*As we progress into a technology-based Internet society, however, we claim that the professions in **their current form** will no longer be the best answer to those needs.”*

Richard and Daniel Susskind – The Future of the Professions (2015)





# Mapping the future



- Identifying key global issues and trends driving change in the built environment
- Join us for the next steps

## Five emerging themes

- **The value of data:** How the profession manages and assures the quality of data will be a critical challenge going forward
- **PropTech:** Advances in technology are disrupting business models within the built environment sector
- **Future skills:** Required skillsets and business strategies within the surveying profession are changing
- **Intelligent cities:** Cities must adapt to urbanisation, climate change and disruptive technologies, while driving economic, environmental and social value
- **Sustainable buildings:** We need to ensure the effective and sustainable management of land and resources in both rural and urban environments

# World Built Environment Forum



- The forum is a global network of built environment professionals and their stakeholders aimed at combining knowledge, skills and resources to create and manage the built environment that global populations need.
- This year the Forum reconvened in New York to look at *'The future of investment in real assets'*
- Focus on harnessing new technology to mobilise the private capital investment needed to meet the growing global demand for new infrastructure, new real estate and the renewal of existing assets.
- Over two days, participants built a picture of how technology is changing the landscape of investment in real assets and how we can build public and investor trust in these new and emerging approaches.
- [www.rics.org/wbef](http://www.rics.org/wbef)

World Built Environment Forum Summit 2019  
Highlights

# World Built Environment Forum Annual Summit Shenzhen, 11-12 May 2020

- The fifth Summit of the World Built Environment Forum will take place on 11-12 May 2020 in Shenzhen, at the heart of China's Greater Bay Area.
- Discussing the theme of:  
*'Successful city clusters:  
Wealth creation, resilience and  
great places to live'*.





A low-angle, upward-looking perspective of several modern skyscrapers with glass facades. The buildings are arranged in a way that they appear to converge towards the top of the frame, creating a strong sense of height and scale. The sky is a clear, bright blue with some light, wispy clouds. The overall color palette is dominated by the blues of the sky and the dark, reflective surfaces of the buildings.

**Find out more at [rics.org](https://www.rics.org)**