

Introducing The RICS Red Book



RICS

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Global Valuation Standards



Why have Global Valuation Standards?

Valuation of Increasing Importance

- Effective performance measurement is a MUST
- Investors and shareholders demand up to date information on their assets
- Valuation underpins:
 - Collective Real Estate investment vehicle – Increased frequency of revaluation- in some cases quarterly revaluation now in place
 - Financial reporting- Global financial reporting practices changing driven by fair value revolution (esp. US)
 - Banking- debt securitisation has led drive to revalue portfolios
 - Many other transactions

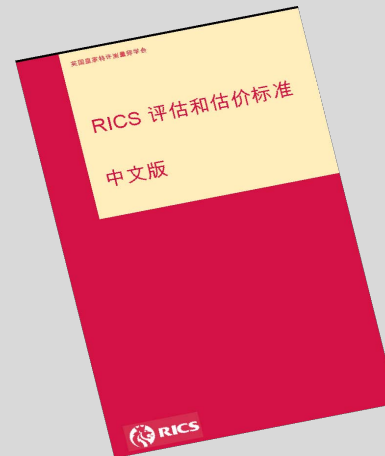
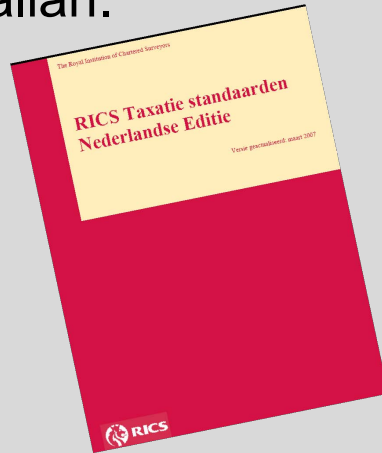
RICS and Valuation

- **RICS represents 35,000 valuation professionals in 50 National Associations worldwide**
- **RICS is the world's leading mark of quality in valuation: Education, Standards, Regulation**
- **Education: Rigorous entry requirements- 7 core areas of technical expertise and 10 defined business competencies, demanding lifelong learning**
- **Regulation: Work of all members strictly regulated to these RICS standards**
- **Standards: “The Red Book”- fully compliant with International Valuation**

Standards and constantly updated to reflect emerging practice, Guidance on latest valuation methods, Global rules of conduct for members, Firm rules to go global soon.

Developing the RICS Red Book Worldwide

TRANSLATIONS: Red Book is currently available online in Chinese and Dutch. Soon to follow, translations in: French, German, Russian, Spanish and Italian.



LOCALISATION: National Material for non- UK Countries will be added over time. This will be done in co-ordination with local standards setters wherever appropriate.

RICS Red Book- The Structure

Sixth Edition structure

- **Introduction**
- **Glossary**
- **Practice Statements (Global)**
- **Guidance Notes (Global)**
- **Practice Statements (National)**
- **Guidance Notes (National)**

Chapter 1- Qualifying as a Valuer

- All members are subject to the Rules of Conduct
- Valuations under Standards must have an appropriately qualified member taking responsibility for them
- Must have experience, knowledge, skills AND the ability to act with independence and objectivity

Rules of Conduct and Ethics

Independence, Integrity and Objectivity

Achieved by valuer:

- Maintaining confidentiality
- Avoiding conflicts

Summary

Things to remember about the Red Book.....

- It applies wherever you are practicing
- Compliant with International Valuation Standards
- Links with RICS Rules of Conduct emphasised
- Ethical issues focus on independence and avoidance of conflict
- Practice statements are specific numbered rule