

New RICS Global Red Book updates mandatory standards for data management, technology and ESG

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The Royal Institution of Chartered Surveyors (RICS) has released a new edition of its Global Red Book, making several crucial updates on the use of AI in valuation and the mandatory implementation of ESG principles. First published in 1976, the Red Book is used by valuation professionals across the globe, both within and outside the institution's membership.

The Red Book sets out mandatory practices and guidance for RICS members conducting valuations and is a crucial reference tool for stakeholders worldwide. It is essential for maintaining and improving high service standards and meeting the demands of an ever-evolving global regulatory landscape. It supports the creation of accurate, compliant, objective and transparent valuation reports benefitting the public and market stability.

The latest version makes several crucial updates. These include:

- Aligning with other relevant global standards, such as the latest International Valuation Standards (IVS), published by the International Valuation Standards Council (IVSC), of which RICS is a member
- Incorporating new content on modelling, methods and risk assessment
- Practice and process changes regarding rapidly developing technologies such as AI, and, for the first time, a mandatory Environmental, Social and Governance principles (ESG) element

The reform to AI regulation includes a commitment to transparency in its use and consistent professional judgement in its application, as well as confidentiality and data rights protections. Meanwhile, Valuers must now record relevant ESG data and consider any factors related which might impact valuation.

The new edition was published on December 2, 2024, and becomes effective for RICS-accredited professionals on January 31, 2025. RICS is running a free explanatory webinar at 10 am (GMT) December 11 on its Online Academy, which both members and non-members are invited to sign-up for at [this link](#). The webinar will also be available as a catch-up recording for those who register.

RICS President, Tina Paillet, said: "For almost 50 years, the RICS Global Red Book has served as a crucial, forward-thinking international standard for the valuation profession. This edition is yet another

groundbreaking update providing important additions and revisions.

"Technology is developing rapidly, and the new update reflects the swift pace of change in the industry, particularly in regard to the increasing use of AI in valuations. This latest mandatory standard is a testament to the significant knowledge and experience of RICS members and staff across the globe. Crucially, the new version aligns with other key standards, such as IVS. I'm also pleased that it incorporates mandatory ESG principles for the first time. The Red Book is an essential document for all professionals and stakeholders with any sort of connection to valuation and I implore everyone to read it, action it, and engage with RICS."

Ben Elder, RICS Head of Professional Practice - Valuation and Investment Advisory, said: "This revision of the RICS Global Valuation Standards is an important next step in maintaining the Red Book as the market leading valuation standards that delivers trust and confidence in the services of RICS valuers. As data sources increase, the revisions set additional requirements to ensure data is appropriately managed that supports the understanding of ESG and AI issues."