

# The RICS and Macdonald & Company European Property Market Remuneration Survey 2009/10

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EXECUTIVE SUMMARY & KEY FINDINGS



**RICS**

the mark of  
property  
professionalism  
worldwide

**MACDONALD & COMPANY**

The Property Recruitment Professionals

## 2010 EXECUTIVE SUMMARY

### Introduction

Now in its third year, the 2009/2010 RICS and Macdonald & Company European Property Market Remuneration Survey is the most comprehensive survey undertaken for the property sector.

The survey continues the success of earlier years. 1,195 European real estate professionals participated online in December 2009 and January 2010, making this our highest ever response (versus 803 in 2008) and the largest and most comprehensive survey of its type.

Thanks this year as always must go to RICS Europe and Property Week Global who actively promoted their involvement in the survey amongst their members. We would also like to thank all the participants who took time to complete the survey. Besides statistics on current salaries, recent salary increases, bonuses and employment package benefits, the results give insight into wider issues that are important to real estate professionals in their role and their attitudes toward employment. This executive summary sets out the key findings of the survey.

For the first year, we can now provide an easy-to-use online access to the full results, for more information contact Macdonald & Company.

### Foreword

2008 and 2009 have proved to be unprecedented times for the real estate industry and the world economy as a whole. The real estate industry has been in the "eye of the storm", capital values have plummeted and confidence has been lower than at any other time in recent history. Europe has not been immune to this, but there has also been a marked recovery in some markets and countries. In contrast, institutional investment and new development has slowed.

There are signs of improvement in the world economy, but confidence and availability of capital continue to severely affect the real estate market in all areas and sectors.

Despite the climate, the job market has not and will not grind to a halt. Many organisations are taking the opportunity to expand teams that have suffered long term skill shortages. There has been a surge in cost saving amongst occupiers leading to an expansion of outsourcing, especially amongst FM service providers. There has also been a push on leasing, marketing and managing of existing development schemes.

The results of the survey are clear: over 14% of the respondents saw some form of pay reduction up from 2% last year; large numbers expect reductions this year; bonuses have also been affected; benefits packages are being cut to save costs.

There is still confidence in the long-term prospects of the Real Estate market throughout the European region, with 45% of respondents expecting an increase in economic activity in the next 12 months. Professionals want to remain in the region and are confident that the region will be at the forefront of any sustained global recovery.

**Robert Cottrell, Senior Associate – Europe, Macdonald & Company, January 2010**

For further information or analysis please contact:

E: [salariesurvey@macdonaldandcompany.com](mailto:salariesurvey@macdonaldandcompany.com) or call our London office (+44-207-629-7220).

A comprehensive online statistics package for the survey is available at a cost of €599.

In addition to the European version, Macdonald & Company & RICS undertake remuneration and attitudes surveys for the following regions: UK, Middle East, Africa and Asia, all reports are available at [www.macdonaldandcompany.com](http://www.macdonaldandcompany.com)

This year, for the first time, the results have been collated and analysed by BluSky Research, a research trading name of BluSky Marketing Limited – [www.bluskymarketing.com](http://www.bluskymarketing.com)).

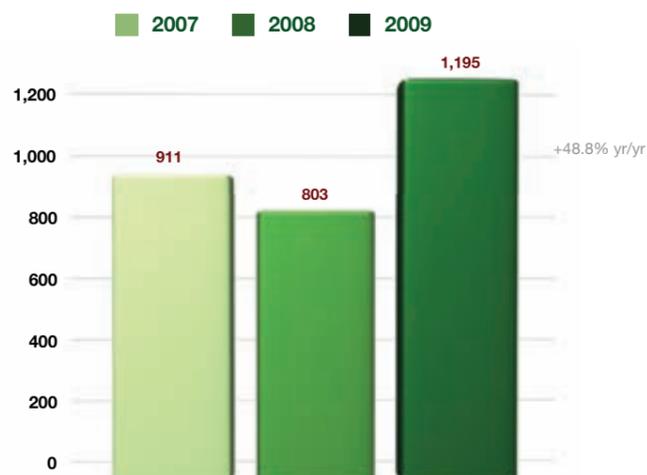
# KEY FINDINGS

- Largest response rate achieved ever with 1,195 survey responses (up 48.8% versus last year).
- Average annual base salary in is 71,809 (versus 70,187 last year), predominantly driven by more experienced and senior respondents to the survey versus last year.
- Those with a RICS qualification, on average, earn 23% more than those who are “not professionally qualified”.
- However only 24% of respondents received a base salary increase (versus 61% in 2008), of which the average salary increase for those respondents was 11.2%.
- The real industry change (RIC) in salaries across the European property sector dropped on average by 2.8%.
- 50% of the survey respondents received no bonus whatsoever, 19% higher than last year, of those who received a bonus (50%), the average per year was €21,283 (up from €17,143 last year).
- 11% of respondents have been made redundant in the last 12 months.
- Mobile phones (45%), performance related bonuses (25%) and company cars (25%) are the most popular additional benefits provided in the industry.
- The majority of survey participants, 73% consider they work for an “employer of choice” however only 62% (down 6% versus last year) are fairly or very satisfied with their current employment.
- 45% of respondents anticipate economic activity to improve over the next 12 months (significantly up from 30% the previous year).

## RESEARCH SAMPLE PROFILE

### Response Rate Total

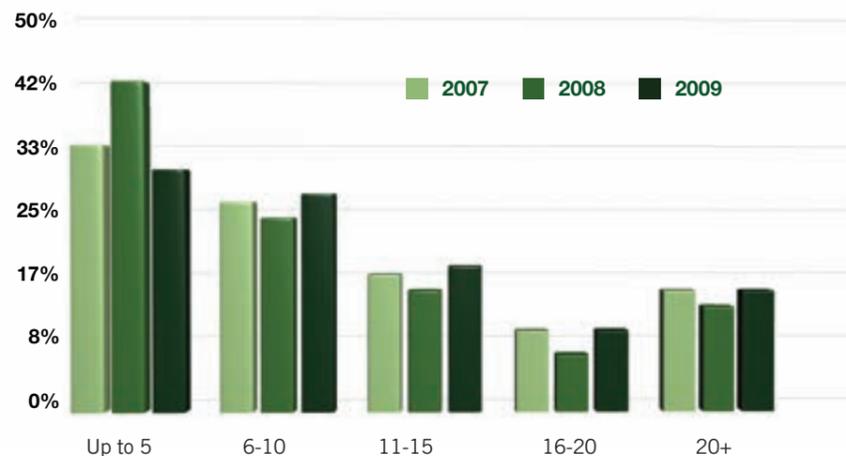
In its third year, with 1,195 respondents, the survey is the most robust and respected survey of its kind. Response to the survey was up 48.8% on the previous year.



### Years' Experience

How many years experience do you have in your discipline?

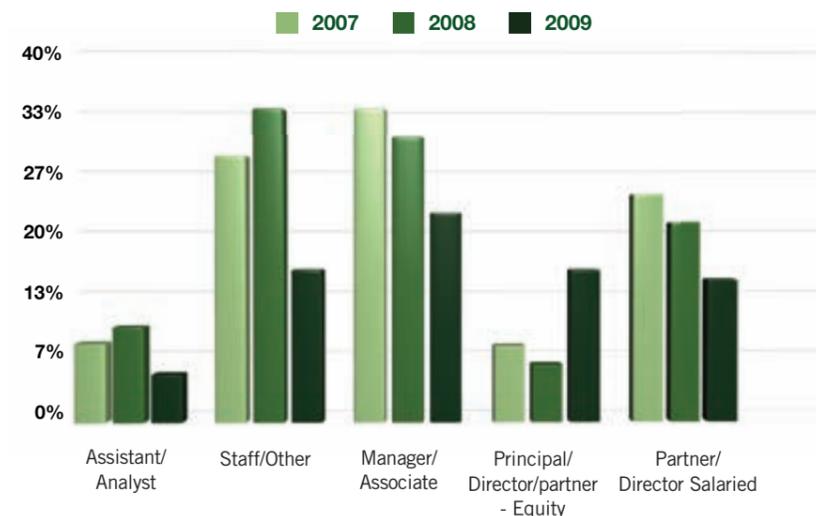
43% of the respondents have 10 years experience or more in their chosen discipline, versus 35% last year.



### Level of Responsibility

What is your level of responsibility within the organisation for which you work?

31% of respondents were either an equity or salaried principal, director or partner versus 27% the previous year.



## AVERAGE EUROPEAN PROPERTY SALARY



### Average European salary

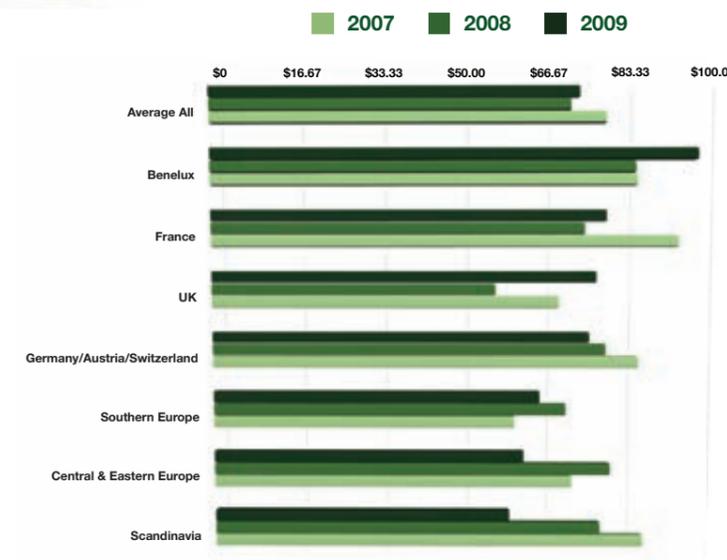
What is your level of responsibility within the organisation for which you work?

The average base salary of a property professional in Europe is 71,809 per year (versus 70,187 last year). Taking this view and in comparative terms the average salary (of those who responded to this survey) has increased by 2.3% versus the previous year, which is predominantly attributed to the higher percentage of respondents with more experience and responsibility within an organisation.

### Average salary (EUR/€Kpa) Region

What is your current annual salary in EUR?

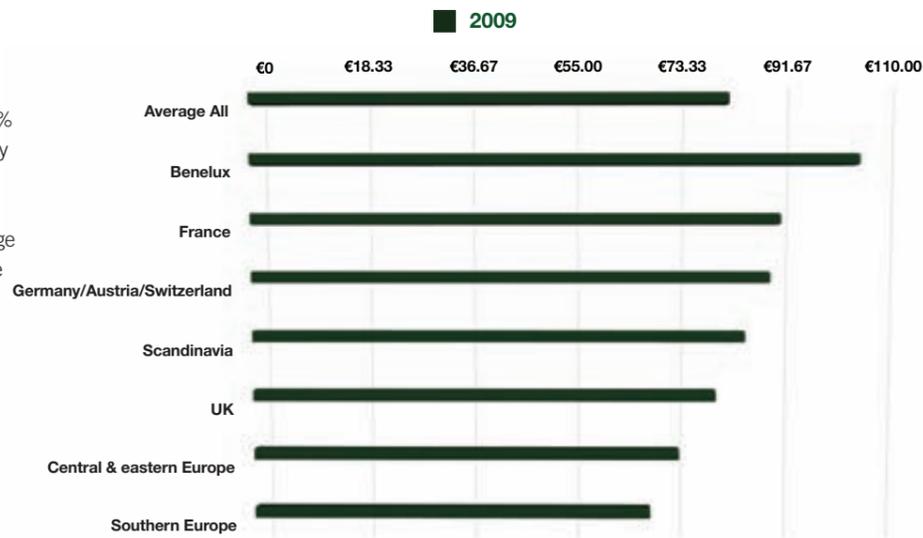
Those working in Benelux are the highest paid in the region with an average annual salary of €94.8K, higher than those working in France (€77.2K) and in the UK (€75.3K) while those working in Scandinavia, on average, are the lowest paid in the region (€58.5K).



### Average salary (EUR€Kpa) Region 2009

#### What is your current annual salary in EUR?

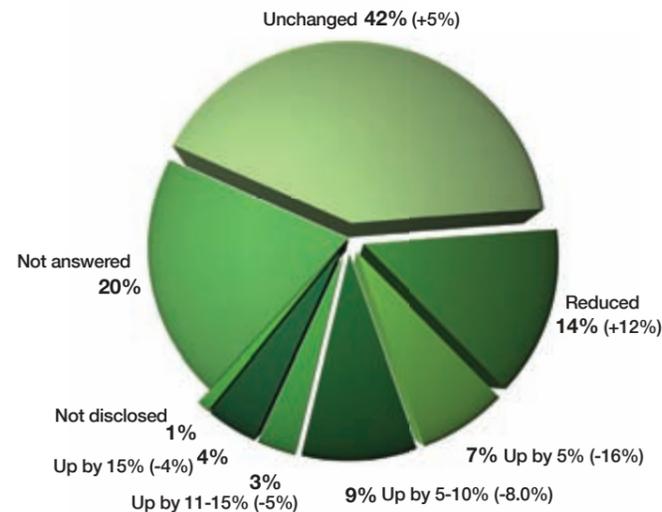
Those working in the European property market with a RICS qualification earn 23.5% more than those who are “not professionally qualified” (€80.9K versus €65.5K). On a regional basis, those working in Benelux with a RICS qualification on average earn the most (€101.8K), followed by those working in France (€88.8 K).



### Change to salary at last review

#### What change if any was made to your annual salary at your last pay review?

Only 24% of respondents received an increase in base salary this year, significantly down from 61% the previous year. 14% received a salary reduction (versus 2% last year), while 42% experienced no change in salary (versus 37% last year).



### Change to Salary last year: Main Activity

#### What change if any was made to your annual base salary at your last pay review?

Of those respondents who reported a salary increase (only 24% across the survey, versus 61% last two years), a higher percentage of total respondents working in Residential Development (33%) received some kind of salary increase followed by Property Asset Management (29%) and Property Finance/Fund Management (29%).

	=	↑	↓	?
Total (1195)	42%	24%	14%	20%
Residential Development (40)	50%	33%	8%	10%
Property Asset Management (87)	48%	29%	10%	12%
Property Finance/Fund Management (164)	43%	29%	10%	18%
Constructions / QS / BS / Project Management (167)	44%	23%	19%	14%
Commercial Development (62)	50%	23%	16%	11%
Valuation (166)	37%	22%	19%	22%
Property Research / Analysis (18)	72%	17%	11%	0%
Investment & Brokerage (77)	45%	14%	27%	13%

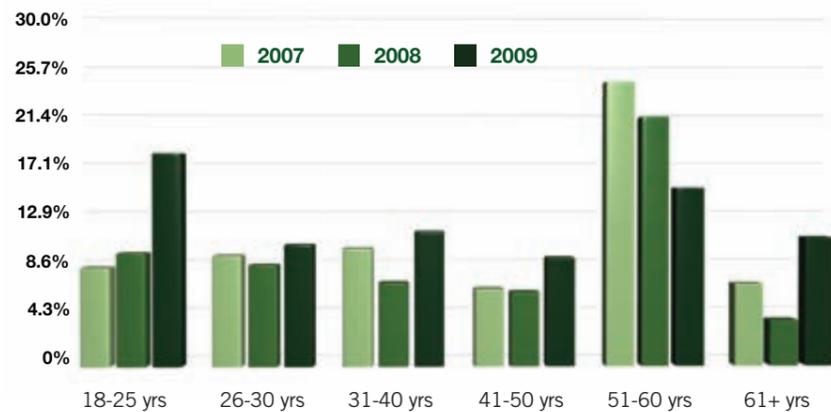
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 ? Not Answered

### Average Salary Increase pa: By prime professional activity

In terms of the average percentage salary increase, those working in Valuation (12.8%), Residential Development (11.9%) and Construction, Quantity Surveying, Building Surveying, Project Management (11.6%) secured the highest average salary increase. However, based on the real industry change (RIC) salaries across the European property sector dropped on average by 2.8%.

Average Salary increase pa	% Increase only			Change 09v08	RIC* 09v08
	2007	2008	2009		
% of Participants Securing Pay Increase	61.0%	61.0%	24.0%		
All participants	8.5%	7.1%	11.2%	4.1%	-2.8%
Valuation	9.7%	8.7%	12.8%	4.1%	-3.8%
Residential Development	16.9%	4.6%	11.9%	7.3%	7.2%
Construction/QS/BS/Project Management	7.2%	6.8%	11.6%	4.8%	-6.8%
Property Asset Management	6.7%	6.4%	10.6%	4.2%	-0.6%
Investment & Brokerage	9.0%	7.1%	9.6%	2.5%	-16.4%
Property Finance (incl Fund Management)	8.5%	7.4%	7.9%	0.5%	-0.8%
Commercial Development	8.7%	7.2%	6.2%	-1.0%	-4.1%
Property Research/Analysis	6.4%	9.2%	3.7%	-5.5%	-11.8%

Base: All giving an answer: 2007 = 911; 2008 = 805; 2009 = 1,195 (base <100; base < 20)

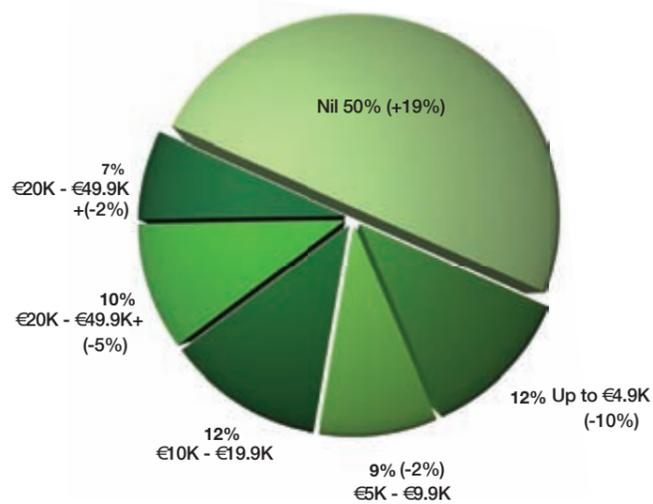


### Average Increase: Age

**What (if any) was the % increase of your salary?**

Though a lower percentage of respondents (24% in total) received a salary increase versus the previous year, those aged between 18-25 years who did receive a salary increase received the highest (17.9% on average) followed by the 31-40 years age group (11.3%) across the age groups.

## BONUS & OTHER BENEFITS



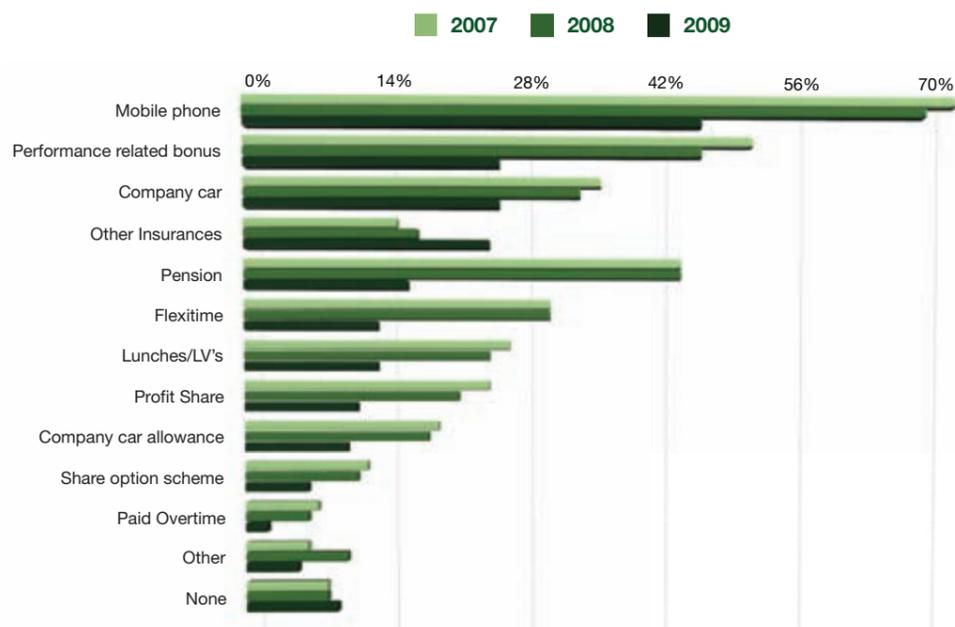
### Annual Bonuses received

**What was the approximate value of your annual bonus (or bonuses) over the last 12 months?**

50% of the survey respondents received no bonus whatsoever (19% more than last year). Of those who did receive a bonus (50%) they received on average across Europe €21,283K (up from €17,143K last year).

### Employment Benefits

There has been a significant decrease in the provision of additional benefits for property professionals across the variety of options. For example, even though the most popular employee benefits remain Mobile Phone (45% down from 67% previous year), Performance related bonuses (25% down from 45%) and Company car (25% down from 33%).

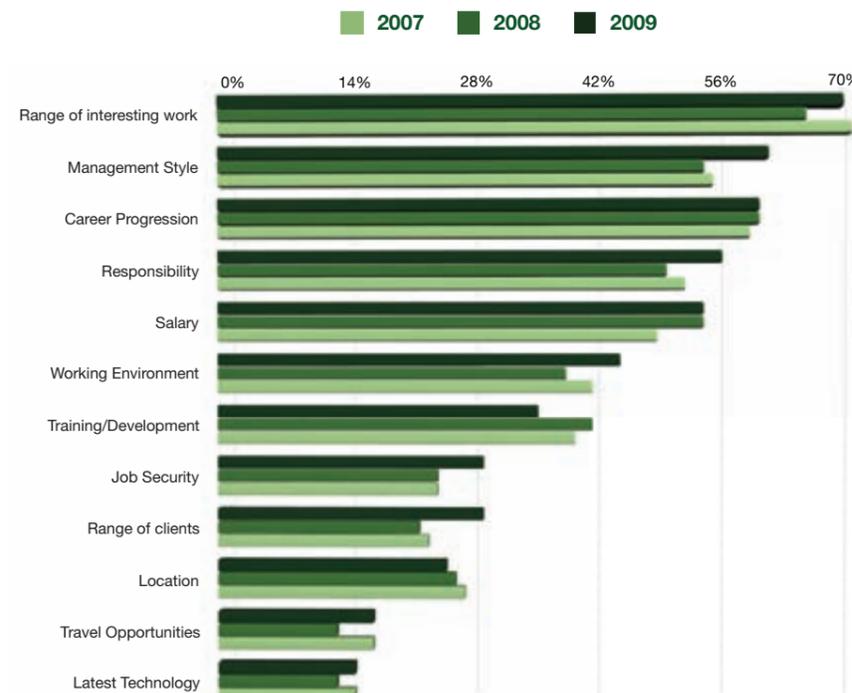


## MARKET ATTITUDES

### Important Job Aspects

**How important are each of the following to you in your job?**

Range of interesting work (68%) and Management style (60%) are the most important aspects when it comes to job satisfaction, followed closely by career progression (59%), responsibility (55%) and salary (53%) within the organisation. Management style (+7%) and responsibility (+6%) are the two main aspects which have seen an increase in "importance" to European property professionals in comparison to last year.



### Employer of Choice

**Do you consider your current employer an employer of choice?**

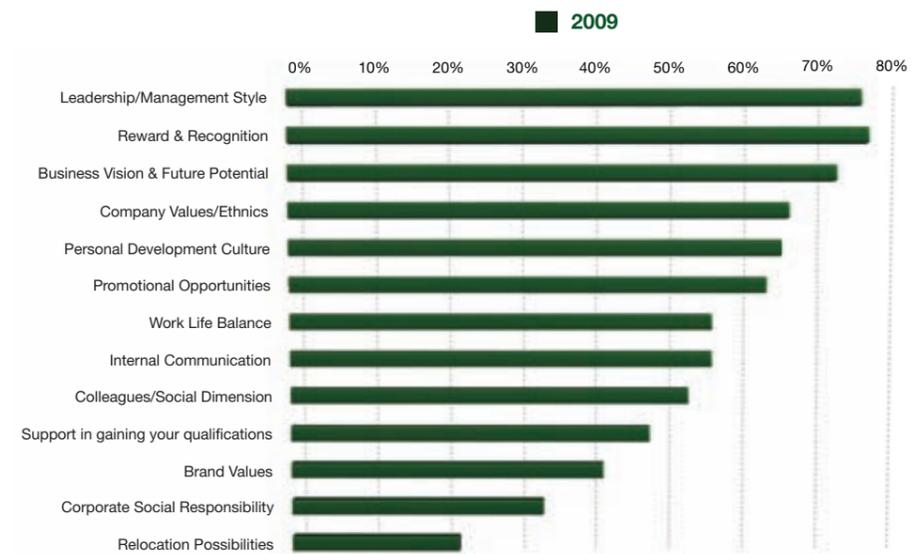
Only 73% of respondents to the European survey consider their present employer is an "employer of choice", in comparison to 83% in the UK, 69% in South Africa, 63% in Asia and 60% in the Middle East.



## Employer of Choice

### How important are the following factors in making your current employer an employer of choice?

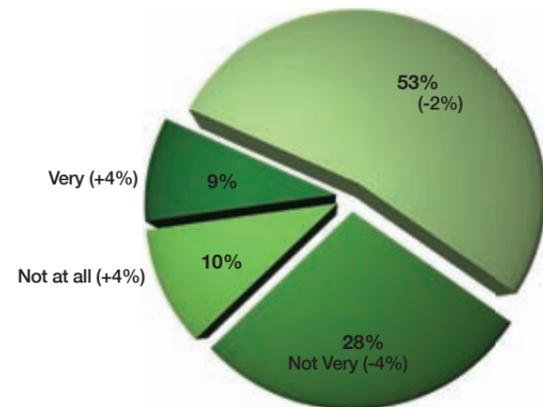
Only 73% of respondents to the European survey consider their present employer is an “employer of choice”, in comparison to 83% in the UK, 69% in South Africa, 63% in Asia and 60% in the Middle East.



## Salary Satisfaction

### How satisfied are you with your current salary?

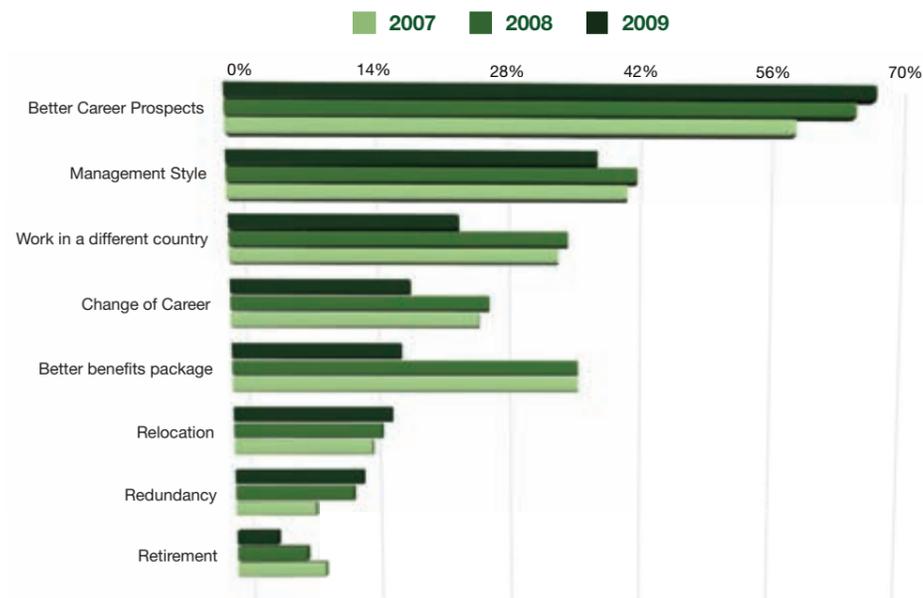
The majority of survey participants (62%, down 6% versus last year) are fairly or very satisfied with their current salary. 38% say that they are not satisfied (down 6% from last year).



## Reasons for leaving Employer

### If you were to leave your present employer, what would your main (important) reason be?

After better career prospects (65%) the most likely reason for leaving an employer is management style (37%), followed by work in a different country (23%) and change of career (18%). Consistent with the present economic climate, it is not surprising that those who would leave for a “better benefits package” has dropped significantly from 35% in 2008 to 17% in 2009.



## Anticipated increase in economic activity: By prime professional activity

Anticipated increase in economic activity	2007	2008	2009
Investment Consultancy	55%	26%	63%
Property Research / Analysis	52%	30%	48%
Property Asset Management	72%	33%	47%
Valuation	64%	27%	45%
Commercial Development	63%	29%	42%
Property Finance, incl. Fund Management	73%	20%	42%
Residential Development	53%	22%	41%
Constructions / QS / BS / Project Management	62%	34%	38%

Base: All giving an answer: 2007 = 911; 2008 = 805; 2009 = 1,195 (base <100; base < 20)

Market sentiment has improved, with 45% of all respondents anticipating an increase in economic activity in the next 12 months (versus 30% last year). Those in Investment Consultancy are the most optimistic with 63% forecasting an economic improvement (versus 26% last year).

## Anticipated increase in economic activity: By economic region

% anticipate increase in economic activity: By region	2009
All participants	45%
Scandinavia	67%
UK	61%
Southern Europe	47%
Germany/Austria/Switzerland	46%
France	44%
Central & Eastern Europe	39%
Benelux	38%

While those property professionals working in Scandinavia (67%) and the UK (61%) are the most optimistic in terms of increase economic activity in the next 12 months.

## Further information

Macdonald & Company is the leading professional recruitment consultancy to the property industry and built environment. We have offices in the United Kingdom, Dubai, Hong Kong, and South Africa enabling us to offer global reach with local knowledge. We act for a diverse range of clients, these include developers, investors, institutions, property companies, funds, banks and consultancies – indeed any organisation that occupies, owns, develops, invests in, finances or advises on property and construction. Annual surveys of remuneration and attitudes are undertaken for the following regions, UK, Middle East, Asia Pacific, Europe & Africa. [www.macdonaldandcompany.com](http://www.macdonaldandcompany.com)

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RICS is the world's leading qualification when it comes to professional standards in land, property and construction. In a world where more and more people, governments, banks and commercial organisations demand greater certainty of professional standards and ethics, attaining RICS status is the recognised mark of property professionalism. Over 91,000 property professionals working in the major established and emerging economies of the world have already recognised the importance of securing RICS status by becoming members.

Based in Brussels since 1993, the European headquarters of RICS has offices and staff all around continental Europe. RICS Europe is growing fast in all European countries, from Germany to Russia, from countries in Central and Eastern Europe to the Nordic region, and from the Baltics to Turkey.

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