

The RICS and Macdonald & Company

EUROPEAN SALARY SURVEY 2008

Transparent statistics for property professionals



MACDONALD & COMPANY

The Property Recruitment Professionals

The 2008 RICS and Macdonald & Company Salary & Benefits Survey

Research Findings

Foreword

This document contains findings of the 2008 RICS and Macdonald & Company European Salary & Benefits Survey. We would like to thank all the participants who took time to complete the questionnaire.

This is the second RICS and Macdonald & Company Continental European Salary & Benefits Survey which follows on from the success of the initial version and the highly regarded UK-based Survey. The UK Salary & Benefits Survey has been conducted annually for the past nine years and is the most comprehensive survey undertaken for the sector and we are confident that this European version will provide as much detail and information in years to come.

803 European-based surveying professionals participated in May, June and July 2008 – making this a robust and informative survey of the area. Thanks this year must go to RICS Europe, Europe Real Estate, PropertyEU, Business Immo and Property Week Global.

Besides statistics on current salaries, recent salary increases, bonuses and employment package benefits, the results give insight into wider issues that are important to professionals in their role and their attitudes toward employment. Macdonald & Company also undertakes an annual salary & benefits survey for Asia Pacific, Middle East and Africa.

Macdonald & Company is the leading professional recruitment consultancy in the property industry and deals exclusively in the recruitment of property professionals across the globe. We act for a diverse range of clients which include banks, consultancies, property companies, funds, institutions, developers - indeed any organisation that occupies, owns, invests or advises on property.

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**The 2008 RICS and Macdonald & Company
Continental European Salary & Benefits Survey**

**RESEARCH FINDINGS
August 2008**

INTRODUCTION

This document contains a summary of the findings of the second RICS and Macdonald & Company Continental European Salary & Benefits Survey.

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NB. Because of the range of currencies covered, all have been converted to euros using the exchange rate current on 17th August 2008.

1. Method & Sample Profile

1.1 Overview

This is the second annual RICS and Macdonald & Company Continental European Salary & Benefits Survey, a tracking study following on from the success of the long-running UK-based Salary & Benefits Survey. The survey took place on-line via the Macdonald & Company website and results have been collated and analysed by David Burton Associates.

Besides statistics on current salaries, recent salary increases, bonuses and employment package benefits, the results give insight into wider issues that are important to professionals in their role and their attitudes toward employment.

803 surveying professionals in continental Europe participated on-line between mid-April and mid-August 2008 – making this a robust and informative survey of the area.

- Similar to last year, 85% of participants are employed on a permanent basis, with 8% consultants, 6% who describe their current role as temporary and 2% unemployed.
- Over half (55%) are accounted for by those who describe their prime professional activity as Commercial Property including Office, Retail, Industrial (23%), Construction / Quantity Surveying / Building Surveying / Project Management (23%) or Valuation (9%).
- Nearly two thirds (61%) are Staff (31%) or Managers (30%), showing an increase in the number of Staff (+7% vs. 2007). At the highest level, just over a quarter (27%) describe themselves as Principals / Owners (6%), Partners (4%) or Directors (17%).
- Those currently employed work most frequently in Surveying Practice / Consultancy (31%), Investment / Development (29%) and Commercial / Industrial (24%).
- With the most visible increase for the UK / Ireland, participants continue to show a broad geographical spread, mainly working in UK / Ireland (29%), Germany / Austria / Switzerland (22%), Central & Eastern Europe (11%), Southern Europe (10%), France (9%) and Benelux (11%).
- Again, the majority of participants are men (79%). The average age of respondents is 36.1 years, with 9.2 years' experience in the sector. The profile of women taking part in the survey is again typically younger than that of the men, their average age being 32.3 years (compared to 37.1 among males), with 6.9 years' experience (compared to 9.9 years among males). The profile of participants this year is slightly younger than in 2007.
- Much as last year, more than a third of participants are employed within organisations with 500+ employees (38%) versus a quarter (25%) within smaller firms of 20 or fewer.

1.2 Charts

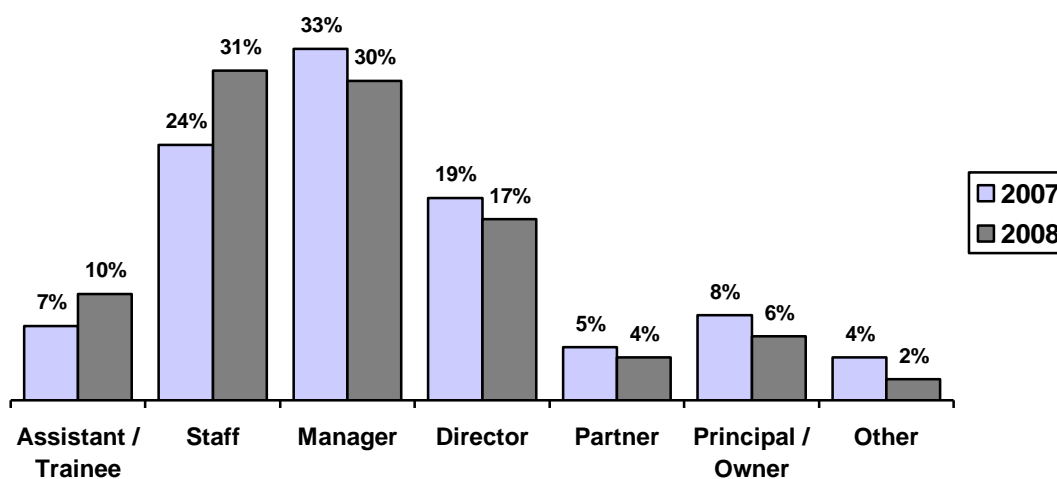
(a) Sample Profile: Prime Professional Activity

	2007		2008	
	No. of Participants	% of Participants	No. of Participants	% of Participants
Commercial Property, including Office, Retail, Industrial	208	23%	187	23%
Construction / Quantity Surveying / Building Surveying / Project Management	195	21%	185	23%
Valuation	120	13%	74	9%
Property Asset Management	54	6%	64	8%
Residential Property	60	7%	63	8%
Investment Consultancy	67	7%	58	7%
Property Finance, including Fund Management *	71	8%	59	7%
Property Research / Analysis	23	3%	27	3%
Land Surveying, including Environmental Surveying	9	1%	8	1%
Other	80	9%	65	8%

Base: All participants: 2007 – 911, 2008 – 803

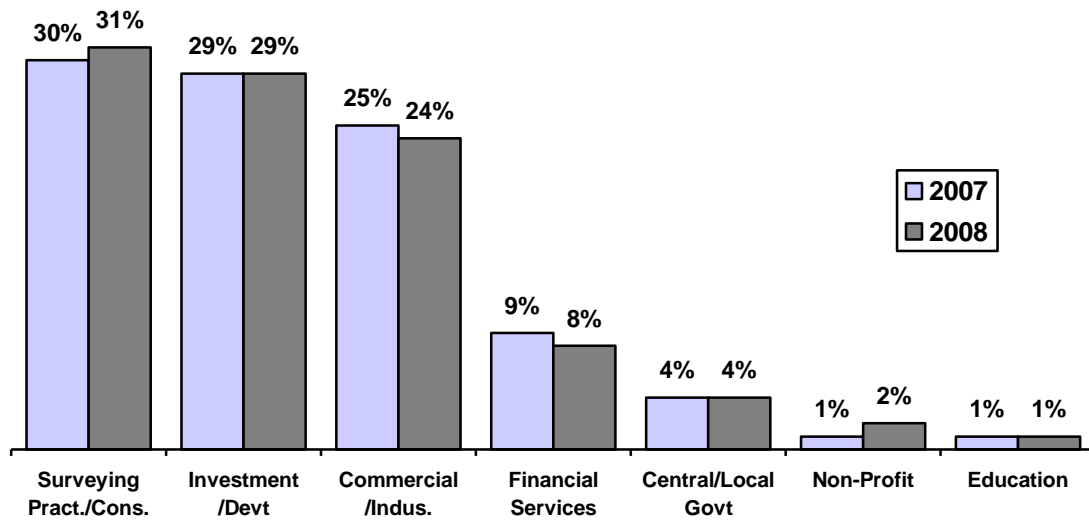
(NB. Detailed results are not shown in this report for activities represented by fewer than 20 survey respondents.)

(b) Sample Profile: Level of Responsibility



Base: All employed: 2007 – 886, 2006 – 790

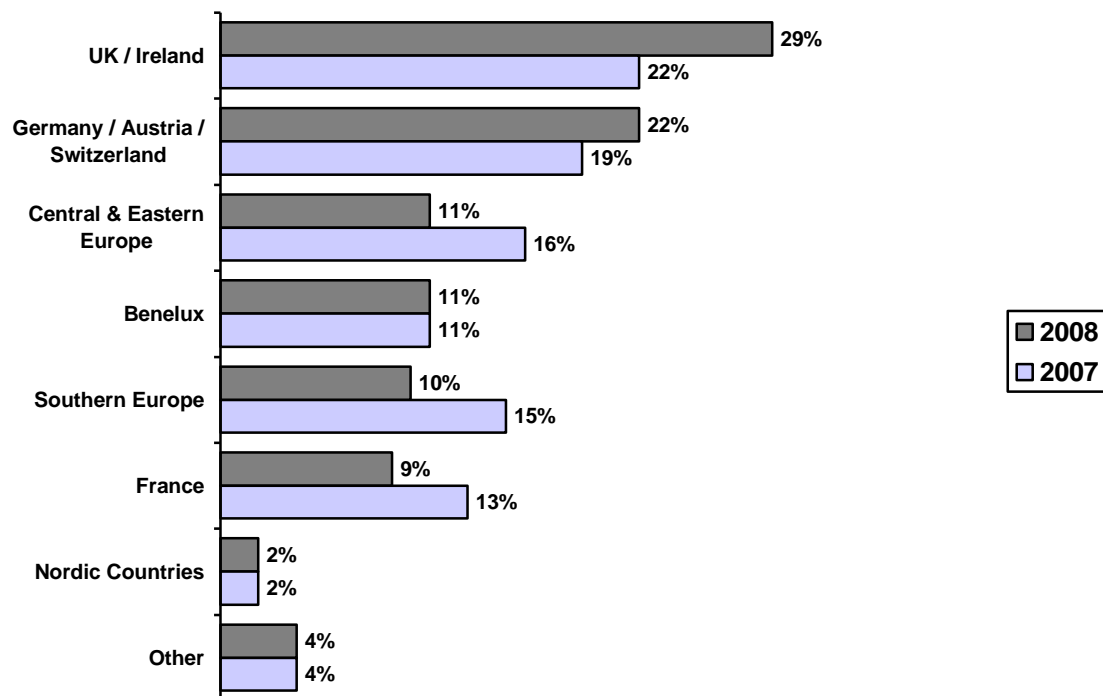
(c) Sample Profile: Sector



Base: All employed: 2007 – 886, 2008 – 790

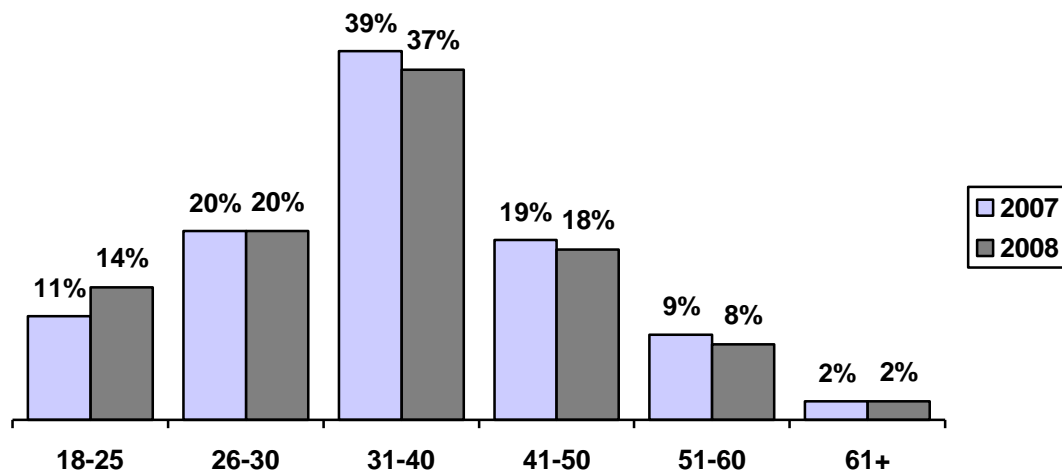
(d) Sample Profile: Region

Q: Where do you mainly work?



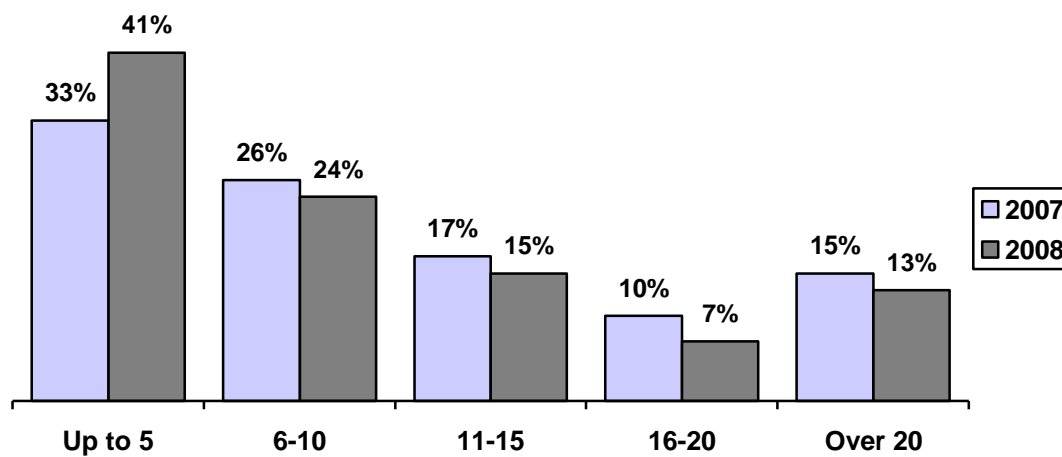
Base: All respondents: 2007 – 911, 2008 – 803

(e) Sample Profile: Age



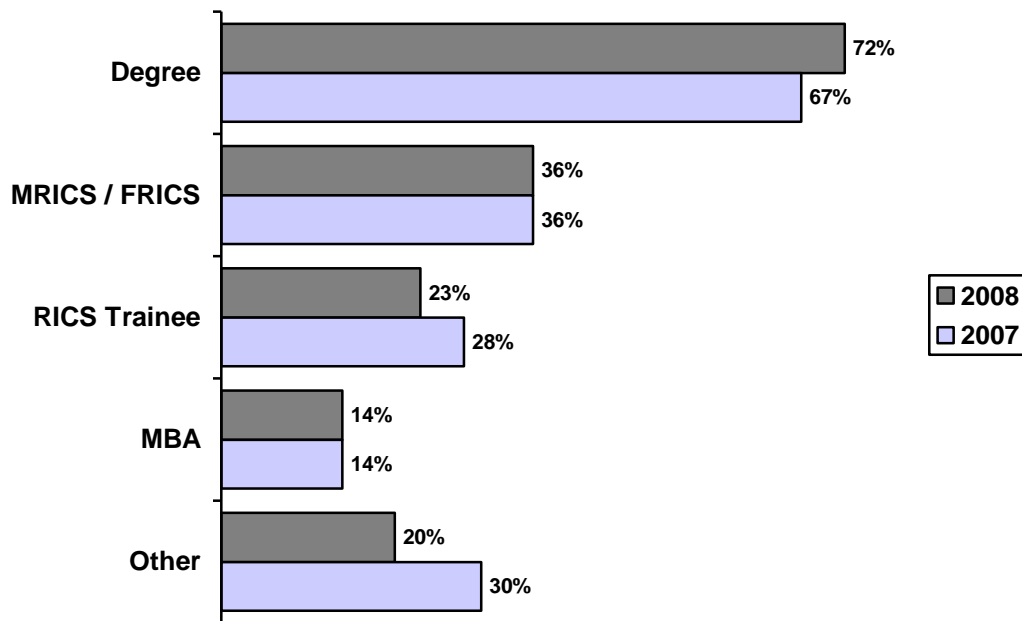
Base: All respondents: 2007 – 911, 2008 – 803

(f) Sample Profile: Years' Experience



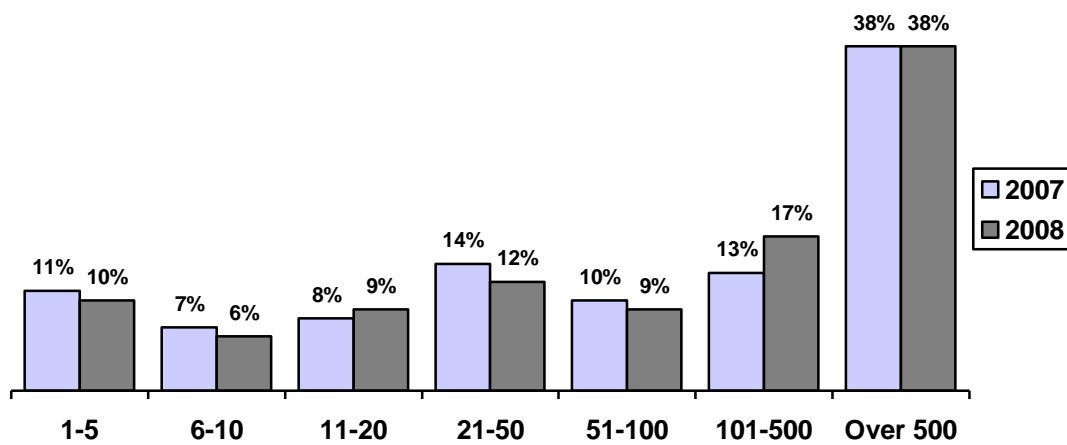
Base: All employed: 2007 – 886, 2008 – 790

(g) Sample Profile: Qualifications Held



Base: All respondents: 2007 – 911, 2008 – 803

(h) Sample Profile: Size of Organisation (Number Of Employees)



Base: All employed: 2007 – 886, 2008 – 790

2. Current Salary (Excluding Bonuses)

2.1 Overview

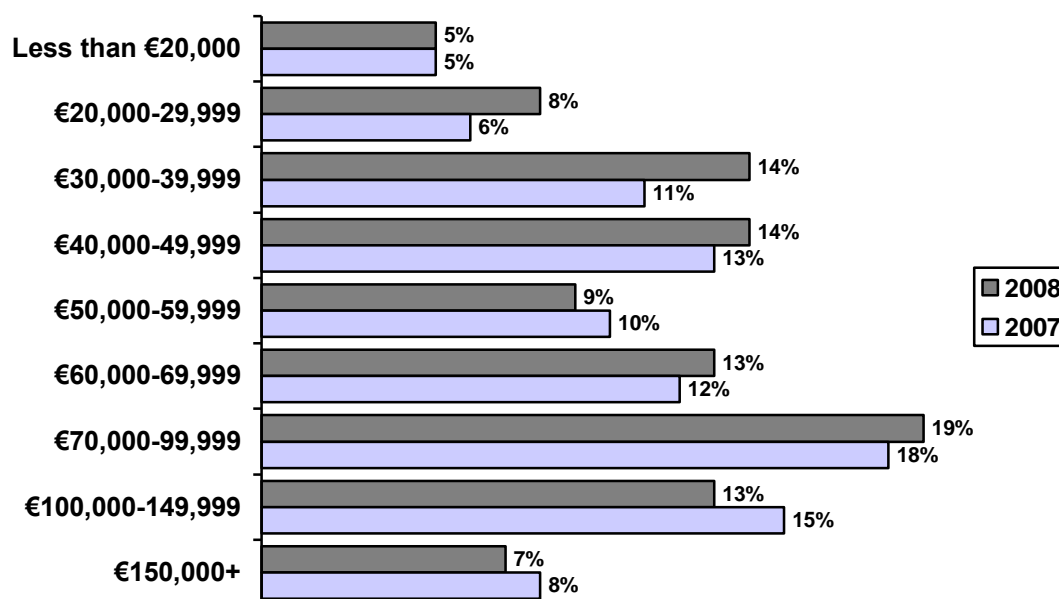
The average salary of professionals working in the property sector is € 70,187, excluding bonuses and other benefits. This does showing a significant drop (-9%) against last year (€76,970), even though most respondents say that they have received a salary increase in the past year (see section 3). Three main factors may have influenced this result:

- In part, this may reflect some changes in sample profile. This year's sample is slightly younger and more junior – e.g., 41% with up to five years' experience, compared with 33% last year (see section 1). Also there is a higher response from UK / Ireland this year (up from 22% to 29% of the sample), and this region shows the lowest average salaries.
- Exchange rate movements – the £ sterling, which accounts for approaching 40% of completions, is down by 15% against the euro relative to the time of last year's survey.
- On top of this, however, property-related sectors have clearly been seeing some difficult times in the past year, with the problems in the mortgage market, falling property prices and the credit crunch. Residential Property shows the largest fall in average salaries since 2007 (-23%), and in average salary increases (see section 3). Salaries and bonuses also appear to have fallen most among Partners and Principals / Owners, suggesting that they are losing out in particular in difficult market conditions.

Overall, RICS members (MRICS / FRICS) earn 46% more on average than non-members – €87,882 against €59,990 – although both show a fall since the 2007 survey (members down by 8.3% and non-members by 9.3%). In part, this reflects the older profile of members (61% have over 10 years' experience compared with 21% of non-members). However, in the first ten years of their career, members do earn higher average salaries – up to 5 years' experience, 60% higher (but low base size, 40 members), 6-10 years, 22% higher; thereafter, there is less difference, with non-members earning slightly more at 11-20 years' experience.

2.2 Charts

(a) Current Salary (Excluding Bonuses) in euros



Base: All giving an answer: 2007 – 871, 2008 – 785

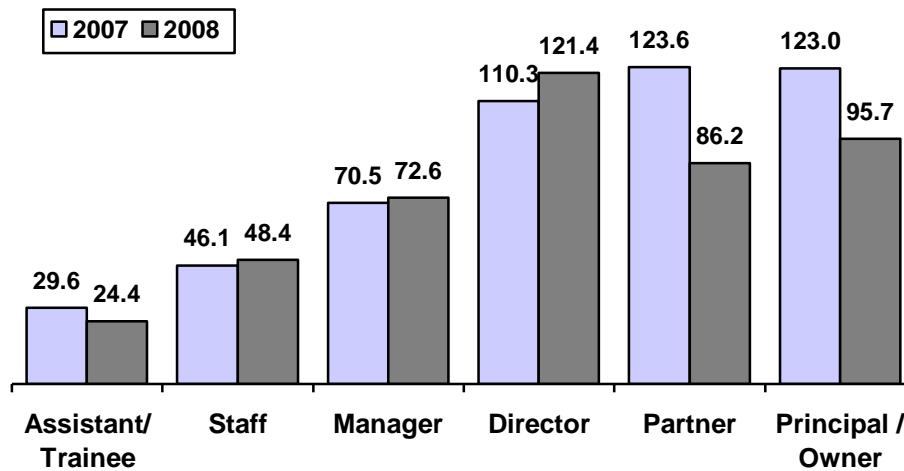
Average Salary: Prime Professional Activity (ordered according to highest salary)

	2007	2008	Change
	Average Salary € pa	Average Salary € pa	%
All participants	76,970	70,187	- 8.8%
Investment Consultancy	92,721	85,333	- 8.0%
Property Finance, including Fund Management	93,580	84,462	- 9.7%
Property Asset Management	86,150	77,328	- 10.2%
Commercial Property	81,707	75,815	- 7.2%
Residential Property	95,334	73,443	- 23.0%
Construction / QS / BS / Project Management	64,745	61,104	- 5.6%
Property Research / Analysis	73,795*	60,955*	- 17.4%*
Valuation	57,499	58,273	+ 1.3%

Base: All giving an answer: 2007 – 871, 2008 – 785

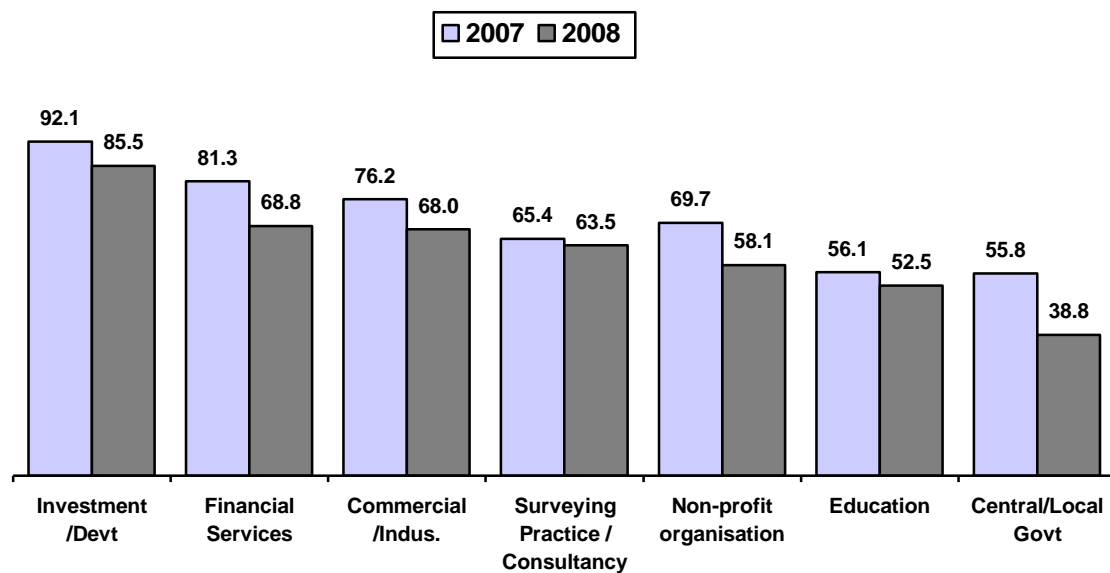
(* small sub-samples: <50) Excludes categories with less than 20 respondents.

(b) Average Salary (€Kpa): Level of Responsibility



Base: All giving an answer: 2007 – 871, 2008 – 785

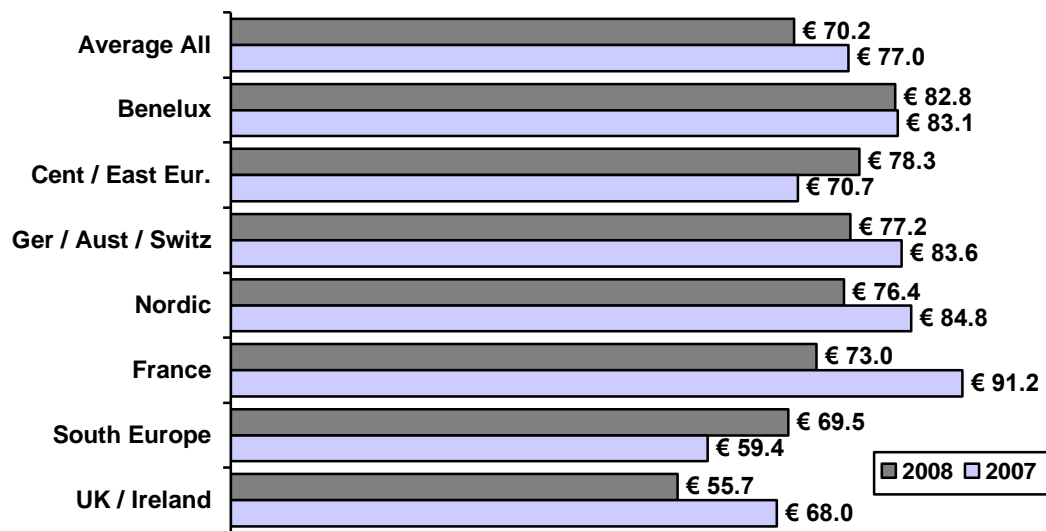
(c) Average Salary (€Kpa): Sector



Base: All giving an answer: 2007 – 871, 2008 – 785

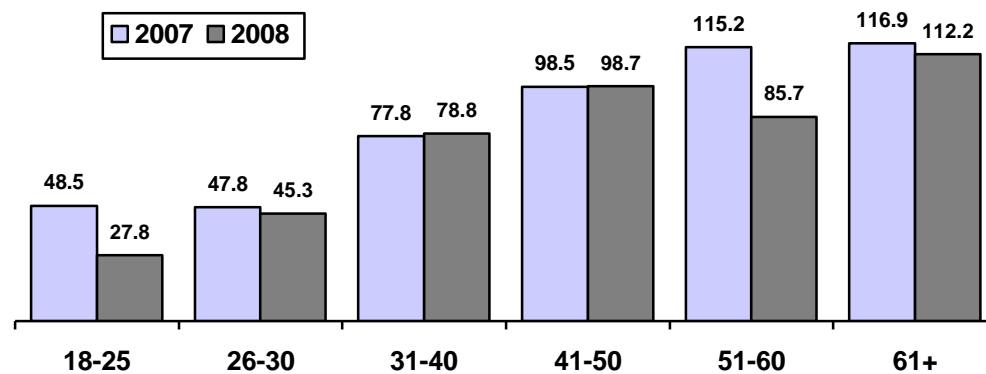
NB. Figures for Non-Profit and Education are based on samples of fewer than 20 respondents and should be treated as indicative only.

(d) Average Salary (€Kpa): Region



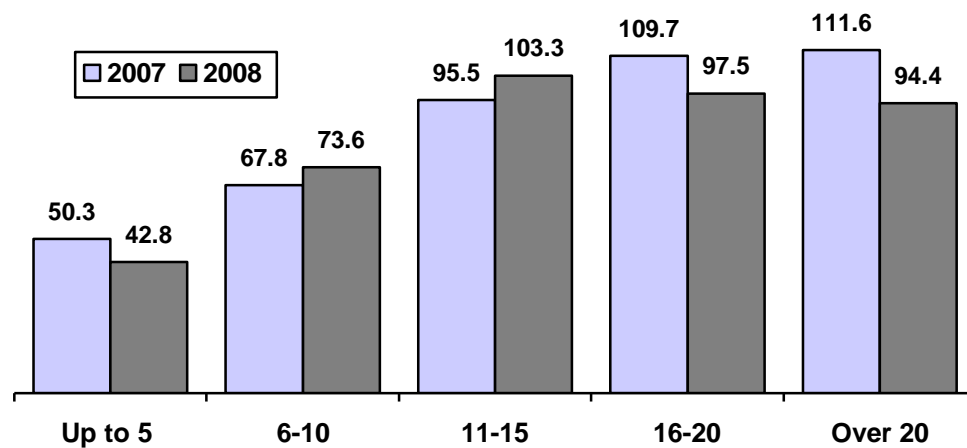
Base: All giving an answer: 2007 – 871, 2008 – 785 (NB. Nordic < 20, treat as indicative)

(e) Average Salary (€Kpa): Age



Base: All giving an answer: 2007 – 871, 2008 – 785

(f) Average Salary (€Kpa): Years' Experience



Base: All giving an answer: 2007 – 871, 2008 – 785

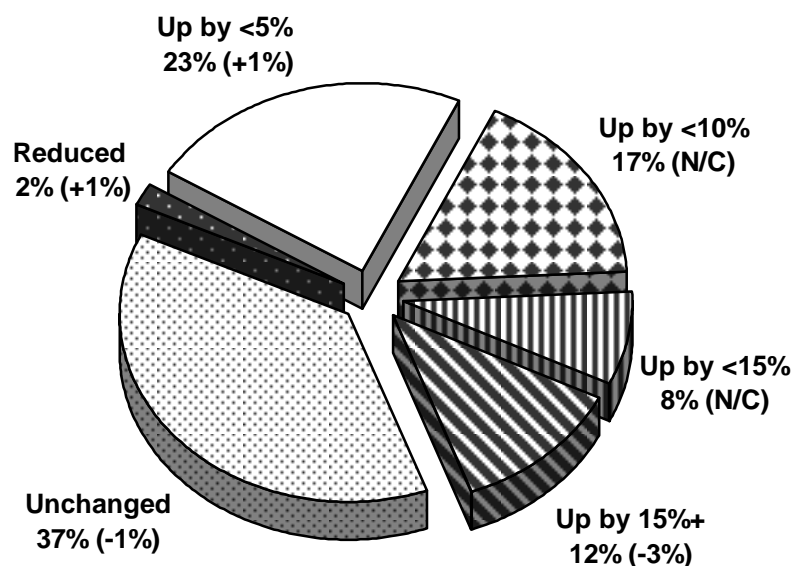
3. Change to Salary at Last Review

3.1 Overview

Over half of participants (61%) had an increase in salary at their most recent pay review (as last year). The average overall salary increase reported was 7.1% (down from 8.5%).

3.2 Charts

(a) Change to Salary at Last Review



Base: All employed: 2007 – 886, 2008 – 790

(b) Average Increase: Prime Professional Activity (ordered according to highest increase)

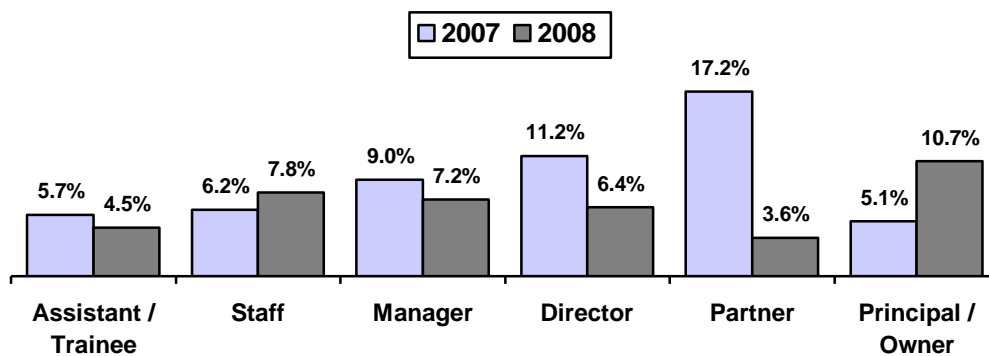
	2007	2008	Change
	Average Increase p.a	Average Increase p.a	Change 07 - 08
All participants	8.5%	7.1%	- 0.7%
Property Research / Analysis	6.4%*	9.2%*	+ 2.8%
Valuation	9.7%	8.7%	- 1.0%
Property Finance, incl. Fund Management	8.5%	7.4%	- 1.1%
Commercial Property	8.7%	7.2%	- 1.5%
Investment Consultancy	9.0%	7.1%	- 1.9%
Construction / QS / BS / Project Mgmt.	7.2%	6.8%	- 0.4%
Property Asset Management	6.7%	6.4%	- 0.3%
Residential Property	16.9%	4.6%	- 12.3%

Base: All employed: 790

(* small sub-samples: <50)

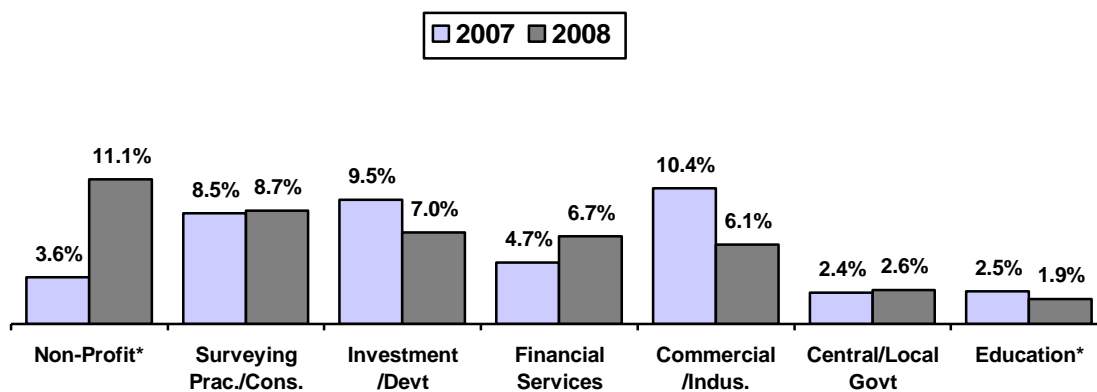
Table excludes those categories with the smallest sub-groups (less than 20 respondents)

(c) Average Increase: Level of Responsibility



Base: All employed: 2007 – 886, 2008 – 790

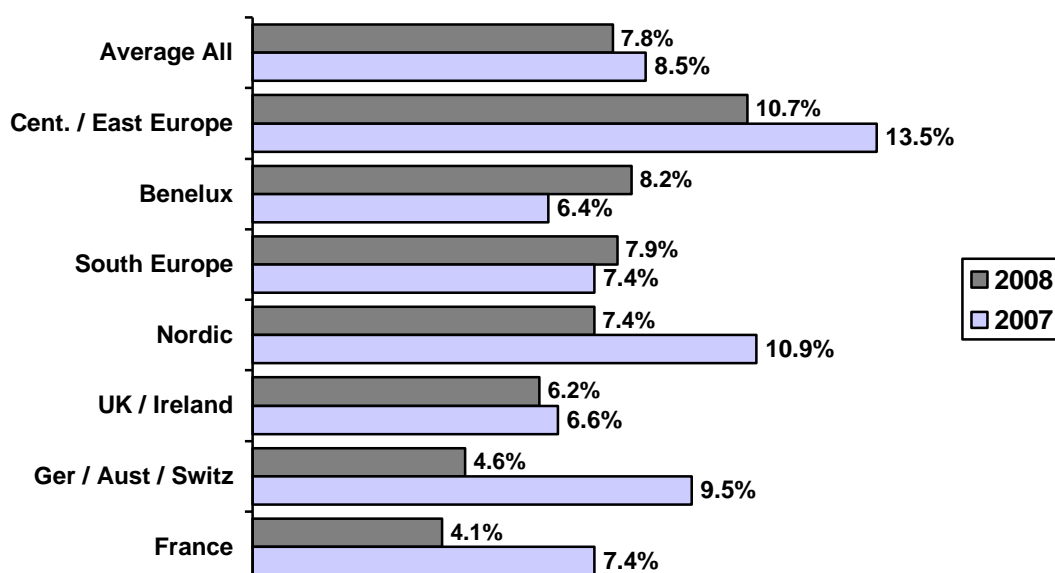
(d) Average Increase: Sector



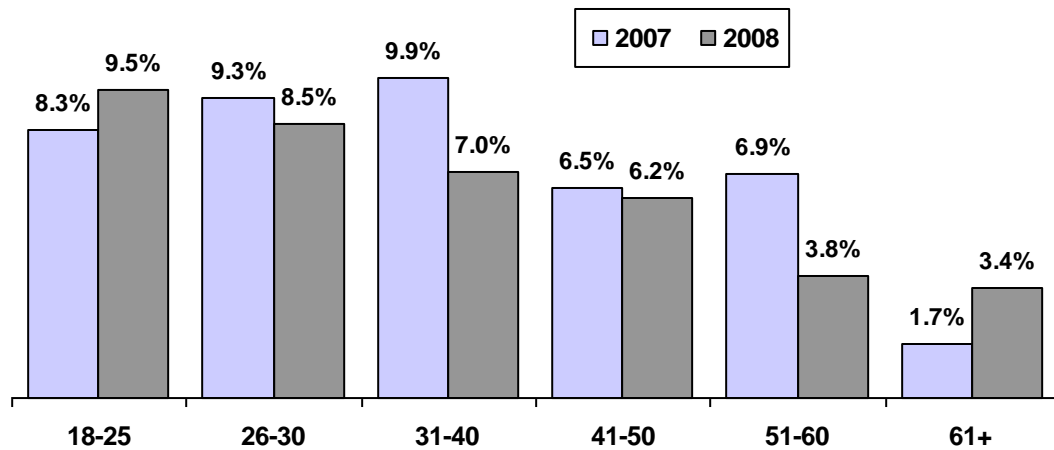
Base: All employed: 2007 – 886, 2008 – 790

NB. Figures for Non-Profit and Education are based on samples of fewer than 20 respondents and should be treated as indicative only.

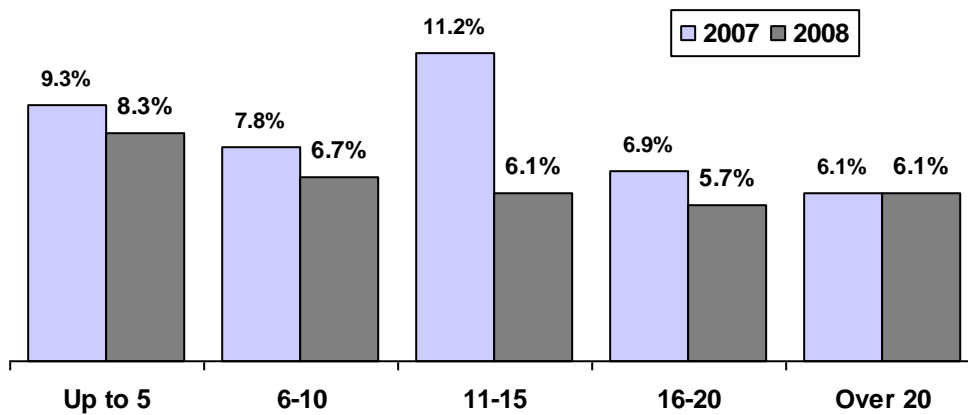
(e) Average Increase: Region



Base: All employed: 2—7 – 886, 2008 – 790 (NB. Nordic < 20 – treat as indicative)

(f) Average Increase: Age

Base: All employed: 2007 – 886, 2008 – 790

(g) Average Increase: Years' Experience

Base: All employed: 2007 – 886, 2008 – 790

4. Bonuses Received (Over Last 12 Months)

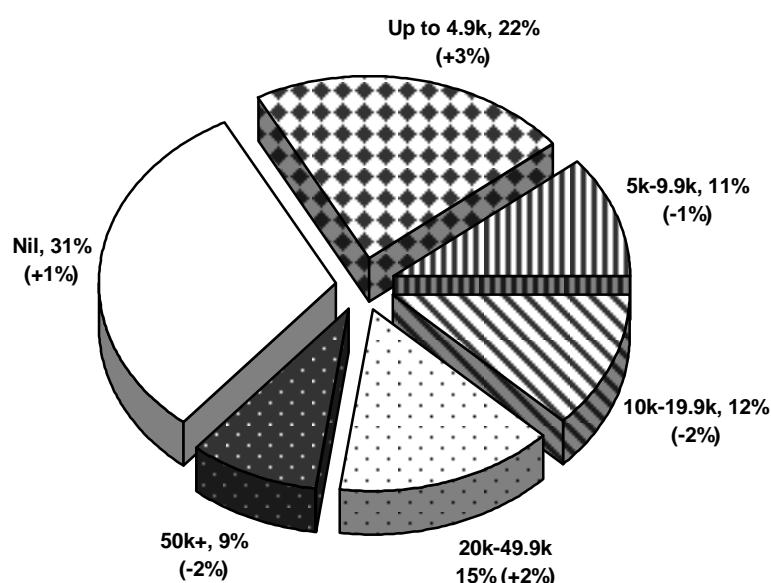
4.1 Overview

69% of respondents received a bonus over the last twelve months (down from 70%) and the average value of bonuses was €17,413 (down 17% from €21,010) overall, representing 25% (down from 27%) of average salary.

As last year, of those receiving a bonus, 60% said that this is awarded on a discretionary basis, 40% against strict measurable objectives.

4.2 Charts

(a) Bonuses Received (Over Last 12 Months) in euros



Base: All employed and giving answer: 2007 – 835, 2008 – 756

(b) Average Bonus: Prime Professional Activity (Ordered by average bonus)

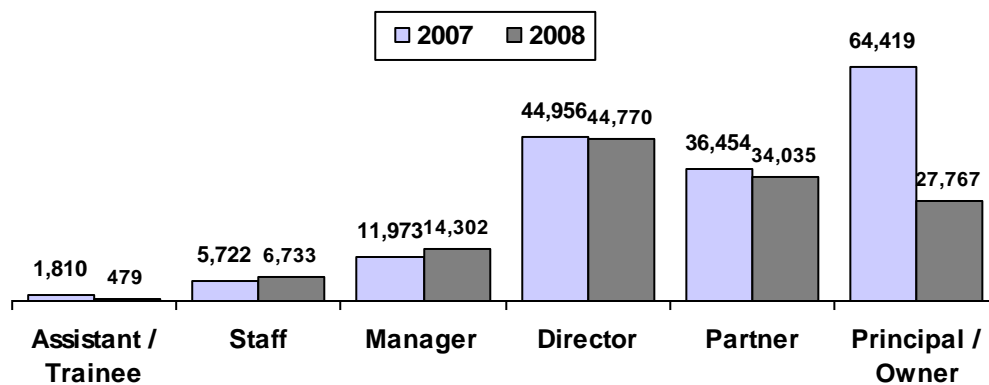
	2007	2008	Change
	Average Bonus €	Average Bonus €	%
All participants	21,010	17,413	- 17.1%
Investment Consultancy	41,440	41,325	- 0.3%
Property Finance, incl. Fund Management	55,329	28,489	- 48.5%
Commercial Property	21,019	24,705	+ 17.5%
Residential Property	24,863	21,415	- 13.9%
Property Asset Management	27,061*	16,439	- 39.3%
Valuation	11,697	15,221	+ 30.1%
Property Research / Analysis	15,483*	10,086*	-34.9%
Construction / QS / BS / Project Mgmt.	8,831	5,333	- 39.6%

Base: All employed and giving an answer: 2007 – 835, 2008 – 756

(* small sub-samples: <50)

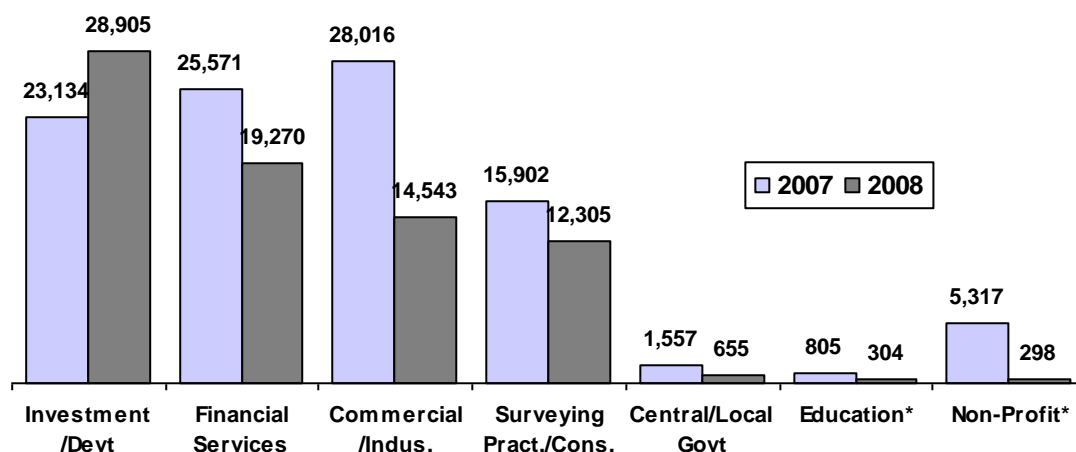
Table excludes those categories with the smallest sub-groups (less than 20 respondents)

(c) Average Bonus (€): Level of Responsibility



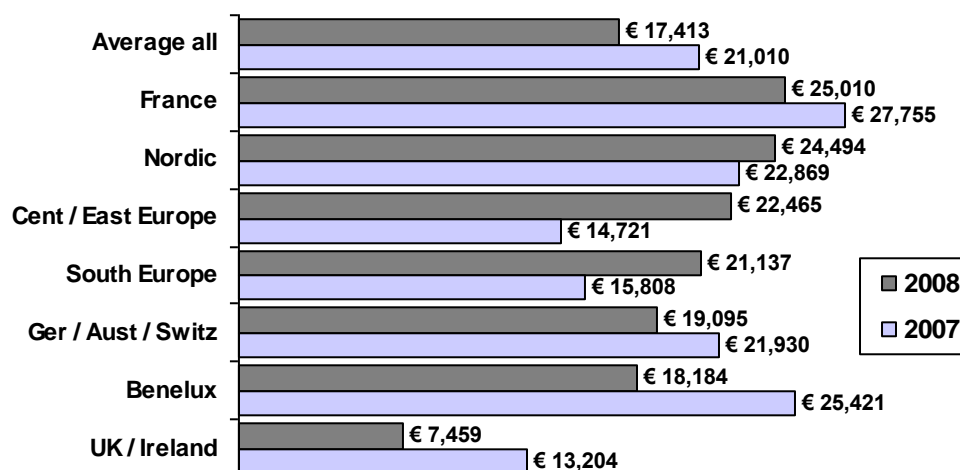
Base: All employed and giving an answer: 2007 – 835, 2008 – 756

(d) Average Bonus (€): Sector



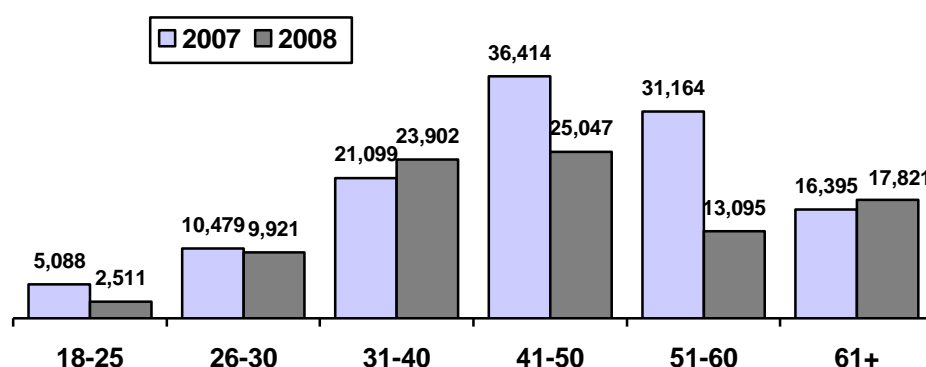
Base: All employed and giving an answer: 2007 – 835, 2008 – 756 NB. Figures for Non-Profit and Education are based on samples of < 20 and should be treated as indicative only.

(e) Average Bonus (€): Region



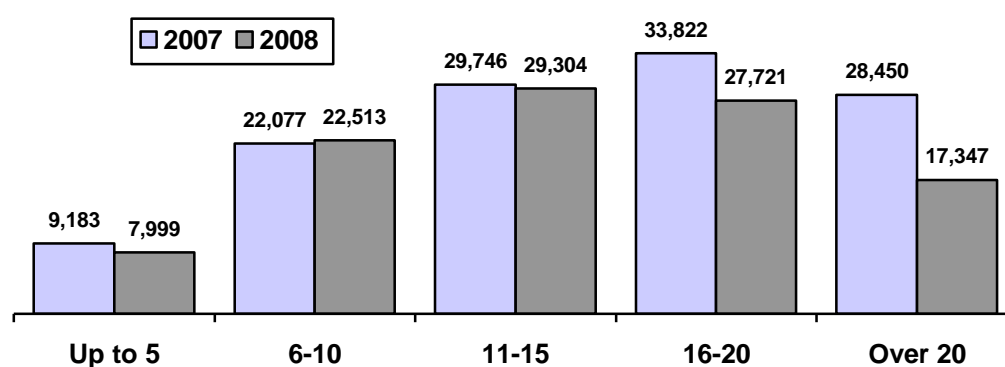
Base: All employed and giving an answer: 2007 – 835, 2008 – 756 (NB. Nordic < 20, treat as indicative)

(f) Average Bonus (€): Age



Base: All employed and giving an answer: 2007 – 835, 2008 – 756

(g) Average Bonus (€): Years' Experience



Base: All employed and giving an answer: 2007 – 835, 2008 – 756

Summary 2008: Average Annual Salary and Bonus By Prime Professional Activity

2008	Average Salary € K pa	Average Bonus € K	Total € pa	Av. Salary Increase	Number of participants
All employed	70.2	17.4	87.6	7.8	790
Investment Consultancy	85.3	41.3	126.7	7.1	56
Property Finance, incl. Fund Management	84.5	28.5	113.0	7.4	58
Commercial Property	75.8	24.7	100.5	10.1	186
Property Asset Management	77.3	16.4	93.8	6.4	64
Residential Property	73.4	21.4	94.9	4.6	63
Valuation	58.3	15.2	73.5	8.7	73
Property Research / Analysis	61.0	10.1	71.0	9.2	27
Construction / QS / BS / Project Management	61.1	5.3	66.4	6.8	182

Base: All employed: 2007 – 886, 2008 – 790

Table excludes those categories with the smallest sub-groups (less than 20 respondents).

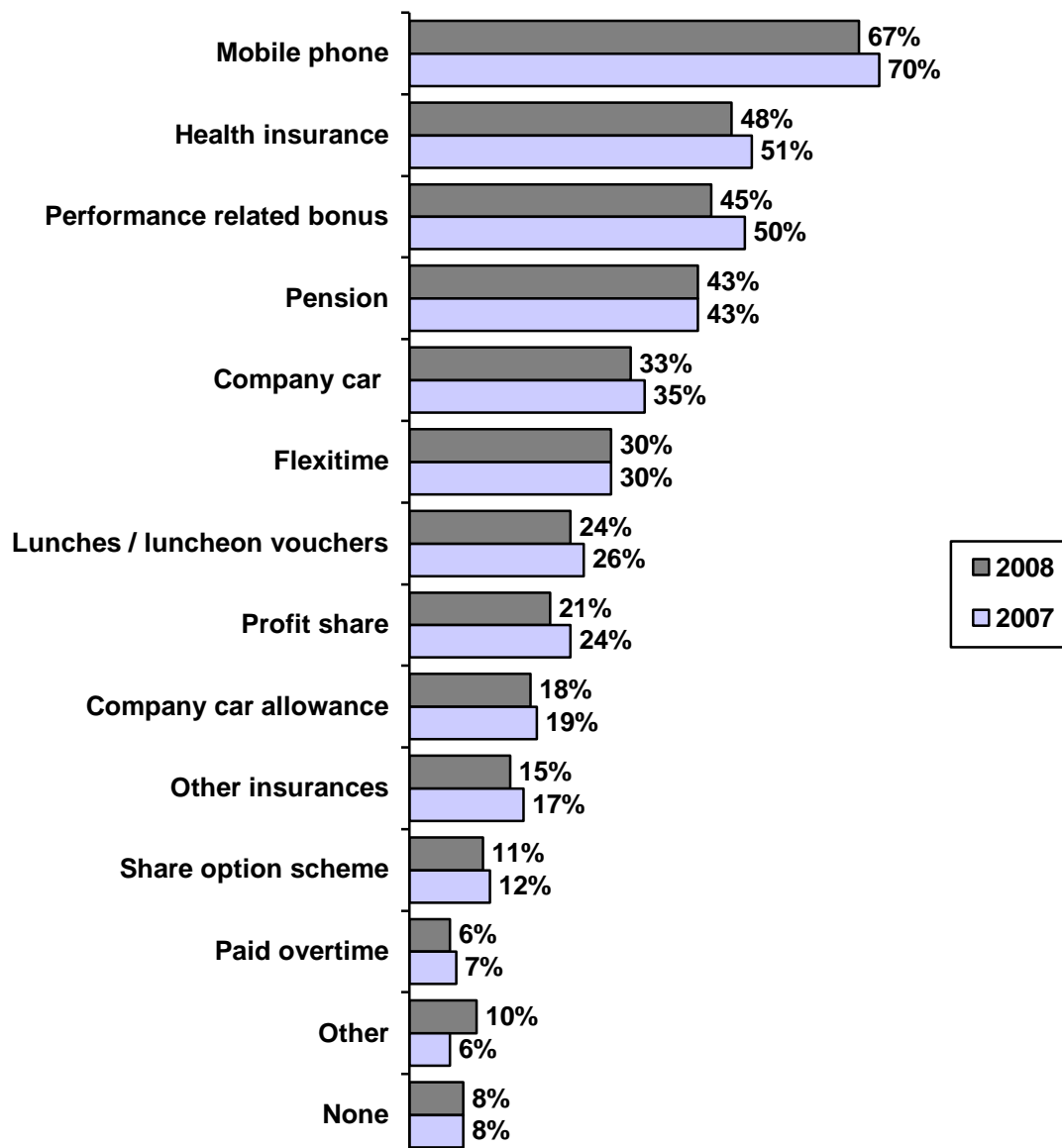
5. Benefits Included in Employment Package

5.1 Overview

92% mentioned at least one additional benefit that they receive within their current package.

There are fairly small downward movements for most main benefits since last year. The main benefits received are indicated on the following chart:

5.2 Benefits Included in Employment Package

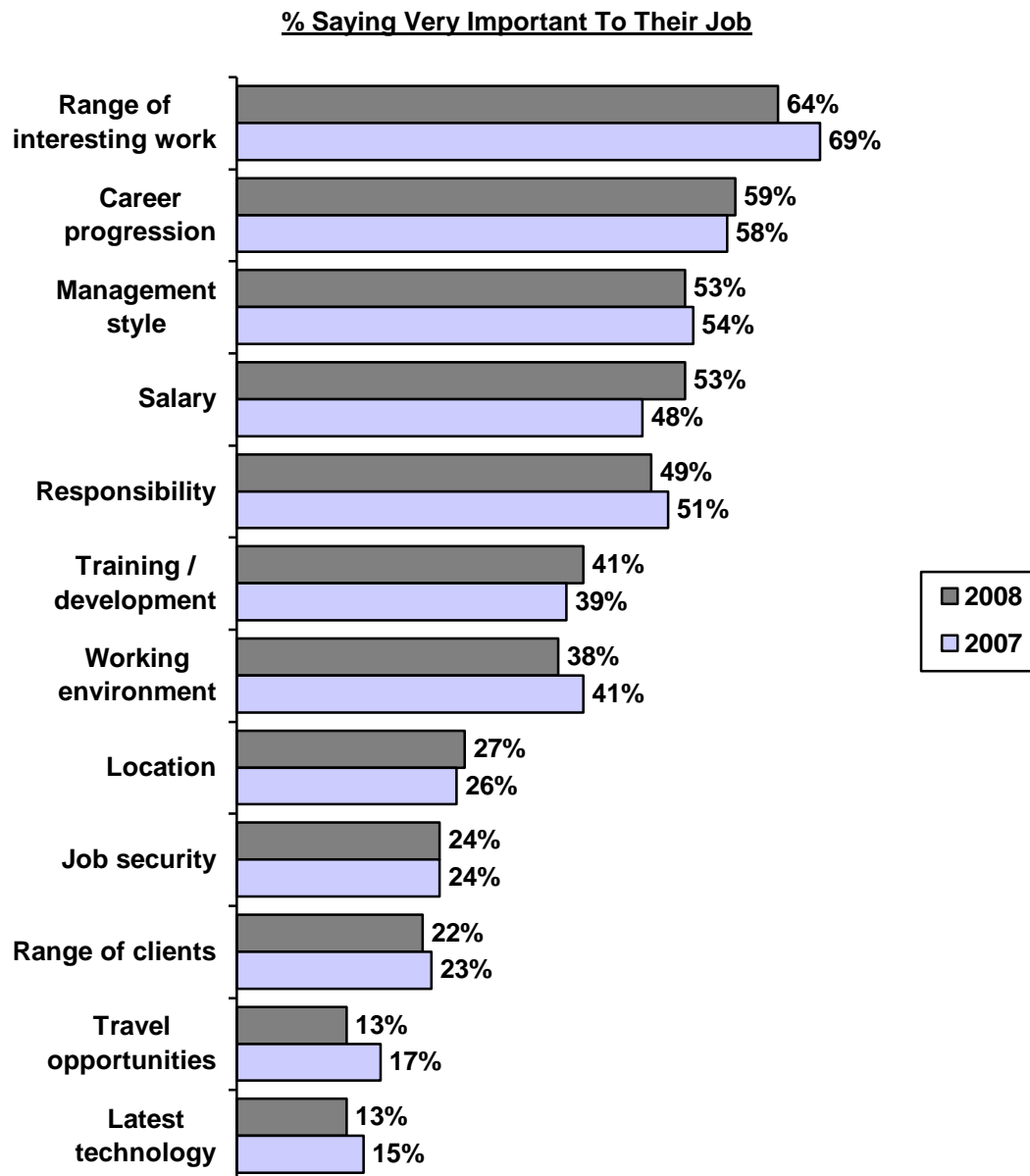


Base: All employed: 2007 – 886, 2008 – 790

6. Areas Important in Current Role

6.1 Overview

Regarding attitudes to their job and current employer, the issues which are the most important to property professionals in continental Europe are still *Range of interesting work* and *Career progression*. However, perhaps with pressure on earnings, *Salary* has moved up the scale into joint third place (formerly 5th).

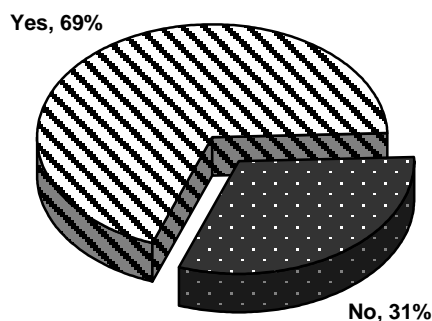


Base: All employed: 2007 – 886, 2008 – 790

6.2 Holiday entitlement

The majority of property professionals in continental Europe (69%, up from 66%) continue to say that they generally utilise their full annual holiday entitlement, but just under a third (31%) still do not do so.

Do you utilise your full annual holiday entitlement?

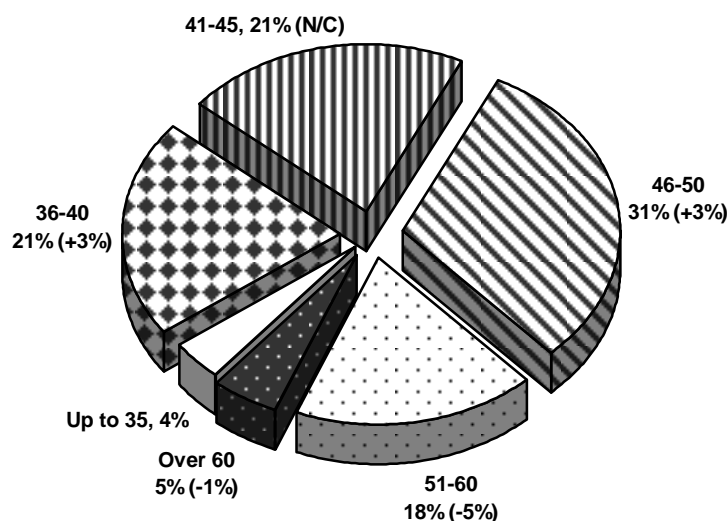


Base: All employed: 2007 – 886, 2008 – 790

6.3 Working hours

Respondents tend to work fairly long hours, although the working week is slightly shorter this year with 47.6 hours on average (48.5 hours in 2007). 5% (down 1%) say that they work more than 60 hours.

On average, how many hours a week do you work?

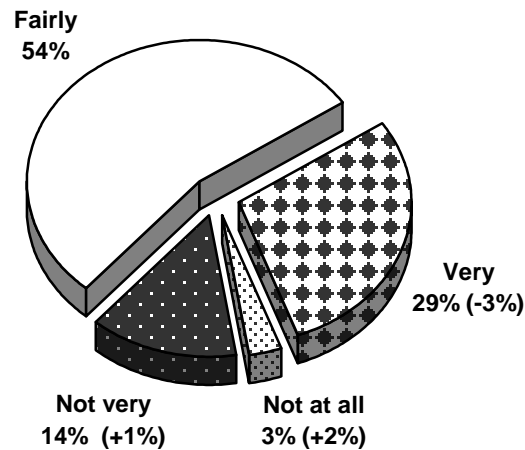


Base: All employed: 2007 – 886, 2008 – 790

6.4 Job satisfaction

Job satisfaction is down slightly amongst property professionals, with 83% at least 'fairly satisfied' but only 29% (down 3% against last year) very satisfied. This leaves 17% who are 'not very' or 'not at all' satisfied (up 3% from 2007).

Satisfaction with current job

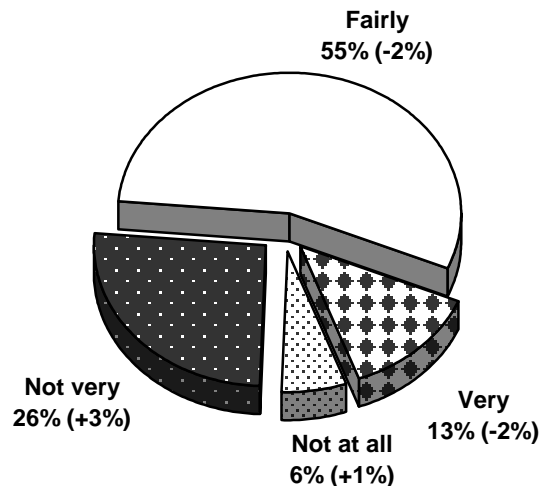


Base: All employed:2007 – 886, 2008 – 790

6.4 Satisfaction with salary

Satisfaction with their present salary is also down slightly amongst property professionals –the majority (68%, down 4%) is still at least 'fairly satisfied', but only 13% (down 2%) say they are 'very satisfied'. This leaves nearly a third (32%, up 4% against last year) who are 'not very' or 'not at all' satisfied.

Satisfaction with current salary

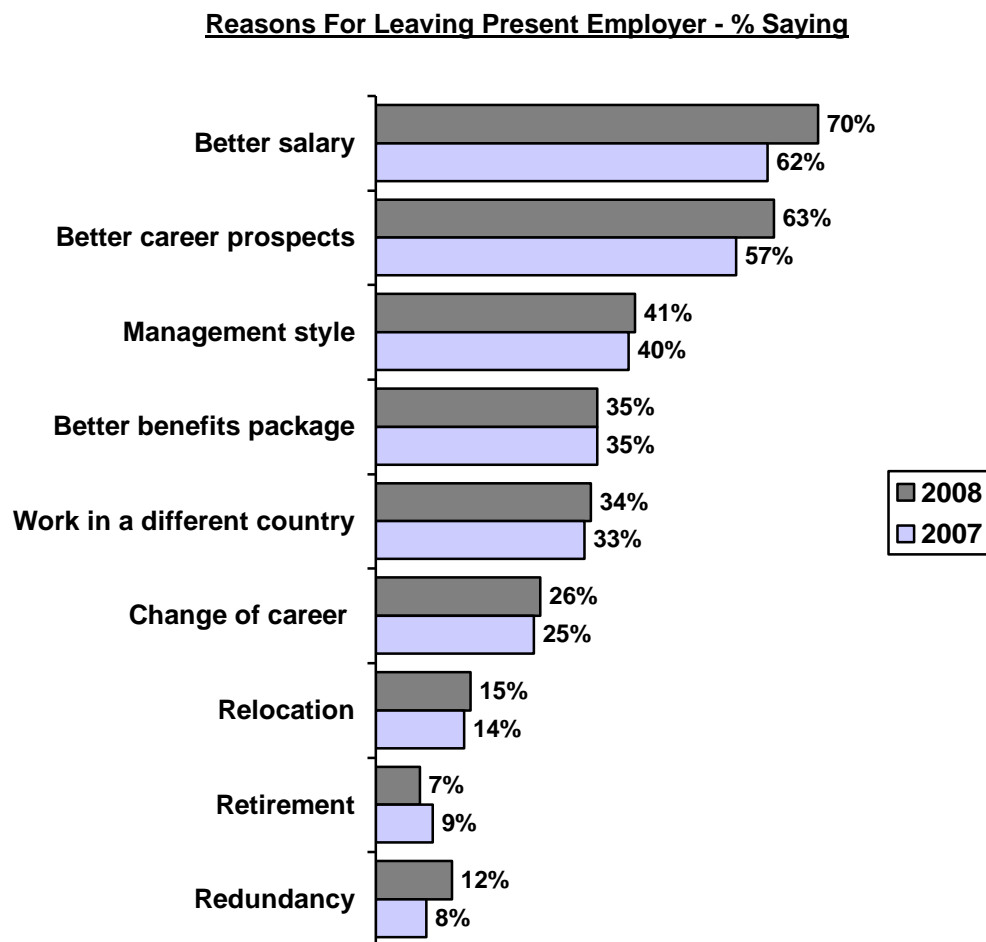


Base: All employed: 2007 – 886, 2008 – 790

7. Likely Reasons for Leaving Present Employer

7.1 Overview

Although salary comes only in joint third place as a driver of job satisfaction, it is rated the most important reason for changing employers. When asked 'If you were to leave your present employer, what would your reasons be?', 70% now name *better salary* (up 8% against 2007), followed by *better career prospects* (63%, up 6%).

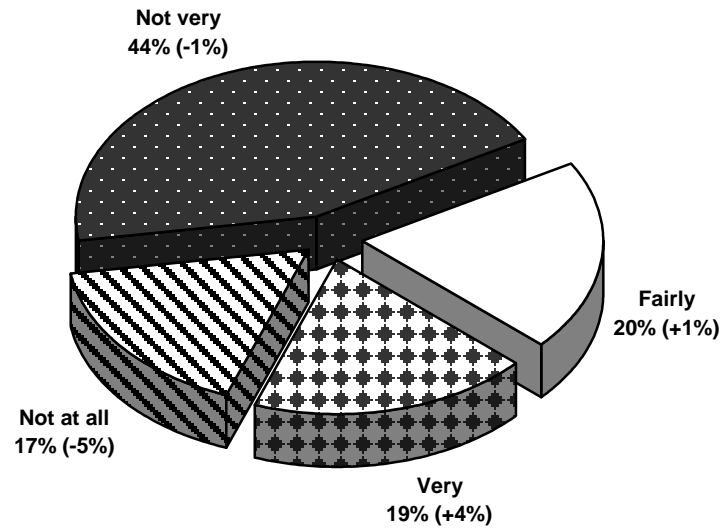


Base: All employed: 2007 – 886, 2008 – 790

7.2 Likelihood to change employers in the next 12 months

When asked 'How likely are you to change employers within the next 12 months?', just under two-thirds (61%, down 6% on 2007) said they were not very or not at all likely. Nearly one in five (19%, up 4% on 2007) said that they were very likely to change employers in the next year.

How likely are you to change employers within the next 12 months?

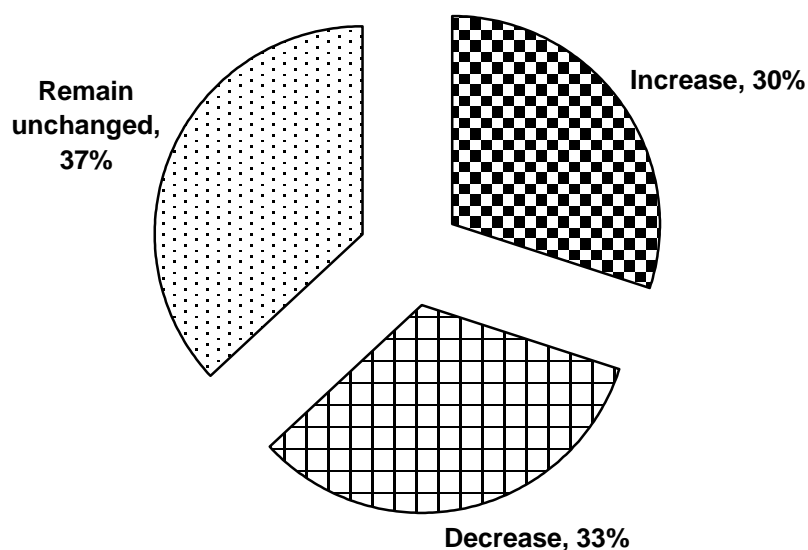


Base: All employed: 2007 – 886, 2008 – 790

8. Anticipated Change in Economic Activity Over the Next 12 Months

In the most significant shift in the entire survey, fewer than one third (30%) of the property professionals who responded to the survey anticipate that the economic activity in their chosen professional activity will increase over the next 12 months (compared to 63% in 2007). One in three (33%) now anticipate a downturn in their chosen sector, up from only 6% last year.

Anticipated changes in Economic Activity over the next 12 months



Base: All participants: 2007 – 911, 2008 – 803

Anticipated increase in economic activity: By prime professional activity

	% anticipate increase in economic activity	
	2007	2008
All participants	63%	30%
Construction / QS / BS / Project Management	62%	34%
Property Asset Management	72%	33%
Property Research / Analysis	52%	30%
Commercial Property	63%	29%
Valuation	64%	27%
Investment Consultancy	55%	26%
Residential Property	53%	22%
Property Finance, incl. Fund Management	73%	20%

Base: All participants: 2007 – 911, 2008 – 803

Table excludes those categories with the smallest sub-groups (less than 20 respondents).



RICS Europe is the European headquarters of RICS based in Brussels and represents the 17 European National Associations. RICS has 89,000 chartered members (MRICS and FRICS) and 57,000 trainees and students worldwide. As at July 2008, RICS Europe had 6 550 members total in continental Europe.

Combining global and local support to members, RICS Europe works to:

- * Raise the status of the chartered surveying profession
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