

The RICS and Macdonald & Company
Middle East Rewards & Attitudes Survey 2014

Executive Summary and Key Findings

Now in its **seventh** year
the annual **RICS** and
Macdonald & Company
REWARDS & ATTITUDES SURVEY
is the most comprehensive
survey undertaken for
the Property Sector.

Foreword

The increasing momentum of business activity in Dubai is being driven by ambitious government spending on infrastructure and real estate projects, a robust oil price and a growing population. The backdrop of improving economic conditions in the US, UK and even Europe, reduces the risk of external factors affecting the situation here. The residential market is particularly buoyant with rising rents (20-30%) seen as one potential cloud on the horizon. The recovery and growth is felt to be more cash driven (rather than debt fuelled) this time around and the government seem intent on controlling the real estate market as best they can, so we hope that a bubble can be avoided in the next year or so. Sustainable growth levels of 4-5% look achievable. Confidence levels are much higher particularly following the EXPO 2020 win and this is resulting in some expansionary hiring.

The Abu Dhabi market is also expanding and the completed Aldar-Sorouh merger is a contributing factor to this. A number of other large government projects are being completed and announced in Abu Dhabi and we feel that the market there is certainly following Dubai.

Equities in developed markets have rallied considerably even with the prospect of QE reduction in the US, although emerging markets have suffered considerable declines recently due to reduced capital inflows and political instability in Ukraine and devaluation of the Argentinean peso. All in all the global situation is much better which is positive news for the UAE.

There still remains a strong appetite from individuals from the UK and Europe to relocate and work here in the region, despite opportunities improving in the West. Dubai is still by far the first choice as a location. Emiratization policies will continue as the government sector employers struggle to cope with the rising number of UAE nationals seeking employment.

Ben Waddilove MRICS, Director, Macdonald and Company, March 2014

Introduction

Now in its seventh edition, the annual RICS and Macdonald & Company Middle East Rewards and Attitudes Survey is still the most comprehensive survey of its type undertaken for the property sector in the Middle East and North Africa region. The survey encompasses a broad spectrum of participants across the GCC, Levant and North Africa. The Survey is run from November to January to coincide with the other Surveys that are conducted in the UK, Europe, and Asia so that intelligent comparison and analysis can be made between all Surveys.

We would like to thank all of the participants who completed the Survey this year. There are comprehensive statistics on current salaries, bonuses and employment benefits in addition to information on broader employment issues and attitudes which are very relevant to employers and employees alike. New this year, the results now also give insight into key skills required at executive and board level and company hiring intentions for 2014.

This report sets out the key findings of the survey.

For further information or analysis please contact: info@macdonaldandcompany.com

A comprehensive salary benchmarking service tailor made to individual client's needs is also available.

An online statistics package for the 2014 survey is available at a cost of USD \$999. In addition to the MENA region, Macdonald and Company undertake salary surveys for UK, Asia Pacific, sub Saharan Africa and Europe. All reports are available at www.macdonaldandcompany.com

For the third year, the results have been collated and analysed by BluSky Research (a research trading name of BluSky Marketing Limited – www.bluskymarketing.com).

75% ↑

are anticipating an improvement in economic activity (+18%*)

↓ 2%

Negative business sentiment has dropped to just 2%. This is the most significant movement in positive business sentiment in the last 7 years

40% ↑

of respondents received a base salary increase (+5%*)

↑ 10.9%

Of the 40% who received an increase the average was 10.9% (-0.7%*)

AED 40,641

is the average monthly salary for a Real Estate professional in the Middle East (+AED 4,348*)

aed 77,970

47% (versus 49%*) of all respondents secured an average annual bonus of AED 77,970 (also +AED 9,139*)

75%

are fairly or very satisfied with their current employment

+AED

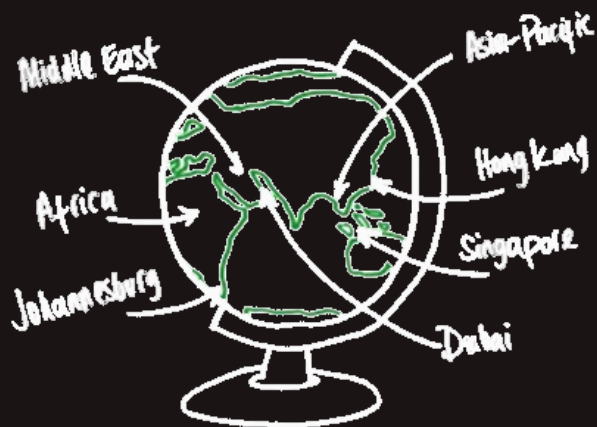
Better salary continues to be the most important job aspect

73%

of respondents believe their organisation will increase headcount in 2014

DUBAI

The majority (38%) of respondents presently work in Dubai (-1%*)



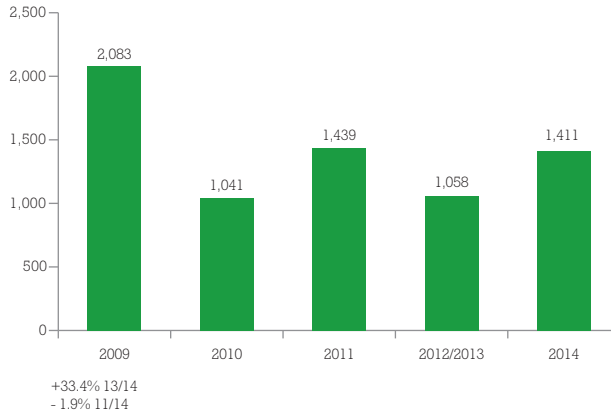
only 15% of respondents are seriously considering returning to their country of origin

33%

of respondents consider the GCC region to be a preferred location for financial reasons (+18%*)

Response Rate Total

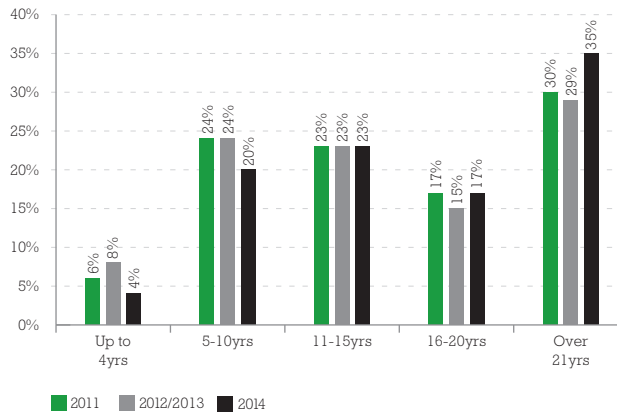
Now in its seventh year, the survey remains the most credible and respected of its kind in the Middle East Property Sector. With a sample size of 1,411 (+33.4% versus last year) the survey response rate remains extremely robust.



Years' Experience

How many years' experience do you have in your discipline?

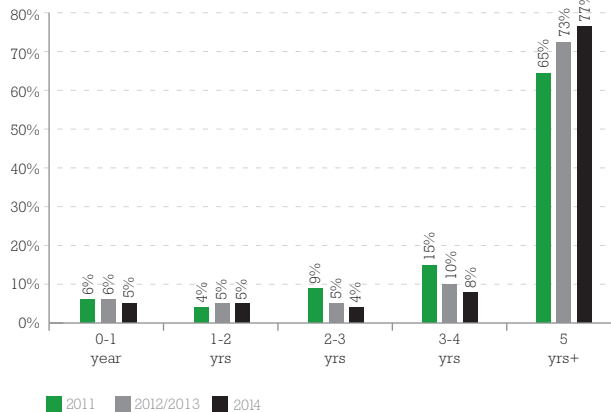
The general level of years of experience of the sample has increased this year with more senior respondents (52% with 16 years plus experience, up from 44% in 2013).



Middle East Regional Experience

How long have you worked in the Middle East Region?

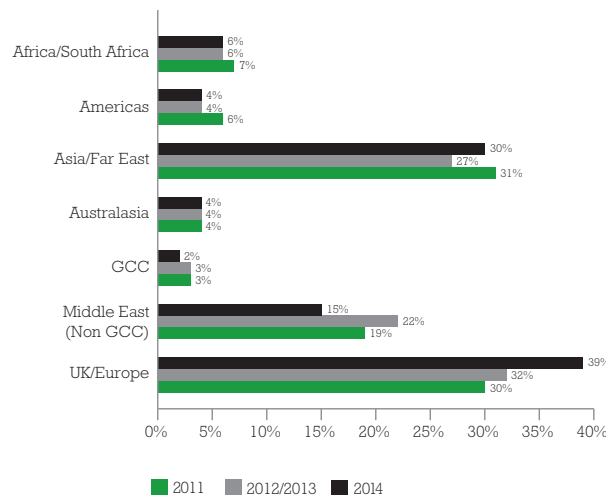
77% of the survey respondents have 5 or more years experience working in the Middle East versus 73% last year. While those with between 2 to 4 years experience working in the Middle East has dropped from 15% to 12% in 2014.



Ethnicity

From which of these regions do you originate (Ethnicity)?

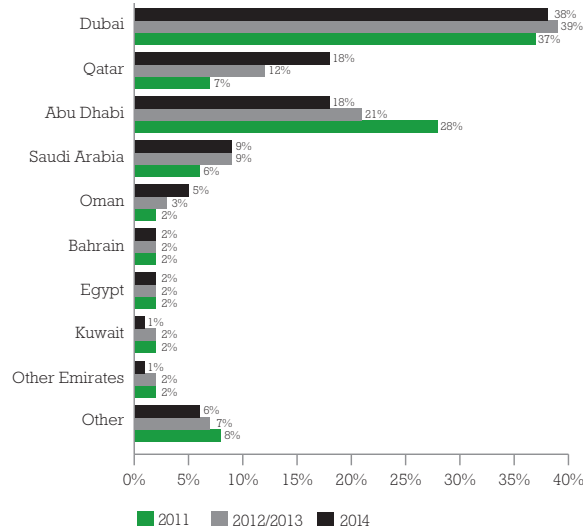
Respondents who originate from the Middle East (Non GCC) now account for 15% of the total respondents (down from 22% last year), while those from UK/Europe remain one of the largest groups with 39% (up from 32%). Those who originated from Asia/Far East have increased from 27% in 2013 to 30% this year.



Normal Place of Work

Where is your normal place of work?

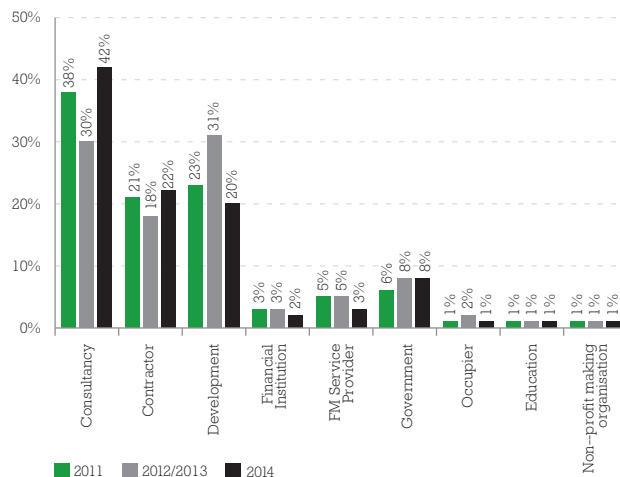
Those who presently work in Dubai (38%, down from 39% last year) still represent the majority of respondents to the survey. Numbers working in Abu Dhabi have declined from 21% in 2013 to 18% this year. However those in Qatar have increased from 12% in 2012/2013 to 18% this year. However those in Qatar have increased from 12% in 2012/2013 to 18% this year.



Employer Type

What is the main activity of the organisation?

Those working in consultancy (42%, up from 30%), contractor (22%, up from 18%) or development (20%, down from 31%) continue to provide the majority of responses (84% in total, up from 79% in 2013) to this year's salary survey.



RESEARCH SAMPLE PROFILE

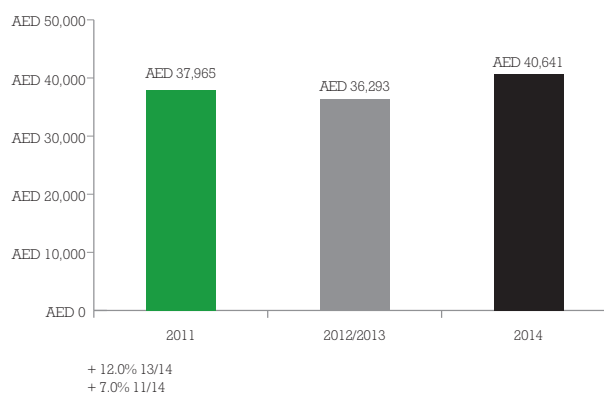
	2013 NO.	2013 %	2014 NO.	2014 %
Academic	6	1%	4	0%
Analyst/Research	10	1%	12	1%
Architect/Design	79	8%	61	4%
Asset/Property Manager	0	0%	32	2%
Business Development Mgm	40	4%	38	3%
CEO/MD/Head	57	5%	57	4%
CFO/Financial/Dir./Controller	47	5%	34	2%
Claims & Dispute Resolution	15	1%	39	3%
Construction Management	66	6%	94	7%
Corporate Property Consultancy	8	1%	9	1%
Development Management	39	4%	45	3%
Energy	15	1%	57	4%
Engineering Services Mgm	45	4%	52	4%
Environmental	7	1%	4	0%
Facilities Management Consultant	11	1%	13	1%
Facilities Management In-house	26	3%	24	2%
Facilities Mgm Service Provider	23	2%	26	2%
Financial/Real Estate Analyst	37	4%	21	1%
Fund Management	8	1%	4	0%
General Practice	11	1%	11	1%
Health & Safety	18	2%	35	2%
Interior Design	11	1%	7	0%
Landlord & Tenant	7	1%	5	0%
Landscape Architect	7	1%	16	1%
Office Agent	11	1%	4	0%
Planner	15	1%	18	1%
Property Asset Management	29	3%	27	2%
Project Management	112	11%	173	12%
Quantity Surveying	78	8%	330	23%
Residential Agent/Sales/Leasing	15	1%	8	1%
Residential Development	11	1%	8	1%
Retail Agent/Leasing	11	1%	7	0%
Valuation	20	2%	36	3%
Other	96	9%	95	7%

AVERAGE MIDDLE EAST REAL ESTATE SALARY & BONUSES

Average Middle East Real Estate Salary (AED)

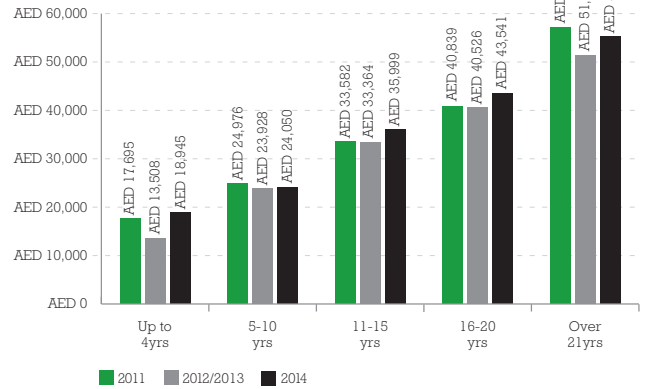
What is your current monthly base salary? (excluding all benefits such as bonuses, car etc).

The average base salary of a Real Estate professional in the Middle East is AED 40,641 per month or up by AED 4,348 or 12.0% from last year. The increase in average monthly salary could be attributed to the 8% increase in respondents with over 16 years industry experience.



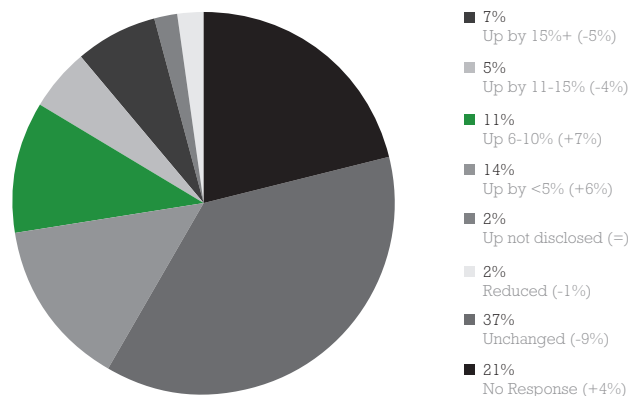
Years' Experience Average Salary (AED)
Salary at last review by years' experience within discipline

Those respondents with over 21 years experience continue to earn the highest average base monthly salary at AED 55.2K, up from AED 51.4K in 2013. Those respondents with up to 4 years experience have seen an increase in average salary from AED 13,508 to AED 18,945 in 2014.



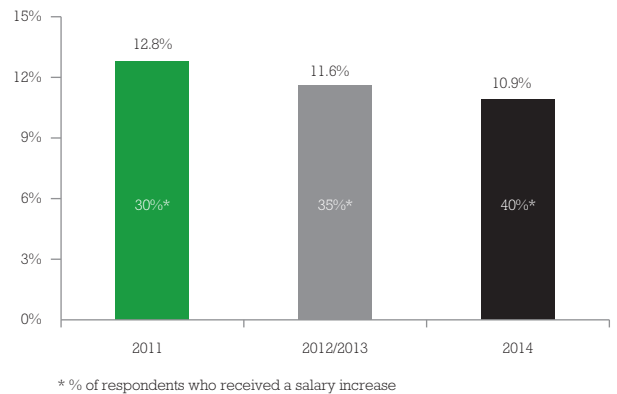
Change to Salary at Last Review
What change if any was made to your Monthly Base Salary at your last pay review?

There has been an uplift in those receiving an increase in their base salary this year, with 40% receiving an increase (versus 35% last year). 2% received a salary reduction (versus 3% last year), while 37% experienced no change in salary (versus 46% last year).



Average Property Salary Increase
If your salary was increased, please indicate % increase?

The average salary increase has declined since 2013, down from 11.6% to 10.9% in 2014. However, the % of respondents who have secured an annual salary increase has grown to 40% and is the highest level in the last 3 years.



AVERAGE MIDDLE EAST REAL ESTATE SALARY & BONUSES

Average Property Salary Increase:

Region

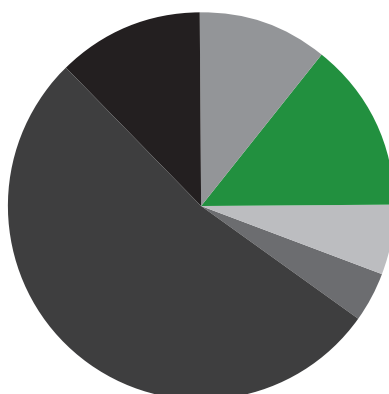
If your salary was increased, please indicate % increase?

	AVERAGE SALARY INCREASE
Total	10.9
Dubai	10.1
Abu Dhabi	11.2
Qatar	9.5
Saudi Arabia	13.5
Oman	8.8
Bahrain	8.5
Egypt	12.6
Kuwait	23.5
Other	13.7

Annual Bonuses Received (AED)

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

47% of the survey respondents received a bonus (down from 49% in 2013), while 53% received no bonus whatsoever (up from 51% last year).



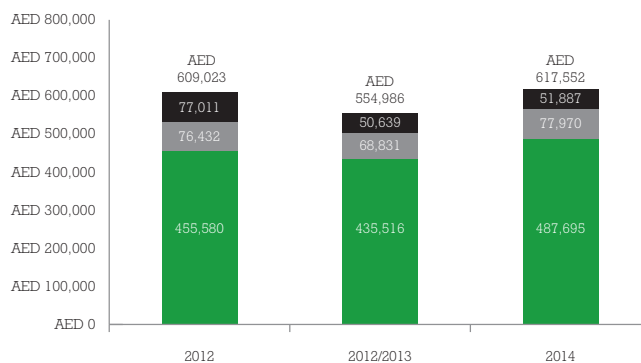
- 4%
AED 200K Plus (+1%)
- 6%
AED 90K - AED 199.9K (-1%)
- 14%
AED 35K - AED 89.9K (=)
- 11%
AED 20K - AED 34.9K (+1%)
- 12%
Up to AED 19.9K (-2%)
- 53%
Nil 53% (+2%)

Middle East Property Professional

Total Reward

What was the approximate value of your salary, bonus and additional remuneration received (e.g. commission & performance related pay) over the last 12 months (annualised)?

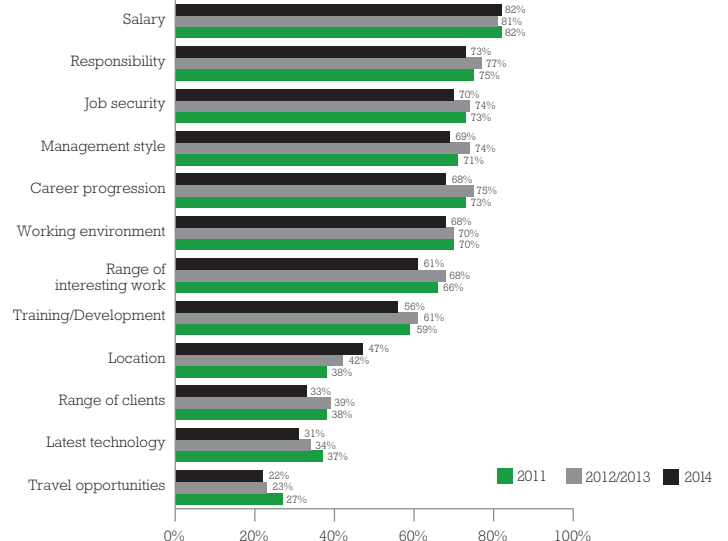
The average annual total reward of a Real Estate professional in the Middle East has increased from AED 554,986 to AED 617,552 (or up by 11.3%) in 2014. The total reward includes the annualised salary, average annual bonus (or bonuses) and the average additional remuneration received (e.g. commission & performance related bonus) last year.



Important Job Aspects

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

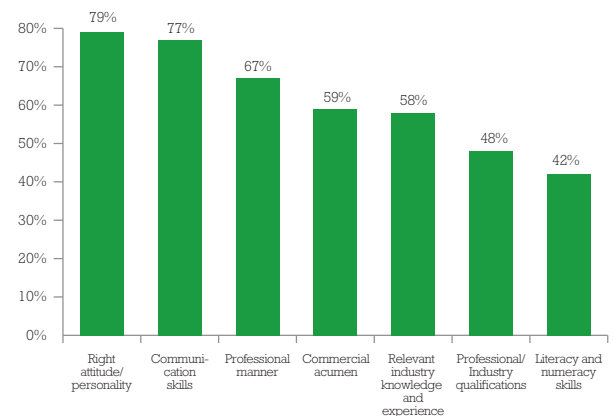
Salary and responsibility continue to be the most important factors when it comes to job satisfaction. Location has increased as an important job aspect from 42% to 47% (up 5% versus last year).



Skills Gap at Executive / Board Level

At a senior level, what key skills do you believe people often lack?

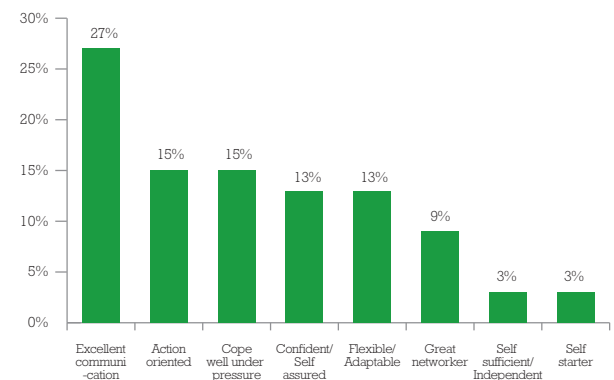
At executive and board level, respondents highlighted that having the right attitude and personality (79%) and communication skills (77%) were the key skills people often lack at the top of organisation within the property sector.



Qualities Required to be Successful at Executive / Board Level

At a senior and board level, what do you think are the three most important qualities to be successful?

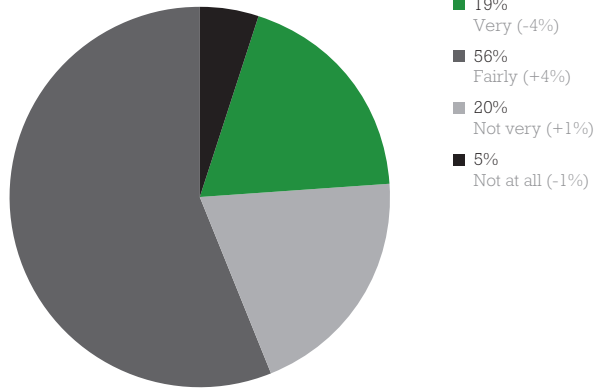
To be successful at an executive and board level, respondents indicated that excellent communication (27%), being action oriented (15%) and coping well under pressure (15%) were the most important qualities.



Job Satisfaction

How satisfied overall are you with your current job?

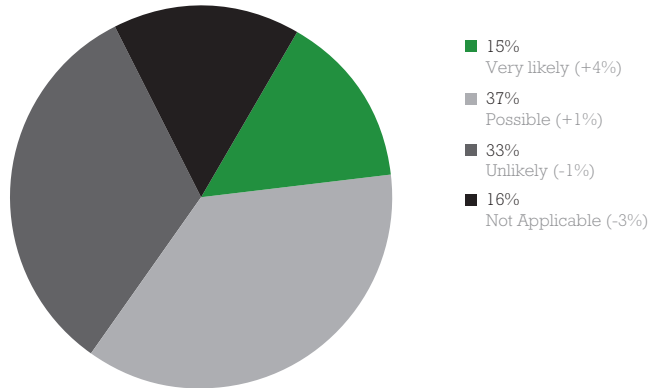
The majority of survey participants (75%, same as last year) are fairly or very satisfied with their current employment. 20% say that they are not very satisfied (up from 19% from last year).



Returning Home

Are you considering returning home to the UK, Europe, US, Africa, Asia or Australasia?

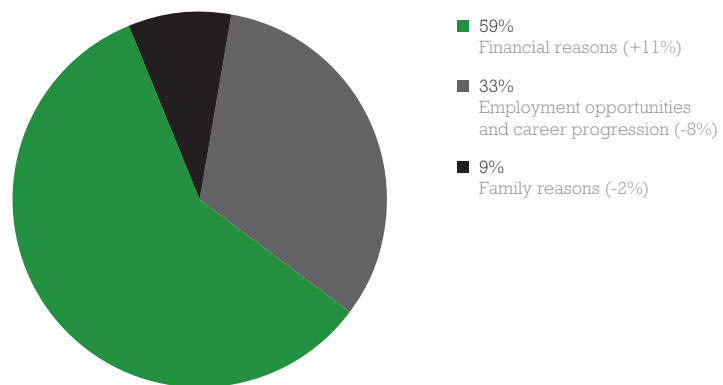
Only 15% of the survey respondents, (up from 11% last year) who are in a position to return home, are very likely to return to their country of origin.



GCC Preferred Location

Do you still consider the GCC region to be a preferred location for?

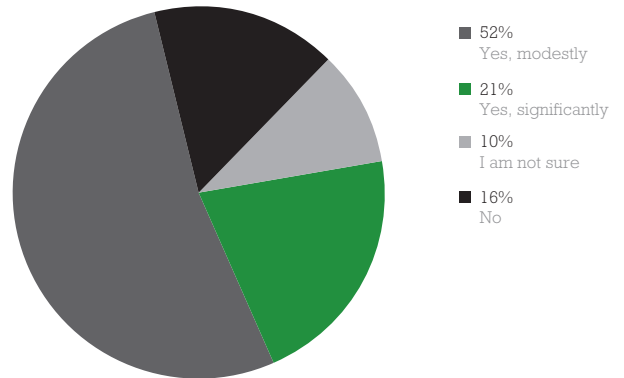
59% of the survey respondents consider the GCC region to be a preferred location for "financial reasons" (up by 11% from last year). While the number of those citing "employment opportunities and career progression" as a consideration has decreased by 8% to 33% for 2014.



Hiring Intentions

Do you expect your organisation to increase headcount in 2014?

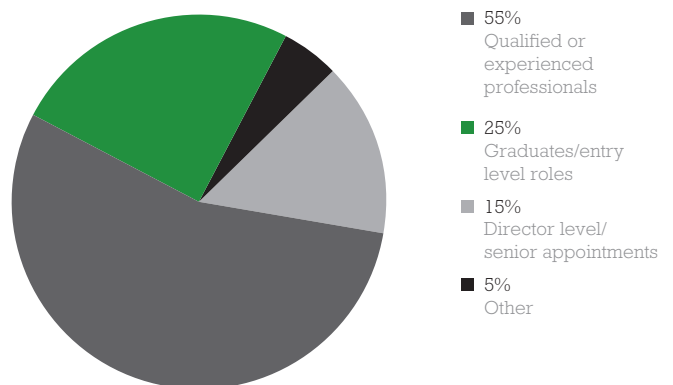
73% of respondents believe their organisation will increase headcount in 2014, with 52% of respondents expecting their organisation to modestly increase headcount and 21% expecting a significant increase in headcount in 2014.



Hiring Intentions

At what level/role do you expect your company to hire this year?

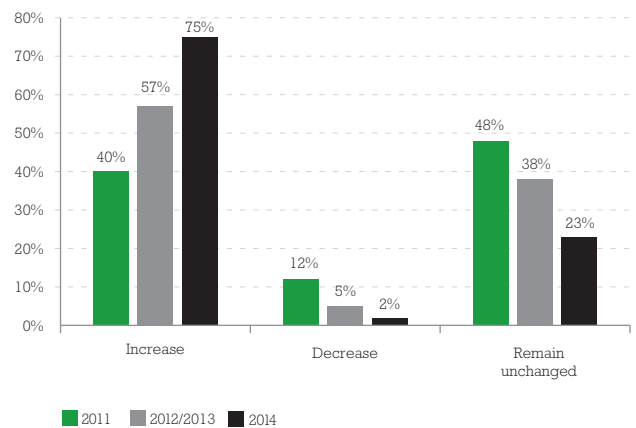
Of the respondents who expected their organisation to increase headcount in 2014, 55% believe their company will hire qualified or experienced professionals, while 25% anticipate their company hiring at graduate and entry level roles this year.



Economic Activity Change

In your chosen professional activity, do you anticipate economic activity in the next 12 months to increase, decrease or remain unchanged?

Business sentiment and confidence has improved significantly by 18%, with 75% anticipating an improvement in economic activity during 2014, versus 57% in 2013. While negative business sentiment has dropped by 5% to just 2%. This is the most significant movement in positive business sentiment for the last 7 years (since 2008 at 28%).



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