

The RICS and Macdonald & Company
Middle East Rewards & Attitudes Survey 2016

Executive Summary and Key Findings

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

Introduction

The ninth edition of the annual Macdonald and Company Middle East Rewards and Attitudes Survey is the most comprehensive survey of its type undertaken for the property sector in the Middle East and North Africa region. The survey reaches a diverse spectrum of participants across the GCC and beyond, is run from November 2015 to February 2016 and launched in March 2016 to coincide with the other Macdonald and Company Surveys covering the UK, Europe, and Asia.

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.

The Executive Summary sets out the key findings.

Foreword

We are currently experiencing a cautious employment market in the UAE. Sentiment amongst our key clients is quite mixed. The significant decline in oil prices over the past 18 months is having a pronounced affect on market confidence. It remains to be seen whether OPEC and non OPEC members will agree on any sort of production cuts in the near future, and the price of oil is likely to remain in the \$30-50/barrel range for some time to come. Some industry veterans are predicting a gradual movement away from traditional hydrocarbon based economies towards more 'knowledge based' economies in the GCC countries. Much of the business activity here now is of course ultimately driven by government spending. VAT will probably be introduced in the next few years. In the meantime, the significant government reserves built up over the last decade or so will be used for short term funding requirements.

Other industry participants are also predicting that entrepreneurial economies like the UAE will prove resilient and quick to turn around if the oil price rises and that the 'Expo factor' will kick in over the next few years. The Dubai economy in particular has a strong fundamental base and a growing population and a track record in delivering high quality hospitality and retail offerings. Government spending is still funding major projects in Dubai such as the Creek Extension, Bluewaters and Dubai Parks and Resorts, all of which are progressing. Dubai is an extremely resilient and versatile economy with a high degree of entrepreneurial spirit, although the very strong dollar is making it less attractive as an exporter of goods/services/tourism.

The overall findings of the survey reflect this more cautious sentiment, the average annual salary is AED 44,392 and the average annual bonus is AED84,498, both are broadly unchanged year on year. Less people are expecting their organisations to hire expansively this year and a lower percentage of respondents are expecting economic activity to improve.

For property professionals (across all sections of the property lifecycle) either considering this part of the world as a place to work, or already working here, there is more to be optimistic about. There is a vast amount of real estate in the UAE and wider Gulf. This real estate needs careful day to day management and facilities management, prudent longer term asset management and will need to be valued for accounting and loan purposes and disposal too. There is still new development going on. The market has matured significantly over the last 10 years and owners and occupiers of all sectors of real estate will continue to need strategic advice and general consultancy services too.

There is still very good demand from our clients for well qualified real estate professionals with stable employment records, either with emerging or developed market experience, and particularly Arabic speakers with strong business and financial skills.

The UAE remains a choice destination for many property professionals from around the globe and we feel that although overall this will be a flat year – the medium term outlook is still strong.

We look forward to a prosperous 2017!

Ben Waddilove MRICS, Director, Macdonald and Company, March 2016

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 2016 survey, as well as access to the two previous annual surveys, is available at a cost of US \$1199. In addition to the MENA region, Macdonald and Company undertake salary surveys for UK and Asia Pacific. All reports are available at www.macdonaldandcompany.com

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

27% ↑

are anticipating an improvement in economic activity (-28%*)

33% ↓

33% of respondents believe that economic activity will decrease (up from 10% last year*)

51% ↑

of respondents received a base salary increase (-6%*)

↑ 10.2%

Of the 51% who received an increase the average was 10.2% (-1.0%*)

AED 44,392

is the average monthly salary for a Real Estate professional in the Middle East (-AED 167*)

aed 84,498

45% (versus 44%*) of all respondents secured an average annual bonus of AED 84,498 (+AED 395*)

75%

are fairly or very satisfied with their current employment

+AED

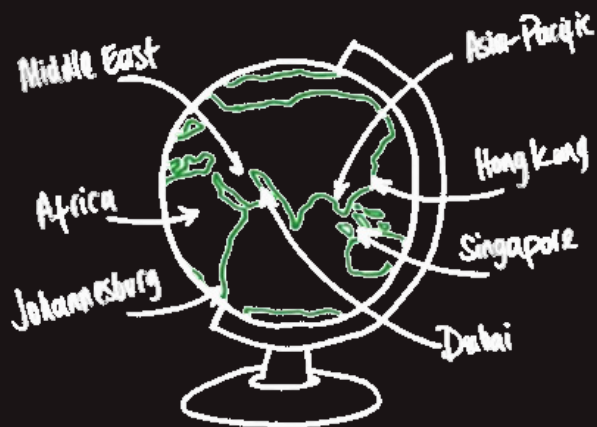
Better salary continues to be the most important job aspect

51%

of respondents believe their organisation will increase headcount in 2016 (-21%)

DUBAI

More respondents work in Dubai than any other location (43%)



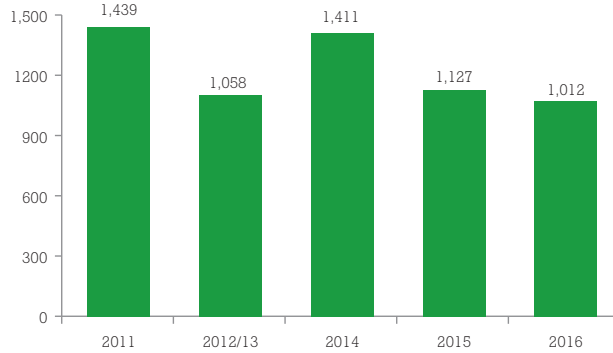
only 15% of respondents are seriously considering returning to their country of origin

56%

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

Response Rate Total

Now in its ninth year, the survey remains the most credible and respected of its kind in the Middle East Property Sector. With a sample size of 1,012 the survey response rate remains extremely robust.

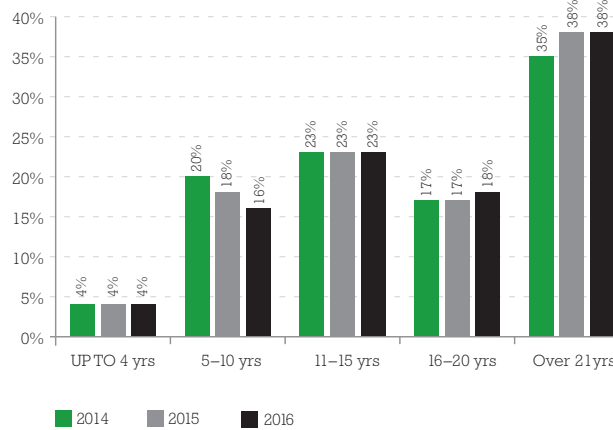


- 10.2% 2015 to 2016
- 28.3% 2014 to 2016

Years' Experience

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

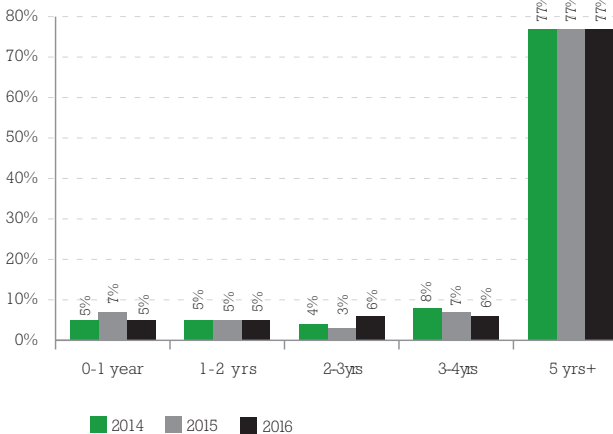
The general level of years of experience of the sample has seen an increase in % of senior respondents (56% with 16 years plus experience, up from 55% in 2015).



Middle East Regional Experience

How long have you worked in the Middle East Region?

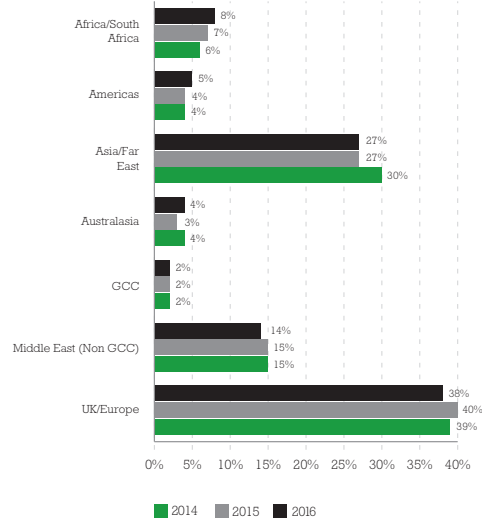
77% of the survey respondents have 5 or more years experience working in the Middle East, which equals the last two years. While those with between 0 to 2 years experience working in the Middle East has dropped from 12% to 10% in 2016.



Ethnicity

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

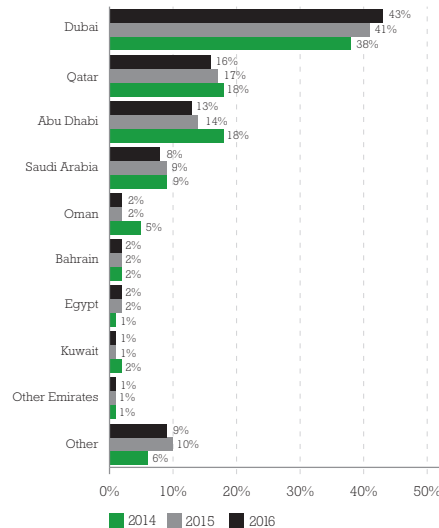
Respondents who originate from the Middle East (Non GCC) account for 14% of the total respondents (down 1% from last year), while those from UK/Europe remain one of the largest groups with 38% (down from 40%). Those who originate from Africa/South Africa, Americas or Australasia have all increased by 1% this year.



Normal Place of Work

Where is your normal place of work?

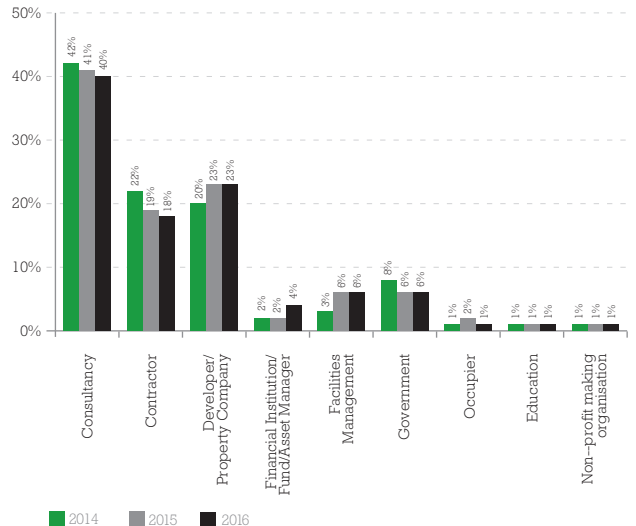
Those who presently work in Dubai (43%, up from 41% last year) still represent the majority of respondents to the survey. Numbers working in Qatar have declined from 17% in 2015 to 16% this year. Those in Abu Dhabi have also decreased from 14% in 2015 to 13% this year.



Employer Type

What is the main activity of the organisation?

Those working in consultancy (40%, down from 41%), contractor (18%, down from 19%) or developer/property company (23%, equal to last year) continue to provide the majority of responses (81% in total, down slightly from 83% in 2015) to this year's salary survey.



RESEARCH SAMPLE PROFILE

	2015 NO.	2015 %	2016 NO.	2016 %
Academic	4	0%	4	0%
Analyst/Research	14	1%	21	2%
Architect	42	4%	35	4%
Asset/Property Manager	23	2%	27	3%
Business Development Management	44	4%	33	4%
CEO/MD/Head	57	5%	51	5%
CFO/Financial Director/Controller	34	3%	34	4%
Claims & Dispute Resolution	24	2%	19	2%
Construction Management	70	6%	45	5%
Corporate Property Consultancy	14	1%	13	1%
Design Management*	NA	NA	14	2%
Development Management	46	4%	50	5%
Energy	9	1%	17	2%
Engineering Services Management	49	4%	32	3%
Facilities Management	48	4%	41	4%
Financial/Real Estate Analyst	26	2%	27	3%
Fund Management	9	1%	16	2%
General Practice	8	1%	12	1%
Health and Safety	27	2%	22	2%
Interior Design	8	1%	8	1%
Landlord & Tenant	6	1%	4	0%
Landscape Architect	9	1%	5	1%
Office Agent	3	0%	7	1%
Urban Design / Masterplanning	17	1%	14	2%
Property Asset Management	29	2%	30	3%
Project Management	121	10%	97	10%
Quantity Surveying	215	18%	116	13%
Residential Agent/Sales/Leasing	8	1%	9	1%
Residential Development	14	1%	9	1%
Retail Agent/Leasing	10	1%	11	1%
Valuation	41	4%	39	4%
Other	65	6%	66	7%

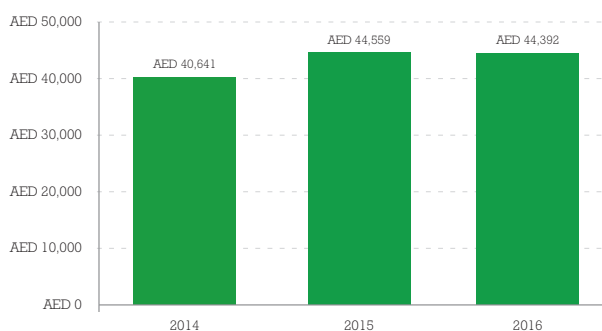
*New option added in 2016

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).

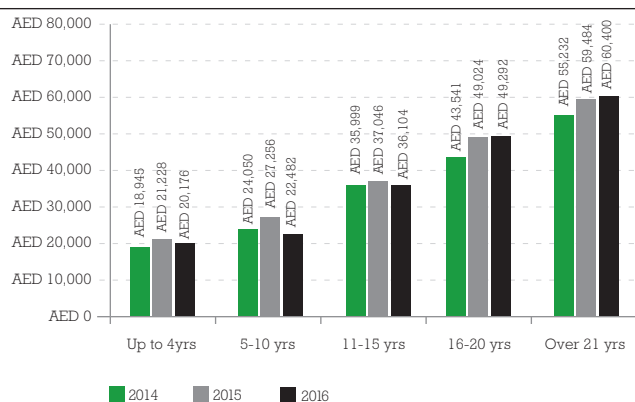
The average base salary of a Real Estate professional in the Middle East is AED 44,392 per month, down slightly by AED 167 or down 0.4% from last year.



-0.4% 2015 to 2016
+9.2% 2014 to 2016

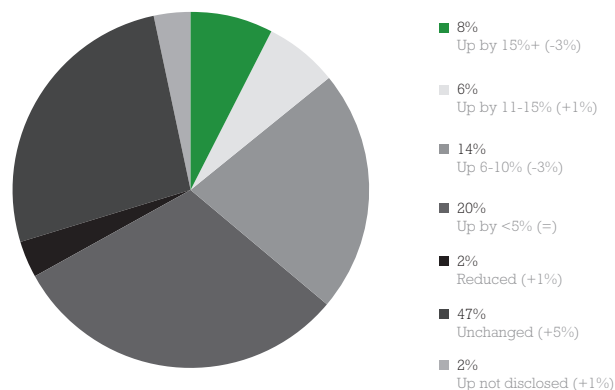
Years' Experience Average Salary (AED)
Salary at last review by years' experience within discipline

Those respondents with over 21 years experience continue to earn the highest average base monthly salary at AED 60,400, up from AED 59,484 in 2015. Respondents with under 15 years' experience have seen a decrease in their respective categories. Those with between 5-10 years' experience have seen the largest decrease at -17.5%, down from AED 27,256 to AED 22,482 in 2016.



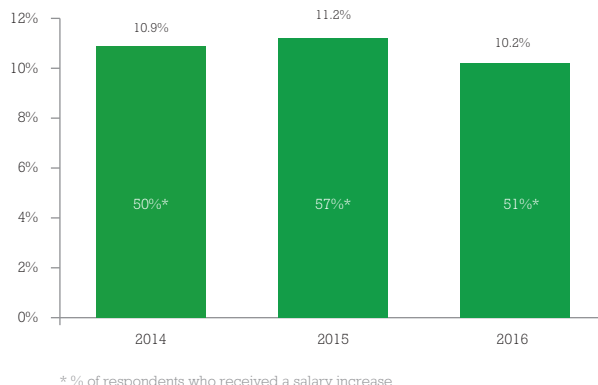
Change to Salary at Last Review
What change if any was made to your Monthly Base Salary at your last pay review?

There has been decrease in those receiving an increase in their base salary this year, with 51% receiving an increase (versus 57% last year). 2% received a salary reduction (versus 1% last year), while 47% experienced no change in salary (versus 42% last year).



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

The average salary increase has fallen since 2015, down from 11.2% to 10.2% in 2016. The % of respondents who have secured an annual salary increase has decreased from 57% in 2015 to 51% in 2016.



AVERAGE MIDDLE EAST REAL ESTATE SALARY & BONUSSES

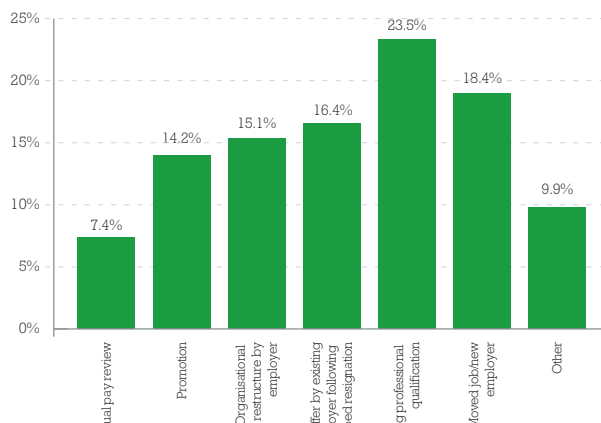
Average Property Salary Increase:

Region	AVERAGE SALARY INCREASE
Total	10.2%
Dubai	11.2%
Abu Dhabi	8.8%
Qatar	7.8%
Saudi Arabia	8.6%
Oman	11.9%
Bahrain	8.8%
Egypt	11.5%
Kuwait	20.3%
Other	12.4%

Average Salary Increase

If your salary was increased please indicate % INCREASE.

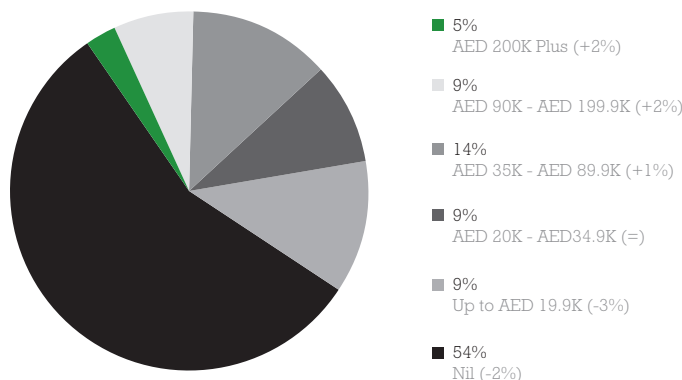
Of the respondents who received a salary increase this year and who answered what their annual salary increase was a result of, those who received an increase due to achieving professional qualification received the highest percentage increase, at 23.5%. Moved job/new employer received the next highest increase at 18.4%. Those who received an annual salary increase as a result of an annual pay review had the lowest annual increase at 7.4%.



Annual Bonuses Received (AED)

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

46% of the survey respondents received a bonus (down from 46% in 2015), while 54% received no bonus whatsoever (up from 56% last year). The average annual bonus of a Real Estate professional in the Middle East is AED 84,498 (up from AED 84,103 last year).

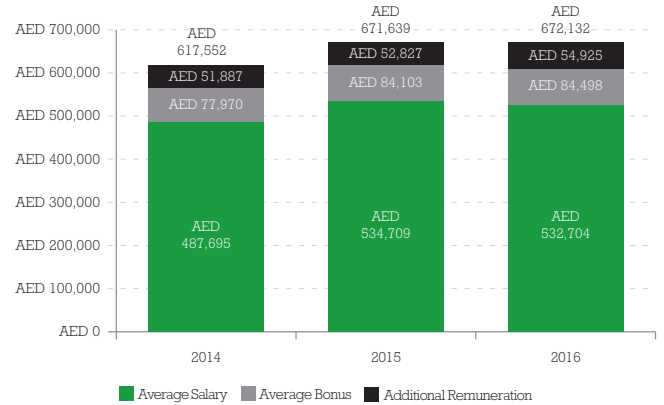


MARKET ATTITUDES

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)?

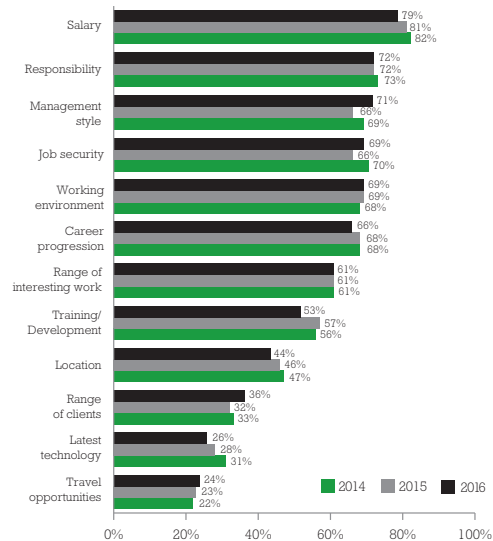
The average annual total reward of a Real Estate professional in the Middle East has increased from AED 671,639 to AED 672,132 (or up by 0.1%) in 2016. The total reward includes the annualised salary, average annual bonus (or bonuses) and the average additional remuneration received (e.g. commission & performance related bonus) last year.



Important Job Aspects

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

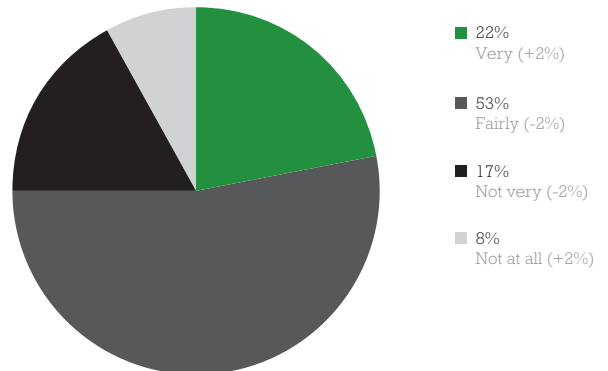
Salary and responsibility continue to be the most important factors when it comes to job satisfaction. Management style (up 5% versus last year) and job security (up 3% versus last year) have both increased as important job aspects.



Job Satisfaction

How satisfied overall are you with your current job?

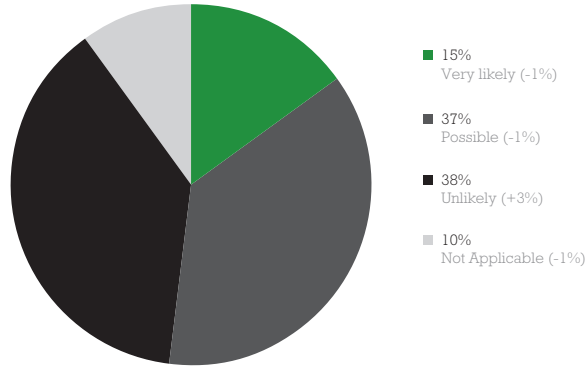
The majority of survey participants (75%, same as last year) are fairly or very satisfied with their current employment. 8% say that they are not at all satisfied (up from 6% last year).



Returning Home

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

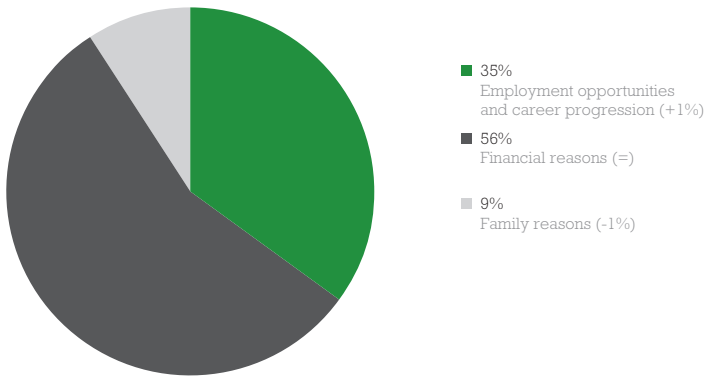
Only 15% of the survey respondents, (down from 16% last year) who are in a position to return home, are very likely to return to their country of origin.



GCC Preferred Location

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

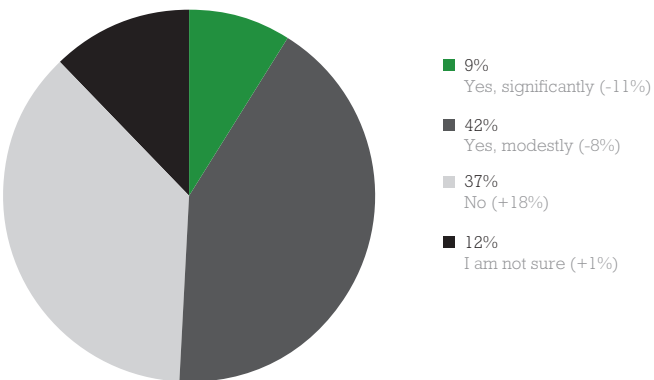
56% of the survey respondents consider the GCC region to be a preferred location for "financial reasons" (equal to last year). While the number of those citing "employment opportunities and career progression" as a consideration has increased by 1% to 35% for 2016.



Hiring Intentions

Do you expect your organisation to increase headcount in 2016?

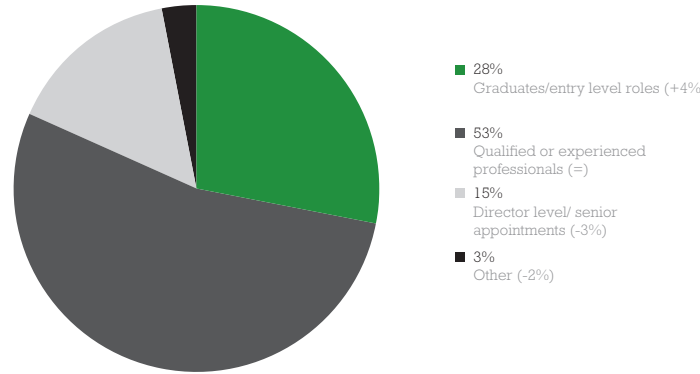
37% do not believe they will increase head count, jumping up 18% from last year. Those who think they will significantly increase headcount has fallen from 20% to 9% in 2016.



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 2016, 53% (equal to last year) believe their company will hire qualified or experienced professionals, while 28% (up 4% from last year) anticipate their company hiring at graduate and entry level roles this year.

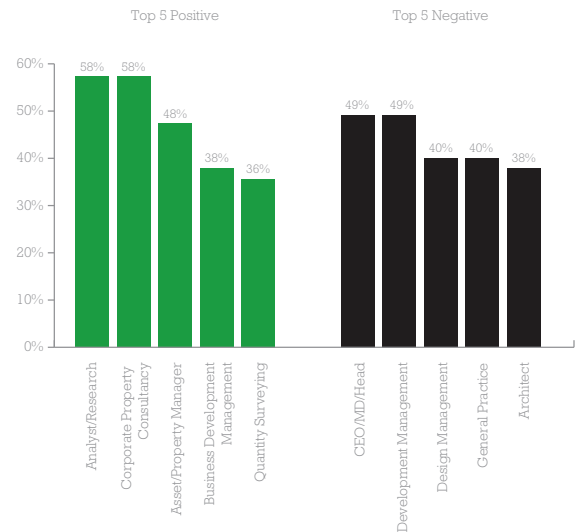


Economic Activity by Main Professional Activity

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

Analysts/Researchers working in the industry and those in Corporate Property Consultancy are the most positive about the economic outlook over the next 12 months with 58% each anticipating an improvement in market conditions.

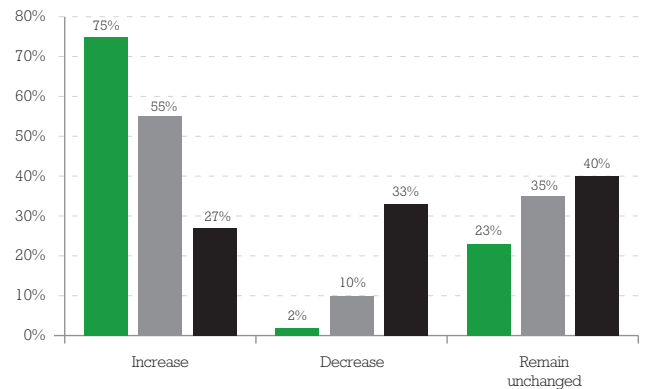
CEO/MD/Heads and those working in Development Management are the least confident with 49% each anticipating a decrease in economic activity during 2016.



Economic Activity Change

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

Negative sentiment has increased in the Middle East Real Estate Market, with 33% of respondents anticipating economic activity will decrease (which is up from 10% last year), while 27% believe it will increase (down from 55%). However nearly half of respondents (40%) believe economic activity will remain unchanged over the next 12 months.



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