

The RICS and Macdonald & Company

Middle East Rewards & Attitudes Survey 2018

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

Foreword

Welcome to the Macdonald & Company Middle East salary survey.

Q1 of 2018 has seen a cautious employment market across the GCC region with few companies expanding aggressively and a number of redundancies being made. However, the KSA market seems to be very buoyant with plenty of large real estate projects having been announced in the last year.

Saudi Arabia is in a period of huge change with the Crown Prince making changes such as allowing women to drive from June this year, and tightening regulations on corruption within the country. With this we are seeing people's views on working and living within the Kingdom, slowly changing - with the changes being implemented and a booming real estate market, more and more people are willing to consider working there.

Much of the business activity in the GCC is driven by government spending and large new real estate projects continue to be launched in the UAE as well as KSA.

The turbulent relationship between Qatar and some of the other GCC countries still exists and it remains to be seen if the sanctions will be lifted meaning trade becomes easier once again between the countries – it certainly seems that the Qatar real estate market has been very affected by these changes (which started in June 2017) with very few new projects being announced in the country – the construction for the World Cup in 2020 does however continue.

Retail sales in the malls are struggling in the UAE at present, not just due to VAT being launched in the UAE at the beginning of the year at a rate of 5%, but also due to retailers slowly moving towards online sales and tourists spending less when visiting the country. On the same note, occupancy and average room rates in the hospitality sector have decreased, and with almost 250 new hotels in the pipeline to be built in the next 3 years in the UAE, this could be affected even further.

Industry participants are predicting economies such as Dubai will prove to be resilient as they move yet further away from their reliance upon oil and continue to become a global business hub. EXPO 2020 is now only 2 years away and infrastructure and projects relating to this are now coming out of the ground and taking shape.

The overall findings of the 2018 salary survey shows an average monthly salary this year of AED 43,116 (a slight decrease of AED 3,032 on last year) and the average salary increase being 10.2% (a slight increase from 9.9% last year). 42% of respondents received a bonus this year, compared to 45% in 2017 however the average bonus this year was AED 84,924 (+1.6%) which is up slightly from 2017.

Demand remains strong for high quality, qualified candidates from within the GCC region with the development advisory sector being among the most competitive. However candidates looking to move into the region are finding it more difficult to secure their first role over here, especially at a more senior level. We are seeing Arabic speakers becoming more and more desirable, and an increased demand for candidates who can travel easily across the GCC region for work purposes.

The UAE remains a choice destination for many real estate professionals from across the globe and we feel that whilst 2018 maybe a flat year, the medium to long term outlook is stronger.

We look forward to a successful 2018.

Lara Hall, Director, Macdonald & Company,
March 2018

Introduction

The eleventh edition of the annual Macdonald & 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 which reaches a diverse spectrum of participants across the GCC and beyond, is run from November 2017 to February 2018 to coincide with the other Macdonald & 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. Because of rounding, some percentages may not add up to 100.

For further information or analysis please contact:

salarysurvey@macdonaldandcompany.com
or call one of our UK offices.

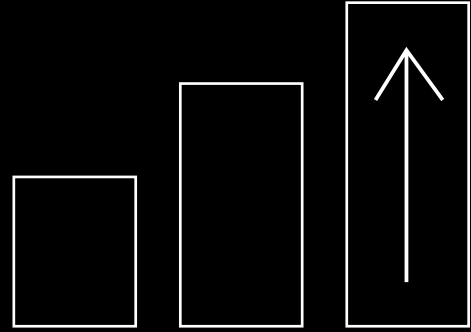
A comprehensive salary benchmarking service tailor made to individual client's needs is also available.

An online statistics package for the 2018 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 & Company undertake salary surveys for UK and Asia Pacific. All reports are available at www.macdonaldandcompany.com

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

AED 517,391.54

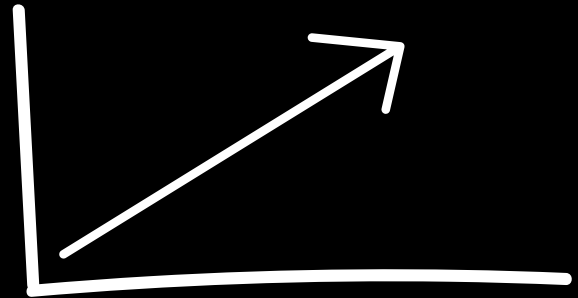
For the property professional in the Middle East total reward (AED 626,901) has declined by 8.5% versus last year which includes an average salary (AED 517,391.54)



Average bonus for the property sector grew by 1.6% to AED 84,924

↑ 10.2%

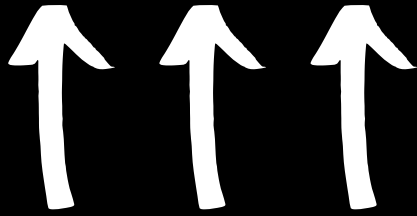
37% of respondents received a base salary increase, the average increase was 10.2%



57%

57% believe their company will hire qualified or experienced professionals in the next year

34% believe economic activity will increase in the next 12 months



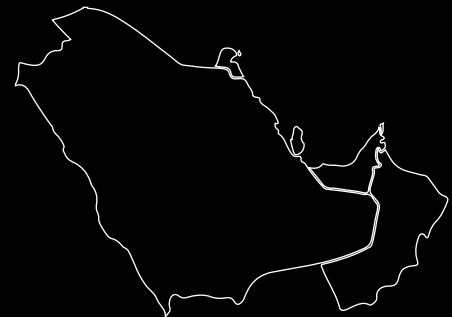
CFO/Financial Director/Controller are the most positive about the economic outlook in the next 12 months with 57% anticipating an increase in economic activity



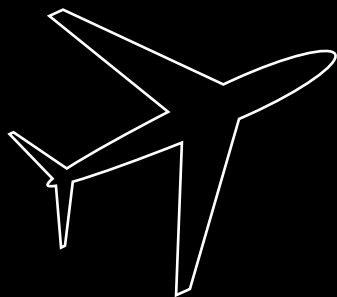
Salary (83%, +1%) continues to be the most important job aspect for property professionals



48% of respondents believe their organisation will increase headcount in 2018



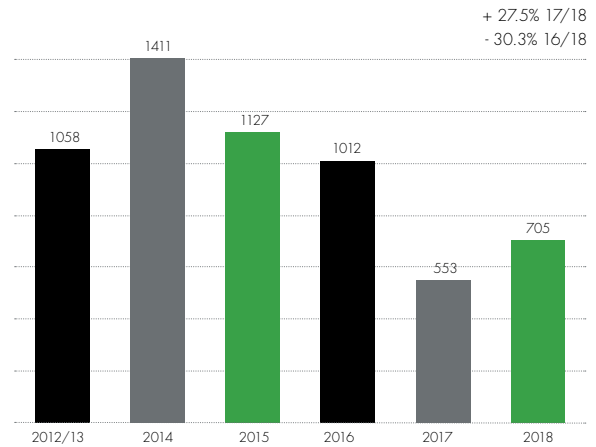
59% of the survey respondents consider the GCC region to be a preferred location for 'financial reasons'



20% of respondents (+5%) are very likely to return to their country of origin

Response Rate Total

Now in its eleventh year, the survey is the most credible and respected survey of its kind in the Middle East property sector with a sample size of 705.

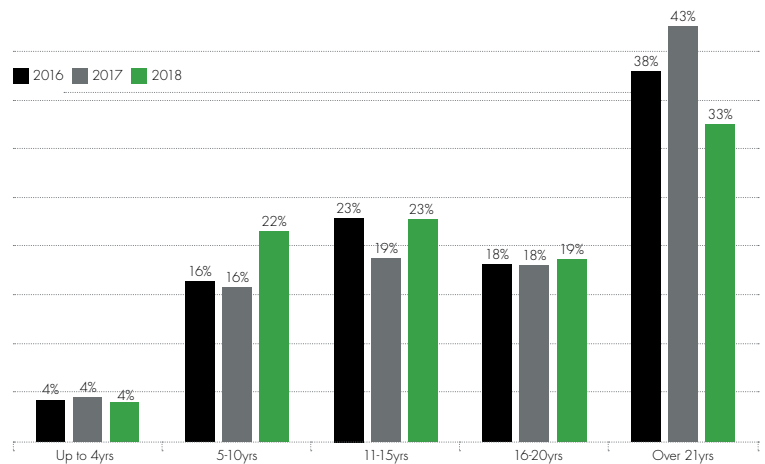


Years' of Experience

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

The survey demographics has seen an important change for this year.

Versus last year, respondents with 16 years' experience or more declined by 9% while those with 5-10 years' experience grew by 6%.

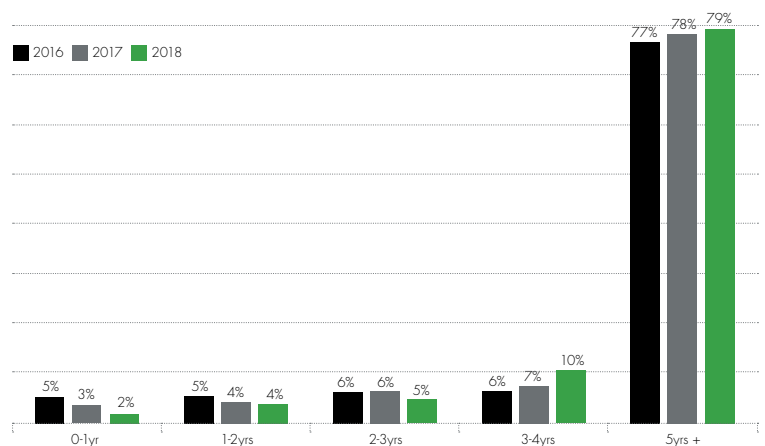


Middle East Regional Experience

How long have you worked in the Middle East Region?

79% of the survey respondents have 5 or more years' experience working in the Middle East, 1% more than last year.

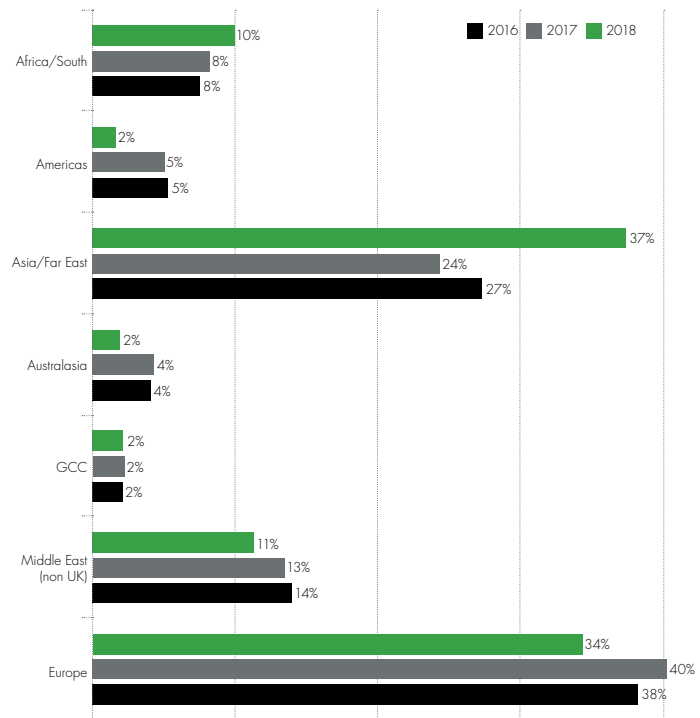
Those with between 3-4 years' experience has increased from 7% to 10% in 2018.



Ethnicity

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

Respondents who originate from the Asia/Far East region account for 37% of the total respondents (up from 24% last year), while those from UK/Europe remain one of the largest groups with 34% (down from 40%).

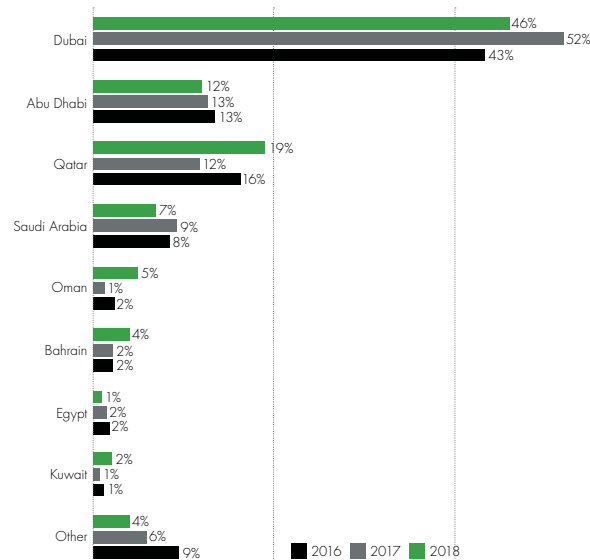


Normal Place of Work

Where is your normal place of work?

Those who presently work in Dubai represent nearly half of all respondents at 46%, down from 52% the previous year.

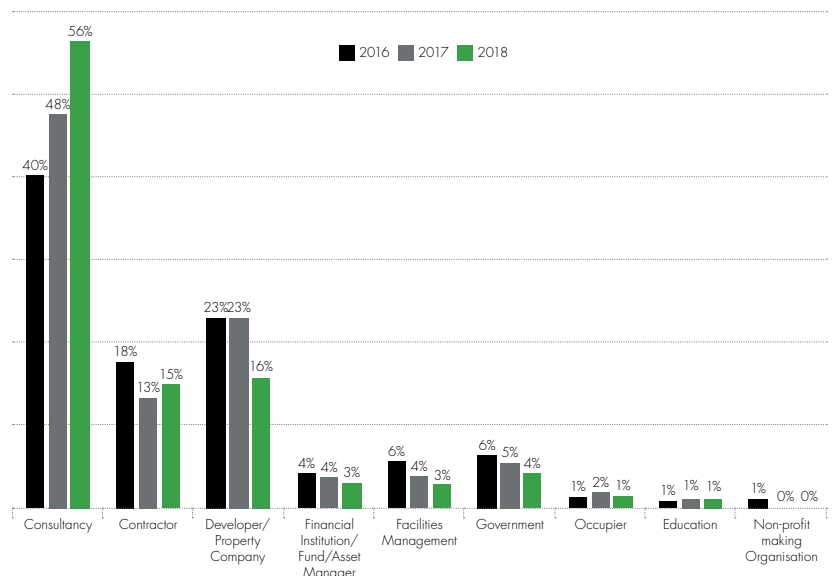
Respondents working in Qatar have increased from 12% in 2017 to 19% this year. Respondents from Oman (5%, +4%), Bahrain (4%, +2%) and Kuwait (2%, +1%) were the only other regions illustrating growth in 2018.



Employer Type

What is the main activity of the organisation?

Those working in Consultancy (56%, up from 48%), Developer/Property Company (16%, down from 23%) and Contractor (15%, up from 13%) continue to provide the majority of responses (87% in total, up from 84%) to this year's survey.



Professional Activity

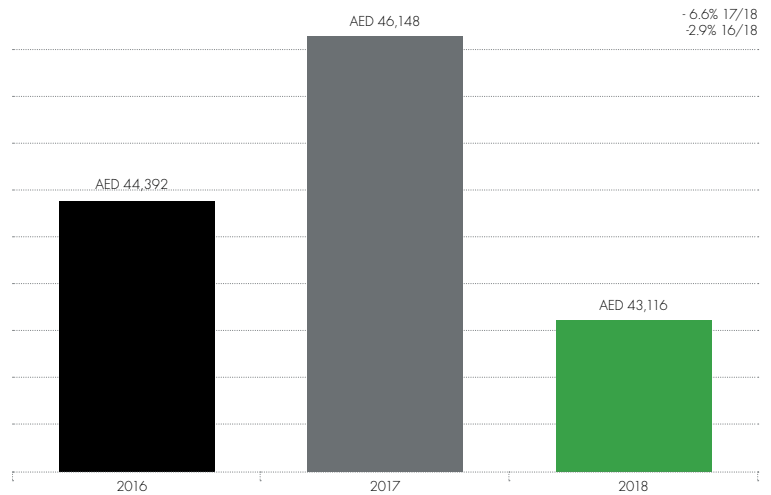
Which one of the following best describes your main professional activity?

PARTICIPANTS	2017 NO.	2017 %	2018 NO.	2018 %
Academic	3	1%	2	0%
Analyst/Research	9	2%	7	1%
Architect	17	3%	6	1%
Asset/Property Manager	14	3%	12	2%
Building Surveying	3	1%	3	0%
Business Development Management	13	2%	8	1%
CEO/MD/Head	31	6%	47	7%
CFO/Financial Director/Controller	7	1%	10	1%
Claims & Dispute Resolution	17	3%	29	4%
Commercial & Contract Management	57	10%	161	23%
Construction Management	31	6%	18	3%
Corporate Property Consultancy	12	2%	5	1%
Design Management	11	2%	7	1%
Development Management	22	4%	14	2%
Energy	8	2%	1	0%
Engineering Services Management	10	2%	4	1%
Facilities Management	21	4%	14	2%
Financial/Real Estate Analyst	14	3%	7	1%
Fund Management	5	1%	2	0%
General Practice	5	1%	7	1%
Health and Safety	4	1%	2	0%
Interior Design	4	1%	4	1%
Landlord & Tenant	5	1%	1	0%
Landscape Architect	0	0%	2	0%
Office Agent	2	0%	6	1%
Urban Design/Masterplanning	5	1%	2	0%
Property Asset Management	20	4%	12	2%
Project Management	50	9%	43	6%
Quantity Surveying	85	15%	203	29%
Residential Agent/Sales/Leasing	6	1%	7	1%
Residential Development	6	1%	3	1%
Retail Agent/Leasing	12	2%	2	0%
Valuation	23	4%	25	4%
Other	19	3%	27	4%

Average Middle East Salary

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

The average base salary per month of a property professional in the Middle East is AED 43,116 per month, down by AED 3,032 or -6.6% from last year.

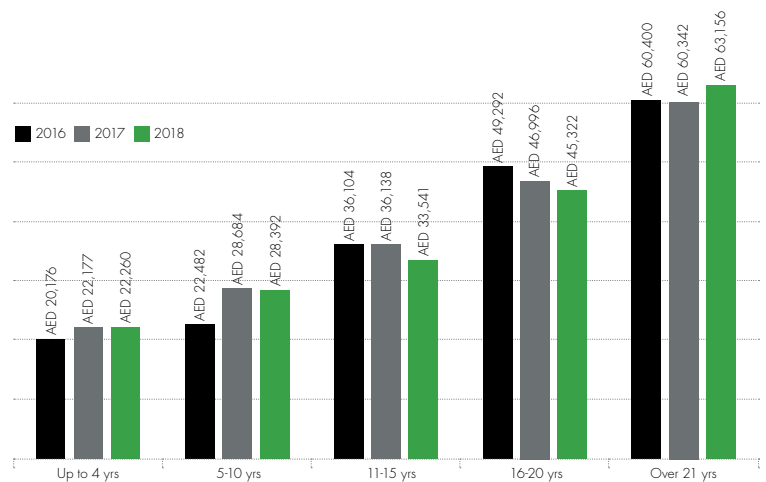


Years' Experience Average Salary

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

Those respondents with over 21 years' experience continue to earn the highest average base monthly salary at AED 63,156 up from AED 60,342 (+4.7%) in 2017.

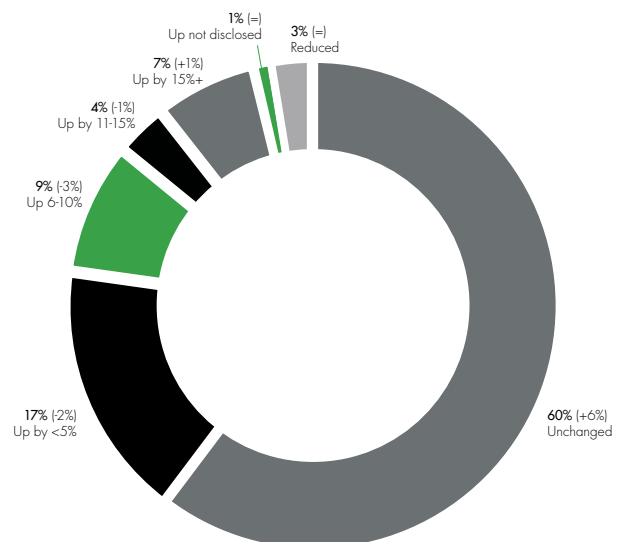
Respondents with up to 4 years' experience were the only other age range which secured an increase in their average base monthly salary AED 22,260 up from AED 22,177 last year (+0.4%).



Change to Salary at Last review

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

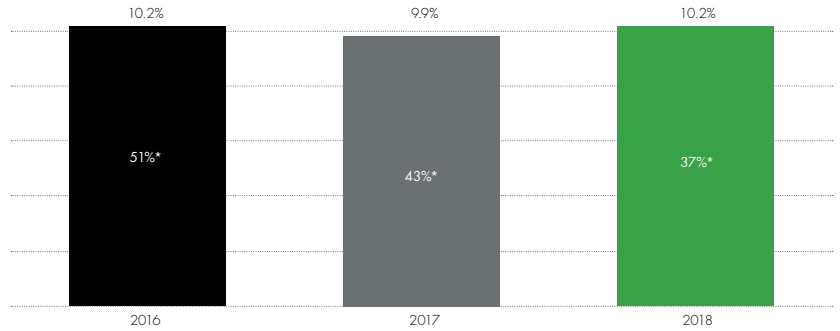
37% of respondents secured a base salary increase, down 5% from the previous year, while 3% (+1%) received a salary reduction, 60% (+6%) of respondents did not see a change in their monthly base salary.



Average Salary Increase

If your salary was increased, please indicate % increase?

The average salary increase has grown from 9.9% to 10.2% in 2018 (+0.3%). However the % of respondents who secured an annual salary increase has decreased from 43% in 2017 to 37% in 2018.



Average Increase by Region

If your salary was increased, please indicate % increase?

The average salary increase across all regions grew from 9.9% to 10.2% (+0.3%) in 2018.

Egypt secured the highest average salary increase up from 11.0% to 20.8% (+9.8%), whilst the average salary increase in Oman dropped from 15.0% to 9.5% (-5.5%).

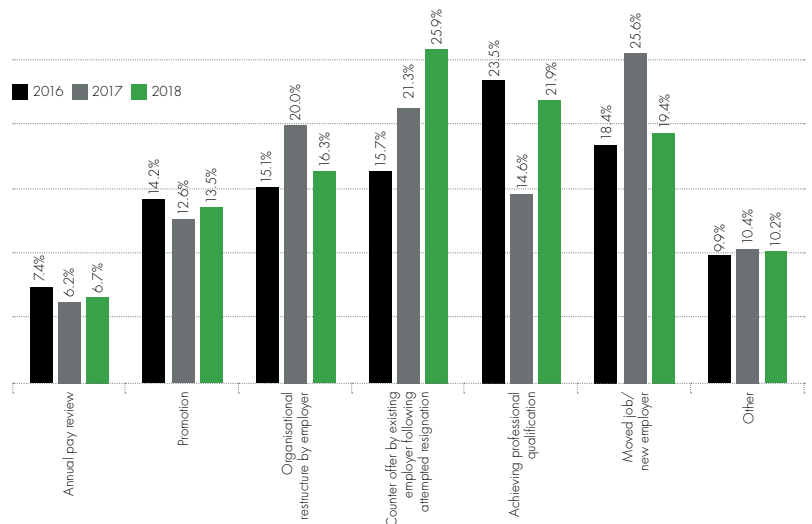
PARTICIPANTS	2016 %	2017 %	2018 %
Total	10.2%	9.9%	10.2%
Dubai	11.2%	9.6%	11.3%
Abu Dhabi	8.8%	6.4%	7.3%
Qatar	7.8%	9.0%	7.3%
Saudi Arabia	8.6%	16.5%	11.7%
Oman	11.9%	15.0%	9.5%
Bahrain	8.8%	6.7%	7.6%
Egypt	11.5%	11.0%	20.8%
Kuwait	20.3%	5.8%	3.1%
Other	12.4%	9.4%	9.1%

Reason for Salary Increase

If your salary was increased please indicate % increase?

At 25.9%, counter offer by existing employer following attempted resignation led to the largest increase to base salary, up from 21.3% (+4.6%) last year.

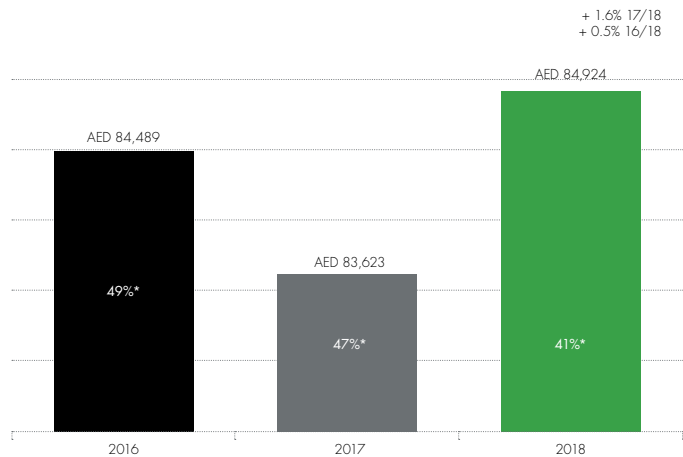
Respondents whose annual base salaries were increased following an annual pay review received an average of 6.7% (+0.5%).



Average Middle East Bonus

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

The average bonus of property professionals in the Middle East is AED 84,924, up from AED 83,623 (+1.6%) in 2017. The % of respondents who secured an annual bonus has decreased from 47% to 41% (-6%) in 2018.



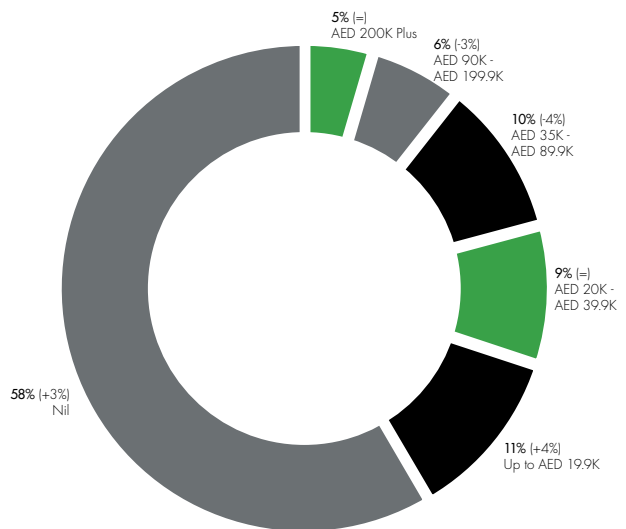
* % of respondents who received a bonus increase

Bonuses Received Over the Last Twelve Months

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

42% of survey respondents received a bonus (down from 45% in 2017), while 58% received no bonus whatsoever (up from 55% last year).

The average annual bonus of a property professional in the Middle East is AED 84,924 (up from AED 83,623 last year).

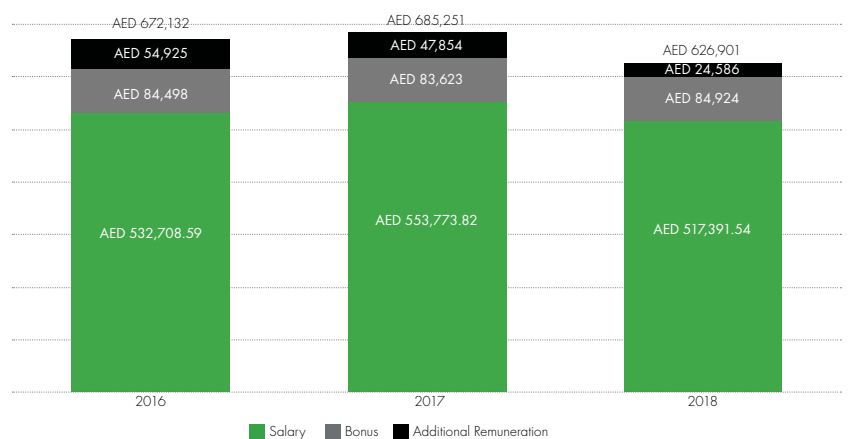


Average Middle East Total Reward

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 total reward received by property professionals decreased by 8.5% to AED 626,901 in comparison to last year.

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.

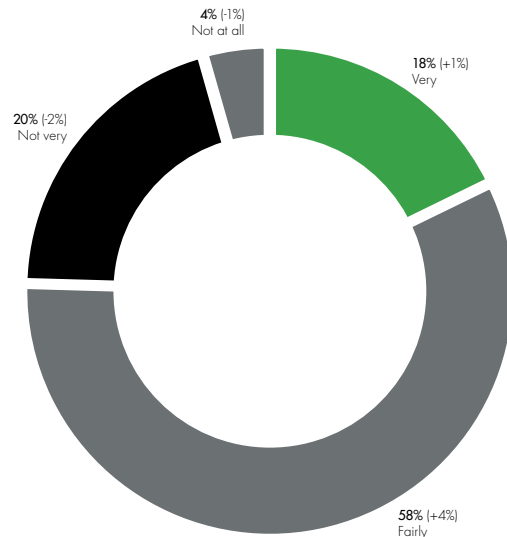


Job Satisfaction

How satisfied overall are you with your current job?

The majority of survey participants (76%, +3%) are fairly or very satisfied with their current job.

4% of respondents felt they were not at all satisfied with their current job (-1% versus last year).

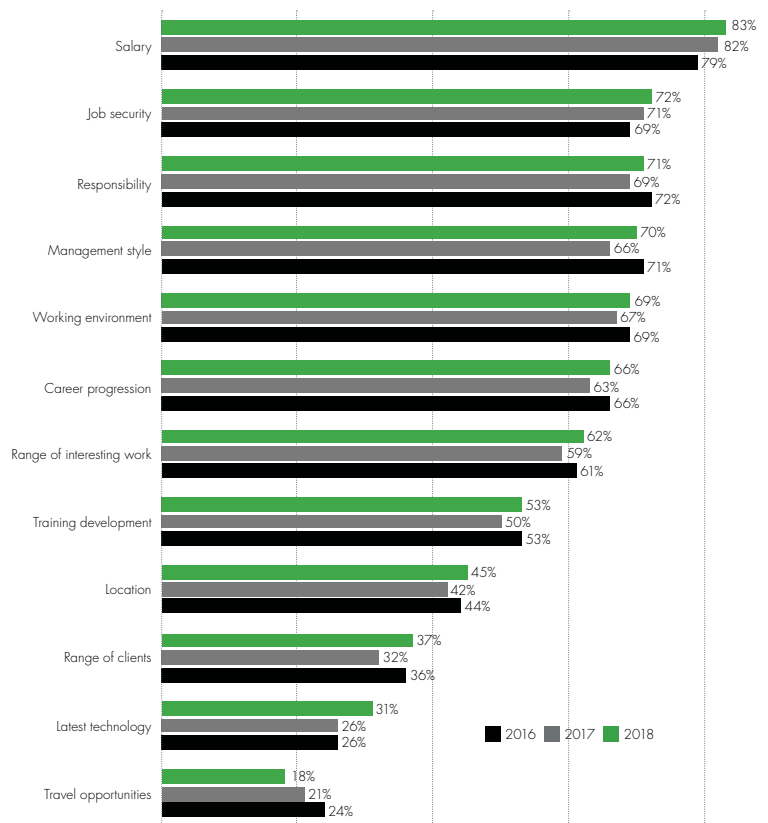


Important Job Aspects

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

Salary continues to be the highest priority for property professionals, with 83% (+1%) of respondents indicating its importance. This is followed by job security at 72% (+1%) and responsibility 71% (+2%).

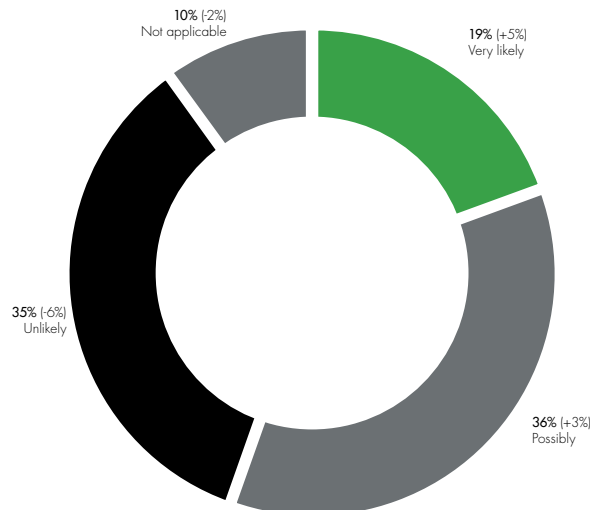
Travel opportunities was the only important job aspect to see a decline, from 21% to 18% in 2018.



Returning Home

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

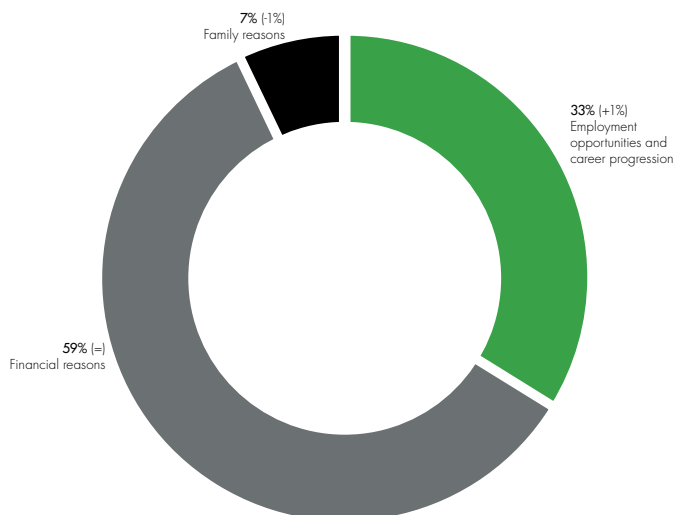
19% of survey respondents (+5%), who are in a position to return home, are very likely to return to their country of origin. While 35% of survey respondents are unlikely to return home, -6% versus last year.



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” (= 2017). While 33% (+1%) cited “employment opportunities and career progression” as a consideration.

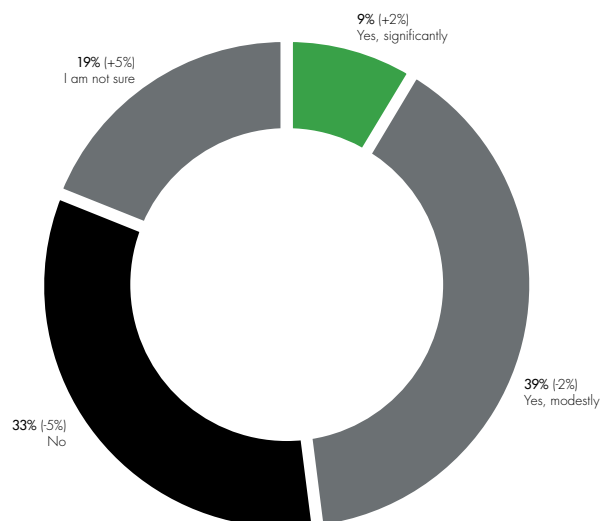


Hiring Intentions

Do you expect your organisation to increase headcount in 2018?

48% of respondents (=2017) believe their organisation will increase headcount in 2018.

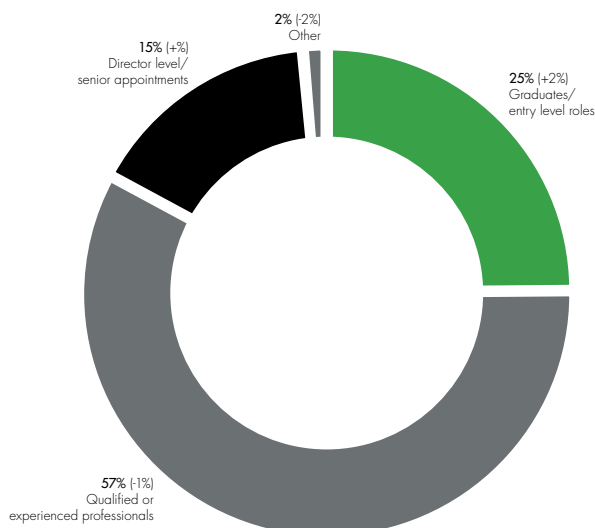
However, the proportion of respondents who do not believe their organisation will increase headcount has fallen to 33%, -6% versus 2017.



Hiring Intentions by Level

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

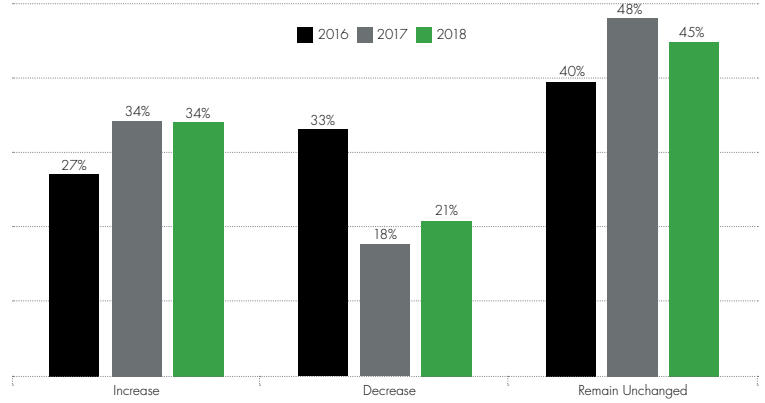
Of the respondents who expected their organisation to increase headcount in 2018, 57% (-1%) believe their company will hire qualified or experienced professionals, while 25% (+2%) anticipate their company hiring at graduate and entry level roles this year.



Economic Activity Change

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

The majority of property professional 45% (-3%) do not anticipate a change in economic activity in the next 12 months, with 21% (+3%) forecasting a decrease.

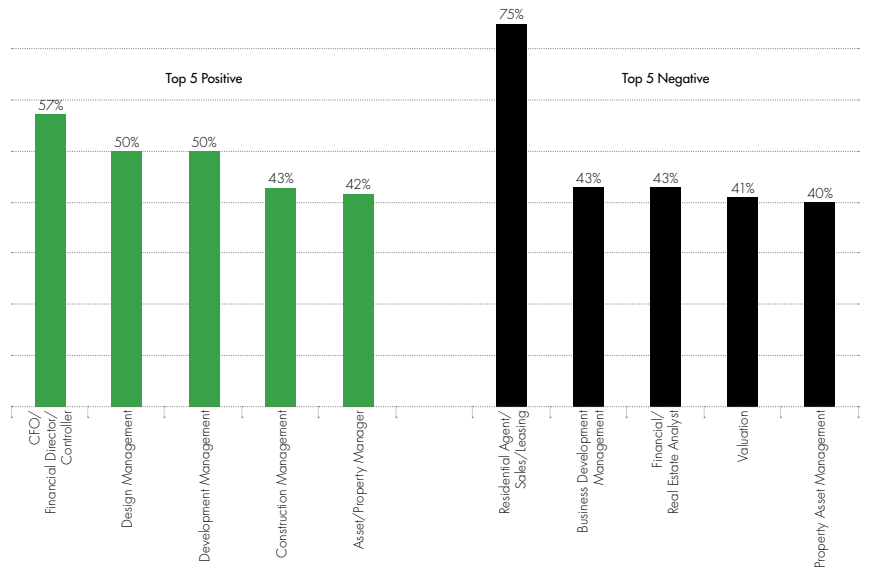


Economic Activity by Main Professional Activity

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

CFO/Financial Director/Controller are the most positive about the economic outlook in the next 12 months with 57% anticipating an increase in economic activity during the next 12 months.

However those working in Residential Agent/Sales/Leasing are the least confident, with 75% anticipating a decrease in economic activity during 2018.



People make the difference.
We connect you to that difference.
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