

The RICS & Macdonald & Company MIDDLE EAST SALARY SURVEY 2009

EXECUTIVE SUMMARY KEY FINDINGS



RICS

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**CITYSCAPE
INTELLIGENCE**

MACDONALD & COMPANY

The Property Recruitment Professionals

2009 Executive Summary

Introduction

Now in its third year, the Annual RICS and Macdonald & Company Middle East Salary Survey is the most comprehensive Survey undertaken for the property sector in the Middle East.

The survey continues the success of earlier years. 2,083 Middle East real estate professionals participated online in July and August 2009, making this our highest ever response (versus 1,033 in 2008) and the largest and most comprehensive survey of its type.

Thanks this year as always must go to the RICS and Cityscape Intelligence, 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 questionnaire. 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. Further analysis and information is available from 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.

There are early signs of improvement in the world economy. Despite the climate, the job market has not and will not grind to a halt. Many organisations are taking the opportunity to “up skill” or expand teams that have suffered long term skill shortages. Also, a new breed of professional is entering the market, those who are proficient in maximising the value of real estate assets.

The results of the survey are clear: 19% of the respondents saw some form of pay reduction last year; large numbers expect reductions in 2009; 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 Middle East, with 46% of respondents expecting an increase in economic activity in the next 12 months. Professionals want to remain in the region; however they are much more open to working outside of the UAE in comparison to previous years.

William Buck, Head of Middle East Operations, Macdonald & Company (in association with Unlimited Resources Recruitment Supply), September 2009.

For further information or analysis please contact:

E: salariesurvey@macdonaldandcompany.com or call one of our Middle East offices.

A comprehensive online statistics package for the 2009 survey is available at a cost of USD \$999.

In addition to the Middle East, Macdonald & Company & RICS undertake remuneration and attitudes surveys for the following regions: UK, Asia Pacific, Africa and Europe, all reports are available at 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.bluskyresearch.com).

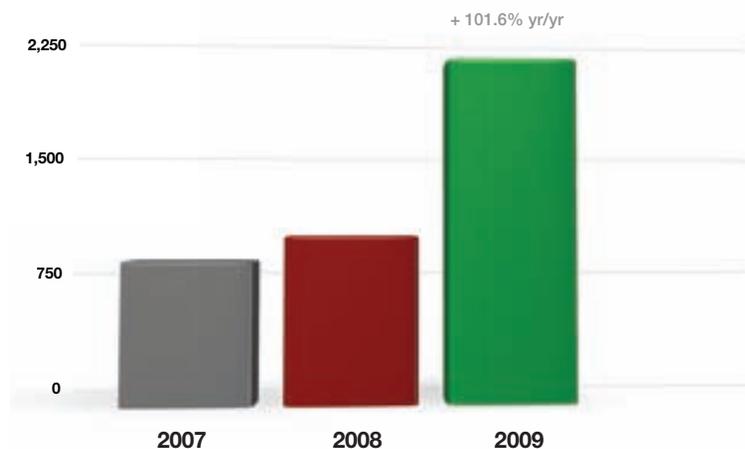
Key Findings

- Largest response rate achieved ever with 2,083 survey responses (up 101% versus last year).
- Average monthly base salary in USD is \$10,340 (versus \$10,667 last year).
- Only 21% of respondents received a base salary increase (versus 71% in 2008).
- The average bonus per year was USD\$13,630 (down from \$15,446 last year).
- 59% of the survey respondents received no bonus whatsoever, 18% less than last year. Only 41% received any kind of bonus (down from 59% last year).
- 24% of respondents have been made redundant in the last 12 months.
- 66% of those made redundant have already found new jobs.
- 73% were paid a redundancy settlement equal to or more than the contractual amount.
- Health insurance 75% (down from 88% last year), flights 58% (last year 70%), performance related bonuses 33% (last year 51%) and mobile phones 40% (last year 45%) are still the most popular additional benefits provide in the industry.
- The majority of survey participants (73%, down 6% versus last year) are fairly or very satisfied with their current employment.
- 19% of respondents believe that the property market will get worse over the next 12 months, while 46% believe it will improve.

Research Sample Profile

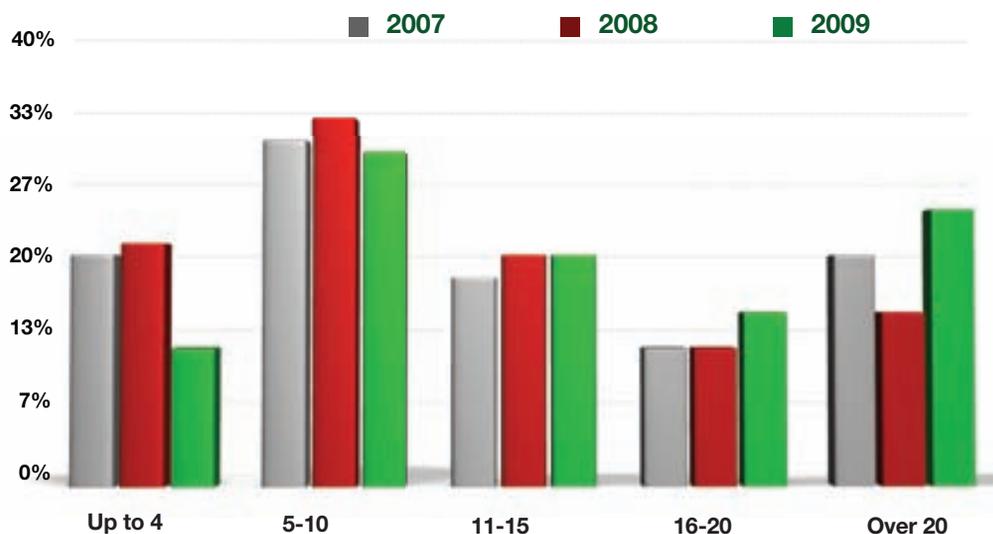
Response Rate Total

In its third year, with 2,083 respondents, the survey is the most robust and respected survey of its kind. Response to the survey was up 101% on the previous year.



Years' Experience

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

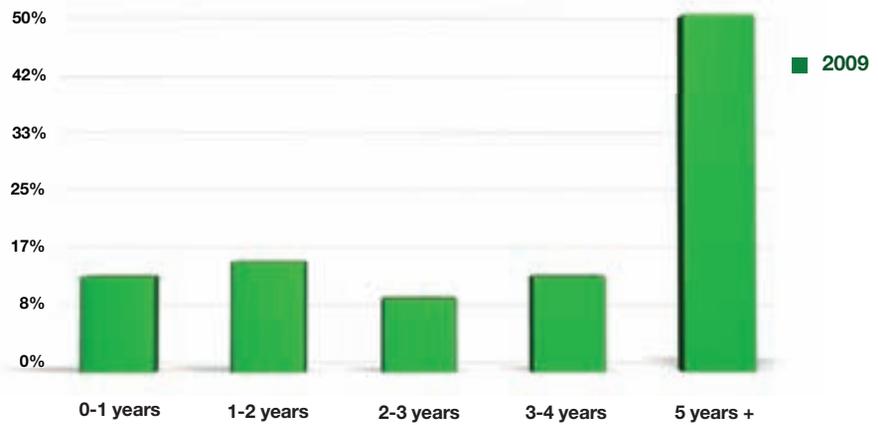


Respondents this year are more experienced real estate professionals in comparison to previous years, for example 39% have over 16 years experience versus 27% last year.

Middle East Regional Experience

How long have you worked in the Middle East Region?

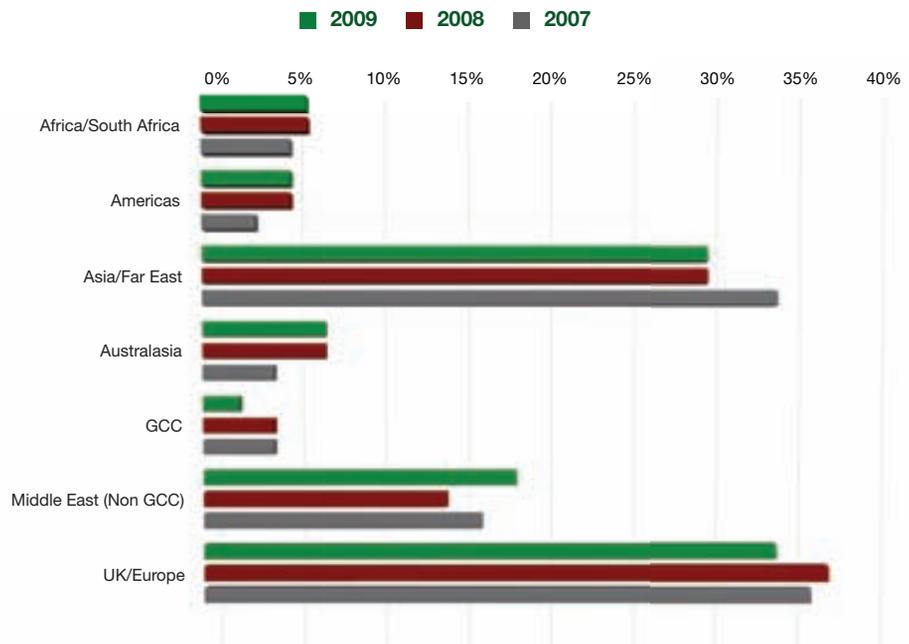
62% of survey respondents have at least 3 years experience working in the region.



Ethnicity

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

The breakdown of survey responses from across the various regions is consistent with previous years, excluding a drop in GCC nationals.

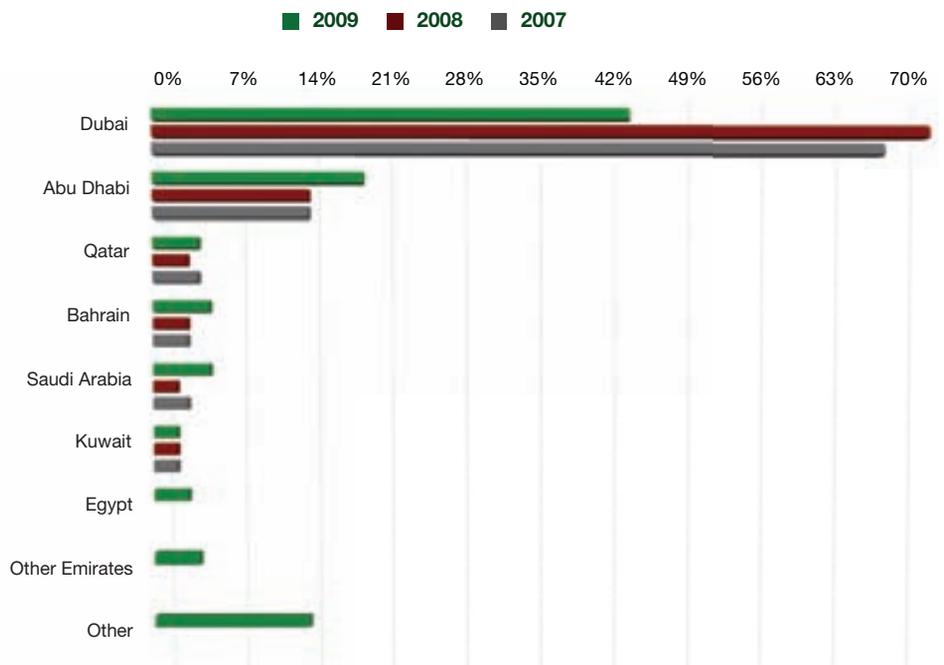


Normal place of work

Where is your normal place of work?

Those who presently work in Dubai (43%) and Abu Dhabi (19%) provided the majority of responses to the survey, with an increasing influence from other Middle East countries.

NB. Respondents are far more likely to consider working in other Middle East locations than in previous years.



Professional Activity

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

	2008		2009	
	No. of Participants	% of Participants	No. of Participants	% of Participants
All Participants	1078		2083	
Quantity Surveying	194	18.0%	249	12.0%
Project Management	93	8.6%	232	11.1%
Architect	94	8.7%	140	6.7%
Development Manager	72	6.7%	123	5.9%
Commercial/Contracts Manager	87	8.1%	113	5.4%
Analyst/Research	34	3.2%	79	3.8%
CEO	19	1.8%	73	3.5%
Facilities Manager	23	2.1%	57	2.7%
Sales/Leasing	40	3.7%	57	2.7%
Asset/Property Manager	16	1.5%	53	2.5%
Landscape Architect	12	1.1%	50	2.4%
Valuation	31	2.9%	50	2.4%
CFO/Financial Director/Controller	26	2.4%	41	2.0%
Finance Manager/Auditor	24	2.2%	41	2.0%
Health and Safety	16	1.5%	39	1.9%
Design Manager	52	4.8%	37	1.8%
Investment Manager	13	1.2%	37	1.8%
Urban Planner	19	1.8%	31	1.5%
FM Director	26	2.4%	30	1.4%
Commercial Agency			26	1.2%
Interior Design	43	4.0%	26	1.2%
FM Operations	30	2.8%	22	1.1%
Claims/Arbitration	70	0.6%	19	0.9%
FM Consultant	14	1.3%	19	0.9%
Programme/Planning Manager			16	0.8%
Urban Designer	19	1.8%	16	0.8%
Fund Manager/CIO	11	1.0%	15	0.7%
Security Manager			12	0.6%
FM Engineer			11	0.5%
FM Soft Services			3	0.1%
Human Resources	23	2.1%		0.0%
Other	40	3.7%	208	10.0%
No Response			158	7.6%

As per last year, the main responses to the survey came from Quantity Surveyors (12.0%), Project Managers (11.1%), Architects (6.7%), Development Managers (5.9%) and Commercial/Contracts Managers (5.4%). However, it is to be noted that there is a marked increase in the number of professionals whose main skill-sets are more focussed on maximising value from existing assets. This will increase as the market matures from being development-led to asset-driven.

Employer Type

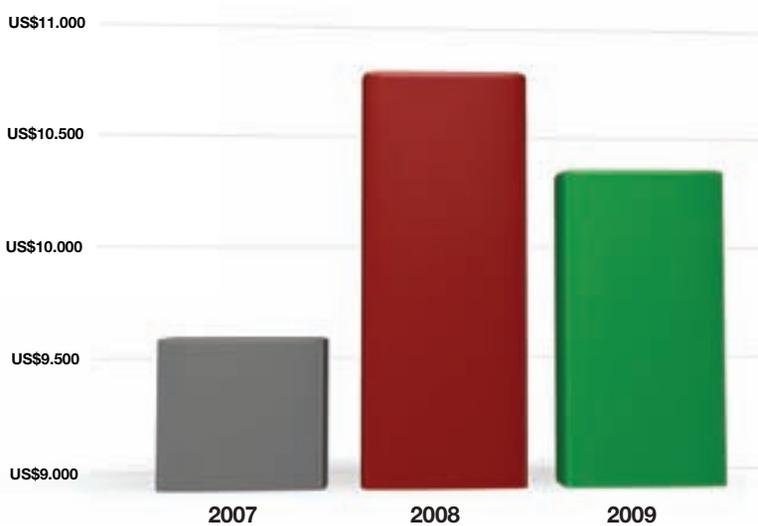
What is the main activity of the organisation?



Middle East Real Estate Salaries

Average Middle East Real Estate Salary

What is your current monthly base salary in \$USD?

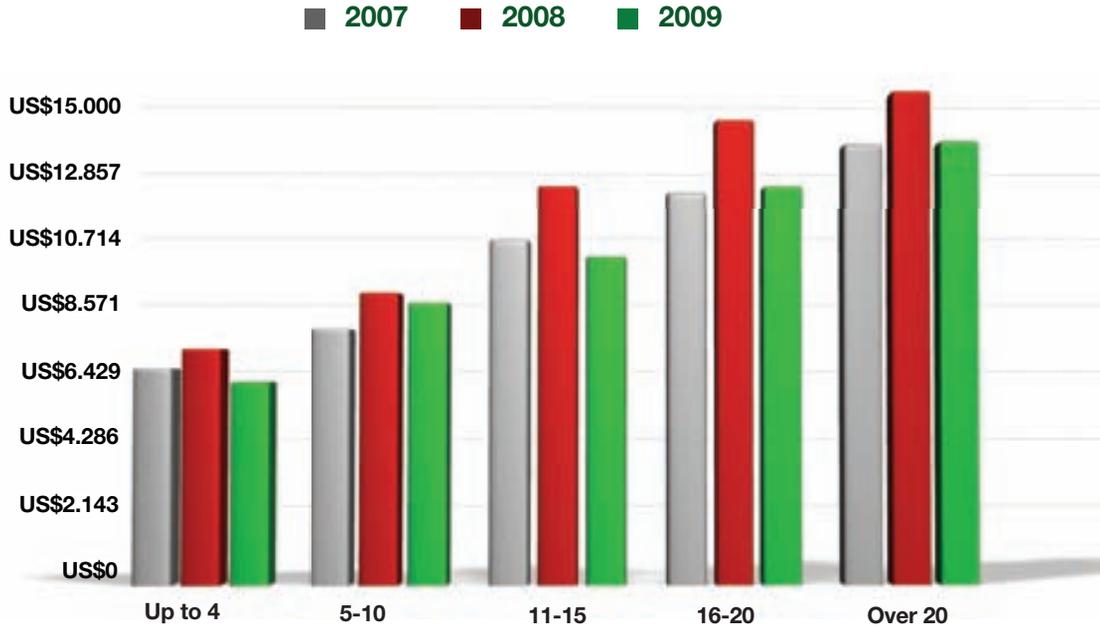


The average base salary of a Real Estate professional in the Middle East is USD \$10,340 (38,040 AED) per month. Taking this view and in comparative terms the average salary has decreased by 3.7% versus the previous year, though still 7.2% higher than in 2007.

The average salary decrease has been consistently applied across the “years of experience” in the industry.

Years' Experience Average Salary

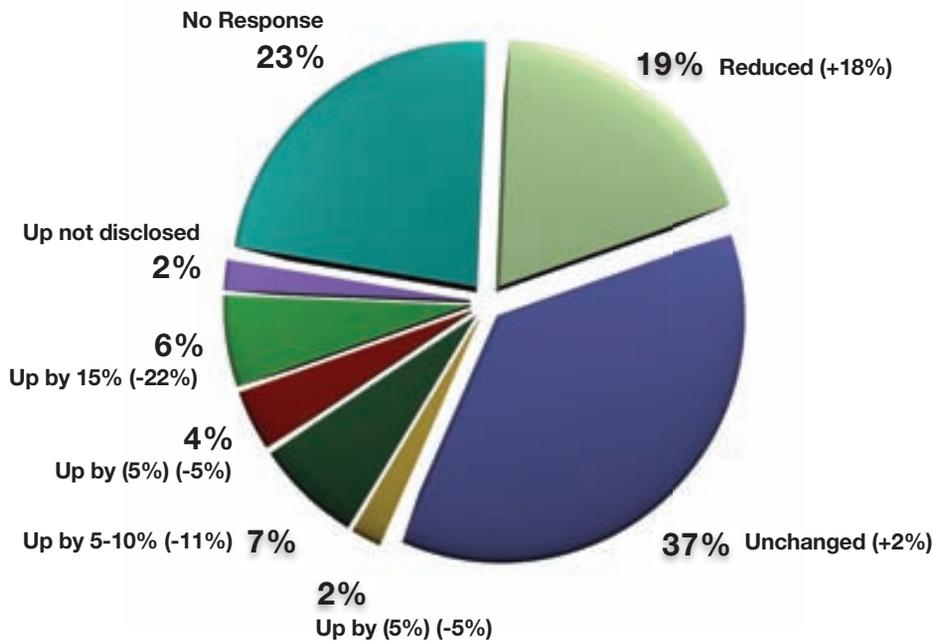
Salary at last review by years experience within discipline.



Change to Salary to last review

What change (if any) was made to your monthly base salary at your last pay review.

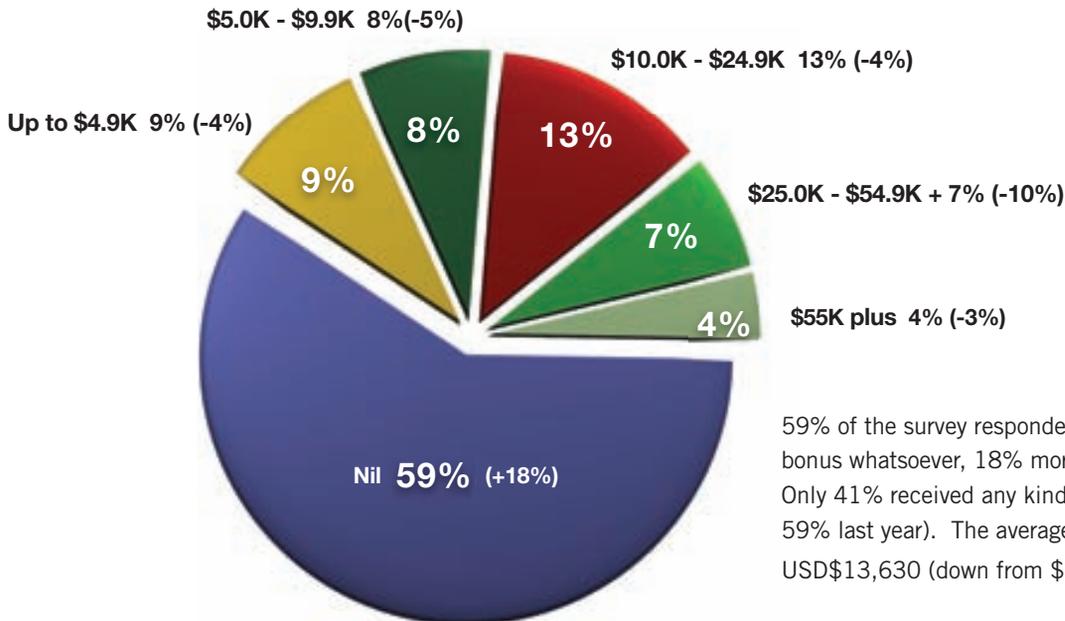
Only 21% of respondents received an increase in base salary this year, significantly down from 71% the previous year. 19% received a salary reduction (versus 1% last year), while 37% experienced no change in salary (versus 35% last year).



Bonuses

Annual Bonuses Received

What was the approximate value of your Annual Bonus (or Bonuses) over the last 12 months?

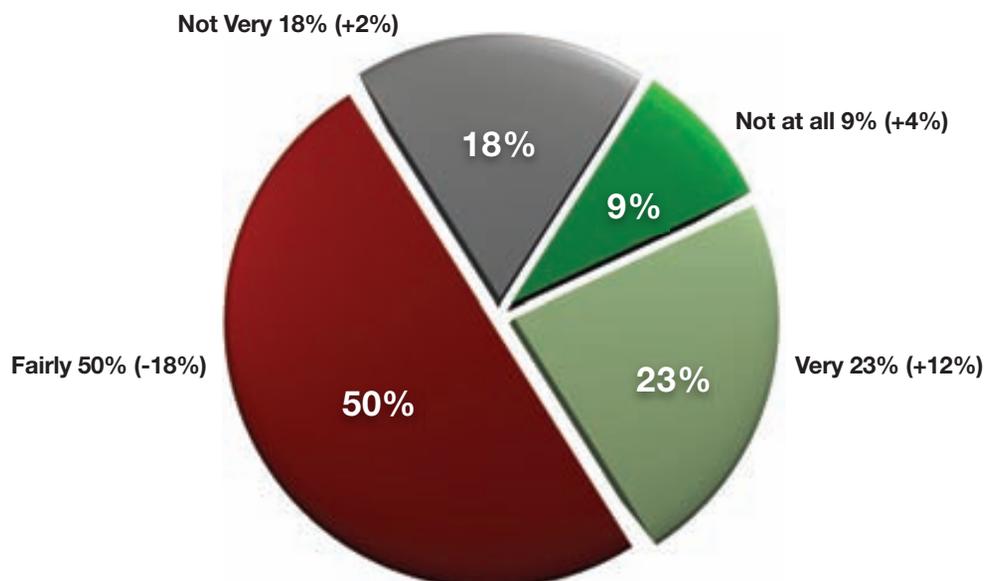


Market Sentiment

Salary and responsibility are the most important factors when it comes to job satisfaction, followed closely by job security, career progression and management style within the organisation.

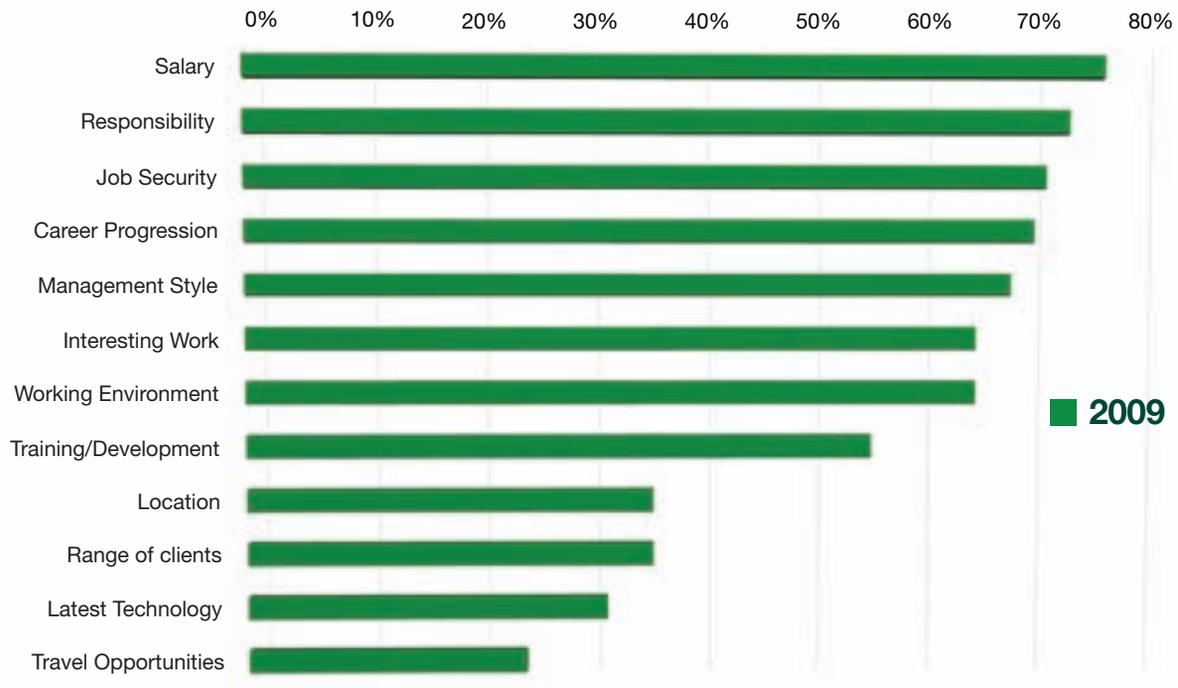
Job Satisfaction

How satisfied overall are you with your current job?



Important Job Aspects

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



The majority of survey participants (73%, down 6% versus last year) are fairly or very satisfied with their current employment. 18% say that they are not satisfied (up 2% from last year). Interestingly, the offer of a better salary is still the most likely impetus for changing job being cited by 71%, followed by career progression 65% and job security 61%, of the survey respondents.

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, Australia 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.

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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 100 000 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.

RICS is an independent professional body originally established in the UK by Royal Charter. Since 1868, RICS has been committed to setting and upholding the highest standards of excellence and integrity – providing impartial, authoritative advice on key issues affecting businesses and society. RICS is a regulator of both its individual members and firms enabling it to maintain the highest standards and providing the basis for unparalleled client confidence in the sector. www.rics.org.

RICS MENEA Office F07, Block 11, Knowledge Village, Dubai, UAE

Cityscape Intelligence (CI) is the online information service for investors, developers and senior professionals focused on business to business real estate within emerging market Countries. CI offers an unrivalled resource of essential and impartial information in one place. The service seeks to bridge the information and transparency gap that exists in emerging markets and provide our subscribers the intelligence they need to help them make key strategic real estate decisions.

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A comprehensive online statistics package for the 2009 survey is available at a cost of USD \$999.





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