

The RICS and Macdonald & Company
**REWARDS & ATTITUDES
SURVEY 2009**

EXECUTIVE SUMMARY & KEY FINDINGS



RICS

the mark of
property
professionalism
worldwide

MACDONALD & COMPANY

The Property Recruitment Professionals

2009 Executive Summary

Introduction

Now in its tenth year, the Annual RICS and Macdonald & Company Rewards & Attitudes survey is the most comprehensive survey undertaken for the property sector.

The survey continues the success of earlier surveys, 10,476 UK surveying professionals participated online in December 2008 and January 2009, making this our highest ever response (versus 6,920 in 2008) and the largest and most comprehensive survey of its type. Thanks this year as always must go to Property Week and RICS who actively promoted involvement in the survey amongst their readership / 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 professionals in their role and their attitudes toward employment. This executive summary sets out the key findings of the survey. Further analysis and information are available from Macdonald & Company.

Foreword

2008 and 2009 have proved not only unprecedented times for the property industry but for the world economy as a whole. The property industry has been in the “eye of the storm”, capital values have plummeted and confidence is lower than any other time in recent history. There are few signs of immediate improvement in the world economy, confidence and availability of capital continue to severely affect the property market.

Despite the climate, the job market has not and will not grind to a halt. Currently, opportunities are emphasised toward critical hires and jobs with those organisations taking the opportunity to “up skill” or expand teams that have suffered long term skill shortages and consequent pay inflation, which are now moderating.

The results of the survey are clear: 10% 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.

Redundancies and predictions of more to follow will continue to dominate the headlines and cause further uncertainty. However, there are reasons to be cheerful, the property industry is a sector that is happy in other ways with 38% saying they are “Very satisfied” in their current role, up 10% from last year. Overall it is clear that the industry is pulling together in the face of adversity whilst at the same time accepting that working conditions, job security and leadership are more important than ever.

Peter Moore MRICS. Managing Director, Macdonald & Company, Spring 2009

For further information or analysis please contact:
E: salariesurvey@macdonaldandcompany.com or call one of our UK offices.

A full report and an online statistics package for the 2009 survey are available at a cost of £399 + VAT. In addition to the UK, Macdonald & Company & RICS undertake remuneration and attitudes surveys for the following regions: Middle East, 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.bluskymarketing.com).

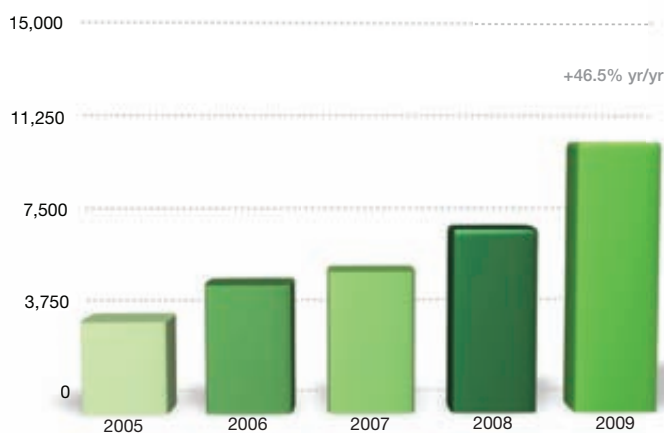
Key Findings

- Only 58% of respondents received a base salary increase (versus 75% in 2008).
- 10% of respondents had a base salary reduction.
- 32% of respondents had no change made to their base salary last year.
- Lower bonuses paid overall, those receiving bonuses fell from 59% to 42%.
- Decreasing benefits provided across the board.
- Job security very important to 71% (versus 47% in 2008).
- 27% of respondents think they could leave their current employer this year because they will be made redundant.
- 55% of respondents believe that the property market will get worse over the next 12 months.
- A large number of professionals expect some sort of pay reduction in the next 12 months.
- Job satisfaction increased 10% compared to 2008.
- 83% of respondents class their current employer as their employer of choice.

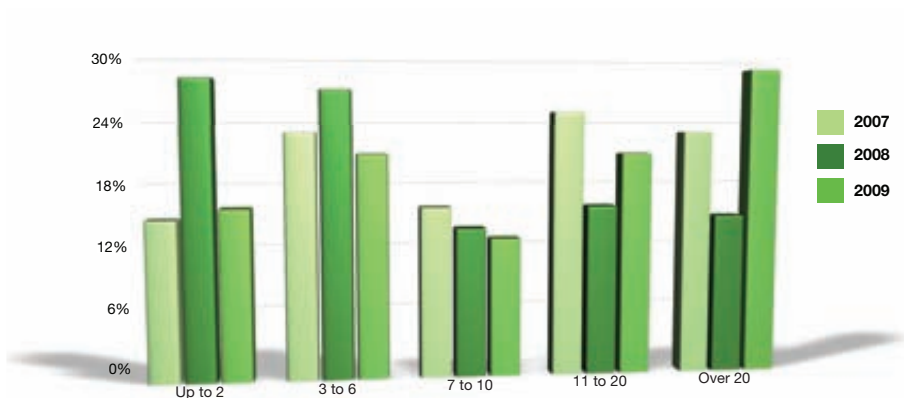
Research and Sample

In its tenth year, with 10,476 respondents, the survey is the most robust and respected survey of its kind. Response to the survey was up 46% on the previous year. The general level of responsibility of the sample is more senior this year with an even proportionate spread through the employer categories.

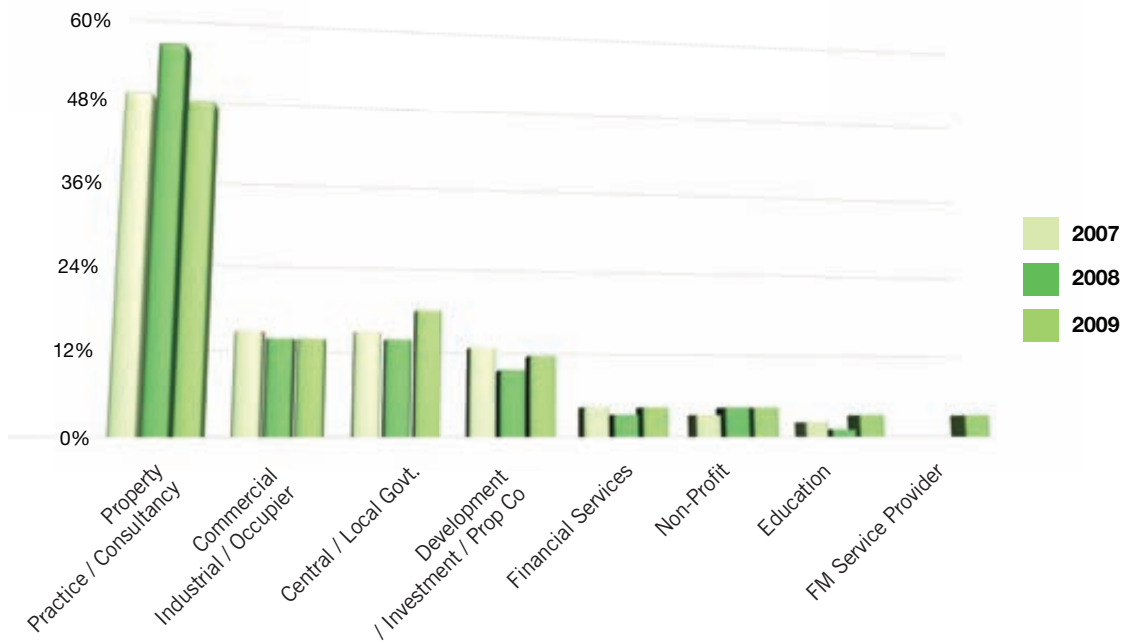
Response Rate Total



Sample Profile: Years' Experience

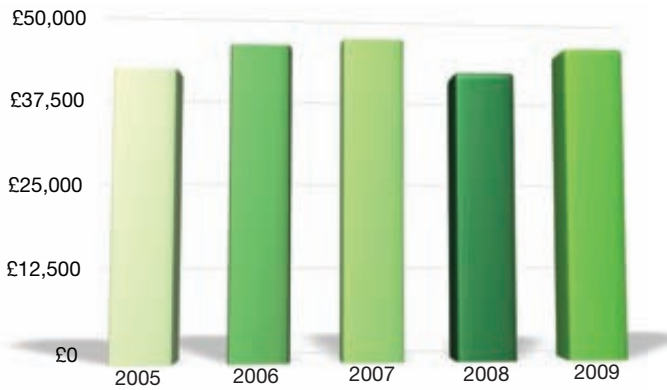


Sample Profile: Employer Type



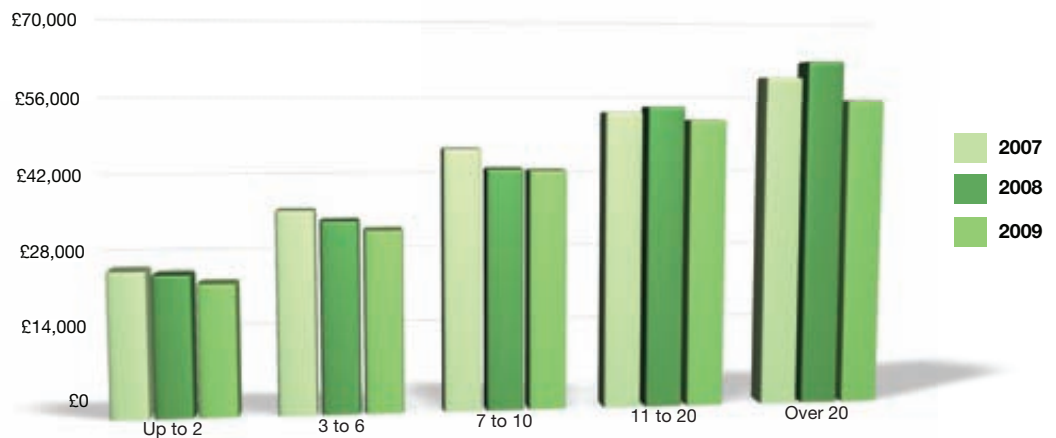
Average UK Property Salary

Average UK Property Salary



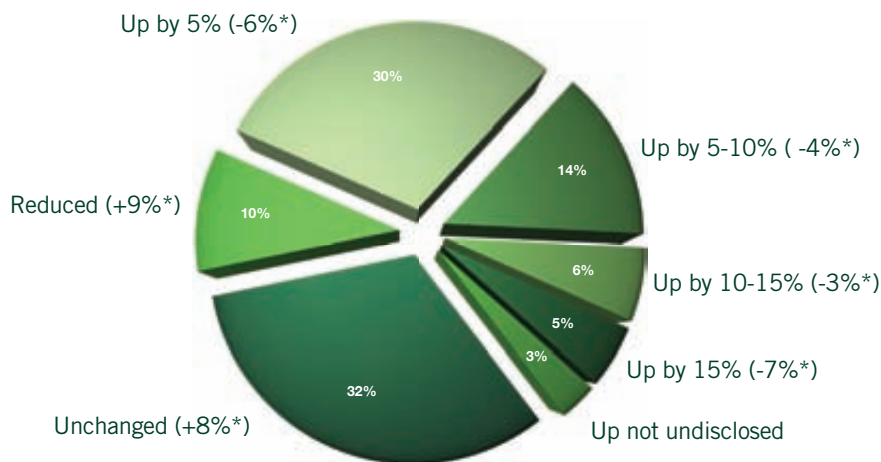
The average salary of a UK property professional is £43,700. Because of the more senior profile of the survey respondents this year, it is probably more relevant to consider it in relation to the 2007 survey. Taking this view and in comparative terms the UK average salary has decreased by 1.8% since 2007.

Average salary by Years' Experience (£Kpa)



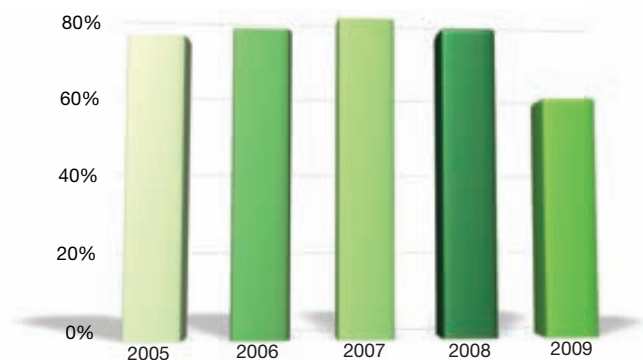
Only 58% of respondents received an increase in base salary last year, down from 75% in the 2008 survey. 10% of the survey respondents experienced a reduction in base with 32% experiencing no increase or decrease last year.

Change to Salary at last review



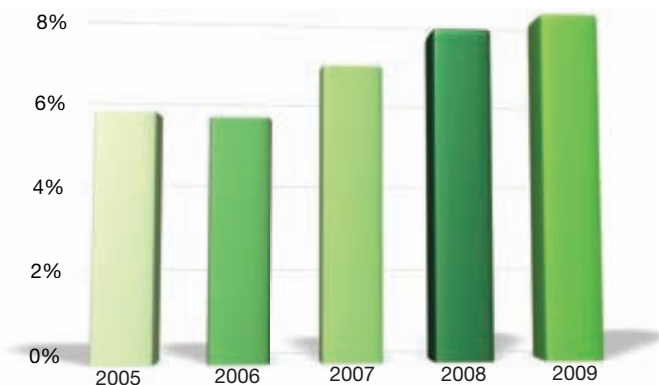
*% change versus previous year

% of Professionals Receiving increase



Of those who did receive an increase in base salary last year (58%), the average increase across all sectors of employment, location and level was 7.9%.

Average UK Property Salary increase of those that received one



Change to Salary last year & anticipated this year

EMPLOYER TYPE	CHANGE – SALARY			NEXT 12 MONTHS – ANTICIPATED CHANGE				
	=	↑	↓	=	↑	↓	→	?
INVESTMENT / DEVELOPMENT	34%	57%	9%	50%	6%	38%	1%	5%
PROPERTY PRACTICE / CONSULTANCY	40%	49%	11%	43%	5%	46%	1%	5%
FINANCIAL SERVICES	24%	68%	8%	39%	9%	48%	1%	3%
COMMERCIAL / INDUSTRIAL / OCCUPIER	29%	63%	8%	52%	9%	31%	1%	7%
EDUCATION	24%	68%	8%	64%	12%	15%	0%	7%
NON-PROFIT	17%	71%	12%	66%	6%	22%	1%	6%
CENTRAL/LOCAL GOVERNMENT	9%	69%	12%	66%	5%	22%	1%	6%
FM SERVICE PROVIDER	20%	63%	8%	58%	13%	28%	1%	6%
TOTAL	32%	58%	10%	51%	6%	36%	1%	6%

KEY

= NO CHANGE

↑ INCREASE

↓ DECREASE

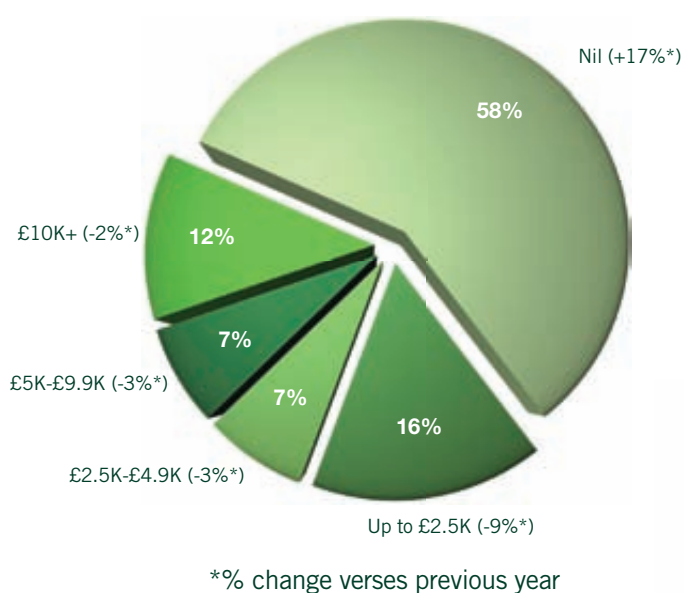
→ LEAVE PROFESSION

? DON'T KNOW

The matrix shows the change in base salary that was experienced last year by each employer type. Respondents were also asked what they expected to happen to their base remuneration in the next twelve months. 46% of those employed in practices/consultancies said they expected a decrease. Overall 51% of respondents expect no change to be made to their base salary in the next year.

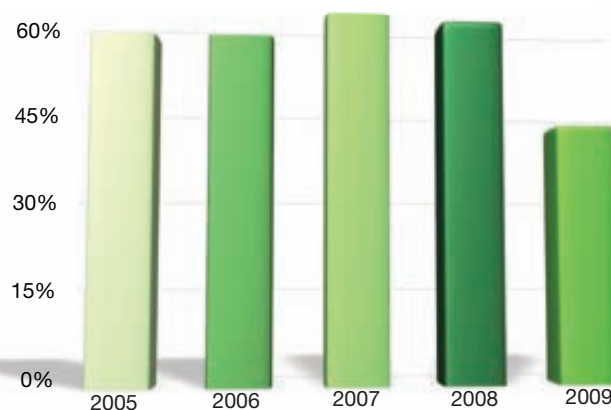
Bonuses

Bonuses received over the last 12 months

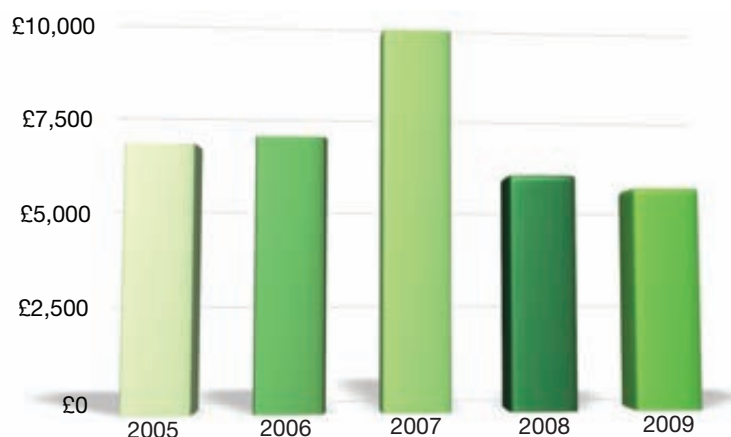


58% of the survey respondents received no bonus whatsoever, 17% less than last year. Only 42% received a bonus of any kind. The average bonus was £5,596, compared to the 2007 survey figure where the average was £9,411, an overall decrease of approximately 40%. The highest bonuses were paid within Fund Management (£29,598) and Investment Brokerage (£24,964).

% of Professionals Receiving Bonuses



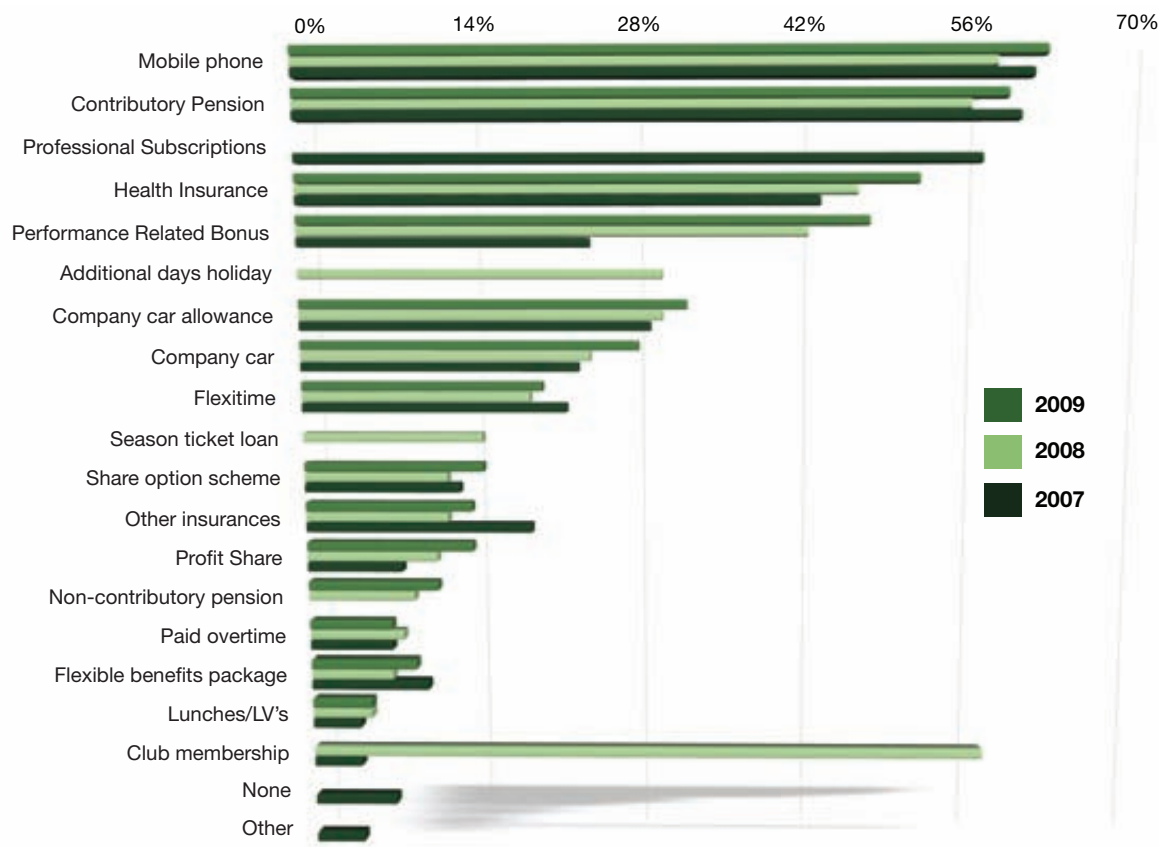
Average UK Property Bonuses



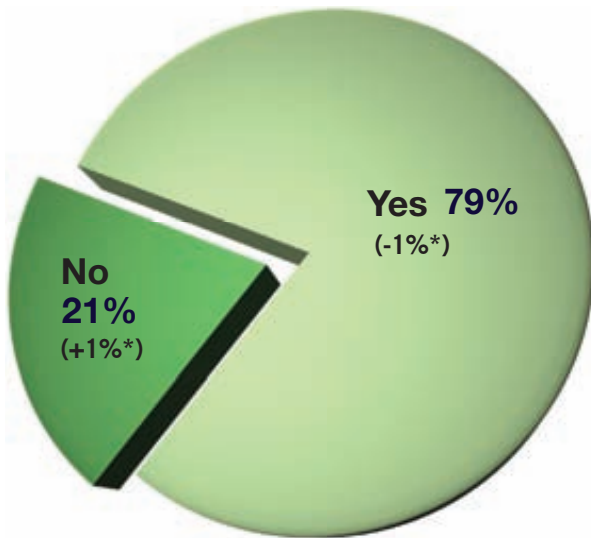
Benefits

Overall there is a decline in the benefits provided, with the cash benefits of performance related bonuses and profit share being hit hard. The provision of health insurance has reduced, possibly due to a combination of employers seeking cost reduction of this expensive benefit and employees no longer opting for cover as it is treated as a taxable benefit. The provision of cars and car allowances has declined, following a trend established a number of years ago. Few if any responding to the survey received any additional benefits this year.

Benefits included in employment package



Do you take your full annual holiday entitlement?



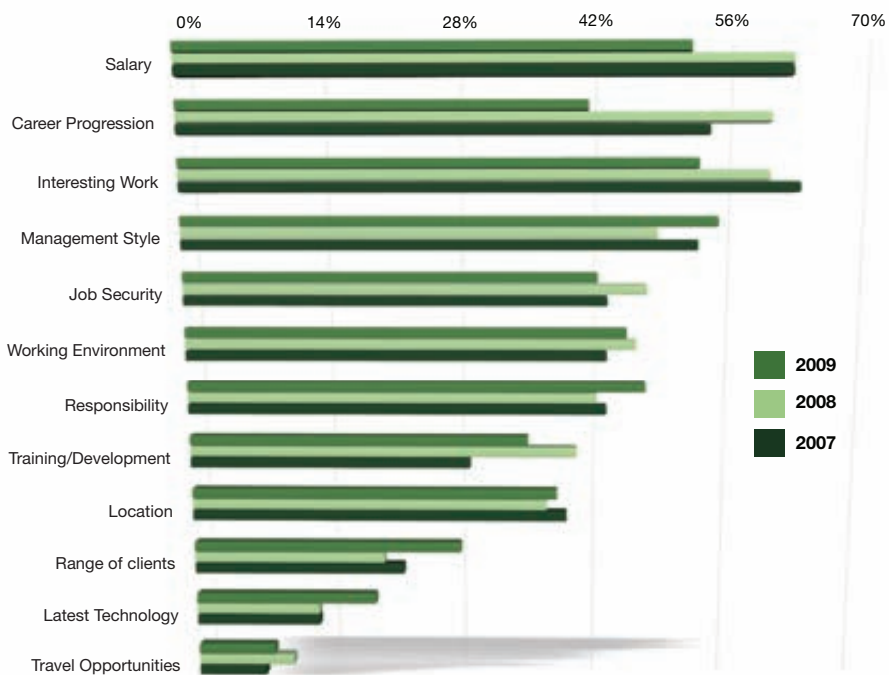
*% change versus previous year

79% of respondents use their full annual holiday entitlement. Failure to take full holiday entitlement is most associated with those with the most experience (23% of those with 20+ years), and higher levels of responsibility (38% of Principals /Owners and 31% of Partners / Executives).

Attitudinal Insights

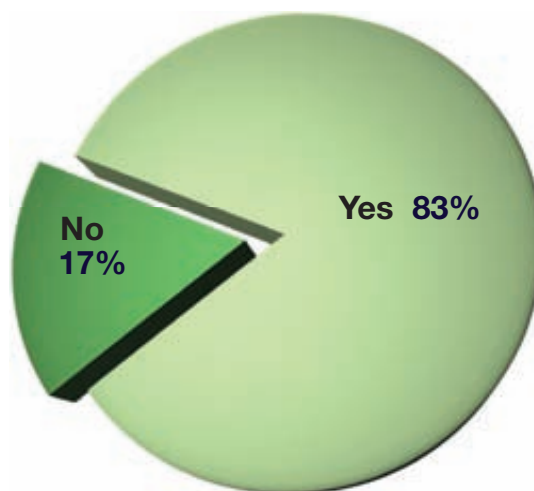
Management style and interesting work are now the most important factors when it comes to job satisfaction, salary appears to have decreased in importance. The issues which are of most importance to men and women continue to differ slightly. Whereas men place salary (72%) and job security (70%) as their top two priorities, women place greater emphasis on having a range of interesting work (76%) and job security (74%) as their top two priorities.

% of Professionals Receiving increase

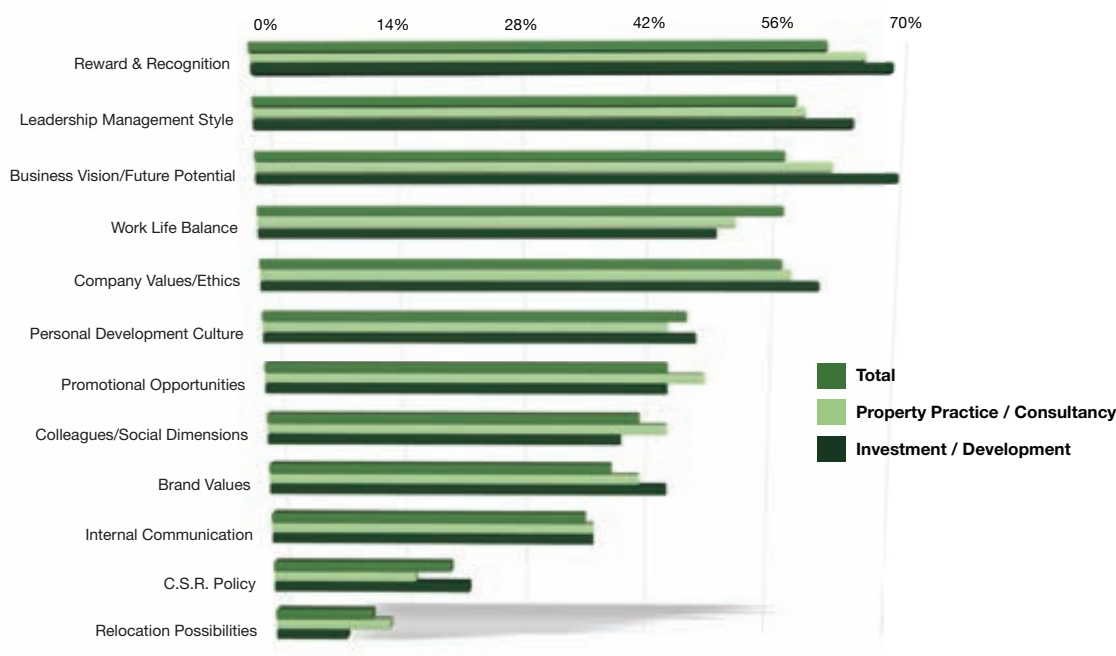


Do you consider your current employer an employer of choice?

Overall 83% of the survey respondents consider that their current employer is their employer of choice. It is clear that issues surrounding leadership style and business vision are as important as reward and recognition. Issues relating to CSR, internal communication and the chance to work in other offices/locations are less important.

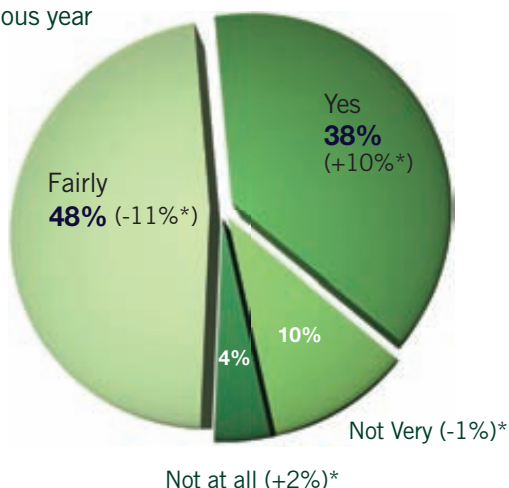


Employer of choice



Satisfaction with current job

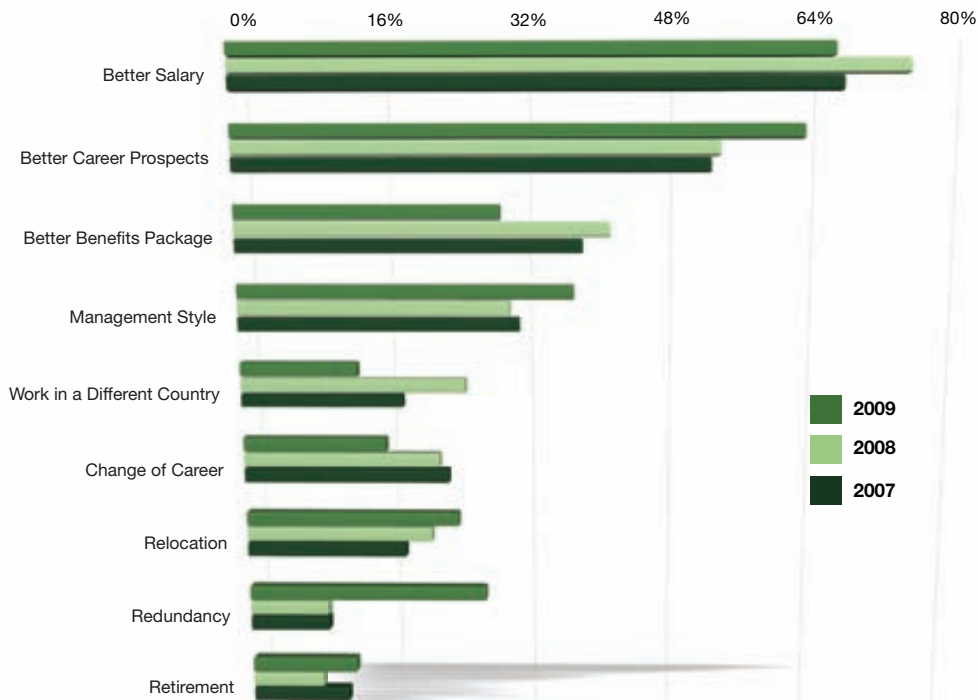
*% change verses previous year



The majority of survey participants (86%, down 1% versus last year) are fairly or very satisfied with their current employment. 14% say that they are not satisfied (up 1% from last year). Interestingly, the offer of a better salary is still the most likely impetus for changing job, being cited by 65% (down from 73% in 2008) of survey participants.

After salary the most likely reason for leaving an employer is better career prospects (62%, a 9% increase since 2008), followed by a better management style (37% versus 30% in 2008) and in today's economic climate it is not surprising that redundancy has jumped up from 9% to 27% and is now the fourth major reason for leaving an employer.

Reasons for leaving present employer



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. www.rics.org.

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A full report package combined with the online statistics package are available at a cost of £399 + VAT.

MACDONALD & COMPANY

The Property Recruitment Professionals



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