

# BUILDING SKILLS FOR THE FUTURE

## A SURVEY OF THE CENTRAL LONDON REAL ESTATE SECTOR

RESEARCH PAPER AND SURVEY RESULTS



MAY 2020

# BUILDING SKILLS FOR THE FUTURE

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This report is commissioned by the London Property Alliance



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# EXECUTIVE SUMMARY

From October 2019 to December 2019, the Building Skills research team undertook an online survey of the central London real estate sector to identify:

1. The disruptive trends most affecting the sector.
2. The hard and soft skills individuals feel they need to best respond to a changing sector.
3. The most effective ways to develop these skills.
4. Whether more people from outside the sector should be recruited in, and the specific sectors recruitment should focus on.
5. The barriers preventing people from entering real estate from outside the sector.

The survey received 372 responses, which covered all age groups, career levels, job descriptions and different types of real estate companies.

Alongside the survey, the research includes a series of interviews with professionals across the real estate spectrum. The purpose of these interviews has been to understand the skills landscape from the perspective of individual organisations and to explore some of the wider issues influencing a company's ability to successfully recruit new skills into the business.

## KEY FINDINGS OF THE SURVEY:

1. The trend most likely to affect the real estate sector is the climate crisis, followed by technology and the digital world. 93% of respondents said they would benefit from learning more about these trends.
2. Nine out of ten respondents think the sector should recruit more people from outside the sector, with social sciences being the most popular sector to recruit people from.
3. Lack of awareness of jobs in real estate, and the sector not being willing to take risks, are the biggest barriers to people joining from other sectors.
4. Data analysis plus related skills, and skills associated with innovation, are those the majority of people want to develop to improve their contribution to the future of the sector.
5. The most popular way for people to develop these skills is through short courses and mentoring opportunities.

## REPORT RECOMMENDATIONS

Businesses should:



1. Undertake an internal 'future skills survey' to develop a detailed understanding of their strengths and weaknesses.



2. Prioritise addressing soft skills gaps in innovation, problem-solving, creativity and collaboration.



3. Prioritise addressing hard skills gaps in digital, data and user experience.



4. Develop cognitively diverse teams by recruiting from a wider talent pool.

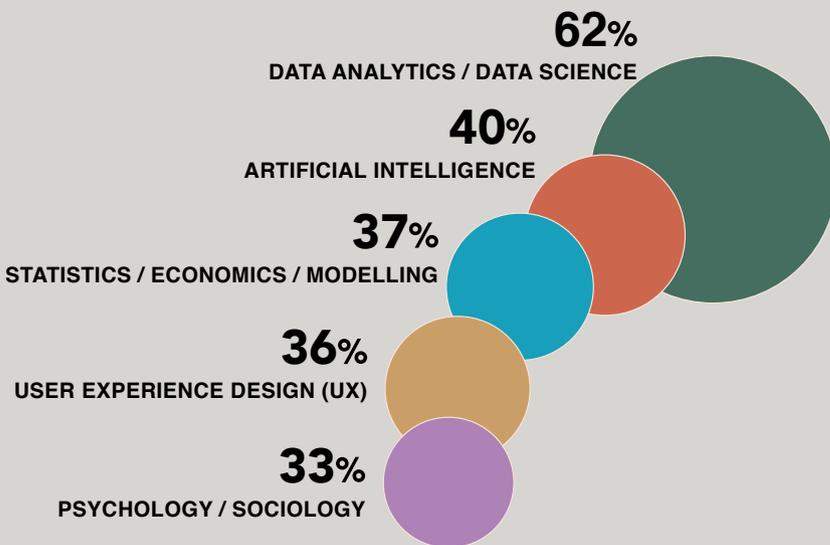


5. Create cultures that enable and encourage innovation.

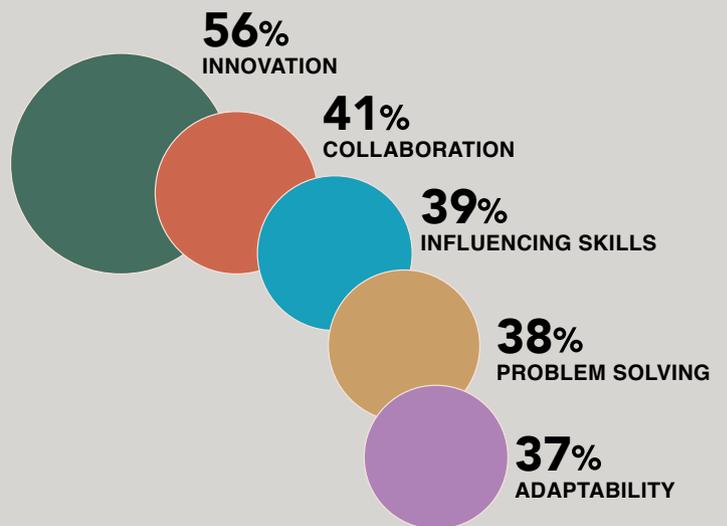
# SURVEY RESULTS OVERVIEW



NUMBER OF SURVEY RESPONSES

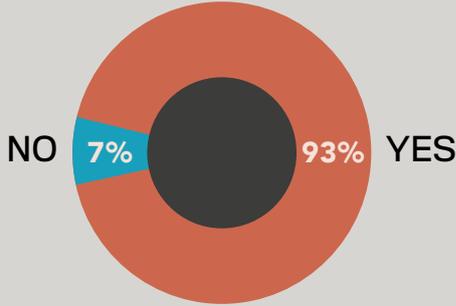
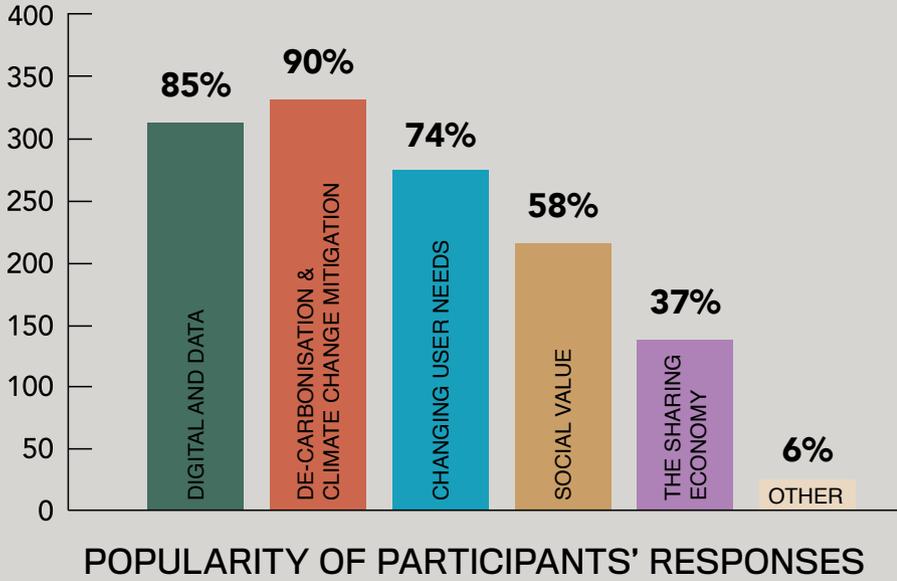


TOP 5 HARD SKILLS PARTICIPANTS WOULD LIKE TO DEVELOP



TOP 5 SOFT SKILLS PARTICIPANTS WOULD LIKE TO DEVELOP

### TRENDS LIKELY TO IMPACT THE SECTOR



WOULD YOU BENEFIT FROM LEARNING MORE ABOUT THESE TRENDS?



BELIEVE RECRUITMENT FROM OUTSIDE THE INDUSTRY WOULD BE BENEFICIAL

### TOP 5 SECTORS TO RECRUIT FROM

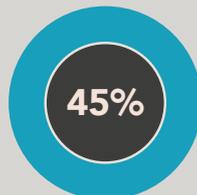
SOCIAL SCIENCE



ENGINEERING



PRODUCT AND SERVICE DESIGN



DATA SCIENCES



AI



# INTRODUCTION

By 2050, global cities are projected to absorb an additional 3 billion people. It is predicted that 70% of the world's population will live in urban areas. In London, the population is set to increase by nearly 40%, reaching 11 million people by 2050. Globally, 75% of the infrastructure needed to support this rapid urbanisation doesn't exist today. New homes, schools, offices, hospitals, parks, universities, shops, theatres and communities all need to be designed, developed, delivered and operated to support the cities of the future. This work will be done by the real estate sector.

The productivity of London's real estate sector has a huge role in driving the city forward today. 2017 figures from the Greater London Authority (GLA) show that the real estate sector was the largest single contributor to London's growth, generating £69 billion in Gross Added Value (GVA) out of a total of £431 billion, making it a cornerstone of the capital's economy.

Due to the sector's economic and social importance to London, it should be on a constant mission to attract, train and retain the best talent, with the appropriate skills to support the development of our future city.

It is for this reason that the London Property Alliance (CPA & WPA) and the Building Skills sponsors have commissioned this report, which seeks to determine the future skills needed within the real estate sector and explores how the industry can best develop and recruit for those skills.

The question of future skills is one the real estate sector isn't alone in considering. As the world of work edges towards increased automation across certain roles, businesses need to ensure they are investing their training and recruitment budgets in a way that avoids future job losses and talent shortages.

The backdrop of this research is a sector that is experiencing, and will continue to experience, a period of monumental change. A range of factors have driven this change: technology and digital disruption, new ways of working, urban and environmental pressures, and a more people-centric approach to property development and management.

Such change has led to new roles and job titles: Head of Innovation, Chief Technology Officer, Director of Sustainability, Head of People and Place. But are these new titles just the start? Is the sector in need of new skills to successfully embrace change?

The CEOs, heads of innovation, HR directors, development directors and learning managers interviewed for this report talk of businesses developing a dual approach to the development of future skills. Part one of this approach is identifying skills gaps within the business and seeking to fill those through training and recruitment. Part two is a wider aim to create an innovative and agile culture that is able to respond quickly to different scenarios and situations.

These innovative and agile cultures received their ultimate stress test just a few short months after these interviews took place. Offices are empty, schools closed, shops boarded up, restaurants shut. The built environment, other than our homes, supermarkets and hospitals, has fallen silent as the world is gripped with the grim realities of Covid-19.

At the time of writing, the global pandemic has brought the real estate sector shuddering to a halt. Construction has largely stopped, the housing market has stalled, and office, retail and F&B tenants are struggling to keep their businesses alive and pay their rents. As the world battles to get on top of Covid-19, it does so knowing that once the virus is beaten, we will be met with a deep global recession.

Covid-19 is proving to be the ultimate disruptor. Over the coming weeks and months, real estate businesses will go from crisis control, consolidation and re-forecasting through to kick-starting business and responding to the legacy of the pandemic.

The speed and impact of the pandemic has starkly illustrated how perilously difficult the future is to predict. Businesses that have planned for such unpredictability by creating innovative, diverse and agile teams may well be the ones best placed to deal with the current challenge. Those companies that have stuck rigidly to 'business as usual' training and recruitment may realise that now could be the perfect moment to reflect on the skills their business needs to respond to the disruption.

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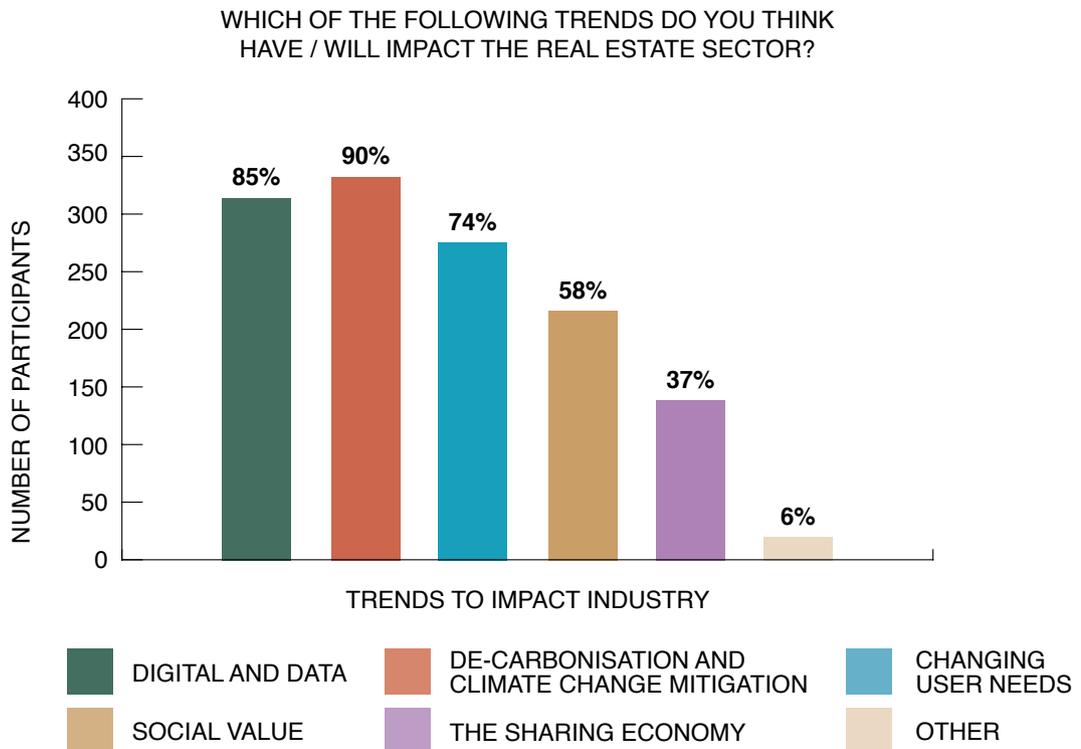
# 01. DISRUPTIVE TRENDS

MAJOR CHANGES THAT WILL IMPACT THE REAL ESTATE SECTOR

**For the purpose of this report, we are defining real estate in its broadest terms, covering all built environment assets – offices, housing, retail, food and drink outlets, public realm, leisure, education, warehousing, and logistics – and spanning the entire lifecycle of a project, including land acquisition, investment, architecture, design, development, project management, construction, sales and leasing, operating, and asset management.**

The real estate sector is often regarded as a relatively risk-free sector. Those operating within real estate have developed the expertise to do what they do in an efficient and effective way, resulting in stable assets and long-term revenue streams. Because of this risk-free culture, innovation and agility are not traditionally associated with the property industry.

However, the world is entering an era when major changes are either with us or will be soon. These changes or trends will have a significant impact on the environment in which we operate, the customers we serve and the way our businesses function. The Building Skills survey has identified the following trends as the ones most likely to affect the sector.



## THE CLIMATE CRISIS

Climate change is arguably the greatest challenge facing current and future generations, and one the real estate sector will need to play a leading part in tackling. Buildings and construction account for 39% of energy-related CO<sub>2</sub> emissions globally, and in the UK buildings are responsible for 66% of electricity consumption and 19% of CO<sub>2</sub> emissions.

Unsurprisingly, 90% of respondents identified climate change and the need to de-carbonise the built environment as the most significant issue we face. Britain has committed itself to a 'zero carbon economy' by 2050, and the energy, transport and real estate industries will be the three biggest contributors to this change.

The transition for the real estate sector will present huge challenges. If we fail to address these, we risk regulation, stranded assets, brand damage and an inability to attract the talent required to build our new future.

However, there are huge opportunities to embrace and adapt – to create new products, new services and new business models, and to improve levels of competitive advantage.

Green buildings such as Bloomberg's European headquarters in the City of London have illustrated the art of the possible. Features at the Bloomberg Building include:



**Ceiling panels** that save energy by improving the efficiency of heating, cooling and lighting functions. 500,000 LED lights in the ceiling use 40% less energy than a typical fluorescent office lighting system.

**A natural ventilation system** that allows tenants to turn off the mechanical ventilation systems and cool the building with naturally flowing air. Sensors allow the building to adjust indoor airflow in response to the number of people in the building, which will save 600 to 750 MWh of power per year.

**An on-site water treatment** plant that allows the building to collect and reuse rainwater from the roof as well as greywater from sinks, saving 25 million liters of water a year. The building is 70% more water-efficient than a typical office building.

## TECHNOLOGY AND THE DIGITAL WORLD

The second most significant topic of change people identified is how technology is increasingly enabling us to operate in new ways. The growing prevalence of 'Internet Of Things' (IOT) devices and other forms of smart technology means buildings across all forms of real estate can now be equipped with the infrastructure to be more responsive, adaptable and efficient than ever before.

Used effectively, smart technology and the data it provides will enable building owners and users to improve a building's sustainability, productivity and efficiency and enable a more pleasant, healthier user experience. A successful example of such technology can be seen at The Edge, a 430,000<sup>ft</sup><sup>2</sup> office building in Amsterdam's Zuidas business district designed for global financial firm Deloitte.



### Innovations in the building include:

**A LED-lighting system** system co-developed with Philips, equipped with a multi-sensor to detect movement, light, infrared and temperature.

**A custom-built app** for desk bookings based on the kind of work employees need to do on a particular day. (None of Deloitte's employees at The Edge have an assigned desk.) The app can also tell employers which colleagues are in the building and where they are located.

**Meeting room lights** that flicker 15 minutes before the end of bookings to indicate that a meeting should be wrapped up. Despite smart technology becoming increasingly available, its adoption in commercial buildings is far from ubiquitous. Many developers, landlords and occupiers have yet to determine how to best plan the implementation and utilisation of the many technology solutions available while also understanding and managing their associated risks, such as data security and technological obsolescence.

Research by KPMG in 2018 found that more than half of real estate decision-makers rate their business five out of ten or lower for digital and technological innovation maturity, and yet three-quarters of them see digital and technological innovation as an opportunity.

The real estate sector also has the opportunity to significantly benefit from innovations in how buildings are designed and constructed. The search for future innovations will be supported by the £72 million of UK government

funding that has been awarded to The Construction Innovation Hub to drive innovation and technological advances for the construction industry.

As Aaron Block and Zachary Aarons point out in the book PropTech 101 (2019), the real estate industry is facing a “wave of tech-enabled innovation that is reshaping the ways in which property is bought, sold, leased, financed, designed, built, managed and marketed.”

## CUSTOMER NEEDS ARE CHANGING

In 2020, user expectations of the built environment are vastly different from what they were at the turn of the millennium. A series of macro factors have impacted how and where we work, the way we shop, and the way we use our homes. For example:

### **Flexible work:**

Pre Covid-19, up to one in four people in London had given up regular nine-to-five office work and chosen to work remotely. In research conducted by Macdonald & Company, 31.5% of employees in real estate benefit from flexible working hours in the UK. From March 2020, the government’s Covid-19 emergency restrictions have made agile working a necessity for all sectors. Many predict that in the longer term, Covid-19 will be the tipping point where even more companies introduce a flexible working policy.

**Space as a service:** In London, in the period since 2010, the year of WeWork’s launch, take-up of flexible office space has risen from a share of office space of 2% to close to 20% today.

**Retail:** 20% of all retail spending is done online.

**Family Dynamics:** Families are now a mix of cohabiting parents, step-families, single-parent families, those living apart and civil partnerships, alongside the traditional nuclear family.

**Aging Population:** People are living longer. By 2050, it is projected that one in four people in the UK will be aged 65 and over – an increase from approximately one in five in 2018.

**Social Isolation:** A 2019 survey by the GLA found that 8% of Londoners feel lonely.

Changing user needs have been further enabled by disruptive brands such as Airbnb, WeWork, Appear Here (pop-up retail platform) and The Collective (co-living provider). These companies have altered the ways in which real estate is used. The successful real estate businesses of the next decade will learn from the impact these disruptors have had on users and develop customer-centric businesses able to respond, with agility, to changing needs.

## SOCIAL VALUE

Unemployment, child poverty, homelessness, social isolation and high levels of chronic illness are just some of the economic and social characteristics associated with communities living a stone's throw from many of London's office towers and historic great estates. In the past, the belief was that the increasing wealth and economic growth created in such buildings would first benefit those who are already wealthy, then 'trickle down' to those at the lower end of the socio-economic ladder. In the 2000s, however, it became clear to the World Bank that growth in developing countries didn't always lead to a reduction of inequality or an increase in living standards.

Morally, socially and increasingly economically, real estate companies are considering the important role they play in creating opportunities and shared prosperity. The rise of impact investment and ESG (environmental, social, governance) investment funds will further sharpen the need for the sector to demonstrate how its business models and assets are creating wider social value.

## SHARING ECONOMY

A driver of many of the new habits among millennials is the sharing economy, where access to goods and services is shared, rather than owned, on online platforms. This is indicative of people, especially millennials, being less interested in ownership, often seeing it as a 'ball and chain', and preferring experiences.

A series of technological innovations over the last few years have disrupted multiple industries, making businesses rethink how they operate. Globally, PwC estimates that five key sharing activities – travel, car sharing, finance, staffing, and music and video streaming – have the potential to grow from \$15 billion to \$335 billion in revenue by 2025.

There is, however, still an age factor in the UK with regards to using these platforms. While 62% of the UK population has used sharing platforms like Airbnb at least once, that number jumps to 78% among 18 to 24-year-olds. Geographically, more than two-thirds (67.6%) of people in Greater London use these apps.

**93% OF SURVEY RESPONDENTS  
SAY THEY WOULD BENEFIT FROM  
LEARNING MORE ABOUT THESE  
DISRUPTIVE TRENDS**



# 02. RECRUITMENT

BUSINESS BENEFITS FROM  
VALUING DIVERSITY

# 89% OF SURVEY RESPONDENTS BELIEVE THAT THE SECTOR WOULD BENEFIT FROM RECRUITING A GREATER NUMBER OF PEOPLE FROM OUTSIDE THE REAL ESTATE INDUSTRY

As a new majority government settled into power in the UK after the December 2019 general election, the Prime Minister's chief advisor, Dominic Cummings, grabbed newspaper headlines. One specific area of interest for onlookers was his comments about the need to reshape Whitehall. He pointed to the need to recruit new skills and expertise to do that – or, specifically, “data scientists, policy experts, project managers and assorted weirdos.”

Love or loathe the ways of Cummings, his premise of needing to attract a greater diversity of thinkers to better respond to the new challenges of government is one this research is aligned with.

In his 2019 book *Rebel Ideas*, Matthew Syed presents a compelling argument for businesses to recruit differently and create teams of diverse thinkers. He presents the case that pretty much all of the challenging work today is undertaken in groups because big problems are too complex for one person to solve. However, many groups suffer from ‘collective blindness’, as they are often made up of similar people with a similar frame of reference.

The real estate sector has a diversity issue, one that risks creating collective blindness or an inability to effectively respond to modern challenges.

First and foremost, there is gender, sexuality and ethnicity to consider. While the sample size from the Building Skills survey is relatively small, Fig 1 illustrates that there is much work to be done on the gender and ethnicity front.

Fig 1.



of survey respondents were white



of survey respondents were male



of senior leadership roles (Senior manager, Director, CEO) were filled by female respondents

Fig 2.

ROLES	EXAMPLE JOBS	EXAMPLE QUALIFICATIONS
Property Management	Facilities Management Building Maintenance Building Surveying	MRICS
Asset Management	Estate Management Valuation Leasing	BSc Real Estate Management
Delivery	Construction Cost Consultant Project Management Post Contract	MRICS, MEng, Masters of Engineering/ Structural Engineering, BSc Construction Management
Planning	Town Planners Planning Officers Urban Design	Urban Planning, RTPI Town Planning
Design	Architecture Interior Design BIM	RIBA (Stage 1,2,3)
Development	Land Acquisition Development Management	Real Estate Finance, MSc Real Estate
Sales & Marketing	Marketing Placemaking Social Media Communications Business Development	CIM Diploma In Marketing

Alongside increasing gender and ethnic diversity across the real estate sector, the Building Skills research highlights the need for the sector to focus on increasing its skills and cognitive diversity. The sector is rich with domain expertise – that is, deep real estate knowledge – but this needs to be complemented with a range of new skills to create innovative and agile teams of problem solvers.

Nick Carman of property recruitment specialist Macdonald & Company describes real estate as a sector that traditionally favours ‘I-shaped people’ – those with narrow but deep domain expertise. The time has come for the industry to find and embrace ‘T-shaped people’ – those with both domain expertise and a broader range of skills. Fig 2 illustrates the traditional real estate roles with example jobs and qualifications.



In his 2019 book *Rethinking Real Estate*, Dror Poleg summarises: “Real estate is shifting from an industry governed by operational effectiveness to an industry governed by strategy. It is evolving from an industry that thrives on well-run assets to an industry that thrives on well-run businesses.”

Well-run businesses prioritise diversity because homogenous groups of people can get stuck trying to solve problems with old solutions. Diversity matters because it is both ethically responsible and helps bring fresh insight, experiences and perspectives that enable teams to find new solutions to problems.

While the sector shouldn’t rush to recruit ‘assorted weirdos’, it should collectively consider how new skills can be added to the sector that not only increase the skills diversity but also positively affect the wider diversity challenge.

“The real estate sector has traditionally had a strong pool of domain expertise, as it is a sector that has prioritised recruitment based on industry qualifications and years spent in the sector. Therefore the sector is rich with domain and technical expertise but short of a diversity of skills,” says Nick Carman of Macdonald & Co.

29%

of respondents have experience of working in another sector

57%

of respondents entered the sector with a real estate sector relevant qualification

15 YEARS

is the average length of time that respondents have worked in the sector

A number of the companies that we interviewed for this research are seeking to diversify their search for talent:

“The way in which people are using buildings is changing at the speed of light, and we need to be ahead of it to enable us to stay relevant and to be competitive. Our focus is on refreshing the mix of people we have in the organisation and blending the more traditional pure property skills with a greater diversity of skills.”

**Lisa Reynolds-Jones,**

Learning and Development Manager, Landsec

“Our intention is to ensure our talent pool is as broad and diverse as it possibly can be, and that’s in terms of background and experience. It is about making sure we can introduce a wide range of candidates to the business.”

**Victoria Edwards,**

Head of Resourcing, Grosvenor

“I look at what we need in our people in terms of mindset, range of skills and how they are going to approach problems, and I don’t see that person in a real estate graduate, so we have to look in new places for our talent.”

**Steven Skinner,**

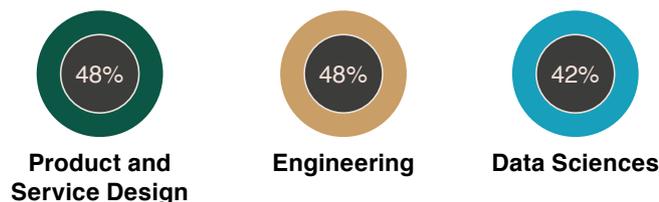
UK CEO, HB Reavis

The Building Skills survey can provide a useful guide for organisations in terms of which sectors to start recruiting from. Fig 3 shows the most popular sectors that survey respondents think people should be recruited from (segmented by gender).

Fig 3. FEMALE



MALE



## MARKETING AND COMMUNICATIONS

Despite the increasing desire from real estate companies to recruit a greater number of people from outside of the sector, 71% of survey respondents believe a lack of awareness of opportunities in real estate is the biggest barrier preventing more people from entering the sector. 45% of respondents selected the image of jobs within real estate as a barrier.

One priority for the sector, therefore, is to improve the marketing of careers in property. For instance, consider how much interest could be generated by describing a career in real estate in the following terms:

1. Offers the opportunity to work with a sector fighting climate change.
2. Means responding to the changing nature of our cities and to macro trends such as: urbanisation, social isolation and the changing nature of work.
3. Involves creating products with the ambition to make people happier and healthier.

The sector also needs to consider its communication and outreach channels to engage with a wider pool of talented people. 39% of respondents to the Building Skills survey think that a lack of outreach is a barrier to the sector recruiting a wider pool of talent.

A strength of the sector is the quality and quantity of industry bodies, networking groups, media platforms and sector events. This soft infrastructure has contributed to a sector that is well networked and well informed of what is happening within the industry. That soft infrastructure must also look at developing connections with a broader audience to help attract a greater diversity of people into the sector. Businesses and the wider sector should consider introducing:

1. Cross-sector events.
2. Cross-sector content on property-sector media platforms and outreach channels.
3. Cross-sector mentoring programmes.

**71% OF SURVEY RESPONDENTS BELIEVE  
A LACK OF AWARENESS OF  
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## AVOIDING HOMOPHILY

Once possible candidates from outside the sector have been reached, the next challenge is to take the plunge and offer them the job. 60% of survey respondents believe that the real estate sector is not willing to take risks on people from outside of the sector.

Those interviewed for the research agreed with the hypothesis that the sector currently suffers from ‘homophily’, which is the tendency for people to hire others who look and think like themselves. Many businesses in the sector, including Landsec and Grosvenor, have put measures in place that seek to address this issue. Such initiatives include employing a diversity and inclusion manager, introducing diversity targets and offering unconscious bias recruitment training to staff who sit on interview panels.



Despite the progress made by some organisations, Priya Shah from BAME (Black, Asian and Minority Ethnicities) in Property believes the sector still has some way to go. “We still need a cultural shift. Real estate is a very well-networked sector, and if you are not part of certain networks or groups, then you miss out on opportunities. People who joined the sector five to ten years ago are starting to witness a change, but it is the people joining now who will be the ones to transform the sector.”

Businesses need to also consider how well equipped their recruitment process is to assess a new type of talent. The sector is experienced in recruiting based on metrics such as real estate qualifications, years spent in the industry, tasks performed in a previous role and the quality of people’s previous employers. If businesses want to recruit talent fit for the future, they need to find new ways to assess their potential.

## ON-BOARDING

For companies looking to recruit new skills, the culture of the company needs to be one in which non-real estate candidates feel comfortable working. This has been a key learning for Landsec as it has begun to introduce new skills into its business.

“It has been challenging bringing people into a property organisation who have lots of broad skills that the company doesn’t have. From a cultural point of view, it has been quite challenging, and it hasn’t always been successful.” says Liza Brothers, Landsec.

To address this challenge at HB Reavis, Steven Skinner and his team have recently made changes to their onboarding process. “We changed our process from a generic approach which was ‘this is real estate, and this is the way we do it’ to a project-specific approach which is ‘this is the project you are working on, and this is how you will contribute to the team’.”

Companies should also consider the marginal gains to be had from introducing a range of tactical initiatives to ensure non-real estate recruits can align themselves quickly and make an early contribution:

**Relaxed Dress Codes:** Recruits from some of the sectors identified in the Building Skills survey will be joining the sector from industries where jeans and a T-shirt are the customary work attire, as opposed to a suit and tie.

**Diversified Technology:** Recruits may be more accustomed to working on Macs and leveraging the benefits of cloud-based product such as Slack and Trello over clunky internal tech solutions.

**Workplace Accommodation:** While real estate companies shouldn’t rush to purchase beanbags and install slides as opposed to stairs, workplaces do need to accommodate a range of working styles. Spaces for collaboration, creativity and problem-solving should be a part of the office mix.

**Flexible Working:** Attracting the best talent requires companies to push beyond just offering competitive salaries. Offering recruits the flexibility of working from where they like is increasingly becoming a must-have for progressive companies.

**Holiday Allowances:** Innovative tech companies such as Eventbrite, Groupon and Netflix have introduced unlimited holiday as a perk to attract the best talent. Jobs board Reed has seen a 20% increase in jobs offering unlimited paid leave between 2017 and 2018.

## MANAGING RISK

Recruitment is a time-consuming and expensive process for organisations to undertake. More often than not, the recruitment is taking place because a business has a gap to fill, and the priority is finding the best candidate for the role in the shortest amount of time.

Recruiting new skills into the sector sits at odds with this situation for a number of reasons:

1. The non-real estate candidate is unlikely to have the specific experience or expertise to step into an existing role and perform as well as an experienced candidate from within the sector.
2. Finding a suitable non-real estate candidate is likely to be harder, more time-consuming and more expensive, as there is less recruitment infrastructure in place.
3. The risk of failure for the recruiting team is reduced when recruiting known skills and expertise. As the old adage goes, ‘nobody gets fired for buying IBM’, meaning it is safe to keep doing the same thing.

Based on this premise, new skills are more likely to be introduced into a business when specific roles are created. This risks the business viewing such roles as a luxury that they can indulge during the good times but step back from during a downturn.

Businesses therefore need to ensure they appreciate and manage the risk associated with introducing new skills. Recruiting a broader range of skills and acquiring greater diversity is not a tactical exercise; it must form part of the long-term strategy of the business.

Ultimately, businesses that have gone to the hard work of attracting and recruiting diverse talent need to have the patience to allow those individuals to bring value to the business. Expectations and KPIs for new recruits need to be framed differently than for those with a background in real estate. Diverse talent has been recruited because they offer something different and bring a different perspective; businesses must be careful that they don't stifle that point of difference by expecting too much too quickly or by imposing unsuitable performance metrics.

“There are risks for businesses introducing new skills, but the question is: can they afford not to take the risk?” says James Manning, Transformation Manager, Grosvenor

## REAL ESTATE QUALIFICATIONS

A traditional route for many entering the real estate sector is through one of the well-regarded universities that provide related studies, such as Reading University. Steven Skinner at HB Reavis challenges whether real estate graduates have the diversity of skills needed in a modern-day real estate firm. “There is a disconnect between the skills taught on real estate courses and the skills we are looking for. A lot of the technical skills taught at the real estate universities are becoming less relevant, and what we are looking for is problem-solving, innovation skills, collaboration and creativity.”

Eammon Darcy, Professor of International Real Estate at Reading University, agrees that this requirement for problem-solving skills is

being requested by the companies his students enter as graduates. “Our clients are asking us for specific skills such as problem-solving, creativity and innovation. The question we have is: what exactly does that mean and especially in the context of your business?”

Bridget Wilkins, Director of Community Engagement at Built ID, suggests that a greater emphasis should be placed on industry placements as a means to get students into the workforce while studying to ensure they have the opportunity to identify the skills they need to develop.

Real estate courses also need to address a diversity issue. There is a high proportion of undergraduate students who are male, from fee-paying schools and with A-levels in STEM subjects. A number of organisations across the sector acknowledge the lack of diversity at university entry level as a problem and are developing relationships with a wider range of schools in an attempt to broaden the entrants to real estate courses.

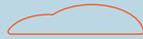
The future role of real estate universities is an important question for the real estate sector to consider. Our research recommends that:

1. The sector works to widen the funnel of undergraduates to ensure a greater diversity of students. Pathways to Property is one such scheme led by the University of Reading. It is aimed at widening access to the real estate profession by raising awareness of real estate as a subject of study among academically able pupils from disadvantaged and non-traditional backgrounds.
2. The sector and universities work closely to ensure the skills taught remain reflective of the skills required.

In addition to universities, sector bodies such as RICS and RIBA need to ensure that, as pathways into the sector, they too are evolving and developing the skills and key competencies of students in line with the types of skills identified in the Building Skills survey.

## RECOMMENDATIONS

1. Businesses need a strategy for how to recruit new talent who bring a greater diversity of skills and experience. That strategy should consider:
  - How they find and communicate with talent outside of the sector.
  - Interviewing and selection criteria for candidates.
  - How they successfully onboard new staff.
  - The culture of their business.
  - How they manage the risk of unsuccessful recruitment.
2. The sector needs to be willing to take a greater risk on people from outside of the sector.
3. The sector need to be better at selling a career in real estate to those from outside of the sector.



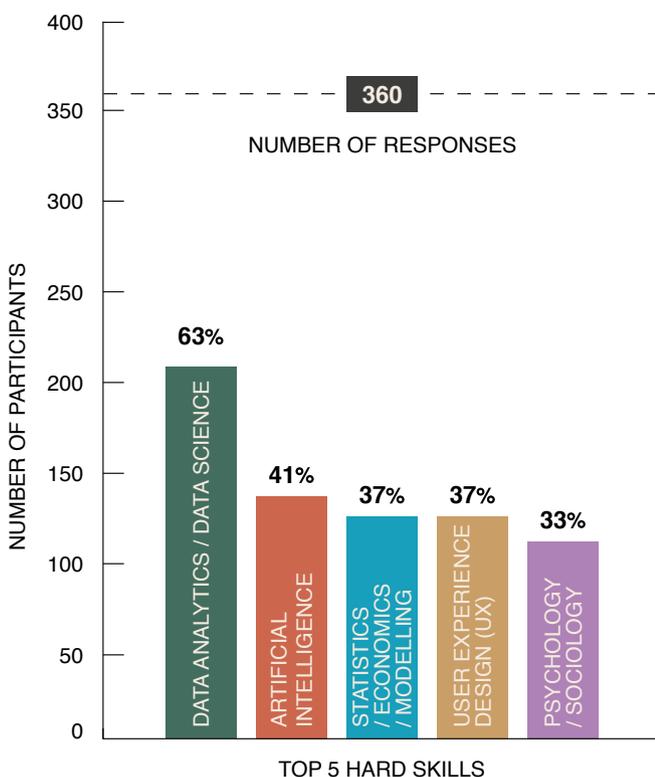
# 03. THE SKILLS GAP

HARD AND SOFT SKILL REQUIREMENTS

## HARD SKILLS

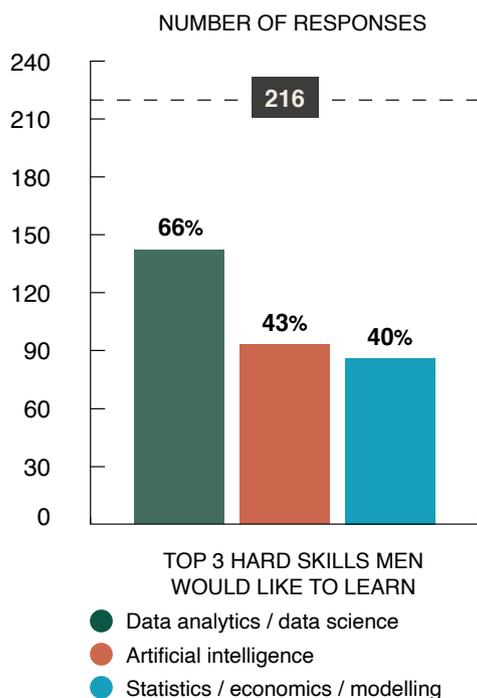
In addition to recruiting from a wider pool of talent, real estate companies should also focus on equipping staff with the skills they need to play a part in an ever-changing sector. To help with this process, the Building Skills survey asked those working in the sector to identify the skills they need to learn or develop to respond to the trends affecting the sector.

These skills have been placed into two groups: hard skills and soft skills. It is interesting to note at this point that there are clear gender differences in responses. In particular, while about two-thirds of both male and female respondents said that data analytic skills are most important, many men went on to say that in addition skills such as artificial intelligence (AI) and statistics are important. However, a high proportion of women said that psychology and sociology and understanding user experience are important as additional skills.



## DATA ANALYTICS

About 60% of all respondents said they would like to improve their skills in handling data, namely data analytics and data science. This response was across all sectors, genders, seniority levels and age ranges.



The next two most popular hard skills from the Building Skills survey fall into similar data/ digital territory:

40%  
Artificial Intelligence

37%  
Statistics/Economics /Modelling

The importance of data in real estate has grown significantly over the last five years, and businesses are still on a journey to understand the role it plays and the skills and knowledge required to best develop a data-based strategy. Our research suggests that real estate companies need to ensure they understand what role data can play within their business as they seek to address a skills shortage.

Property developer and investor Landsec has recruited expertise from outside of the real estate sector to help address the lack of specific data skills. Angela Mauer, who formally ran Tesco Labs (the technology and R&D arm of Tesco), was brought in as Head of Innovation. Part of her remit is to look at how the organisation uses data.

“The conclusion that I have come to for Landsec is that our data strategy should focus on culture first rather than on introducing data platforms and different tech solutions. There needs to be a mindset in the business which asks the question ‘what data do I need to inform the decision I am making?’ That will then drive decisions about the type of data we need to capture, how we need to store it and the types of skills needed to analyse it.”

The French beauty brand L’Oréal was faced with a similar challenge to the real estate sector, as it identified the increasing importance of working with data within its marketing functions. To better understand and plug the skills gap, the company partnered with General Assembly (GA), which provides intensive and experiential training in some of the most in-demand skills, such as data, design and coding. L’Oréal and GA launched Digital Marketing Level 1 (DM1), an industry-built assessment to help individuals and employers improve transparency around digital marketing skill-sets. 4,000 employees at L’Oréal have taken DM1, and now L’Oréal is using DM1 to select future employees.

Angela's experience of working in the B2C (business to consumer) world of Tesco means she is equipped with the skills and experience to frame Landsec's approach to data in a specific way, which in part is ensuring the organisation understands the role data plays in better understanding its customers.

For Stuart Flaxton, Operations Director of project management firm Buro Four, being comfortable with data is a key requirement for his staff to be able to respond to how client briefs have changed over the years.

The need to introduce data skills isn't unique to real estate. Research from LinkedIn shows that job postings for data scientists and advanced analysts (data scientists, data engineers, biostatisticians, financial quantitative analysts, economists, statisticians) increased by 231% between 2013 and 2018.

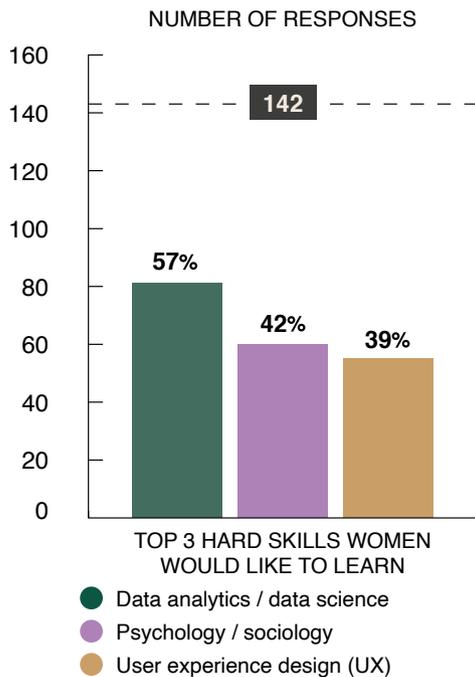
A 2020 global survey by McKinsey found that as technology and business models continue their rapid evolution, 90% of executives have skills gaps within their business or expect gaps to develop in the next five years. When asked where the greatest need existed, most respondents said data analytics. Although most respondents to the McKinsey survey consider it a priority to address these skills shortages, few say their organisations understand how to equip themselves with the workforce skills they need the most.

The growing demand for data scientists in the UK is creating a supply and demand issue, with increasingly high salaries for those with data science expertise. Those thinking about introducing data skills to their business should consider the following points:

**AUTOMATION:** Increasingly, a lot of the work done by data scientists such as data management and operational tasks is becoming automated with software. This doesn't reduce the need for data expertise, but it does mean that companies should be aware of the tasks that can be automated and, therefore, the specific data functions needed.

**CROSS-FUNCTIONAL TEAMS:** Research shows that creating cross-functional data science teams that work with many business units across an organisation is an effective and efficient way of introducing data skills into a business. Cross-functional teams can also help companies get around fragmented data and information silos.

**DEFINING DATA SCIENCE ROLES:** One of the big issues impeding effective recruitment of data scientists is that businesses are making the data science title and role far too broad. Companies should clarify their data science-related titles:



**1. DATA ANALYST:** Delivers value to their companies by taking data, using it to answer questions and communicating the results to help make business decisions.

**2. DATA SCIENTIST:** Applies their expertise in statistics and building machine learning models to make predictions and answer key business questions.

**3. DATA ENGINEER:** Builds and optimises the systems that allow data scientists and analysts to perform their work.

**INTERNAL TRAINING:** Companies are increasingly looking at plugging the data gap within businesses by upskilling existing staff.

*(Research by Tech Target)*

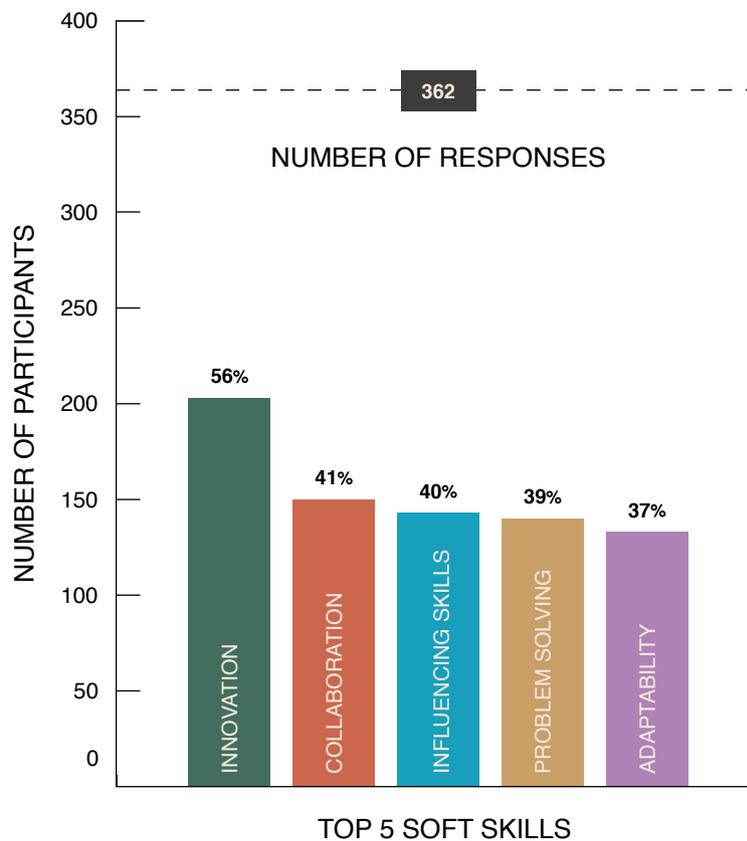
Research from the Financial Times has shown that data scientists spend on average one to two hours a week looking for a new job. The research suggests that this is because many data scientists are recruited into roles where companies haven't properly understood who or what data skills they need.

## PSYCHOLOGY AND SOCIOLOGY

The role of psychology and sociology as a high-scoring hard skill illustrates a welcome shift in real estate becoming more customer-focused and people-centric. Amelia Bright, Director of Development & Placemaking at Grosvenor, believes skill-sets such as psychology and sociology are vitally important for Grosvenor's ambition to make the Mayfair area of London's West End a more inclusive location.

"We believe that there is a direct correlation between an area achieving social value and an area achieving a strong economic return. If we are to future-proof places such as Mayfair, then they need to be more inclusive and generate a greater social impact. In order to do that, we need more 'non-traditional' real estate skills, such as the social sciences, to play a part in finding creative solutions."

## SOFT SKILLS



## INNOVATION

Social, emotional and problem-solving skills are becoming more crucial as intelligent machines take over more physical, repetitive and basic cognitive tasks. Despite this, research by LinkedIn in 2019 showed that HR professionals across sectors are reporting difficulty in recruiting candidates with the necessary soft skills for an automated world. The missing soft skills identified were problem-solving, critical thinking, innovation and creativity.

This research correlates with the Building Skills survey: of the 16 soft skills identified, about 60% of people saw innovation as the most important to learn and develop. Segmenting this data shows:

1. Men and women provided an almost identical response.
2. Innovation scored highest across all of the different sectors; however, among respondents working for investment firms, innovation tied with influencing skills (50%).
3. At leadership level (senior managers, directors, CEOs), innovation scored highest, with 62% of respondents selecting it.
4. There were anomalies at different age ranges. Among the youngest age bracket (18–24), innovation scored second highest (55%), with problem-solving highest (60%). At the opposite end of the age range (55–64), innovation was also second highest (50%), while collaboration scored highest (54%).

Other soft skills that scored highly in the survey are closely aligned with innovation, critical thinking and the creation of new ideas:

**Collaboration**                      **Influencing skills**

**Problem-solving**                      **Adaptability**

**Creativity**

For some, innovation is a catch-all phrase for the creation of new ideas, products and services. Many view innovation as a process with specific skill requirements within that process. Whichever way you choose to view innovation, it is clear from the survey responses that it is a growing requirement within the real estate sector. Our research has shown that to address that skills gap, companies need to not only think about traditional learning and development but also culture and management, structure, measurement, and communication.

## CULTURE & MANAGEMENT

Robert Nunn, Head of Learning at Grosvenor, believes that developing an innovative workforce is as much about culture and management as it is about specific training. Businesses need to empower people to feel comfortable in their jobs, creating ‘psychological safety’ and thus enabling them to come up with new ideas.

A similar finding came from a major investigation by Google, which sought to identify why some teams perform better than others. The study found that creating psychological safety was the single most important factor driving success. Under Google’s definition, this means creating an environment where people feel they can offer suggestions and take sensible risks without provoking retaliation.

“The shift to this collaborative and empowered approach is relatively recent in the real estate sector, with a more traditional approach being a command and control style of leadership,” says Robert Nunn.

Bridget Wilkins from Built ID suggests that businesses need to be better at creating an environment for employees to be themselves in the workplace, and that overly corporate organisations can stifle certain individuals. This correlates with the 2016 Workplace Survey by Gensler, which found that two-thirds of survey respondents believe they work in corporate environments that crush creativity and innovation.

Creating a culture of empowerment and safety is a key management pillar for HB Reavis's UK CEO, Steven Skinner. "We are creating a culture and a mindset where innovation is dispersed across the organisation and everyone in all departments is empowered to think differently. We have an innovation team, but innovation isn't just for that group of people; it needs to be for everyone. That innovation culture needs to be so strong that it feeds into who we recruit, and means that when those people step into this organisation they understand the culture and the way we work."

## INNOVATION TEAMS

A study by McKinsey found that organisations looking to recruit the best innovators often struggle to identify the right talent because 'individual' is the wrong unit of analysis.

Nick Carman, Director of Macdonald & Company, agrees. "With such a catch-all phrase as 'innovation', how you assess and attract the right individuals to meet the needs of the organisations creates unique problems."

Instead, businesses should view innovation-based talent through the lens of a team and explore what skills are needed to make up a team of people working together on innovation projects.

Three of the sponsors for this report – HB Reavis, Grosvenor and Landsec – have introduced an innovation team, each with a Head of Innovation.

"I have six members in my team, and I focus on bringing in lots of new skills to make up that team, but I prioritise specific skills over generalists. I have service designers, product managers, UX (user experience) designers and foresight specialists," says Angela Maurer, Head of Innovation at Landsec.

The innovation team model that HB Reavis, Grosvenor and Landsec are adopting is a 'hub and spoke' approach whereby the innovation team is the hub with spokes out to the rest of the business. An alternative model being used by other organisations within real estate is a 'distributed model', whereby innovation leads are placed within teams or departments across the organisation.

While each business should select the model most appropriate for their business, there are benefits of a hub and spoke model over a distributed approach:

1. A team working across the business creates opportunities for cross-department collaboration and cross-pollination of ideas.

2. The model can work at scale more effectively.
3. Those within the innovation team develop their level of expertise quicker through working as part of an innovation team.

At the same time, there are risks associated with setting up an innovation team:

1. The business might regard it as a box-ticking exercise and fail to adequately resource or prioritise the team.
2. Among the wider business, it can create an 'us and them' mentality where the innovation team is seen as the ones responsible for innovation while the rest of the business just focuses on 'business as usual', causing these latter employees to feel alienated or inferior.

Grosvenor, a business of 200 people, is addressing this 'us and them' risk by ensuring the role and purpose of the innovation team are correctly communicated across the business.

According to James Manning, Transformation Manager: "There has been a real push in the business to ensure people understand that the innovation team members are not the only innovative people here. Innovation and ideas will come from people who are working on projects that see issues day to day and then have an idea to solve the issue. However, that person probably doesn't have the time or the toolkit to actually implement something, so they will work with the innovation team to take their idea forward."

At Landsec, a business of 500 people, ensuring that the innovation team is correctly positioned and understood within the business is an important challenge to get right.

"I would prefer that we weren't called the Innovation Team," says Angel Maurer, Head of Innovation at Landsec. "At Tesco we changed the name from the Innovation Team to Scale Labs. The word 'innovation' creates pressure to constantly be churning out new shiny things, but

**ALMOST TWO THIRDS  
OF THE 18-24 YEAR OLD  
RESPONDENTS SAID THAT  
PROBLEM SOLVING SKILLS  
ARE THE MAIN REQUIREMENT  
FOR THEM**

actually lots of the time innovation is about changing small things and making gradual improvements.”

At HB Reavis, Gaia Arzilli is leading the innovation team for the UK arm of the business, but her job title is an important indicator of the approach that the business is adopting.

“My title is Innovation and Partnership Lead. The partnership piece is really important to us because our approach to innovation is about collaboration and partnerships. That could be within our team of 80 here in the UK, across the wider HB Reavis Group or partnerships with external businesses.”

To foster a collaborative approach to innovation, Gaia and the team at HB Reavis have introduced a series of work streams that can be segmented into tactical and strategic initiatives:

TACTICAL	STRATEGIC
<ol style="list-style-type: none"> <li><b>MARKET TRENDS:</b> Tracking different emerging trends and disseminating the information across the organisation.</li> <li><b>CONTENT CALENDAR:</b> Breakfast or lunch every fortnight and monthly team events where the business comes together - whether that's for internal knowledge sharing or external speakers on a specific project or theme.</li> </ol>	<ol style="list-style-type: none"> <li><b>PITCH DAYS:</b> Hosted events where prop-tech entrepreneurs are invited to pitch their ideas to a series of investors. Successful ideas are trialled in HB Reavis projects.</li> <li><b>LIVING LABORATORY:</b> Using HB Reavis' Bratislava and UK HQ as living laboratories to test new technologies before successful solutions are rolled out across client buildings including their tech and sensory platform, Symbiosy.</li> <li><b>HACKATHONS:</b> Using the data generated from HB Reavis buildings as part of 'hackathon days' where designers and tech and data experts come together to create new ideas and possible products.</li> </ol>

Angela Maurer and her innovation team at Landsec have also successfully introduced tactical initiatives to foster and support a collaborative approach to innovation. One such event was a 'Make-athon' to discuss, ideate and prototype how smart buildings can give Landsec customers great experiences. Throughout the day:

1. People and skills were brought together from inside and outside of the business, including academics, technologists and industry experts.
2. Participants were given six hours to work in teams to address challenges such as 'how can we make the people in our office spaces feel comfortable and productive?'
3. The day culminated in a Dragon's Den-style presentation to determine the best idea.

All the ideas, thoughts and feedback from the day are feeding into Landsec's innovation team planning.

Research from the Harvard Business Review has shown that when determining the skill-sets required within an innovation team, businesses have a tendency to prioritise the skill-sets needed at the beginning of the innovation process – for instance, those of creativity, idea generation and problem-solving. However, it is equally important to focus on the talent mix across the entire innovation process, which means resourcing the skill-set for implementation (project management), testing, measurement, analysis and communication.

## MEASUREMENT

Understanding and measuring the success of innovation within a business is another challenge the real estate sector will need to address.

At HB Reavis, each project has a different metric. However, projects are broadly measured against their ability to be financially, economically and socially sustainable. Project updates are reported to the board of directors on a regular basis.

For Angela Maurer at Landsec, setting and hitting targets is a crucial part of ensuring innovation is not just for her team but part of the business's DNA.

“Innovation is largely about the process. Therefore, if you are measuring success against actual targets, it means in order to achieve success you need to ensure that your innovation process works. Once you have demonstrated success to the business by hitting targets, the next stage should be to begin embedding that process into ‘business as normal’ across the organisation.”



**50% OF FEMALE  
RESPONDENTS SELECTED  
INFLUENCING AS THE  
SECOND HIGHEST SOFT  
SKILL THEY WOULD  
LIKE TO DEVELOP**

## CULTURAL AWARENESS

Another high-scoring soft skill requirement among respondents was cultural awareness, with 32% of respondents selecting it as an option.

For Priya Shah, founder of BAME (Black, Asian and Minority Ethnicities) in Property, having an increased level of cultural awareness is vital for the parts of the sector that are working closely with local communities.

**32% OF SURVEY RESPONDENTS SELECTED CULTURAL AWARENESS AS A SOFT SKILL THEY WOULD LIKE TO DEVELOP**

“You might have a diverse team in terms of gender or ethnicity, but are you culturally aware in your team? This is a problem for the real estate industry because it does lack a level of cultural awareness in project teams, and many important decisions go wrong when you don’t have it.”

## EMPATHY

Interestingly, only 17% of survey respondents selected empathy as a soft skill they would like to develop. Despite this low requirement, there is a growing body of research that suggests empathy is an important skill to succeed and prosper in the modern-day workplace.

Research released in 2019 by the University of Pennsylvania into the role of empathy showed that empathy facilitates cooperation, which is critical for teams to function effectively. The report also concluded that a capacity for empathy is a key component for sustaining cooperation in societies.

### RECOMMENDATIONS

1. Businesses should undertake an internal skills survey with staff to understand the gaps in soft and hard skills.
2. A strategic approach is needed to develop appropriate data skills within a business. This should address:
  - The role of data in the business now and in the future.
  - Priority of who needs what skills.
  - The balance between training staff in data skills and recruiting in specific skills.
3. Businesses should prioritise the development of soft skills among staff, including innovation, critical thinking, problem-solving, creativity and collaboration.
4. Businesses should ensure they have the correct culture, structure and management in place to foster and enable innovation skills to develop across the business.



# 04. CLOSING THE SKILLS GAP

TRAINING AND DEVELOPMENT

40% of survey respondents said they currently have the opportunity to learn the hard and soft skills they selected in the survey. 50% of respondents have the opportunity to learn some skills but not all

Learning and development (L&D) functions are a key pillar of a successful business. Research from McKinsey has shown that an effective L&D function has a strategic role in five areas:

- Attract and retain talent.
- Develop people capabilities.
- Motivate and engage employees.
- Create a value based culture.
- Build an employer brand.

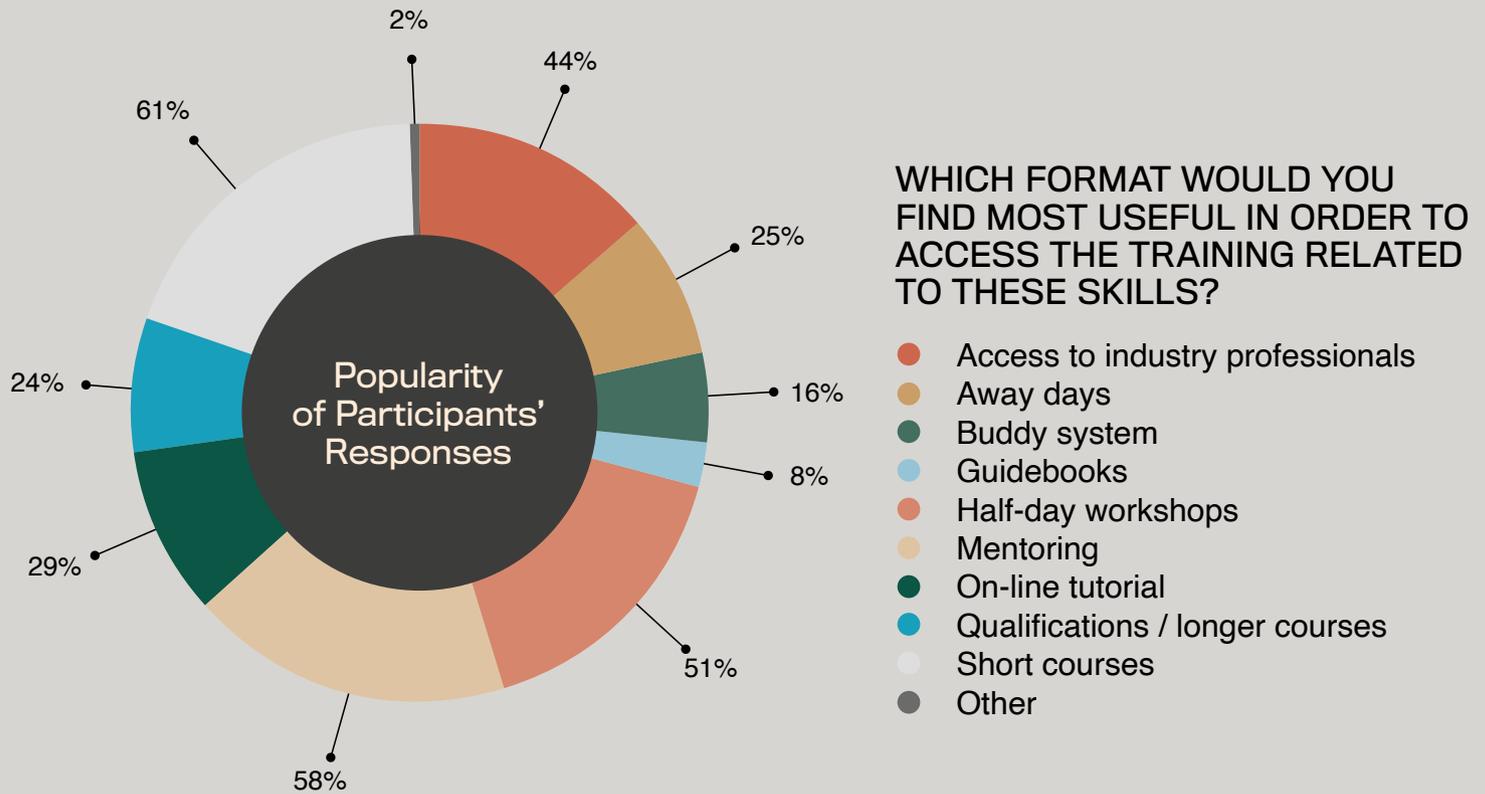
Historically, the L&D function of the real estate sector has prioritised the development of technical skills needed to perform well in an existing role and the management skills required to progress up the hierarchy of a business.

To develop a workforce able to respond to the changing nature of real estate, businesses should prioritise a new approach to L&D, introducing the opportunity for staff to learn a new range of skills.

At Landsec, skills development focuses on company culture and soft skills, as Liza Brothers, Head of HR and Talent, explains. “85% of my time is spent on developing the soft skills of staff and working on cultural things rather than deep technical development.”

That focus on culture as a key strand of L&D is shared by Robert Nunn, Head of Learning at Grosvenor. “We are focused primarily on organisational change and how we are able to shift the organisation to be able to cope with the environmental challenges that it faces, and then we follow that up with more technical development as and where people’s roles require it.”

For Ian Higgs, Managing Director at Buro Four, a key part of L&D for staff is to help them deal with an increasingly high volume of information and requirements on their time. “Our staff come out of a meeting, and they have 20 or 30 emails waiting for them. Nobody teaches them skills about how to train their mind to compartmentalise different bits of information and not get dragged from one email to another. From an efficiency point of view, this is important, but more important is their mental health and wellbeing.”



The most popular choice of ways to access training to learn new skills from survey respondents were:

1. **Short courses – 61%**
2. **Mentoring – 58%**
3. **Half-day workshops – 51%**
4. **Access to industry professionals – 44%**

For Landsec, short courses play an important part in training. The aim is to make sessions as experiential as possible, with a focus on getting people out of the office and learning from different people in different scenarios.

This approach from Landsec chimes with internal research from the tech giant Amazon, which estimates that 90% of the learning that happens for its staff comes from being challenged and exposed to new experiences in the job.

For Grosvenor, developing the skills of staff is also less about classic training and more about helping to stimulate new ideas or ways of thinking. This includes increasing people's level of curiosity, developing their horizon-scanning approach and their ability to cross-pollinate from other sectors.

The role of cross-pollination of ideas and processes in real estate is an interesting opportunity for the sector to develop in the coming years. The technique is one that is favoured by many innovative organisations, with businesses seeking to develop relationships with other industries and sectors to learn from their approach.

A fantastic example of cross-pollination is the relationship formed between Great Ormond Street Hospital surgeons and the Ferrari and McLaren Formula One teams. Following a lengthy surgery, two surgeons sat together in the staff canteen watching a F1 Grand Prix and began discussing the incredible teamwork required from the pit crew during a pit stop. This then led to the hospital working with pit crews from F1 teams to redesign and streamline how a team of surgeons and nurses work together during an operation. This example illustrates the power of looking in the most unlikely places to find new types of inspiration and opportunities for innovation.

“This is one of the most exciting moments in history from the perspective of building open, sustainable and connected cities, but the real estate industry isn’t alone in doing this. This is relevant to transport, finance, hospitality, retail and healthcare,” says Gaia Arzilli, Innovations & Partnerships Lead at HB Reavis. “The similarities between these sectors are profound, and instead of acting alone we should embrace these opportunities to learn from one another.”



of female respondents  
favour mentoring  
opportunities



of 18 - 24 year  
olds selected half  
day workshops



of 55 - 64 year olds  
selected half day  
workshops

## RECOMMENDATIONS

1. Businesses should focus on company culture as part of the skills development strategy.
2. Businesses should survey staff to understand the most effective and efficient way for them to learn new skills.
3. Stimulating new ideas and new ways of thinking among staff should be a key strand of L&D. Ways of achieving this include:
  - Working with other industries and businesses to cross-pollinate ideas and learnings.
  - Exposing staff to new experiences, people and cultures.
  - Supporting staff to develop their horizon-scanning approach.



# 05. SKILLS POST COVID-19

THIS SECTION OF THE REPORT  
SPECULATES ON POTENTIAL  
IMPACTS ON THE SKILLS LANDSCAPE  
AS A CONSEQUENCE OF THE  
COVID-19 PANDEMIC.



## 01. ACCELERATOR

### A. Need for Innovation

Covid-19 doesn't alter the priority skills identified in this report, but in certain cases it will accelerate their requirement.

Businesses across the board are being forced to innovate to adjust to the 'new normal', and it is becoming increasingly apparent that this new normal won't be a temporary phase from which we spring back to business as usual. The evolving landscape will force many businesses to radically change how they do what they do, thus accelerating their need to be good problem-solvers and innovators.

### B. Automation of Jobs

2017 research by McKinsey showed that 14% of the global workforce will need to switch jobs or re-skill by 2030 as a result of automation and AI. Research from the Brookings Institute suggests that based on the experience of previous recessions, Covid-19 and the resulting recession will accelerate this automation of jobs.

Businesses need to factor the automation of jobs into their recruitment and training policies now to avoid a future workforce at risk of redundancy.

## 02. REMOTE WORKING SKILLS

Since March, businesses have experienced the challenge of collaborating with colleagues while working from home. This experience and the potential ongoing need for home working has introduced a new set of remote working skills that businesses should consider developing:

**COLLABORATION:** The most effective form of collaboration happens when a group of people are brought together in one place. Businesses are having to replicate that dynamic via Zoom and should therefore consider upskilling staff in the art of remote collaboration.

**LEADERSHIP:** Business must learn how to effectively lead teams and instill a company mission and purpose when staff aren't in the office.

**COMMUNICATION:** The dynamic of communicating with colleagues and customers changes when it happens across email, phone or Zoom call. Ensuring staff are mindful of this adjustment and equipped with the skills to communicate effectively via different means is key.

**EMPATHY:** This is a difficult time for everyone, but we should all be aware that some people will find it much harder to cope than others. Being able to apply a greater level of empathy to those you work with could make a huge difference to their ability to cope.

## 03. TRAINING AND DEVELOPMENT

During the 2009 recession, a survey of UK businesses with more than 1,000 staff showed that over 70% of businesses were cutting their training budgets. Businesses should be careful not to follow suit during the Covid-19 recession. Businesses will need to ensure they have the required skills to bounce back post Covid-19.

Depending on the length of time they are required to work from home, organisations will need to consider how to effectively develop staff skills. The Building Skills survey showed that respondents favour face-to-face learning opportunities such as short courses, mentoring and half-day workshops, while remote learning such as online tutorials and guidebooks were less popular.

Businesses will also need to be mindful of the unstructured or serendipitous learning opportunities that may be lost due to working from home. 'Water cooler chats' with colleagues or one-to-one conversations with a senior leader on the way to a meeting are invaluable learning opportunities, especially for junior members of staff. Finding ways to replicate these in a remote working landscape will be a new challenge for businesses.

#### 04. LONG-TERM EFFECTS ON SUPPLY AND DEMAND

Nick Carman from Macdonald & Company explained how in the 2008/2009 recession many real estate companies effectively closed shop on their graduate recruitment plans. This reduction of recruitment has resulted in a supply-and-demand challenge ten years later. The cohort of new entrants who would have entered the sector in 08/09 would now be entering senior leadership roles; this has created a current shortage of senior leadership candidates, resulting in increased competition between companies for recruits and higher salaries.

The early assumption is that the Covid-19 recession will lead to a similar slowing down of recruitment from the sector, the implications of which will be felt for the next decade.

A useful exercise for businesses to undertake is to evaluate how their business has performed during Covid-19 in key areas such as problem-solving, collaboration and communication. Using a scoring chart, businesses should rank their performance, with 1 being poor and 5 being excellent.

	1	2	3	4	5
<b>PROBLEM-SOLVING</b> The ability to problem-solve quickly and effectively	<input type="radio"/>				
<b>COLLABORATION</b> The ability to collaborate remotely and across teams and disciplines	<input type="radio"/>				
<b>ADAPTABILITY</b> The ability to adapt to new ways of working	<input type="radio"/>				
<b>MANAGEMENT</b> The ability to manage and lead effectively under stress and tension	<input type="radio"/>				
<b>COMMUNICATION</b> The ability to communicate effectively and efficiently	<input type="radio"/>				
<b>EMPATHY</b> The ability to show empathy, caring and understanding to colleagues and stakeholders	<input type="radio"/>				



# 05. CONCLUSION

# CONCLUSION

The Building Skills research has shown that the London real estate sector was already being buffeted by significant winds of change: climate change and the need to green our economy, new technology and automation redefining the nature of work, and the changing social landscape leading to rapid urbanisation. In addition to these hugely significant influences on our business, we now have Covid-19. The recent UK lockdown and its impact on society has emphasised the need for the real estate sector to adopt new skill-sets, reimagine ways of working and adapt itself to new ways of using our infrastructure. We believe the current pandemic increases the need for rapid action in the following areas:

1. Each business should undertake an internal future skills survey to develop a detailed understanding of its strengths and weaknesses. This survey should address culture, leadership, structure and processes, as well as the skills that will be required as the sector moves forward.
2. The most cost-effective and rapid skills improvement will occur through targeted development of current staff. This research has identified skills relating to data analytics and innovation as key skills that businesses should prioritise.
3. Businesses should identify training, coaching and mentoring options appropriate to each person's needs and preferences. This report shows that different age groups have particular needs, and that men tend to prefer different types of development approaches to women.
4. This research shows that the sector should recruit from a wider and more diverse pool of talent. This will mean exploring how to recruit social scientists, engineers and computers from both universities and other sectors.
5. We must start to influence educators to prepare the young people who will make a career in real estate. Firstly, the sector should work with the universities currently running real estate-related courses and ensure they are aligned to the needs of modern businesses. Secondly, we should seek to show young people in schools that a career in real estate is interesting and rewarding.

As the world enters a once-in-a-generation recession, the message in this report to spend on recruitment and training risks falling on deaf ears. This report points to research that shows that recessions lead to recruitment freezes and slashed training budgets.

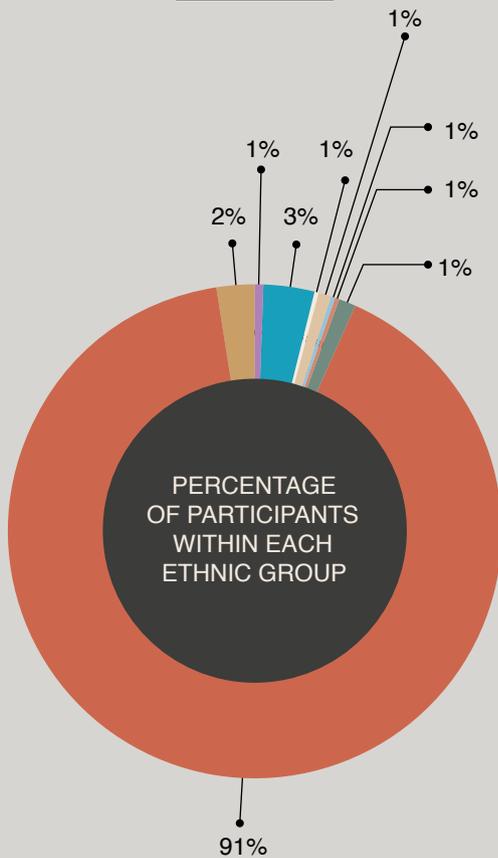
But the Covid-19 recession shouldn't be the moment that delays a skills revolution for the real estate sector. Instead, it should light the fuse. As London seeks to 'bounce back better', the businesses at the forefront of defining our city's future should be doing the same.



# 06. SURVEY RESULTS

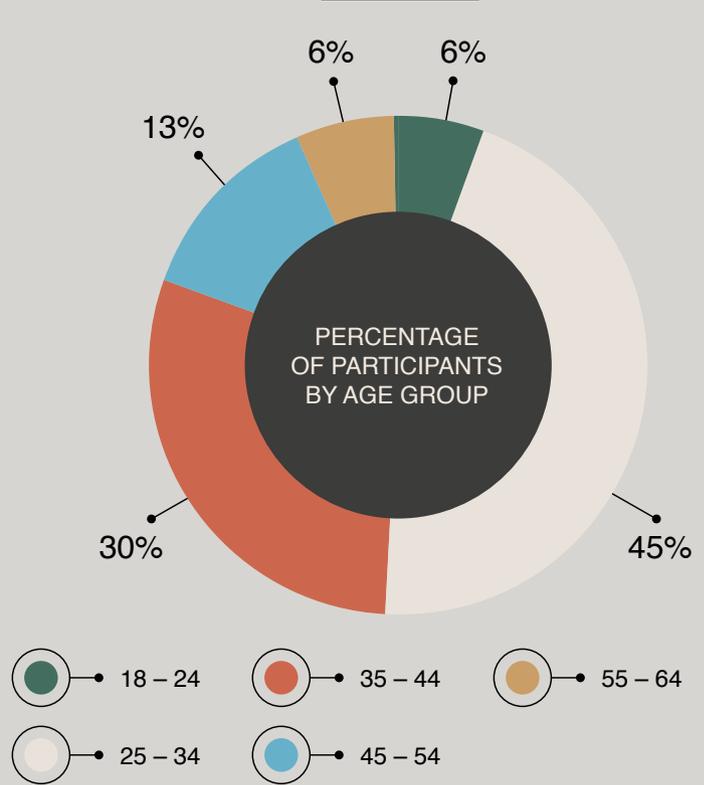
# RESEARCH DEMOGRAPHIC

### WHAT IS YOUR ETHNIC ORIGIN?



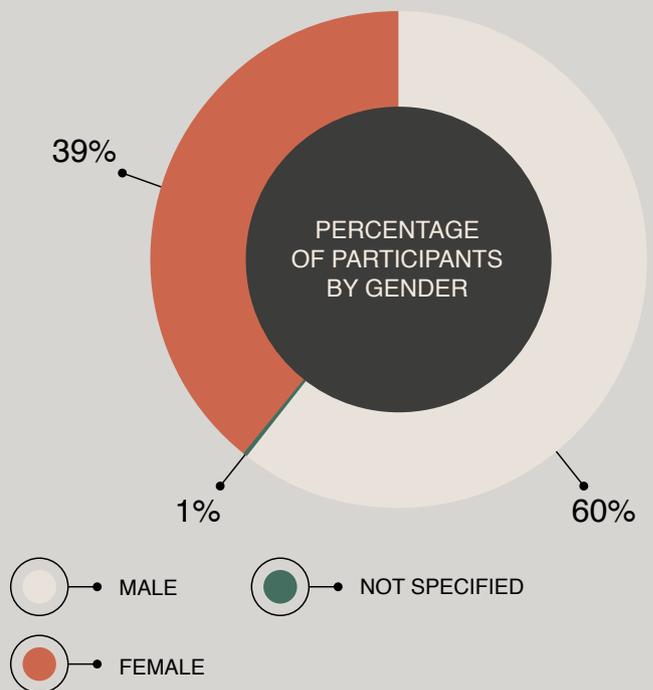
- ASIAN
- ASIAN - INDIAN / BRITISH
- ASIAN - PAKISTANI / BRITISH
- ASIAN - BRITISH / OTHER
- AFRICAN
- WHITE AND BLACK CARIBBEAN
- WHITE AND ASIAN
- WHITE
- OTHER ETHNIC GROUP

### WHAT IS YOUR AGE?



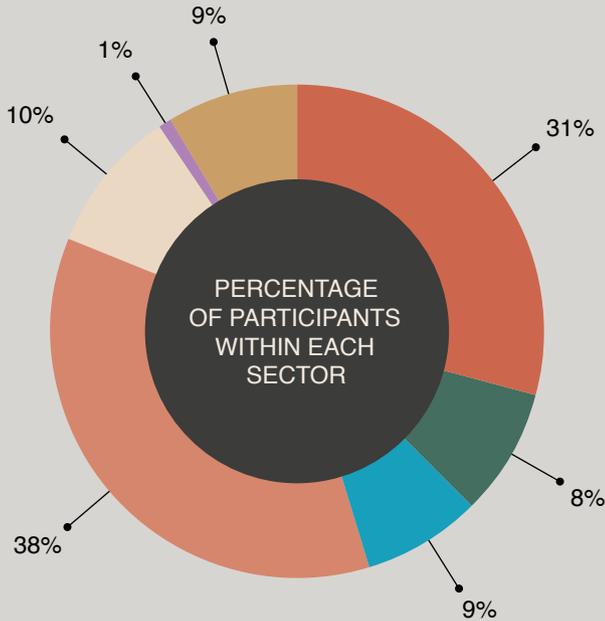
- 18 - 24
- 35 - 44
- 55 - 64
- 25 - 34
- 45 - 54

### WHAT IS YOUR GENDER?

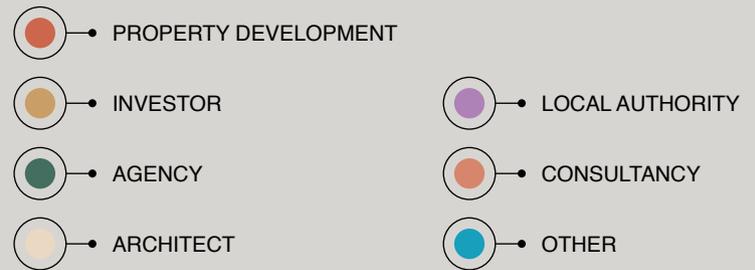


- MALE
- NOT SPECIFIED
- FEMALE

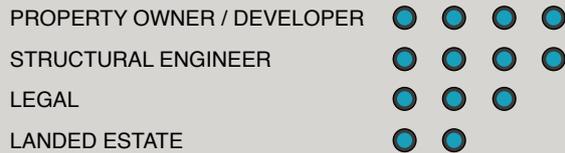
# PROFESSIONAL STATUS



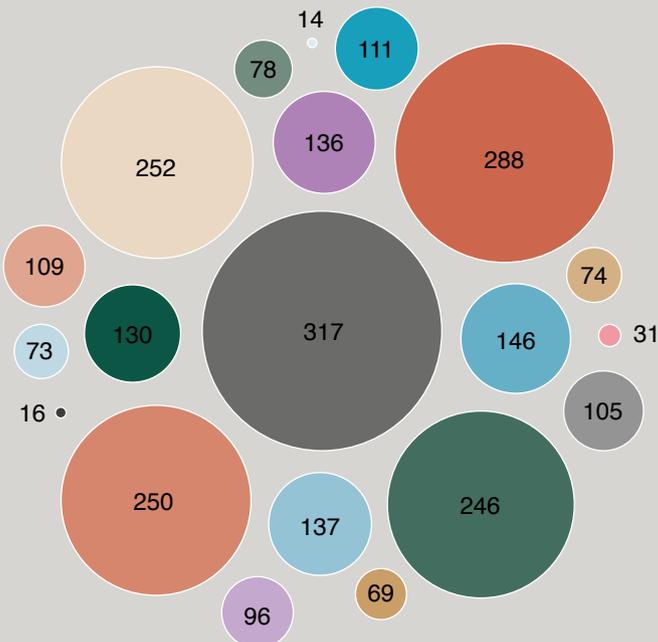
## WHICH TYPE OF ORGANISATION IN REAL ESTATE DO YOU WORK FOR?



## EXAMPLE RESPONSES IN 'OTHER' CATEGORY



## WHICH AREA OF THE REAL ESTATE SECTOR DOES THE ORGANISATION THAT YOU WORK FOR OPERATE IN?

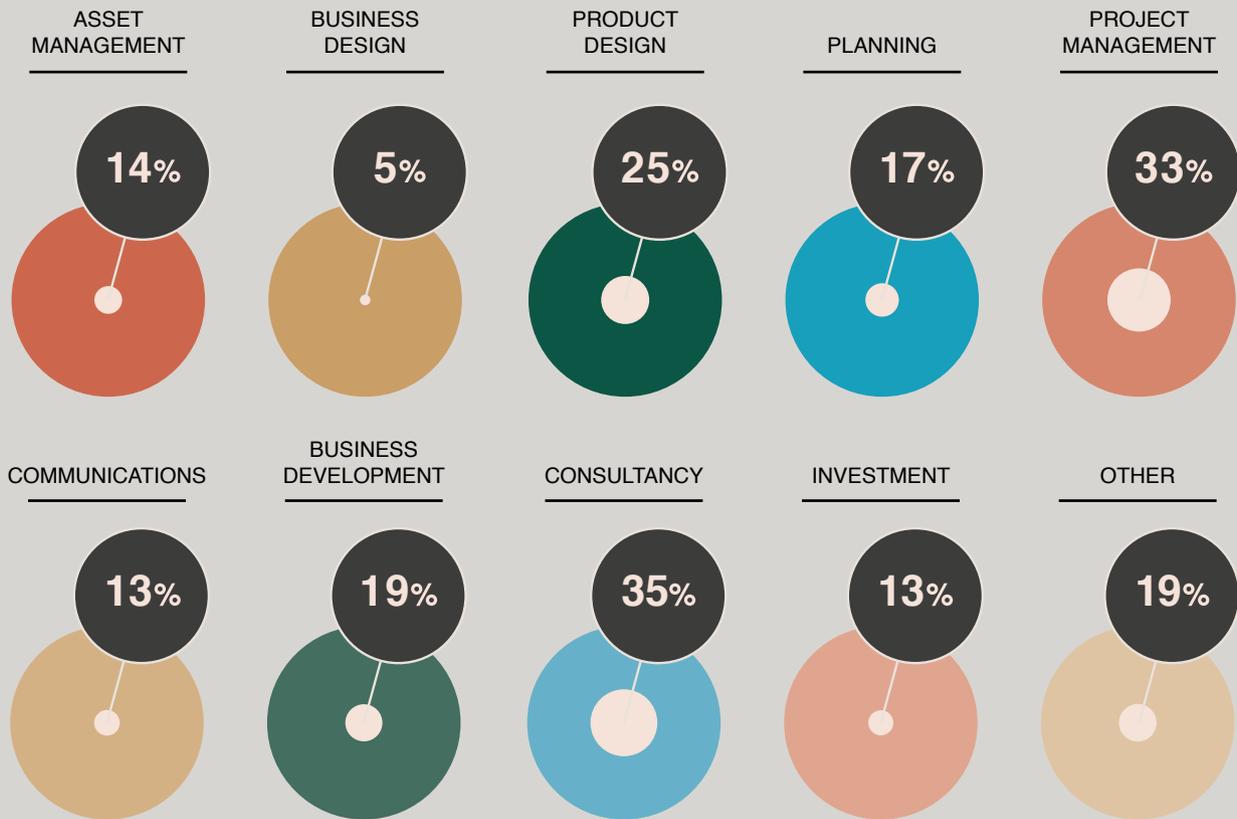


## AREAS OF THE REAL ESTATE SECTOR

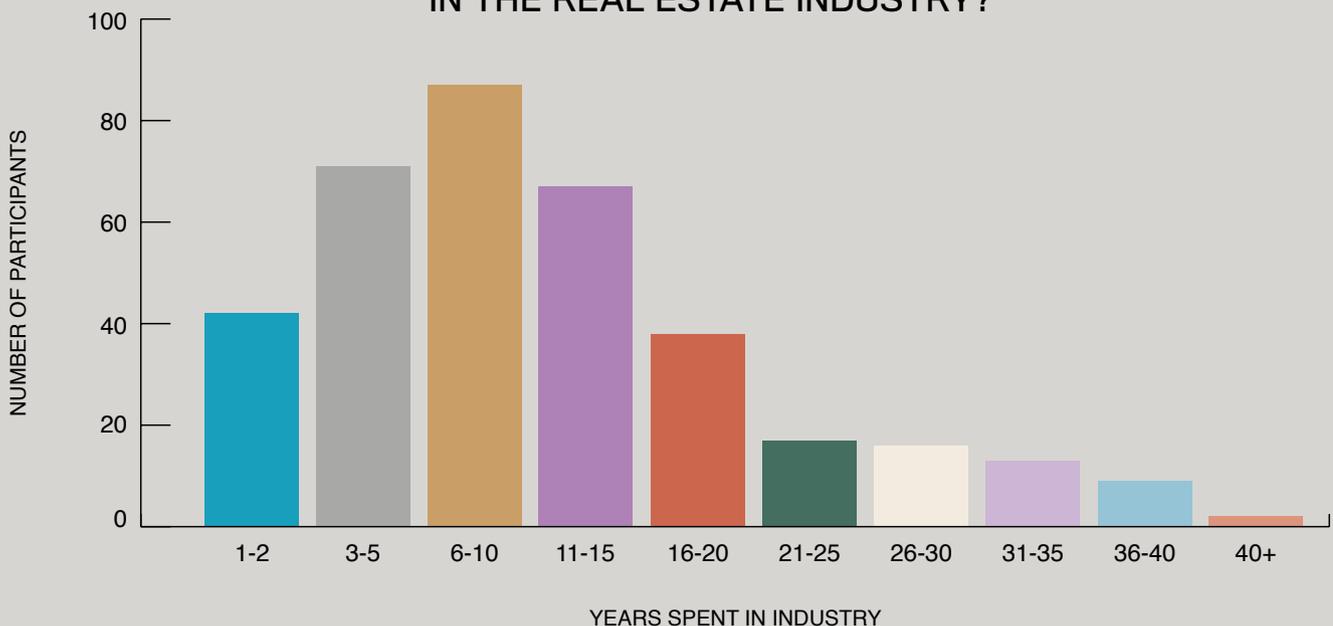


# PROFESSIONAL BACKGROUND

WHAT SORT OF ROLE DOES YOUR JOB ENTAIL?

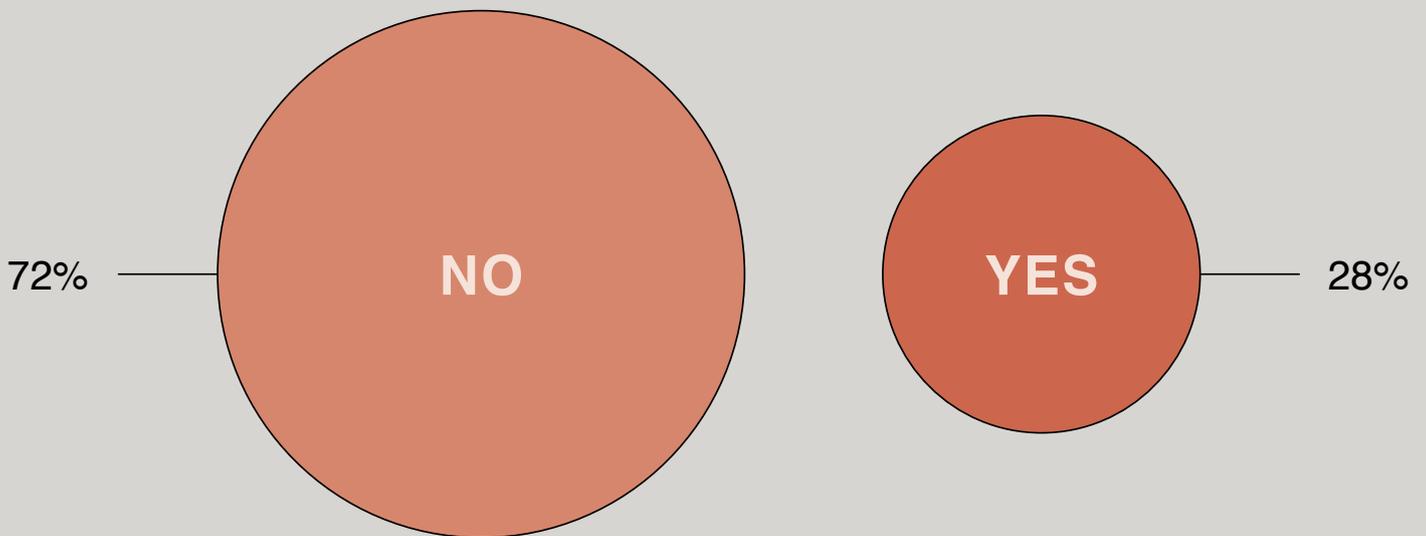


HOW MANY YEARS HAVE YOU WORKED IN THE REAL ESTATE INDUSTRY?



# PROFESSIONAL BACKGROUND

PRIOR TO JOINING THE INDUSTRY  
WERE YOU IN ANY OTHER SECTORS?



IF YOU ANSWERED  
YES TO Q8, WHICH SECTOR?

- Accountancy
- Advertising / Marketing
- Agency
- Agriculture
- Architecture
- Arts, Tech and Luxury Markets
- Audit
- Automotive
- Banking
- Charity
- Civil Engineering
- Cleantech
- Communications
- Construction
- Creative
- Energy
- Events
- Fashion

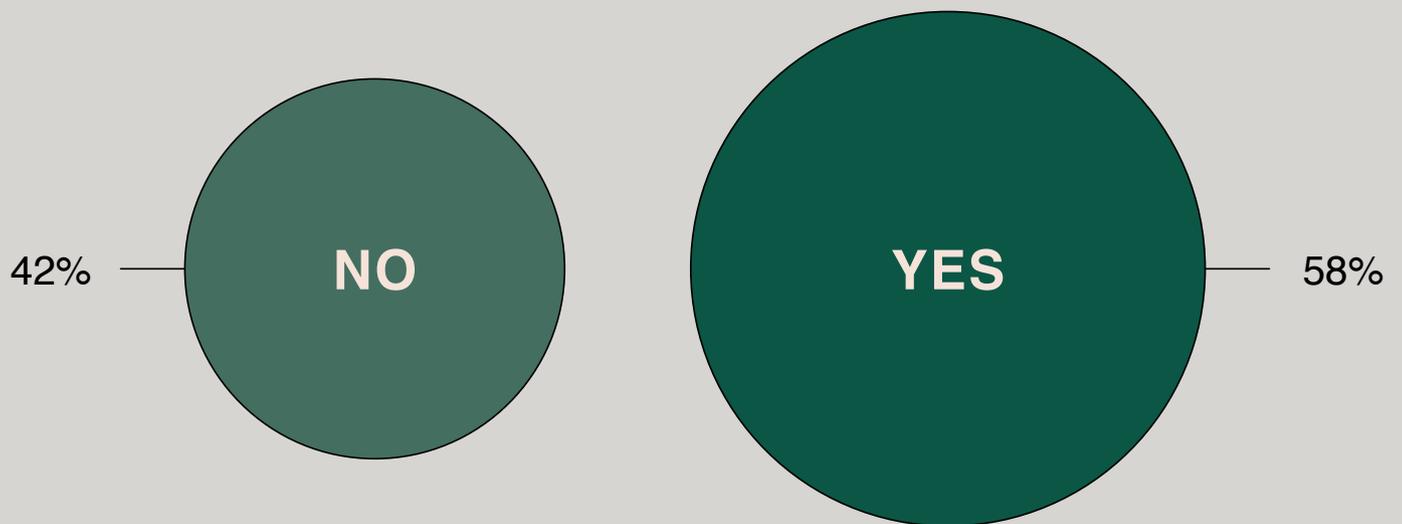
- Financial Services
- Fine Art Auctioneering
- FinTech
- FMCG
- Gas & Oil Industry
- Grocery Retail
- Health & Safety
- Healthcare
- HM Forces
- Hospitality
- Housing
- HSSE
- In-House Corporate Services
- Information Technology
- Jewellery Designer
- Law
- Legal
- Leisure
- Local Government

- Main Contractor
- Management Consulting
- Manufacturing
- Media
- Metal Manufacturing
- Music
- NGO
- Online Gambling
- Policy/Research
- Politics
- PR & Comms
- Professional Services
- Public Affairs
- Publishing
- Quasi-Public Sector Insurance
- Railway
- Recruitment
- Residential Sales
- Retail

- Service Industry
- Shipping
- Sporting Events
- Sports Agriculture
- Sports Marketing
- Strategy Consultancy
- Textile Technology

# PROFESSIONAL QUALIFICATIONS

DID YOU JOIN THE REAL ESTATE INDUSTRY WITH AN INDUSTRY QUALIFICATION?



IF YOU ANSWERED YES TO Q10, WHAT LEVEL OF QUALIFICATION?

ARB  
BA Hons  
Bachelor Degree  
BEng  
BLE Hons Urban  
Surveying and Planning

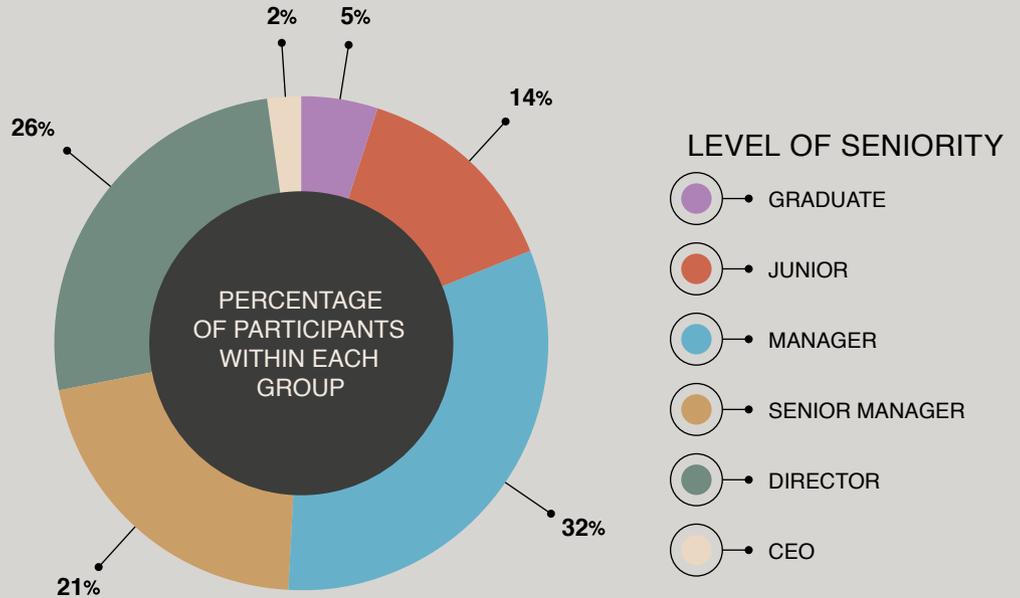
BSc  
Bsc (Hons)  
Chartered Accountant  
Degree  
Higher education  
HNC

HND  
Masters Degree  
MEng  
MRICS  
MRTPI  
MSc

Post graduate Diploma  
Project Management for  
Construction

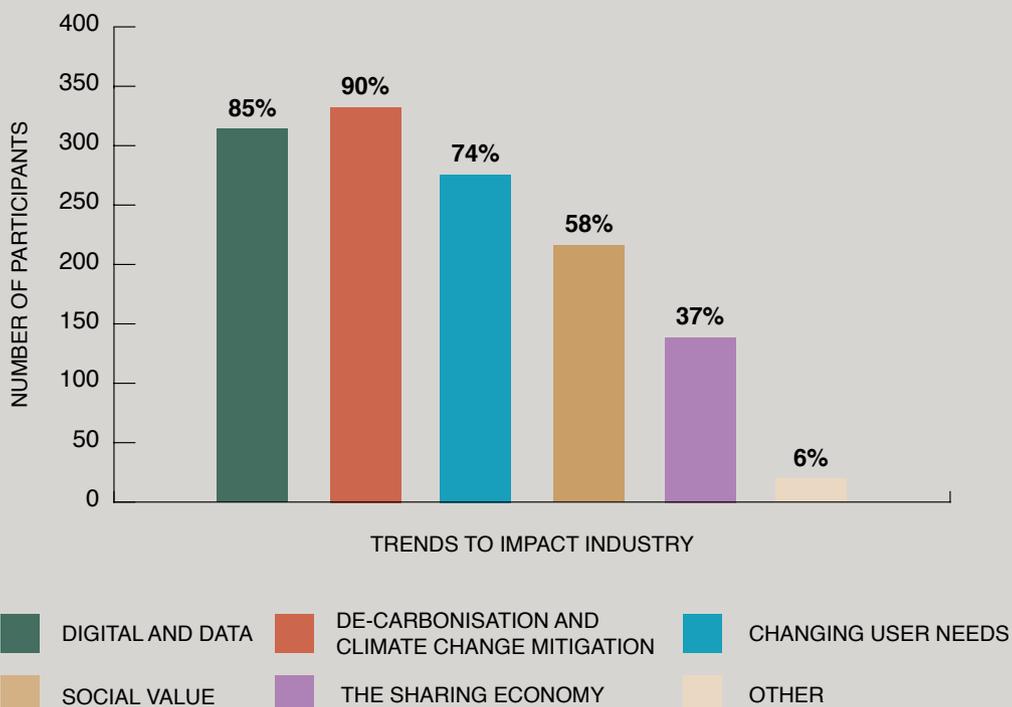
# PROFESSIONAL STATUS

WHAT IS YOUR LEVEL OF SENIORITY?



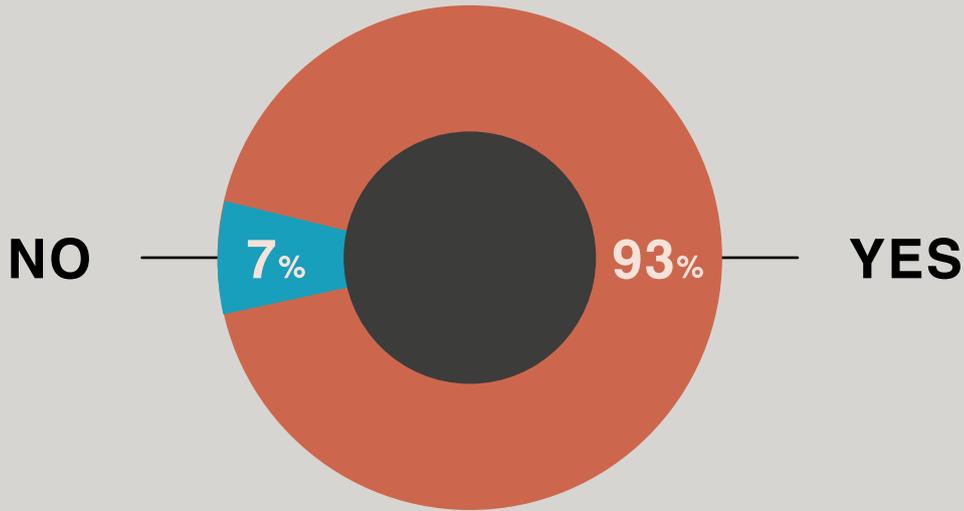
# REAL ESTATE SECTOR TRENDS

WHICH OF THE FOLLOWING TRENDS DO YOU THINK HAVE / WILL IMPACT THE REAL ESTATE SECTOR?



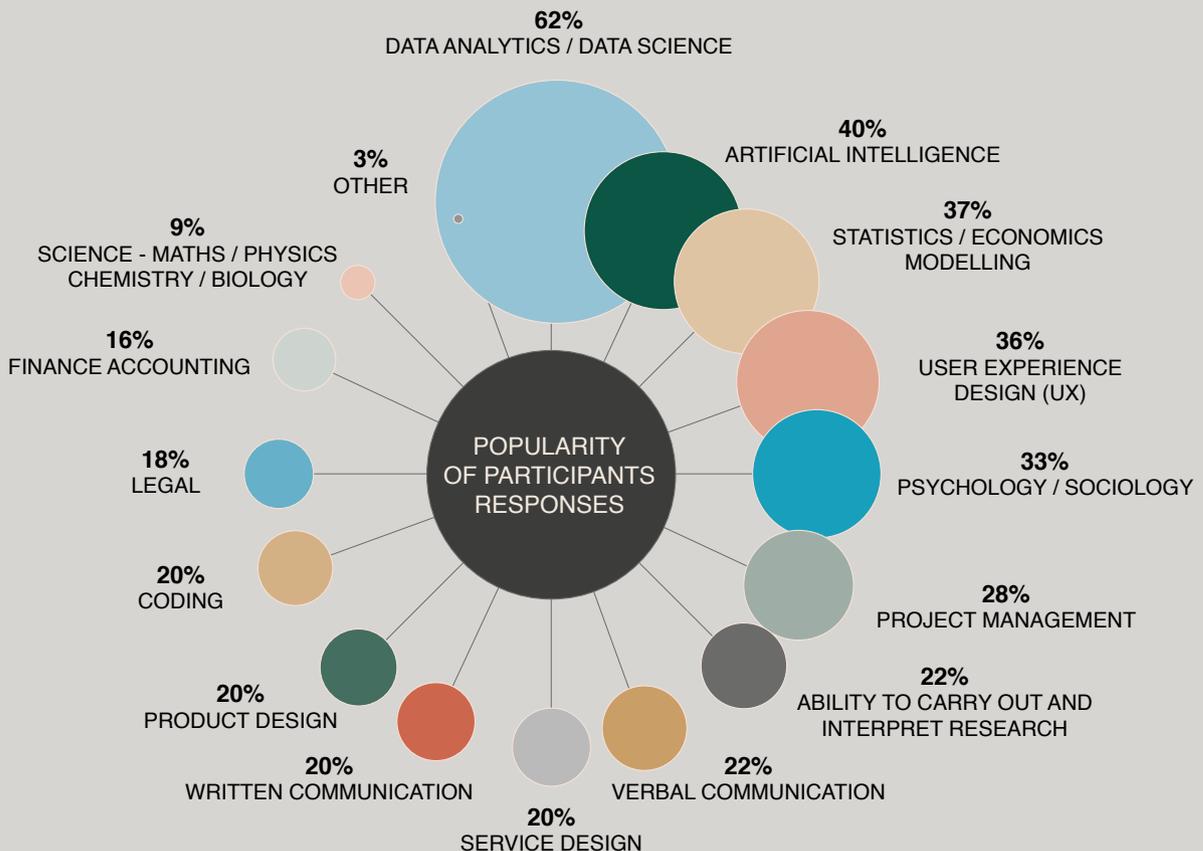
# REAL ESTATE SECTOR TRENDS

WOULD YOU BENEFIT FROM LEARNING MORE ABOUT THE SUBJECT?



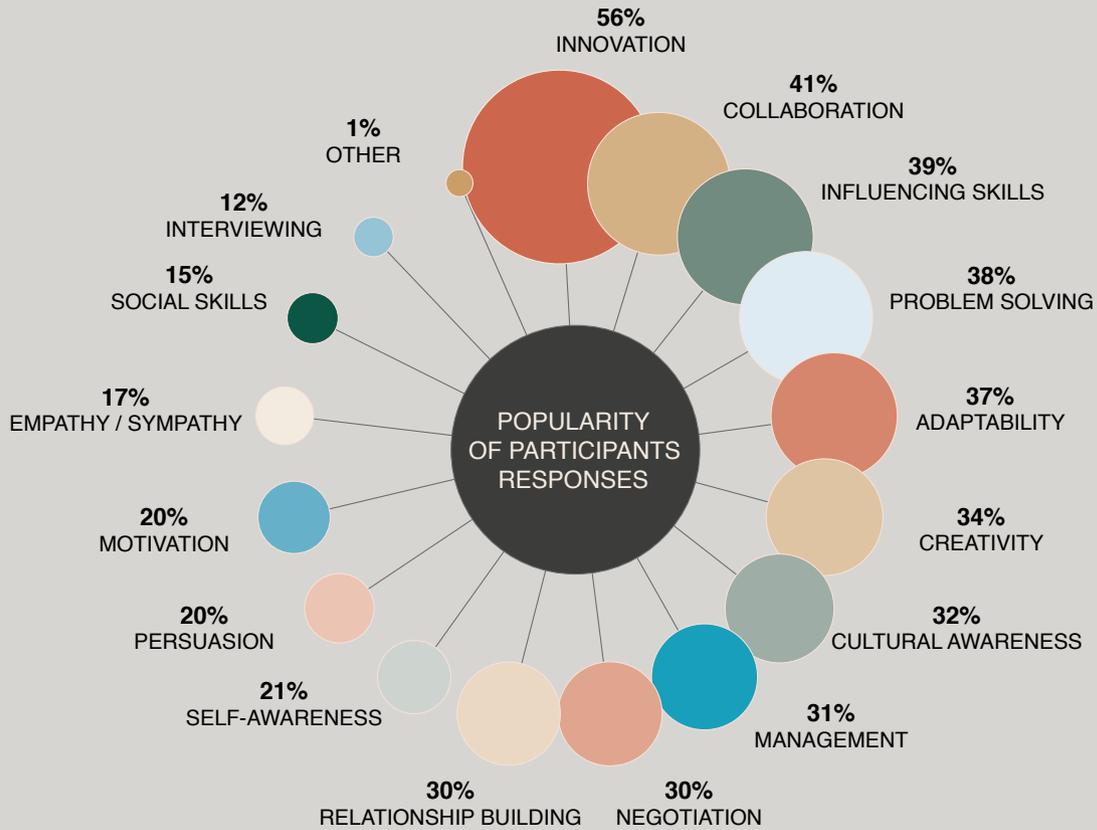
## SKILLS

IN ORDER TO RESPOND TO THE TRENDS, WHAT SPECIFIC HARD SKILLS WOULD YOU LIKE TO IMPROVE AND / OR LEARN?



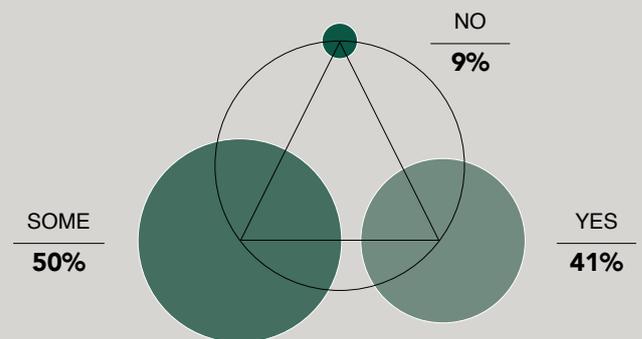
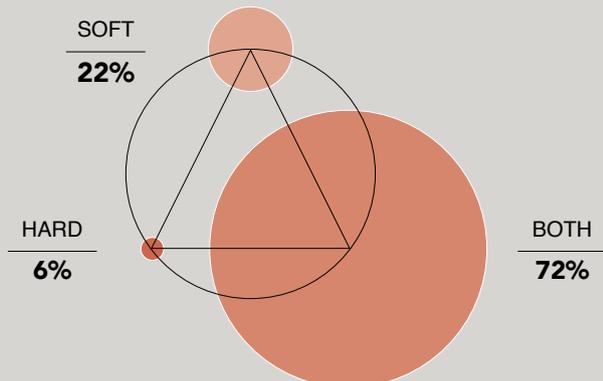
# SKILLS

IN ORDER TO RESPOND TO THE TRENDS, WHAT SPECIFIC SOFT SKILLS WOULD YOU LIKE TO IMPROVE AND / OR LEARN?



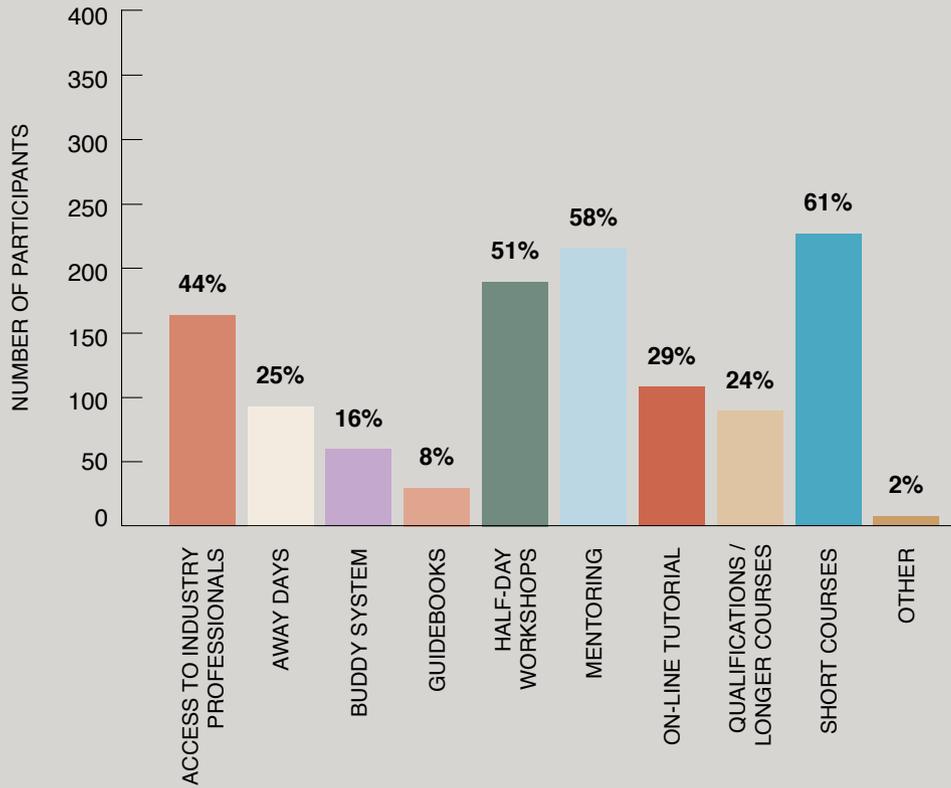
WHICH SKILLS DO YOU VIEW AS MORE VALUABLE OR IMPORTANT FOR YOUR ROLE?

DO YOU CURRENTLY HAVE THE OPPORTUNITY TO IMPROVE YOUR SKILLS IN THESE AREAS?



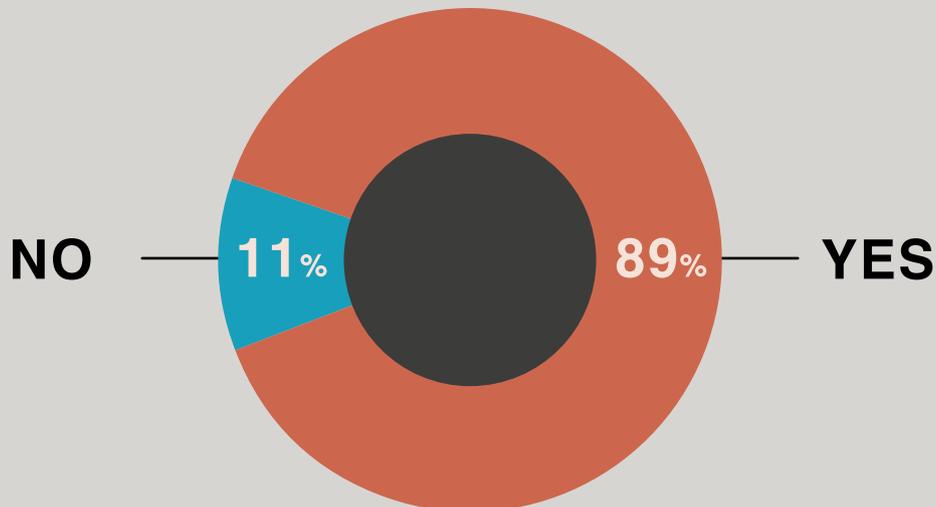
# TRAINING AND DEVELOPMENT

WHICH FORMAT WOULD YOU FIND MOST USEFUL IN ORDER TO ACCESS THE TRAINING RELATED TO THESE SKILLS?



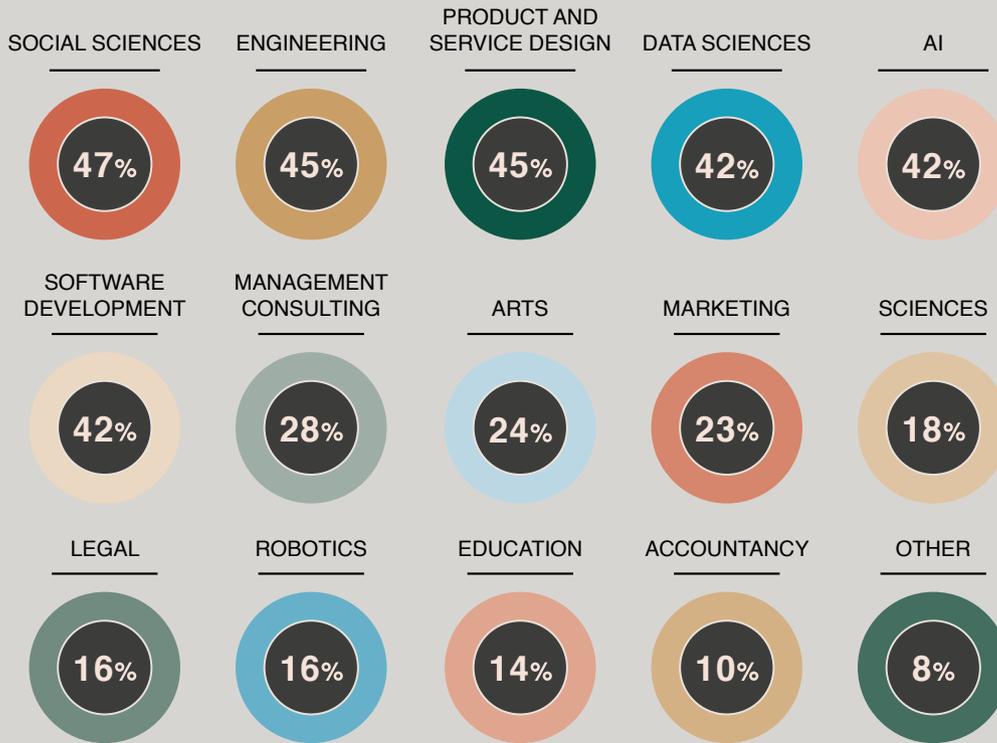
# RECRUITMENT

WOULD RECRUITMENT FROM OUTSIDE THE REAL ESTATE INDUSTRY BE BENEFICIAL?

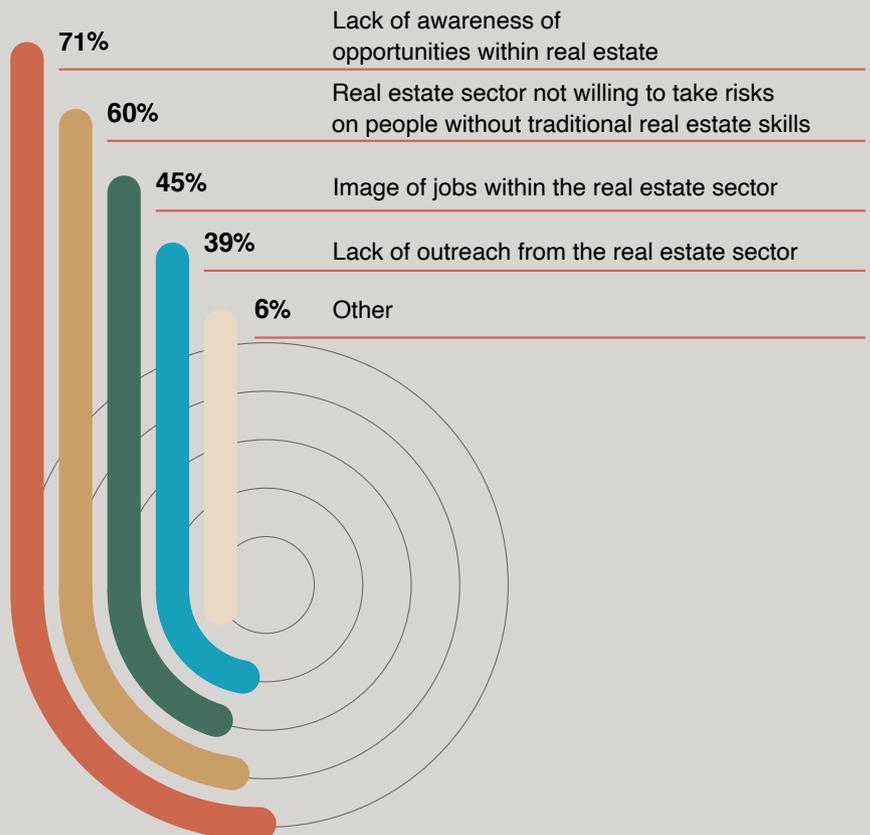


# PROFESSIONAL BACKGROUND

WHICH SECTORS DO YOU BELIEVE THE INDUSTRY SHOULD TRY TO RECRUIT FROM?



WHAT DO YOU BELIEVE ARE THE BARRIERS TO ENTRY FOR PEOPLE FROM OUTSIDE THE REAL ESTATE SECTOR?



**FUTURE  
PLACES**  
STUDIO