



RESEARCH INSIGHTS

in Recruitment:

Real Estate Sector





RESEARCH INSIGHTS IN RECRUITMENT: REAL ESTATE SECTOR

- 1 Industry Overview
- 2 Recruitment
- 3 Salaries
- 4 Industry Challenges
- 5 Sources

INDUSTRY OVERVIEW

Using government data, the Rayner Personnel firm calculated that 51,000 estate agents are working in the UK. There are countless support and head office staff not identified in official figures.

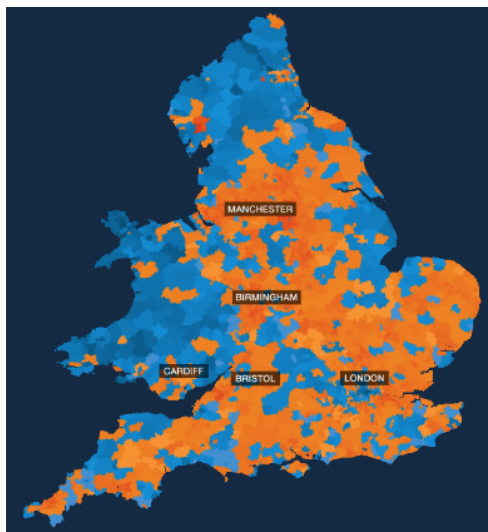
Estate agents act as intermediaries when a property is bought, sold or rented. They are paid on a fee or contract basis. They also provide advice and appraisals connected with buying, selling and renting property and provide escrow services. Property-related legal services are excluded from the industry.

As a result of the global COVID-19 pandemic, revenue is expected to severely decline, falling by 16.2% in 2020-21, according to an IBIS World industry update. Government advice to postpone moving homes during lockdown has heavily affected demand for the industry.

Over the next five years, the industry is expected to recover from the shock of coronavirus, and demand is anticipated to be robust. The beginning of the period is likely to be characterised by growing demand for lettings as the house price-to-income ratio increases. Investment in commercial property is also expected to be influenced by terms between the United Kingdom and the European Union. Meanwhile, demand from overseas investors is forecast to improve as the pound remains low.

Birmingham, Manchester, Bristol and Cardiff are among the areas showing the highest 'buyers' demand'. London, on the other hand, seems to have lower demand.

The map below shows in orange the areas with the highest demand in the UK



Map source: The Advisory - Podcast
<https://www.theadvisory.co.uk/propcast/>

Image source: The Advisory - Podcast
<https://www.theadvisory.co.uk/propcast/>

Estate agents are likely to get through the next five to six months even if the market falls away - but November is most likely the critical month, based on the forecast from the chief executive of property recruitment firm Rayner Personnel.

This is because portal fees are on offer and the furlough scheme is still at its most generous.

From the end of the summer, estate agency employers, like every other, will be required to support the cost of furlough regarding funding employer national insurance and pension contributions.

From September, an additional 10% will have to be paid by agency owners as the government insists employers pay the difference between the current 80% furlough threshold and a revised 70% government contribution - and then 60% from October.

Industry Statistics



Market Size:

£12bn



Number of
Businesses:

27, 453



Industry
Employment:

161,871

Major Players

(Listed by IBIS World based on Market Share)

The Estate Agents industry is highly fragmented, with thousands of local and regional players.

Below, some of the top players in the country are listed:

1. Countrywide plc
2. Savills UK Ltd
3. Connells Ltd
4. LSL Property Services plc
5. Knight Frank LLP

London's Top Boutique Estate Agencies

(Listed by PrimeResi Prime Movers)

1. Beauchamp Estates
2. Aston Chase
3. Wetherell
4. Russel Simpson
5. Glentree
6. Aylesford International
7. Rokstone
8. Tunstall Property
9. Maskells
10. The Modern House

(IBIS World, 2021)

2

RECRUITMENT

Estate agents are typically employed by property firms or by local estate agencies, either smaller independent agencies or a local branch of a more prominent firm. Estate agents can also be chartered surveyors, following the Royal Institute of Chartered Surveyors (RICS) ethics and professional standards requirements.

During the lockdown, the vast majority of agency staff have been furloughed and will be brought back to work as demand increases. According to Alasdair Dunne, Head of Residential at Fisher German, viewing requests have declined about 70% or 80% down on usual.

According to Iain McKenzie, CEO of The Guild of Property Professionals, professionals working from home have increased from 12% before lockdown to 21% now.

Before lockdown, employees were willing to live an average of 23 miles away from their workplace, but now post-lockdown, and with the possibility of working from home, they are eager to live an average of 56 miles away from their company's office.

Key skills for estate agents:

- Negotiation and selling skills
- Ambition, drive and charisma
- Good communication skills and the ability to maintain a positive relationship with clients and colleagues
- Strong organisation skills, as you may be dealing with more than one property at a time.
- Willingness to take on responsibility, as estate agents will likely be afforded a great deal of responsibility early on
- Willingness to travel and spend time out of the office
- Understanding of, and interest in, the local property market and the process of buying and selling property

(Target Jobs, 2021)



3

SALARIES

Typically, an estate agent in the UK earns £28,800 annually, according to the average from the Office for National Statistics and other sources. On that basis, the total salary burden for the whole agency industry would be up to £122m per month once furloughing is scrapped entirely.

Estate agents often work on commission, which means that they have a basic salary and earn a percentage of any property they sell or rent. They might start on a guaranteed salary for a few months and then move to a commission-based salary.

They may also have the chance to add to their earnings through bonuses linked to meeting individual or company sales targets.

Average salary (a year)

By the Office for National Statistics

Starter:	£15,000
Experienced:	£40,000

Typical Hours (a week):

35 to 40 hrs

(Estate agents could also work weekends on a rota)

(National Careers Service, 2020)



4

INDUSTRY CHALLENGES

Estate agencies face the worst staff shortages in a generation. The key problem is that fewer people are applying for jobs within the industry. Those estate agencies must now work harder to retain good staff and persuade fresh talent to consider working in property sales, lettings and management.

The latest data shows that, while general employment levels have been rising, the number of people employed in estate agencies and property auctioneering has plateaued at between 50,000 and 55,000 people over the past seven years.

The industry shows high employee turnover, as existing employees do not have a clear career path in their job.

Businesses find it hard to attract talents since employees' job criteria have changed. Potential employees seemed to be most persuaded by the type of company car on offer. That no longer appears to be so important.

Recruiters need to persuade potential employees that the position they are interested in would allow them to develop their skills and their career further.

(The Negotiator, 2020)



5 | SOURCES

IBIS World - Estate Agents in the UK - Market Research Report
<https://www.ibisworld.com/united-kingdom/market-research-reports/estate-agents-industry/>

The Advisory - Propcast – The House selling weather forecast
<https://www.theadvisory.co.uk/propcast/>

National Careers Service - Explore careers: Estate Agent
<https://nationalcareers.service.gov.uk/job-profiles/estate-agent>

PrimeResi Prime Movers - London's Top 50 Boutique Estate Agencies
<https://primeresi.com/prime-movers/london-boutique-estate-agencies/>

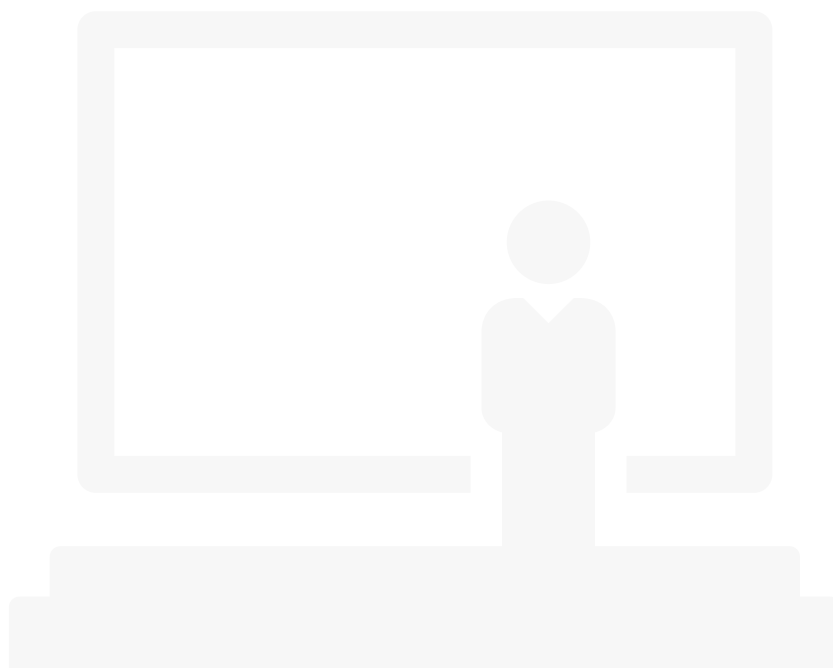
Estate Agent Today - November is crunch time for agents cashflow
<https://www.estateagenttoday.co.uk/breaking-news/2020/6/november-is-crunch-time-for-agents-cashflow--warning>

The Negotiator – Estate Agencies facing worst recruitment shortages in a generation
<https://thenegotiator.co.uk/estate-agencies-facing-worst-recruitment-shortages-in-a-generation/>

Target Jobs – Estate Agent Job Description
<https://targetjobs.co.uk/careers-advice/job-descriptions/279481-estate-agent-job-description>

The Guardian – Opening of housing market catches estate agents on hop coronavirus
<https://www.theguardian.com/money/2020/may/13/opening-of-english-housing-market-catches-estate-agents-on-hop-coronavirus>

Property Industry eye - Working from home how it has impacted the property market
<https://propertyindustryeye.com/working-from-home-how-it-has-impacted-the-property-market/>



**INDUSTRY
INSIGHTS**
 in Recruitment:
Real Estate Sector