

ANALYSIS

LEADER Liz Hamson, editor

Talk's good, now property must walk the walk

The time has come for property folk to decide if they are professionals... or the wide boys and girls they are so often portrayed as outside the industry.

Over the past decade, there has been a marked shift in how industry players prefer to be identified, just as there has with lawyers and investment bankers.

The difference is that in the latter two professions, this reflects actual change internally - albeit forced in both cases (by client demands and the financial collapse respectively). The suspicion remains that while property may have donned the sheep's clothing of professionalism, the wolf still lurks within.

Two events this week should give cause for optimism that the industry is poised for positive change.

First was the launch by the Investment Property Forum (IPF) of a new code governing how agents should behave when it comes to real estate investment (see page 12). The IPF is demanding an end in all but exceptional circumstances to the egregious practice of agents acting on both sides of an investment deal - aka double dipping.

About time too. No matter how robust Chinese Walls are, whether you are a humble estate agent selling a semi while also showing potential buyers around, or a City of London investment agent involved on both sides of a multi-billion pound portfolio acquisition, the mere appearance of a possible conflict is enough to lead outsiders to question the ethics of our industry... and rightly so.

The code is not mandatory, so there will be those who question whether it will have teeth. Some will also ask whether it goes far enough. However, it has been enough to convince Nick Leslau, who railed vociferously against double dipping in these pages eight months ago and called for a zero-tolerance

approach, but has now welcomed the code despite the fact it is voluntary and does not completely ban the practice.

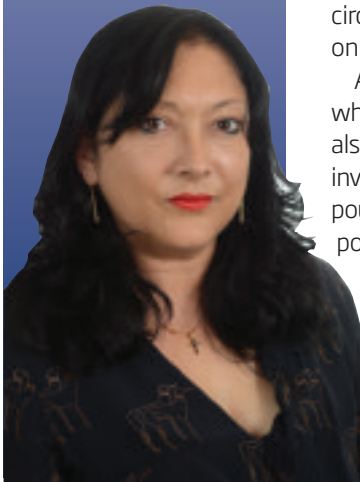
I am inclined to agree that while in an ideal world, there would be no wiggle room, the code is a good start especially if other agents follow the lead of CBRE, Cushman & Wakefield, JLL, Savills, Knight Frank and Colliers among others in signing up.

To be considered truly professional, externally as well as internally, the industry will need to follow the code to the letter. Then, perhaps it could be considered a more trustworthy profession and a more worthy choice for those starting out in their professional lives - rather than a career people only enter if they can't get into 'sexier' professions such as law or finance.

At a VIP panel discussion for *Property Week's* Open Plan campaign this week, it was telling that when the audience was asked how they had got into property, the majority answered either through the recommendation of friends and family or because they had simply fallen into it.

Hardly a ringing endorsement of property's pulling power, is it? Or a great way to improve diversity? Progress is being made, of course. It was heartening to hear of the initiatives to encourage women back to work after having families and of the mid-career support now on offer. When it comes to encouraging young people from a wider range of socio-economic and academic backgrounds into the industry, the picture was far more mixed, however, with an understandable resistance to introducing quotas in danger of stalling necessary change at best and maintaining the status quo at worst.

As you will see when you read our white paper revealing just how diverse - or not - our industry is, there is still a very long way to go.



Five most read@ PropertyWeek.com

Week ending 26.11.14

- 1 Richard Dakin joins CBRE
- 2 Hong Kong investor buys Oxford Street block for sub-3% yield
- 3 Watches of Switzerland breaks record rent for Oxford Street
- 4 Chinese insurer swoops on Milton Gate
- 5 Investment agents unveil code to curtail 'double dipping'

Which supermarket has the best chance of making a splash on the high street with its plans for new convenience stores?

- Aldi - 35.3%
- Lidl - 34.5%
- Asda - 10.9%
- None - the other supermarkets have a monopoly - 19.3%

This week's question is:

Does the Investment Property Forum report on 'double-dipping' go far enough?

- Yes - the recommendations will result in change
- No - nothing is going to change
- Double-dipping isn't a problem I've encountered

The diversity facts laid bare

■ Real estate has a reputation for homogeneity, but the case for diversity is growing. **Mark Wilding** reveals the results of *Property Week's* groundbreaking Open Plan survey

It has become almost a cliché to describe the British property industry as 'pale, male and stale'. But as with most clichés, there is more than a grain of truth to the statement.

Those working in real estate will no doubt have attended plenty of gatherings packed full of white, middle-aged men. For a long time, this was accepted simply as the way things were. Slowly, that acceptance is starting to ebb away. But has this change in attitude resulted in tangible changes to the demographic make-up of the property industry?

To find out, *Property Week* commissioned a survey of 326 property professionals to assess just how diverse the industry is. We also asked 20 leading figures what they think has been achieved to date in the drive for greater diversity - and to comment frankly on what still needs to be done. As the infographics over the next five pages reveal, the findings present a fascinating insight into the makeup of our industry in terms of ethnic minorities, socio-economic backgrounds, education, working practices and routes being taken into the industry.

The stark reality that emerged in the resulting white paper, supported by Deverell Smith, is that property companies are still struggling to recruit enough staff from under-represented groups to correct a historic imbalance in areas. Six out of 10 respondents to our survey were men and almost 90% of those surveyed described themselves as white, compared with 87% of the UK population in the 2011 census data.

Disabled people also appear to be poorly represented. Government data published this year indicated that 16% of all working-age adults in the UK are disabled, compared with just over 4% of respondents. When it came to sexual orientation, however, the property workforce appears fairly representative. Nearly 92% of respondents said they were heterosexual, with the rest describing themselves as gay men, gay women, bisexual or preferring not to say. Estimates for the UK's lesbian, gay, bisexual and transsexual population vary significantly but range between 1.5%-7%.

The survey also threw up some interesting statistics about backgrounds. Nearly 39% of those surveyed said they had attended an independent or fee-paying private school, while just a third had attended a state-run or funded comprehensive and a further 17% said they had gone to a selective state school. The vast majority had completed a bachelor's degree, master's degree or achieved chartered status and half said their parents had completed a degree-level qualification. Indeed, there was a strong sense of keeping things in the

family. More than 43% said they entered the industry through a friend or family member. By comparison, only 1.3% said they had learned about a career in property while at school.

Working practices

The survey also assessed the range of working hours and practices in the industry. The vast majority of those surveyed said they worked full-time, while around 2% worked part-time. There is also a tendency within the industry to work long hours - more than a third said they worked between 45 and 55 hours a week and nearly 17% said they worked more than 55 hours. However, nearly half said they were able to do some form of flexible working, such as working from home or flexi-time.

On the face of it, news that 70% of respondents felt their employer valued diversity is positive. However, only 61% said their employer had policies to actively promote diversity in the workplace, meaning that 39% potentially do not - and as Open Plan has argued from the outset, there is not sufficient diversity in the industry at the moment to allow for that level of inertia. Just as

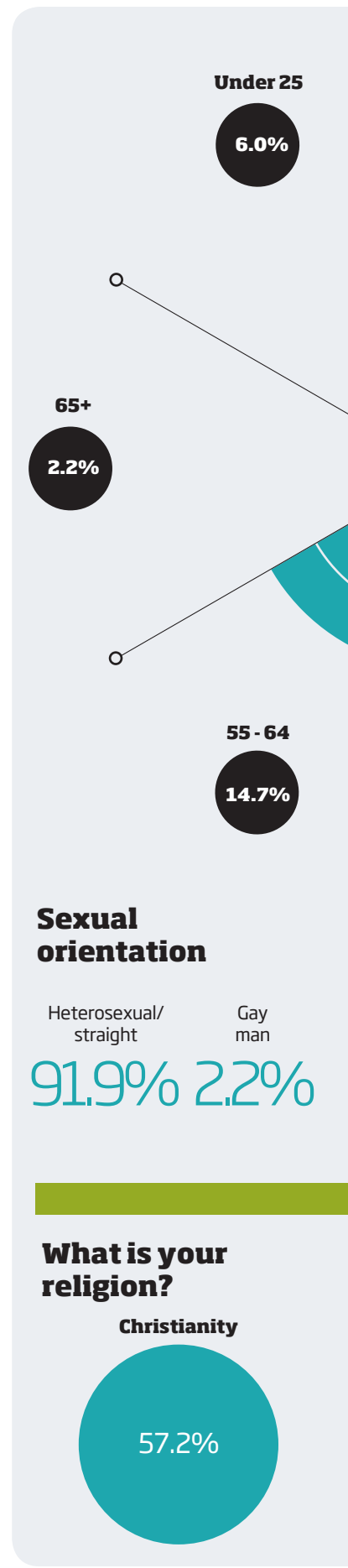
worryingly, more than 30% of those surveyed said they cared for children or other dependents, but many - more than one in five - felt unsupported by their employers. A similar number said their responsibilities as a carer were having a negative impact on their career.

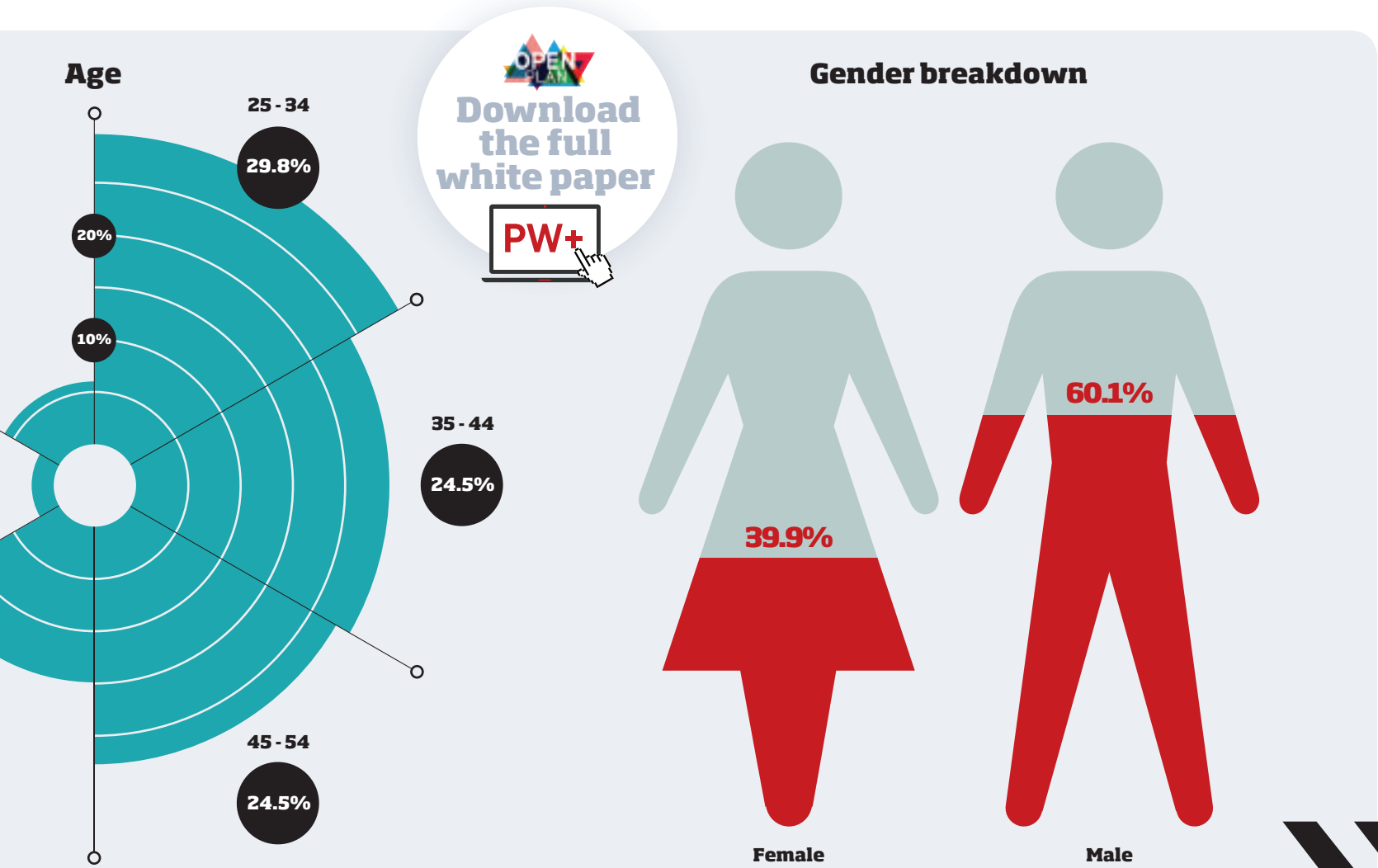
It should be recognised that the majority of those surveyed felt well-treated at work. But a significant number also noted failings by their employers. One in five felt their gender could have a negative impact on their career. Nearly 7% felt that becoming pregnant would be detrimental to their careers. Four percent felt their ethnicity could harm their prospects. These are statistics that should be a real cause for concern.

The business case

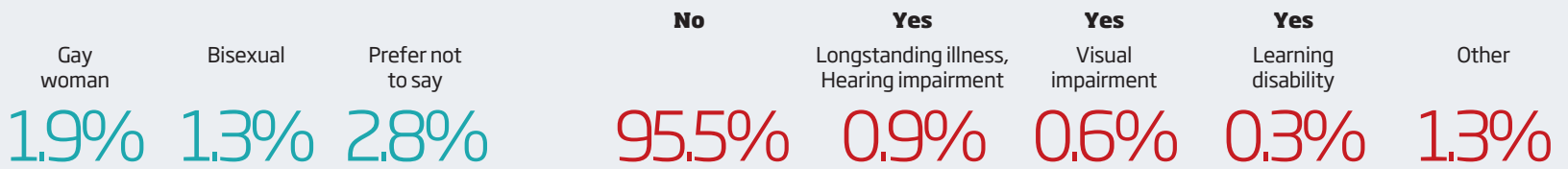
Based on the survey findings, it is clear the industry needs to recruit far more staff from minority backgrounds if it is to keep pace with other professions and reflect the UK population. Too many people still do not see property as a viable career path - and while the majority within the industry see recruitment practices as fair, these are the same majority that benefit from them; were more people from ethnic minorities surveyed, one wonders if the verdict would be so positive.

There are other factors impeding progress. While steps have been made to improve the gender balance in property, many firms still have a problem retaining women particularly to senior management level.

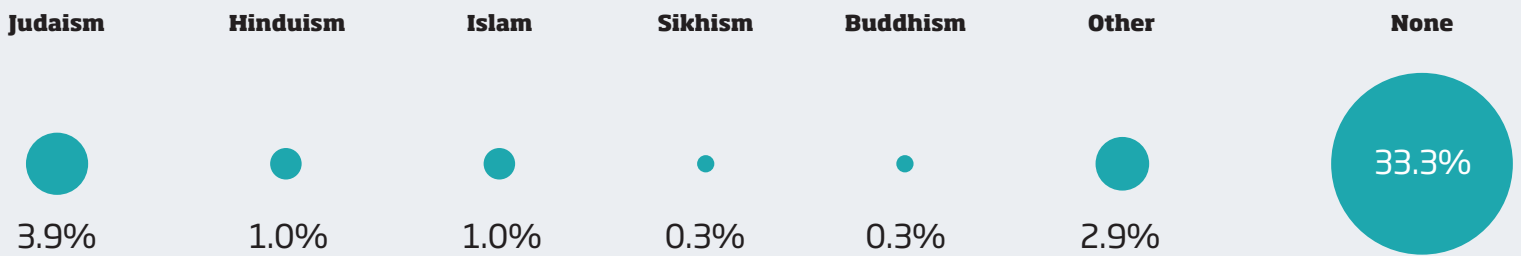
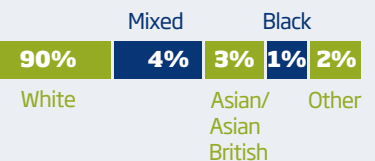




Do you have a disability?



Ethnic group



For many, the desire to improve diversity is driven by the desire to 'do the right thing'. But there is also a compelling business case. All companies must adapt to survive and there is as much of an economic as a moral imperative to build a workforce that reflects the makeup of industry clients and society as a whole.

"There is a risk in some areas of the industry that striving for diversity will become a tick box exercise," says Andrew Deverell-Smith, founder of Deverell Smith. "Recognising the talent and potential in people whatever their background, race, gender or age means opening up a wider and stronger employment pipeline for the industry's future. This needs to be treated as a real business strategy and not a buzzword."

"Furthermore, the investors in UK property are arguably one of the most diverse target markets of any industry and yet the workforce is possibly one of the least. We should be hiring a workforce to reflect the client demographic."

Further to this point, two key themes emerged in our interviews with senior industry figures. Access to the profession needs to be improved. This requires a concerted effort to publicise the wealth of property careers available and open up more routes into the industry. Of course, that is just the start. Changes also need to take place in the workplace and in the boardroom, ensuring staff that enter the industry from different backgrounds stay and are supported.

Unconscious bias

There are many excellent initiatives that have already been adopted to promote diversity within the property industry. Apprenticeships are increasingly common and groups such as Women in Property and Pathways to Property are promoting real estate careers to a wider audience. Many leading agencies have been putting considerable resources into understanding and improving staff wellbeing, tackling unconscious bias and ensuring minority groups have a voice in their organisations.

There is still a long way to go. Effective leadership is needed to ensure that the desire to improve diversity permeates throughout large organisations and that recruits from under-represented groups receive the support they need to progress. They should also be encouraged to act as role models.

Young people need greater encouragement to enter the sector and there is no better group to offer that than their peers, which is why some firms are encouraging apprentices to go back to their schools and colleges to share their experiences and spread the word.

Word of mouth should continue to play a strong role in recruitment - but with a view to improving diversity rather than maintaining the status quo. Professional bodies will also play a major role, in sharing best practice on recruitment and support.

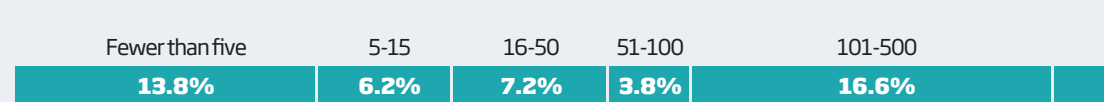
But everyone needs to do their bit - after all, it is in everyone's interest that the property industry of the future is more diverse than the property industry of today. ■

• To read the full findings of the survey download **Property Week's Open Plan White Paper** at propertyweek.com/openplan

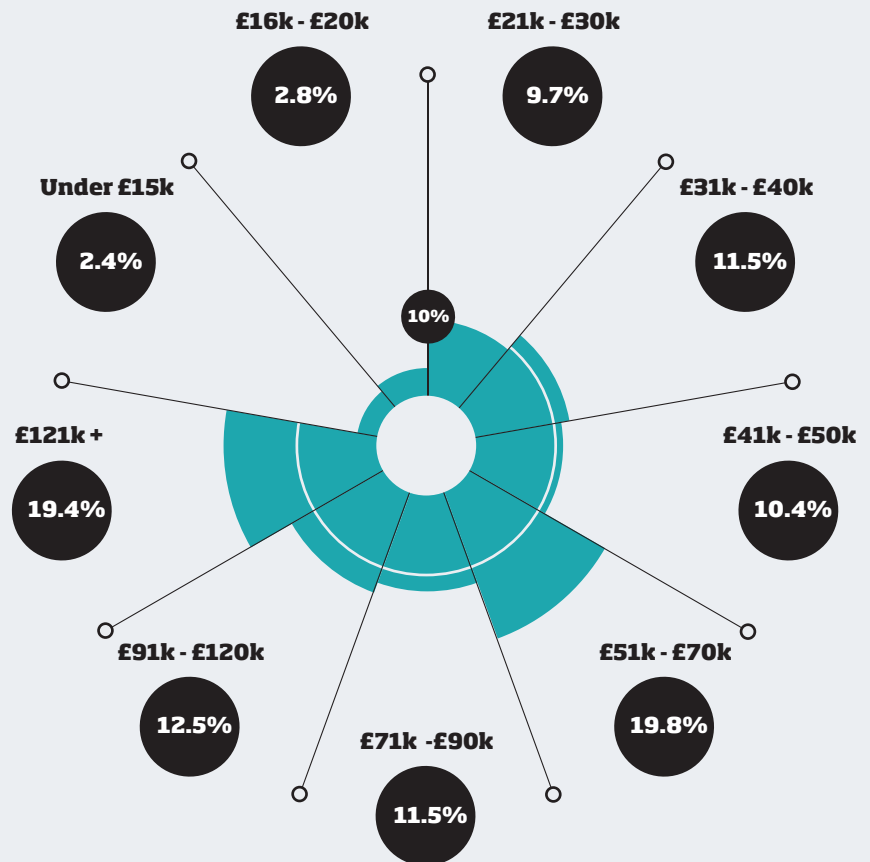
How would you describe your current role?



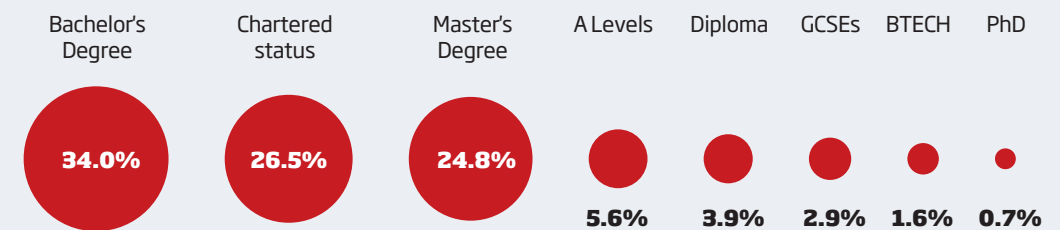
How large is your firm?



How much are you paid?

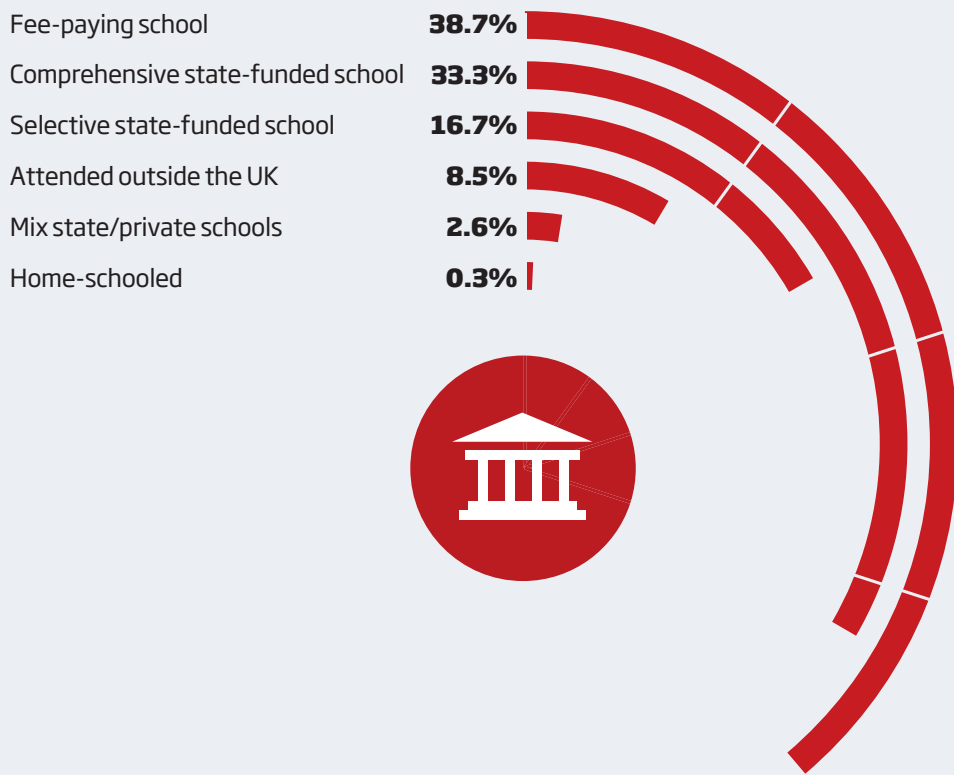


What is your highest qualification?

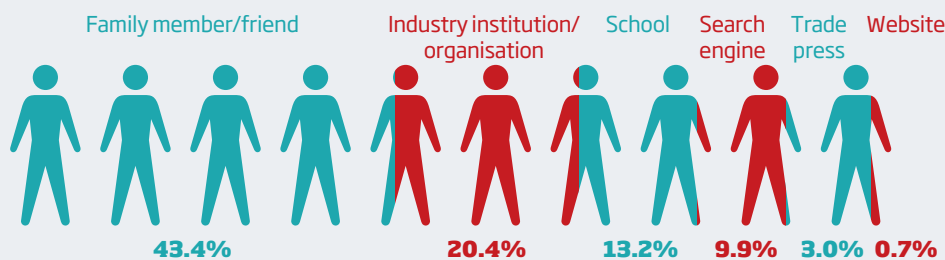


Sr manager/ dept head	Consultant/ advisor	Qualified/ chartered	Graduate	Chairman/ Chief exe	MD/ sr partner	Board member	Student member
14.5%	9.3%	8.6%	8.6%	8.6%	4.8%	3.5%	1.1%
501-1000	1001-5000	5000+ employees					
8.3%	12.4%	31.7%					

What type of school did you mainly attend between the ages of 11 and 16?



How did you first learn about a career in the built environment?



What the experts say



“The big challenge in terms of gender is persuading people to stay in the industry beyond the age of 30-35. We need to find out why they leave then. Is it because of our culture, do we make it difficult for women? We have a culture of long hours and going to the pub on a Friday afternoon, which don’t make it hugely conducive for women with children to stay in the industry. That’s what we have to correct.”

Liz Peace, outgoing chief executive, BPF



“Mentoring is a word that’s thrown around a lot, but it’s a massively undervalued activity in terms of helping people to understand how to progress. There seems to be a set of rules written out that some people get and others don’t. If you know what you need to do to get a job at least you can make a decision about whether to go for it or not. Sometimes people focus on doing a good job for a client and don’t put as much effort into their own careers. I think mentoring can play a role in stressing the importance of that.”

Rebecca Worthington, CEO, Lodestone Capital



“Some women don’t feel comfortable in the boardroom situation and feel their attributes don’t come over terribly well in that sort of setting. Maybe they prefer to have flexibility and set up their own companies and do things their own way. A lot of women have children and want to work part-time but not all companies are prepared to accommodate that.”

Susan Freeman, property partner, Mishcon de Reya



“You don’t see much diversity in terms of seeing people from ethnic groups in the property profession. That may be because it’s not a profession that young people from ethnic minorities want to go into, whereas they do seem to choose other professions such as accountancy or law. I don’t think the legal world went out and particularly targeted diversity. The property world either hasn’t been promoted or there’s a perception that it doesn’t produce the same returns.”

Manish Chande, partner, Clearbell Capital



What the experts say



“The industry has been targeting a specific socioeconomic group. It hasn't been an accessible industry for a lot of society, partly because we haven't built awareness about the industry among young people from different backgrounds. There's also been a real lack of action to address keeping women in the industry, particularly when they have families. For many years there was an inflexible approach to people returning to work.”

Guy Grainger, UK chief executive, JLL



“The industry is opening its eyes very, very quickly. There's been a massive change, particularly in recent months. Every profession is realising that diversity has to be embraced, acknowledged and addressed. I'm really encouraged by the enthusiasm.”

Louise Brooke-Smith, president, RICS



“What we mustn't do is beat ourselves up about how poor we've been in the past, but look forward to the opportunity that's out there. There's no doubt that we haven't embraced it or considered it a priority. The good news is that everybody is focused on it now and we should be judged on how we improve and to what timescale.”

Ciaran Bird, UK managing director, CBRE



“If you are involved in finance and dealing with big pension funds, they have been very focused on diversity for some time and have asked tough questions before they are prepared to do business. That approach is not something real estate in this country has been subject to.”

Chris Grigg, chief executive, British Land

PropertyWeek.com/Data

Visit propertyweek.com/data to download the full white paper and to view the interactive data



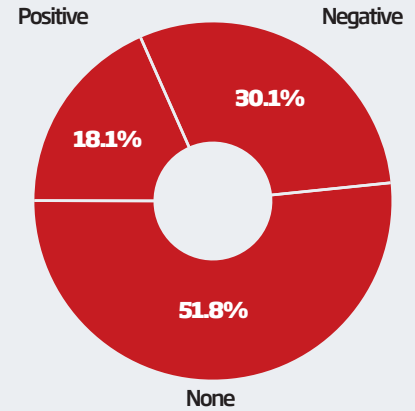
Do you feel supported by your employers regarding your caring responsibilities for dependents/children?

Yes 78.3% **No 21.7%**

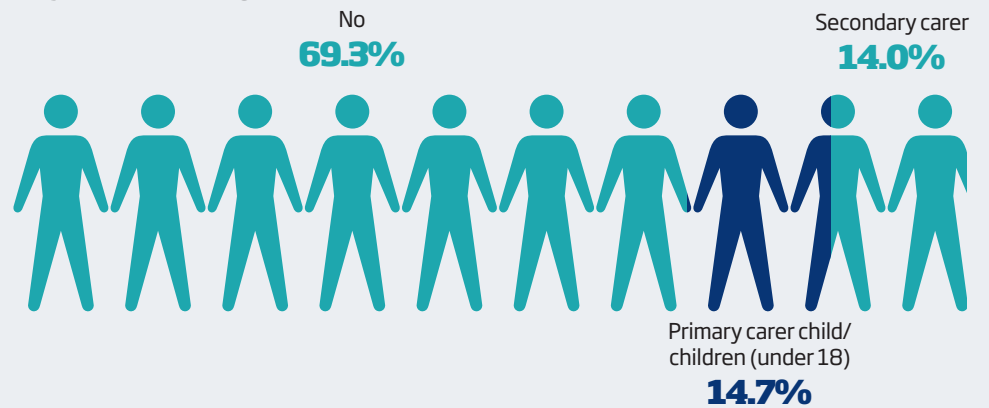
Flexible working arrangement

None	Annualised hours
56.7%	1.8%
Homeworking	Compressed hours
18.4%	1.1%
Flexi-time	Flexible shifts
7.6%	0.7%
Not available from employer	Job-share
3.6%	0.4%
Staggered hours	
2.5%	

What effect is caring for dependents/children having on your career?



Do you have caring responsibilities for children or other dependents?



Does your employer...?



Do you feel that any of the following characteristics are having a negative effect on your career?

