



**PROPERTY  
SERVICES**

NATIONAL TRAINING ORGANISATION

# A Review of Skill Needs in the Property and Housing Sectors

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**National Training Organisations (NTOs), Sector Skills Councils (SSCs) and the Housing and Property sector**

The two National Training Organisations responsible for this report are the Property Services National Training Organisation and Housing Potential UK.

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Other NTOs whose field of operation overlaps with these two are:

**CITB** Construction Industry Training Board  
**FSNTO** Financial Services NTO  
**SITO** Security Industry Training Organisation

Reference is made to NTOs/SSCs in several places in the report particularly in the table of recommendations in section 6.2. Recognition of NTOs ceased at April 1 2002, however the organisations concerned are continuing to function with transitional funding from the DfES, as the future scope of the Sector Skills Council which will take responsibility for this sector is decided. At the time of compiling this report (June/July 2002) no decisions had been taken on the scope of the relevant Sector Skills Council.

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## Preface

The issues of skills and knowledge have never been more important in both the property services and housing sectors than they are today. With improved service levels high on the agenda in both public and private sectors, employers are crying out for staff equipped with that elusive mixture of qualifications, motivation and personal skills, to make sure that they can compete in local, regional, national and international markets.

This Report is, we hope, an important contribution to the drive to influence action by educators, employers, the government and its agencies.

We should both welcome comments and offers of further involvement, as we build on the research which forms the basis of the report, and the ideas which came out of the industry-wide seminar in May 2002.

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## 1. Executive summary

- The property and housing sector is responsible for assets in the UK worth £1,250 billion.
- A total of nearly 1.3 million people work in the sector, with up to an additional half a million private landlords also involved.
- The sector cuts across the normal statistical categories used to project and measure workforces and to report on educational achievement. Care has had to be exercised in making judgements on the sector based on official statistics, and additional use has been made of statistics gathered from within the sector.
- The sector does not have a strong profile for attracting new entrants, the recruitment of new staff is a major issue for the sector, as is their retention.
- The sector is dominated by Small and Medium-sized Enterprises (SMEs) to a greater degree than the UK economy as a whole.
- The sector is strongly concentrated in London and the South East and this adds to the issues of recruitment and retention of staff.
- Major legislative and policy changes are impacting on the sector and causing changes in the mix of skills required in the sector. This is especially true of generic skills such as communications, management, customer care, and information and communication technology (ICT).
- The pool of graduates to be recruited into the sector from higher education is decreasing.
- The sector has a large number of professional bodies that have significant overlaps in membership. Their involvement and support for new developments to improve the skills of the workforce is vital.
- This report develops a vision for the sector workforce that maps out a new way of charting the career paths followed by individuals within the sector. The vision is based on an articulation of the value chain of the sector, locating each of the different groups on the value chain.

### **Recommendations address the following issues:**

- Sector identity.
- Career paths and qualifications.
- Meeting training needs.
- Technical skills, ICT skills, management skills, communication skills.
- Supply side issues.
- Age profile of the workforce.
- Sustainability.

## 2. Introduction

### 2.1 Background

This report has been prepared as part of a series of consultations with all major industrial and business sectors. These consultations - or "Dialogues" - were developed from recommendations in the 2nd report of the Skills Task Force, "Delivering Skills for All", as a means of providing better quality information on changes in skill supply and demand at a sectoral level. They draw on research undertaken by National Training Organisations (NTOs) through Skills Foresight and other projects as well as a wide range of national research on current and future skills needs. Recognising the UK remit of NTOs, these reports reflect the UK perspective, although not all the available evidence which underpins them is UK-wide. Typically, the reports do not provide a region-by-region analysis but they do attempt to illustrate any major regional differences.

The purpose of this report is to review skill needs in this sector to help with the planning and implementation of education and training provision. It is addressed to the Learning and Skills Council (LSC) and its local offices, Regional Development Agencies (RDAs), Careers Companies, and their counterparts in Wales, Scotland and Northern Ireland.

The report results from a process of consultation with the main organisations in the sector to identify the key issues, and a wide-ranging analysis of existing material on skills supply and demand, and factors influencing skill trends. It takes on board a wide range of comments received and provides a comprehensive analysis of skills needs and an authoritative statement about skill trends in the sector.

We hope the report will be useful to policy makers and planners in other parts of the United Kingdom.

### 2.2 Key features of the housing and property sector

#### 2.2.1 Identity of the sector

The Housing and Property sector combines the areas of interest of two National Training Organisations - the Property Services NTO and Housing Potential UK.

The Property Services sector includes those involved in the sales, letting, management and servicing of property - as well as those with related strategic and statutory responsibilities. Housing Potential includes those involved in managing residential property and those living in the property in the public and private sector.

The activities undertaken by those working in these two primary sectors are therefore:

Asset management	Surveying Valuation	Managing property assets	Estate management
Advising on property acquisition	Auctioneering Housing Management	Advising on property utilisation	Advising on property disposal
Tenant relations		Managing property	Managing facilities
Managing accommodation support services		Managing property engineering, maintenance and repair services	Managing environmental services

The usual basis for defining sectors is the Standard Industry Classification (SIC). The Housing and Property sectors to a significant extent cut across the sub-sector definitions used in the SIC system. Annex 2 contains a summary of the SIC system at the level of 2-digit codes. These are sub-divided further to 3 or 4 digits to give more detail.

### **Occupations are analysed using the Standard Occupational Classification (SOC).**

Many of the occupations within the sector are classified within other sectors such as: Construction, Financial Services and Business services, and most key national statistical data sources potentially relevant to the sector are not disaggregated sufficiently to identify the property and housing components.

There is further work to be done to analyse the Housing sector, particularly because the way in which statistical data is currently categorised means that much of the work force is included with occupations in other sectors, hence general statements that are made based on these are of limited value.

The Property Services and Housing sectors have set out to research their own workforces as rigorously as possible. This has been done in the following documents that are also listed in Annex 1.

- PSNTO LMI Report - Who works in Property? (January 2002).
- PSNTO sector Workforce Development Plan (February 2002).
- Qualifications Map for PSNTO (March 2002).
- HPUK Labour Market Information and Skills Foresight Report (January 2002).
- HPUK Workforce Development Plan (April 2002).
- Conjoint Workforce Development Plans of PSNTO and HPUK for Scotland (April 2002).

In the PSNTO LMI report of January 2002, an attempt is made to estimate the size of the workforce in the Property sector, making use of various data sources, and analysing the workforce within the different kinds of organisation for which they work. This indicates that the workforce in the property sector is about 645,000 across the UK, of whom 355,000 work for real estate businesses and the remaining 290,000 work for corporate bodies or in other services. The detailed table showing how this estimate was reached is in Annex 4 of this report. Housing Potential has estimated the number of employees in its sector to be about 650,000, with an additional, but unknown, number of private landlords that are not captured by statistics. These could number as many as half a million.

In preparing this report it became evident that this statistical problem reflected a wider issue, that the sector itself currently lacks a strong, coherent identity. Arguably, this is likely to affect recruitment and also the way that professionals in this sector are able to interact with their colleagues from other sectors. The need to develop a vision for the sector became apparent, and section 5 of this report describes this vision in detail.

### **2.2.2 The profile of the sector**

The Property Services NTO's Labour Market Intelligence survey of early 2002 revealed some important data about the nature of the sector in terms of distribution of enterprises.

Figure 1 below, shows the distribution of firms by size and turnover in the UK as a whole, and Figure 2 (together with table 1) shows the distribution of firms in the real estate sector. These show that for the UK economy as a whole, although small firms are in the majority, about half of employment and of turnover comes from large firms.

For the real estate sector, by contrast, the majority of the workforce and turnover is in the small companies, with large companies only contributing 14% to employment and 5% to turnover.

Figure 1 Size and distribution of UK enterprises by employment (ONS data)

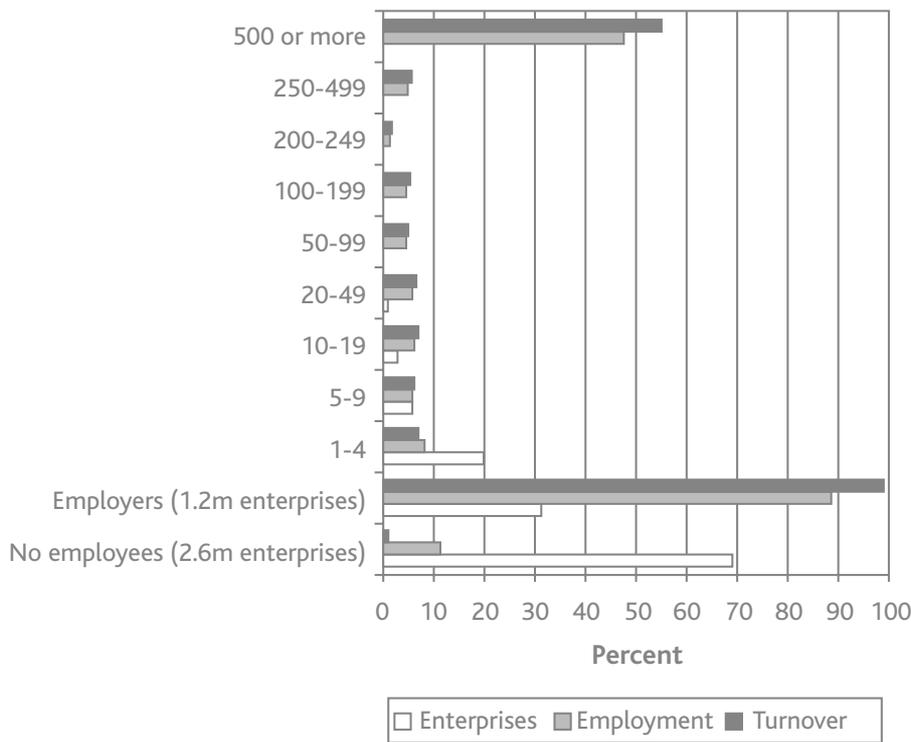
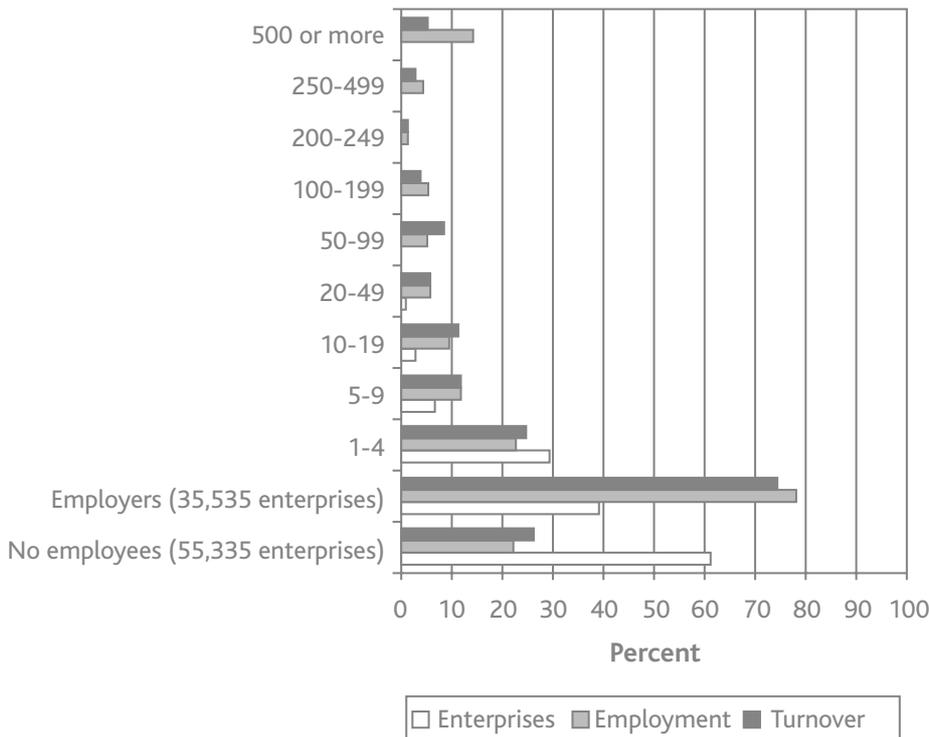


Figure 2 Size and distribution of real estate enterprises by employment and turnover (ONS data)



Note: 'No employees' covers sole proprietorships, self-employed owner managers and sole directors.

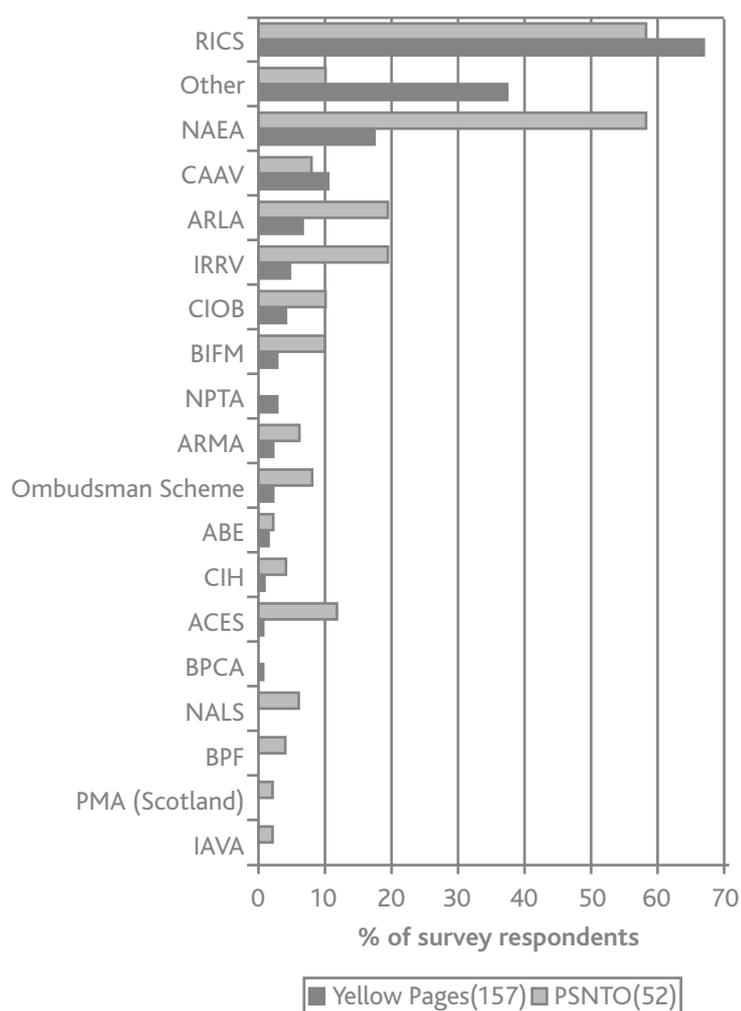
Table 1 UK enterprises engaged in real estate activities (ONS data)

	Percent			Number		
	Enterprises	Employment	Turnover	Enterprises	Employment	Turnover
All enterprises	100.00	100.00	100.00	90,870	326	39,343
No employees	60.9	22.1	25.8	55,335	72	10,153
Employers	39.1	77.9	74.2	35,535	254	29,190
1-4	29.2	22.4	24.5	26,535	73	9,629
5-9	6.3	11.7	11.7	5,710	38	4,610
10-19	2.5	9.5	11.4	2,265	31	4,484
20-49	0.7	5.6	5.7	595	18	2,226
50-99	0.2	4.8	8.5	225	16	3,342
100-199	0.1	4.8	3.6	115	16	1,433
200-249	0.0	1.3	1.2	20	4	481
250-499	0.0	4.0	2.7	40	13	1,072
500 or more	0.0	13.9	4.9	30	45	1,914

Source: ONS employment statistics 2000

The role of **professional bodies** is important in the industry. They provide important professional support and networking opportunities in a sector that is very fragmented across a large number of small companies. Figure 3 below shows how membership of the various professional bodies is distributed across the industry. This has been obtained from two different sources: the Yellow Pages Business Survey and a survey carried out by the Property Services NTO.

Figure 3 Membership of property based organisations by respondent employers



The titles of most of the organisations listed above can be found in Table 2, page 23.

The large number of “Other” bodies reflects the membership of professional bodies outside the property and housing sector.

### 2.3 Putting the report together

This report has been prepared by 5S Consulting, and is based on research undertaken by Housing Potential UK (the National Training Organisation for the Housing sector) and the Property Services NTO. These two NTOs form the core of the Housing and Property sector. Information from the following NTOs has also informed in the report: the Construction Industry Training Board (CITB), the Security Industry Training Organisation (SITO), and the Financial Services NTO (FSNTO).

Additional research was undertaken to test how the vision was perceived within the industry. This consisted of a telephone survey of 50 organisations across the whole sector. Details of the outcomes of this survey are in section 5.7 of this report.

A draft report was prepared for the event that took place in London on May 30th 2002. The intention was to enable the findings of the draft report to be tested by representatives of the industry. These came from all sectors of the industry, a range of sizes of organisations and from all parts of the UK. The findings of the research were presented to delegates, as was a description of the vision for the sector, on which delegates were invited to comment. The delegates (who are listed in Annex 5) discussed the findings and the vision in small groups and added their own concerns and comments. Their views were collected and have been incorporated into this report. The vision for the sector presented in section 6 of this report has been amended in response to the views of the participants at the event.

### 3 Demand issues

This section analyses the pressures on the Housing and Property industry that are affecting demand for skills and changing the demand for specific skills. It also analyses the views of employers on what is and will be affecting demand for skills.

#### 3.1 Occupational shifts (PEST analysis)

##### Political

The sector has to respond to, and seek to influence, the implementation of a number of key political developments. At present these include the following:

Private Finance Initiative	An increasing number of major public sector building projects are financed in this way. This entails a long-term financial and property management commitment, and engagement with the public sector, by the company owning the building.
Regulatory compliance issues	The need for property companies to ensure their staff are knowledgeable about current requirements has never been greater, with increased regulation and an increasingly litigious environment. There will be effects resulting from the recent Office of Fair Trading enquiry into Estate Agents.
Property Transfer	Changes are about to occur in conveyancing with the introduction of electronic searches by the Land registry.
Housing for key workers	The cost of housing in London and some other cities is often prohibitive for vital workers. A partial solution is for local authorities to work with Housing Associations to find ways of providing affordable housing for staff.
Best Value	A key aspect of working with Local Authorities and housing associations is the need to meet Best Value criteria - the successor to Compulsory Competitive Tendering.
Proposed reform to the home buying and selling process	The government has a manifesto commitment to introduce reforms to the home buying and selling process in England and Wales. If and when enacted, these are likely to include a compulsory Seller's Pack containing, inter alia, a Home Condition Report produced by a qualified and licensed Home Inspector.
Reform of the planning system in England, Wales and Northern Ireland	Consultation on a White Paper on planning legislation is under way. These reforms will make new demands on the skills of property professionals.
Demands for resident participation and consumer involvement.	In public housing it is increasingly accepted that tenants have the right to more involvement in decisions about their homes. The skill of working with groups of tenants in a "political" environment is one that Housing association staff will need.
Complexity of the Housing Benefit system	For many people in social housing the housing benefit to which they are entitled is their main source of income. Understanding the rules governing benefit, and keeping abreast of changes in them is essential for many Housing staff.
Large Scale Voluntary Transfer of Housing Stock	Tenants in several cities are being invited to vote to transfer their tenancy from the Local Authority to a Housing Association or similar body. There are major management issues involved when this transfer takes place.
Neighbourhood renewal and regeneration	The Government wishes to see the joined up management of services at a local level under the guidance or control of local residents. This requires housing professionals to be able to work with other professionals, under the guidance of, largely, non-professionals.

### Economic and Environmental

The role of property in business is increasingly recognized. This has recently been highlighted by the report *“Property in business - a waste of space?”* by Roger Bootle of Capital Economics, published by RICS in early 2002. This report, which reviews ways in which commercial property is managed, identifies possible savings to British industry of up to £18 billion per year by improving the efficiency with which companies manage their property. The report highlights improved facilities management, the conversion of ownership to lease arrangements and modern working practices such as “hot desking” as some of the ways in which utilization of property can be improved. Most of these methods require the use of the skills of property professionals.

The capital assets for which this industry is responsible are estimated to be approximately £2000 billion, of which £400 billion are commercial properties (as estimated in the Bootle report) and the remainder residential (based on estimates by the London Business School referred to in “Who Works in property?”, the LMI report for the PSNTO).

An increasing range of legislation with which occupiers, developers and others must comply will influence the sector. Linked to this, an ever increasing recognition of the importance of the environment will influence the work of those involved in developing and managing property. The need for sustainable development to ensure a quality environment for the future is also a key driver of change. Increasingly, managers of property have to take into account the environment within which the property is situated.

### Social

The following are some of the major social changes that impact significantly on the housing and property sectors.

Ageing workforce	The need to retrain and access continuous professional development will increase. For many companies, developing the skills of their existing workforce will be a higher priority than seeking new entrants from a smaller pool of young people
Home working	The development of the housing stock over the next generation will need to be responsive to the increase in working from home. This will impact on the work of those who sell and survey houses
Flexible working	There will be pressure on employers to respond to the increase in demand for flexible work patterns, even on relatively small companies
Single parent households	For those in the housing sector the needs of single parent households will be an increasing concern. Also, the drop in the average size of households will affect how the distribution of houses is planned in the future.

### Technological

The increased use of the Internet and Email in business and at home has a significant effect on the activity of businesses in this sector. Increasingly, Estate Agents are using the Internet to advertise properties. The move towards e-conveyancing is gaining momentum and the recent Budget announcement of measures that will pave the way towards stamp duty being charged for on-line exchanges of deeds underlines the Government’s commitment to this.

For those with technical roles in the industry the use of increasingly powerful CAD and software for drawing and other purposes means that individuals will require regular updating. The use of handheld computers will make many aspects of work on sites much more flexible, and the general use of IT solutions will be much more common.

Property management systems, whether public or private, business or residential, which incorporate the use of IT will become ubiquitous. At present, firms using IT have an edge in the market against those who do not. Soon the use of IT will be universal and IT skills will be essential for a larger cohort of the workforce. Progression towards automated on-line rent collection will ease the administrative element of this task for managing agents.

### 3.2. Characteristics of employment in the Property and Housing Sector

The data in this section comes from exercises carried out separately by the two NTOs. Estimates of the sizes of the two parts of the sector are:

For Housing, the number of employees and volunteers in the industry is estimated at 650,000. This includes an estimate of the number of private landlords for which there are no reliable statistics, but which are estimated at 500,000.

The Property Services sector employs around 645,000 people of whom around 326,000 are employed in dedicated real estate businesses. The detailed analysis on which these figures are based is contained in Annex 4. The remainder work in a range of organisations where property is either an element of a larger business or are providing a property-related service to the organisations such as facilities management, or managing property assets.

#### Male/female and FT/PT employment patterns

A survey of the housing sector revealed that 63% of the workforce is female, although men outnumber women in several sections of the workforce.

The workforce in the property sector is 51% female and 49% male. The Part time/Full time and gender analysis shows the following:

	Male	Female
FT	43%	32%
PT	6%	19%

The data available does not give percentages of women at different grades but when employers were asked whether their workforce at different grades is male, female or a mixture, there is a clear tendency for decreasing female participation in more senior posts. In 70% of companies surveyed the senior managers were all male.

#### Employment patterns, qualifications

The LMI survey of the Property sector asked about qualifications held, and of the sample of 303, 46% responded to this question. Of this sample of 141, 21% of respondents held an NVQ, the most common being Level 2. 13% of respondents held an HNC, 11% an HND, with 8% holding a BTEC level 3 qualification. 51% of respondents held a B.Sc or BA, with 12% possessing higher degrees.

Similarly the Housing sector workforce has a significant proportion of its workforce with high-level qualifications. In their LMI survey 220 organisations employing a total of 8,000 staff responded. Of these, organisations employing 4,700 staff responded to the question on staff qualifications and of these 35.5% of staff are qualified to level 3, 22.5% to level 4 and 31% to level 5. Only 11% have their highest qualifications below level 3. However, the substantial majority of Private Rented Landlords have no housing related qualifications.

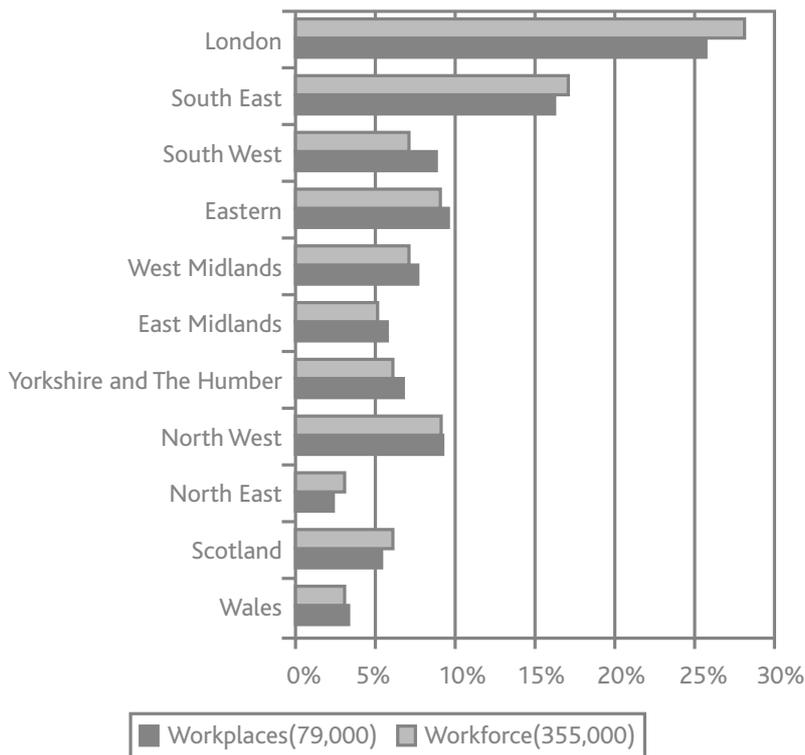
Further research is needed in both sectors to analyse the qualifications held by junior and non-professionally qualified staff.

### 3.3 Employment Trends

#### Geographical factors

The property sector has a significant imbalance in the location of its workforce. Figure 4 below shows how enterprises and the workforce in the real estate sector are distributed across the UK.

Figure 4 Regional distribution of real estate enterprises



#### Recruitment issues

In the Housing sector, 43% of the respondents to the LMI survey expressed a concern about recruitment. However, the same survey showed that the sector appears to be successfully filling staff vacancies. Nevertheless, research funded by the Housing Corporation in England shows significant problems recruiting to: maintenance/asset management; finance/accounts and support/care jobs within housing associations.

In the Property sector there is perceived to be a recruitment crisis in parts of the sector with difficulties in promotion, salary levels and competition for quality graduates. Labour turnover is reported to be high amongst support staff (31%) and technical/sales staff (25%). Unsurprisingly, retaining and recruiting staff is identified as highly important by 60% of the employers surveyed.

The geographical pressures mentioned above mean that these problems are particularly acute in London and the South-east of England.

### 3.4 Overview of skills issues

#### Job-specific, technical skills

In the Property sector employers expressed a concern about likely shortages in technical skills in staff at technical/sales level (identified by 30% of employers) and for middle managers (18% of employers). These technical skills include the skills of surveying and valuation practice.

In focus group discussions employers also expressed concerns that degree courses do not adequately provide vocational technical knowledge and there is a need for employers to “train up”.

For the Housing sector, the main “technical skill” needs identified in the Workforce Development Plan relate to legislative requirements.

Both sectors identified management skills for both middle and senior managers as a key need. In Housing, Management Development and Business Planning are two of the top six skills issues. In Property, 20-25% of employers surveyed highlighted management skills shortages in middle and senior managers.

### IT Skills

Both sectors identify ICT skill needs as a high priority. This is listed as one of the top three skills concerns in Housing Potential’s Workforce Development Plan.

In the property sector concerns about ICT skills far outstripped concerns about other areas. Over 70% of employers surveyed for the LMI survey expressed concern about ICT skills at the support staff level. The Employer Skills Survey found that for the property sector 15% of employers identify basic computer literacy as a skills deficiency, and 50% identify advanced IT or software as a skills deficiency. Comments from participants at the event illustrate this concern:

“You must instruct the ICT staff on what you really want the systems to do, not on what you think you need, in order to get what you need.”

Organisational Consultant

“ICT will become more and more the centre of things to come... there are three levels to the use of ICT -

1. Do what you have always done more quickly.
2. Do the things you didn’t have time for before you had the systems.
3. Open new areas for the organisation using ICT.”

Residential Surveyor

### Soft skills

In addition to job specific and IT skills the research identified that employers have concerns about the skill needs of their staff in a range of areas that can most conveniently be grouped together under the heading “soft skills”.

In the Property sector Communication skills both written and verbal were identified as a skills need.

The Employer Skills Survey found that for this sector:

- 24% identify communication skills as a skills deficiency;
- 21% identify customer handling;
- 21% identify team working;
- 19% identify problem solving.

The same survey found a very low requirement for basic skills training.

Senior Managers in the Housing sub-sector were identified as needing a range of “soft skills” including:

- Influencing skills.
- Advocacy, leadership.
- Working in partnership with others.
- Managing diversity.
- Entrepreneurial skills.
- Business management.
- Change management.

In addition there was significant concern expressed about the effects of Large-Scale Voluntary Transfer (LSVT) from Local Authority (LAs) control to other Landlords. The management needs of the organisations that are taking over former Local Authority housing are perceived as different from the predecessor LAs. They involve business management, the management of change, leadership and crucially, the need to change an organisational culture.

Management skills are identified throughout the sector as a concern. One indication of the need for managers to improve their skills was given by a Housing Charity Worker:

“Staff find little support from managers in social housing in general.”  
Housing Charity Worker

The problem of technical staff moving up into management grades was highlighted by a senior manager of a large estate agents:

“The trouble with a lot of surveyors who get promoted into management is that they want to carry on being surveyors, and they don’t have the skills of managing people”  
Senior Manager Estate Agents

### 3.5 How skills are changing

The skill requirements mentioned above are impacting on the sector in ways which are constantly changing. The paragraphs below identify briefly the specific changes in demand for skills that are impacting on the sector as a whole.

Throughout the property and housing sector there is, almost universally, a need to keep up to date with changes to the law and the multifarious regulations made under different acts of parliament.

The need for technical skills and knowledge updating is no less important. Many changes to working practice are dictated by technological innovation, others by new approaches to the way in which society deals with land use and the built environment.

A third, more generic issue for the sector, is that of increasing specialisation of job roles and in some instances a de-skilling of work traditionally undertaken by individuals with full professional qualifications.

Entry into professional body membership is increasingly graduate-based but even ‘cognate’ graduates require a wide amount of job specific skills training before they can be assessed as fully competent.

### Job-specific technical skills

- The requirements of more openness to customers which the various legislative changes affecting the industry are likely to require will affect the practice of technical skills.
- These changes will bring new opportunities to combine skills to offer a better service to the customer. There will be new opportunities for multi-skilled professionals.

### IT skills

- Increasing use of email communication.
- Increasing use of email for research, marketing etc.
- Increasing range of bespoke software.
- Increasing requirement for high quality presentation.
- Increasing need for advanced ICT/software skills.

### Generic, soft skills

- Understanding of property in the context of the business.
- Multi-tasking.
- Increasing need to work in multi-disciplinary teams.

In responding to these changes employers seek to provide training for their staff. The research into this response suggests that participation in training is higher the larger the company. Also, health and safety, job specific skills and management are the most popular forms of training.

### 3.6 Summary of employer concerns

For the Property sector, the priority skills that will be required by staff over the next five years as identified by employers are:

- Information and Communication Technology.
- Management.
- Legislation.
- Technical skills.
- Financial.
- Customer service.

For the Housing sector the following future skills needs of sector have been identified as:

- Legislation (including Best Value).
- Social Inclusion.
- Information technology.
- Customer care.
- Business planning.
- Management development.

## 4. Supply issues

### 4.1 Qualifications and professional bodies

There are many qualifications available in the Housing and Property sector. Many are regulated or approved by Professional Bodies that in several cases act as awarding bodies for qualifications. Most senior technical roles in the sector require an academic qualification and demonstration of professional competence. In regulating entry to the professions in the sector the professional bodies specify which academic qualifications give membership. Many of the qualifications are part of the National Qualifications Framework regulated by the Qualifications and Curriculum Authority, but some are outside the Framework. Table 2 below lists the various sub-sectors and the professional bodies associated with them.

**Table 2 Professional bodies and sub-sectors of the property and housing sector**

Sub-sector	Professional Bodies
Housing	Chartered Institute of Housing
Selling property	Association of Building Engineers (ABE) Central Association of Agricultural Valuers (CAAV) National Association of Estate Agents (NAEA) Royal Institution of Chartered Surveyors (RICS)
Letting property	Association of Building Engineers (ABE) Association of Residential Letting Agents (ARLA) National Association of Estate Agents (NAEA) Royal Institution of Chartered Surveyors (RICS)
Managing property	Association of Residential Letting Agents (ARLA) Association of Residential Managing Agents (ARMA) British Institute of Facilities Management (BIFM) Chartered Institute of Building (CIOB) Chartered Institute of Housing (CIH) Institute of Residential Property Management (IRPM) National Association of Estate Agents (NAEA) Royal Institution of Chartered Surveyors (RICS)
Managing facilities	Association of Building Engineers (ABE) British Institute of Facilities Management (BIFM) British Parking Association (BPA) British Pest Control Association (BPCA) Chartered Institute of Building (CIOB) Chartered Institute of Environmental Health (CIEH) Royal Institution of Chartered Surveyors (RICS) Royal Society for the Promotion of Health (RSPH) Chartered Institute of Building Service Engineers (CIBSE)
Managing property assets	Association of Building Engineers (ABE) British Institute of Facilities Management (BIFM) Chartered Institute of Building (CIOB) Royal Institution of Chartered Surveyors (RICS)

Surveying	Association of Building Engineers (ABE) Chartered Institute of Building (CIOB) Institute of Revenues, Rating and Valuation (IRRV) Institution of Civil Engineering Surveyors (ICES) Royal Institution of Chartered Surveyors (RICS)
Valuation	Association of Building Engineers (ABE) Institute of Revenues Rating and Valuation (IRRV) Royal Institution of Chartered Surveyors (RICS)
Auctioneering	National Association of Estate Agents (NAEA) Royal Institution of Chartered Surveyors (RICS)
Economic Development	Royal Institution of Chartered Surveyors (RICS) Royal Town Planning Institute (RTPI)
Development Control	Association of Building Engineers (ABE) Chartered Institute of Building (CIOB) Institute of Field Archaeology (IFA) Institute of Historic Building Conservation (IHBC) Royal Institution of Chartered Surveyors (RICS) Royal Town Planning Institute (RTPI)
Community Development	Chartered Institute of Housing (CIH)

#### 4.2 Qualification mapping

Housing Potential UK is undertaking a qualification mapping exercise that will be completed in Autumn 2002.

The Property Services NTO has recently completed a qualification mapping exercise, which has been supplemented by more detailed work on qualifications available in Scotland. The table below combines the results of these exercises and lists qualification by level and by area of expertise within the sector.

The qualifications have been ascribed a level on the National Qualifications Framework.

**Table 3 Qualification map for the property and housing sector**

Level	Qualification Name	Area of expertise
Level 1	N/SVQs at level 1 (Include a wide range of option units with recommended pathways for supported housing and homelessness)	Housing
	Basic or foundation awards	
	Certificates and/or qualifications for care, social care, administration, IT	
Level 2	N/SVQs at level 2 (Include a wide range of option units with recommended pathways for supported housing and homelessness)	Housing
	CIH National Certificate in Housing	
	Certificates and/or qualifications for care, social care, administration, IT	
	Selling residential property N/SVQ	Selling property
	Technical Certificate in Selling residential property (NAEA)	Selling property
	Residential Property Letting & Management Agency N/SVQ	Letting property
	Technical Certificates in Lettings and Management (NAEA)	
	ARLA 2000 qualification	
	Pest Control N/SVQ	Managing facilities
Parking Control NVQ		
Level 3	N/SVQs Level 3 (Include a wide range of option units with recommended pathways for supported housing and homelessness)	Housing
	Chartered Institute of Housing Certificates for Housing Practitioners: National Certificate in Housing (Supported Housing) National Certificate in Housing (Tenant Participation) National Certificate in Housing (Caretaking and Concierge Services) National Certificate in Housing (Benefits) National Certificate in Housing (Management and Maintenance) National Certificate in Housing (Travellers' Site Management) National Certificate in Housing (Housing Aid and Advice) National Certificate in Housing (Control / Call Centre Operators) National Certificate in Housing (Sustainable Communities)	Housing
	Edexcel Awards: National Certificate in Housing	
	Certificates in Management Studies Certificates diplomas and/or qualifications for care, social care, administration, IT	
	Pest Control Supervision N/SVQ Level 3 Parking Supervision NVQ Level 3	Managing facilities
	Property & Caretaking Supervision N/SVQ Level 3 Building Maintenance & Estates Service Level 3	Managing facilities
	Surveying Support NVQ/SVQ Level 3 Town Planning Support NVQ/SVQ Level 3	Surveying, town planning and Development Control

Level	Qualification Name	Area of expertise
Level 4	Housing N/SVQs Level 4 (Include a wide range of option units with recommended pathways for supported housing and homelessness)	Housing
	Edexcel Awards: HNC offered by BTEC/SQA/CIH Higher Award in Managing Student Accommodation Higher Award in Participation and Neighbourhood Renewal Higher certificate in Managing Supported and Sheltered Housing Higher Certificate in Registered Social Landlord Governance Higher Certificate in Student Accommodation Management Higher Certificate in Managing Supported and Sheltered Housing	
	Chartered Institute of Housing Diploma Graduate Conversion Course Diploma in Management Studies Certificates and/or qualifications for care, social care	Housing
	Certificate of Practice in Estate Agency (CPEA) Certificate in Residential Letting management (CRLM)	Selling Property
	Property Management N/SVQ Level 4	Property Management
	Architectural Practice N/SVQ level 4	Architecture
	Quantity Surveying Practice N/SVQ level 4	Surveying
	Valuation N/SVQ Level 4	Valuation
	Building Control N/SVQ Level 4 Conservation Control N/SVQ Level 4 Town Planning N/SVQ Level 4	Development Control
	A range of sector specific degrees is available. The details of these are in the Qualification Maps prepared by the NTOs.	General
	Level 5	N/SVQs at level 5
Chartered Institute of Housing Post-Graduate Diploma in Housing CIH Professional Qualification Senior management Qualifications Diploma in Social Work Environmental Health officers Certificates diplomas and/or qualifications for care, social care, administration, IT MA/MSc/MPhil		Housing
	British Institute of Facilities Management Examination Parts I and II Degree or postgraduate Diploma from BIFM accredited courses including: Postgraduate Diploma in Facilities Management, The College of Estate Management MSc/Diploma Facilities Management, Heriot-Watt University MSc Facilities Management, Leeds Metropolitan University Postgraduate Programme in Facilities Management, Sheffield Hallam University MSc Facility and Environmental Management, University College London MSc/PG Diploma/PG Certificate in Facilities Management, University of the West of England	Managing facilities

In addition, at all levels there are many who enter the industry with qualifications that are shared by other industries such as the care sector. In particular some degree programmes in other disciplines are frequently used as entry qualifications into the industry and can give partial exemption for professional body requirements.

Qualifications up to level 3 are delivered in the Further Education sector (FE), those at level 4 and 5 in the Higher Education sector (HE).

### 4.3 Major trends in Further Education

The FE sector supplies entrants to the industry at intermediate and junior levels. Data on FE enrolments and achievements is held by the Learning and Skills Council (LSC). At the level of analysis available, the data for the flow of qualified entrants into the industry is not available from the LSC database which does not show destination data of students.

The data for many of the courses listed above, for instance NVQs, are held under generic categories within which the qualifications for the property and housing sector form a small part.

A significant amount of the learning provided by FE for the industry will be undertaken under other headings such as ICT or Administration, for which the data is not analysed into industry origin of the candidate.

Therefore data on a limited number of courses has been analysed. The table in Annex 6 shows the details. These show a steady three-year decline in enrolments for the HNC in Housing Studies, and in Surveying, with a three-year increase in the National Certificate in Supported Housing. Achievement rates are high in this latter course at 70 to 80%, but with lower levels - near 50% in other areas, with a very low achievement rate, less than 20% in the National Certificate in Housing Management and Maintenance. The courses listed are mainly targeted at people already in employment

### 4.4 Major Trends in Higher Education

#### Graduate entry

The higher education system supplies new entrants to a limited number of sub-sectors covered by this report. It is an important source of supply for the following sub-sectors:

- Managing Property.
- Managing Facilities.
- Valuation.
- Legal and Financial Services.
- Community Development.
- Surveying.
- Development Control.

The Higher Education Statistical Agency (HESA) is a valuable source of higher education enrolment information that provides an indication of the supply of graduates into the Sector. The following HESA subject areas were selected as those most likely to be relevant:

- Architecture.
- Building.
- Environmental Technologies (excludes Environmental Science).
- Town and Country Planning.
- Other Architectural Studies.
- Financial Management.
- Land and Property Management.

HE Student enrolment data for Years 1996/97 and 2000/01 were selected for detailed analysis and the data is presented in the tables given below.

The key points that emerge are:

- The total number of Higher Education students enrolment in 2000/01 was 56455. This represents a 4% reduction in total numbers since 1996/97 if the change in survey methods by HESA in 2000/01 is taken into account.
- 82% of the 2000/01 enrolments are UK Domiciled students, 7% are from Other European Countries and 11% are students from other Overseas Countries. This will have a bearing on the availability of potential numbers of graduates who may enter the labour market.

**Table 4 Higher Education Student numbers (Year 1996/97)**

Subject	Registered	Total			
		FT UG	FT PG	PT UG	PT PG
Architecture	12800	7873	2755	581	1591
Building	20097	12372	548	5805	1372
Environmental Technologies	2493	1429	386	121	557
Town & Country Planning	10503	5087	1205	1623	2588
Other Architectural Studies	628	279	56	118	175
Subject Combinations	24	19	2	0	3
Financial Management	9253	3819	1005	3385	1044
Land & Property Management	3011	1756	171	674	410
<b>Totals</b>	<b>58809</b>	<b>32634</b>	<b>6128</b>	<b>12307</b>	<b>7740</b>
<b>Percentages</b>		<b>55.5%</b>	<b>10.4%</b>	<b>20.9%</b>	<b>13.2%</b>

**Table 5 Registered Higher Education Students (Year 2000/01)**

Subject	Registered	Total			
		FT UG	FT PG	PT UG	PT PG
Architecture	13945	8425	2380	955	2185
Building	17905	8355	690	6795	2070
Environmental Technologies	2340	1360	370	275	335
Town & Country Planning	9155	3850	1220	1750	2335
Other Architectural Studies	580	120	100	110	245
Subject Combinations	70	30	25	0	15
Financial Management	10005	3460	2515	2330	1695
Land & Property Management	2455	1260	210	480	505
<b>Totals</b>	<b>56455</b>	<b>26860</b>	<b>7510</b>	<b>12695</b>	<b>9385</b>
<b>Percentages</b>		<b>47.6%</b>	<b>13.3%</b>	<b>22.5%</b>	<b>16.6%</b>

- There has been a marked decline in the numbers of full-time students following undergraduate courses (23% reduction between 1996/97 and 2000/01). Part-time undergraduate student numbers have held up well probably supported by employers. This may support the view that there is increased employer concern about impending recruitment difficulties.
- The subject areas hardest hit by a decline in numbers registering for courses have been the Building and Town and Country Planning subject areas.
- The take-up of HE places by female students is low compared with the national student average. Female students represented over 30% of the total student numbers registering on courses in 2000/01.
- Postgraduate education (PE) represents a significant proportion of the total number of registered students (almost 30% of total students). This is not surprising given the large amount of Government-backed pump-priming funding (primarily through EPSRC) for postgraduate education geared to the needs of industry. PE represents an important contribution to the advanced training of professionals working in the Sector.

Figure 5 Student population by course type for Year 2000/01

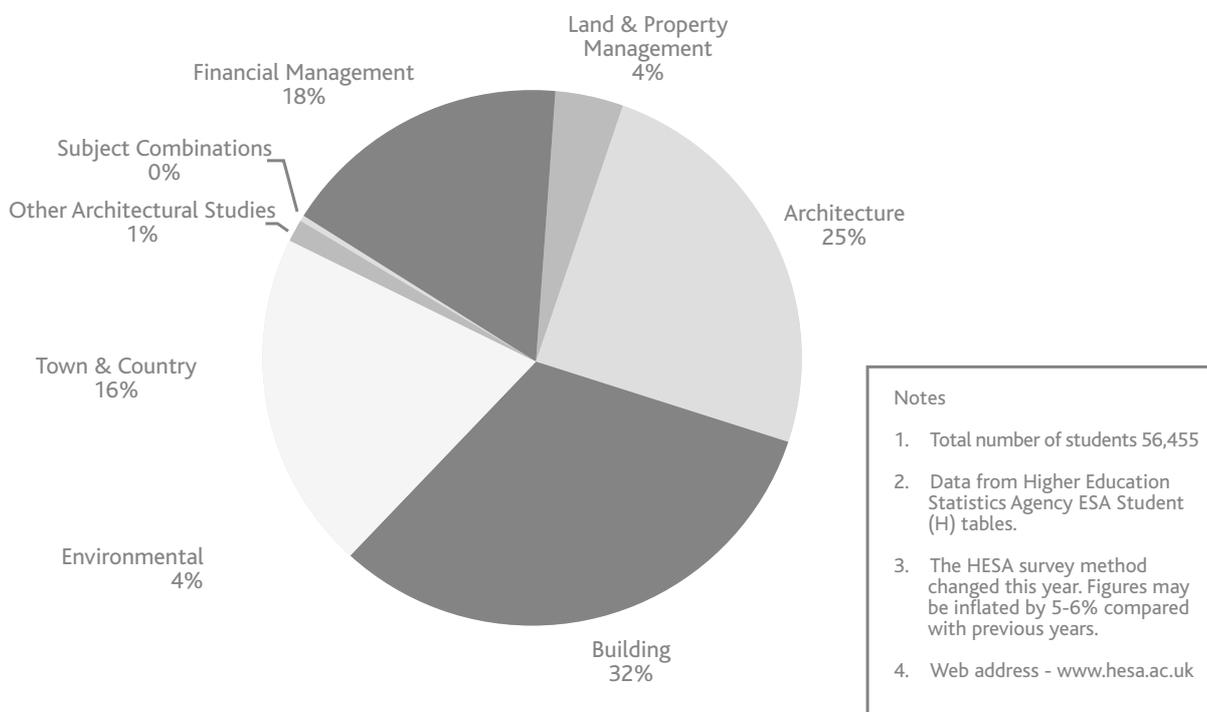


Figure 5 above indicates those subjects that are likely to be the main source of graduates entering the Sector.

The four subject areas that are likely to be the main source of graduates are:

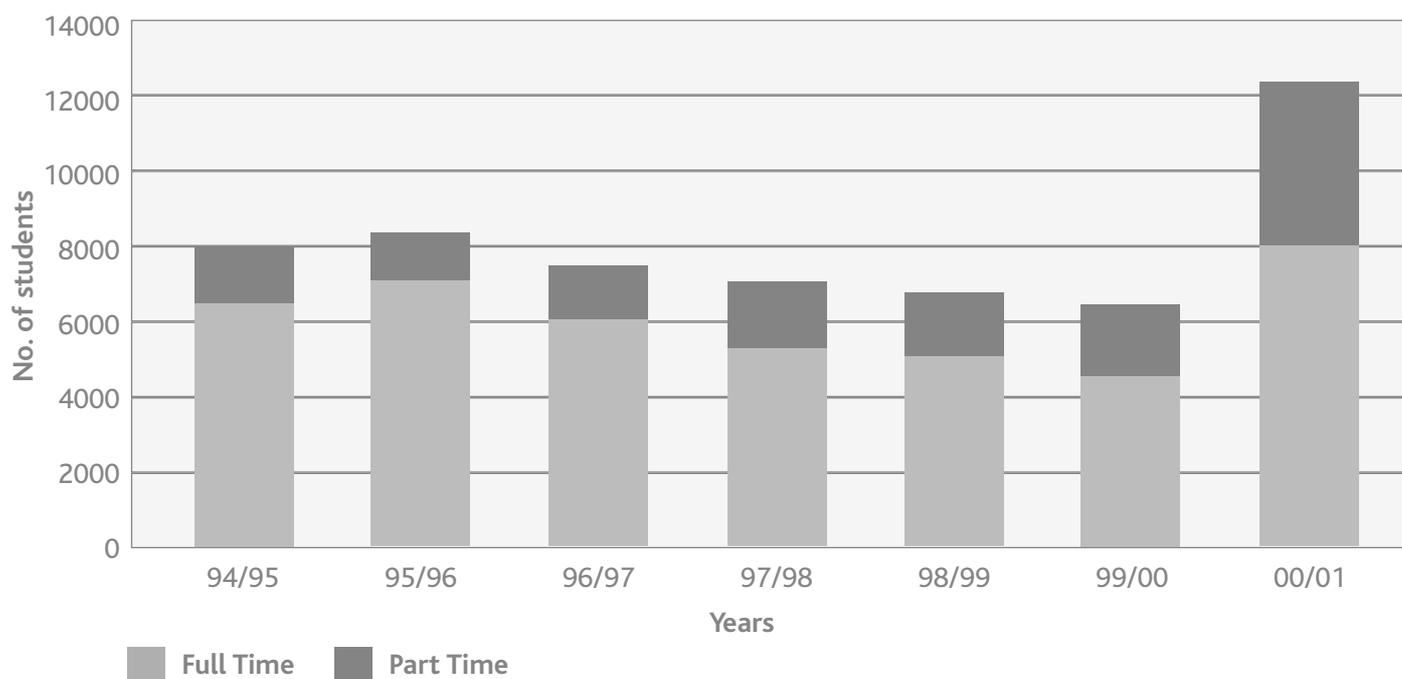
- Architecture.
- Building.
- Town and Country Planning.
- Financial Management.

Enrolment numbers are much smaller in the specialist vocational subjects of:

- Environmental Technologies (excludes Environmental Science).
- Land and Property Management.

Architecture has become a popular subject area for students and there has been an increase in actual numbers of students studying. Students enrolling for Building and Town and Country Planning are in decline which maybe due to the unattractiveness of career opportunities in these subject areas. The trend histogram below shows the changes in total numbers graduating for these subject areas between Years 1994/95 and 2000/01.

**Figure 6 Students Graduating from Architecture, Building & Planning HE courses**



In addition to the HESA data the Chartered Institute of Housing holds its own information on student registrations in Housing courses. These show a strong demand for postgraduate courses, as many entrants to the sector have general degrees which, after joining and becoming committed to the sector, need to be supplemented by sector-specific learning.

#### 4.5 Major trends in workforce development

The Workforce development plans of the Housing and Property Sector NTOs describe the major issues impacting on the sectors and identify a number of priorities for action. These are:

##### Recruiting staff to the sector

The reports note the poor image that the Housing and Property sector has, its low profile among school leavers and lack of knowledge about the sector amongst careers staff. In the property sector in particular the low proportion of women, ethnic minorities and disabled staff is a cause for concern. Only 8% of surveyors are women for example. A range of strategies is being developed, with the support of European funding to encourage more women into the surveying profession.

In the Housing sector a recent report ("To have and to hold - staff recruitment in the Housing sector", by Genesis Housing Group, April 2002) undertaken for the Housing Association sector reveals that in a survey of 101HR Directors of Housing Associations recruitment of staff is the biggest single concern. The three classes of employee that are recorded as most difficult to recruit are: maintenance/asset management (41%), Housing management (36%) and Finance Accountants (35%)

### Retaining staff

Turnover rates in the sector are perceived as too high, with the retention of skilled staff being a particular concern in areas of very low unemployment such as the South East. Less than 5% of organisations in the property industry have the Investors in People standard, and the NTO is leading the drive to improve this position.

The Housing Association survey referred to above found that retention was the second highest cause of concern amongst the HR Directors. The areas of most concern here are: Housing Management (36%), Support/care (35%) and Maintenance/asset management (23%).

### Addressing skills gaps

The gap identified in management skills is being addressed through the development of a new level 4 management qualification for the sector. The development and publication of comprehensive qualification maps for the sector will help individuals and employers select suitable learning opportunities. The establishment of the Property Learning Network in partnership with learndirect offers an alternative route to learning for employees in the industry.

### Improving the take-up of work based learning opportunities

The identification of the need to develop a range of "soft skills" (see section 4.2 below) increases the importance of work-based learning. National qualifications will be available for work-based trainers by December 2002.

Both sets of NTO research indicate that more attention should be given to lower level qualifications in the industry.

## 5 Supply/demand balance

### 5.1 Recruitment difficulties

There are difficulties reported by employers in all sub-sectors in recruiting high quality staff into the industry as a whole.

Specifically, there is concern about the ageing profile of the surveying workforce. The RICS reports that the average age of professional surveyors is 47 and rising. The strategies mentioned above to encourage more women into the profession may improve the position in due course.

A British Institute of Facilities Management (BIFM) survey in 2000 revealed that for 47% of respondents, recruitment and retention of staff was their biggest problem.

The pressure on the workforce in South East and London is particularly acute. Employers in the industry talk of a "recruitment crisis". Turnover is reported by employers (in the PSNTO LMI survey) to be particularly high amongst support and clerical staff.

### 5.2 Skills gaps and shortages

The survey of employers in the property sector revealed three major concerns of employers about skill shortages in IT skills (over 70%), management skills (20 - 25%), and technical skills at the technical/sales level and for middle managers (20 - 30%). The IT skills and management skills are discussed below. The concern about technical skills reflects the recognition by employers that keeping skills up to date is a major issue - cited by 87% of employers.

The research carried out by both NTOs indicated significant employer concerns in areas of "soft skills". This was confirmed by participants in the consultation event. Concern focused particularly on three sets of skills. These are Information and Communication Technologies (ICT), Management Skills and Communication. These are all important in themselves, but also in combination with each other. Communication, for instance is a key management skill. In addition, developments in ICT affect work practices in ways that may be perceived negatively or positively by staff.

#### ICT issues:

An example of changes in work practices is the capability of using laptops for surveyors who can then prepare reports themselves on site rather than passing on written notes on return to the office to other staff. This capability can challenge views of the appropriate roles of the surveyor and of support staff. Dealing with ICT is not simply a matter of providing training in the use of the technology, but involves addressing the effect that using the technology has on workplace relationships.

In social housing, there are opportunities to use ICT to substantially improve administrative systems.

One issue raised is how staff, at all levels, communicate with ICT specialists, to ensure that the company gets what it needs - rather than the technically easiest solution.

Another concern that surfaced is the difficulty of encouraging individuals to take appropriate ICT courses. Sometimes this is because it is often hard to judge what course is most appropriate, but often it can be because of negative attitudes towards learning new skills. There is a need for a wide variety of courses, reflecting different learning styles, and in 'safe' environments.

Employers need to be clear what their specific ICT needs are, and ensure that individuals understand why they are undertaking training.

Examples of ICT issues that are currently of concern and the subject of an RICS members' seminar in July 2002 are: e-procurement and Electronic Data Management Systems (EDMS).

## Management

On management, there are substantial issues in many parts of the sectors. There is some anecdotal evidence from those who supply temporary staff to not-for-profit housing associations that management in some associations is very poor indeed.

In common with many other professional sectors (education, medicine) the surveying profession has identified a problem with some surveyors being promoted into management roles without adequate preparation for the role, resulting in poor management of the workforce.

Also, management training needs to be packaged and focussed carefully and strategically, and related to the strategic development of the business.

## Communication skills

There is anecdotal evidence of particular problems in particular areas. Throughout the sector, staff need to be very sensitive to the needs of their customers; a residential surveyor is surveying in someone's home; staff dealing with tenants may have to deal with high levels of frustration and aggression. Therefore, communication skills and people-handling skills need to be well developed. Evidence brought out in the discussion was that they are often not adequate. The need to communicate with external specialists, especially in relation to IT is an additional communication need.

## 6 A vision for the Housing and Property Sector

### 6.1 Introduction

The concept of a vision for the housing and property sector has been derived from research undertaken for the dialogue process. It is presented here to provide a framework for presenting the research findings and to focus consideration on the direction the sector needs to take for the future.

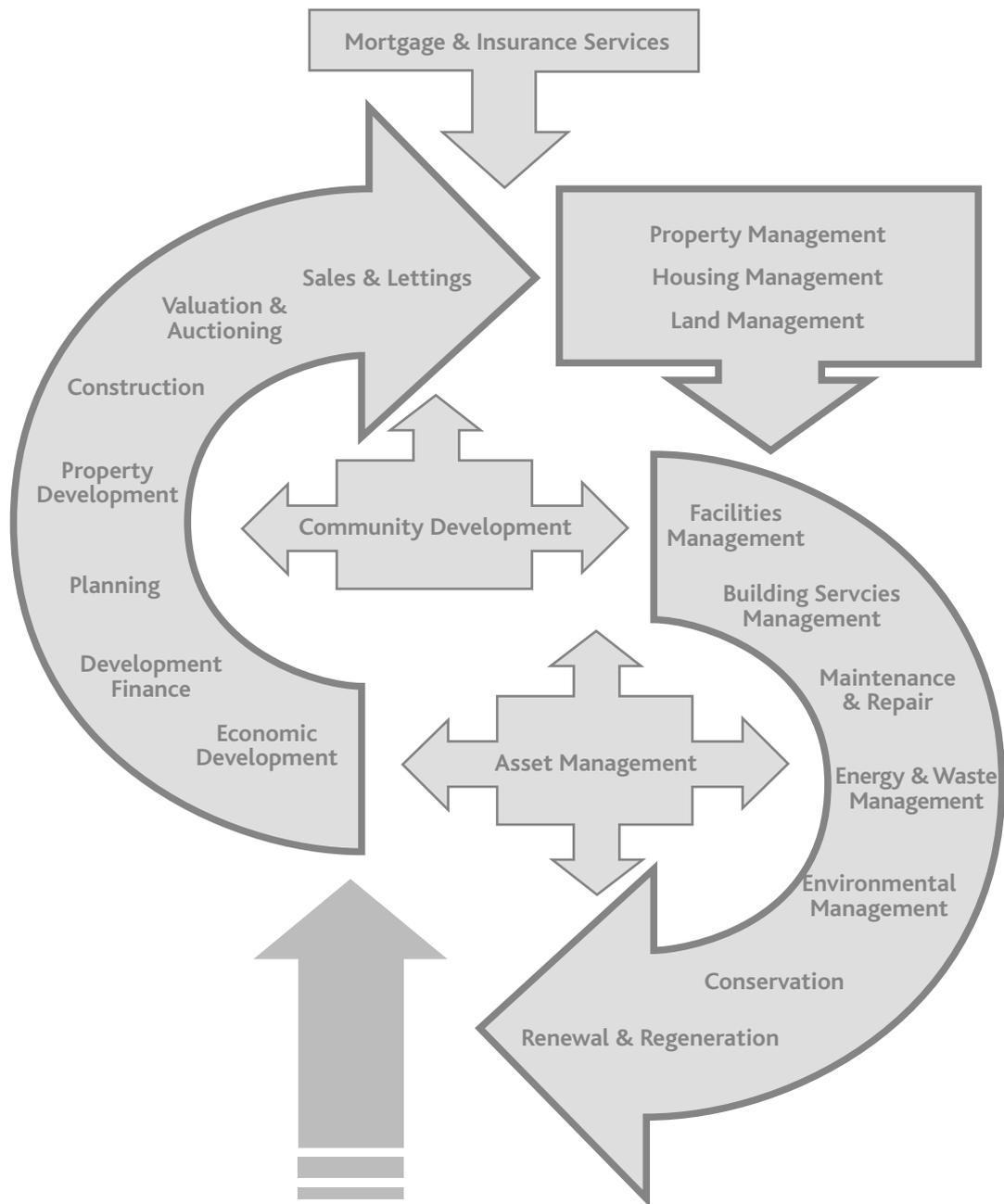
### 6.2 The value chain for property

The model for the vision reflects the value chain of property. Unlike value chain models that have been developed in sectors such as manufacturing, that for property runs over a much longer timescale. To illustrate this point is the fact that 47% of the UK housing stock was built before 1960 and the average mortgage length is 22 years.

But, property is a cyclic process and if modelled as such can clearly, and logically, incorporate all the diverse occupations that have been identified within the sector. As figure 7 below illustrates, there is a spinal sequence of activities that start with economic development, planning and development; that progresses through sales, lettings, property management, in all its many guises; and concludes with renewal and regeneration. The end of this cycle forms the beginning of the next. Associated with these core activities is a range of specialised services shown as satellites: on the one hand, there are those associated with the financing and management of property as a commercial asset and on the other, those associated with management of property as a sustainable asset in terms of the environment and the community and those who use it. For those who manage property, whether residential or commercial, the relationship with customers is one that extends over years. Within this 'value chain' model, the actual construction, maintenance and conservation of property - the construction sector - is portrayed as a service provider and not as a core function - but project managed from within the property sector.

The importance of presenting the sector in this form is twofold. Firstly it indicates where the connections and interactions lie between the components of the sector - which is essential in carrying out further analysis. Secondly, it enables an economic model of the sector to be drawn up in terms of the value added at each point of the chain.

Figure 7 The Value Chain model for the property and housing sector



## THE VALUE CHAIN IN PROPERTY

### 6.3 A vision for the housing and property sector

There are two key questions which this proposition raises: firstly, the extent to which those who manage and are employed in the sector can identify their diverse roles within the model. Secondly, the extent to which the model is seen to have value in informing a 'vision' of the sector that can form the basis for setting a new agenda for training and skills.

Some of the key drivers for this approach are already in place. Politically, the push towards greater sustainability in our management of the environment, the drive towards greater energy efficiency, safer and sustainable communities and many other related imperatives are already there. Property is not managed in isolation from its surroundings and the development of neighbourhood management and town centre management are two examples of a response to this issue. The tools are already there as well: techniques such as life-cycle costing have been around for some time, but their potential has yet to be properly exploited.

A more coherent housing and property service sector could work on a more equal basis with the construction side of the Built Environment Sector. There may be an opportunity, with a 'joined-up' property sector, to push for a quantum advance in how we design, build and service property.

#### **6.4 Is a 'vision' necessary?**

To the extent that it encapsulates a set of shared goals that those within an industry can buy into, a vision is helpful in opening up dialogue between the key players. In strategic terms, it can inform the vital task of planning the future profile of the workforce skills mix within it. A key question that arises here is whether, in applying the value chain concept, there needs to be a re-modelling of the workforce.

Our research has highlighted what many in the sector already recognise, that the present range of job-titles and professional descriptors no longer match the reality of what people do. The move towards a generic description of a 'property professional' could help move things forward.

By redefining the people within the industry as part of a 'property profession', there is a real opportunity to raise the profile of the sector in terms of recruitment. This is important for the sector if it is going to meet future challenges. It would be extremely helpful if the same standards applied to all delivering the same service. This suggests that a common framework of occupational standards should underpin the whole sector. The new Sector Skills Council will need to address this

#### **6.5 Towards the definition of the property professional**

The analysis of occupations and functions that has been carried out for the housing and property sector indicates that career pathways tend to lead initially towards:

- Advisory, consultancy & specialist services roles.
- Services management roles.
- Organisational management roles.

Subsequently, this may lead on to:

- Corporate management roles.
- Regulatory roles.

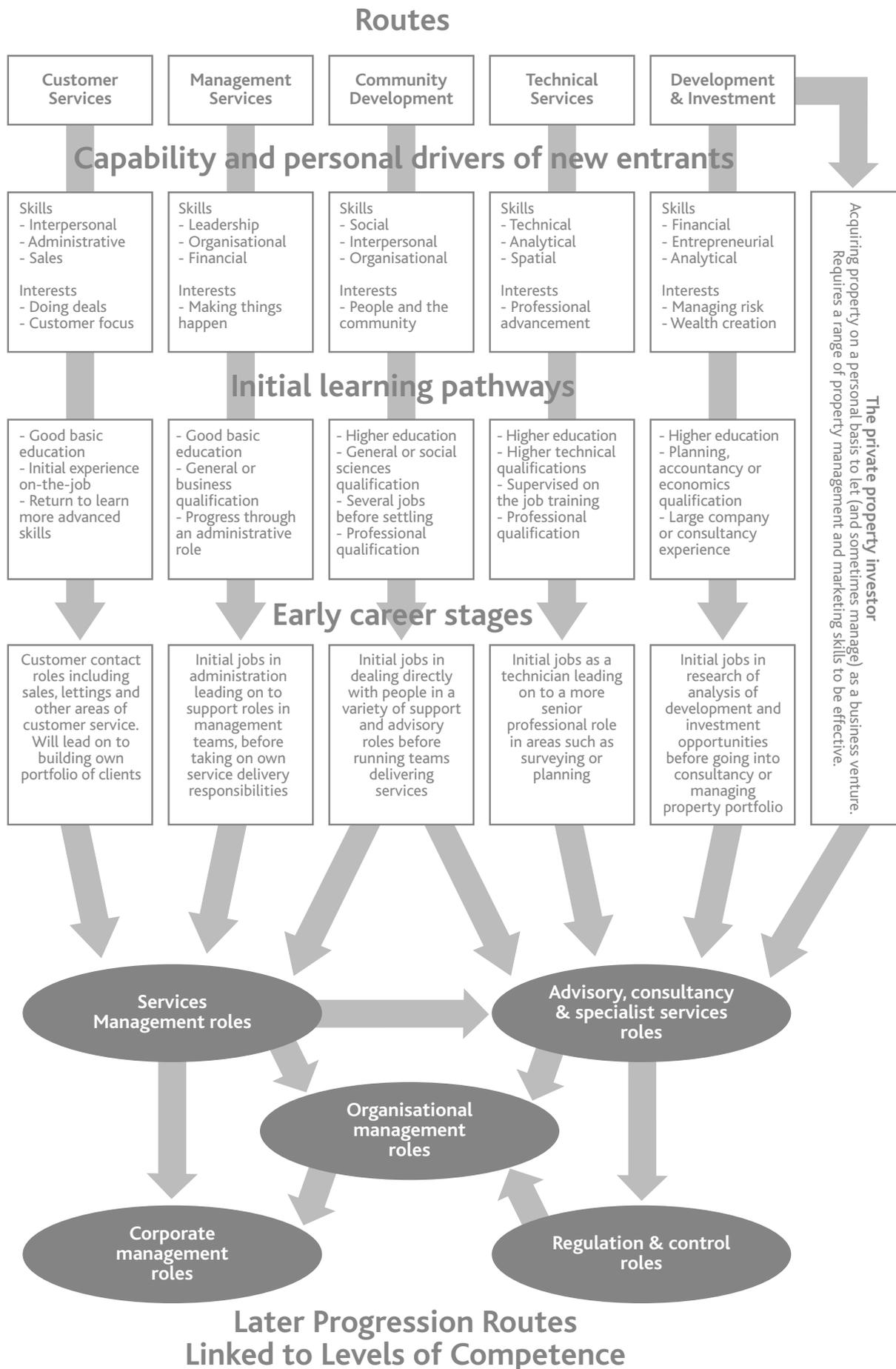
As figure 8 illustrates, people currently enter the sector down one of five different pathways. The starting points are often determined by the different interests and aptitudes that individuals demonstrate within the education system.

The career routes and pathways diagram in figure 8 could form the basis for a more rational approach to structuring education and training delivery and offer routes into a property profession that is in every way more coherent and systematic. They can also encourage mobility within the sector and enable those outside the sectors that possess appropriate generic and transferable skills to be recruited into the sector.

The Sector Skills Dialogue Group were asked to consider whether this is a reasonable proposition. The Group responded positively.

(See over the page for Figure 8)

Figure 8 Routes and pathways in the Property and Housing Sector



## 6.6 Where could re-focusing lead?

If the model is to be robust, the inclusion and exclusion of various occupational groups, which will have implications for the future detailed composition of the Sector Skills Council, will need to be addressed. Those proposing the SSC for this sector will need to consider these issues and propose a way forward with the institutions and sector bodies currently involved.

While it is not the purpose of the report to be a platform for framing a future SSC, many of the issues involved are interactive. In justifying the formation of SSCs some sectors have defined a 'footprint' that illustrates their coverage of occupational skills and the relationships this creates with other sectors.

Figure 9 below illustrates diagrammatically how some of these interactions apply.

This footprint can help a review of the qualifications available in the sector. Lower level vocational qualifications are undervalued in the sector, and there is a confusing range of higher level qualifications available as revealed by the recent qualifications map for the property sector. The question that arises is whether there should be a sector wide strategy for acknowledging these and fitting them to a single framework?

If all these were in place then there could develop an integrated property profession, analogous to engineering, which has a structure covering all qualifications within the engineering sector. To copy that structure would probably be ill-advised, but a framework that clearly defined the routes and qualification pathways into the 'property profession' would send out a clear message that the sector has arrived as a 'joined-up' entity. This would help property professionals in their work with other professionals.

Figure 9 The occupational footprint of the property and housing sector



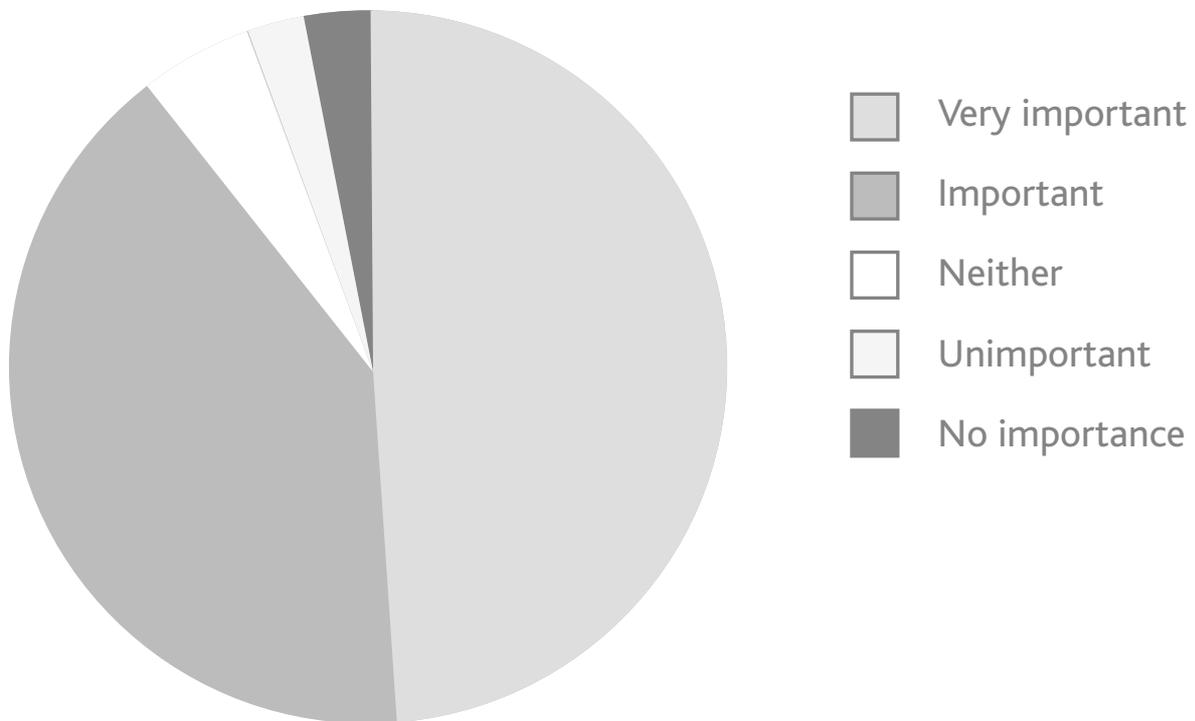
### 6.7 Reviewing the vision

As part of the preparation for the report, a research exercise was carried out to check the response of the sector to the ideas contained in the vision.

Telephone interviews were carried out with a range of respondents from the property industry, across the nations and regions of the UK. The sample included public and private sector employers, small, medium and large enterprises, and organisations in all of the different sub-sectors of Housing and Property. Respondents were asked to what extent they agreed that the sector needs a clear framework of qualifications and education/training pathways, and the extent to which they agreed that different specific pathways made sense. They were also asked how important more coherent career structures would be, in which areas they saw skills problems arising in future and what measures would encourage them to increase training activity. A total of 41 organisations participated in the survey.

The results of this exercise follow:

**Figure 10** How important do you think more coherent career structures would be?



The need for more coherent structures is strongly supported as is the concept of career pathways, which is shown in Figure 11 overleaf. Figure 12, which follows, shows the views of employers on the different pathways. The need for career pathways is also strongly supported. In case of Figure 12 few organisations actually employ staff who would use the community development pathway but even in this case there is support for such a pathway from the clear majority of respondents.

Figure 11 Do you think the Property Sector needs a clear framework of qualifications and education/training pathways?

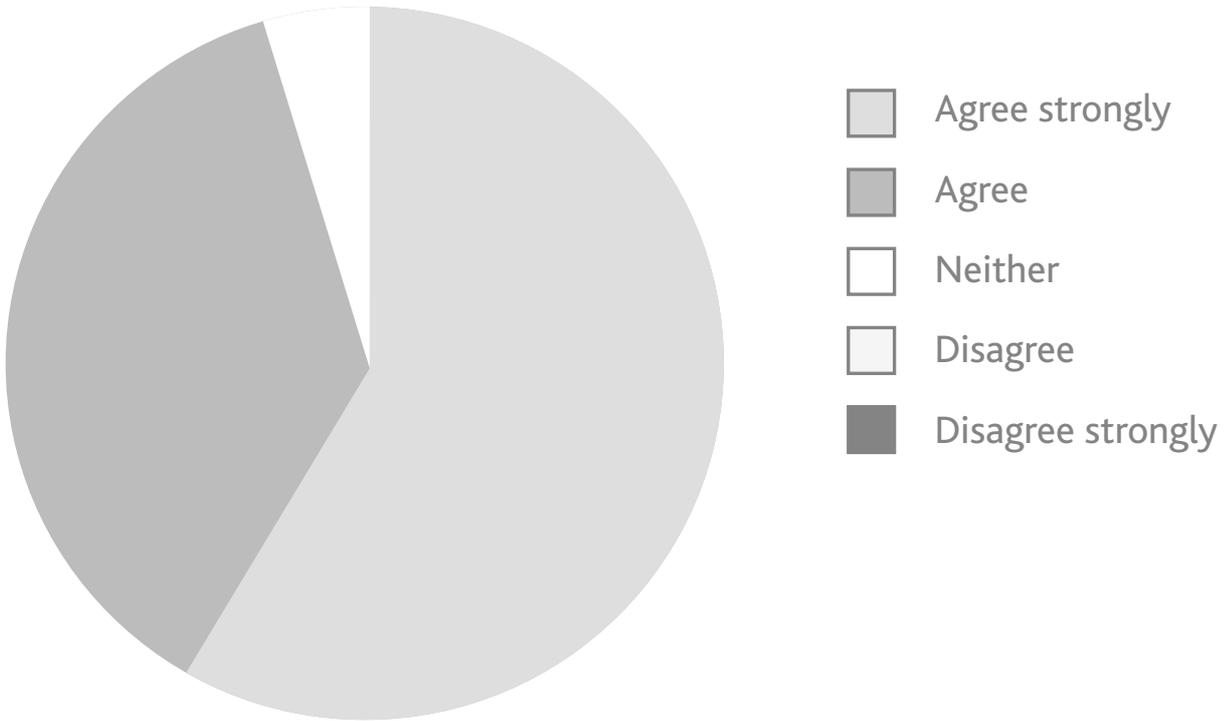
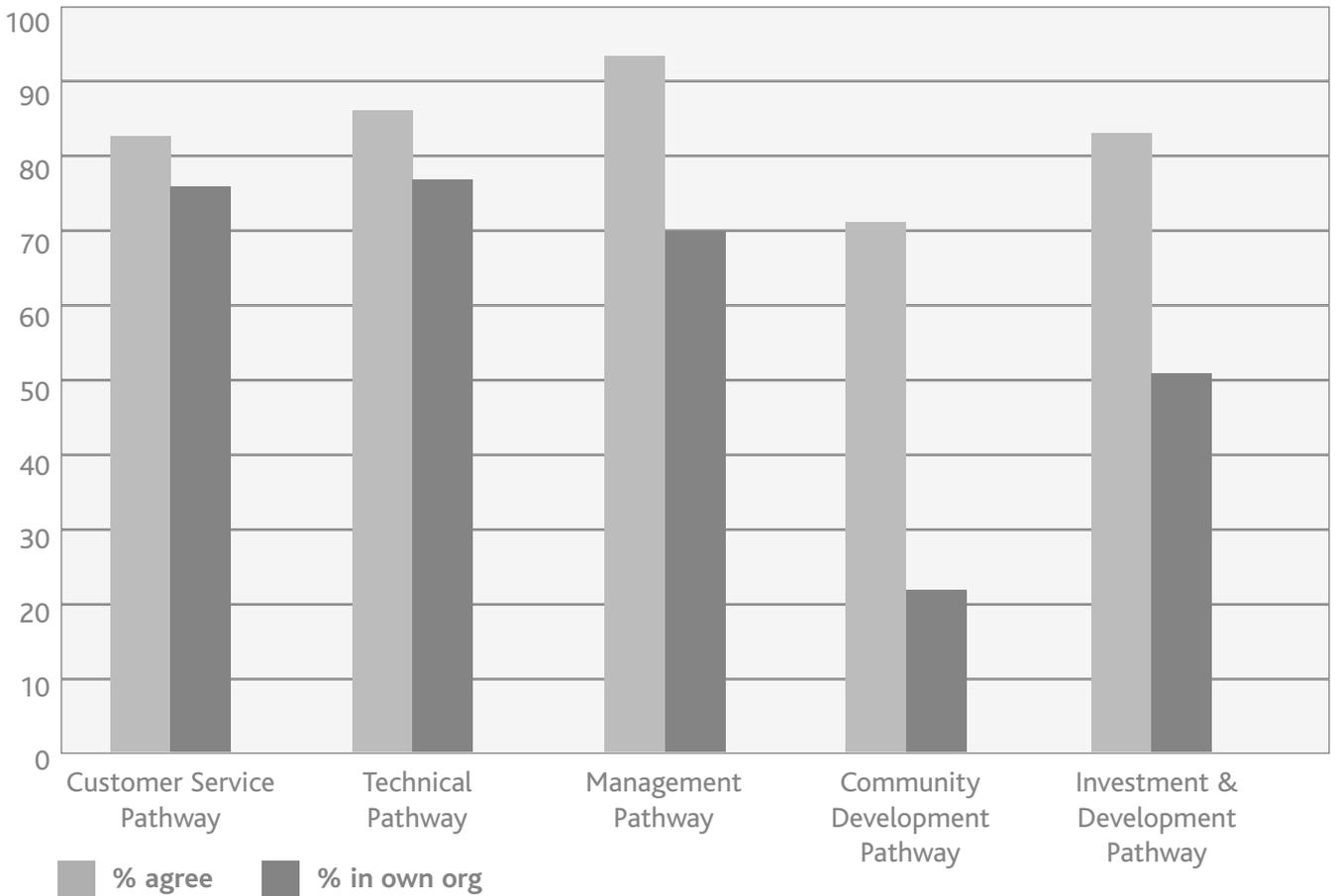


Figure 12 Employer views on applicability of industry pathways and whether they apply in their organisation



The survey also elicited a variety of views from respondents, which together with those expressed at the consultation event give a useful flavour of how individuals in the industry view specific issues.

One concern, which relates to the low profile of the industry, requires attention in schools:

“Careers officers in schools are ill informed about surveying compared with other professions.”

Manager - Surveyor’s office London

There was a divergence of views on how strongly regulated the industry should be. Several individuals felt strongly that greater regulation was necessary.

“Regulation of the sector with a standardised qualification should be fundamental.”

Proprietor Estate Agents - Wiltshire

“Entry into the property market is too easy - e.g. residential estate agency. Control exerted by professional bodies is needed. The sector needs the level of professional recognition and control applied to the law and accountancy professions.”

Manager Property Consultants - Cumberland

Linked to this was the need to ensure the qualification structure is supportive of the industry, and is clear and simple:

“Training by industry recognised organisations and the NAEA need to be more highly promoted. Estate agency should have entry “exams” and on-going qualifications as the person progresses within the corporate or independent estate agency sector. The proposed “merger” between the NAEA and RICS can only improve the public’s view of estate agents.”

Operations Manager - London Estate Agents

On the other hand, this was not felt to be such a pressing need in one of the country’s largest building societies, which has the capability of managing career paths and qualifications.

“We have designed career paths within [the company]; these paths are tied in with qualifications offered by the NAEA. This has been set out on a clear framework and encourages to learn, develop and progress within the company.”

Personnel Manager - Major Building Society

The outcomes of this small-scale survey support the view that the sector needs a more coherent framework for developing its staff.

## 6.8 Summary

To summarise the arguments in this section: the Housing and Property sector needs a much clearer vision of what it is, not only to enable it to tackle the economic and political challenges ahead but also to provide a more rational basis for defining its training and skills needs. This should lead to the development of a more coherent set of routes and pathways to qualification as a 'property professional', enhancing the career attraction of the sector to new entrants. In defining a group of qualifications to cover the whole property sector, there is a need for an inclusive framework of National Occupational Standards and also for a mechanism that encompasses all Vocationally Related Awards for the sector. This opens the prospect of an accreditation framework that covers the whole sector at all levels and that would have the authority to quality assure the delivery of training and skills.

The sector has not historically looked to government agencies for support, and the recommendations that follow in this report are focused on the sector addressing its concerns from within its own resources. However, there is a role for government agencies to play in resourcing and giving coherence to necessary initiatives, and they are highlighted in the recommendations table.

The sector realises that it is one of those that is unlikely to feature at the top of lists of sectors that are seen as priorities for economic development, nationally and regionally, but the work of the sector is vital to a healthy infrastructure which support the activities of most other sectors. This, of course is in addition to the significant intrinsic value of the sector itself.

## 7. Conclusions

### 7.1 Principal trends

- Recruitment and retention of staff is a major issue for the sector.
- The sector does not have a clear identity as a sector at present.
- Clear career pathways are not in place for all levels of staff within the sector.
- Legislative changes are having a significant effect on future skills requirements in the sector. These include housing inspection requirements for surveyors and estate agents, and large voluntary transfer of tenants in the social housing sector.
- Management of Small and Medium Enterprises is a major issue for the sector - where two thirds of staff work in SMEs.
- The pool of graduates available to enter the sector is diminishing.
- The effective use of Information and Communication Technologies throughout the sector is an area of concern.
- New competences are being developed for the sector, but more work needs to be done, especially to ensure professional bodies work together.

### 7.2 Recommendations

A range of issues emerged from the research undertaken and were discussed at the consultation event. The table below summarises the key issues, and also indicates who should take responsibility for the action required to deal with the issue.

#### Addressing the skills needs of the Property and Housing sector - themes, issues and action

Theme	Issue	Action by
1. Sector identity	The sector lacks a clear identity and it is therefore difficult to promote careers to young people as school and careers services advisers are unfamiliar with the opportunities available. A "joined up" sector should help revitalise how property is developed and managed.	NTOs/SSC Connexions/ Careers
	The value chain model should be developed further to help re-model the workforce of the sector.	NTOs/SSC
2. Career paths and qualifications	The concept of a "property professional" needs to be developed to enable a move towards a more integrated qualifications structure with identified progression routes to take place. One aim should be to increase the flexibility of career paths, and a second should be to reverse the decline in HE numbers.	Prof. Bodies  HE
	Re-badging of job roles in the sector is needed to assist in recruitment of staff to the sector. Whilst many jobs in the sector involve the type of skills of interest to many people, e.g. customer service, providing advice, it is not always clear that these types of roles are available in the sector.	Connexions/ Careers NTOs/SSC

Theme	Issue	Action by
2. contd.	Action is needed to address the difficulty of measuring qualifications in one part of the sector against others.	NTOs/SSC QCA/ACCAC/ SQA Awarding Bodies
	A common framework of occupational standards should underpin the whole sector, with core competencies defined clearly across the sector.	NTOs/SSC QCA/SQA/ ACCAC/CCE
	Leadership is needed for a sector-wide strategy to acknowledge the full range of qualifications needed and fitting them to a single framework.	Professional Bodies NTOs/SSC
3. Meeting training needs	Partners in and outside the sector must work together to address training needs. There is no single solution to training needs - various pathways including short courses, distance learning and flexible on-line learning are needed. This is particular important for a sector in which many businesses are SMEs. Work-based learning and graduate and modern apprenticeships are also important in this respect	Training providers/ LSC/ELWa NTOs/SSC
	Improving the quality of the skills and knowledge of the existing workforce is as important as attracting new recruits to the sector	Employers Training Providers/LSC/ ELWa/RDAs
4. Technical Skills	The technical skills required of professionals within the industry need constant review. The definition of the knowledge required to underpin these skills equally needs review and revision.	Professional bodies NTOs/SSC
5. ICT skills	Sector leadership is needed to advise on ICT, given the a range of views about the importance of ICT skills across the sectors, including: The threat of exporting technical work overseas where it can be done more cheaply. Several government initiatives will require a greater use of ICT skills e.g. Home Condition Reports, some aspects of conveyancing, the on-line Land Registry. Staff may not require high ICT skills themselves but will need to deal effectively with ICT consultants	NTOs/SSC  Govt Depts  Employers
	As young people join the professions they will have a far better grounding in ICT skills, which are now taught in schools and colleges as part of the mainstream curriculum. Employers need to be able to make effective use of them.	Employers
	A key issue with regard to ICT skills is to ensure that appropriate training is available to staff when new systems are introduced to organisations	Employers

Theme	Issue	Action by
6. Management skills	Employees from the technical and customer services route often find themselves in management roles as they progress in their career, but many take on these positions with little or no management skills or knowledge, and this must be addressed.	NTOs/SSC Employers
	Legislative and other large-scale changes (e.g. LSVT) require significant training and developmental support for managers	Employers Training Providers
	In certain parts of the sector e.g. facilities management, managers need to understand technical matters so that they can effectively manage staff working in these areas	Employers
7. Communication skills	Communication skills and the ability to work with others are vital across all parts of the sector. Strategies to address these need to be formulated within the sector and discussed with the main funding agencies	NTOs/SSC LSC/ELWa
8. Supply side issues	Work with the education/training "supply side" is needed. In particular professional bodies, trade associations and the NTO/SSC's need to articulate clearly the needs of employers to providers of learning to ensure that provision meets these needs	NTOs/SSC Prof Bodies Training Providers FE/HE/LSC/ELWa
	Linking the provision of private training providers to National Occupational Standards would greatly assist in ensuring that provision directly met the needs of employers	NTOs/SSC LSC/ELWa
9. Age profile of workforce	An ageing work force (average age in the surveying profession approximately 47) indicates that recruitment and retention issues are of vital concern.	NTOs/SSC Employers
10. Sustainability	Sustainability is key to a range of issues affecting property including life cycle costs, asset management and the maintenance of individual properties. It is important to take a wide view of the neighbourhood environment and community when consider property-related matters	Prof Bodies NTOs/SSC RDAs

## Annex 1 Sources of evidence

NTO-based Documents consulted include the following:

- PS NTO LMI Report (January 2002)
- PS NTO sector Workforce Development Plan (February 2002)
- Qualifications Map for PSNTO (March 2002)
- HPUK Labour Market Information and Skills Foresight Report (January 2002)
- HPUK Workforce Development Plan (April 2002)
- Conjoint Workforce Development Plans of PSNTO and HPNTO for Scotland (April 2002)
- Construction Sector Skills Dialogue Report (2000)
- SITO LMI report

Professional body and other reports

- Property in business - a waste of space? A study for RICS by Capital Economics. RICS 2002
- To have and to hold - staff recruitment and retention in Housing associations Genesis Housing Group 2002

Government documents consulted include the following:

- Employer Skills Survey
- Projection of Occupations and Qualifications

Data sources

- Office of National Statistics [www.statistics.gov.uk](http://www.statistics.gov.uk)
- National Online Manpower Information System (NOMIS) [www.nomisweb.co.uk](http://www.nomisweb.co.uk)
- Yellow pages Business database [www.ypbd.co.uk](http://www.ypbd.co.uk)
- Freeman's Guide to the Property Industry [www.freemansguide.com](http://www.freemansguide.com)
- RICS database [www.rics.org.uk](http://www.rics.org.uk)
- BIFM database [www.bifm.org.uk](http://www.bifm.org.uk)
- NAEA database [www.naea.org.uk](http://www.naea.org.uk)
- NACORE database [www.nacore.org.uk](http://www.nacore.org.uk)
- Learning and Skills Council database [www.lsc.org.uk](http://www.lsc.org.uk)

## Annex 2 Classification of Main Sectors and Industry Groups (1992 SIC)

Broad Sector Group	Industry Group	SAM Industries
1 Primary sector and utilities	1 Agriculture 2 Mining etc. 9 Utilities	1 2,3,4 27,28,29
2 Manufacturing	3 Food, drink and tobacco 4 Textiles and clothing 5 Chemicals 6 Metals, and mineral products 7 Engineering 8 Other manufacturing	5,6,7 8,9 12,13,14,15 16,17 18-25 10,11,26
3 Construction	10 Construction	30
4 Distribution, transport etc	11 Distribution, hotels etc. 12 Transport and communication	31,32,33 34-39
5 Business and other services	13 Banking and business services 14 Professional services 15 Other services	40,41,44 42,43 48,49
6 Non-marketed services	16 Health and education services 17 Public administration and defence	46,47 45

## Annex 3 Property sector - Workforce estimate by organisation type

	Organisation types			
	Property services	Property development and investment	Corporate occupiers	Other services
Private sector examples	Surveying practices and property consultants	Private and quoted property companies	Manufacturing and retail businesses	Financial services firms, pension funds
Public / not for profit sector examples	Valuation Office Agency, Land Registry, Ordnance Survey	English Partnerships housing associations, enterprise agencies	Local authorities Government, Universities, NHS	Local government superannuation funds; Education and research
Data Source:			Private	Public
ONS real estate business	90,870			
ONS real estate workforce	326,000			
NOMIS real estate workplaces	79,000			
	31% 24,000	69% 55,000		
NOMIS real estate workforce	355,000			
	40% 142,000	60% 213,000		
Other evidence for workforce distribution:				
2001RICS and McDonald Company salary survey	38%	5% investment/ development 4% Non-profit		2% education 4% financial services
RICS member records	51%	26%		21% 2% education
Say RICS distribution	50% 45,000	5% 5,000	20% 20,000	20% 20,000 5% 2,500
Estimated total property workforce based on NOMIS	645,000			
	355,000		290,000	

Source: Who Works in Property? LMI Survey of the Property Services sector, Jan 2002, Gaye Pottinger, Table 5.1

## Annex 4 Retention and achievement rates for FE courses for the sector

Qualification title	Qualification title (all)	Notional level	Duration	Total starters	No. completed	Retention rate	No. achieved	Achieved (all starters)	% Achievement rate%
National Certificate in Supported Housing	National Certificate in Supported Housing	2	1 year	108	101	94%	90	83%	89%
	National Certificate in Supported Housing	2	1 year	153	134	88%	106	69%	79%
	National Certificate in Supported Housing	2	1 year	187	163	94%	149	80%	92%
National Certificate in Housing Management and Maintenance	National Certificate in Housing Management and Maintenance	3	1 year	97	54	61%	3	3%	6%
	National Certificate in Housing Management and Maintenance	3	1 year	64	39	76%	11	17%	28%
National Certificate in Housing Studies	National Certificate in Housing Studies	3	2 years	168	108	79%	82	49%	77%
	National Certificate in Housing Studies	3	2 years	171	95	73%	79	46%	84%
	National Certificate in Housing Studies	3	2 years	151	91	73%	76	51%	84%
HNC in Housing Studies	HNC in Housing Studies	H	1 year	54	39	87%	12	22%	57%
	HNC in Housing Studies	H	2 years	274	190	75%	150	55%	85%
	HNC in Housing Studies	H	2 years	249	163	69%	139	56%	85%
	HNC in Housing Studies	H	2 years	229	160	85%	112	52%	73%
HNC in Land Administration	HNC in Land Administration	H	2 years	50	30	82%	18	36%	69%
	HNC in Land Administration	H	2 years	57	45	86%	39	68%	87%
CIOB Certificate of Competence in Computing and Surveying	CIOB Certificate of Competence in Computing and Surveying	X	1 year	547	404	86%	314	58%	84%
	CIOB Certificate of Competence in Computing and Surveying	X	2 years	82	19	77%	12	15%	71%

Qualification title	Qualification title (all)	Notional level	Duration	Total starters	No. completed	Retention rate	No. achieved	Achieved (all starters)	% Achievement rate%
	CIOB Certificate of Competence in Computing and Surveying	X	1 year	364	257	85%	225	63%	89%
	CIOB Certificate of Competence in Computing and Surveying	X	1 year	218	178	83%	121	56%	79%
Mortgage Advice and Practice Certificate	Mortgage Advice and Practice Certificate	3	1 year	66	42	64%	17	26%	40%
IRRV Full Professional	Full Professional	H	1 year	66	59	89%	22	33%	40%
National Wardens Certificate Course	National Wardens Certificate Course	2	1 year	172	138	94%	117	68%	91%
	National Wardens Certificate Course	2	1 year	70	67	96%	48	69%	92%

## Annex 5 Consultation Event - Southwark Cathedral - May 30 2002 - Delegates

Rodney Amster	5S Consulting
Tony Atkinson	Chartered Institute of Housing
Jill Blacklin	QCA
Peter Bush	The Housing Corporation
Stephen Callaghan	Habitus
Pamela Cowen	Northern Counties Housing Association
Catherine Diamond	Mann Weaver Drew
Hugh Dunsmore Hardy	NAEA
Valerie Everitt	BIFM
Richard Foxwell	PSNTO
Hilary Grayson	SAVA
Sean Haacke	Habitus
Joy Hammond	Hertfordshire Learning & Skills Council
Andrew Hannan	DTLR
Kate Hargreaves	HERA / Property People
Edward Hartill	Corporation of London
Mark Hayward	Aitchison Raffety
Christina Hirst	PSNTO
Katherine Howard	Charity People
Linda James	Chesterton
Liz Kingdom	PSNTO
Huw Kyffin	5S Consulting Ltd
Simon Kyte	Skills Insight
Mark Lacey	Genesis Housing Group
Ruth Lilley	NAEA
Geoff Maybank	Ryder & Dutton
Samantha McDonough	RICS
Peter McKendrick	Habitus
Jill Murray	RICS
Dave Paveling	Centre for Sheltered Housing Studies, Cornwall College
Gaye Pottinger	College of Estate Management
Chris Rispin	Allied Surveyors
Alastair Robertson	5S Consulting Ltd
Robin Rolfe	COTAC
Karen Sallows	SEETEC
Neill Schofield	Schofield Associates
Chris Sharrad	Colleys Surveyors
Paul Smith	Housing Potential (UK) Ltd
Sue Stevens	IRRV
Patrick TaylorMartin	DfES
Pipyn Trustram Eve	Chartered Surveyors Training Trust
Sarah Tun	Guild of Professional Estate Agents
Roger Turner	York Consulting
Dene Warren	D R Warren Associates
Philip Westwood	University of Brighton
Vikki Williams	PSNTO



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