

Media Release – Avdiev Property Industry Remuneration Report © 2017 – October Update Property Markets Remuneration

Property Industry business conditions – it's getting better all the time

Findings in the Avdiev Property Industry Remuneration Report 2017 October Update

- Avdiev Report subscribers detail ongoing excellent business conditions, only 5% are worse off than a year ago
- Fund management industry reports returns on investment and property valuations growing strongly
- Construction companies are reaping the rewards of using slow times to prepare for current high demand for services in a time of an increased infrastructure spend
- A highly competitive market for building and construction staff has escalated, especially in NSW, turnover is high
- The talented young are mobile, in high demand and attracting highest pay rises and promotion offers
- Remuneration rises have been highest in the Property Development and Property Investment & Funds Management market sectors
- Retention of staff is difficult, targeted subscribers are implementing strategies to repel headhunters
- Counter offers, matching pay of existing staff to new recruits, one off bonuses to stay are popular
- The predators pay a premium to recruit, offer sign on bonuses and equity to attract new senior executives
- Women are prized recruits, but nearly 50% of subscribers find it hard to attract and retain front line women executives
- Most companies offer women flexible work and leave arrangements, training and personal development
- But gender pay equity and promotion still an elusive target for many women

“You can't keep a busy property industry down” said Rita Avdiev, Managing Director of The Avdiev Group, remuneration consultants. “It's getting better all the time, but good times bring with them talent shortages, headhunter attacks on desirable recruits with outrageous offers to move. Both old and young are targets. Loyalty flies out the window when you've been left behind and a 20% pay rise is on offer with a rival”.

The benign business conditions are industry wide. Only 3% of subscribers reveal doing very badly, and only 5% worse than last year. The others report ongoing stable business conditions and doing well and very well.

Property industry remuneration has reflected the improving business conditions. There has been a significant expansion of pay rise ranges, with salary rises in the Property Investment and Funds Management market sector ranging from 1.8% to 12% and 1.5% to 16% in Property Development. Even the Retail sector, enduring challenging times, had to give rises to its productive and successful staff, especially in leasing.

This is in contrast with the 1.8% increase for the year to May 2017 (ABS) for the general workforce and a CPI uplift of 1.9% to June 2017.

The latest Avdiev Remuneration Report 2017 October Update, the product of a formal Australia wide survey of property, investment, development and construction employers and design and building consulting companies, finds that junior staff have been the winners in the pay stakes again.

The median annual pay rises have varied since last year by seniority of staff. The juniors have sprinted ahead, they are the tech savvy, energetic, open to new ideas, systems and processes, and capricious future of the industry.

Following the push for gender equity in the industry women are at last being recognized as valuable employees with contributions and skills to match and complement their team members. There is a shortage of women recruits, and companies are going to great lengths to get them on board. But gender pay equity and early promotion are still scarce.

“What comes next?” asks Rita Avdiev. Every year the forecast for the next pay review remains modest and subdued. But reality bites with the prospect of team dislocation and continuity disruption. NSW building and construction staff are prime targets. “Sourcing young talent from competitors has become a blood sport” she says. “When you are faced with making counter offers to staff being lured away by headhunters with promises of mega rises in salaries and ready or not promotions, the threat loosens purse strings and the pay goes up.”

All sectors are targeted. Companies with foresight have already raised salaries and bonded their staff into competent and productive teams where the sense of achievement is a significant part of the reward.

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