



Manpower Update Report

Real Estate Services Industry

2017

Real Estate Services Training Board

ACKNOWLEDGEMENT

The Real Estate Services Training Board (RETB) would like to express thanks and gratitude to industry experts who participated as members of the focus group and contributed their time and offered valuable views on the manpower situation in the focus group meeting for the real estate services industry. The opinions they made have formed an integral part of this update report.

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Introduction

Background

The Real Estate Services Training Board (RETB) of the Vocational Training Council (VTC) was set up in 1998, responsible for determining the manpower situation and training needs in the Real Estate Services Industry (RESI); and for recommending to the VTC, employers and other interested parties measures to meet the demand for trained personnel in the industry.

The RETB conducts manpower survey once every four years, supplemented by manpower update through desk research and focus group meetings, so as to better reflect the dynamics of job market of the industry.

Objectives

The objectives of the manpower update are to understand the following issues of the industry:

- (i) The latest trends and development;
- (ii) the job market and training needs;
- (iii) the recruitment difficulties;
- (iv) the job requirements; and
- (v) the market remuneration.

Methodology

Overview

To collect a holistic manpower information of the real estate services industry, a triangulation approach is adopted by the RETB through conducting full manpower survey, supplemented by periodic update by focus group meeting and desk research. For the purpose of this update report, only focus group and desk research will be covered.

Focus Group Meeting

The focus group meeting is intended to collect experts' view on the latest trend and development of the industry's manpower, training needs and recruitment difficulties, etc. The focus group members are representatives from four branches of the real estate services industry, including: Real estate development; Property management and maintenance; Estate agency; and Estate surveying, valuation and consultancy.

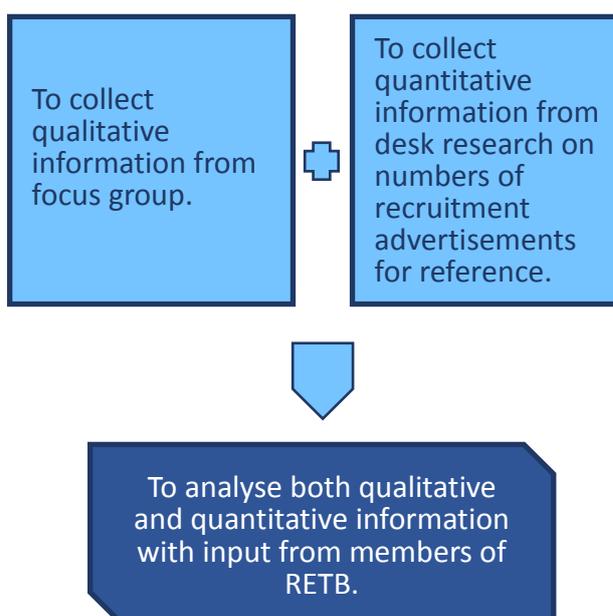
The focus group meeting was conducted in October 2017 and moderated by an experienced moderator of a consultancy firm who led the respondents to participate in an in-depth discussion on relevant topics in the discussion guide prepared before the meeting. The meeting was recorded and transcribed to facilitate for analysis.

Desk Research

Manpower information covering the period between October 2016 to September 2017 was collected through desk research by quarter. The information includes the number of job advertisements, required competency, qualification and experience, market remuneration, etc. An integrated database was being developed to capture the relevant recruitment data from the major online recruitment portals. Over 300,000 recruitment records of various industries were collected during the research period. Mapping was made with the list of related companies under the Hong Kong Standard Industrial Classification for removal of any duplicated records.

Data Analysis

The analysis consists mainly of the following three steps:



Limitations

As this is not a full manpower survey, the findings and recommendations of the focus group meeting are more qualitative in nature and the report is mainly focused on the manpower trend. The information of job vacancy advertisements was collected from major recruitment

websites and Labour Department, while other channels such as newspapers were not covered. Since the data collected is a snapshot of a particular period without reference to any historical data, this can only serve as reference information supplementary to the findings of focus group.

Findings

Factors Affecting the Development of the Real Estate Services Industry

Technology

Mobile applications, incorporating the augmented reality (AR) and virtual reality (VR) technologies, are widely used in the estate agency sector to facilitate clients to screen and select their ideal properties that they would like to visit in person.

The property management and maintenance sector adopts electronic security and smart devices to help safeguard clients' properties against a wide range of potential hazards, including crime, fire, accidents, sabotage and attack.

Big data is also commonly used by these two sectors so as to enable them to conduct customer analysis and segmentation for formulating future marketing and promotion strategies.

Public Policy

In the policy address of 2014, the Government adopted a supply-led Long Term Housing Strategy and projected a housing supply of 280,000 public housing units and 180,000 private housing units for the ten-year period from 2017-18 to 2026-27. This policy also indicates a substantial manpower demand by the industry.

Smarty City development can improve people's daily lives and make Hong Kong a more liveable city. In its policy address of 2017, the Government has committed to develop Hong Kong into a Smart City by using innovation and technology to enhance city management and improve people's livelihood. It is anticipated that more new technology will be adopted in estate development, such as the

development of smart homes and smart shopping malls.

Legislation

With the enactment of the Property Management Services Ordinance in 2016, any personnel engaging in property management must possess a professional qualification with relevant working experience.

In addition, a public consultation exercise on the “Review of the Building Management Ordinance”, conducted in 2015, has addressed certain major building management issues, including disputes arising from large-scale maintenance projects, use of proxies in meetings of Owners’ Corporation, appointment and remuneration of Deed of Mutual Covenant (DMC) managers, etc. The related amendments to the Ordinance, once enacted, will make the property management functions more complex and challenging. Suitable training should therefore be provided to equip in-service practitioners before the Ordinance is in place.

Mainland Development

In view of the continuous increase in the future housing supply and property investment by Mainland property developers, there is an increasing demand of practitioners in the industry.

The “Greater Bay Area” and “Belt and Road” initiatives have created more business opportunities for the real estate

surveying, valuation and consultancy sector due to the credibility developed by the sector in the past.

In addition, clients’ requests for consultancy and valuation service have become more diversified. For example, some clients may request for more comprehensive information from market research to forecast the future development of the city where the property is located.

Communication Skills

Technological advances have created a trend in the usage of online communication. Due to the lack of face-to-face communications, many youngsters as new entrants to the industry in particular, may not be able to communicate effectively with clients since such skills are essential to the frontline staff of service industry, especially for estate agents and property management personnel.

Future Manpower Demand

In the 2015 manpower survey of the real estate services industry, employers generally opined that the manpower situation of the industry would maintain steady with slow-to-moderate growth rate due to the fluctuation of the economy. The table below shows the vacancy situation of the industry in 2015.

Number of vacancies in the 2015 manpower survey of the RESI (by level)



With the global economy continues to improve, it is anticipated that there will be an overall increase in the future manpower demand across the four sectors of the industry. This can be reflected in the large number real estate services related recruitment advertisements captured by the desk research during the research period.

Number of recruitment advertisements of the RESI for the period between October 2016 and September 2017 (by level)



Number of recruitment advertisements of the RESI for the period between October 2016 and September 2017 (by sector)



Real Estate Development Sector

A double-digit increase in the future manpower demand is anticipated in this sector. With the development of the smart homes and shopping malls in the near future, there may be demand for IT technicians and talents with digital marketing skills.

Real Estate Agency Sector

Although the applications of AR and VR can help streamline the process in exploring properties, manpower is still needed to bring clients for physical visit to properties and handle the subsequent transaction procedures. It is therefore expected that there will be some increase in the demand for estate agents.

Property Management and Maintenance Sector

Owing to the rapid growth in the completion rate of properties in the coming years, it is expected that there will

be a double-digit increase in the future manpower demand in the property management and maintenance sector, particularly the demand for frontline staff such as security personnel and customer service representatives.

The new requirements of in-service personnel under the Property Management Services Ordinance may aggravate the problem of manpower shortage in the property management and maintenance sector. A possible solution to ease the problem of manpower shortage is to extend the use of technology to replace some routine works and streamline the daily operation procedures. It is expected that with the adoption of technology, more manpower with higher level of cognitive skill to handle knowledge work will be required by the sector.

Estate Surveying, Valuation and Consultancy Sector

In view of the rapid growth in estate development, it is anticipated that there will be a corresponding increase in the manpower demand for both surveyors and technical assistants.

Training Needs

Information Technology (IT) Skills

To cater for the development of smart

homes and smart shopping malls, it is expected that there will be increasing demand for expertise in business application with digital marketing, business innovation or computer science

for the real estate development sector. Although graduates from post-secondary institutions or universities should be equipped with relevant skills, more practical training on business application is considered necessary to prepare them to work in this sector.

With the growing popularity of AR and VR applications in the estate agency sector, computer programmers are expected to have the competence to set up relevant mobile applications or online platforms.

Owing to the growing application of big data and technology, manpower with relevant expertise in conducting data analysis and operating computerised systems will be required by the industry.

Number of recruitment advertisements which required candidates to possess IT skills (by sector)

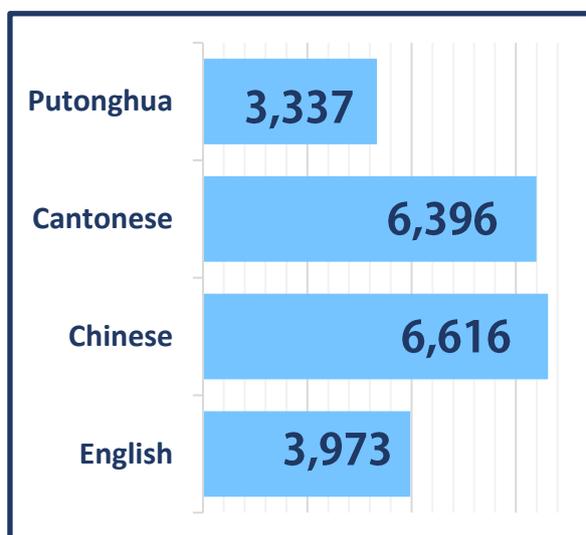


Language and Communication Skills

As it is expected that there will be an increasing demand for business valuation service, the demand in manpower with proficiency in different languages (Putonghua, English and preferably a third language), and knowledge in areas of finance as well as local and overseas markets will be required.

Since the property management and maintenance sector engages a large number of new immigrants in the frontline, such as the post of building attendants, there is a common requirement of proficient spoken Cantonese to enable them to communicate with the owners.

Number of recruitment advertisements which required candidates to possess language skills

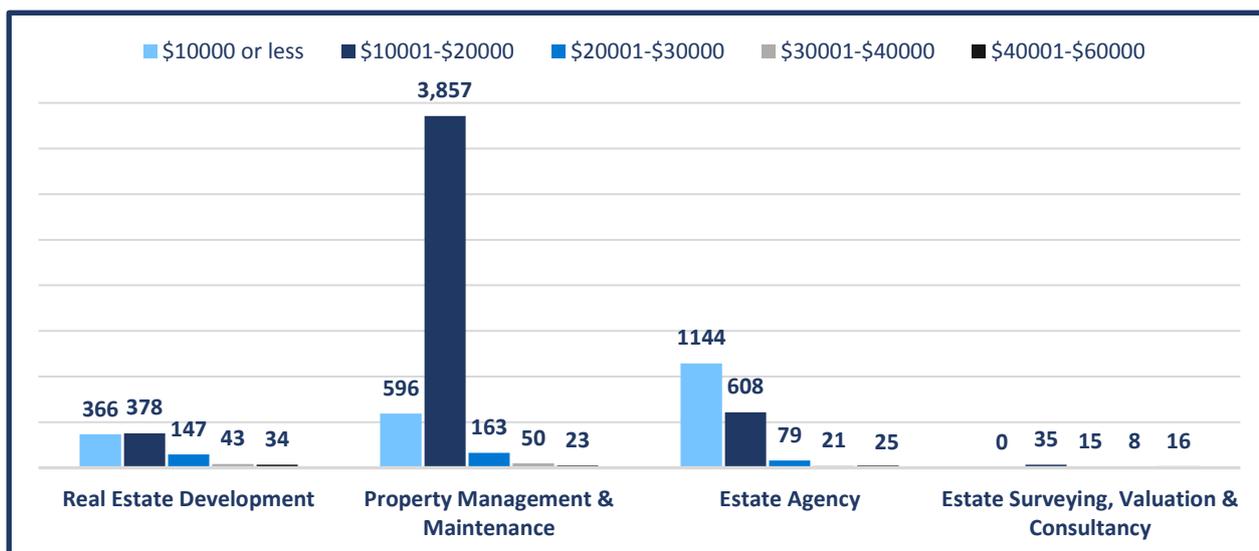


In addition, more training in communication skills should be provided to new entrants and in-service practitioners.

Recruitment Difficulties

Although it is foreseen that there will be a growing demand in manpower of the real estate services industry, the supply may not be able to satisfy with the manpower need even though the remuneration of the industry is relatively competitive when compared with other industries.

Salary ranges offer in the recruitment advertisements of RESI (by sector)



It is anticipated that there will be limited supply of IT manpower with expertise in digital marketing, business application programming and artificial intelligence. As different industries are also in need of IT related positions such as IT technicians, recruiting and retaining talent has become difficult.

Currently, youngsters tend to pursue further studies, such as Associate Degree or Degree programmes, after taking the HKDSE examination. Increased educational attainment has widened their career choices and working in the estate agency and property management and maintenance sectors may not be their top priority.

Another hiring difficulty encountered by most of the sectors is the keen

competition from the public sector.

For the estate surveying, valuation and consultancy sector, there is a high demand for surveyors in the public sector due to its rapid development. The attractive remuneration package may be more appealing to most graduates or in-service practitioners. This in turn, has affected the manpower supply for the private sector. Similar hiring difficulty is encountered by the real estate development sector.

Regarding the property management and maintenance sector, it is noted that the younger generation has the misconception about the job nature, thus leading to a high turnover rate as many new entrants will quit after working in the industry for only a short period of time.

RECOMMENDATIONS

Measures to Meet the Training Needs

Similar to the recommendations made in the 2015 manpower survey report of the real estate services industry, suitable upgrading training should be provided to in-service practitioners for their continuous professional development and for them to remain competitive in the market. In addition, relevant training programmes should be designed to attract new entrants to the industry. To meet the future development and the high manpower demand of the industry, it is considered essential for the government, education institutions and employers to provide suitable training opportunities to the employees or students in the following areas:

Government

Science, Technology, Engineering, Arts & Mathematics (STEAM) education to better prepare youngsters to have creative, innovation and problem-solving skills for adapting to the rapidly changing world.

Career and life planning education to enhance individual guidance and support to students to facilitate self-understanding and exploration of different industries.

Education Institutions

Relevant training on data analysis to cater for the increasing application of big data.

Training on business application in digital marketing, business innovation or computer science to cope with the development of smart homes and smart shopping malls.

Mobile application programming to develop relevant online applications of AR

and VR, financial as well as global market knowledge.

Generic skills, particularly communication skills and language proficiency.

Full-time property management related training courses to meet the new requirements of the Property Management Ordinance.

Multi-disciplinary programmes to equip students the knowledge and develop the capability to work in different subject areas, for example, IT and surveying.

Employers

Relevant trade-specific and in-house training programmes to internal staff for meeting the needs of individual company.

Encourage or sponsor employees for lifelong learning.

Employees

Employees should also enhance their competitiveness to upgrade their trade specific skills and knowledge. They are

encouraged to make use of the subsidies provided by the Government such as the Continuing Education Fund, subsidy under the Skills Upgrading Scheme Plus, reimbursement of subsidy under the Recognition of Prior Learning, etc., for lifelong learning and career development.

Suggestions to Ease the Problem of Manpower Shortage

The following suggestions are made to ease the problem of manpower shortage:

Employers

Flexible working schedule has become increasingly popular, particularly for the estate agency sector. In order to retain and attract potential talent to work in the industry, different types of employment packages should be provided to cater for their needs.

Employers are also encouraged to offer more internship opportunities or career information for students to help them learn more about the industry and gain real work experience prior to employment.

They are also encouraged to consider enhancing the application of technology in the daily operation so that less manpower may be required.

Education Institutions

Practical curriculum and relevant education or internship programmes should be provided as a means to ensure the manpower produced can meet with the industry's expectation.

The Employees Retraining Board (ERB) should consider the development of modular courses in estate agent with shorter duration to facilitate for recruitment.

Education institutions should explore feasibility to develop relevant programmes in work-study (i.e. dual-track) learning mode so that workplace curriculum can better equip students with the readiness for employment.