

PROPERTY & CONSTRUCTION 08/09

# Salary

SALARY & EMPLOYMENT FORECAST

Michael Page

PROPERTY & CONSTRUCTION

## **WELCOME**

Welcome to the 2008/2009 Michael Page Property & Construction Salary & Employment Forecast for Greater China.

Michael Page International is a world-leading specialist recruitment consultancy. Growing entirely organically, rather than by mergers or acquisitions, we now have over 5,500 people in 166 offices in 28 countries worldwide. Coming from all industry sectors, our clients range from market-leading multinationals to small and medium sized firms.

Our consistent organic growth strategy and continued investment through business cycles is driving our growth in the specialist recruitment market in Greater China. Since opening our first office in Hong Kong in 1994, we have expanded significantly with offices currently in all of the main business centres including Hong Kong, Sha Tin, Shanghai, Shenzhen and Beijing.

This year, the format of our Salary Survey has changed to reflect our business growth and make it easier for employers and employees to stay abreast of current employment market and salary trends across key industries.

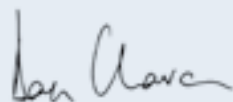
While most industry surveys provide qualitative insight on hiring intentions and salary levels, the Michael Page Property & Construction Salary & Employment Forecast combines both quantitative and qualitative research, derived from our survey of employers and job seekers and our extensive involvement in the professional labour market in Hong Kong and Mainland China.

The survey, completed by approximately 450 employers and 1600 employees, covers a range of issues and trends relevant to today's corporate sector and establishes the Salary & Employment Forecast as a highly reputable report, based on in-depth industry research.

The Property & Construction Salary & Employment Forecast provides employers and employees with useful insights into the hiring expectations, recruitment challenges and salary forecasts of key hiring managers over the coming year and covers eight key industries as detailed below:

- Finance
- Financial Services
- Legal
- Retail & Sourcing
- Human Resources
- Engineering & Supply Chain
- Sales & Marketing

I wish to thank everyone who contributed to this year's Salary & Employment Forecast and trust you find the new report helpful and informative. We welcome your feedback and encourage you to contact us for further information or market specific advice.



Dan Chavasse  
Managing Director, Greater China  
& Southeast Asia

## MARKET OVERVIEW

Recruitment activity levels in the property and construction sector remain high due to an already tight labour market and continued investment in China. Employers in Hong Kong are facing competition for candidates from employers in China, Macau and the Middle East who are recruiting heavily to meet ambitious growth plans.

In the commercial property market, there are a growing number of corporate fit out firms establishing a presence in Hong Kong. Due to limited commercial office space, more companies are looking to specialist project management firms for advice on how to combat space issues and better structure their work environments.

While there has been more modest demand for property and construction professionals in investment banking and financial services due to volatility in global financial markets, they continue to be highly sought after in

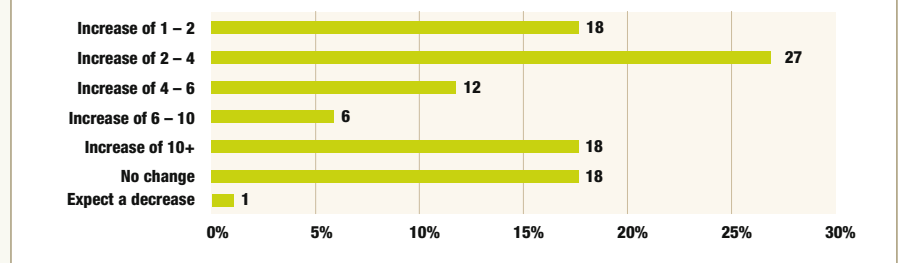
other booming sectors such as retail. Hong Kong's leading property developers are also investing heavily in mixed-use developments in China which is driving demand for middle to senior level professionals who are willing to undertake extensive regional travel.

Hong Kong residents continue to take up opportunities in high growth regions like China, Macau and the Middle East for career progression and exposure to world-class

projects, putting additional pressure on Hong Kong employers to compete for talent. Consequently, it is imperative for companies to invest in the long-term retention of staff by providing ongoing training, career advancement opportunities and attractive benefits and incentives.

Our survey results show that 76% of employers see staff retention as an important focus for the year ahead.

Employers' hiring expectations over the next 12 months



## SKILLS IN DEMAND

The shortage of land in Hong Kong and continued business expansion in China are driving demand for property and construction professionals. Business confidence is high and companies are increasing headcount, creating heightened competition for candidates.

Although there has been a slowdown in construction activity in Hong Kong, with a number of projects coming to an end and limited land availability, Hong Kong property developers are investing heavily in China. Despite recent increases in the cost of capital having an impact on some new project developments, there are many projects that have already commenced or are in development, which will ensure that demand for talent continues in the short to medium term at least. With a significant amount of building work at development stage, project managers who have had exposure to the hotel, leisure and retail sectors and are prepared to undertake extensive regional travel are very highly sought after.

There is a growing trend in investment banking and financial institutions

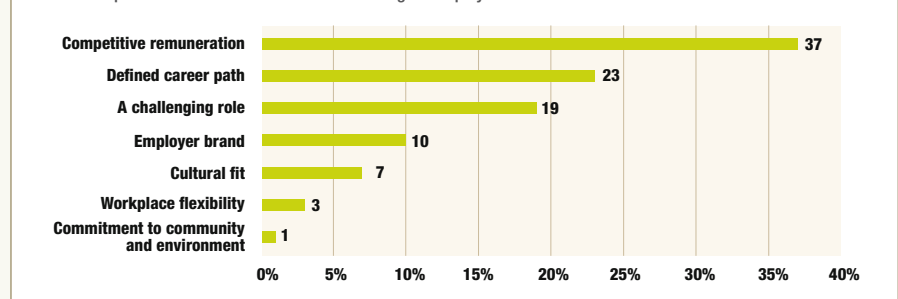
outsourcing their real estate strategy and property management to external service providers for greater cost efficiencies. This is generating additional demand for property consultants with strong commercial acumen. Asset managers are also highly sought after in the growing private equity market to manage property portfolios and streamline property expenditure.

Demand for interior designers and architects is particularly strong due to the shortage of land in Hong Kong which is forcing many residents and businesses

to upgrade their existing premises. As a result, candidates with these skill sets are very highly sought after and can often command significant salary increases.

Candidates with fluency in Mandarin and exposure to the China market are in demand due to the rapid pace of development in China. Although some multinational companies will hire expatriates to manage major development projects, the majority of employers prefer to recruit local candidates with knowledge of the local market and government regulations.

The most important factor for candidates in choosing an employer



## RECRUITMENT CHALLENGES

Although the overall mix of demand may have changed, we expect property and construction professionals to continue to be highly sought after over the next 12 months. However, with increasing competition from employers in China, companies in Hong Kong will need to think creatively about their attraction and retention strategies to remain competitive in a tight labour market.

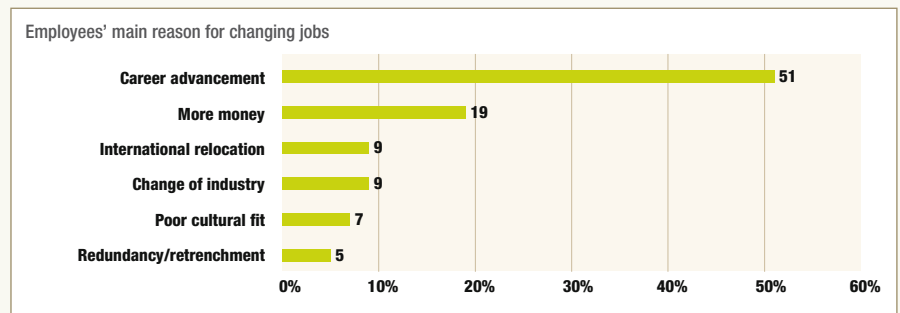
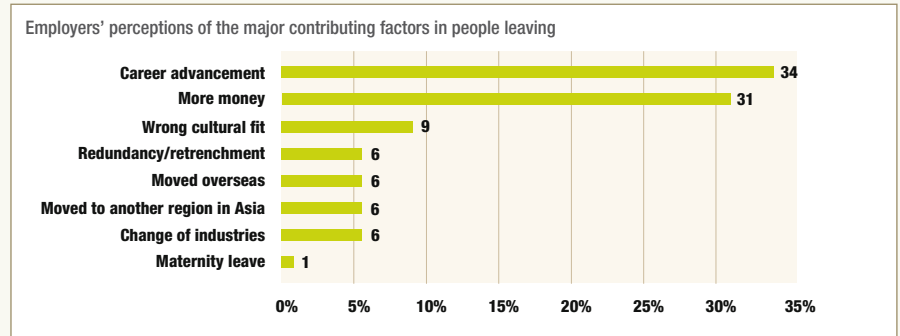
In terms of employee attraction, it is vital for companies to have a professional and efficient recruitment process in place. Companies that are able to expedite the recruitment process and act decisively will create a favourable impression whilst those who act slowly will face the risk of talented candidates accepting other offers.

Employers who focus on long-term talent retention strategies and place an emphasis on training and career development will be best placed to retain quality employees. 51% of employees surveyed cited career advancement as the main reason for their last job change, with more money significantly behind at 19%.

Property and construction professionals want to work on new and exciting projects

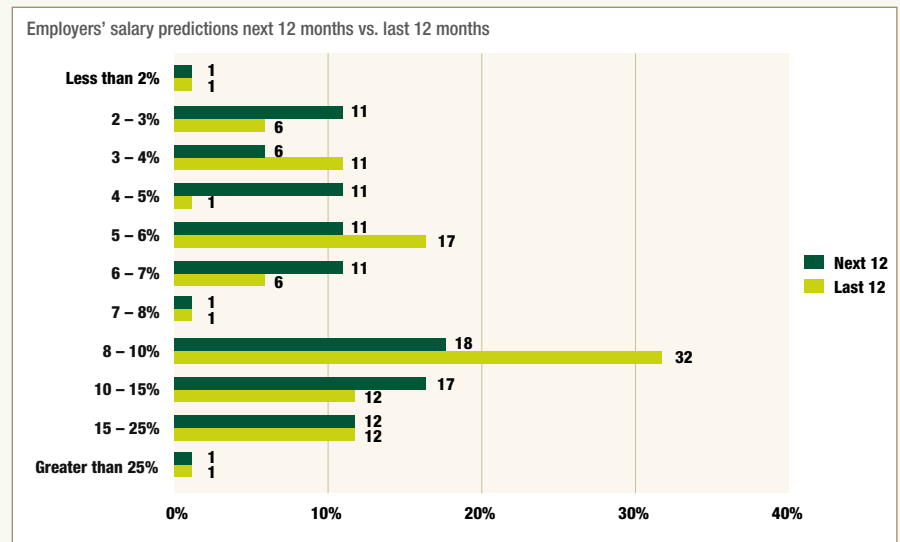
that allow them to learn new skills and progress their career. With some of the world's biggest development projects taking place in China, it is critical for Hong Kong

employers to understand and address the career goals of their staff and provide opportunities for regional travel and exposure to the China market where possible.



## SALARY INFLATION

We expect the employment market for property and construction professionals in Hong Kong to remain strong over the next 12 months. We predict average salary increases of 4–7% across the board with additional project bonuses. Professionals at the junior and middle levels who are changing jobs can expect to receive salary increases of 12–16%, while senior professionals with highly sought after skill sets are likely to receive increases of 20% or more.



## MARKET OVERVIEW

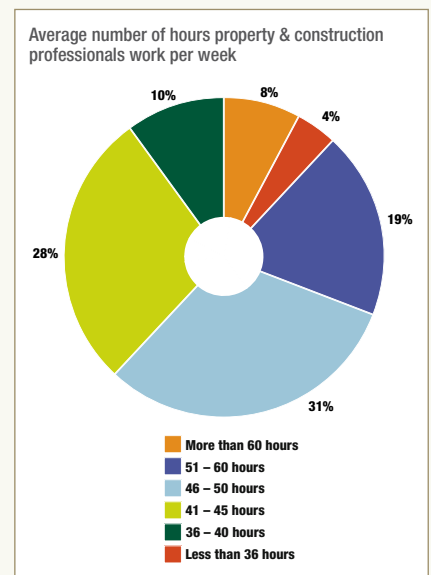
The property and construction sector in China is experiencing rapid growth due to significant investment in large scale development projects and the increasing affluence of the domestic market. Property and construction professionals are highly sought after across the industrial, retail and hospitality industries to support the high volume of projects either in planning or already under construction.

The construction market continues to be a major driver of China's economy and record spending on new buildings is putting pressure on an already tight labour market. As many of these major developments hit the drawing boards, competition for talent in areas such as project management will intensify.

In an emerging trend, companies are extending building activity to the second

and third tier cities such as Chengdu, Chongqing and Shenyang to take advantage of attractive government incentives and the growing affluence of people living there. Companies are actively recruiting property and construction professionals to support the development of new retail outlets, research and development facilities and hotels.

We expect demand for property and construction professionals in China to continue to rise as the fundamentals fuelling growth and construction activity continue. Our survey results indicate that 82% of employers expect to increase headcount over the next 12 months. Employers will need to think creatively about their attraction and retention strategies to keep up with the rapid pace of development and sustain business growth in a tight labour market.



## SKILLS IN DEMAND

It is a buoyant employment market for property and construction professionals as more companies invest in China to capitalise on positive market conditions. Demand far outweighs supply and candidates are in an excellent position to progress their careers and gain exposure to some of the world's biggest projects.

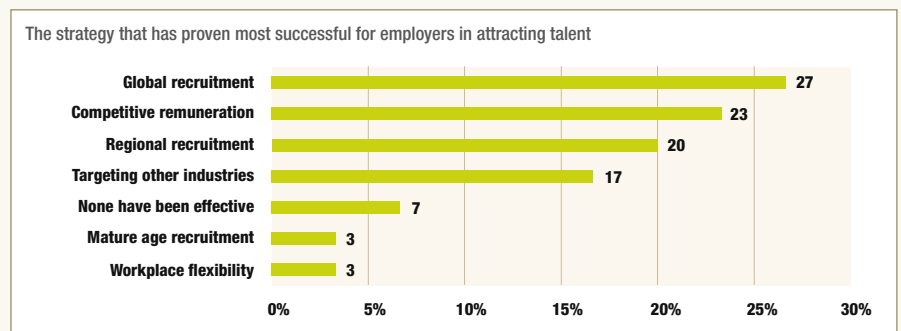
The retail sector is performing strongly and we have seen a marked increase in recruitment activity. International retail brands are increasing their global market share by launching new retail outlets in China to capitalise on the strong economic conditions. This is driving demand for property and construction professionals and store developers are highly sought after to source land and negotiate rates.

The hotel and hospitality industry continues to be a major contributor to employment growth. A number of four and five star hotels are being established in China to capitalise on business travel, tourism and the increased affluence of

mainland residents. Project managers with experience overseeing large scale property developments are in high demand. We also expect facilities management professionals to become more highly sought after during the next 12 months as a number of these major developments are completed.

There is a growing trend in companies moving their manufacturing plants and

research and development facilities to industrial parks in second and third tier cities in order to take advantage of potential cost efficiencies. As a result, there is a significant amount of building and infrastructure work at development stage and property and construction professionals who are prepared to commute or be based remotely are in high demand.



## RECRUITMENT CHALLENGES

Employers in the property and construction industry are facing unprecedented staffing pressures. In addition to the considerable injection of funding for major projects, the limited pipeline of local candidates and global demand for property and construction professionals are having a significant impact on the talent supply.

There is a shortage of senior candidates and a limited pool of local candidates with experience working on large scale complex projects. Many employers have responded to the shortage by targeting candidates from Hong Kong and Singapore with generous incentives like housing allowances, schooling and relocation costs. Of employers surveyed 27% have found sourcing candidates from overseas as a highly effective strategy in addressing the domestic skills shortage.

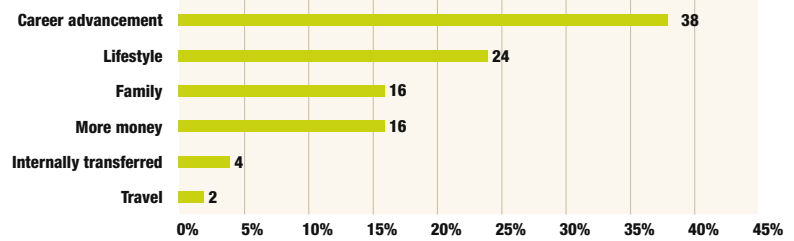
At the junior to middle end of the market, the major challenge for employers is the long-term retention of staff. Many candidates see positions in China as short-term

opportunities to advance their careers. It is therefore critical for employers to be flexible and create a compelling case for candidates to stay in China. They need to understand and address the career goals and development needs of their staff in order to retain them. We encourage companies to inform staff of upcoming projects prior to the completion of their existing contracts to help retain talent in the long-term.

The current employment market is buoyant and high calibre candidates have multiple

job opportunities. It is therefore essential for companies to engage potential employees and clearly communicate the position requirements and project history from the beginning of the recruitment process. Our advice is to sell the benefits of working for your company as property and construction professionals will typically have more than one job offer to consider.

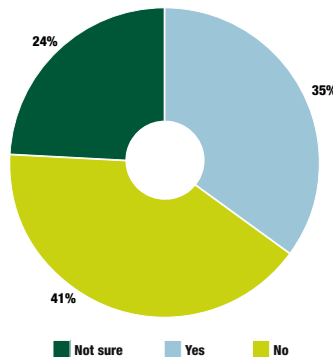
Employees main reason for working overseas



## SALARY INFLATION

We expect continued employment growth in the property and construction industry in China over the next 12 months due to the amount of development work in the pipeline or already under construction. We anticipate average salary increases of 5 – 10% across the board, with increases of up to 20% for senior positions and professionals moving jobs.

Employers' perceptions of whether wages growth over the past 12 months is in line with increased employee productivity



## SALARY TABLES

### HONG KONG

EXPERIENCE	5–7 years	7–8 years	10+ years
SALARY	HK\$'000	HK\$'000	HK\$'000
<b>BANKING, FINANCE &amp; CONSULTANCY</b>			
Engineering	500–700	650–1 million	1–1.8 million
Leasing /Transactions	550–800	700–900	900–1.6 million
Corporate Real Estate	550–800	700–950	900–2 million+
Facilities Management / Property Services	400–600	600–900	900–2 million
Project Management	500–750	65–1 million	900–2 million+
Security	450–700	750–1 million	1–1.7 million
Asset Management	500–750	750–1.1 million	1.1–1.8 million
<b>COMMERCE &amp; INDUSTRY</b>			
Development	500–750	750–1.1 million	1.1–2 million
Project Management	500–750	550–900	900–2 million
Quantity Surveying	450–550	550–850	850–1.5 million
Valuation	500–600	600–900	900–1.2 million
Facilities Management	400–600	600–900	1–1.5 million
Leasing	400–550	550–800	800–1.5 million
Construction Management	400–550	500–750	700–1.1 million
Design	400–550	550–750	750–1.2 million
Property Management	400–600	600–800	900–1.4 million

1. Salaries indicated are based on basic salary, excluding bonus/incentive schemes.

2. Market rates are becoming much less uniform. While we have taken great care, these salary ranges can only be approximate guides, as there are often specific circumstances relating to individual companies. Please call us for additional information.

### MAINLAND CHINA

EXPERIENCE	5–7 years	7–8 years	10+ years
SALARY	RMB'000	RMB'000	RMB'000
<b>BANKING, FINANCE &amp; CONSULTANCY</b>			
Engineering	425–600	650–1 million	1–1.8 million
Leasing/Transactions	465–680	700–900	900–1.6 million
Corporate Real Estate	465–680	700–950	900–2 million+
Facilities Management/Property Services	340–510	600–900	900–2 million
Project Management	425–635	650–1 million	900–2 million+
Security	380–600	700–1 million	1–1.7 million
Asset Management	425–635	700–1.1 million	1.1–1.8 million
<b>COMMERCE &amp; INDUSTRY</b>			
Development	425–635	700–1.1 million	1.1–2 million
Project Management	425–635	550–900	900–2 million
Quantity Surveying	450–550	550–850	850–1.5 million
Valuation	425–510	550–900	900–1.2 million
Facilities Management	340–465	550–900	1–1.5 million
Leasing	340–465	500–800	800–1.5 million
Construction Management	340–465	500–750	700–1.1 million
Design	340–465	500–750	750–1.2 million
Property Management	360–510	550–800	900–1.4 million

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