

Real Estate & Urban Employment Monitor

Growth and recruitment:
optimism or caution?

France - 3rd edition - 2019



Key figures
for the sector
in France 2017

2.1 million
jobs



1 job in 5
created in France,
or 55,000 jobs

10,8%
of GDP



+3,3%
growth

In cooperation with the Palladio Foundation and Business Immo, EY is pleased to present the 3rd edition of the Real Estate & Urban Employment Monitor at the 2019 MIPIM.

This study was prepared with participation from 30 organizations and professional associations in real estate and urban development. It mobilized over 1,009 business leaders who shared their analyses and viewpoints and discussed the issues relevant for their organization, the eight sectors and 100 professions.

1,009 business leaders were surveyed from July to October 2018.

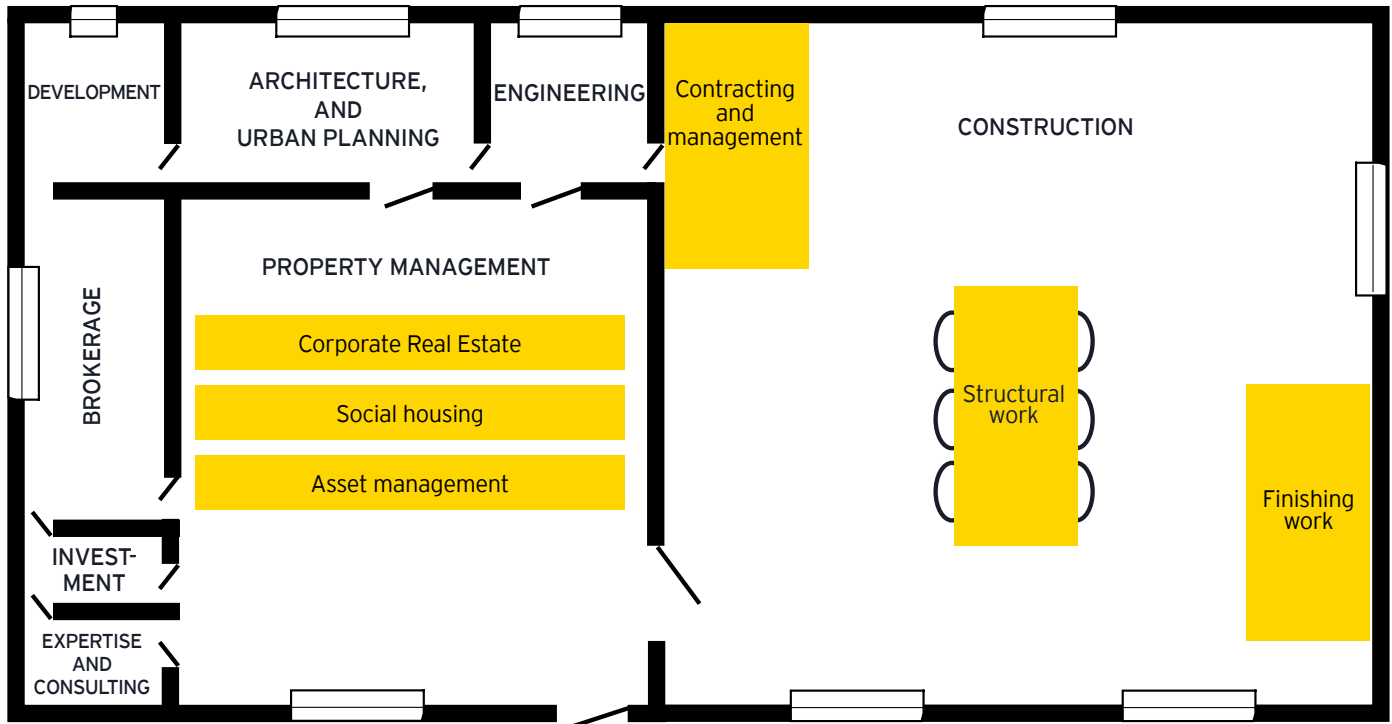
Situation and outlook for the sector in 2018

After two particularly dynamic years for real estate and urban planning professionals 2018 was more mixed. However, the study highlights their optimism, supported by France's return to better economic fundamentals and a highly dynamic corporate real estate market. In the longer term, the outlook is encouraging : Paris 2024, projects in large cities which must adapt to ecological, digital and demographic transitions. The study also reveals concerns: a slowdown in the housing market, uncertainty as to changes in interest rates, unknown consequences of recent legislative developments, in particular the ELAN law.









Challenges to strengthen the attractiveness and competitiveness of the sector

Although recruitment plans are at their highest level, three-quarters of the business leaders state that they are having trouble filling available positions. In a talent war situation, the recruitment and attractiveness of the sector are a priority concern for 2019. The other major challenges identified - innovation, transition to sustainability, development of collaboration between different professions in the sector, changes in business models and internationalization - will be decisive for the future of the real estate sector. Players can collectively improve their image by responding to these needs, and attract the necessary talents to build the city of tomorrow together.

The 8 sectors in real estate and urban planning in France



Which professions are the most sought-after by the sector?

 <p>Architecture and urban planning</p> <ul style="list-style-type: none"> Architect Design draftsman Project manager 	 <p>Sales and marketing</p> <ul style="list-style-type: none"> Business real estate consultant Real estate agent Database manager
 <p>Building construction</p> <ul style="list-style-type: none"> Site supervisor/Works engineer Real estate program manager Salesperson 	 <p>Expertise and consulting</p> <ul style="list-style-type: none"> Research and strategy consultant Real estate valuation expert Organization and management consultant
 <p>Property management</p> <ul style="list-style-type: none"> Rental manager Technical maintenance manager/Technical manager Real estate accountant 	 <p>Engineering and technical services</p> <ul style="list-style-type: none"> Project manager or director Design engineer General contractor
 <p>Real estate investment and financing</p> <ul style="list-style-type: none"> Asset manager Research analyst Investment manager 	 <p>Real estate development</p> <ul style="list-style-type: none"> Property developer Program manager Program director
<p><small>The professions appearing in the Top 3 this year are presented in bold font</small></p>	
<p><small>Source: EY survey of 1,000 managers in the sector (September-October 2018)</small></p>	

Perspectives between leaders and students

43 %

of the business leaders surveyed have set up proactive initiatives and actions to foster **gender equality**

2 skills are priority for recruiters

1. Ability to work as a team
2. Customer service

3 priority expectations among students

1. Purpose
2. Compensation
3. Concrete projects

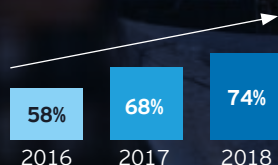
Source: enquêtes EY dirigeants et étudiants (2018)

In a rapidly changing sector, **6 main challenges were identified** by the 1,009 business leaders surveyed*

1 Recruitment

Business leaders are finding it increasingly difficult to recruit. They say that to bring in talents, it is crucial to strengthen their employer brand and reconcile the internal and external image of the sector

Percentage of business leaders struggling with recruitment



2 Building the city

A large majority of business leaders believe that their profession is in the general public interest. In their opinion, to meet various societal and environmental challenges, it will be necessary to promote a more integrated sector and develop collaboration between players

93%

of business leaders believe that their profession is in the general interest, in 2018

3 Innovation

For executives, the sector's capacity for innovation remains somewhat limited although some change has begun with less communication on innovation and more practical action

55%

of business leaders surveyed in 2018 considered the sector to be innovative, as compared to 52% in 2017

4 Sustainability

This is the unanimous priority of the business leaders surveyed, although rehabilitation of existing buildings and the circular economy is not yet being addressed sufficiently

86%

of French buildings are energy inefficient (energy efficiency class D or lower)

5 New business models

Real estate as a service: Business leaders must innovate regularly to successfully transform their business models along with new trends

79%

of business leaders have implemented innovations in the last 12 months

6 International

Although architecture and major infrastructure projects in France are renowned, international openness remains low except for certain players

of the business leaders surveyed say that international openness is important or strategic for their organization

39%

*Sources: enquêtes dirigeants EY (2018 et 2017)

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Palladio Foundation

The Palladio Foundation was established in 2008 under the auspices of the Fondation de France, to focus on urban development, a major issue for the 21st century. It mobilizes and brings together all of the sectors and professions concerned by real estate and urban issues (development, architecture, insurance, banking, construction, energy, real estate, engineering, logistics, digital technology, transportation and city planning), the public authorities, associations, researchers and the media. To make urban areas as humane and livable as possible and potentially create value, the Palladio Foundation is directly involved with the stakeholders who build or will build cities, creating the support tools necessary for looking at the issues (the Institute), preparing the next steps (Palladio Future Division) and anticipating developments (the Palladio Research Center).

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