

WHAT ELSE THE REPORT TOLD US

Changes in remuneration

Changes in basic salary

	2008 average	2009 average	Change
Managing director	£139,000	£131,000	-6%
Development director	£84,000	£79,000	-6%
Land and planning director	£78,000	£71,000	-9%
Technical director	£77,000	£74,000	-6%
Design director	£71,000	£69,000	-3%
Commercial director	£75,000	£71,000	-5%
Construction director	£75,000	£72,000	-4%
Sales and marketing director	£74,000	£71,000	-4%
Finance director	£77,000	£78,000	+1%

Salaries on the whole have been reduced across the board. However, the biggest reduction lies with land directors. It is interesting to see that finance directors actually received an increase. This would lend itself to the assumption that during these financially straining times, it's more important than ever to either retain or recruit financially minded and proven professionals.

Changes in bonuses (as % of salary)

	2008	2009	Change
Managing director	90%	53%	-37%
Development director	50%	33%	-17%
Land and planning director	45%	20%	-25%
Technical director	30%	28%	-2%
Design director	30%	27%	-3%
Commercial director	35%	31%	-3%
Construction director	30%	28%	-2%
Sales and marketing director	40%	34%	-6%
Finance director	75%	38%	-37%

Similar to the trends found with basic salaries, bonuses have been reduced across all disciplines with managing directors and finance director feeling the pinch more so than others. This was followed closely by land directors (25% reduction) and development directors (17%).

When do people think the market will recover?

First half 2010	52%
Second half 2010	23%
First half 2011	14%
Second half 2011	4%
First half 2012	4%
Second half 2012	0%

When asked "On a scale of one to 10 (10 being the highest), how confident do you feel about the market over the next 12 months in terms of recovery?" the average response was six.

Other trends

Results showed that the discipline that had been affected the most by the recession was land. Of the land professionals who responded to the survey, 70% had been affected by the recession one way or another. The discipline least affected was commercial staff with 10% affected, followed by technical with 12%.

■ 82% of professionals who responded to the survey had been affected by the recession

■ 58% had been affected through redundancy (see below)

■ 14% had experienced a reduction in basic salary

■ 4% had their working hours reduced.

Of those made redundant

25% had been out of work for 1-3 months

38% had been out of work for 6-12 months

37% had been out of work for more than 12 months

■ 36% of professionals had applied for opportunities outside the residential market

■ 38% of professionals stated that they would travel over an hour for a suitable employment opportunity, while 21% would relocate

■ On average, headcount (at mid to senior level) within residential developers was cut by 32%. However, 14% of businesses made no cuts at all - these were companies predominantly based in and around London.

When asked about the main gaps in experience and skills within residential developers now and in the future, the results were as follows:

Technical	29%
Commercial	22%
Land	20%
Sales	10%
Environmental specialist	9%
Construction	5%
None	3%

The general consensus is that the technical discipline is the area that needs to be strengthened the most. One explanation could be that the lack of funds from banks is inhibiting the acquisition of land for immediate development.

As a result, developers are reverting to their existing landbank and therefore require technical staff to review the layouts and efficiency of historical plots.

Another significant finding is that 55% of residential developers have recruited in the past three months.

Work-life balance

Some 62% of professionals who responded to the survey felt that they had achieved a positive balance. It was also found that 57% of professionals were working longer hours, although 41% of them were still able to maintain a good work-life balance.

Methodology



The PSD Group/Building salary survey was carried out by PSD Group, which specialises in senior level search and selection across the property sector. There were two elements to the research: an attitudinal survey that targeted about 5,000 individuals at senior management level across the housebuilding sector. This focused on plcs, private housebuilders and niche developers. Salary and employment trend data were drawn from this survey and PSD's database of clients and candidates. For further information contact Elliot Course, senior consultant at PSD Group on 0161-2340 380.