

2016 | H1

Housing

MARKET INSIGHT



Sector evolving at lightning pace

Rent reduction, Right to Buy, Brexit, the mayoral election and the rise of the 'mega-merger' have once again proven that Housing is one of the fastest evolving sectors we recruit for at Badenoch & Clark.

The term 'housing crisis' is now part of the public conversation, a key policy area for most political parties and was a major campaigning topic in the recent London mayoral election. With housing associations challenged by the Conservative government to adapt and innovate, delivering a range of affordable homes across the UK is a primary strategic aim for many organisations.

The introduction of the National Living Wage is also likely to have a direct effect on the cost base of many housing associations' Care and Support arms, with a high number of contracts already competitively priced.

Commercialisation forces new approach to hiring

The drive to commercialise all areas of the housing sector has led to a notable change in hiring strategy. Our clients are recognising that building sustainable, high performing, professional teams requires a more precise approach to recruitment.

A push to professionalise staffing structures, which involves hiring relevantly qualified staff to support residential development programmes and taking on individuals who demonstrate a strong base of

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business acumen and proactivity, has also led to the rise of multiple recruitment requests.

In the face of high salaries and bonus packages in the private sector, there has been a recognition that pinpointing particular skill sets - rather than simply the 'right' job titles - and assessing for cultural fit, so that new recruits are able to upskill each other, are now essential if housing organisations are meet their ambitious plans for growth.

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Hottest hires

HERE'S OUR BREAKDOWN OF THE SKILLS HITTING PEAK DEMAND AS WE ENTER H2:

- ➔ Residential development continues to be our most consistently requested hire. Land and Development Managers, with skills in planning, networking, land buying, acquisition due diligence and financial modelling are core elements in the race to develop staff to manage new risks.
- ➔ As our clients continue to look within their existing asset base to realise value, strategic property investment professionals, able to identify and then manage acquisition and disposal programmes are now a regular fixture of our searches. Creating a clear narrative to attract professionals unaware of this space as a career option is crucial if those able to deliver are to consider Housing as a career of choice.
- ➔ IT and PPM professionals with service design, architecture and implementation experience have seen a spike in demand since the announcement of mergers hit the sector. Badenoch & Clark has created work packages for clients hungry for assistance in this area, following successful bespoke recruitment campaigns in our FMCG, Central Government, Banking and Blue Chip sectors.
- ➔ Similarly, Business Transformation Managers and Analysts are now becoming part of standalone directorates. The rise of Transformation Directors on the executive teams of many landlords is a precursor to volume hires in this area towards the end of 2016.
- ➔ Care and Support professionals able to manage the profit and loss accounts of each branch were requested widely across Q2. Upskilling middle management in this area to consider value for money alongside service delivery has become a key risk area should front line staff wages rise.

Spotlight – Gearing up for PRS

Building homes specifically for private rent has recently become a financially viable prospect for the forward programmes of many of our clients. This poses a new challenge for housing associations as their customer base continues to segment.

We have undertaken extensive market research over the last quarter to understand how the emergence of Build to Rent portfolios will impact staffing structures.

HERE ARE OUR TOP 5 TIPS TO CONSIDER WHEN HIRING:

- 1.** Lettings professionals, perhaps with an estate agency background, experience managing a private rent clientele and a desire to move away from unsociable hours, will be in high demand. Understanding the drivers and motivators of these candidates will help create a successful recruitment strategy, particularly when hiring in volume.
- 2.** Property management professionals with a holistic understanding of PRS building management will hit peak demand as PRS schemes near completion. With many blocks totalling 50–100 units or more, great communicators, budget managers and minor contract administrators will be required. Demonstrating clear progression as an advantage to joining a housing association will help attract top talent from national property management companies.
- 3.** When interviewing for senior construction and development professionals, adapt your questions to the quirks of PRS builds. Our experience with recent hires is that showcasing a good understanding of how design and value engineering differs with a Build to Rent scheme is essential.
- 4.** A key barrier to PRS being taken up so quickly is the investment in infrastructure that may be required to support this growth. Hiring senior interims with a strong background in private property management to build the architecture of a PRS service is likely to pay dividends when looking to mobilise your workforce.
- 5.** When looking to hire contact centre and communications staff, creating a stand alone function of your private rent tenants in the medium term will ensure that new services get off to a good start. Meanwhile, existing staff develop their skills by managing a more varied customer base.

BREXIT - WHAT NEXT?

Badenoch & Clark are yet to see a slow down in recruitment since the decision to leave the EU was made. Across our client base of local government and housing association the message appears to be that it's business as usual, although it remains to be seen how recent instability in the markets will effect long term lending.

Moody's decision to downgrade the UK, and with it the Housing sector, in the wake of the referendum could have consequences, but it is too early to tell how this will impact both short and long term decisions on hiring. Interestingly the Housing sector has already stress tested its business plans considerably following the announcement of a rent reduction policy last year, which means much of our network remain confident in pushing ahead with both interim and a permanent appointments.

Our clients have noted to us that housing association's tend to do well when there is an adjustment in the market, both in terms of new candidates looking for a more stable environment, and in the overall cost of their supply chain. We look forward to bringing you further insight towards the end of H2 when a clearer picture will undoubtedly emerge.

Contact us

Take the first step in a lasting partnership.
Contact us to discuss your career or business goals.

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