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Competences for Real Estate graduates in Brazil: results from a stakeholders survey

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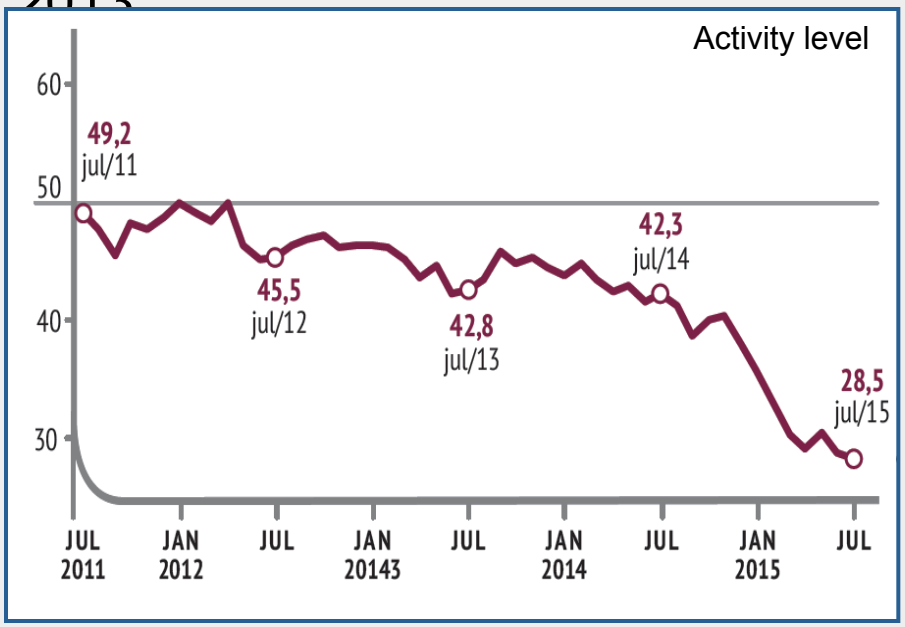
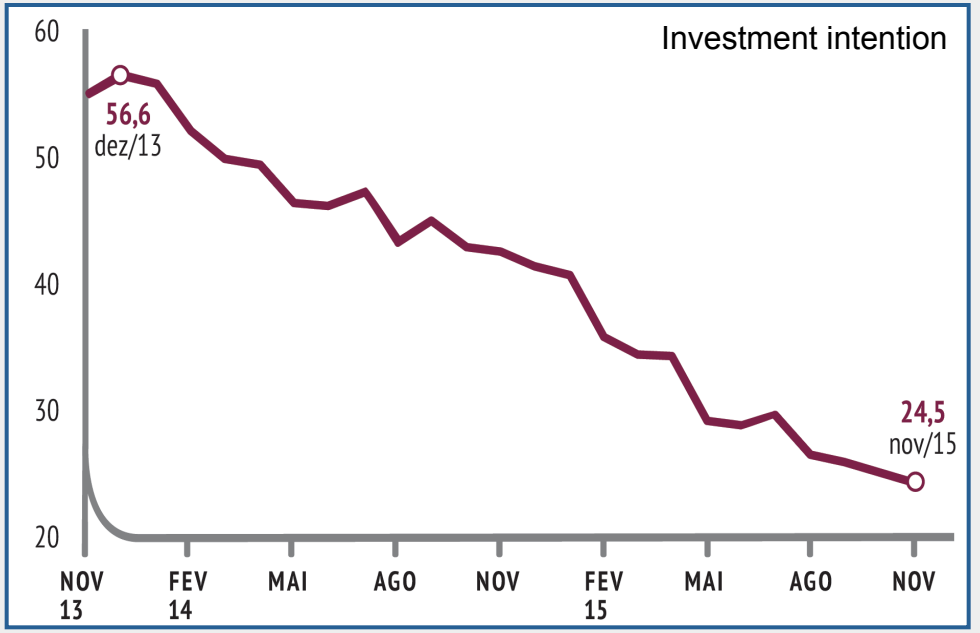
Performance of the property sector

The real estate industry in Brazil is going through a downturn, whose intensity is overshadowed by the current political crisis.

- In July 2015, the property sector recorded the lowest level of activity since 2009, and consecutive lowest levels for the 'investment intention' index since 2013



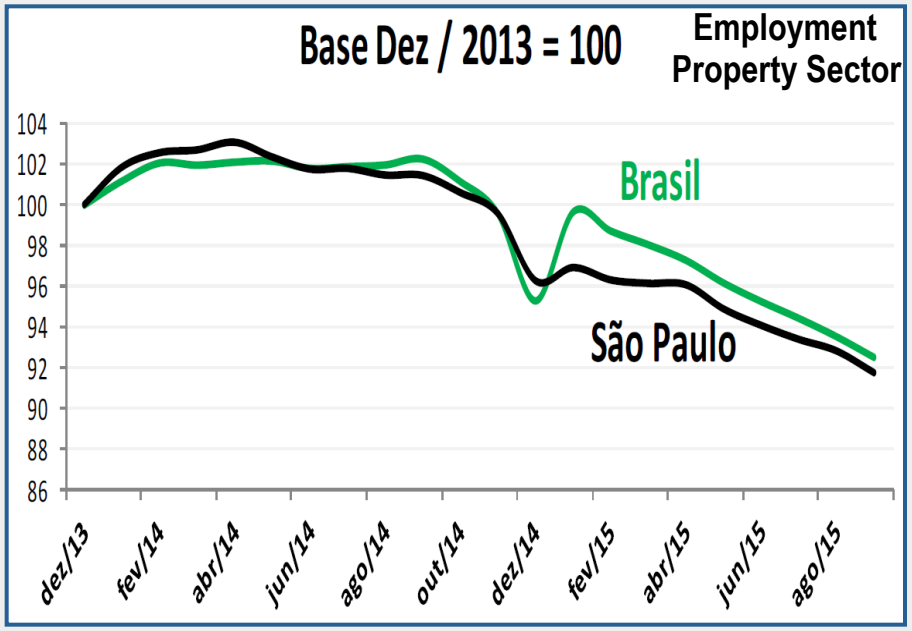


Source: National Confederation of Industries (CNI, 2015)

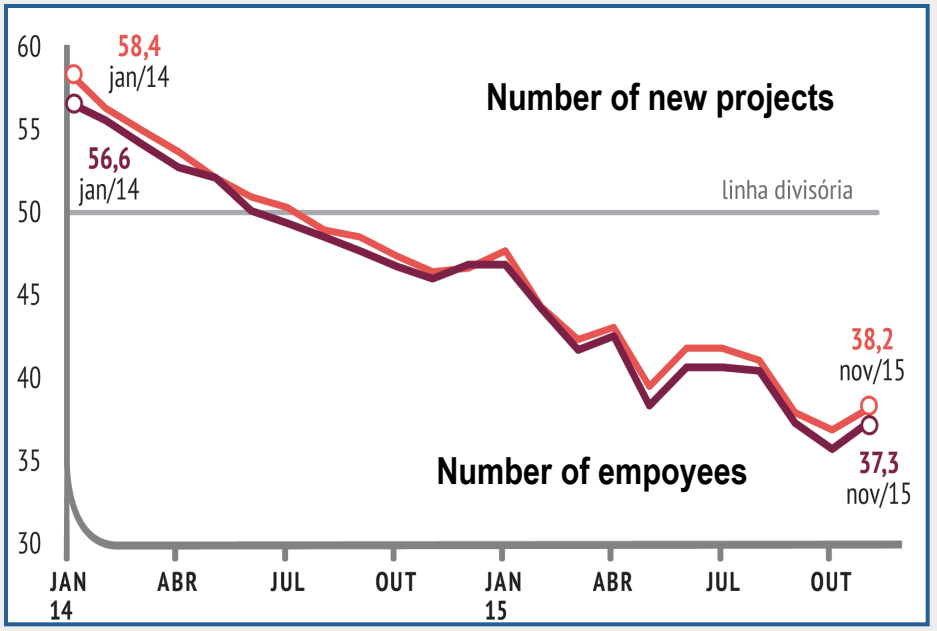
Performance of the property sector

The real estate industry in Brazil is going through a downturn, whose intensity is overshadowed by the current political crisis.

- Consonant the negative expectations regarding new projects, jobs in the property sector also dropped considerably.



Source: SINDUSCON, 2015



Source: CNI, 2015

Consequences for property professionals

Employers are reviewing their strategies

- Companies are **cutting jobs,** while trying to increase **efficiency**
- Most of the cuts takes place at the operational level, but higher hierarchical levels are **also being affected**
- Property professionals are demanded to **improve their competences**, keeping up with new techniques, technologies and discoveries related to their area of expertise

Where/How do they get this kind of 'improvement'?

Consequences for property professionals

In Brazil, Real Estate education is focused on the graduate level

- 60s: **structuring of the SFH – State's housing financial system**
  focus on management & appraisal, demand for civil/production engineers
- 1985: **first real estate discipline in Brazil**
  civil engineering graduation course
  Escola Politécnica – University of São Paulo
- Last 15 years: **re-structuring of the property business**
  IPOs, Capital markets, Institutional investors
- emergence of real estate courses at business schools – FGV/RJ

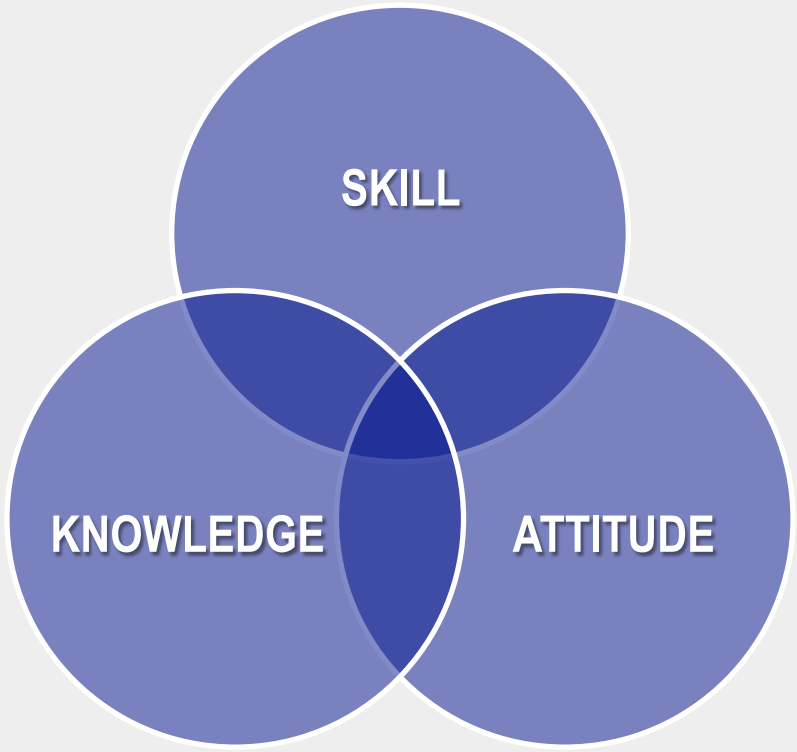
Research questions

What is the profile required by property companies?

Objective: to recognize a set of **core competences** (knowledge, skills, and attitudes) perceived by real estate development companies, as relevant to perform functions related to **structuring the business** and further **implementation of real estate projects**.

Exploratory research offering a stakeholder's perspective about the profile of real estate professionals, in line with concerns regarding employability posed to the property sector in Brazil.

Definition of Competence



COMPETENCE

Previous researches

MANNING, C.; EPLEY, D. 2006. "Do Real Estate Faculty Teach the Skills and Competences Needed by Corporate Real Estate Executives?"

WORZALA, E. et al. 2009. "Elements of Successful Graduate Real Estate Programs: Perceptions of the Stakeholders."

11 "Skills & Abilities"

Key Industry employers

5 semi-structured interviews

Filter the range of competences

30 Competences (K+A+S)

The Survey Process

Main procedural aspects:

- ✓ On line survey using SurveyMonkey©
- ✓ 5-point Likert scale (1-unnecessary / 5-imperative)
- ✓ Competences list was randomized, to avoid bias
- ✓ LARES network & mailing list
- ✓ Return rate 341/1000, out of which 261 were considered as valid
(exclusions: journalists, not Brazilians, incomplete)
- ✓ 1st part: qualify the respondent / 2nd part: rate each competence

"In your opinion, what is the relevance of these specific competences for a property professional to perform functions related to the structuring and further implementation of real estate

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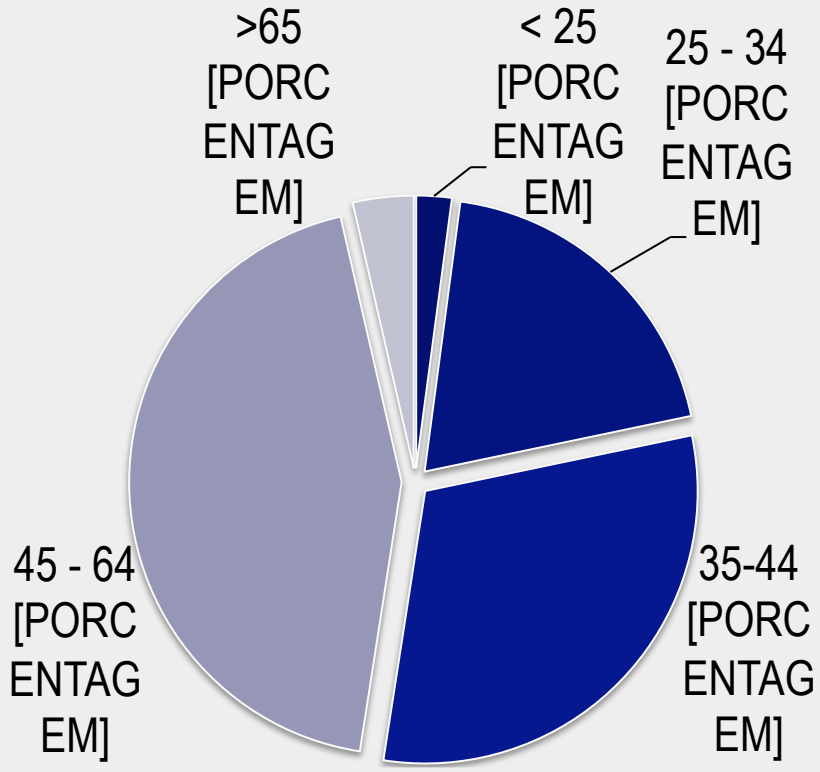
The Survey Results

Age group



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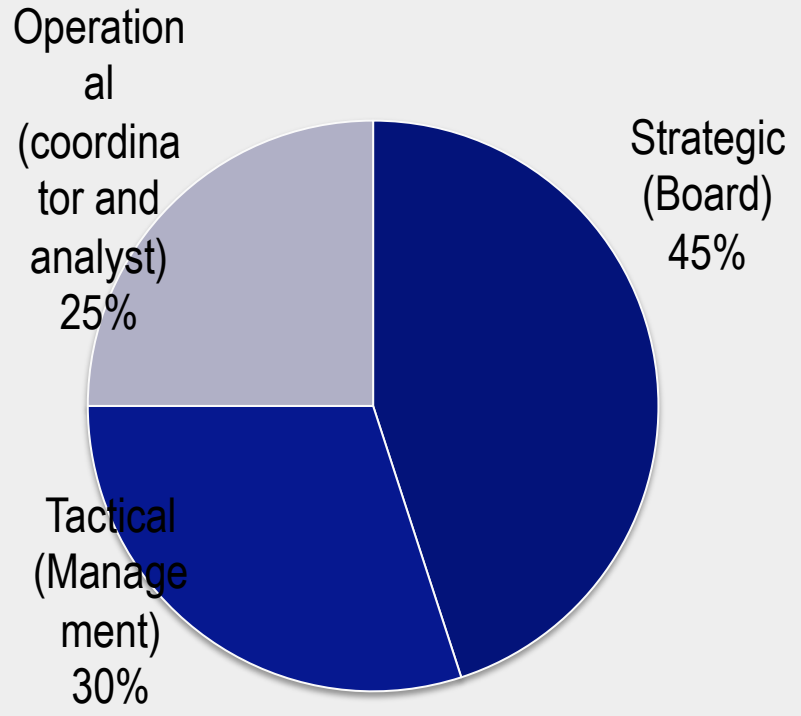
Hierarchy level



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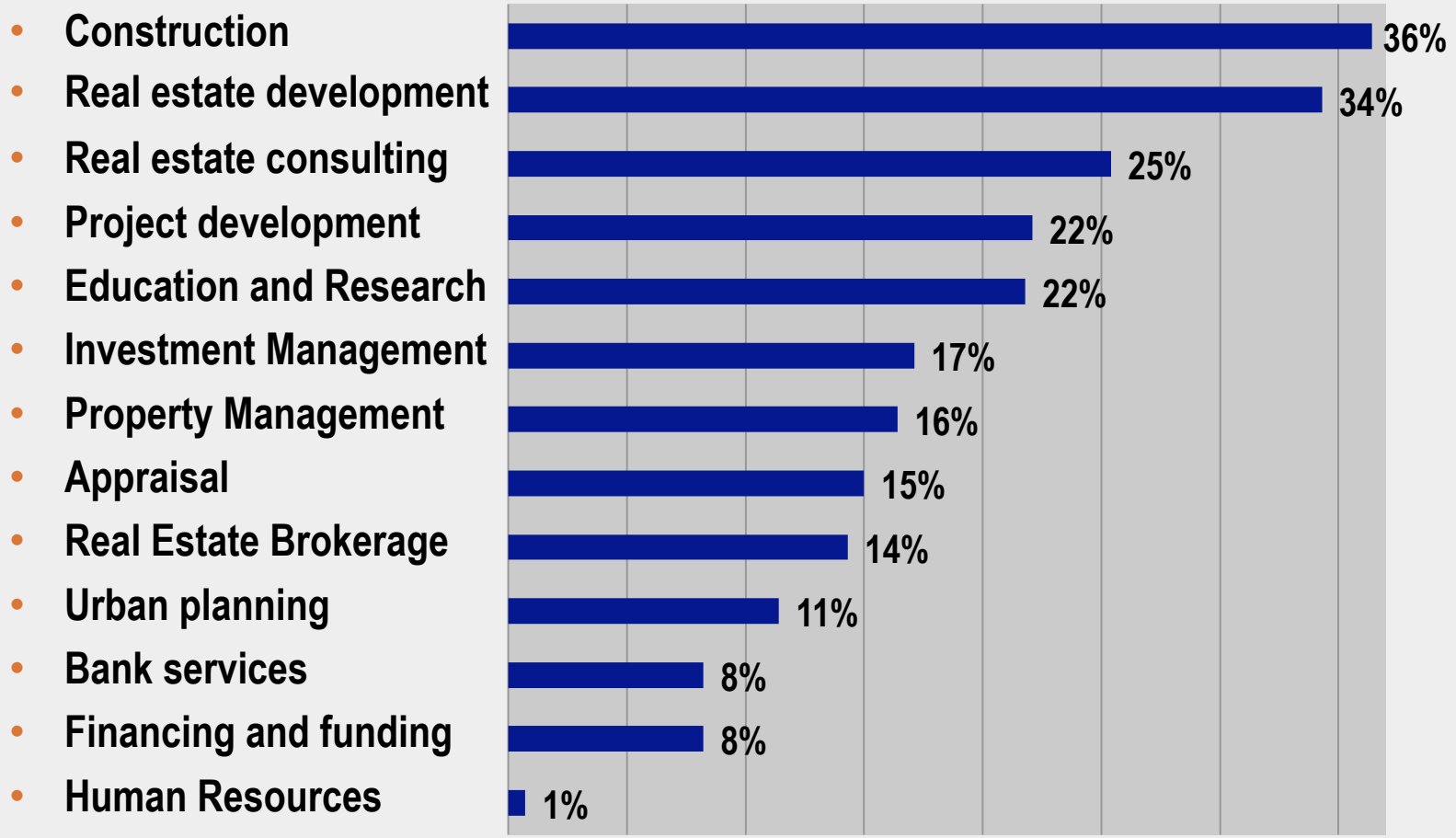
The Survey Results

Main business of the company



Competences ranking 1/3

Rank	Competence description	Mean (μ_0)	var (S_0^2)
1	**Awareness of the ethics of the profession**	4,45	0,59
2	**Perception of what happens in the market**	4,41	0,53
3	**Critical thinking, ability to assimilate complex situations**	4,38	0,53
4	**Ability to identify new problems and find solutions**	4,26	0,58
5	**Knowledge of legal and regulatory aspects of Real Estate**	4,22	0,81
6	Ability to work in team	4,20	0,78
7	Good relationship with people	4,20	0,67
8	Ability to develop original and creative solutions	4,18	0,60
9	Ability to express themselves clearly and objectively through writing	4,15	0,66
10	Negotiation and conflict management skills	4,11	0,77

n=261

Competences ranking 2/3

Rank	Competence description	Mean (μ_0)	var (S_0^2)
11	Ability to coordinate multidisciplinary teams	4,08	0,82
12	Managerial and leadership attitude	4,06	0,82
13	Effective oral communication skills	4,01	0,72
14	Easy to adapt to new situations, dynamism	4,01	0,63
15	Innovative, entrepreneurial spirit	4,00	0,84
16	Knowledge about investment analysis	3,93	0,88
17	Knowledge about financial mathematics	3,92	0,87
18	Knowledge about investment indicators	3,89	0,91
19	Knowledge about risk management	3,87	0,85
20	Knowledge about economic and financial modeling	3,80	0,99

n=261

Competences ranking 2/3

Rank	Competence description	Mean (μ_0)	var (S_0^2)
21	Knowledge of economics, finance and administration	3,76	0,75
22	Attitude towards quality, safety and environmental preservation	3,71	0,92
23	Ability to perform individual works autonomously and independently	3,70	0,87
24	Ability to manage the implementation of real estate projects	3,67	1,01
25	Ability to Identify financing and funding necessities	3,64	0,99
26	Ability to design and operate economic and financial models	3,63	0,96
27	Knowledge about corporate IT systems	3,36	0,80
28	Knowledge about capital markets	3,31	1,09
29	Command of foreign languages	3,23	1,03
30	Knowledge about supply management	3,03	1,04

n=261

Main divergences

All competences were above 3,0 (relevant)

Statistical tests to see for discrepancies

- ✓ **Construction:** Supply management
- ✓ **Development:** Design and operate economic and financial models
- ✓ **Consulting:** Perception of what happens in the market
- ✓ **Research & Education:** Command of foreign languages

Main Conclusions

Main Conclusions

Multidisciplinary field

- ✓ Out of 30 Competences, 50% above 4,0 (quite relevant)
- ✓ Educational challenges
- ✓ Relate Competences with the BoK

Business x Built Environment schools

- ✓ Recent in Brazil (30y)
- ✓ MBA is preferred
- ✓ Life Long Learning - participation of the companies

Awareness of the ethics of the profession

- ✓ Active participation on the International Ethics Standards Coalition (IESC) via IREM, RICS, SECOVI and FIABCI

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