

Estate Agents

Recruitment Issues and Skills Shortages in Estate Agents

- Asset Skills research states that there are **relatively few recruitment difficulties** within estate agencies.

Informed opinion in the North West would argue that recruitment is the key issue. This is especially true of small micro businesses in competitive locations. It is very easy to recruit people who are new to the business and who have no knowledge of the profession. However, the difficulty lies in developing them to the standard the industry requires with limited decent training resources and tools, limited training budgets and time restraints due to 7 day trading.

For example, too many people with no skills related to property and estate agency work think that they can become an Estate Agent. Because somebody is able to improve their own house and add value to it that does not mean they can become an Estate Agent. There are no barriers to entry into the profession and there is a perceived need that you do not need qualifications. The negative perception of the public is that estate agents do not do much for their money and therefore they think that I can do that.

For example, recruitment is also difficult for many estate agencies because they are micro- businesses trading for 7 days a week. The reality is that the majority of people do not want to work at weekends.

For example, there is no progression route into working for an Estate Agent. E.g. you cannot choose an Estate Agency Diploma course at college.

It is also very difficult to recruit people with estate agency experience and local knowledge. Depending on your location, there is a great risk in taking on an employee from a competitor especially from a trust point of view. It is a ruthless industry and can result in retaliation from the competitor via targeting and poaching clients by reducing the fees they charge. If they do not recruit staff from a local employer how do they acquire staff with ready knowledge of the local area.

It is unlikely that regulation will stop staff poaching activity. Knowledgeable opinion believes that there needs to be redress through an ombudsman.

The risk is that in employing people with industry experience is that they may have worked for employers who have offered no training. Prospective employees can bring bad practice and bad habits with them.

It is also very difficult for a small micro businesses to employ a potential employee from a larger corporate firm as they would not be able to afford the higher salary demanded.

In addition, the profession has a bad press and it is often viewed as a negative industry to be in. E.g. It is a stressful environment to work in as clients demand the best possible service, are less tolerant and get stressed. The public simply do not appreciate and value the service provided.

In order to sell houses you need to be skilled in Customer Management. Customers can often be in a state of heightened stress and Estate Agents need to be able to control such people.

- **The focus of attention should be on skill development and training within the industry.**

An enterprising Estate Agent in the North West chooses to recruit mature staff with customer management skills and staff straight from school. The latter are placed on a modern apprenticeship course in Estate agency covering Administration and Customer Service. This is supplemented by in-house training in terms of softer skills e.g. customer service and ethics. In addition, courses in first line management skills and assertiveness have been outsourced from a local college.

- **Management skills gaps** have been highlighted with proprietors, directors and managers needing to **develop marketing and business strategy skills including leadership**. The main skills gaps at a lower level were identified as negotiating and IT skills.
- **Front office staff and sales staff need 'qualifying skills'** defined as the ability to work out what position customers are actually in and how likely a sale is.
- Good negotiators are often **promoted to team leaders** without any management training.

- **Demand for estate agency courses is steady** although there also appears to be some difficulties being experienced in recruiting suitable qualified and experienced staff to teach on estate agency courses.
- There has been the **increased demand for qualifications on the commercial side** of estate agency.
- Estate agencies do tend **to take a narrow view of training and skill development** often linked to its direct relevance to work. Indeed a main concern of employers in relation to training is that it does not interfere with work and this is reflected in the fact that employers appear to favour distance learning methods.

Key issues in relation to Estate Agents Provision

From the relatively little evidence available from providers other than the National Association of Estate Agents (NAEA) it does appear that demand for estate agency courses is steady. The main areas of change in provision have been the increased demand for qualifications on the commercial side of estate agency.

The only courses at level 4 and above are as follows:

- NAEA Diploma in Residential Estate Agency
- NAEA Diploma in Residential Letting and Management
- NAEA Diploma in Commercial Property Agency

These courses are at level 5 and are only available on a 'distance learning with tutorial support' basis by a provider called Manchester Open Learning (MOL), which is the preferred and only supplier of the NAEA for these qualifications.

MOL is a specialist department providing supported distance and blended learning within Manchester College of Art and Technology (Mancat).

It is fair to say that Estate Agency provision has never been a curriculum subject for HE providers. The NAEA has mainly dealt with FE Colleges in terms of the technical awards at level 3.

Informed opinion in the North West believes that the NAEA Technical awards in Sales of Residential Property and Residential Letting & Property Management at level 3 are not relevant to the daily reality of working in an estate agency. The self check questions are ambiguous and not user friendly. In addition, the exams are held in locations which are too far away.

As the NAEA technical awards are viewed as irrelevant, the Estate Agent undertakes training in house and tutors the staff so they can progress through the distance learning course over a period of time. Those members of staff who have already taken the course then mentor those currently taking the course.

The NAEA would consider other providers in the market, but think that the market would have to get quite a bit bigger for them to justify such a decision. **However, the NAEA do not think there are currently sufficient numbers to justify additional provision at this stage for the NAEA or for potential providers.**

The main issue in relation to both the expansion of provision and indeed current provision is actually finding people at the right level who have experience and knowledge in Estate Agency, Letting and Commercial to be able to effectively support a Diploma or a Foundation Degree.

Knowledgeable opinion in the North West believes that the development of a Foundation Degree in Estate Agency on part-time basis would allow blended learning with modules incorporating work based and reflective learning. The modules would cover personal development planning including research skills, negotiating & communication skills and customer service. Other modules would cover Property Knowledge –including fixtures & fittings, interior design - Estimating & Valuing, IT Skills, Conveyancing and Mortgages. The student would be allowed to pick the modules relevant to their job specification. Such a course would allow existing employees to be trained. The difficulty in achieving this for a HE provider will be to get the requisite numbers engaged in order to provide the course on a part-time basis to suit employers.

Whilst there is no doubt that the accessibility of training could be improved there appears to be other barriers at work that prevent people within estate agency accessing basic technical training. The main difficulty appears to lie with the culture of smaller estate agencies and their approach towards training and skill development. It certainly appears that many small estate agencies in particular, do not have a good history of training and skill development activity.

It is considered that the impact of the redress scheme and future legislation to cover the activities of estate agents in general is likely to have a significant impact on practice within estate agencies and in particular, a much greater emphasis on skills development and training in order to comply with new standards. **Training and development needs identified include Business Management, Team Leadership, Customer Service and IT skills.**

Asset Skills state that bespoke, flexible and job relevant training is needed. However, providers need to be aware of the fact that most of the industry consists of small and micro-sized businesses.

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