

**Bridge  
Group**  
research  
action  
equality

**Socio-economic diversity  
in the real estate sector**

**September 2020**

Supported by the JLL UK Foundation

# Preface

This research has been undertaken by the Bridge Group, funded by the JLL UK Foundation, and delivered in collaboration with the twelve participating organisations listed below.

- > CBRE
- > Colliers International
- > Cushman & Wakefield
- > The Crown Estate
- > Gerald Eve LLP
- > Grosvenor Estate
- > JLL UK
- > Knight Frank
- > Land Securities Group plc
- > LaSalle Investment Management
- > Savills UK
- > Turley

This research has been made possible by over a million data-points and more than 100 hours of interviews that the firms above contributed for our analysis.

We are also grateful to the Royal Institution of Chartered Surveyors, the British Property Federation and Changing the Face of Property for their input.

*Property is about who you know. At graduation, people are listening out for names they recognise: 'Oh, that's so and so's son, that's so and so's nephew'. The family influence remains strong.*

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*What is it about signet rings? Clearly part of some family connection secret code that I'm excluded from.*

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*I am very aware here that I am from a different background. I can't quite put my finger on why. But I'm vocal about who I am and where I'm from. Maybe it's because I don't want to slip into someone I am not. I can now afford a nice house, nice clothes, so I could almost get away with not letting anybody know about my background, but I am not going to be ashamed of it. I am proud of where I am from.*

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*It used to be very clubby and arrogant – a bit of a boys' club. It was a public-school educated rugby playing man who fitted well into the real estate environment ... and went off at lunch time and had a few pints of beer. But a lot of that has gone away.*

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*People are a lot more aware now and catch people out. Some things are no longer acceptable. It's getting better, but there's more to do. We need more evidence, more data, to inform and evaluate what's happening.*

# Summary

- A. The real estate sector is deeply important to the UK economy, contributing more than £94 billion annually and employing over one million people. Those working in many real estate organisations shape where we live, work and play; and which doors are open to individuals across the profession.
- B. This research is the first of its kind in the international real estate sector – focusing on the workforce in larger, UK based real estate firms. While real estate comprises a complex mix of occupations and (public and private) organisations, we found through this study that this group is deeply lacking in diversity – and most acutely by socio-economic background.
- C. Among the participating organisations that submitted data, 45% of employees overall attended an independent or selective state school (28% and 17% respectively).
- D. On average the real estate firms in this research have a smaller proportion of employees from lower socio-economic backgrounds (27%) compared with, for example, leading accountancy firms, finance firms and the population of UK CEOs - based on comparator data referenced here and in previous [Bridge Group research](#).
- E. Employee profile is less diverse the more senior the level. Among senior executives, 34% attended an independent school, and half attended an independent or selective state school – and among this group 52% are from a higher socio-economic background when analysing parental occupation. This is less representative compared with occupations such as MPs, FTSE 350 Chairs and BBC executives.
- F. There is significant variation between and within firms. For example, the proportion of employees from higher socio-economic backgrounds at each firm ranges from 39% to 71%. Exploring socio-economic background by level of seniority suggests that significant increases in diversity will not happen naturally over time. For example, compared with the figure of 50% for senior employees, 43% of junior employees attended an independent or state selective school (21% and 22% respectively) and 38% of mid-level employees (22% and 16% respectively).

- G. Just as socio-economic background affects access to the sector and progression within it, so too do gender and ethnicity. White men dominate senior positions in the sector (64% of senior positions are occupied by this group).
- H. There are also clear intersections between these three diversity areas. For example, men are 21% more likely to be from higher socio-economic backgrounds than women; and White employees are 40% more likely to be from higher socio-economic backgrounds than those who identify as Black.
- I. Through 152 interviews, we explored the factors contributing to these inequalities. 84 of these interviews were with mid-level employees and 26 with senior employees across the participating organisations, while another 42 were with school pupils. The latter were aged 14-16 and attending schools in the lowest quintile with regards to the socio-economic background of their population.
- J. Emerging from the interviews with employees is a strong narrative about pipeline challenges: employees believe that the lack of awareness about working in the sector, its overall image and limited entry routes combine to create a pipeline that is highly lacking in diversity.
- K. Our interviews with school pupils reveal that they do indeed lack understanding about the career opportunities to work in the sector and that their view is skewed towards residential estate agency. However, we also noted that those higher education courses most respected by real estate employers are on average no less diverse than other courses in this discipline in the wider university sector. It is therefore unclear that the lack of socio-economic diversity in real estate is a pipeline issue: it appears to us that the sector also actively creates its own barriers and inequalities.
- L. Emerging from our interviews with employees is a strong theme that working cultures in real estate are changing in positive ways away from the old model often characterised by chauvinistic norms and deals completed over well-watered lunches. However, interviewees still perceive the sector as led mainly by white, middle-class men. Property management is considered more accessible and diverse than investment management: the agency and investment side is felt to have more of a "lad culture", fuelled by the "old boys' network".
- M. A strong narrative emerges about how familial and related social connections are often pivotal to establishing a career, for example from

gaining early work experience to securing career-defining deals. This appears to be more acute in the real estate sector than in most other sectors. In turn, this is connected to the need to nurture strong socio-professional networks, to be visible and self-promoting, and to develop quick connections with colleagues (and clients where appropriate). Interviewees note that it may be reasonable to expect these qualities in successful colleagues, but also that these qualities may have little correlation with job performance. Moreover, a large number of interviewees note that employees' socio-economic background affects significantly how senior leaders (and especially White men) choose to grant access to the resources and opportunities that enable these qualities to develop.

- N. Interviewees consider that colleagues who feel an immediate connection with senior leaders, based on educational and cultural experience, will find it easier to promote themselves and achieve visibility within the firm. Many interviewees from lower socio-economic backgrounds also reflect on the energy they expend in attempting to assimilate to unfamiliar, dominant cultures and the ways in which every day micro-aggressions and ill-placed humour can erode self-confidence, demotivate and disillusion.
- O. There is also a view amongst many interviewees that promotions processes can be opaque and heighten the need to have a good network and to understand 'the game'. They also feel that qualifications were both deeply important to progress but also financially inaccessible for many, due to a combination of up-front investment and no guarantee of employment (akin to law), especially for quantity surveyors and architects. The increasing investment in apprenticeships is considered to have had only a very minor effect on access and diversity.
- P. The real estate sector has increased its attention to diversity and inclusion in recent years, but has focused mainly on gender and sexual orientation. With respect to socio-economic diversity, the sector has not applied the same scrutiny as many other professional areas. In law, accountancy and banking there is now considerable evidence and established practice to support improvements.
- Q. Socio-economic diversity matters. In many professional areas the Bridge Group has shown it to have a greater impact on access and progression than protected characteristics, including gender and ethnicity. We find that even where people from less advantaged backgrounds perform better, they are still more likely to get paid less for the same job and typically progress more slowly within an organisation (see Bridge Group [research](#)). The

overlaps and interactions between diversity characteristics are also critical to understanding how overall equality can be advanced – and the associated business benefits realised.

- R. Advancing equality matters more now than ever. The combined economic effects of Brexit and Covid-19 are intensifying the societal and organisational challenges relating to equality and are heightening competition for clients, contracts and talent. Black Lives Matter has also justly concentrated focus on practically addressing racial inequalities and prejudice. Socio-economic equality is a key factor in this.
- S. There is good work taking place in the real estate sector, much of which is captured here; but its impact is uncertain and there is more to do. We make a series of recommendations to advance positive change. Many interviewees expressed support for existing initiatives, but some expressed reservations – because measures focus almost exclusively on entry-level hiring, or because interviewees consider current work (within and between organisations) to be generally piecemeal, inconsistent, or lacking in strategic impact. Furthermore, many interviewees shared experiences of hearing derogatory remarks about diversity and inclusion initiatives (mainly from colleagues within the dominant culture) and seeing policies bypassed that had been introduced to advance the agenda.
- T. We recommend that all organisations across the sector collect consistent and robust data relating to diversity and inclusion, and that this is benchmarked within the sector annually (and most likely anonymously, as in this report) – so that organisations can understand their position and the progress they are making. This should be done in parallel with socialising this research internally to provoke discussion, to raise the importance of the issue, and to explore how it connects with other diversity areas.
- U. Diversity and inclusion are key to effective talent acquisition, management and retention. We recommend that it be embedded in leaders' performance assessments (including affecting remuneration), in hiring and promotions, and in mandatory professional development training. There must be a keen focus on those in middle / senior management too: those who are managing teams, monitoring how policies and processes are working for or against diversity, and making daily decisions that determine who gets ahead and how.
- V. We recommend a greater focus on working with the dominant group (typically, but not only, White men) ensuring that they understand the

implications of this report for their modelling of a more inclusive approach and harnessing their wider influence in support of diversity and inclusion. This will be more effective than offering minority groups remedial support to better assimilate to existing dominant cultures. And since interviewees often referred to the importance of client relations, we recommend convening client groups to explore the apparent contradiction between clients' stated expectations and their behaviours in relation to diversity.

- W. To broaden the recruitment pipeline, we recommend cross-sector collaboration to develop online materials for teachers and advisers, as well as opportunities for young people to gain work experience. We encourage universities to work with the real estate sector on these initiatives.

# Recommendations

## For employers

- A. **Engage your colleagues in this research.** The findings here should provoke open conversations at the participating firms and more widely across the sector – and an opportunity for those at all levels to contribute. This evidence provides new momentum for action relating to socio-economic diversity and inclusion – not least because it intersects in critical ways with other diversity characteristics; and because the pandemic and Black Lives Matter are heightening the need for urgent action.
- B. **Review and reshape organisational cultures.**
  - i. Greater awareness about people’s lived experiences can contribute to a more inclusive and open working culture, which in turn can lead to better leadership, employee satisfaction and ultimately increased profitability. Provide safe platforms for staff from diverse backgrounds at all levels to share their stories.
  - ii. Engage colleagues at all levels in discussions about merit: what does the firm value in its employees? What constitutes good performance? Identify where this may be affected by background (for example, socio-economic factors) or by current barriers and challenges (for example, family responsibilities or location).
  - iii. Deliver a strong message about the implications and consequences of microaggressions and encourage a 'zero tolerance' approach. Firms should help employees understand that casual remarks and 'banter' relating to background and personal characteristics (for example, about accent, forms of dress and ethnic origin) can cumulatively have a detrimental impact on the self-confidence and sense of belonging of the recipients and thus too their capacity to contribute to the firm.

- C. **Ensure robust data collection and analysis is in place to inform and evaluate progress.** All real estate firms should follow the best practice guidance included here on the collection and analysis of socio-economic data, to help understand better the challenges associated with progression, to inform changes in policy and practice, and to monitor progress in this area.
- D. **Building on this, real estate firms should submit workforce diversity data to a trusted third party to benchmark data anonymously across the sector,** and to begin to explore in more detail why there is significant variance between firms with respect to socio-economic diversity. We encourage you to consider the progress that has been made in this regard by Access Accountancy: this consortium has also shared, interrogated and discussed effective practices in relation to access, diversity and inclusion.
- E. **Embed diversity and inclusion within mainstream processes for identifying and rewarding good performance; and for managing and retaining talent.** This draws on agreed understandings of merit, as recommended above. Diversity and inclusion is not a tangential activity, located in designated initiatives and programmes, but must be a core responsibility across firms. This should include a keen focus on middle-managers, with their contributions to diversity and inclusion recognised through performance and pay assessments. Middle managers should require senior-level approval to bypass formal policies and processes.
- F. **Formalise the informal.** Senior staff, often operating outside of formal processes, are currently able to fast-track the careers of junior staff – some of whom they may be drawn to on the basis of cultural similarity, rather than evidenced contributions to the business. While it is both difficult and problematic for organisations to try to dictate who builds relationships with whom in the workplace, they do have the power to decide the autonomy that senior staff have in bypassing, circumventing or ‘gaming’ formal processes regarding hiring (especially for experienced hires rather than entry level roles), promotion, progression and work allocation. We believe that properly articulated and properly enforced guidelines are key to minimising and managing the informal progression tracks that interviewees identify as disproportionately rewarding colleagues from more privileged backgrounds.

- G. **Take intersectionality seriously.** Equality and diversity provision within organisations is very often organised one-dimensionally along a single area of inequality, such as gender or ethnicity. Yet people's work lives are better understood as being shaped by many axes of inequality, that often work together and influence one another or create distinct types of disadvantage that are experienced in different ways.
- i. Our analysis shows that people of colour from lower socio-economic backgrounds face a clear 'double disadvantage', and that this is often multiplicative rather than simply additive. We therefore urge real estate organisations to examine intersections between different strands of diversity, in terms of how they both analyse their employee data and design diversity interventions.
- H. **Make recruitment more open and transparent.** Internships and entry level jobs should be openly advertised to help young people from under-represented groups get a foot on the ladder. While most internships are paid, many are never advertised, and instead offered through informal networks. This locks out talented young people without connections and limits opportunity. Employers should also look at new routes into their profession, such as apprenticeships, which could open opportunities to a wider group.
- I. **Adopt contextual recruitment practices** that place school and university attainment and successes achieved in the context of disadvantage, including underperforming schools and less advantaged neighbourhoods. When considering which qualifications are required, employers should require only those that are demonstrably necessary to perform the job.
- J. **Allocate resource to developing outreach for young people about career opportunities in the sector.** Ensure that this outreach is available to young people from all backgrounds. To promote efficiencies and impact, firms in the real estate sector should collaborate with each other, the university sector and third-party outreach organisations.
- i. Firms should aim to develop high quality written careers advice to raise awareness of the roles available in real estate and the access routes to them.

- ii. Firms should also develop structures for young people to gain a deeper understanding of careers in real estate, for example through interactions with professionals in the sector and through work experience. Here too, organisations such as Access Accountancy and PRIME offer possible models, as do a number of third-sector organisations.
- iii. Good careers advice can be transformative for young people, but despite recent progress made on realising the Gatsby Benchmarks by the Careers and Enterprise Company in England, provision across the country remains inconsistent. Organisations across the sector and professional bodies have a critical role to play in this.

## **For universities**

- K. **Universities that provide clear routes into real estate should use contextual admissions, if they are not already doing so, and collaborate with the real estate sector on outreach.** Universities with such courses, particularly where they are more selective and thus likely to attract lower proportions of students from low and moderate-income backgrounds, should make greater use of contextual admissions. This includes making reduced grade offers, to recognise the differing circumstances faced by these applicants. In terms of outreach, universities should ensure their work is appropriately targeted and evidence-based.

## **For all organisations across the sector, including professional bodies and policymakers**

- L. **Lobby for socio-economic background to be a protected characteristic, enacting Section One of the Equality Act.** This would ensure that socio-economic diversity is a key mission across the whole of society. Enacting the 'socio-economic duty' clause of the Equality Act 2010 should be the centrepiece of this. Access to opportunities should not be dependent on the social class you grew up in, and socio-economic background should be considered similarly to ethnicity and gender.

## Closing remarks and thanks

- A. The range of practical recommendations here require commitment from leaders and the wider community in the real estate sector. As noted above, the relevance and impact of this report and its recommendations will also critically extend beyond the primary focus of socio-economic background; progress in this area will undoubtedly also contribute to greater diversity and inclusion more widely, and overall equality and business benefits.
- B. Our sense is that many senior leaders in the sector are aware of and recognise both the business and societal case for change in relation to diversity and inclusion, and of how these two cases relate to each other.
- C. In the context of Brexit, Covid-19, Black Lives Matter and more, action is what now counts. As we have noted, property occupiers are becoming more diverse and it is important that real estate professionals reflect that diversity. And where organisations are involved in regeneration projects, and the development of public spaces, it is especially important that decision-makers are able to reflect the experiences and priorities of affected communities.
- D. More widely, we know that diversity leads to a wider range of perspectives and ideas, increased creativity and heightened employee satisfaction. But for these benefits to be realised, the commitment to diversity must extend beyond entry-level hiring; and (most importantly) must be matched with an equally determined commitment to inclusion. Inclusion involves fostering respect for others and a sense of belonging, but it extends beyond these individual benefits by ensuring that everyone in a diversified workforce can thrive equally. There is thus also a clear performance benefit for firms. Change will require action and investment from many stakeholders, and we look forward to this journey with you.