

23 January 2024

Jobs and Skills Australia
Department of Employment and Workplace Relations
GPO Box 9828
Canberra ACT 2601
Australia
Via online lodgement

REIA Submission: Jobs and Skills Australia's 2024-25 work plan development

Dear Commissioner Turvey,

The Real Estate Institute of Australia (REIA) is the national body and voice for the real estate profession in Australia. REIA's primary function since 1924 has been advocacy for policies that support a successful real estate industry. We are committed to working with the Australian Government to advance Australia's prosperity.

REIA's members are the State and Territory Real Estate Institutes (REIs) through which around 85% of Australian real estate agencies are collectively represented across 46,793 businesses. From an industry perspective, our REIs have indicated that there is a need for more concerted efforts to develop a strong national framework for our property management workforce through cohesive community-government partnerships.

We are submitting this response on behalf of our network to the Jobs and Skills Australia on the 2024-25 work plan development consultation. We note in particular that housing remains an enormous barrier to Australia's labour market development and it is therefore critical that the real estate workforce (alongside building and construction) be sufficiently supported in order to achieve this.

Overview

Real Estate Services is the largest sector in the Rental, Hiring and Real Estate Services industry, employing 138,000 workers. There are over 40,000 Australians working in property management alone. Property managers play a vital role in housing Australians with approximately 80% (2.7 million) of rental properties in Australia under management. This includes management of property maintenance, rent collection, tenant management and recruitment and compliance. This work is all the more so vital with 27% of Australians living in private rentals as of the 2021 census.

The real estate sector, particularly the residential property management is struggling in the recruitment and retention of staff in their agencies.

Last year, rental prices rose a whopping 7.6% and rental vacancy rates are still below the benchmark of 3.0%. In a time when rental supply and affordability are affecting many Australians, this is simply being further exacerbated by staff shortages and inadequate support to the property management workforce.

Advocating our for our property management workforce is a direct deliverable of our [REIA 2025](#) and [REIA Getting Real 2.0](#).

Our position

Reforms implemented under the National Skills Agreement, Australian Universities Accords and migration reforms impact our sector's workforce, primarily property managers.

Latest Jobs & Skills Australia trends in the property management workforce:

- 23.5% of property managers are aged between 25 to 24 years old, representing the majority age cohort in the profession.
- Approximately 70% of property managers hold a qualification level at Certificate III/IV or higher.
- 67% of property managers are female.

The data listed above, taken from the Jobs & Skills Australia website, reflects the monumental need for consistent policy reform and review to ensure that support is given to aspiring and current professionals in the sector.

Workforce development: Investment in training for a skilled workforce

Trusted real estate agents and property managers are crucial to upholding integrity in our sector by promoting best practices in every stage of the real estate transaction process. This extends from industry entry requirements to licensing, continued training, and the consistent advancement of skills and standards.

In particular, the residential property management sector is facing an unprecedented amount of stress and burnout as they try to balance struggling tenants and stressed rental providers.

It is REIA's view that the government will need to harmonise real estate regulations across best practices, training and licensing. This will attract and retain new talent, foster diversity and prioritise well-being in the sector.

Targeted migration: Refining the migration system to meet current market needs

An important roadmap opportunity needs to be considered in this work plan consultation is the development of a streamlined pathway for attracting skilled migrants into the property management workforce through opportunities for permanent migration in areas of high need.

As part of the National Housing Accord's goal to deliver on 1.2 million homes over five years, this will require the provision of real estate services to ensure that both landlords and tenants are assisted during the entire real estate transaction process. Property managers are crucial in all facets of this from marketing, tenant management, financial management and provision of operational and day-to-day services.

Currently, property managers are not listed on the skilled occupation list (SOL) and it is our view here at REIA that placement of this occupation on the SOL would ameliorate the current property management workforce.

REIA Recommendations

REIA's recommendations for key deliverables as part of the 2024 – 2025 work plan includes:

- An evidence-based and skill shortage study that is practitioner-led is necessary to identify data gaps and provide a comprehensive overview of the labour market and skills outlook for property managers.
- Inclusion of property managers for the Priority Skilled Occupation List
- A uniform plan to harmonise real estate regulation among all the states and territories to ensure that national curriculum reform standards are met.
- Fund an on the job training pilot to help women return to the workforce. Enclosed is a proposal proposed to the Federal Government in 2022 and 2023 outlining the concept design.

Conclusions

At a time when there has never been more political or otherwise scrutiny in real estate markets and Australia's housing, it is imperative that we build on our human capital by addressing future workforce, skills and training needs.

This is through healthy collaboration between the government and local communities. REIA strongly advocates for a healthy and sustainable real estate workforce in providing a home for all Australians; and urges Jobs and Skills Australia to address the housing crisis holistically by investing in our most important asset: our people.

Should you require further information, I can be contacted on 0448 692 245 or anna.neelagama@reia.com.au.

Yours sincerely,

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Proposal

Jobs and Skills Summit Action Plan

*Property management as a career of choice for women re-entering the
workforce*

AUGUST 2022

Our Industry

Australian real estate agencies total 44,000 Australian small businesses employing a combined workforce of 130,000 Australians.

Australian real estate agencies have traditionally hired exclusively local with no imported labour; and are a 'point of difference' industry that genuinely places Australians in local jobs.

Our Jobs Creation Opportuntiy

There are an estimated 2.7 million rental properties in Australia with around 80% of properties are managed by agents, referred to as property managers or PMs.

Rent collected by PMs totals approximately \$49 billion per annum with 27% of Australians living in private rentals.

67% of the PMs workforce are female and it is considered to be a growing 'pink' or women's economic development opportunity. Agencies offering flexible working hours based around school pick up have been successful in retaining female employees long term.



Contribution of PMS

PMs play a vital role in managing investor-tenant relations, property maintenance, rent collection, tenant recruitment and management and ensuring the property and tenancy is compliant with local laws.

Due to a range of factors -including increased compliance, lack of training, and intergenerational lag- real estate agencies are currently facing a shortage of experienced PMs in both Australia's cities and regions.

The workforce shortage for Australian property managers is estimated to be substantial with currently 15,623 PM roles listed nationally across three major employment portals:

Jora	8,994
LinkedIn	1,316
Seek	5,313
TOTAL	15,623

(As of 22/08/2022, does not include duplicate analysis)

The Solution on Offer

REIA's qualitative feedback suggests that agencies have had significant success in transitioning Australians working in sectors heavily impacted by COVID-19 - such as retail, aviation and hospitality - with strong results due to the customer relations focus of these sectors.



Testimonial



Within the last 12 months we have hired three young ladies from hospitality, travel and retail. Their age range is 20-29yo.

The benefit has been that we can teach them property management, they learn how to use our software system, and procedures. They all have excellent customer service skills, and are used to working outside of office hours.

This fits well within our business, the nature of real estate being 6pm viewings and Saturday opens (not in COVID lockdown of course). They understand they have a lot to learn and are keen to learn, they often offer up suggestions on how we could do things better, seeing the task through a different lens.

For two of the ladies (currently in leasing) the pathway is to sales and the third is to become a property manager.

My three shining examples are working hard to prove themselves with this new industry and value their roles and learning. This is a great way to start and get ahead in the future.



- Rachel Beadman, Head of Property Management at PPD Real Estate

The shortage of property managers provides a serious job creation opportunity to support Australians into permanent, secure and skilled roles in their local area with on the job training provided as COVID-19 continues to critically impact more traditional customer-focused sectors.



Our Recommendation

State and Federal Governments should fund a recruitment & mentoring campaign for property managers to immediately support Australians into job placements.

Where the Real Estate Institutes are well placed to help

To fully capitalise on these opportunities, REIA has identified two key areas which could help Australians - particularly those with customer relations skills from heavily impacted COVID-19 sectors on income support programs to convert into PM as a long-term career with government co-investment.

These are:

1: A National Recruitment Campaign

Highlighting property management as an attractive long-term career choice, including a potential online matchmaking component.

Key external components would include:



2: A Property Manager Starter Support Package

This could include a bridging course including an on “on the job” mentorship program connecting skilled and highly experienced PMs from across Australia to with those new PMs re-skilling from other sectors for an initial period of 8 weeks.

The Starter Support Package could be best summarized in a 5-step program:

1. EOI / CV to State + Territory Institute or designated provider
2. Candidates to participate in short Property Manager Course & secure State based Certification
3. Agency Placement
4. Candidate supported with 8 week on the job mentorship
5. Placement close-out

High level costings

A combined investment of \$23,250,000 is recommended to widely engage potential jobseekers across these two key strategies. This investment is scalable.

<i>Major national recruitment + matchmaking campaign (All States & Territories)</i>	\$1,500,000
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<i>Property Manager Starter Support Package (x1500 places)*</i>	\$21,750,000
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<i>Total Combined Investment</i>	\$23,250,000

*can be scaled up or down i.e. x400 pilot places = \$5,800,000 million



Component 1: Property Manager National Recruitment Campaign

- Target: A national digital recruitment and matchmaking campaign
- Key components: Prospectus/e-book, advertising, web content and paid social media
- Deliverable within: 4 – 8 weeks
- Total Co-Investment: \$1.5 million

Component 2: Property Manager Starter Support Package

Full transition support package including property manager course, registration fee, placement and an 8-week on-the-job mentorship.

Property Manager Course with Institute & Certificate of Registration with Regulator	*\$1,400
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8-week induction and orientation mentorship

2 weeks full time: \$5,000	\$9,000
2 weeks part time: \$2,500	
4 weeks 1 day: \$1,500	

Program administration fee (end to end)	\$1,100
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Mentor placement & matchmaking fee	\$3,000
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PER PLACE	\$14,500
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* Based on maximum State and Territory course and registration costs



Estimated investment

The target number of initial places for this program is x400 places for PMs transitioning from Newstart or COVID-19 impacted sectors (retail, hospitality, tourism and other priority sectors as identified) or women looking to re-enter the workforce. Given the large workforce shortage, places could be scaled up after an initial pilot phase.

Total Co-investment: \$21,750,000 for 1500 places

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