

SA skills crisis in key real estate markets

South Africa's development is being hampered by a serious shortage of skilled engineers, especially in the public sector, and the situation has been described as one of the worst capacity crises in years, a research report by professional body Royal Institution of Chartered Surveyors (Rics) has revealed.

The research report, 'Unleashing sub-Saharan African Property Markets' was commissioned by Rics to understand the potential role that the organisation, and chartered surveyors who comply with international standards, could play in key real estate markets in sub-Saharan Africa.

Rics, which focused its research on opportunities in key property markets in South Africa, Kenya, Ghana, Nigeria and Tanzania, said South Africa had a mature – and strong – real estate market; however, some areas, including architecture, innovation and general output, needed some improvement.

As South Africa reduced its reliance on agriculture and mining for gross domestic product growth, and with relative sectorial changes regarding labour productivity and capital intensity over the past three decades, the nation now had greater demand for engineering professionals.

However, the research found that all skills within the property sector remained "wanting to some degree", with a general shortage of professionals and professional regulations, a lack of skilled artisans, poorly motivated youth and largely unsatisfactory management.

South Africa's ratio of 473 engineers per million citizens fell well short of that of other developing countries, including Chile, with 1 460 engineers per million citizens, or Malaysia with 1 843 engineers per million citizens.

Socioeconomic and labour factors, such as emigration and affirmative action policies; education, particularly the poor level of mathematics and science at school; a shortage of mentors; and a failure to promote the career and the appeal of the other career options relative to the real estate sector; as well as low throughput of students to the labour force all contributed to the skills misalignment.

However, Rics noted that "ultimately", the question of the skills gap was less about the quantity than about the quality, as skills would need to match the future needs of the country.

Of the engineering disciplines, civil engineering was anticipated to be in greatest demand in the medium term.

In the short term, quantity surveyors, construction managers and construction project managers would show the greatest deficit, while longer-term increasing demands for housing from a wealthier middle-class would boost the demand for architectural services.

"The research indicated that, across the board, there was a desire to see more practical skills within the property sector that include property finance, property investment and asset management, while indicating that there was too strong a focus on quantity surveying and construction subjects," Rics commented.

Further, real estate market participants raised concern that future demands and the quality of the practical skills and training received at a tertiary level or from training centres were misaligned.

“There is a definite trend that is requiring more skilled employment and less unskilled labour,” the report stressed.

The report had also showed that only 54% of employees at consulting firms, contractors and the public sector were under the age of 31, which would be the cause of the anticipated skills deficit in the medium term as the older employees retired with an insufficient number of younger professionals replacing them.

Rics said views obtained from employers and graduates asserted that an internship programme would “better allow students to integrate academic knowledge with the more practical skills learnt on the job”.

Source: Polityorg.za