



## EMPLOYMENT AND SKILLS SNAPSHOT – PROPERTY AND BUSINESS SERVICES

January 2010

### Introduction

The property and business services industry is a significant employer in New Zealand, employing 334,700 people (or 15% of New Zealand's total workforce) in the June 2009 quarter<sup>1</sup>. Employment in the industry has experienced strong growth over the last decade. The property and business services industry as discussed in this snapshot includes all firms predominantly engaged in renting and leasing assets as well as firms engaged in providing a wide variety of business services.

Employment data for the property and business services industry has been grouped into ten sectors: property operators and developers, real estate agents, non-financial asset investors, machinery and equipment hiring and leasing, scientific research, technical services, computer services, legal and accounting services, marketing and business management services, and other business services.

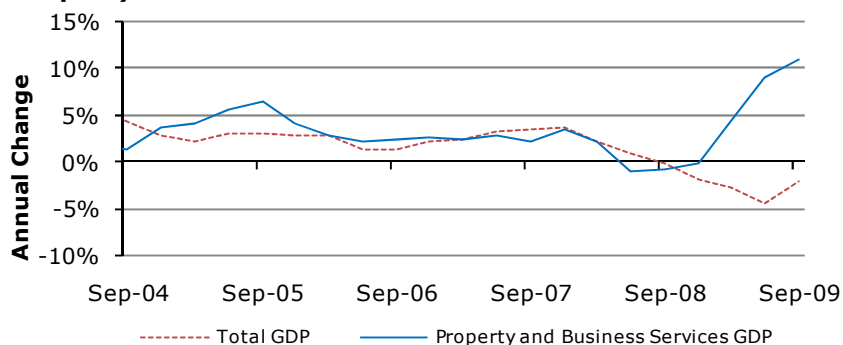
The discussion below focuses on the industry's:

- contribution to GDP;
- historical employment growth;
- qualifications;
- age and gender; and
- employment forecasts for the industry.

### Contribution to Gross Domestic Product (GDP)

In the year to September 2009, property and business services GDP increased by 10.9%, while total economic activity fell 1.3% over the same period (see Figure 1 below). The industry was one of the few industries contributing to an increase in GDP in September 2009.

**Figure 1: Annual change in total GDP and property and business services GDP (Sep 04 – Sep 09)**



Source: Statistics New Zealand

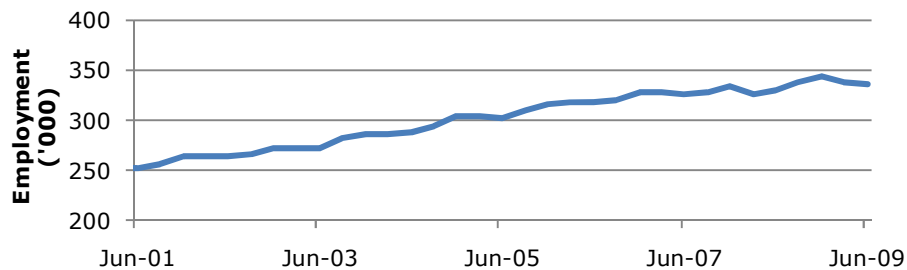
<sup>1</sup> Based on Department of Labour Employment Estimates



## Employment growth

Between the June 2001 and June 2009 quarter, employment in the property and business services industry has increased from 251,900 to 334,700<sup>2</sup> (see Figure 2). Employment also continued to grow throughout 2008 and 2009, despite the recession.

**Figure 2: Total employment in the property and business services industry (Jun 01 – Jun 09)**



Source: Department of Labour Employment Estimates

Other business services<sup>3</sup> was one of the biggest growth sectors, with total employment growing by 15,400 from the June 2004 quarter to reach 100,600 in the June 2009 quarter. Marketing and business management services experienced a similar increase in employment with total employment growing by 18% between June 2004 and June 2009 to reach 76,900 in the June 2009 quarter.

The computer services sector also experienced a large increase in employment, growing by 29% between June 2004 and 2009.

<sup>2</sup> Based on Department of Labour Employment Estimates

<sup>3</sup> Note: Other business services includes workers employed in employment placement services, contract staff services, secretarial services, security and investigation services (except police), pest control service, cleaning services, contract packing services, and business services not elsewhere included.

**Table 1: Employment growth in the property and business services industry by sector<sup>4</sup>, (Jun 04 – Jun 09)**

Industry	Employment (Jun 04)	Employment (Jun 09)	Share of industry employment	Employment growth (Jun 04 - Jun 09)
Other Business Services	85,200	100,600	30%	18%
Marketing and Business Management Services	65,000	76,900	23%	18%
Legal and Accounting Services	33,700	36,800	11%	9%
Technical Services	25,700	32,500	10%	27%
Computer Services	24,800	32,000	10%	29%
Real Estate Agents	19,300	23,800	7%	23%
Property Operators and Developers	17,900	15,200	5%	-15%
Machinery and Equipment Hiring and Leasing	7,700	8,400	3%	10%
Scientific Research	6,700	7,100	2%	6%
Non-Financial Asset Investors	1,000	1,400	0%	33%
<b>Property and Business Services</b>	<b>287,000</b>	<b>334,700</b>	<b>-</b>	<b>17%</b>
<b>Total (All Industries)</b>	<b>1,995,900</b>	<b>2,166,000</b>	<b>-</b>	<b>5%</b>

Source: Department of Labour Employment Estimates

On the other hand, the property operators and developers sector experienced a fall in employment by 2,700 over this period.

## Qualifications

**Table 2: Qualifications held by employees in the property and business services industry, 2006**

Occupation	No Qualification	School Qualification	Certificate and Diploma	Bachelor Degree or Higher
Accountant	1%	16%	9%	73%
Cleaner	38%	40%	10%	5%
General Clerk	10%	50%	15%	24%
Real Estate Agent/Property Consultant	13%	42%	27%	15%
General Manager	8%	33%	22%	35%
Secretary	8%	63%	19%	9%
<b>Property and Business Services</b>	<b>11%</b>	<b>35%</b>	<b>19%</b>	<b>33%</b>
<b>All Occupations in New Zealand</b>	<b>19%</b>	<b>35%</b>	<b>27%</b>	<b>19%</b>

Source: Census of Population and Dwellings, 2006

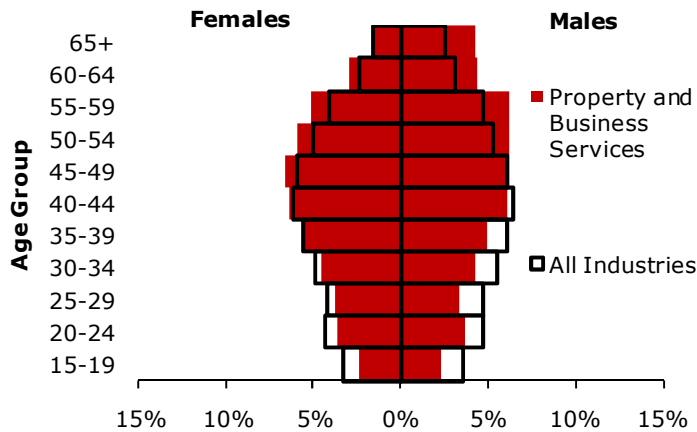
Employees working in the property and business services industry are highly qualified, compared to the overall workforce in New Zealand. The level of certificate and diploma qualifications held by employees in the industry (19%) was also lower than the national average (27%).

<sup>4</sup> Note: Non-financial asset investors include people engaged in holding intellectual property or other non-financial assets



## Age and gender

**Figure 3: Age and gender profile of property and business services industry employees compared to the working age population, 2006**



Source: Census of Population and Dwellings, 2006

The age and gender profile of the industry was similar to the overall population, although there were a slightly higher proportion of older males in the industry.

## Employment forecasts

The Department of Labour has periodic updates of employment projections for industries and occupations through to 2013. These are based in part on the GDP forecasts for each industry produced by the New Zealand Institute of Economic Research (NZIER). They also take into account recent productivity trends within industries. A degree of uncertainty is attached to these employment projections which are often influenced by changing industry prospects.

Current Department of Labour employment forecasts show the industry's workforce is projected to increase slightly in the years to 2013. This increase is due to strong GDP growth forecast.

## Summary

The property and business services industry is a relatively large industry in New Zealand employing 334,700 workers or 15% of the workforce in the June 2009 quarter. In the year to September 2009, the industry's GDP growth rate has been above the GDP growth rate for all industries, with property and business services GDP increasing by 10.9%. The industry has also seen strong employment growth between June 2001 and June 2009 with employment growing from 251,900 to 334,700. Over the year to June 2009, employment has grown from 329,200 in June 2008 to 334,700 in June 2009.

The industry had a highly qualified workforce, with 33% of employees holding bachelor degrees or higher in 2006. Overall employment is divided evenly between male and female employees. Employment in the industry is also forecast to increase in the years to 2013.