



PEMAC
& Associates

Final Report
**BOMA BC British Columbia Labour Market
Sector Engagement Partnership Study**

March 31, 2016

Canada



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Labour Market Development Agreement.*

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1. Acknowledgements

BOMA BC and PEMAC & Associates wish to express our appreciation to all the organizations and individuals who participated by providing significant feedback to this phase of the program.

In particular, we want to acknowledge everyone who completed and then provided further insight on the Labour Engagement Survey through additional meetings and conference calls.

We would also like to thank the BC Ministry of Jobs Tourism & Skills Training and Responsible for Labour whose support is much appreciated and specifically the Sector Labour Market Partners Program for funding this engagement study.

Finally, thanks are due to support from BOMA BC's Board of Directors and staff members who were either directly or indirectly involved in this study.

This report has been prepared by a team led by Peter MacHardy, of PEMAC & Associates, under the direction of Muneesh Sharma, Director of Government Affairs & Communications, BOMA BC and the newly established Advisory Governance Board, comprising of: Richard Anderson, Christine Babic, Michael Bishop, Ken Chu, Neil Eckman, Lesley Heieis, Oskar Kwieton, Greg Last, Sheila Luft, Colin Murray, Derek Page, Wayne Smithies, Jon Wellman and the general guidance of the Project Manager, Sector Programs.

2. Introduction

According to the Ministry's 2024 Labour Market Outlook Report B.C. is expecting almost one million job openings due to retirement and economic growth by 2024. Facility operation and maintenance managers, as well as property administrators for residential and commercial buildings are among the top occupations that will be in high demand. Up to 3,900 job openings in facility operations and maintenance managers, and 6,200 job openings for property administrators are expected in B.C. by 2024.¹

Businesses and building occupants in BC rely on safe, well maintained spaces to operate and work in every day.

Sector engagement is the first step towards understanding skill gaps and labour market challenges, which this report addresses. The objectives of this study were to: understand changing labour market demand; learn if current training and education programs in B.C. are aligned with industry's labour-market needs and priorities; identify sector labour issues;

¹ British Columbia 2024 Labour Market Outlook https://www.workbc.ca/getmedia/9e0cadba-16d9-49d5-971b-7e9afd2561d7/BC-LM-Outlook-2014-2024_C.pdf.aspx

and realize the severity of the labour shortages. Phase 1 has been completed by engaging key industry sector stakeholders for a preliminary assessment regarding human resource issues and claimed shortages of skilled professionals.

Industry stakeholders and BOMA BC members represent an estimated 300 million square feet of various asset classes throughout the province of British Columbia - an essential source of information towards the success of this initial phase.

3. Executive Summary

The initial part of the Engagement Phase comprised of coordinating information meetings with all stakeholders and government representatives, obtaining consensus on findings and establishing an Advisory Governance Board. The meetings were conducted on March 14 and 15 and were supported by substantial participation and interaction with senior representation from all asset classes within the BC Commercial Real Estate Industry.

During both initial engagement and final meetings, whether they were face-to-face or by conference call, participants brought forward labour issues having an impact on the industry, identified further within this report. Meetings were deemed very successful based on: participation, enthusiasm, feedback, openness, the number of stakeholders on the advisory governance board (13), consensus obtained on the engagement survey, initiative process, and the move forward plan.

All stakeholders confirmed that a shortage of skilled Building Operators and Property Managers is indeed real, with a severity level of high to medium and medium to low respectively, and that there is also a need to review other positions, identified as: Asset Manager, Property Administrator, Facility Manager, Sustainability Manager, Security Manager and Refrigeration Technician.

Several factors were identified as contributing to the skill shortage of building operators ranging from lack of interest, lack of industry awareness, no all-inclusive training or development in a single program, retirement, compensation and new construction. It was affirmed that these items would form part of a phase II theme, if approved.

There were also several factors identified by the group regarding Property Managers such as retirement, lack of interest, industry awareness, and the lack of industry promoting itself as well as its numerous career paths and opportunities. The group was advised that these items would be included in the final report and form part of a phase II theme, if approved.

This report received unanimous Advisory Governance Board approval on March 31, 2016.

4. Stakeholder Meetings

Two stakeholder meetings were conducted on March 14 and 15, as well as five one-on-one conference calls during the week of March 21. A list of final meeting participants and their respective companies can be found under **Appendix “C”**.

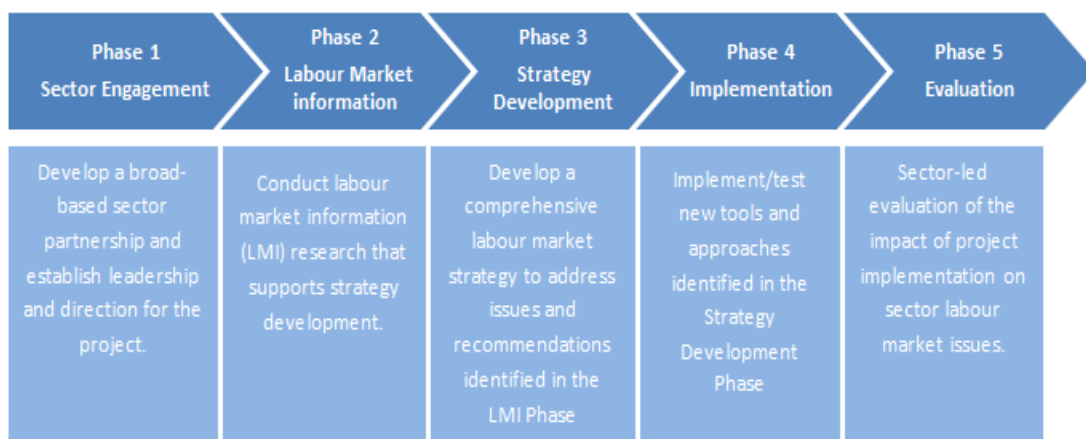
The agenda for the meetings comprised of the following:

- Welcome and Introductions
- Description of the 5 Phase Process
- Engagement Survey
 - Results
 - Feedback and discussion
 - Other labour related issues
 - Consensus
- Next Steps
 - Recommendations
 - Approval of next steps
 - Final report and communication
 - Establish an Advisory Board (request for volunteers)
 - Role and responsibilities

Participation during the final meeting process was 23 sector or industry participants.

Five Phase Process

The 5-Phase process, based on merit to move to the next phase, was presented and discussed at all meetings, including one-on-one conference calls. The following chart shows what was discussed:



Participation at both meetings was very good and resulted in unanimous consensus of the survey results that confirmed the labour shortages are in fact real and of concern to the industry. The survey omitted to ask if there were any other labour related issues, therefore, this question was posed at both meetings and as a result other related items were raised, discussed and recommended to be part of the Phase II process, if approved.

Additional items recommended by participants were captured and identified as follows:

- Asset classes to include: Light Industrial; Office, Retail, Enclosed Retail Malls and Mixed-use portfolios.
- Asset Managers, Facility Managers, Property Administrators, Sustainability Managers and Refrigeration Technicians to be added to the various positions requiring a Phase II review along with Building Operator and Property Manager positions.
- Consensus that Licensed Managers (3rd party managers who do not own the assets they manage and require licensed managers, brokers and agents) and Non Licensed Managers (who own and manage their respective assets and by regulation do not have to be licensed managers or brokers) form part of a phase II review.
- Consensus that the next phase, if approved, should include the participation of other industry subject material experts and educational institutions. Examples include: BCIT, University of British Columbia, Institute of Real Estate Management (IREM), Real Estate Institute of BC (REIBC) and BOMI Canada.
- The meetings identified a host of other cities within BC to be included in the final report, in addition to the locations included in the survey. Other locations identified were: Prince Rupert, Vernon and Prince George.

5. Industry Engagement (Survey)

Results of the recent Labour Engagement Survey were presented, which resulted in positive discussion and feedback. Results of the survey formed part of the Interim Report and have also been included herein. **Appendix “A”** identifies survey engagement participants, their company and areas of business within BC.

The Sector Labour Engagement Survey posed questions pertaining to the current labour market for Building Operators and Property Managers in the Commercial Real Estate Industry in British Columbia. The goals of the survey were to confirm:

- If the shortage of these positions is perceived or real.
- What factors contribute to the shortage.
- Which particular positions are more challenging to recruit for.
- What locations are particularly difficult to recruit for, and
- The level of severity as it relates to the shortage of skilled labour for these positions within the commercial real estate sector.

After good discussion there was unanimous consensus on the results of the labour engagement survey from all participants. Key findings and themes were discussed and are summarized below.

6. Key Findings & Themes

Consensus on key findings and themes that evolved as a result of the engagement survey and meetings can be summarized as follows:

- Participants identified a number of challenges and gaps with the building operator and property manager professions requiring further review if there is to be a strong, qualified and valued workforce for the future. Direct feedback of challenges from stakeholders included a lack of interest in the profession as a result of compensation, work expectations, shift work (on call), workload, profession not being recognized as a skilled trade, no identified career path, new construction of buildings, and retirement. Further complicating shortage problems are gaps in training and education as it relates to skills that managers require.
- Recruitment is commonly performed by professional recruiters who typically recruit from within the real estate industry, which results in a continued shortage of skilled Building Operators and Property Managers.
- An improved understanding is required of the current imbalance and shortage of skilled building operators, through market research.
- To ensure building operators are a skilled occupation within the Commercial Real Estate Industry they require: appropriate training; and a designation and license to maintain and operate technically advanced smart buildings. Skill sets to include: sustainability, energy conservation and customer service.
- A more thorough understanding is required of current market conditions in BC as it relates to: new construction; retirement of baby boomers; lack of interest in the commercial real estate industry; sustainability/energy conservation skill sets; and smart building technology based skill sets; all of which will have a significant impact on the needs of skilled labour in this new world of advanced technology.
- There is consensus that as the profession becomes increasingly more technical and specialized, we will be facing a momentous labour shortage if significant changes are not made.
- Educational and training programs for building operators exist, however, they are fragmented and currently do not appear to be meeting the needs of the commercial real estate industry.

Subjects recommended by participants to form part of a Phase II review process, if approved, are:

Occupations

The following occupation titles were recommended to be included as part of a Phase II initiative, if approved:

- Junior building operator
- Building Operator Power Engineer 3
- Building Operator Power Engineer 4
- Building Operator Power Engineer 5
- Senior Building Operator/Operations Supervisor
- Property Manager
- Operations Manager/Chief Engineer
- Junior Property Manager
- Senior Property Manager
- General Manager
- Asset Manager
- Facility Manager
- Security Manager
- Property Administrator
- Sustainability Manager
- Refrigeration Technician

Asset Classes

The following asset classes were recommended to be included as part of a Phase II initiative, if approved:

- Light industrial
- Office
- Retail
- Enclosed retail malls
- Mixed-use portfolios

Asset Locations

The following asset locations were recommended to be included as part of a Phase II initiative, if approved:

- | | |
|---------------------|-------------|
| - Greater Vancouver | - Surrey |
| - Richmond | - Coquitlam |
| - Burnaby | - Victoria |
| - Nanaimo | - Kelowna |

- Kamloops
- Abbotsford

- Prince Rupert
- Chilliwack

or

Areas defined as :

- Alberni-Clayoquot
- Central Kootenay
- Columbia-Shuswap
- Cowichan Valley
- Fraser Valley
- Greater/Metro Vancouver
- Okanagan-Similkameen
- Squamish-Lillooet
- Strathcona

- Capital Region
- Central Okanagan
- Comox Valley
- East Kootenay
- Fraser-Fort George
- Nanaimo
- Skeena-Queen Charlotte
- Stikine Region
- Thompson-Nicola

7. Engagement Process Outline

1) Engagement of a Consultant who has industry specific experience, knowledge and credibility who is available to conduct preliminary research on labour issues facing the commercial real estate industry as it relates to building operators and property managers.	January 2016 Completed
2) Consultant to research with staff and members to develop an appropriate stakeholders list to address labour shortfalls as it relates to building operators and property managers within the commercial real estate industry	January 2016 Completed
3) Consultant to bring interested partners, members, educational institutions and government representatives together for initial advisory committee meeting to articulate issues, breadth of scope, and break out to define most pressing employment needs in the sector by job descriptions (i.e. Building Operators and Property Managers).	February 2016 Completed
4) Consultant to write interim engagement report	February 2016 Completed
5) Consultant to conduct a survey with a minimum of 20 industry stakeholders in a way that will draw enthusiastic responses.	February 2016 Completed
6) Conduct follow up advisory committee meeting to discuss results of the survey and develop consensus on governance model going forward.	March 2016 Completed
7) Analyze results, submit recommendations, and write final engagement report.	April 1 st 2016 Completed

8. Advisory Governance Board

A volunteer Advisory Governance Board was established from participants at both meetings.

Structure

- The Advisory Board structure will consist of 13 members comprising of British Columbia sector stakeholders from: small, medium and large firms; owner manager non-licensed companies and third party licensed property managers taking all asset classes below into consideration. There will also be three additional members comprising of two from the educational sector and one from an industry sector association.
- **Members** of the Advisory Governance Board, their title and company are identified in “**Appendix B**”.
- **Asset Classes to be covered:** Light Industrial, Office, Retail, Enclosed Retail Malls, and Mixed-use facilities where you have staff that would be responsible for all asset classes including multi-residential responsibilities.

Role & Responsibilities

Summarized below are the role and responsibilities for the Advisory Board:

- Consensus and approval of the phase I final report.
- Consensus on recommendations to form part of the phase II initiative and move forward plan.
- Responsible for governance and quality control of future initiative phases.
- Ensure all locations within BC are included, not just the locations identified in the engagement survey.
- Members of the advisory board were advised of their duty to represent the whole industry and to actively participate and encourage discussion from every part of the sector and all asset classes.
- Stakeholder communication, to ensure everyone is aware of the process and the opportunity to provide feedback.

9. Appendices

Appendix “A”

Industry Stakeholders (Labour Engagement Survey)

<u>Industry Stakeholders</u>	<u>Asset Location(s)</u>
Austeville Properties Ltd.	Greater Vancouver, all asset classes**
Bentall Kennedy (Canada) LP	Nat'l & throughout BC, all asset classes
Bosa Properties	Lower Mainland, all asset classes**
Blackwood Partners Management	Nat'l & throughout BC, all asset classes
Brookfield Global Integrated Solutions*	Nat'l & throughout BC, all asset classes
Cadillac Fairview Corporation*	Nat'l & throughout BC, all asset classes
Colliers International*	Nat'l & throughout BC, all asset classes
Department of Fisheries and Oceans Canada	Nat'l & throughout BC, all asset class
Dream Office Management (BC) Corp.	Nat'l & throughout BC, all asset classes
Fort Properties Ltd.	Vancouver Isl. office, retail, Multi-Res**
Gateway Property Management Corp.*	National & throughout BC, Multi-Res
GWL Realty Advisors Inc.*	Nat'l & throughout BC, all asset classes
Hunter McLeod Realty Corp.*	Lower Main. & Van., all asset classes
H&R REIT	Nat'l & Greater Van., all asset classes
Ivanhoe Cambridge II	Nat'l & throughout BC, all asset classes
Jawl Properties Ltd.	Victoria/Selkirk/Saanich, all asset cls**
Low Tide Properties Ltd.*	Greater Vancouver, office**
Manulife Financial Real Estate	Nat'l & throughout BC, all asset classes
Martello Property Services Inc.*	Greater Vancouver, all asset classes**
Morguard Investments	National, all asset classes
Oxford Properties Group*	Nat'l & throughout BC, all asset classes
Polaris Realty (Canada) Ltd.	National/all asset classes
Richmond Property Group	Vancouver Island, all asset classes
Shape Properties Management Corp.**	Van., Burnaby, Abbotsford, mixed use
SNC-Lavalin O&M	Nat'l & throughout BC, all asset classes
Triovest Realty Advisors (BC) Inc*.	Nat'l & throughout BC, all asset classes
Turner Meakin Management Company Ltd.	Metro Van/Frasier Valley, all asset class
Warrington PCI Management*	Throughout BC, all asset classes
Wesgroup Properties	Throughout BC, all asset classes**
West Pender Property Group*	Vancouver, office**

* Indicates Advisory Governance Board Member

** Indicates Owner / manager company

Appendix “B”

Advisory Governance Board Members

Name	Title	Company
Colin Murray	President	West Pender Properties
Lesley Heieis	VP Property Management	Colliers International
Richard Anderson	Principal/Owner	Hunter McLeod Realty Corp.
Oskar Kwieton	Director Property Management	Shape Properties Mgmt. Corp.
Greg Last	VP Property Management	Triovest Realty Advisors
Wayne Smithies	President	Martello Property Services
Michael Bishop	Director Asset Management	Low Tide Properties
Ken Chu	VP Property Management	Warrington PCI Management
Derek Page	Director Real Estate Management	Oxford Properties Group
Sheila Luft	GM Office, Pacific Centre	Cadillac Fairview Corporation
Christine Babic	Senior Human Resources Manager	Brookfield GIS
Neil Eckman	Sr. Director Property Management	GWL Realty Advisors Inc.
Jon Wellman	VP Operations BC Region	Bentall Kennedy (Canada) LP

Note: If approved for Phase 2, Labour Market Information, our plan is to contact and engage subject matter experts from educational and industry sectors such as: BCIT, University of British Columbia, IREM, REIBC and BOMI Canada to be part of an advisory group.

Appendix “C”

Final Meeting Participants

March 14

Lesley Heieis, Colliers International
Colin Murray, West Pender Property Group
David Chu for Richard Anderson, Hunter McLeod Realty Corp.
Oskar Kwieton, Shape Properties Management Corp.
Greg Last, Triovest Realty Advisors
Wayne Smithies, Martello Property Services Inc.
Laura Williams, Department of Fisheries & Oceans
Michael Bishop, Low Tide Properties Ltd.
Patricia Colville, H&R REIT
Natalie Bishop, Ivanhoe Cambridge II
Ken Chu, Warrington PCI

March 15

Derek Page, Oxford Properties Group
Sheila Luft, Cadillac Fairview Corporation
Neil Eckman, GWL Realty Advisors Inc.
Susan Dodsworth, Brookfield Global Integrated Solutions
Branko Cvoric, Gateway Property Management Corp.
Jean McKay, Richmond Property Group Ltd.
Jon Wellman, Bentall Kennedy (Canada) LP

Week of March 21 (one-on-one conference calls)

Marjorie Cone, H&R REIT
Krystelle Ho, Bosa Properties
Lillian Tummonds, Cadillac Fairview Corporation
Christine Babic, Human Resources, Brookfield Global Integrated Solutions
Robert Yang, SNC Integrated Building Solutions