Biggest Concerns



23%

23%

23%

Financial uncertainty

Property and physical asset risks

Talent retention / attraction / succession planning

Climate change, natural catastrophes etc.

Business leaders plan to review the following

Insolvency and/ or credit risk

Steps to alleviate these concerns

Business leaders have reviewed the following in the last 12 months:



37%

Insurance coverage



in the next 12 months:

Employee health and benefits offering



36%

Customer contracts



30%

Supplier contracts and relationships



36%

Employee health and benefits offering



CSR



36%

ESG framework



29%

Customer contracts



35%

Workplace culture and leadership



Cyber security controls

Sector confidence



Expect the following to increase in the next 12 months

Profitability (52%) Turnover (52%) Capital expenditure (49%)



Expect the following to decrease in the next 12 months

Staffing levels (20%) Profitability (16%) Trade within the EU (15%)



Environmental, social, and governance (ESG)

confidence 55% understand it

50% incorporate it in their strategy

48% review related credentials of suppliers

The output relating to the sector is broadly as expected. The risk exposures for real estate companies are, in general, less varied and complex than in other sectors and this is reflected in the responses. However, three specific areas stand out.

Low levels of cyber concern among property and real estate businesses suggest that the digital risks to which such businesses are exposed may not be well understood. This apparent mismatch between the low level of concern and the reality of the risk exposures indicates that education on the actual risks and how to manage them effectively could be valuable.

Corporate Social Responsibility (CSR)

Concerns around CSR are interesting, perhaps reflecting the sector's reputation for a lack of diversity and realisation that this needs to be addressed. This point could also be related to the pressure on the sector to inject more investment into

Environmental, Social, and Governance (ESG) The survey results show that confidence in the understanding of ESG is lower than for other sectors whilst also suggesting that companies in real estate and property are more likely to be concerned about climate and sustainability. This could reflect official statistics that the real estate sector accounts for approximately 40% of global emissions, throughout the property life cycle.¹ Overall, the responses indicate that real estate companies would benefit from guidance on ESG - with specific emphasis on climate and sustainability, but not forgetting the people side."

Paul Chetwynd-Talbot Real Estate Industry Leader

affordable housing.

1 UN environment programme financial initiative unepfi.org (April 2022)



Download the full report here

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