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Press release

Jobs in the property sector : VSEs and SMEs weather the crisis!

CERCLE PERSPECTIVES : STUDY OF JOB TRENDS AMONG 11,000 SMALL BUSINESSES IN THE PROPERTY AND CONSTRUCTION SECTORS

With rising commodity prices and interest rates, and a decline in new construction, the property sector in the broadest sense (estate agents, notaries, architects and builders) has been going through a multifaced crisis since 2023, which is having a negative impact on its business. According to the Banque de France, the number of business failures **rose by 36.9% in one year in the construction sector and by 41.4% in the real estate sector**. However, in terms of employment, the situation is more mixed than it appears. By focusing on **the trend in job losses and creations over the course of 2023**, the study carried out by Cercle Perspectives in collaboration with Init **among 11,090 VSEs/SMEs in these sectors reveals numerous disparities in the situation**, whether between types of company, sectors and regions. Cercle Perspectives is a think tank comprising the 19 largest accounting firms in France.

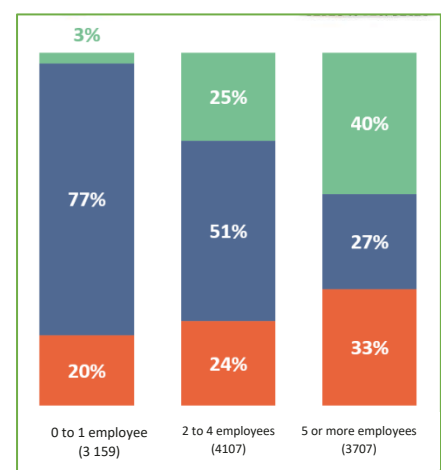
« While the year 2023 has been marked by an unprecedented crisis for the real estate sector as a whole, our study demonstrates the overall resilience of employment among VSEs and SMEs, which have given priority to reallocating their human resources at a time when the largest players in the sector are carrying out restructuring plans » emphasises Antoine de Riedmatten, President of the Cercle Perspectives and Chairman of the Management Board of In Extenso.

Reallocating resources to deal with an unprecedented property crisis

On the entire panel of 11,090 companies responding, one thing is clear: **companies with 5 or more employees have experienced the greatest turnover**, both in terms of job cuts (33% of respondents) and recruitment (40% of respondents). These companies have the means to reallocate their internal resources to more dynamic activities.

In the building and civil engineering sector, for example, many small businesses have refocused their efforts on renovation rather than new construction.

While the intermediate VSEs in this breakdown (2 to 4 employees) appear to be in balance, with 24% of



Reading: 33% of responding companies with 5 or more employees have experienced job losses of between -1 and -4 employees.

— Job reduction (-4 to -1 and less)
— Neutral (0)
— Job creation (1 to 5 and more)

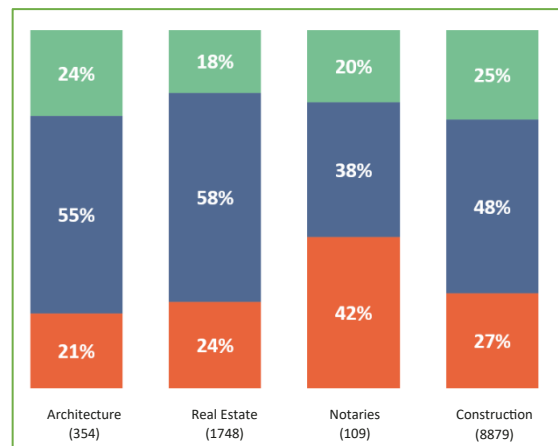
respondents cutting jobs and 25% creating new ones, the same cannot be said for the smallest structures, either self-employed or with a single employee, which have for the moment frozen new hiring until the market picks up again (+3%). Located at the end of the subcontracting chain, they are often the first to be impacted by market fluctuations.

In all, very small businesses in the real estate sector have shed almost as many jobs (26%) as they have created (25%). **Half of them have had to make adjustments to their human resources structure** in response to changes in the market.

Job cuts in the notary's office: a harbinger of things to come?

Rising interest rates, buyer insolvency... the sharp slowdown in real estate transactions has severely penalized the activity of notary's offices with a large real estate department, particularly in the most urban areas, and has led 42% of them to review their staffing levels.

The building sector has been hard hit by the decline in new construction, which has led 27% of VSEs to either lay off staff, resign or offer severance packages...although this has been offset, for 25% of them, by a reallocation of human resources to more promising activities such as energy renovation.

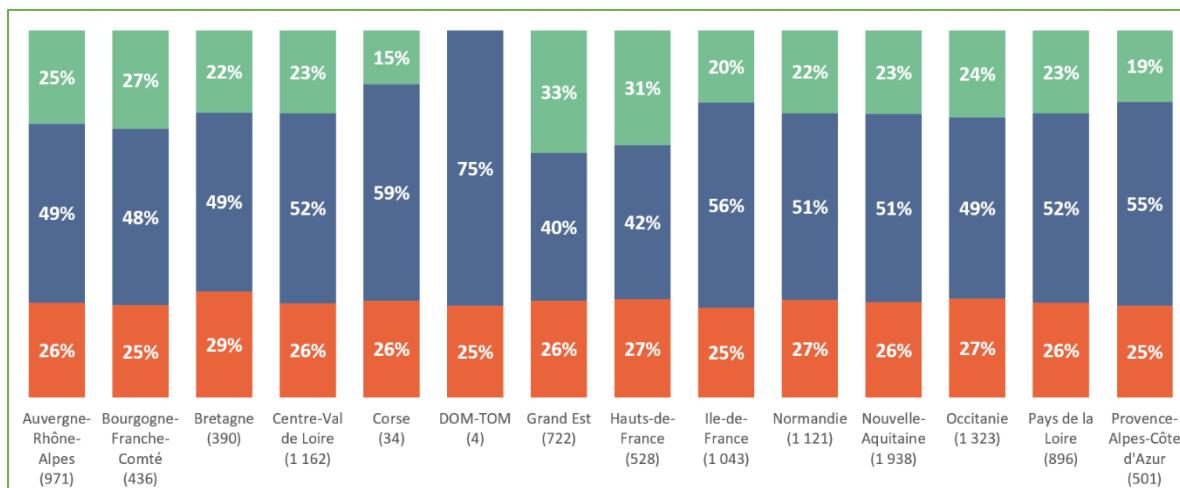


Reading: 26% of companies surveyed have lost between -1 and -4 employees.

Source: Cercle Perspectives - Init

In the midst of the crisis, Hauts-de-France and Grand Est continue to recruit

The regions where employment in the housing sector is most buoyant are Hauts-de-France and Grand Est, where 31% and 33% of responding companies respectively reported having created jobs. In these regions, the sector's dynamism has been driven in particular by the establishment of new industrial sites (the giga factory in Dunkirk, for example). However, the downturn in new housing construction is causing concern in most regions.



Source : Cercle Perspectives - Init

Reading: 25% of companies responding in the PACA region have lost between -1 and -4 employees.

— Job reduction (-4 to -1 and less)
— Neutral (0)
— Job creation (1 to 5 and more)

Methodology:

The barometer was produced based on the data collected by the 19 accounting firms that are members of the Cercle Perspectives, from a sample of 11,090 very small businesses. Data consolidation was carried out by INIT.

The sample covers the notary, real estate, construction and architecture sectors, in the following proportions.

Perspectives – Cercle des conseils d'entreprises

The Cercle des Conseils d'Entreprises brings together some 15,000 business consulting professionals from 19 of France's leading accounting firms. Its aim is to promote the French economy by taking into account the diversity of the French entrepreneurial fabric.

Convinced that a new contract of trust between business and government is possible, Perspectives relies on its local knowledge of businesses of all sizes and in all sectors. With offices in over 840 towns and cities, the Perspectives network supports more than 350,000 companies (groups, ETIs, SMEs and VSEs), representing total sales of almost one and a half billion euros.

www.cercle-perspectives.fr



About INIT

INIT is the leading French institute specializing in customer satisfaction and experience optimization studies. Founded in 1995, we are a pioneer in this field of expertise: 30 employees, 25 years of experience and around 200 projects a year.

