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# Diversifying Real Estate: Race

Guidebook commissioned by CPA & WPA NextGen

April 2021

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This guidebook aims to help individuals and organisations make Central London's real estate sector more accessible and inclusive for Black and minority ethnic people. It provides best practice examples, signposts to resources and reflects on personal experiences.

The research has been informed by two London Property Alliance roundtables attended by members, co-opted experts and stakeholders from local government; two London Property Alliance podcasts exploring racial inequality in real estate and the opening of opportunities in the sector for ethnic minorities; a roundtable with Westminster City Council's Chief Executive Stuart Love about supporting Central London's diverse communities; discussions with Caroline Addy, the Co-Chair of City of London Corporation's Tackling Racism Taskforce; meetings and interviews with leading industry figures; and consultancy advice from BAME in Property, an organisation that promotes more ethnic diversity in the property and planning sectors.

We hope the guidebook will inspire and inform Westminster Property Association (WPA) and City Property Association (CPA) members, so that together we can make our profession more representative of London's diverse communities.

It is part of a series of themed diversity guides commissioned by WPA and CPA's NextGen networks, produced by London Property Alliance, and supported by Gardiner & Theobald.

The use of the term 'BAME' has been challenged, with some people feeling that the broad term to capture all non-white groups doesn't reflect the complex histories, cultures and experiences of Britain's ethnic minorities.

At the London Property Alliance race roundtables, our attendees agreed that the term should be reconsidered and alternative language explored and discussed. Whilst no term is commonly used by all, other phrases used by leading diversity experts include minoritised ethnic, Non-Traditional and Traditional people, and People of Colour - whilst others feel like whilst BAME isn't perfect, it is still a useful term. If using the term BAME, it is important to explain any narratives behind your claims and ensure you delve into nuances between ethnicities.

# Foreword

I am delighted to be writing the foreword for this incredibly important handbook for the property and real estate industry.

When I joined the property and planning industry six years ago, I was saddened by the lack of ethnic diversity within companies, my project teams and in the networking space. This set the tone for conversations and social cultures and thereafter, BAME in Property was born to create a safe, open and comfortable space for BAME and non-BAME professionals to network and learn from each other. Three and half years later, I am so pleased to see the progress not only my organisation has made, but that the industry has made with promoting and really looking to achieve more ethnic diversity.

More and more organisations have recruited diversity managers, many have ethnic diversity internal groups and cross-collaborate across the industry. Other organisations are going into schools in highly BAME populated areas and speaking to young people about careers in our profession. It's amazing to see the industry come together and celebrate festivals like Eid and Diwali and create conversations about the importance of these for our ethnic minority colleagues.

But we still have a long way to go. Our industry is still far from reflective of the 14% BAME population in the UK as a whole and very much

under the 45% BAME representation in London. Despite graduate and entry levels within firms reflecting a good level of diversity, this often stalls at the middle management level and becomes nearly non-existent at executive leadership positions. I always say that this is a huge loss for companies and ultimately our sector, due to the loss of different views and ideas, which are crucial to overcoming some of the biggest challenges we face. Whether it's Brexit or Covid-19, BAME people are disproportionately impacted and thus should be at the forefront of paving any changes.

In July 2020, I was overwhelmed by the sector's response to Black Lives Matter; all of a sudden companies were sharing 'blackout squares' and releasing anti-racist statements. The real test is continuing that learning, and implementing changes within your organisation. Be transformative, not performative.

I look forward to seeing the industry progress with ethnic diversity and will continue to offer my thought-leadership in this space for anyone who wants that support.



**Priya Shah**  
Founder and Director  
BAME in Property

# Understanding the problem

**BAME (Black, Asian or Minority Ethnicities) people and those from non-traditional backgrounds are starkly underrepresented in London's property industry. Whilst over 40% of Londoners are ethnically diverse, only 16% of architects designing the future of the city are from these backgrounds.<sup>2</sup> Meanwhile, in a 2019 survey of London Property Alliance members to shape our NextGen Future Skills research, 91% of the 372 respondents classified as white.<sup>3</sup>**

These figures reveal the need for the built environment sector to engage with individuals of different races and ethnicities, ensure opportunities are open for all and engender more inclusive work cultures. However, understanding and acknowledging the role that intersectionality plays in creating different modes of discrimination and privilege is central to making progress.<sup>4</sup> Real estate organisations have more work to do in ensuring that the sector is more inclusive and accessible to all, regardless of their ethnic background and being conscious of other overlapping systems of social categorisation.

With nearly 70% of respondents of EG's Race Diversity Survey 2020<sup>5</sup> saying they felt the sector is not genuinely trying to increase BAME representation, this guide highlights industry best practice and addresses some of the key challenges to achieving equality across the sector.

## Key challenges in achieving racial equality in real estate



**Unconscious bias**



**Access to opportunity**



**Recruitment practices**



**Workplace culture**



# Opportunities to make change

**The business case for creating an ethnically diverse workforce is compelling. Research by McKinsey & Co found that companies which have more ethnically diverse executive teams outperform competitor companies by 33%.<sup>6</sup> This results in more lived experiences contributing to ideas, leading to greater innovation and ultimately, solutions to some of the biggest challenges we are facing.**

Setting a diversity recruitment quota similar to the local population of a company's headquarters, based on ONS figures, would improve the recruitment, promotion and retention of ethnically diverse people – especially in a city like London.

## 1. Promoting opportunities

A key challenge for Black and ethnic minority people to access careers in real estate is a lack of awareness and understanding of the sector amongst the general population. In a WPA NextGen survey with students from the University of Westminster, 91% of the students surveyed knew what an estate agent did, but just a third of students had heard of an asset manager.

In order to make the sector more appealing for a diverse population, real estate companies should engage with students, young people and local communities about the wide range of roles and opportunities available. Organising career open days or offering work experience placements will help promote careers in the built environment to young people. In addition, engaging with parents, who are key influencers in a young person's career choices, would help broaden the knowledge about professions within property and real estate.

**Resource:** Young Westminster Foundation works with youth clubs, charities, businesses and Westminster City Council to shape opportunities and create the best services for children and young people living in Westminster. Supporting and investing in organisations like Young Westminster Foundation gives your business the chance to develop youth programmes, engage your employees through volunteering and expand your skillset with work experience placements. Such efforts will also inform young people of roles in the sector and will promote real estate careers in the long run.

<https://www.youngwestminster.com>

## 2. Fair recruitment

Innovative recruitment practices such as The Rooney Rule, a process where at least one underrepresented minority is to be considered for a role, and blind CV and application filtering (see page 8 for more details) can help overcome unconscious and conscious bias in recruitment practices. Research by the Centre for Social Integration shows that applicants from minority ethnic backgrounds have to send 60% more applications to get a positive response from an employer than white British candidates.<sup>7</sup> Implementing new practices to overcome bias can help give qualified candidates from diverse and non-traditional backgrounds a better chance of succeeding in real estate. For example, using recruitment companies and organisations that specialise in finding diverse candidates and advertising positions in materials, websites and publications more widely read by them can help. Ultimately, any recruitment changes should be coupled with internal culture changes, which promote inclusivity and openness.

Attendees at an Alliance race roundtable agreed that setting objective requirements for job descriptions and ensuring that candidates are considered for roles based on core competencies would make a difference. It is important to recognise that some candidates from different backgrounds will not have had access to the same extracurricular experiences or opportunities that make someone a more all-rounded candidate. By acknowledging this, your business will be working against any biases and appreciate that different people have different lived experiences, which should be considered in the application process. These processes minimise the risk that potential candidates will overlook job opportunities where their work experience may not match “nice to have” requirements.

**Resource:** Hemisphere is a recruitment tool created by Rare Recruitment that helps interviewers and managers combat bias. The software seeks to highlight bias in the recruitment process and provides practical tips to help interviewers mitigate its effects.

<https://www.hemisphereapp.io>

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### Case Study: The Rooney Rule

The Rooney Rule is a policy first introduced in the National Football League in 2003. It requires at least one woman and one underrepresented minority to be considered in the shortlist of candidates for any advertised job opening. The Rule ensures that a wider group of candidates is brought through each stage of the recruitment process.

The Rooney Rule is increasingly being adopted by housing associations. The National Housing Federation is currently trialling the process to assess whether monitoring ethnic representation on recruitment shortlists has a positive impact.<sup>8</sup>

### Case study: Blind CV and application filtering

Blind CV and application filtering removes personal details that refer to an applicant's age, gender, ethnicity or academic background. This process helps prevent unconscious and conscious bias. Examples of information that could be removed during this process:

- Name
- Date of birth
- Ethnicity
- Religion
- Assigned gender at birth / gender identity
- Educational institution

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### 3. Retention and promotion

Organisations are likely to have a more diverse workforce when their leadership is diverse. Generally, diversity breeds more diversity because such organisations become an attractive place to work. Leadership programmes can provide an alternative platform to develop and support the progression of ethnically diverse colleagues in their career.

**Resource:** Leadership 2025 is an intensive nine-month leadership development programme targeted at senior leaders from BAME backgrounds working within the housing sector. The course aims to support and empower BAME senior professionals including second tier executives, CEOs of small housing associations and CEO ready individuals. The programme includes high quality mentoring support and master classes for technical skills such as finance, professional development and executive performance in the board room.

<https://leadership2025.co.uk>

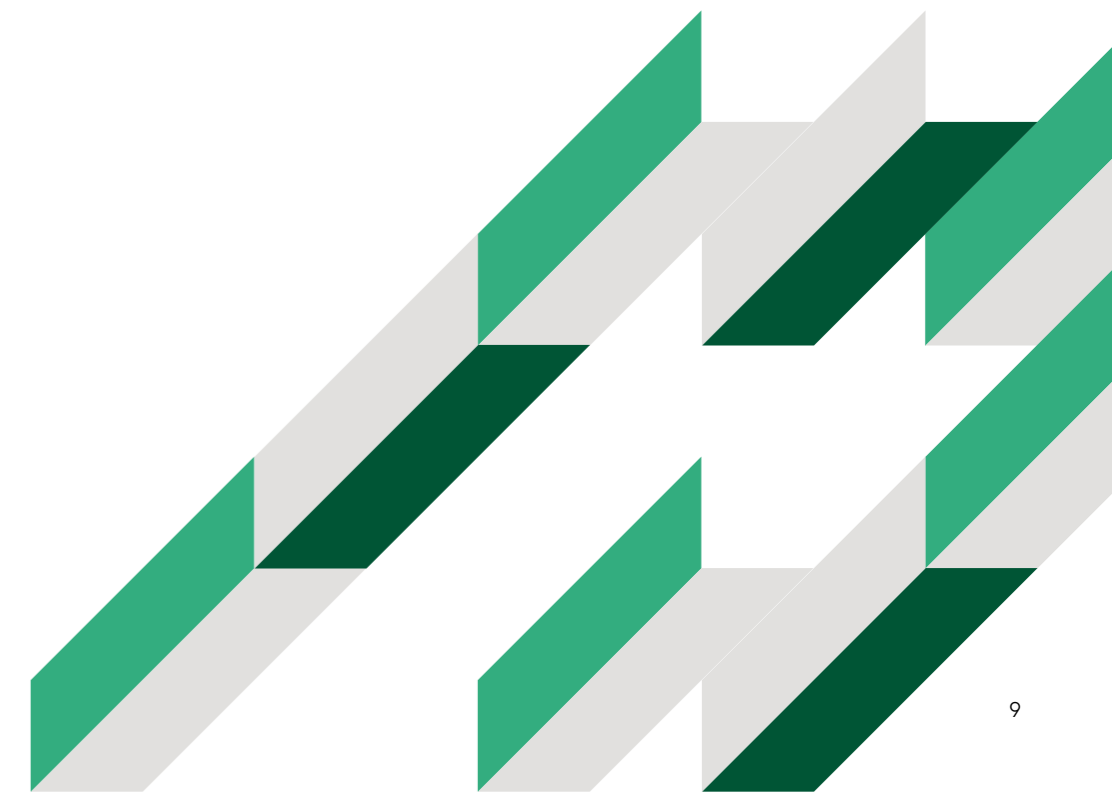
# Training for transparency

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Attendees of our industry roundtable agreed that it is the responsibility of all staff to promote change within their organisation: the burden of running diversity groups or initiatives should not fall upon underrepresented minorities only. Making employees aware of the privilege that they have can allow them to see more clearly the disparities across the sector and encourage them to drive change. Larger organisations may also consider employing a dedicated diversity officer or manager, who oversees all activity within this remit. This can also help with streamlining activity, maintaining objectives and supporting company-wide diversity events.

Investment in courses focused on racism, particularly unconscious bias, bystander intervention, culture training to create an open and inclusive environment and microaggressions, could be prioritised and offered to all staff. Such training would help support all employees by raising awareness of the sensitive ways to host transparent conversations.

**Resource:** In July 2020 law firm Ashurst launched an Anti-Racism Hub which is an education space hosting resources and recommendations aimed at informing and raising awareness of inequality. The hub includes podcasts, films, books and articles, as well as Active Allyship training workshops which focus on the big or small steps employees can take to be better allies in the workplace.



# Ways to help make our sector more representative and supportive of ethnic communities

At Board level	At middle management	At NextGen
<ul style="list-style-type: none"><li>• Ensure a diversity strategy is a core element of your organisation's overall business strategy – guiding everything from pay, culture, to flexible working policies</li><li>• Provide funding for staff at all levels to receive diversity and inclusion training</li><li>• Sign up to external charters, such as Future of London's Speaker Diversity Pledge, to make your organisation's commitment public and be held accountable</li><li>• Introduce new recruitment practices, such as the Rooney Rule, and work with diverse recruitment agencies and organisations to advertise roles</li><li>• Commit to ethnicity pay gap reporting, if your organisation is applicable. Put the right measures in place to collect relevant data and ensure open communication with your colleagues to explain why the reporting is important and what changes your organisation will be introducing to improve</li></ul>	<ul style="list-style-type: none"><li>• Provide a safe space for discussion for employees from diverse backgrounds</li><li>• Offer tailored support for ethnic minority colleagues to receive career development training</li><li>• Plan a variety of team awaydays that are inclusive for all cultures</li><li>• Set up a diversity calendar with key religious and cultural events to highlight in internal newsletters and company updates</li></ul>	<ul style="list-style-type: none"><li>• Engage with local schools, community centres and charities to ensure real estate careers are conveyed with diverse young people. Where possible, engagement should be extended with parents to extend knowledge sharing</li><li>• Check in with colleagues from ethnic backgrounds, especially following triggering events</li></ul>

# Promoting an inclusive workforce

**Creating a positive narrative around difference helps develop a workplace culture that is welcoming and inclusive for candidates from underrepresented backgrounds. Workstreams or initiatives that promote and encourage a “safe space”, such as confidential adviser schemes for staff when discussing sensitive issues would help promote this change. Helping all employees feel comfortable and supported in the workplace will help your organisation to thrive.**

Embracing and learning about practices from different cultures can help ensure there is an open discussions between employees. This could include setting up a cultural and religious festival calendar which is incorporated into the existing company-wide calendar and/or setting up a “culture book club” to share books from other cultures.

**Resource:** In the wake of the Black Lives Matter social movement, the City of London Corporation set up The Tackling Racism Taskforce. The Taskforce used breakout rooms during sections of each meeting to encourage discussion from all attendees and allow them to feel able to speak freely and openly about sensitive issues in a safe place.

## Case study: Macfarlanes’ Refugee Heritage

The law firm Macfarlanes encourages and supports the celebration of different cultural backgrounds through our Race, Ethnicity and Cultural Heritage staff network. Taking a more nuanced and intersectional approach over the past year, employees are encouraged to share stories about their refugee heritage. The firm has a long-standing relationship with Care4Calais and is a founding partner of a new pro bono Refugee Law Clinic (alongside Clifford Chance and the University of London).

Many employees have direct experience of displacement and many more have parents or grandparents who were forced to flee their country to escape war, persecution or natural disaster. The refugee heritage programme promotes internally within Macfarlanes the pro bono work the firm does with refugees, shares personal employee stories and stories of other refugees.

The programme was launched with the Senior Partner of Macfarlanes sharing his family’s experiences and has since seen a range of other employees share details of their refugee heritage. By encouraging employees to talk about their diverse backgrounds, Macfarlanes hopes to create a welcoming culture in which all employees feel they can bring their whole, authentic selves to work. Macfarlanes’ leadership team recognises the importance of sharing these stories to raise awareness of different experiences.

Other firm wide events have included: a talk on Holocaust Memorial Day from the author and artist, Edmund de Waal, and one of the firm’s partners sharing his family’s story escaping the Holocaust; to mark International Women’s Day a panel of female refugees talking about overcoming the challenges of being a refugee; and the firm partnered with the Forced to Flee exhibition at the IWM.

# References

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- 3 <https://register.gotowebinar.com/recording/761384728798321667>
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- 7 <https://www.housing.org.uk/about-us/join-our-team/diversity-equality-and-inclusion/>



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