GlobalFM™

Global Facilities Management Market Sizing Study 2016



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Letter from the Chairman

September 2016

Dear GlobalFM Members,

It is with pleasure that we release the Global Facilities Management (FM) Market Sizing Study 2016, an initiative implemented on behalf of our Members.

This Study is the first of its kind worldwide.

The outcomes of the research clearly demonstrate the significant value and impact of FM as a profession and industry to the economies of countries around the world. The value of the FM market size identified, in economic terms, has an impact of a massive USD$1.1 trillion per annum!

This research is intended to primarily support our Members' engagement with Governments and Government Agencies in more meaningful and informed discussions. The research will also provide Members accurate information and insight to better inform, educate and enable a thorough understanding of specific FM market dynamics.

The Study is a result of 12 months of data collection, analysis and verification. The base year data was sourced during late 2015 and has been subsequently analysed and verified during 2016.

The countries we have surveyed and researched were specifically selected to meet the direct geographic markets of our Members. However we envisage that in years to come as our Membership base expands, we will continue to grow the geographic base of this research.

Our thanks go to all parties that have supported and participated in this research and also to the expertise, diligence and thoroughness of our appointed international research partner, Frost & Sullivan.

With this strong foundation of valuable information, GlobalFM will be seeking to continue to deepen and broaden the knowledge of the FM profession and industry for the benefit of our Member Associations.

We look forward to your feedback and recommendations for future research.

Kind Regards,



Duncan Waddell
Chairman.

GlobalFM™

Research partner

Frost & Sullivan, the Growth Partnership Company, works in collaboration with clients to leverage visionary innovation that addresses the global challenges and related growth opportunities that can make or break today's market participants. For more than 50 years, we have been developing growth strategies for the Global 1000, emerging businesses, the public sector and the investment community.

This study - Global Facilities Management Market 2016 - presents findings that not only size and forecast the market, but more importantly, highlight key shifts in the way facilities management is being used to address the changing needs of the customer. Facilities management service providers and industry bodies looking to leverage this insight are encouraged to analyse the transformational mega trends highlighted in this study and work through their implications in terms of services, business models, value proposition and the leverage of technology; a process that we believe can help to better redefine and reposition the facilities management industry for the future.

We are proud to have played a role in starting new conversations and thinking through this report and we look forward to collaborating with Global FM on further projects that can support the facilities management industry along its path of innovation and change.

Ivan Fernandez
Industry Director
Frost & Sullivan
www.frost.com

FROST & SULLIVAN

Executive Summary

Global Facilities Management Trends

Global Trends

Construction Activity	Global centre of construction activity continues shift to APAC, MEA, and other emerging markets
Public-private-partnerships	Increased trend across both mature and emerging markets
Industry Structure	M&A remains key to growth strategy. But FM market remains highly fragmented
Green Buildings	Trend to benefit FM providers with expertise in energy management & building controls
Integrated FM	3 - 7% CAGR in mature markets Double digit percent growth in emerging markets
Larger Contracts	Larger contracts increasing due to consolidation in end-user segments & expansion of contracts across multiple sites and countries

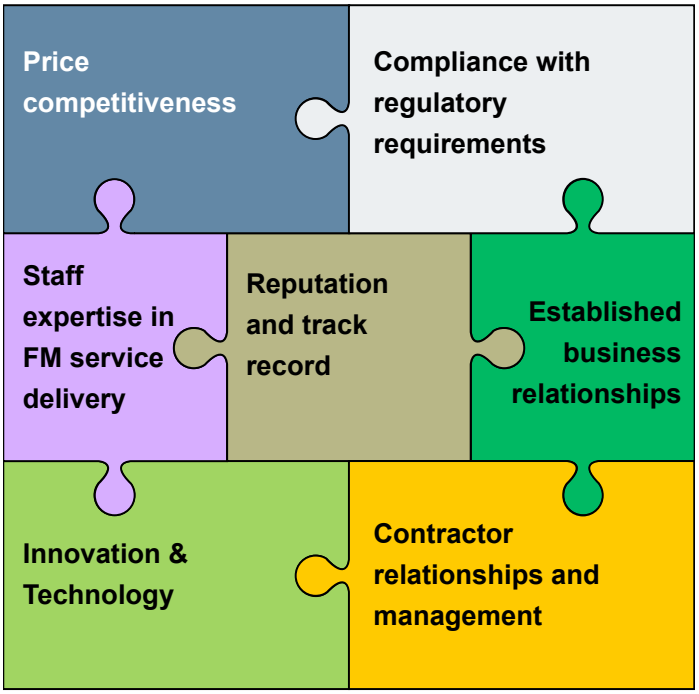
Executive Summary

Challenges for the Global FM Industry



Executive Summary

Competitive Strategies for the Global FM Industry



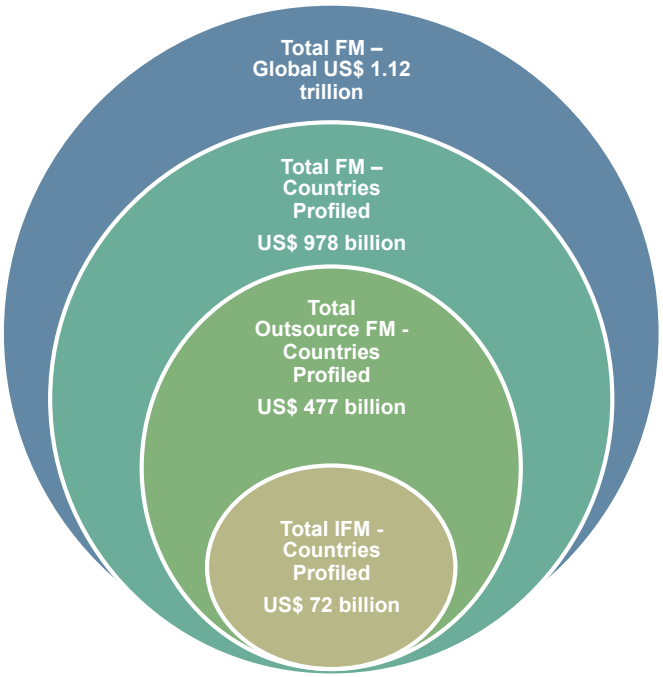
- Despite the efforts of FM providers, FM services tend to be viewed as a commodity type service by many end users and as such price competitiveness becomes a major factor.
- In developed countries in particular, compliance with regulatory requirements is often a key decision factor.
- The delivery of FM services globally will always be only as good as the staff delivering them. As such, upskilling of staff forms a key competitive factor in this industry.
- As the quality of facilities improves world wide, particularly in the commercial building segment, customers are keen on innovative technologies that improve the overall standard of their workspace.
- Reputation and track record refers not only to general performance quality, but also vertical expertise.

Executive Summary

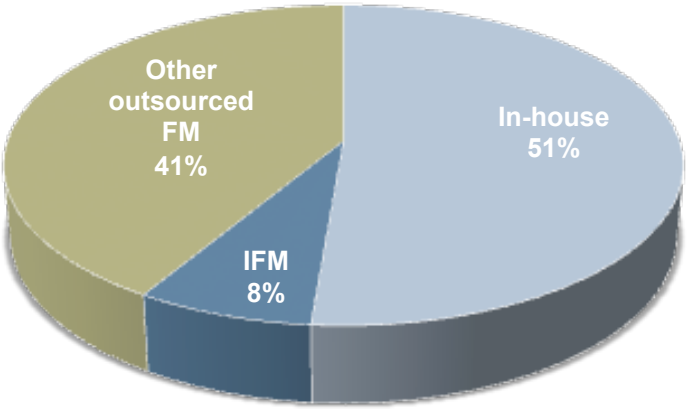
Global Facilities Management Market

The total global FM market is estimated to be worth US$1.12 trillion* in 2015. The aggregate FM market for the countries profiled in this study was worth US$978 billion in 2015, with the outsourced FM market expected to gain share over in-house delivery in future.

Type of FM by Value, Global & Countries Profiled, 2015



Type of FM by Market Share, Countries Profiled, 2015



**Total Global FM market estimated based on ratio of Global GDP vs GDP of countries profiled.*

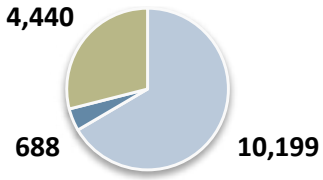
Executive Summary

Market Size by Region & Type, US$ M (2015)

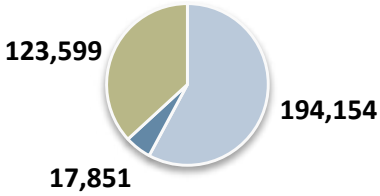
North America and Europe are the most mature markets for outsourcing FM services. Due to improving capabilities and growth of integrated outsourcing demand, the APAC market is expected to close this gap.

In-house FM Integrated FM Others outsourced FM

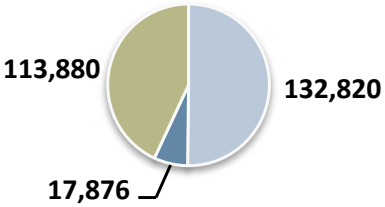
Africa



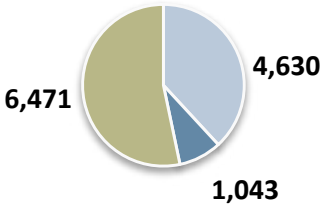
Asia Pacific



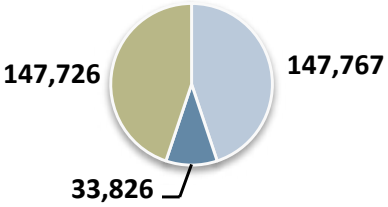
Europe



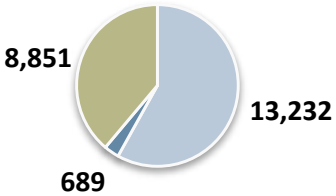
Middle East



North America



South America



Executive Summary

Key Regional Trends

Africa

- Rapid urbanisation and developing FM capability is driving growth of both in-house and outsourced FM markets.
- The outsourced market growth has been hampered by lack of trained FM talent and standardisation.

Asia

- The low penetration of the outsourced FM market in many of Asia-Pacific's fast-growing economies indicates that huge potential exists for market participants to grow and develop.
- The IFM market in the APAC region is highly diverse. China and India are still in a stage of infancy but will experience rapid market growth.

Australia

- The intensely competitive FM market in Australia is growing steadily, while IFM is gaining traction.
- Moreover, there is a greater focus on green and environmental services in the FM market.

Middle East

- The FM market sector in the Middle East is the fastest growing region in the world, mainly because of increasing construction activities whereby FM services are well planned at the early/design phase of construction
- Population growth, increasing construction activities, changing mind-set and ease of contract management will drive drastic growth to IFM market.

North America

- Strong economic recovery post GFC, has seen the FM market maintain a steady growth. The outsourced FM market is highly competitive and pricing pressures are expected to continue even as macro-economic indicators are improving.
- Retaining healthy margins will probably remain a key challenge for market participants.

South America

- FM is growing on the back of strong GDP growth and infrastructure investment.
- Due to lack of trust in sub-contractor capabilities, self service ability is a key competitive factor.
- M&A will remain a key strategy to increase geographical, vertical, and service offering scope.

Executive Summary

Global FM Outsourcing Trends

Areas	Trends
 Major End Markets	While outsourcing is common in all industry sectors, strong increases in outsourcing are seen in the **banking, financial services, insurance, healthcare, pharmaceutical and biotech sectors.**
 Energy Management	While building operation & maintenance and cleaning services remain the cornerstones of the outsourced FM industry, **energy management services** are fast gaining importance, particularly in developed markets.
 Costs driving IFM	Growth of IFM is driven by **companies looking to consolidate what has been outsourced** already under fewer providers or to restructure the pricing of their current contracts to **generate additional savings.**
 Shifts in Contracts	As the maturity of outsourced FM customers grows, the nature of contracts in this industry is also expected to grow in sophistication. In general, contracts are expected to have **remuneration frequently tied into performance based metrics.**
 Public Sector	Governments throughout the globe are increasingly **growing aware of the benefits of outsourcing their FM services.** Given the large asset base under their purview, the public sector is expected to become an increasingly important end-use sector.

Executive Summary

Mega Trends impacting Facilities Management

Urbanisation: City as a Customer



- In 1950 there were seven cities with populations greater than five million; by 1970, there were 20, and there are now more than 60. The increasing pace of urbanisation will lead to the integration of core city centres with suburbs and daughter cities, resulting in expanding city limits. This will have a massive impact on the future of mobility, working life, and societies.
- As a result, the world will witness the emergence of mega cities, mega regions, mega corridors, and smart and sustainable cities. **"City as a Customer"** is an implication of urbanisation wherein cities (and not countries) are considered potential customers and hubs of investment, wealth creation, and economic growth. Every city will be **unique in its infrastructure management demands** offering micro implications and opportunities for FM companies.
- A good example of the economic concentration of these mega cities is New York, which had a GDP of $1.205 trillion in 2012. Compare this to USA's neighbor Mexico, which only had GDP of $1.18 trillion in the same year. As a result of this economic concentration, FM companies will be **increasingly engaging with customers from a city or prescint level.**

Innovating to Zero



- **Innovating to Zero** is the mega vision that reflects the desire for perfection in modern society: A zero-concept world with a vision of **zero carbon emissions, zero crime rates, zero accidents, and carbon-neutral cities.** Although this seemingly perfect world sounds almost impossible, governments and companies today are moving toward this picture-perfect vision of eliminating errors, defects, and other negative externalities by creating for themselves a huge challenge and opportunity.
- The Facilities Management industry will play an important role in driving this Mega Trend forward globally. For instance A Net Zero building, as the term suggests, is a building with net energy consumption or carbon emissions per annum equal to zero. Some of these buildings can be off the grid and can harvest energy on site. As these green building continue to gain popularity, FM companies will need to **develop capabilities to manage the entire operation** of the buildings to ensure it is carbon neutral through intelligent systems, integration of renewable energy such as solar and wind, and other energy-saving features. FM providers will also need to innovate towards **zero security breaches including digital theft in todays data dependent connected world.**

Executive Summary

Mega Trends impacting Facilities Management

Smart is the New Green



- "Green" was a key Mega Trend of the last decade and while it will continue to be important, there will be a **shift towards "smart" products,** which are intelligent, connected and have the ability to sense, detect, recognise, identify, analyse, process, report, and take corrective action.
- As companies and governments cast their view beyond the confines of their walls, and take into account the impact of their infrastructure on shared infrastructures such as the city's electric grid and waste streams, they will begin to realise that it is **not adequate for a building to simply contain the various systems that enable it to function** (i.e. lighting, security, power etc.).
- Workspace of the future must connect their various systems in an integrated, dynamic and functional way, with the end goal being structures that seamlessly fulfil their purpose whilst keeping energy usage and environmental impact at a minimum. Basically, smart workspaces must deliver the fundamental services expected, such as thermal comfort, air quality, physical security, and sanitation, at the lowest cost and environmental impact.
- Energy management is already an important service category for FM providers world wide. Coupled with the growth of IFM penetration, FM companies will need to demonstrate their **ability integrate "smart" products and applications** in their service delivery to maintain a competitive advantage in future.

Scope and Definitions

Scope of the study defined

Facilities management (FM) comprises five main service spheres that are defined below:

Building Operation and Maintenance	• Mechanical and electrical services • Heating and ventilation • Plumbing • Building services control and management systems • Building fabric portable appliance testing • Fire protection systems • Fire alarm and detection systems
Environmental Management	• Energy management services • Waste management • Recycling services
IT and Telecommunications	• Establishment of IT systems (Intranet services, company databases) • Maintenance of IT hardware and software • Introduction of new software packages
Property Management	• Space planning and design • Asset management • Property acquisitions and disposals • Relocation management
Support Services	• Cleaning • Catering • Vending • Courier services • Laundry services • Post room staffing and management • Reception staffing • Security

Scope and Definitions

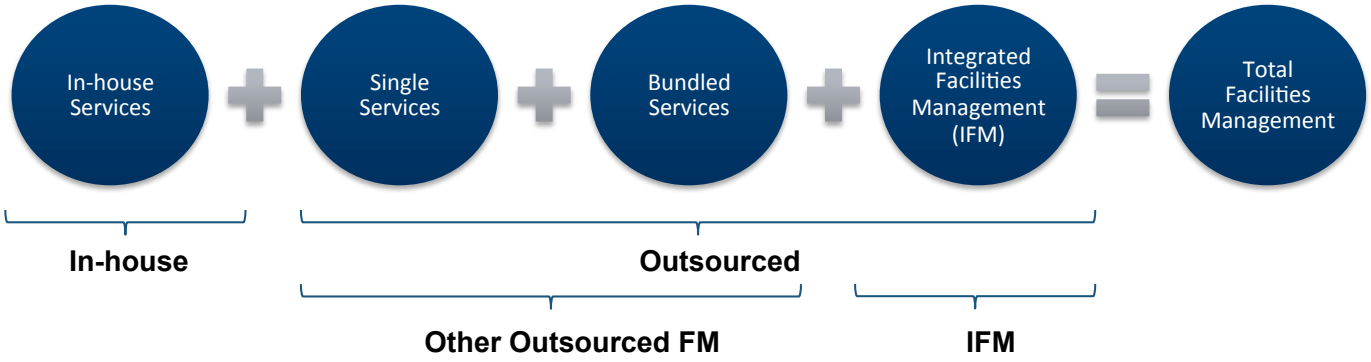
Definitions

Term	Acronym	Definition
Gross Domestic Product	GDP	Gross domestic product (GDP) is the monetary value of all the finished goods and services produced within a country's borders in a specific time period. GDP includes all private and public consumption, government outlays, investments and exports minus imports that occur within a defined territory. Put simply, GDP is a broad measurement of a nation's overall economic activity.
In-house FM	–	In-house FM refers to management of facilities by employees of the company.
Integrated Facilities Management	IFM	Integrated Facilities Management (IFM) is the provision of services from (at least) two distinct service spheres (refer previous slide) by the same company. It might include the management of sub-contractors or the company might self-deliver all services.
Mergers & Acquisition	M&A	A general term used to refer to the consolidation of companies. A merger is a combination of two companies to form a new company, while an acquisition is the purchase of one company by another in which no new company is formed.
Other FM	–	Other FM is the delivery of a single service such as janitorial, environmental, M&E services, etc., or a bundled package (which is effectively an integrated package of services that all fall within only one of the FM service spheres).
Outsourced FM	–	Outsourced FM is a complete transfer of specific FM functions to an external firm.
Public-Private Partnership	PPP	A business relationship between a private-sector company and a government agency for the purpose of completing a project that will serve the public. Public-private partnerships can be used to finance, build and operate projects such as public transportation networks, parks and convention centres.

Scope and Definitions

Scope of the study defined

The Facilities management (FM) market includes expenditure on:





Scope and Definitions

Scope of the study defined

Data on the following 33 countries will be included:

Africa

- South Africa
- Egypt
- Nigeria

Asia-Pacific

- Australia
- New Zealand
- China
- Hong Kong
- Macau
- India
- Japan
- South Korea
- Singapore
- Malaysia
- Taiwan

Europe

- United Kingdom
- Germany
- France
- Italy
- Scandinavia*
- Benelux^
- Hungary
- Turkey
- Greece
- Poland

Middle East

- UAE
- Saudi Arabia
- Qatar
- Bahrain
- Kuwait

North America

- United States of America
- Canada

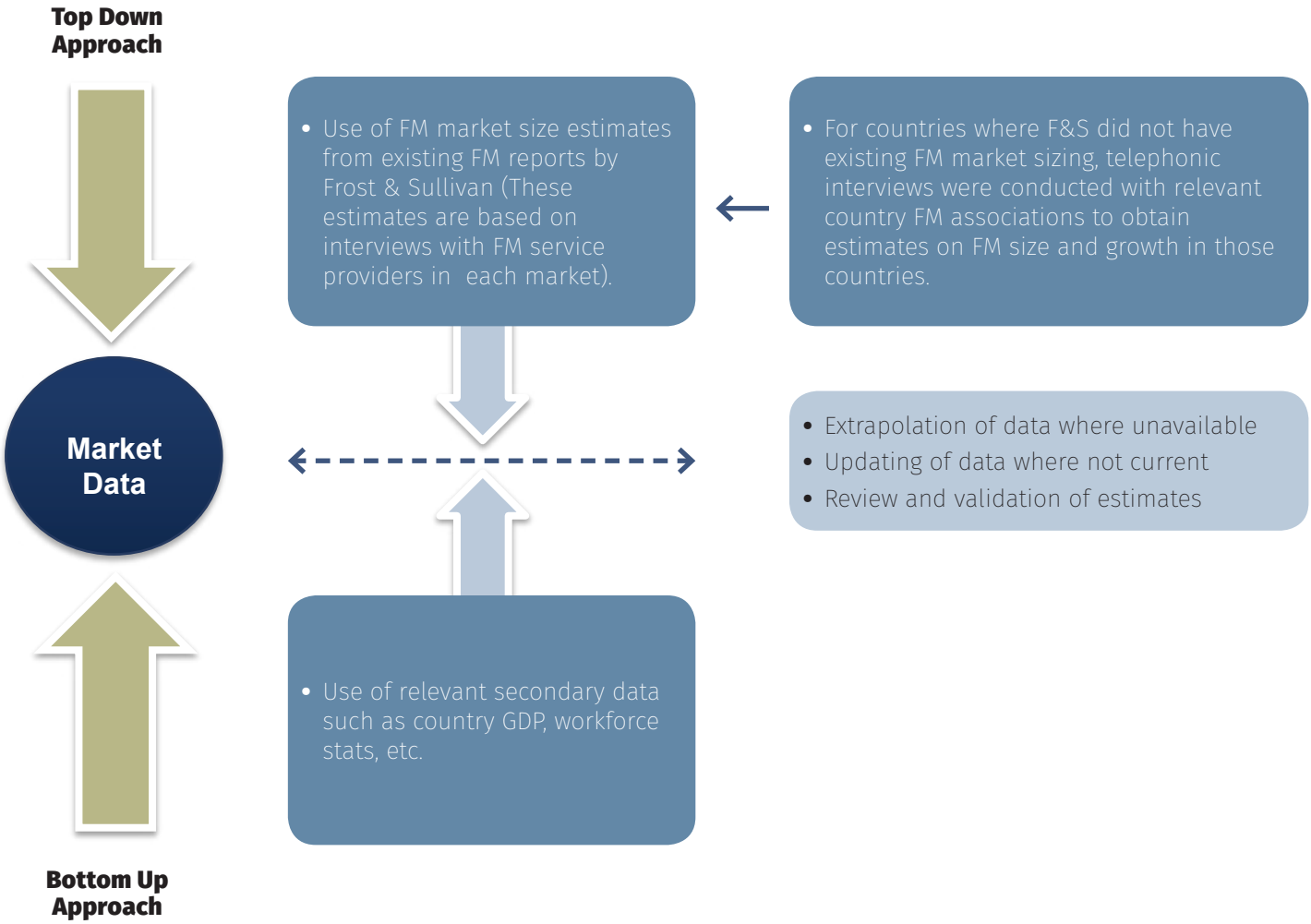
South America

- Brazil
- Mexico

**Scandinavia (Sweden, Denmark, Norway, Finland) at the total Scandinavia level; not country level.*
^Benelux (Belgium, The Netherlands, Luxembourg) at the total Benelux level; not country level

Scope and Definitions

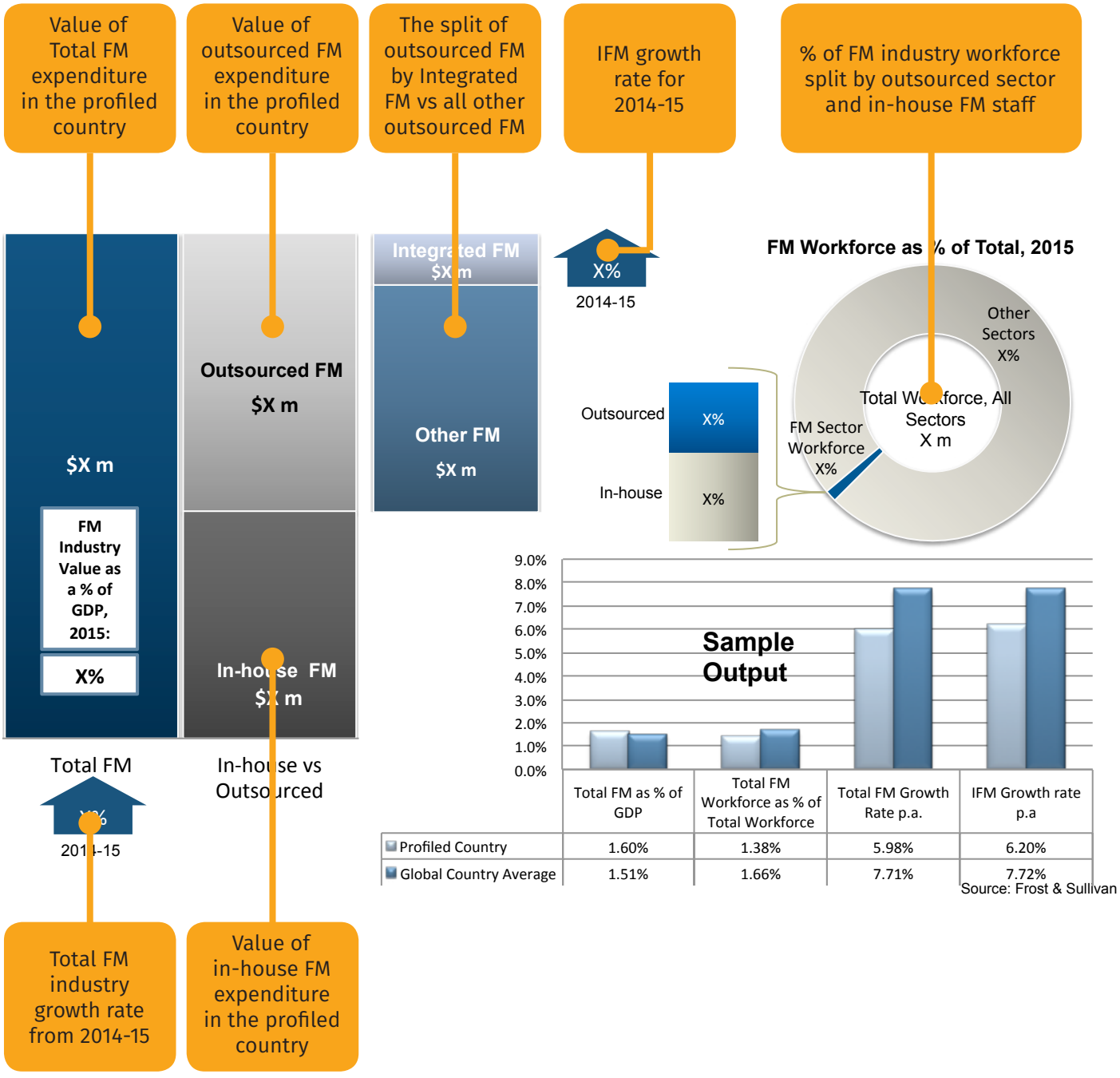
Research Methodology



- Where only IFM market numbers were available in F&S reports or no IFM/FM market numbers were available, an estimation was made of indicative size of the total FM market.
- F&S reports do not cover FM/IFM workforce numbers. This was derived by applying FM expenditure-to-workforce ratio (in those countries where FM workforce estimates are publicly available) to other countries where only FM expenditure numbers were available. Modifications were made based on the level of development of each economy. Another source used for validation was revenue per employee estimates from publicly listed FM companies.

Country profiles

How to read the country pages

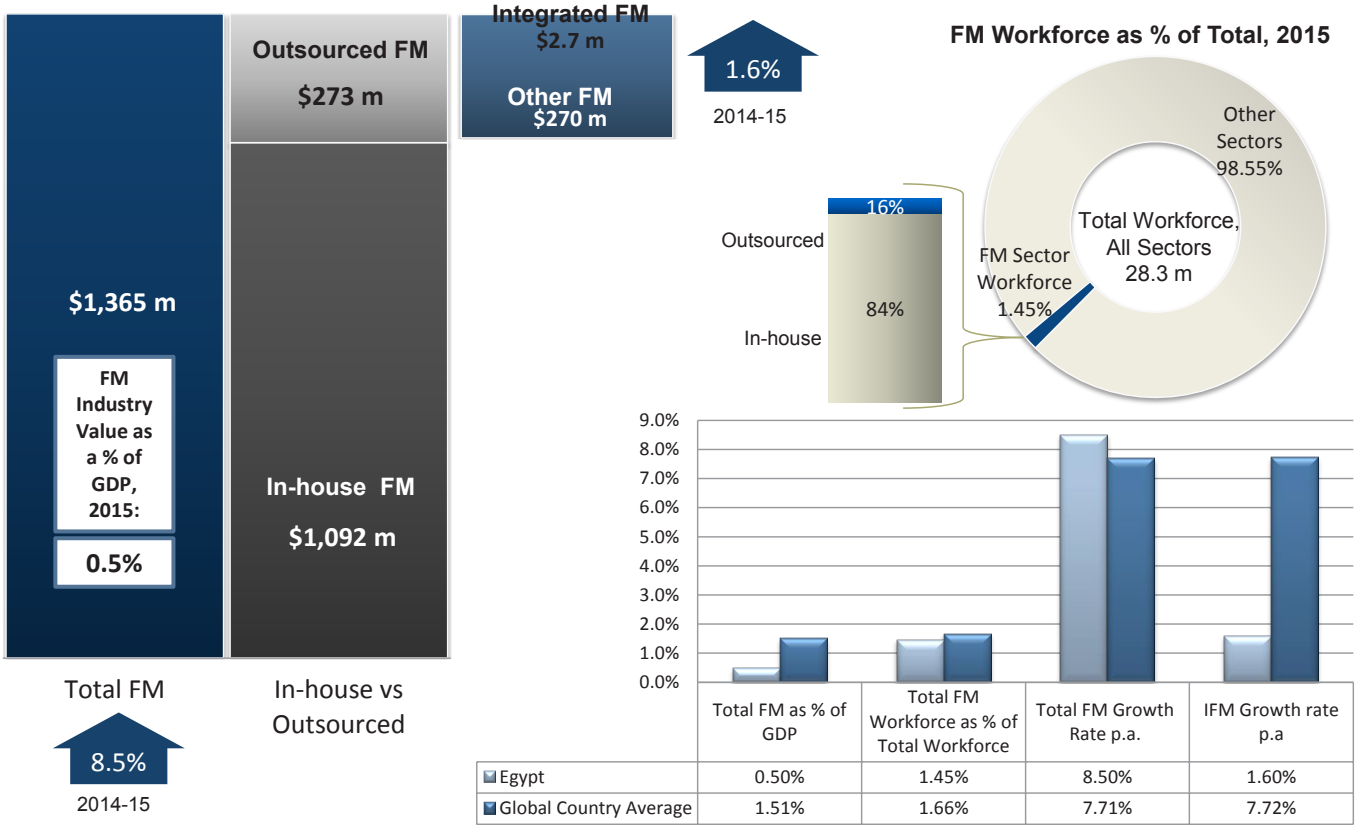


Country profiles
Africa



Egypt

Facilities Management Market, 2015



	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Egypt	0.50%	1.45%	8.50%	1.60%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

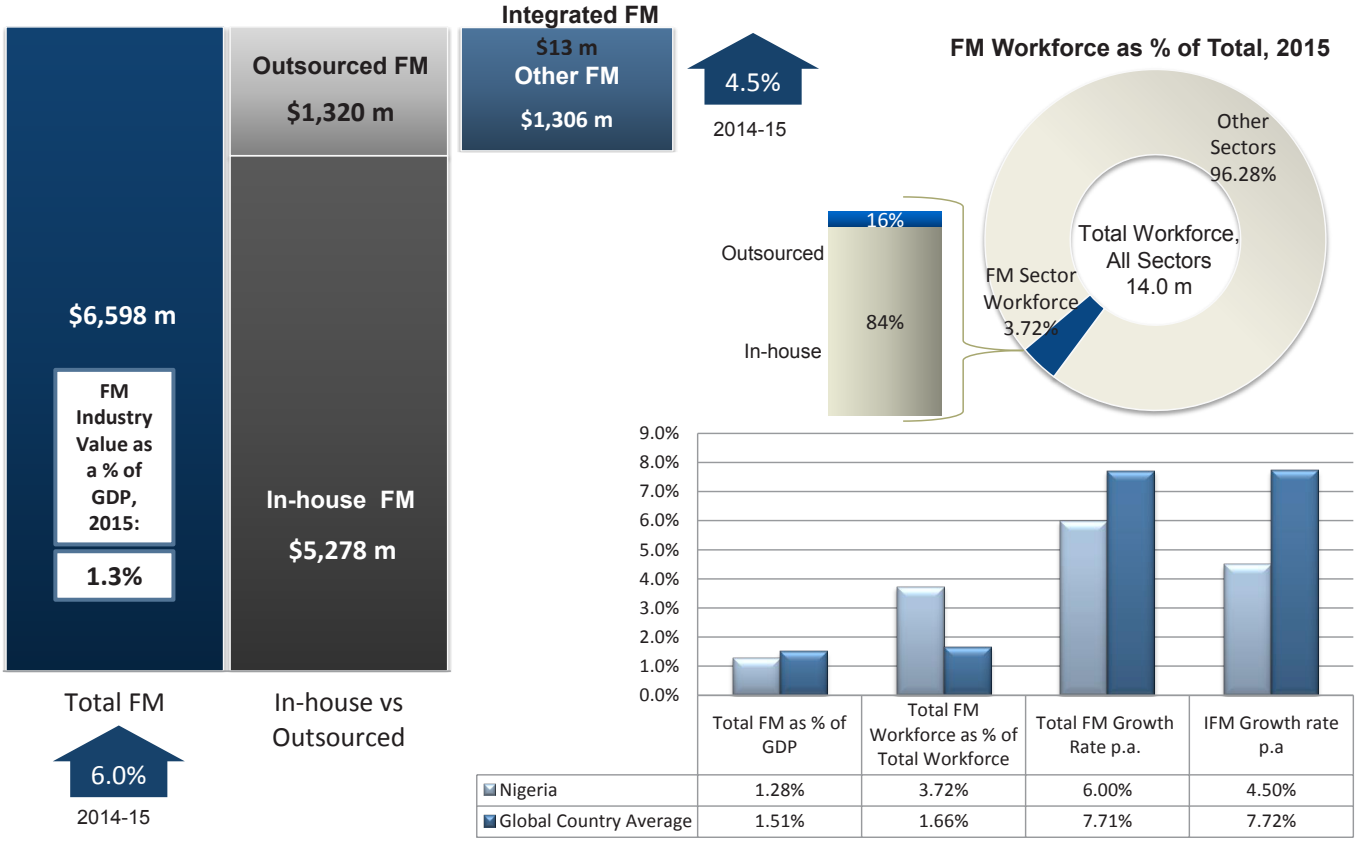
- The **FM market in Egypt is still at an infancy stage.** FM is considered a new concept in Egypt, with facility services (simple cleaning, security, maintenance) being more common, which are not typically classified as "Facility Management" in the country.
- **Approximately 80% of the FM market is attributed to the in-house segment** including government projects, as out-sourced FM costs tend to be higher in Egypt. Typically, only multinational companies tend to outsource their FM services in this market. Furthermore a **lack FM qualified talent and FM standards** hamper the expansion of the outsourced FM market in Egypt.
- The Egyptian Outsourced FM market is expected to grow relatively rapidly over the medium term, however, it should be noted that it is growing from a very low base. The market will be driven by the **investment from the Middle East,** mostly in commercial and residential development where FM service providers are appointed directly by Middle Eastern investors.
- The market is also expected to have benefited from a strong push by the government to develop the **shared services industry** in the country, which saw the development of large BPO/ITO delivery parks around Cairo. For instance, the Smart Village, a modern business park outside Cairo is spread over 32 million square feet, with the capacity to host more than 500 companies and more than 100,000 employees.
- By 2020, Cairo will account for more than 77% of the country's GDP; keeping this the main focus for FM service providers over the long term.

Country profiles
Africa



Nigeria

Facilities Management Market, 2015



	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Nigeria	1.28%	3.72%	6.00%	4.50%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

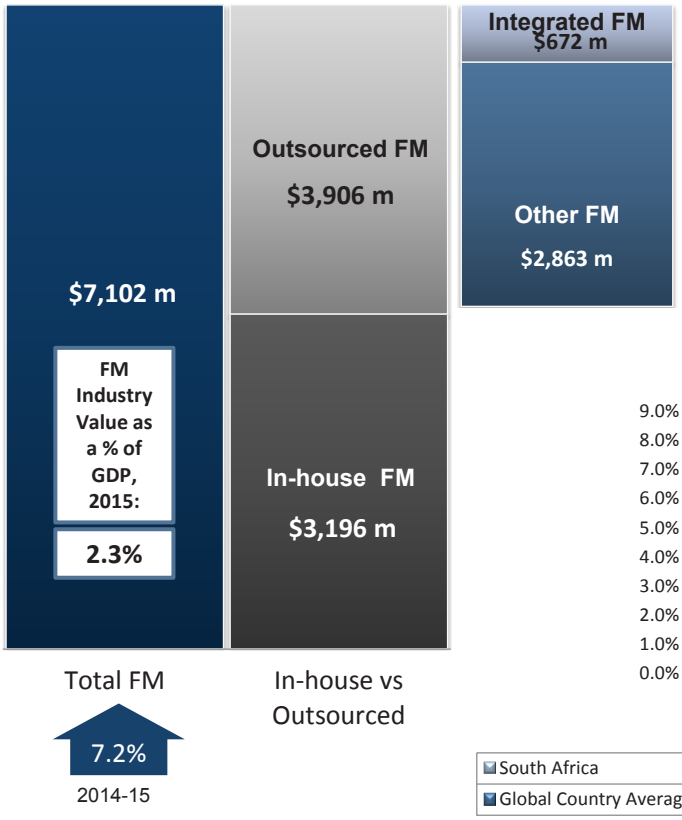
- Due to high GDP growth and a dynamic property market in Lagos, the outlook for the **Nigerian FM market is strong.**
- The traditional tendency towards in-house FM services in Nigeria was primarily due to **lack of outsourcing services provider capacity.** However, recent years have seen a reversal in this trend and the outsourced FM market is expected to grow over the foreseeable future.
- While the outsourced FM market in Nigeria is still in its infancy, it is expected to grow relatively quickly particularly on the back of growing **interest from the residential market.** Private residential estates are growing in popularity in Nigeria and consequently the demand for FM services to manage communal facilities in these estates is also growing.
- The public sector is also a driving force behind the growth of the FM market in Nigeria. For instance, the government has mandated **that all PPP projects must have an FM contract in place.** Some of the state governments in the country even have an FM department.
- **IFM penetration is extremely limited in the Nigerian FM market,** and is expected to be limited to the facilities of large multinationals such as Shell and Eriksson. However, the country has a newly founded IFMA chapter promoting standards and best practices for IFM, which is expected to improve industry adoption in future.

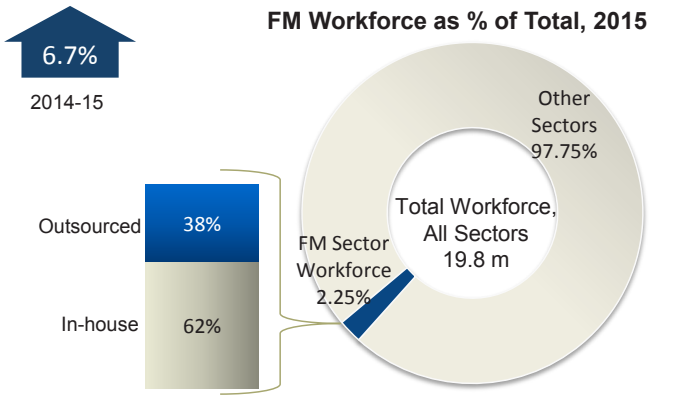
Country profiles
Africa

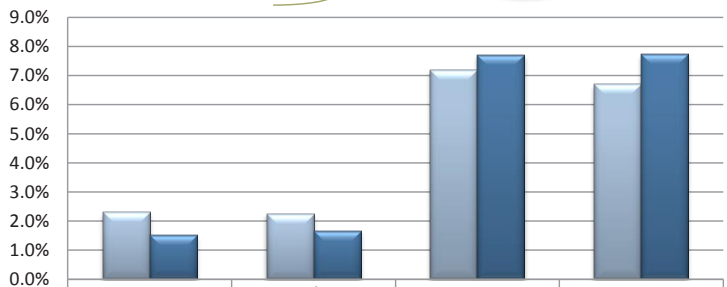


South Africa

Facilities Management Market, 2015







	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
South Africa	2.30%	2.25%	7.20%	6.70%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

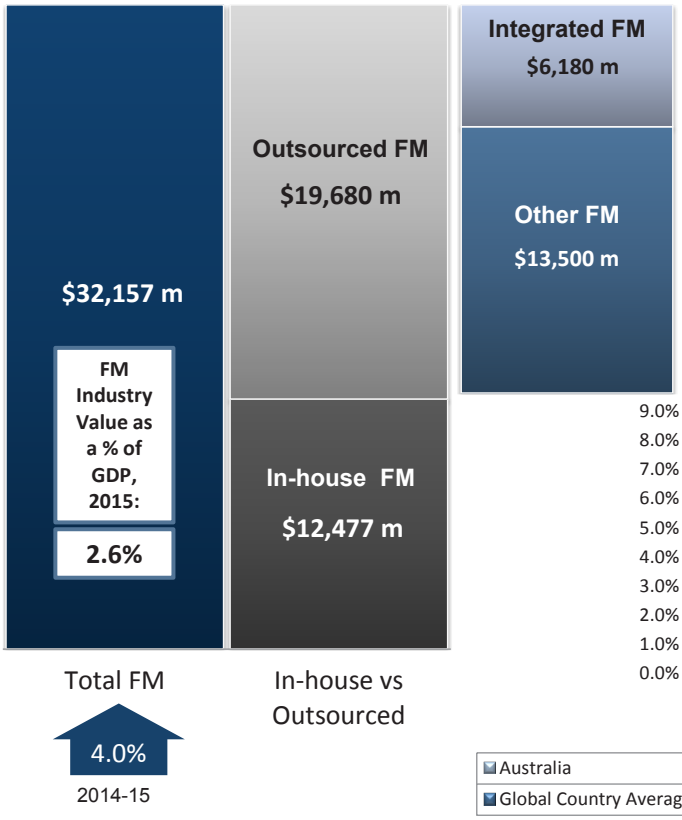
- In June 2015, South Africa became the **first country in the world to publish a draft of the FM Standard** to promote best practice FM in the country. The standard prescribes the manner in which FM must be implemented within organisations, in the same manner the ISO 9001 series of Quality Management System provides best practices within organisations.
- South Africa possesses a fairly well developed culture for FM outsourcing. Most FM companies use **internal expertise for hard services and outsource soft services** to functional service providers. However availability of trained FM talent remains a bottle neck in the growth of the industry.
- Due to a relatively high rate of crime, **security services are commonly outsourced** across South Africa. However, at present many FM companies **do not compete in this segment, due to protracted accreditation processes.**
- While demand for IFM in South Africa continues to grow, it is still awaiting demand from large national private sector organisations. South Africa's **IFM market has been led by demand from public and semi-public organisations,** but increasing interest for integrated concepts is being observed in the private sector. This is reflected in the number of local FM companies promoting their IFM offerings.
- Mostly, **newly built government buildings come automatically with outsourced FM.** For example, the Department of Foreign Affairs in Pretoria is running on long-term IFM contracts within the PPP scheme. In healthcare, some hospitals, such as in Limpopo, have been outsourcing FM through consulting companies that oversee all service contracts.

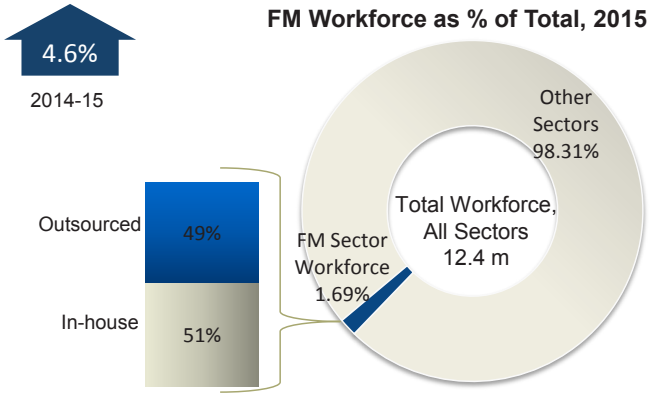
Country profiles
Asia-Pacific

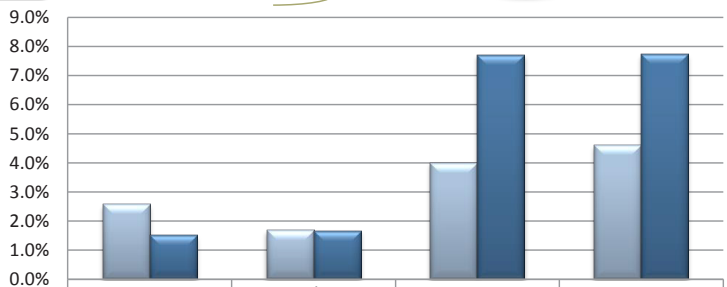


Australia

Facilities Management Market, 2015







	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Australia	2.57%	1.69%	4.00%	4.60%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

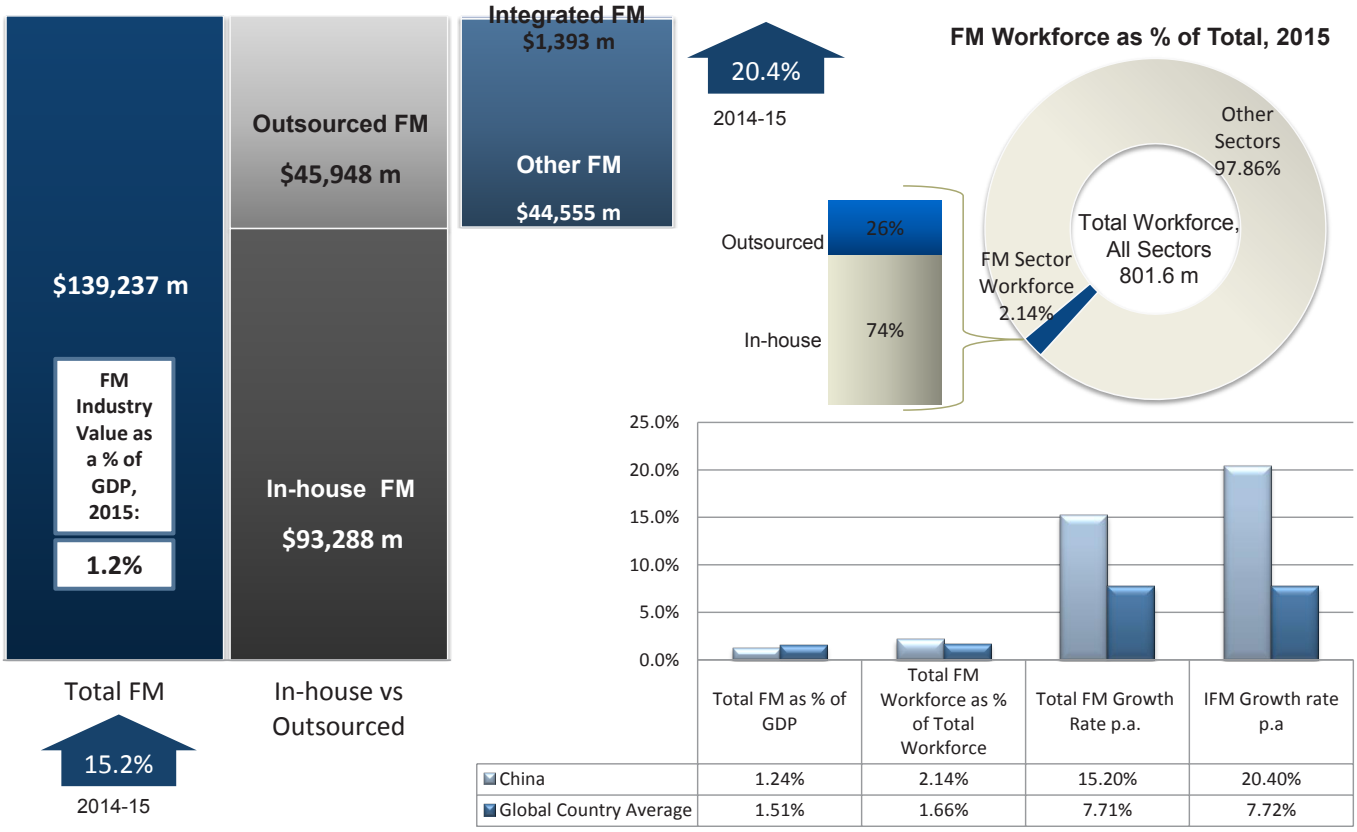
- The **intensely competitive** FM market in Australia has been **growing steadily,** with a **relatively high outsourcing rate** compared to neighbouring countries in the region.
- The Australian FM market is driven primarily by the **level of construction activity** (which expands the asset base to be maintained and managed), the demand for maintenance and refurbishment services, and a strong case for outsourcing.
- Both public and private sector asset owners are increasingly looking to **raise asset utilisation rates of property and equipment;** thus, driving maintenance and refurbishment expenditure.
- The market consists of a healthy **mix of local, regional, and international participants.** Apart from competing with each other across different industries, the FM industry also competes with public sector departments that provide services in-house (such as NSW Public Works or QLD Service Works) and traditionally have provided FM services to public facilities such as hospitals or schools.
- The strong support from regulatory bodies through funding has boosted the overall awareness about **green or environmental services.**
- The industry is also seeing increased use of technologies such as **Building Information Modelling (BIM), biometric systems, workplace solutions, motion detection, FM software** and so on.

Country profiles
Asia-Pacific



China

Facilities Management Market, 2015



	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
China	1.24%	2.14%	15.20%	20.40%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

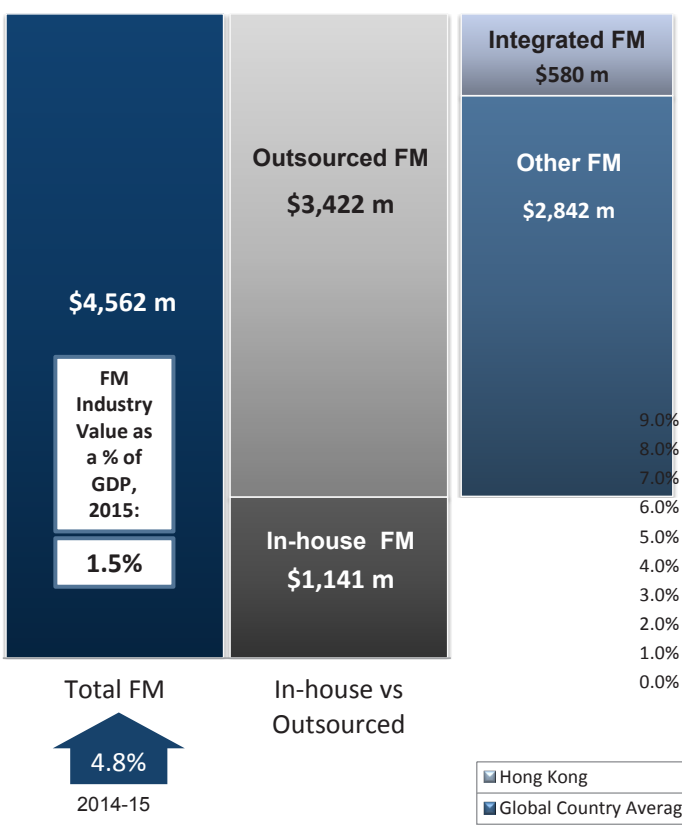
- Considering the **size of the economy** and the vast **new property space** being built every year, the overall FM market in China is **still small**, hinting at a **huge captive market**. The awareness of modern FM concepts is still very low in China. Most of the demand for professional FM is concentrated around the **commercial hubs** of **Guangzhou, Shanghai** and **Beijing.**
- The Chinese FM market is expected to be driven by its **dynamic construction market** and **increasing end-user awareness** around the benefits of FM outsourcing and service integration.
- **Sustainability** and **energy management** are becoming more of a priority, as buildings are being seen as contributing to high levels of pollution. However, opportunities are still mainly linked to government buildings and showcase projects.
- There has already been a significant **influx of foreign IFM** service providers trying to positioning themselves for the anticipated FM opportunities in China's exploding property market. They are complemented by a small but increasing number of national firms. Sub-contracting to local partners can be still a challenge, as levels of quality are not uniform and geographical coverage can be limited.
- In the first half of the next decade, China's **increased outsourcing culture** will be joined by rapidly increasing **acceptance of modern FM solutions,** leading unparalleled growth. By 2030, the Chinese IFM market will be the second-largest market in the world after the United States.

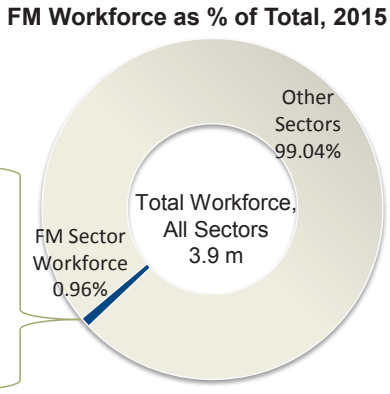
Country profiles
Asia-Pacific

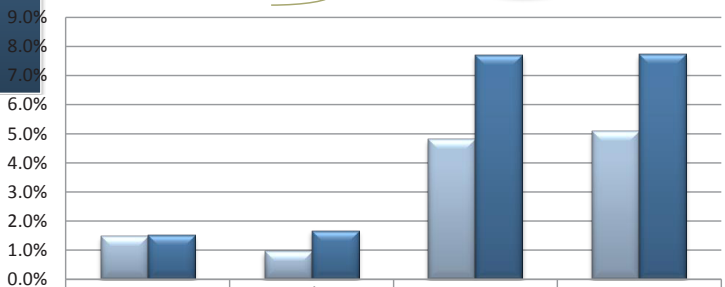


Hong Kong

Facilities Management Market, 2015







	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Hong Kong	1.47%	0.96%	4.80%	5.07%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

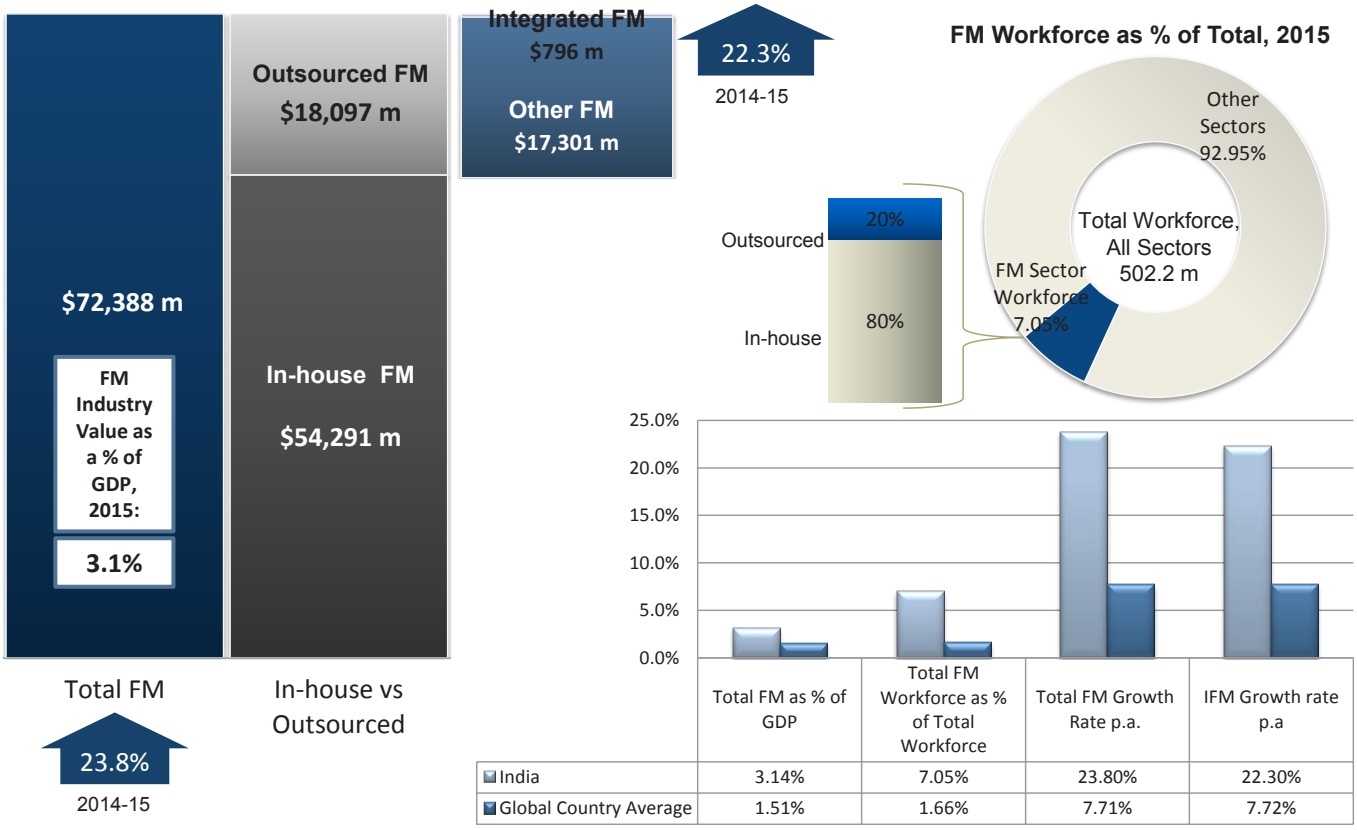
- Hong Kong is considered one of the largest and most mature FM market in Asia due to its **legacy as a free market outpost** and its role as a **leading global financial centre**. The FM market in Hong Kong is highly skewed towards the **IFM** and property services.
- The **business & IT services sector** is the largest end-use sector in Hong Kong due to its advanced position amongst countries in its region.
- As the pollution level is Hong Kong is reaching worrying levels, the government and regulatory bodies are encouraging **energy efficiency** and **green FM.**
- There has been a change in culture of outsourcing. Clients or building owners prefer to outsource the entire bundle of services to a single service provider instead of looking for individual service providers for the particular service. Bigger market participants usually secure large contracts from multinational firms or large corporations and subcontract it smaller or individual service providers.

Country profiles
Asia-Pacific



India

Facilities Management Market, 2015



	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
India	3.14%	7.05%	23.80%	22.30%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

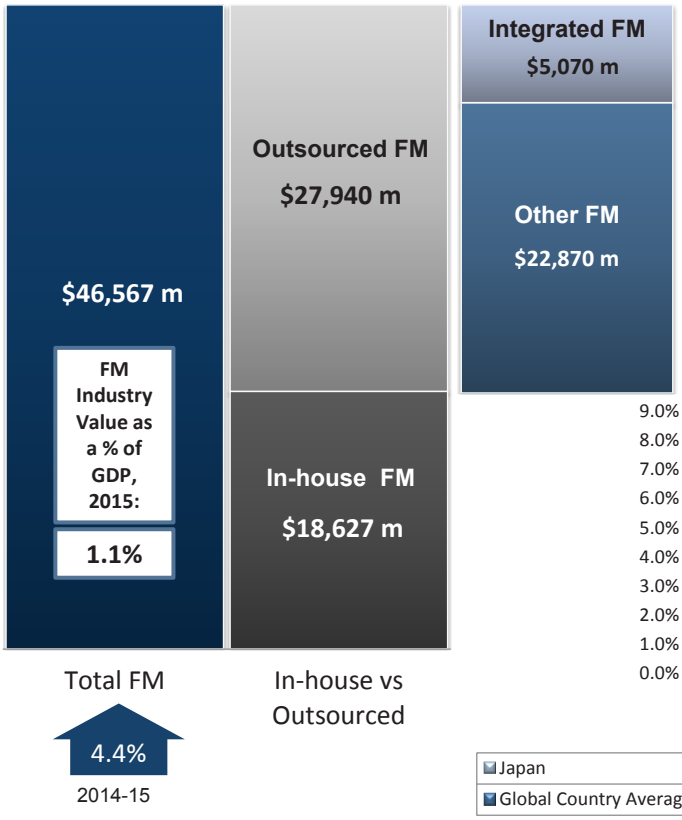
- The demand for FM services is increasing in terms of a **widening scope of services** and in **geographic spread** due to the booming real estate sector and the emphasis on **urban development** and **modernisation**. The Southern, Western, and Northern regions have more potential than the Eastern and central regions due to their ability to attract more investments.
- Around 38% of the total population (534.8 million) of India will be living in **urban regions** in 2025 and cities will account for 80% of India's GDP in 2030. India will have 3 **Mega Cities** (Mumbai, Kolkata and Delhi) and 4 **Mega Regions** by 2025. An estimated investment of $216 billion will be pumped into India's basic urban infrastructure to 2020, of which the government has stipulated close to $1.2 billion for smart city investment (with an ambitious plan to develop **100 smart cities**).
- The competition in the FM services market is intense among both domestic and international service providers. The market is expected to witness **more competition** from new entrants, through merger and acquisition deals.
- **Labour based contracts** are more prominent in India and are highly profitable compared to square-feet and fixed-price contracts.
- From a low base, the Indian market is expected to **grow fast**. Demand for **IFM** is expected to continue to be driven by **multinational corporations,** but also **infrastructure projects,** and an increasing awareness among national organisations. Integration of facility management with project management services and other real estate services is gaining momentum to offer diverse solutions to customers under one roof.

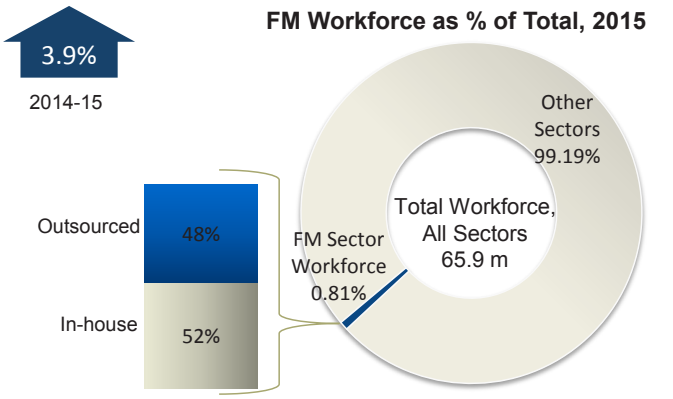
Country profiles
Asia-Pacific

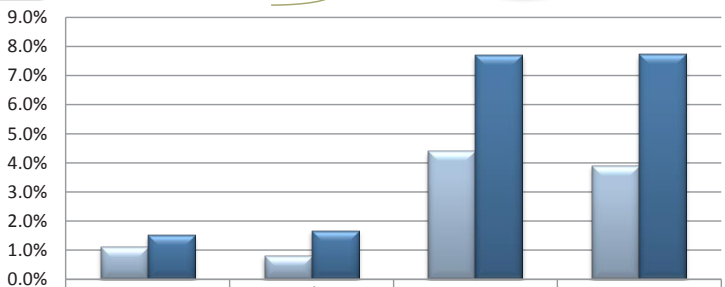


Japan

Facilities Management Market, 2015







	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Japan	1.11%	0.81%	4.40%	3.90%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

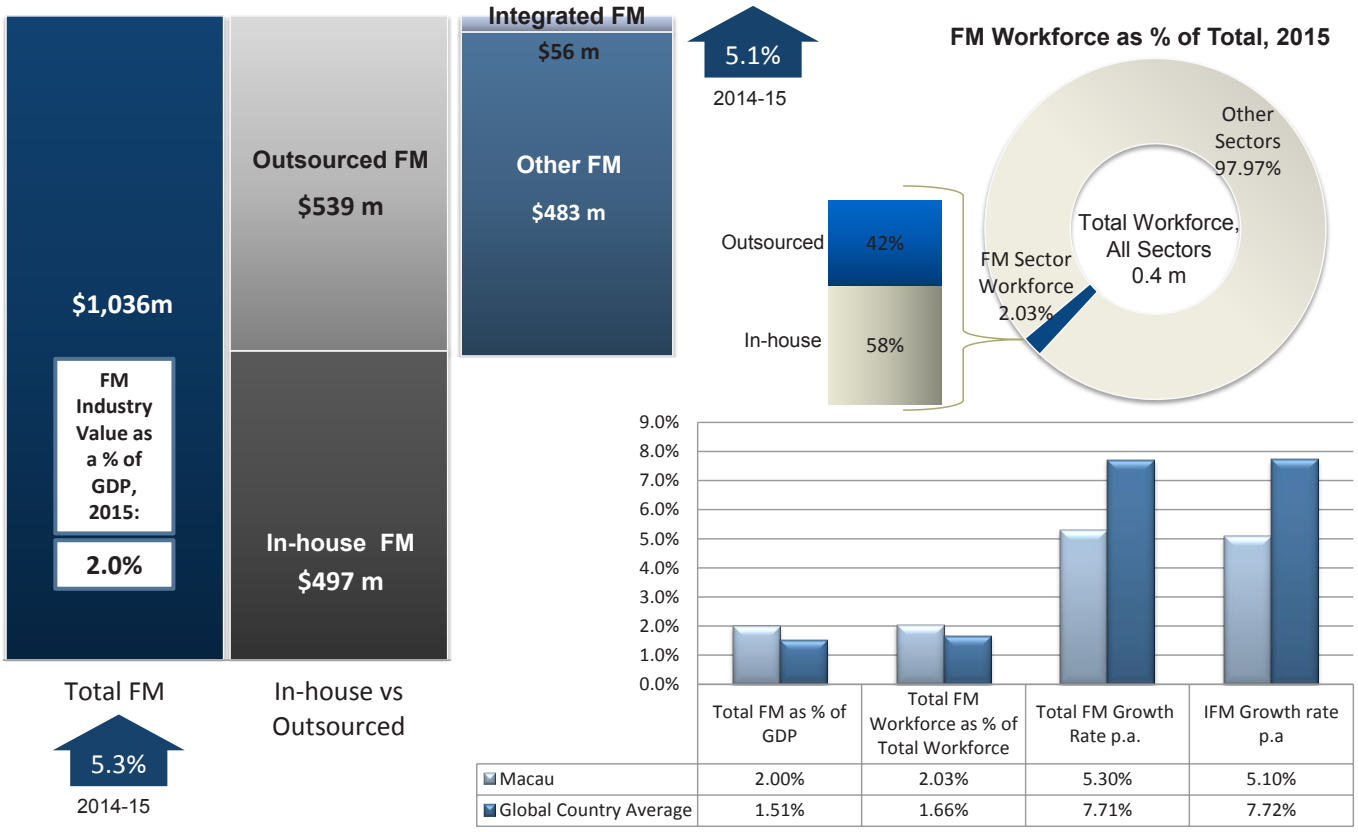
- Considering that Japan is the world's third-largest economy, it hosts a **fairly small outsourced FM market.** The main reason for this is that space is often **rented rather than owned,** and property managers in charge out-task building services with **little or no integration.** In addition, many Japanese firms have a strong sense of responsibility and ownership and even non-core operations such as FM are preferably dealt with **in-house.**
- Following the earthquake and tsunami in 2011, the awareness around **high-level building maintenance** has gained importance, especially in relation to **critical infrastructure facilities,** such as utilities. Moreover, the debt-challenged Japanese **public sector** is anticipated to become more open towards **FM outsourcing** to deal with its spiralling costs.
- Several FM services providers here are **affiliates of larger groups**, mainly from the construction and real estate sectors.
- The **degree of integration** between services is usually low, and there are few experienced IFM service providers in Japan. Most suppliers offer building services rather than truly integrated FM concepts.
- Value-add services offered by IFM companies in Japan also included **seismic assessments,** which have experienced a surge in demand since the earthquake in 2011.

Country profiles
Asia-Pacific



Macau

Facilities Management Market, 2015



	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Macau	2.00%	2.03%	5.30%	5.10%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

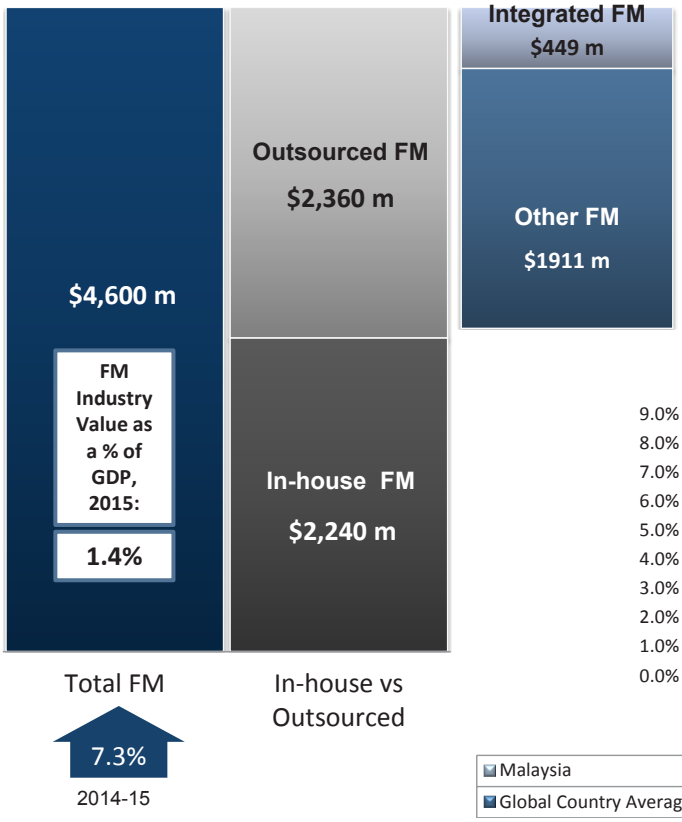
- Macau's economy is largely dependent on tourism, whereby this sector contributes significant FM market share through establishments such as **casinos, retails, and hotels.**
- Since the government-issued monopoly gambling license ended in 2002, Macau gambling industry prospered tremendously due to investment from Las Vegas casino owners. Consequently, the FM industry grew rapidly driven by foreign property owners, whom typically outsource professional FM services.
- Outsourced FM in Macau is largely concentrated amongst **large scale entertainment complexes,** which form a large part of the dominant tourism industry in the country. However other end-segments such as public infrastructure, healthcare and education are expected to maintain FM services in-house.
- In recent years, provision for FM is planned during the construction stage so that efficient and structural FM system will be in place upon project completion.

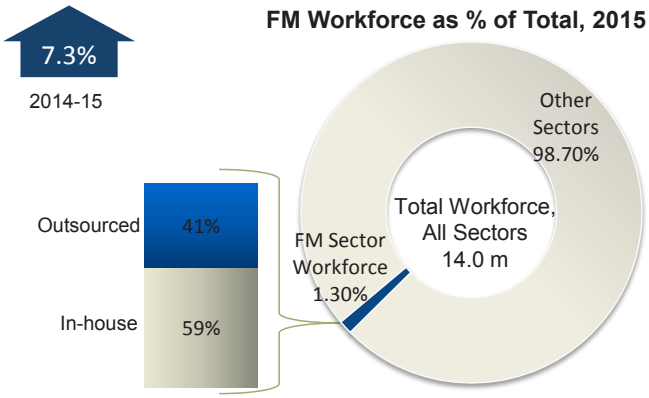
Country profiles
Asia-Pacific

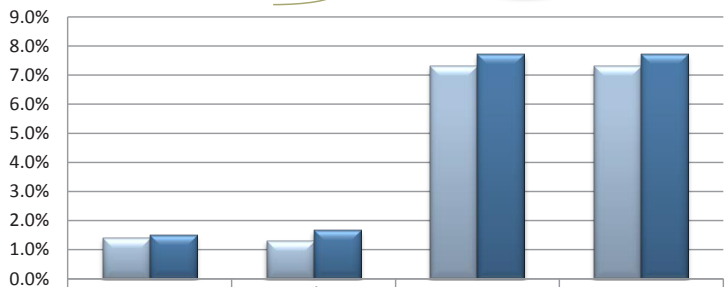


Malaysia

Facilities Management Market, 2015







	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Malaysia	1.40%	1.30%	7.30%	7.30%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

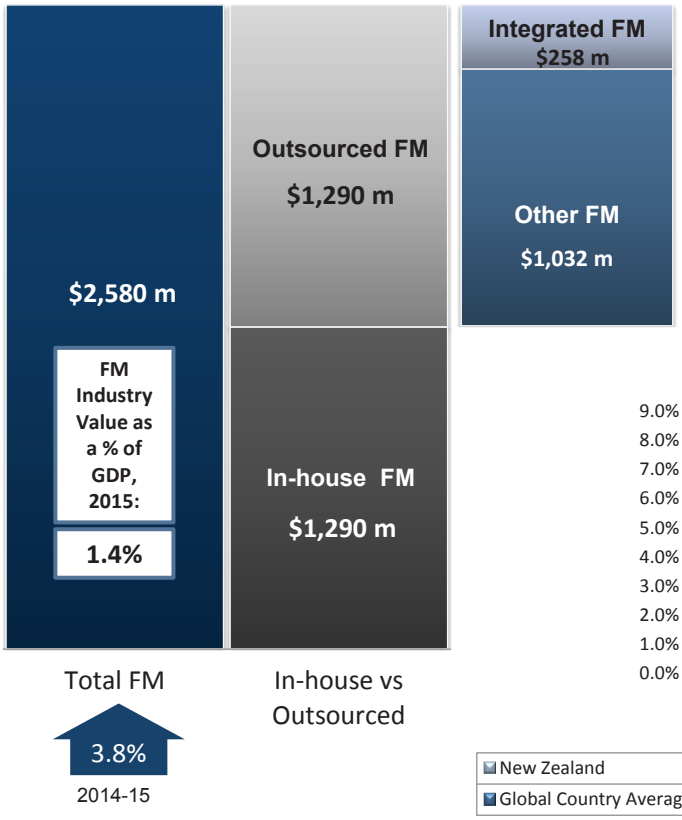
- The FM market in Malaysia will continue to experience **strong growth** and become one of the key market contributors in Southeast Asia.
- Rapid development of Malaysian **building and construction** market is one of the key market drivers. Malaysia's population will continue to urbanise, with over 80% of its population of 34.3 million expected to live in cities by 2025. The **urbanisation growth rate** of Malaysia (12%) will be the highest across the ASEAN region. Klang Valley is expected to contribute US$253 billion (45% of Malaysian GDP) in 2025, emphasising the need for companies to approach the "city as a customer". This is expected to drive FM market opportunities over the long term.
- In addition, **green building** initiatives, actively promoted by government agencies, drive uptake of services from FM providers with **energy management** expertise.
- **Healthcare** and the **public sector** are the two major end-use sectors. **Investments in infrastructure** worth US$100 billion are expected from 2013 to 2020, driven by various **PPP** projects.
- There are no specific standards and regulations for FM. However, energy management is increasingly being included as part of FM contracts since the Green Building Index (GBI) was implemented in 2009.
- Increasing market awareness has helped Malaysian asset owners become more receptive to engaging **IFM** services to improve FM delivery effectiveness.

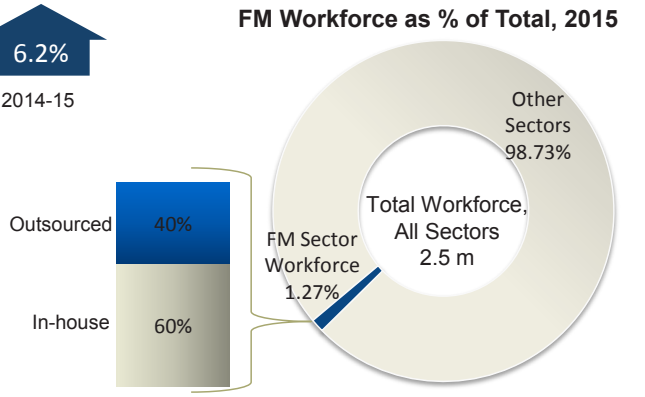
Country profiles
Asia-Pacific

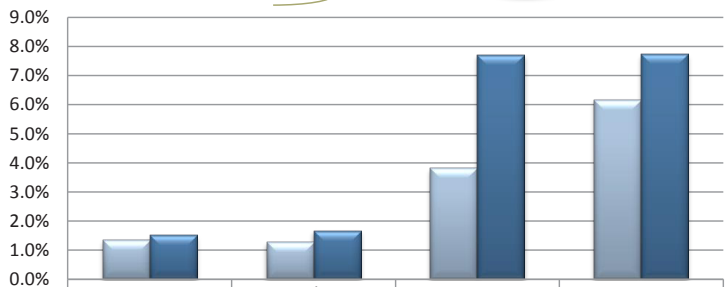


New Zealand

Facilities Management Market, 2015







	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
New Zealand	1.35%	1.27%	3.81%	6.17%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

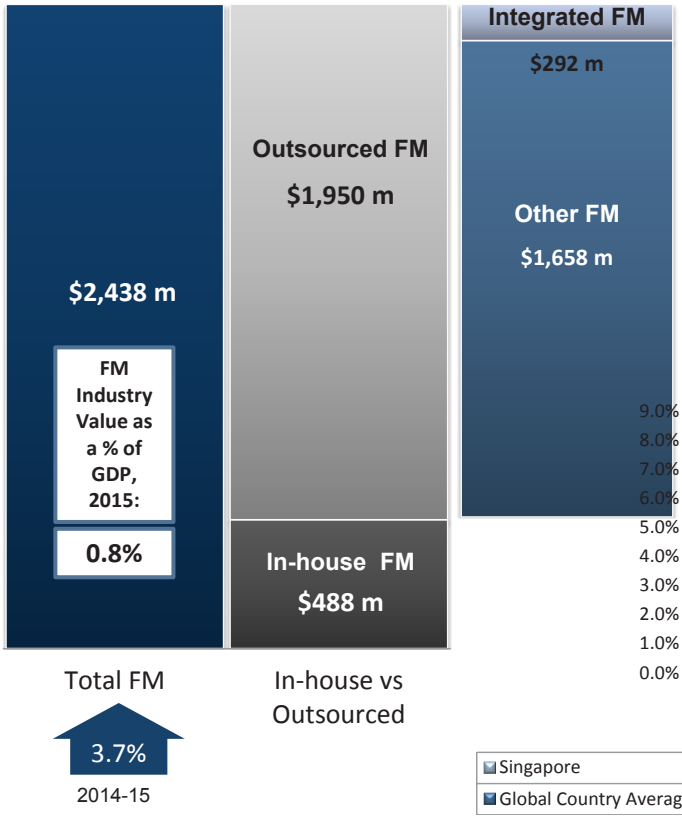
- The New Zealand FM industry has been driven by **construction activity** over the last four years (more marked in the residential sector than the non-residential sector), which has expanded the building stock to be managed.
- For **IFM**, the private sector contributes the most revenue growth and the main end-use sectors overall are **commercial office buildings, government buildings, retail & wholesale, industrial and education sectors.**
- For the FM industry in the country, initiatives around changing workplace environments, mobility and energy efficiency need increased focus.
- The FM industry's demand for **qualified experts and managers** has grown significantly over the recent past.
- The New Zealand FM market is **extremely fragmented,** with **aggressive pricing** is the main competitive tool especially amongst tier-3 service providers. Global FM service providers or local Tier 1 companies usually acquire SME service providers to maintain or gain industry market share or to complete service offerings.

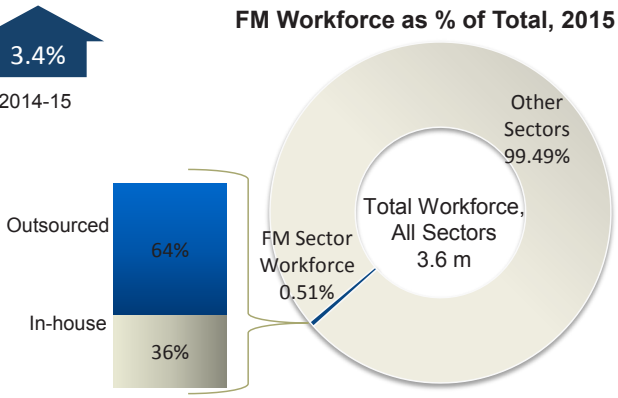
Country profiles
Asia-Pacific

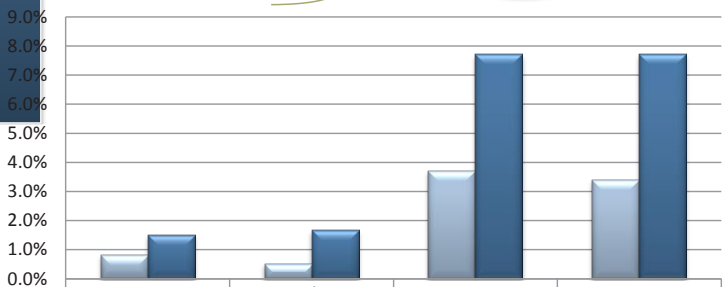


Singapore

Facilities Management Market, 2015







	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Singapore	0.82%	0.51%	3.70%	3.40%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

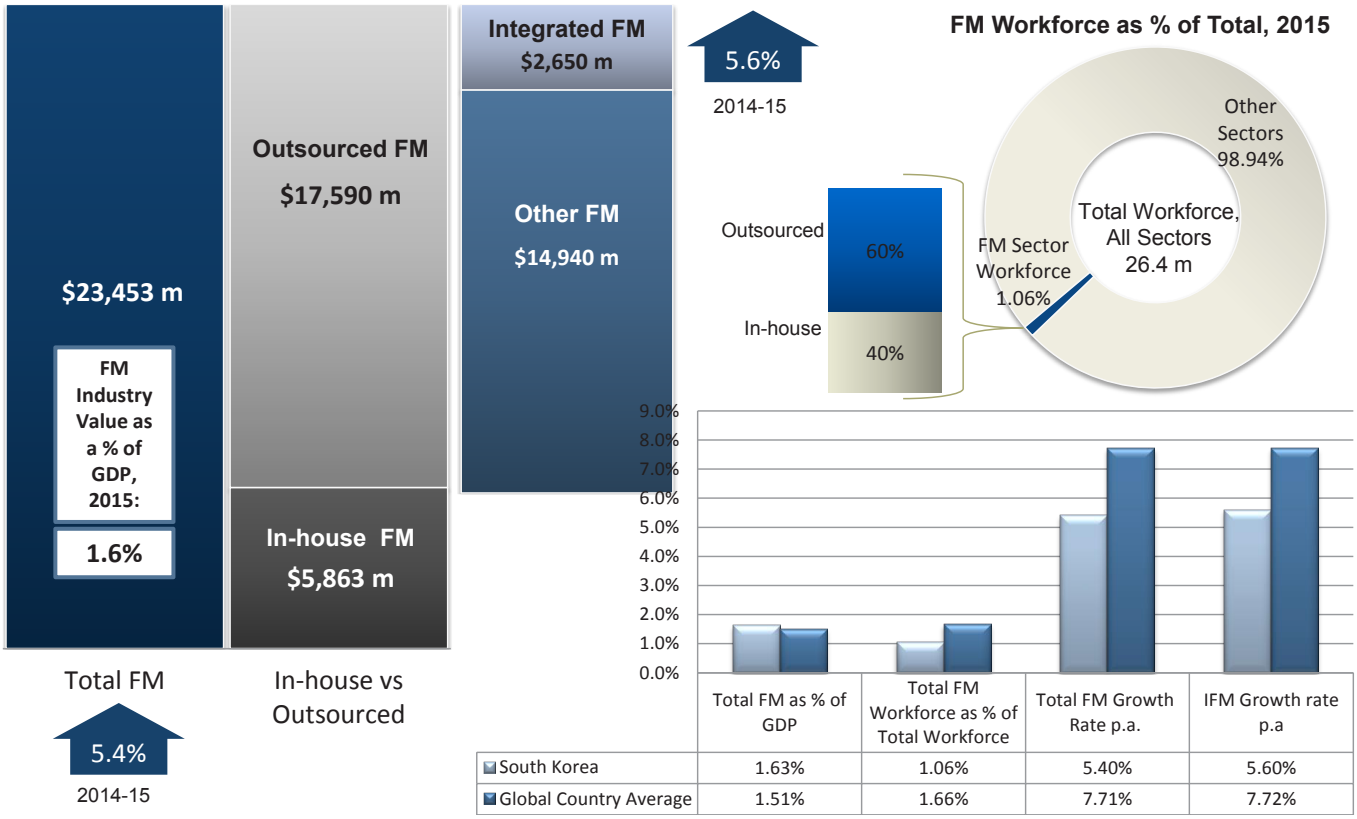
- Major FM service providers are located in Singapore since the country serves as the **ASEAN hub. T**he market in Singapore is **plateauing** due to limited growth since 2011.
- Both public and private sectors have **high adoption rate for FM.**
- The Singapore market is **mature in terms of IFM penetration** mainly because of the adoption of **advanced building technologies.** Future growth is however likely to be slow.
- IFM in Singapore is increasingly focused on **energy efficiency** and **sustainability**. As Singapore has a high awareness of environmental issues, IFM service providers with energy and environmental management expertise have a competitive advantage here.
- A focus on **retrofitting buildings** to meet **green-building standards** is likely to drive value in the Singaporean IFM market.
- Singapore is expected to be one of the 26 **smart cities** likely globally by 2025. The launch of the **Big Data** Innovation Centre in Singapore by Dell, Intel and Revolution Analytics is likely to put Singapore at the forefront of big data analytics innovation by IFM service providers in the ASEAN region.

Country profiles
Asia-Pacific



South Korea

Facilities Management Market, 2015



	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
South Korea	1.63%	1.06%	5.40%	5.60%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

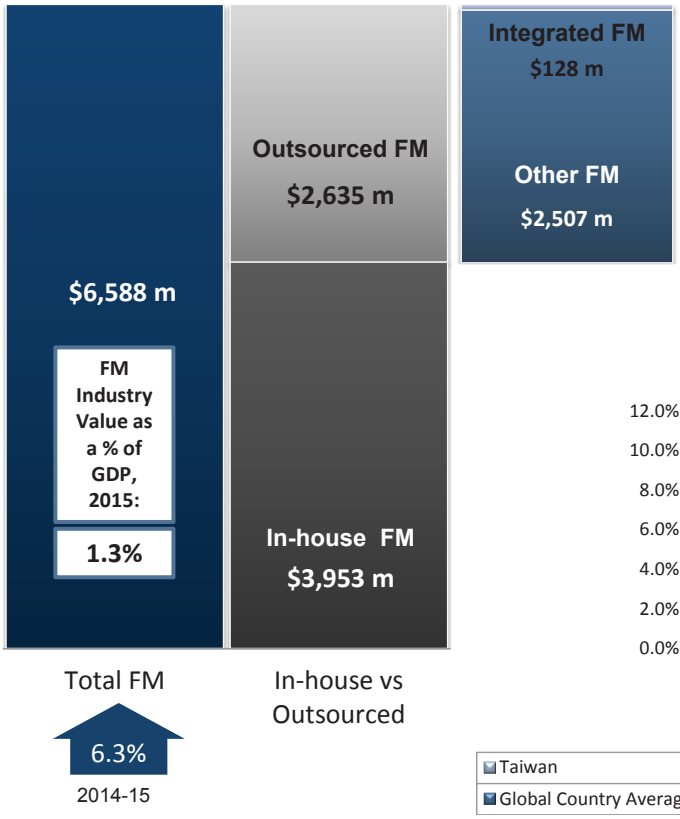
- **Construction activity** and an increasing preference for quality FM services, especially for new buildings, are expected to continue to drive the South Korean FM market.
- Industrial **'chaebols'** (Korean for large conglomerates) such as Samsung and LG Corp. are a pillar of South Korea's economy. Most of these conglomerates have their **own FM subsidiaries** that provide FM services to their parent organisation and to external customers.
- The strong dominance of large conglomerates with their affiliated FM subsidiaries and the fact that **IFM is seen as an add-on** to real estate services, makes South Korea a challenging market for Western companies that consider IFM as their core business.
- The main underlying drivers for the South Korean IFM market include a **high technology adoption** level, the country's **liberal economic policies,** and an **expanding services** market.
- The country already boasts a high **urbanisation rate** with the urban population likely to account for 86.3% of total population in the country by 2030. Seoul is expected to be one of the 26 **smart cities** likely globally by 2025. This is expected to drive FM opportunities over the long term.

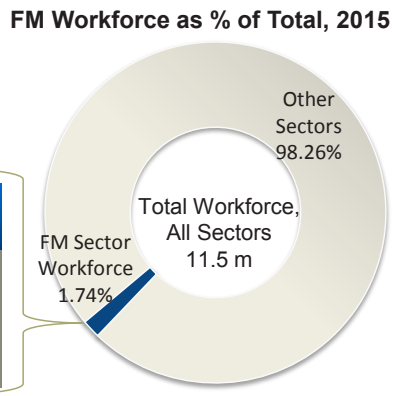
Country profiles
Asia-Pacific

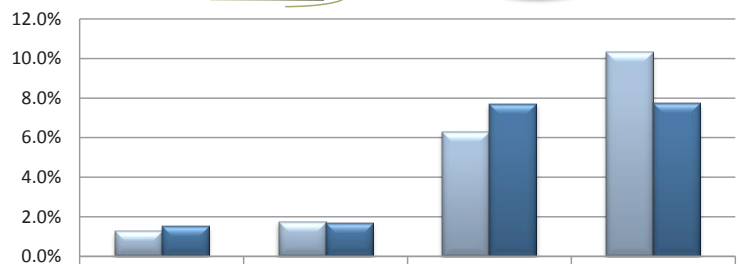


Taiwan

Facilities Management Market, 2015







	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Taiwan	1.25%	1.74%	6.30%	10.30%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

- The increased numbers of **multinational firms** and **large corporations** in Taiwan that outsource their FM have helped raise FM awareness amongst smaller or local firms. Bigger market participants usually secure large contracts from MNCs or large corporations and subcontract it smaller or individual service providers
- **Green energy** and building is nominated by the government as one of Taiwan's key industries as bellwethers for its drive to attract increased foreign investment. The concept of Green Building and its corresponding policies were initiated by the public sector.
- With foreign trade being the main contributor to Taiwan's economy, MNCs and large corporations more easily adapt to the culture of outsourcing their FM services, as compared to smaller, local firms. Local firms might choose to outsource only individual services.
- Local participants have local expertise and knowledge about the market that put them in a better competitive position compared to foreign participants.

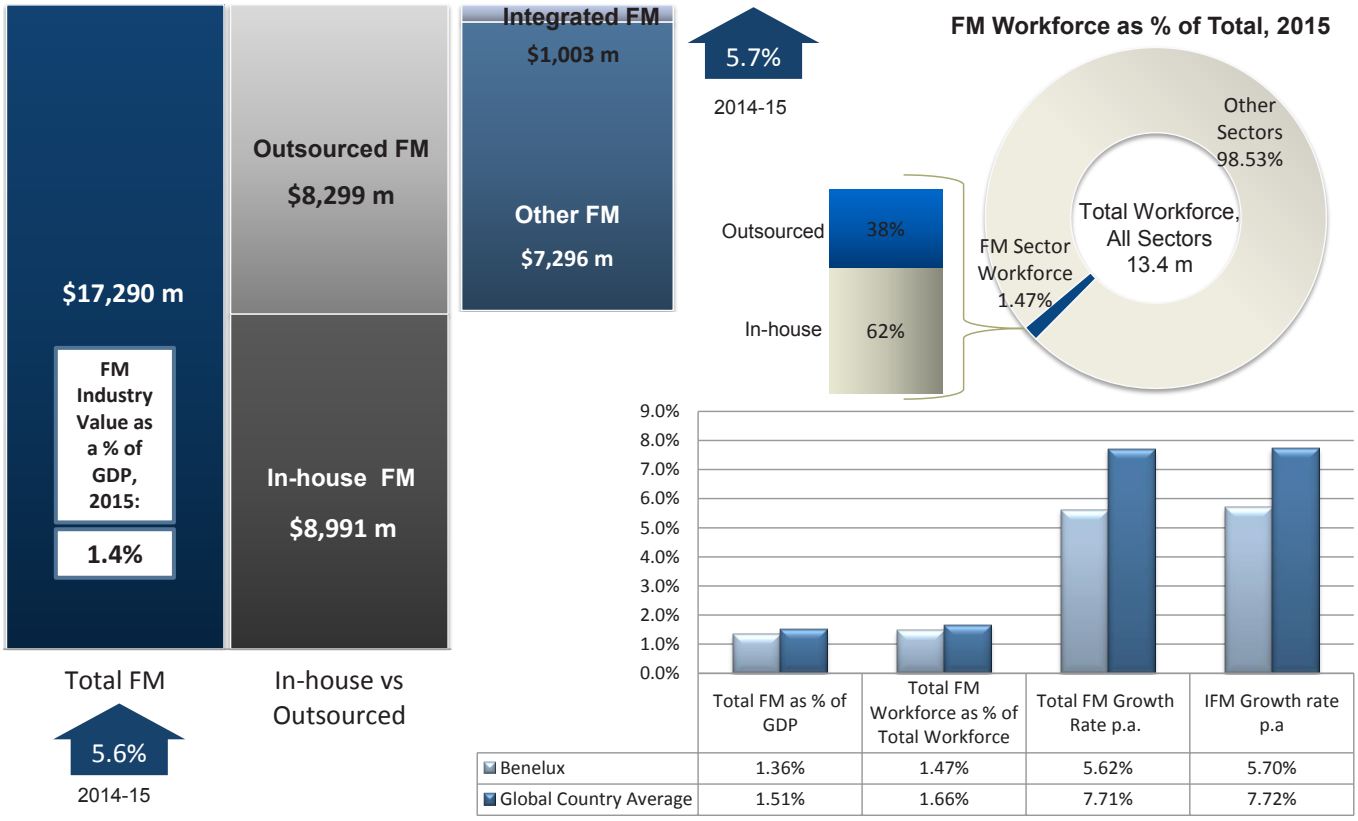
Country profiles
Europe





Benelux

Facilities Management Market, 2015



	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Benelux	1.36%	1.47%	5.62%	5.70%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

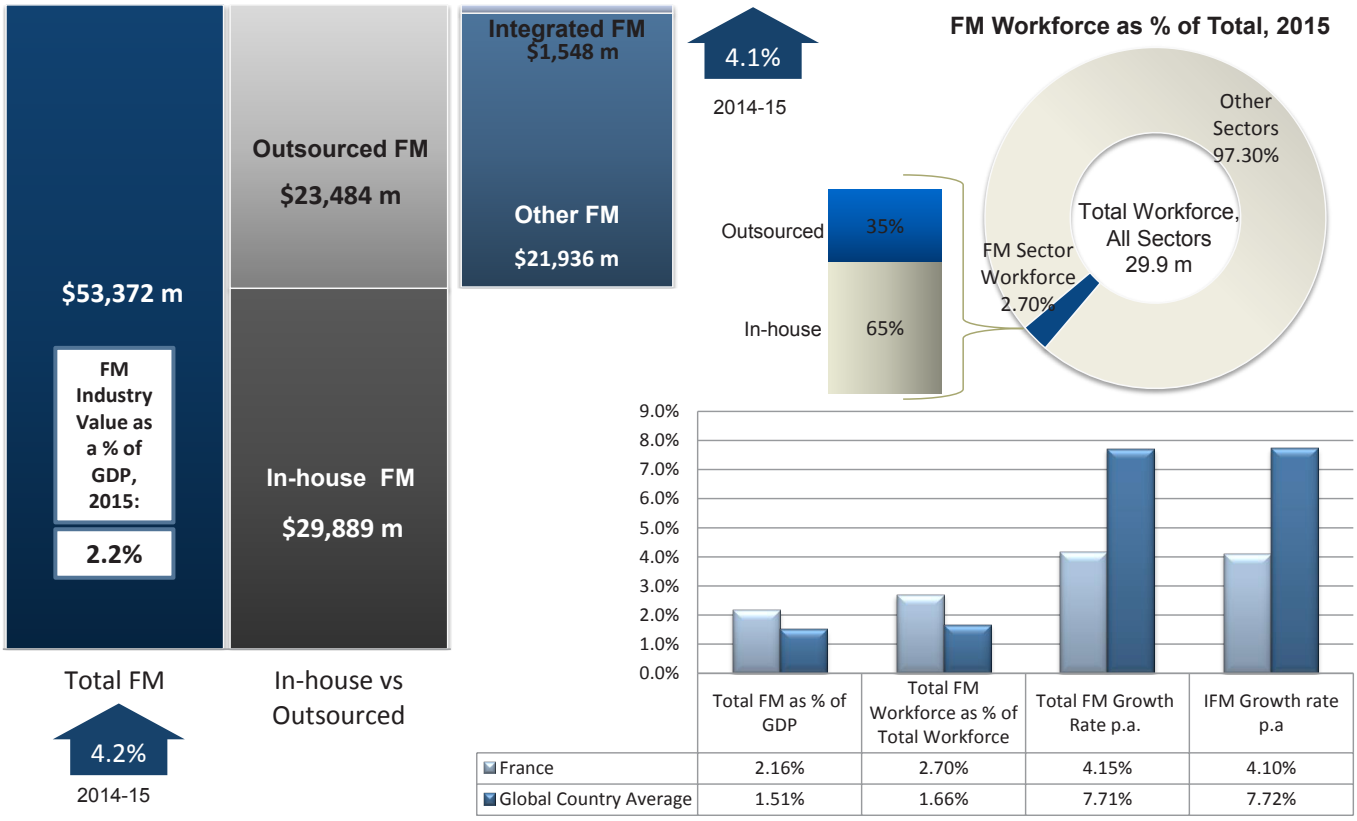
- The FM market in **The Netherlands** is more developed than the one in Belgium because of a higher outsourcing rate and higher acceptance of IFM services.
- The Dutch private sector market is showing signs of **maturity** as FM penetration is already high and contract wins often mean the shift from one supplier to another. However, an improved economic outlook is expected to translate into **recovering contract sizes** and increasing openness towards discretionary services. In addition, **energy management services** have become a 'must' for end-use sectors in Benelux, and demand will continue to grow.
- The Benelux market will continue to attract **foreign FM service providers** who see their presence in the region as important to succeeding in multi-country contracts.
- Due to the high level of competition between experienced foreign FM companies, national players and single-service subcontractors, the trend to attract the maximum number of clients by **price reduction** in contracts is expected to continue keeping prices low, especially for service packages with the emphasis on soft services, such as cleaning, catering and security.
- While outsourcing in the public sector is common, especially for soft services, demand for IFM is more sporadic and largely focused on the healthcare and local government sectors.
- Some projects are also realised within a **PPP** scheme. As such, Belgium announced the inauguration of a new prison facility in Marche-en-Famenne in 2013. Run by Sodexo, it is the first facility in Belgium to be realised by way of a PPP model. In The Netherlands, a DBFMO contract has been awarded to Pi2 Consortium for the new Zaanstad Penitentiary building.

Country profiles
Europe



France

Facilities Management Market, 2015



	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
France	2.16%	2.70%	4.15%	4.10%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

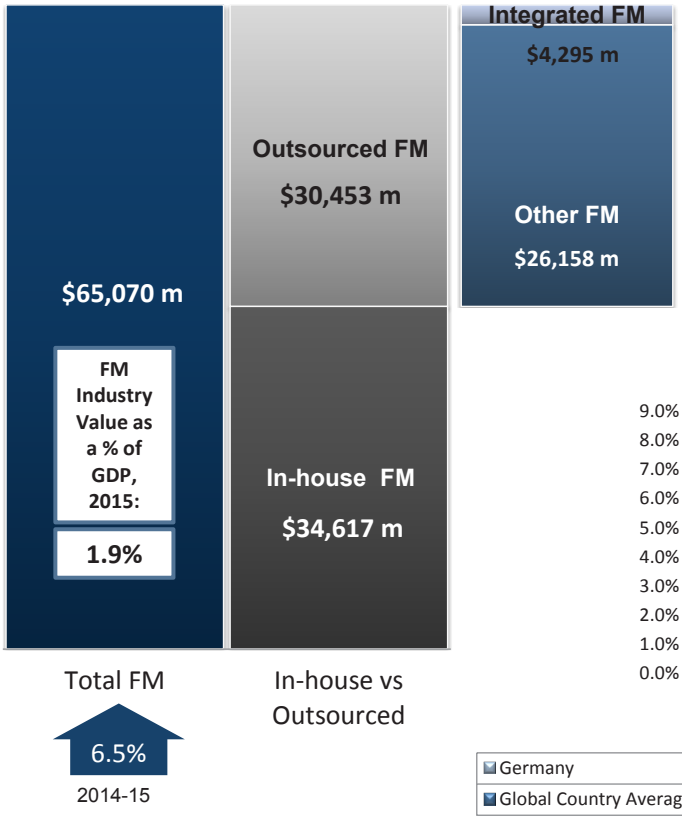
- The **private sector** is expected to lead revenue growth in the French FM market. In addition to continual demand from foreign multinationals, there is increasing interest in integrated concepts from large French corporations as well. This follows a transfer of responsibilities for FM spending from the in-house FM team to procurement departments.
- **Energy** and **waste management** are increasingly being included in FM contracts due to the rise in energy prices and strong environmental constraints. This is reflected in increased offerings in energy management services, as well as rebranding (for example, 'Bouygues FM' to 'Bouygues Energy & Services') and internal re-structuring (for example, the inclusion of 'Vinci Facilities' in 'Vinci Energies').
- The **demand for IFM** is set to pick up significantly over the medium term, as an increasing number of France's large corporations are expected to upgrade from bundled services to more integrated packages in the pursuit of further cost savings. Moreover, public sector organisations are expected to resort to more outsourcing to deal with mounting debts.
- **Entry barriers** are high, as French companies tend to trust a service provider with whom they have been working with for several years for specific services.
- Due to the low IFM penetration domestically, many French IFM providers have a long-established presence in more advanced **IFM markets abroad,** especially the UK.

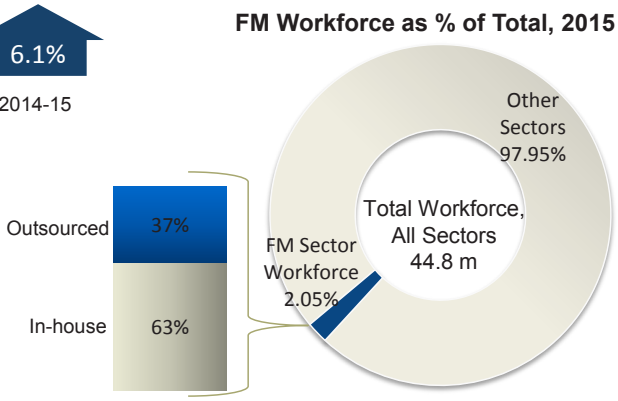
Country profiles
Europe

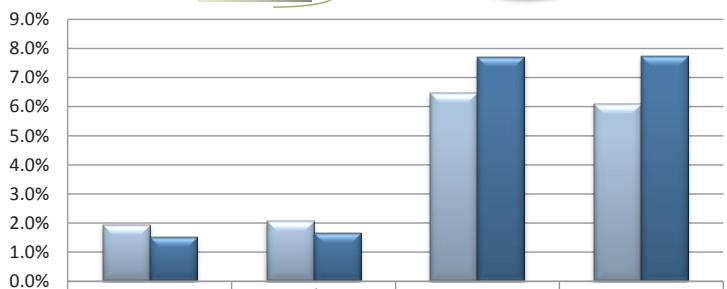


Germany

Facilities Management Market, 2015







	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Germany	1.91%	2.05%	6.47%	6.10%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

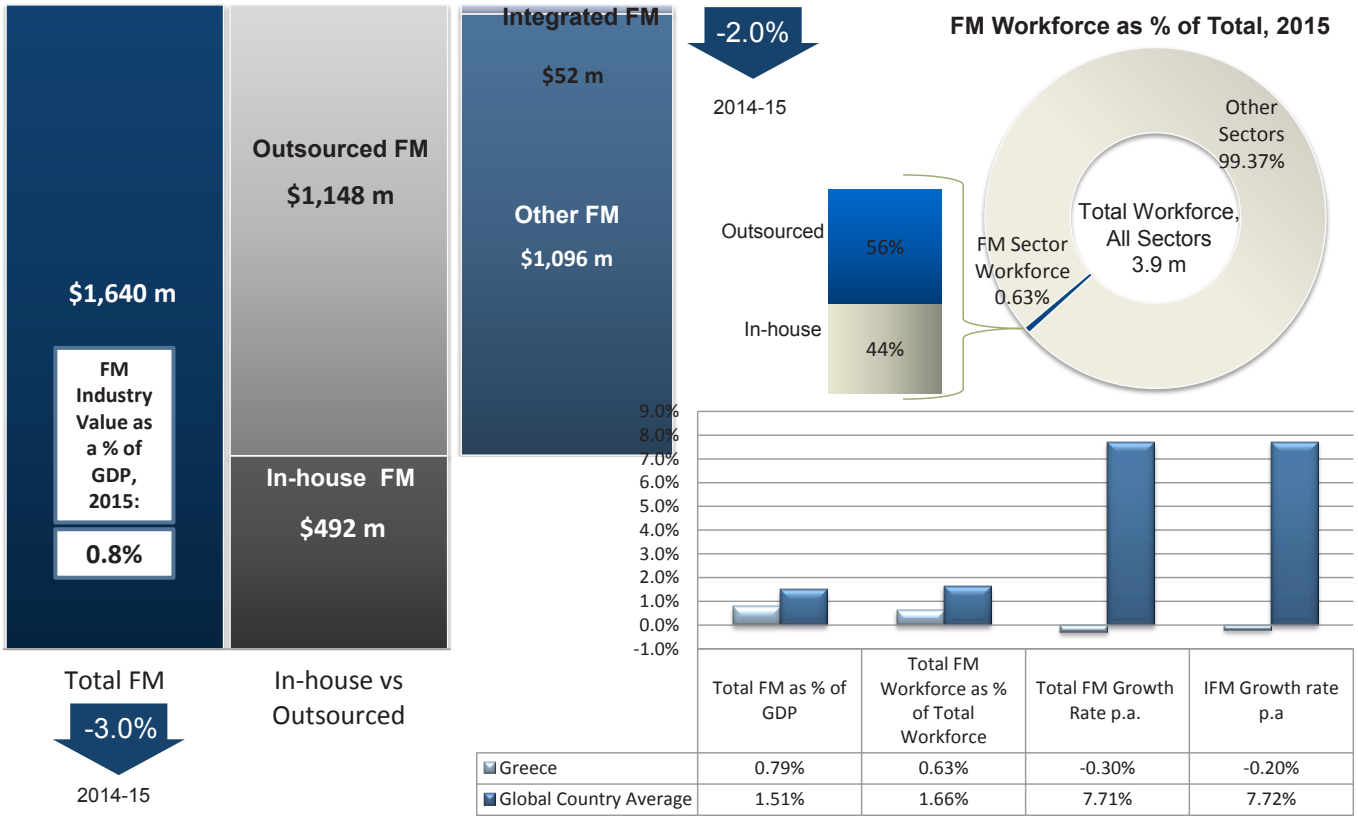
- The healthy state of the German economy has led to a **recovery of FM contract sizes** and a resumption of spend on discretional services.
- The public sector usually outsources cleaning, catering and security, either as a single services or as a bundle; it, however, rarely opts for IFM solutions. The reason is that synergies can be rarely demonstrated, and staff transfer is particularly regulated. The **PPP** model is expected to gain traction in Germany.
- **Sustainable FM** and **energy management services** have become a key differentiator, especially in times of the decreed 'Energiewende' (exit from nuclear energy). Other services that will continue to experience increasing demand include **space management, document services, and data management services.**
- The German FM market is still largely dominated by large **national service providers.**
- **Recruitment of skilled FM professionals** has become challenging in areas with low unemployment.
- IFM is not a concept that fits all. Many German end users do not see the benefits of externalising their complete FM operations, but prefer to rely on a **mix of in-house and outsourced service** capabilities. However, **international property investors** are gaining importance in the attractive German real estate market and are seeking **one-stop-shop solutions** for their property portfolios. **Retail**—in particular, shopping centres—has also become an increasing customer base for IFM suppliers.

Country profiles
Europe



Greece

Facilities Management Market, 2015



	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Greece	0.79%	0.63%	-0.30%	-0.20%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

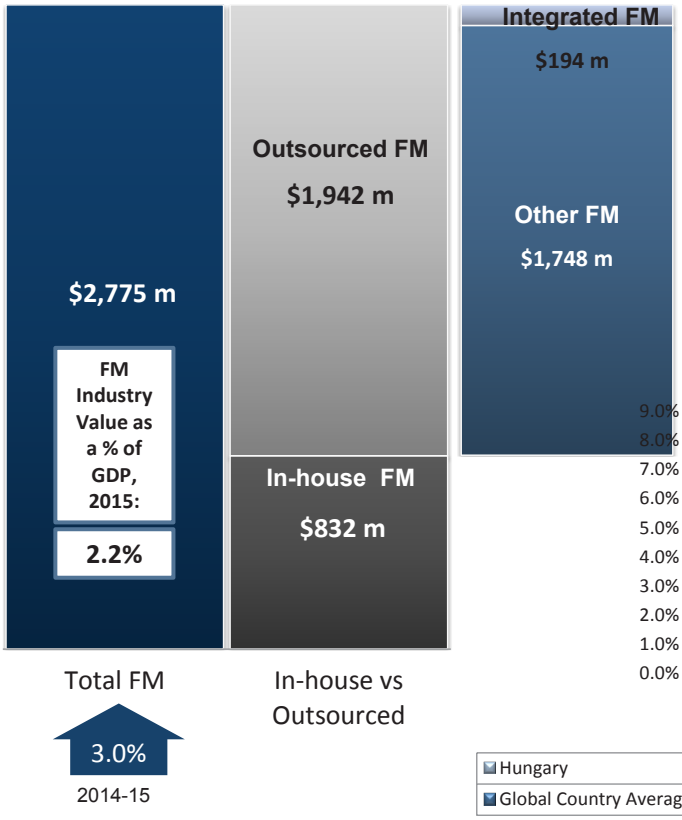
- The Greek FM market is currently experiencing **negative growth,** mainly due to the **financial crisis** over the past 5 years. The real estate market has been frozen on account of a lack of investors. Positive growth can only be expected **after 2017.**
- For the time being, **private sector commercial buildings and tourism-related sectors** such as the hospitality sector, are considered the key demand sectors. The **healthcare sector** is a stable market amongst the main public sector segments.
- A large number of **local companies dominate the market** of cleaning, security and technical services. Subsidiaries of large construction group are venturing into the FM industry as well.
- There is no specified FM regulations or standards being followed. However, electrical related FM has to follow the local code of practice and security companies need to ensure that security guards hired are licensed.
- The Greek IFM market is negatively impacted by **high price-sensitivity** amongst end-customers, especially during this economic downturn period.

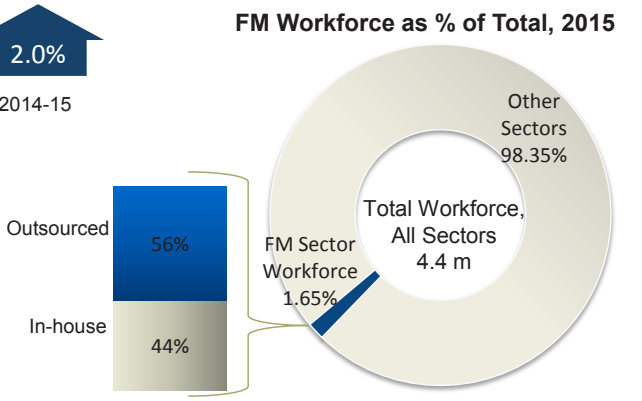
Country profiles
Europe

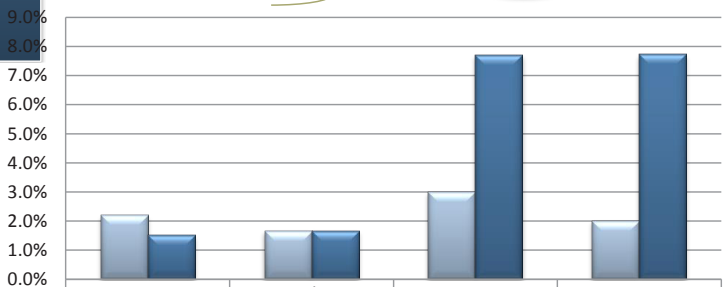


Hungary

Facilities Management Market, 2015







	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Hungary	2.19%	1.65%	3.00%	2.00%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

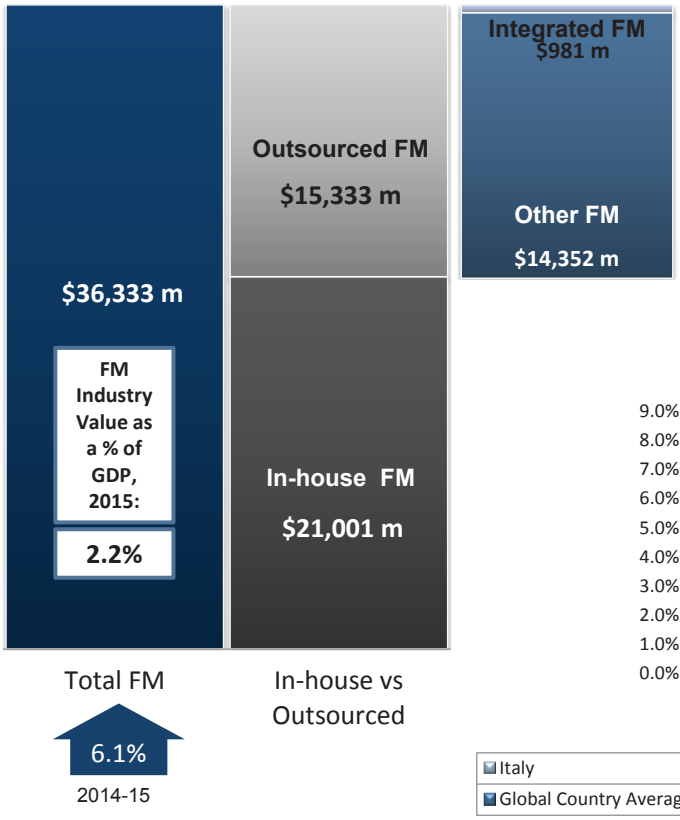
- The Hungarian FM market is growing very slowly due to declining activity in the **building and construction market.** In Hungary, FM is still an **informal market** where many FM services are still addressed as single services such as cleaning, security, building maintenance, etc.
- The **government sector**, such as institutes and hospitals, are the major market contributor with almost 50% of FM market share. For the private sector, the market is mainly in manufacturing, commercial buildings and hospitality.
- In general, the market is extremely **price-sensitive**, with quality of services and local compliance being the other important criteria. The outsourced rate in Hungary is relatively high because the majority of the FM services are cleaning, security, and building maintenance.
- The market consists of both international and local service providers. Large contracts are typically secured by **multinational firms** who sub-contract to smaller, local companies.
- **IFM** in Hungary is still in its **infancy** and there is significant untapped opportunity to increase penetration under the right conditions.

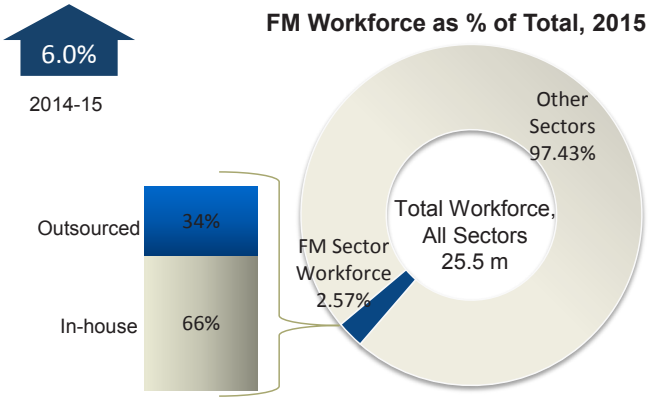
Country profiles
Europe

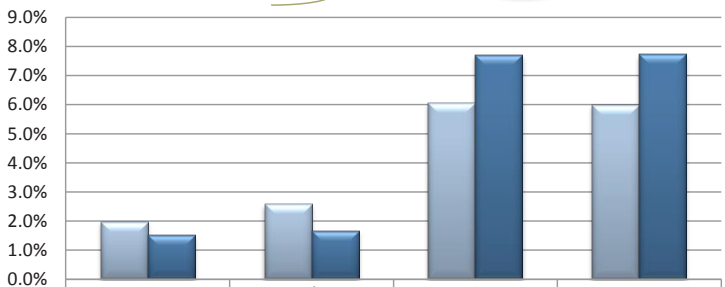


Italy

Facilities Management Market, 2015







	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Italy	1.97%	2.57%	6.06%	6.00%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

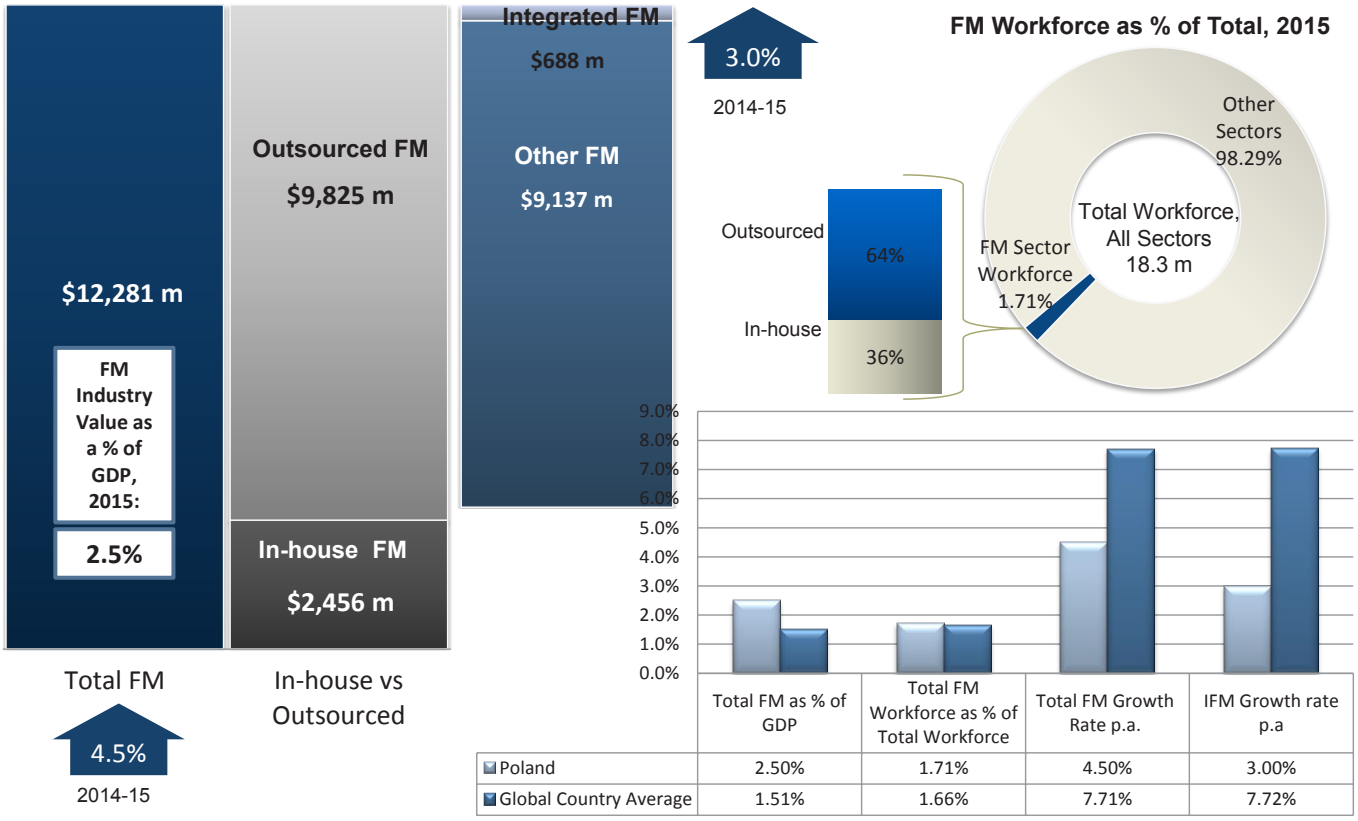
- FM growth will continue to be driven by an ongoing trend in the **public sector** to outsource, as well as an ongoing shift in the private sector from single service outsourcing towards **more integrated solutions**. Strong opportunities also exist for FM service providers for the **upgrade of old building stock**, improving energy efficiency and controlling total lifecycle costs. Although not always part of integrated offerings, capabilities such as the support of **design and installation** of **photovoltaic systems** or **cogeneration systems** and **energy management** have become a must in a country where energy prices are among the highest in Europe.
- The IFM market is still largely in its developmental stage, and **strong growth** is expected over the forecast period. Demand is driven by large organisations across private and public sectors that seek to save costs by re-structuring their FM operations.
- Italy has a comparatively high share of **public sector FM** demand. The Italian public sector contends with high levels of debt and further cuts are expected to push for more externalisation and integration of FM services. Moreover, over the past five years there has been significant progress in terms of the **standardisation of tenders** and more professional processing. As such, CONSIP, the procurement organisation managed by the Ministry of Economy and Finance (MEF) runs a set of highly efficient e-procurement tools. Robust growth is anticipated for private sector IFM market. While multinational end users still account for the main IFM revenue, national companies are following by showing increasing interest in longer term contracts and integrated services.

Country profiles
Europe



Poland

Facilities Management Market, 2015



	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Poland	2.50%	1.71%	4.50%	3.00%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

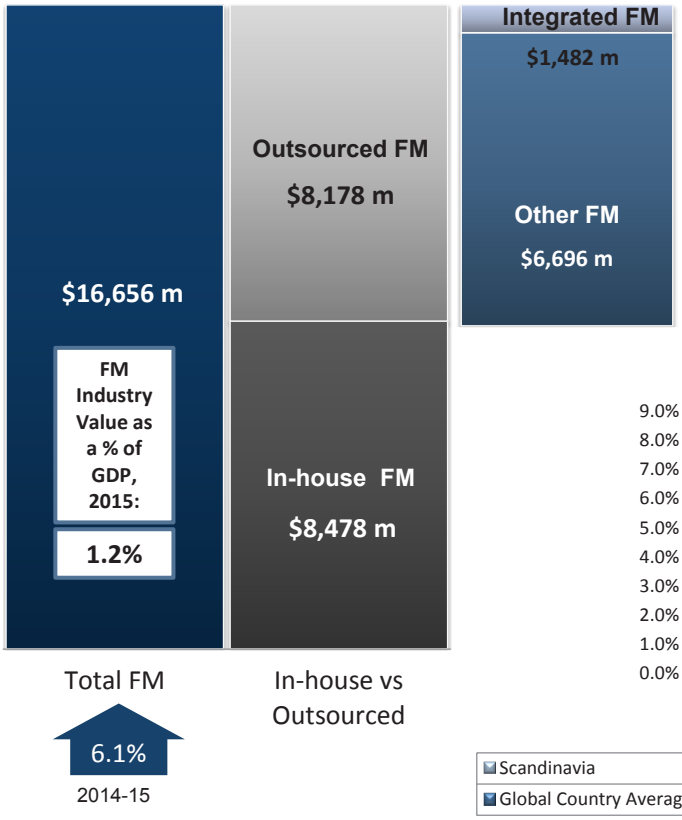
- In Poland, the establishment of services within FM is still largely dependent on the requirements by **multinational corporations.** Support services, property management, and some lighter technical services are a typical mix.
- A number of upcoming opportunities are in the public sector, especially in areas such as **healthcare, army properties, state institutions.**
- **International investors** have been steadily developing property markets in the larger urban areas.
- For the past decade, there are a lot of M&A happened in Poland. Majority market share of domestic players has been taken over by international players.
- The **IFM** market in Poland is still **small** and mainly focused on new office developments in Warsaw. A significant barrier to IFM uptake is the **lack of awareness/understanding of IFM service** as a concept amongst local firms.

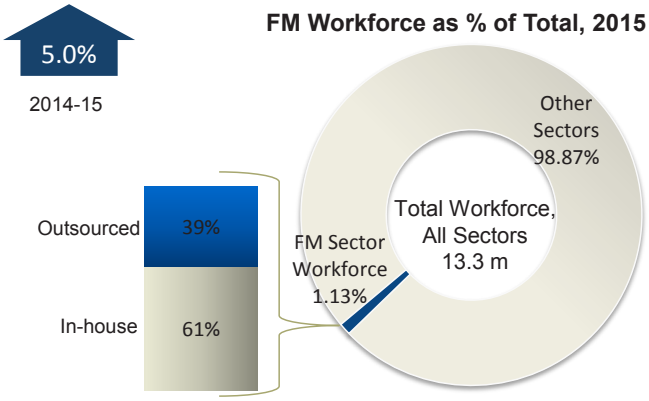
Country profiles
Europe

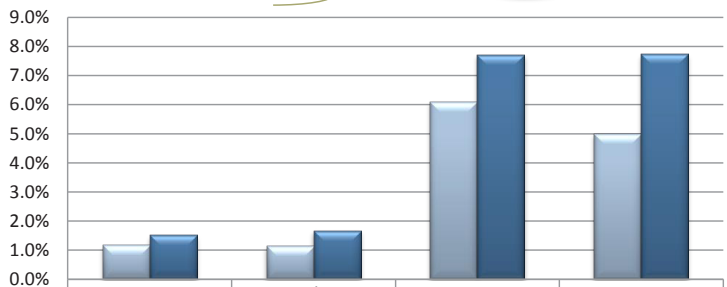


Scandinavia

Facilities Management Market, 2015







	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Scandinavia	1.16%	1.13%	6.09%	5.00%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

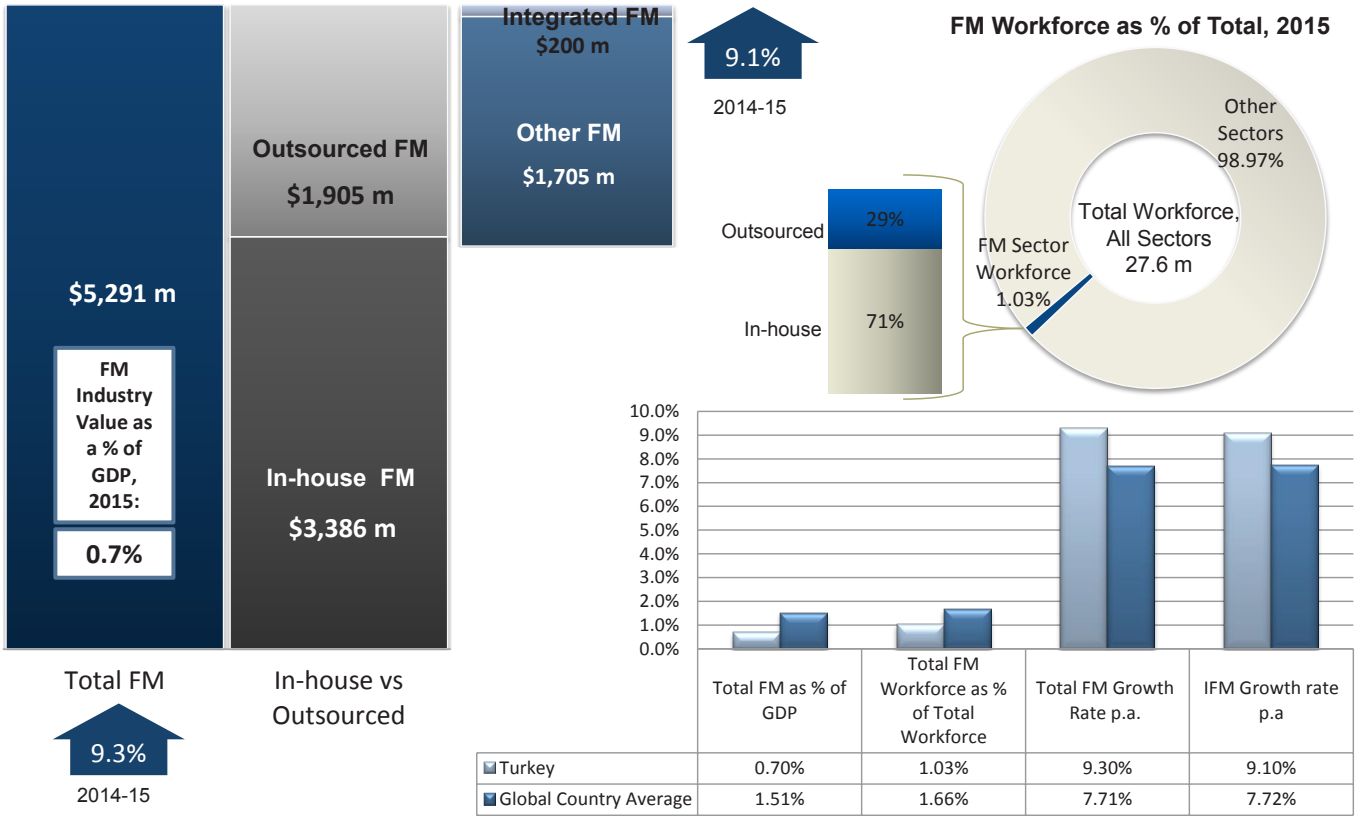
- The Scandinavian region is one of the most **open** and attractive markets for FM in Europe. While showing signs of maturity in IFM, opportunities still exist across countries and end-user segments.
- Some differences between FM markets between the countries exist. **Sweden** is the largest and most advanced FM market in Scandinavia.
- FM outsourcing is also well advanced in Denmark, with an increasing interest from the public sector.
- Norway's economy is differently structured, with good opportunities coming from the public sector and businesses related to the oil industries.
- After significant growth over the last decade, the private sector in Sweden and Denmark has become a more mature market for FM providers. Growth is expected to come mainly from the **expansion of existing contracts;** for example, through the inclusion of **value-added services** to existing contracts. There is also potential in targeting **smaller and medium-sized companies.**
- Opportunities in the Finnish private sector will continue to exist for providers succeeding in educating end users on the benefits of **upgrading** from existing single-service contracts to fully integrated solutions.
- As the market is reaching a **saturation point,** especially in Sweden and Denmark, growth will depend on the extent to which largely dormant end-user groups (e.g., public sector) open up to IFM.

Country profiles
Europe



Turkey

Facilities Management Market, 2015



	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Turkey	0.70%	1.03%	9.30%	9.10%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

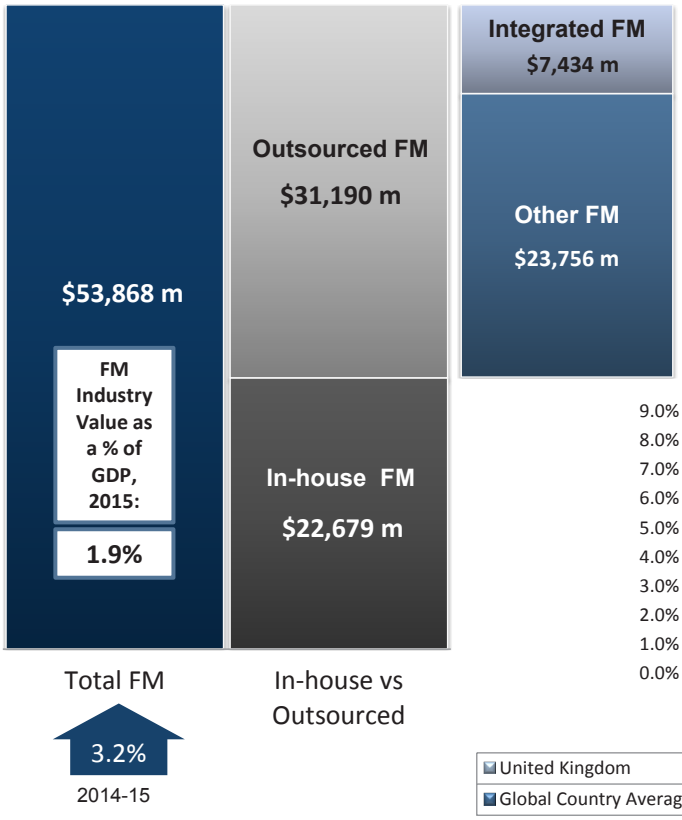
- FM demand is driven by **urban renewal,** with a number of high-class facilities demanding professional FM solutions. Most demand is linked to **new commercial projects in Istanbul,** which generates more than half the revenue in Turkey. Urban regeneration and large construction projects are creating demand outside Istanbul as well. Long term property boom is likely to continue because of the ongoing foreign investment activities.
- Since 2000, the Turkish market has witnessed many **acquisitions of local service providers** by international groups. **International providers** catering to the needs of their multinational clientele dominate the FM market. Besides, local companies from a real estate and property management background have also started venturing into FM, but they are still focused more on multi-services than on truly integrated FM offerings.
- The continued influx of Western companies into the country is promoting a culture that is more conducive to **IFM service uptake.** However, much remains to be done to improve **customer confidence** in IFM, especially against the background of unsatisfactory experiences with some of the local service providers.
- While FM services externalisation is becoming more established across end-user groups, the Turkish IFM market is still in its infancy, mainly due to the norm of **price-focussed tendering,** without a clear focus on quality.

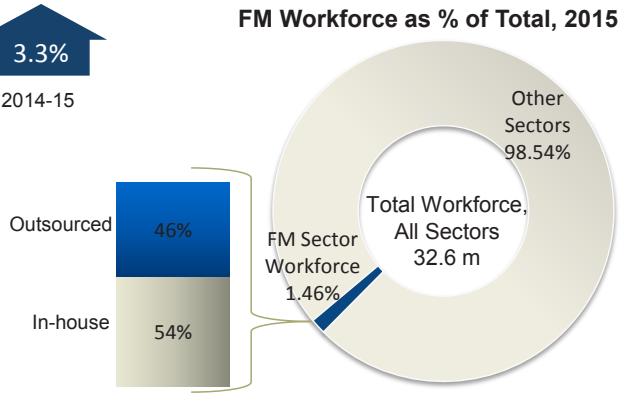
Country profiles
Europe

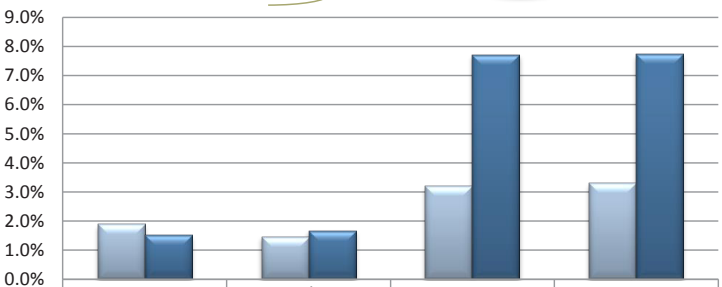


United Kingdom

Facilities Management Market, 2015







	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
United Kingdom	1.89%	1.46%	3.18%	3.30%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

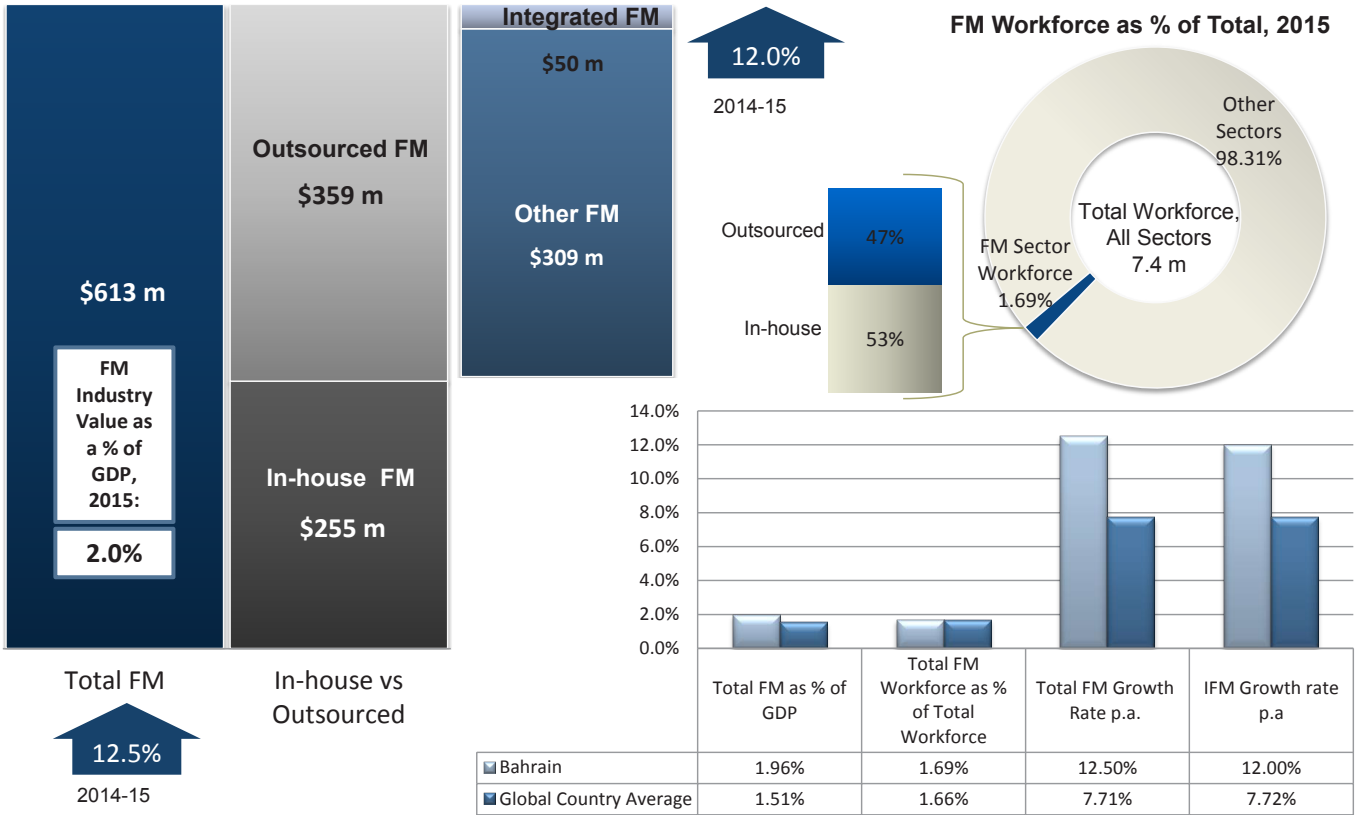
- The UK is the most **mature** and the most **competitive** FM market in Europe, with opportunities for FM existing across every major end-use sector. **IFM** remains the **fastest growing segment** within the UK outsourced facility services market.
- Growth is set to be driven by an **improved macro-economic outlook** and **recovering construction activity** which have already started to translate into some larger contracts.
- The government's commitment to outsourcing as a mean to drive efficiency has created long term demand in the public sector. However, the private sector still accounts for the larger FM market share across end users verticals including finance, leisure, and manufacturing.
- **M&A** remains a **growth strategy** for the leading market participants.
- Despite further consolidation at the top, UK IFM remains fragmented at the medium and low end, where more than 40 competitors from various backgrounds are vying for market share. Suppliers continue to benefit from demand for innovative service offerings, especially around energy management and sustainability.
- A somewhat more **critical attitude towards subcontracting** has developed in some end-use sectors. IFM solutions providers face the challenge of overcoming a perception amongst some customers that the IFM model results in additional management layers and less-than-optimal performance.

Country profiles
Middle East



Bahrain

Facilities Management Market, 2015



	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Bahrain	1.96%	1.69%	12.50%	12.00%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

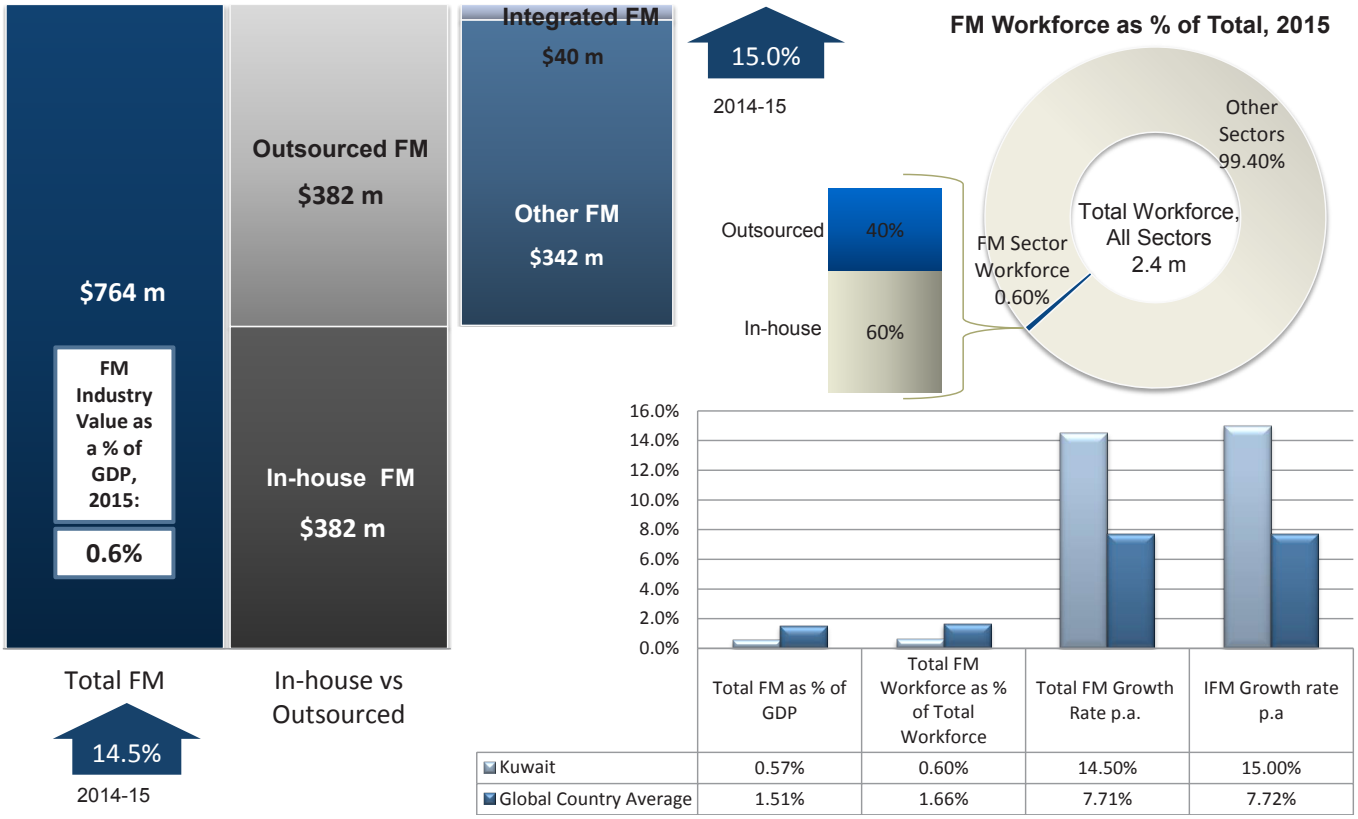
- In Bahrain, the market is expected to grow rapidly – driven by further **construction projects** as well as an **increased openness** towards professional FM solutions. Improved penetration of FM outsourcing has resulted in better FM industry recognition and understanding amongst end-users.
- Increased public sector acceptance, as well as large scale construction projects such as airport expansion, fuel demand for professional FM services,
- Commonly provided FM services in the commercial sector include janitorial, hygiene, and security. Mechanical and electrical services are also in high demand, particularly in corporate offices.
- The market hosts a high number of **international competitors,** many of who are stepping in and out of **joint ventures** with local partners. Some of the large local real estate and construction companies have their own FM departments.
- **IFM** market is a growing sector because Bahrain is undergoing significant technology transformation due to increased penetration of advanced building technologies.

Country profiles
Middle East



Kuwait

Facilities Management Market, 2015



	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Kuwait	0.57%	0.60%	14.50%	15.00%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

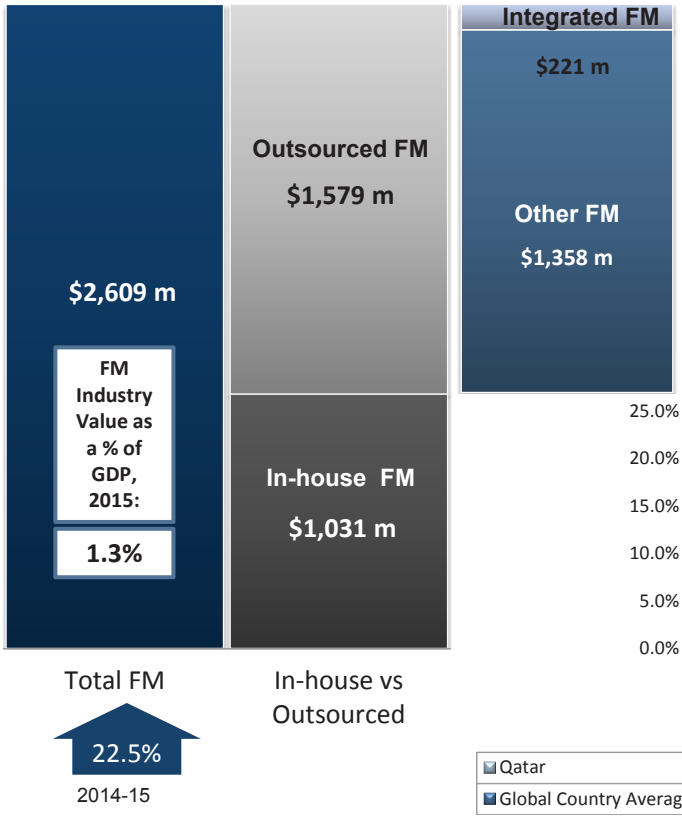
- Kuwait has very recently opened up to **increased private participation in the economy** and the large stock of traditional buildings provides scope for leveraging advanced technologies in the future to improve built environment performance.
- Overall FM and IFM are seeing rapid growth.
- There is a **lack of transparency** in the contracts drawn for government projects. As a result, many individual FM companies have not been able to compete in the bidding process.
- **Industry standards** and official qualifications are slowly gaining traction, although this is still at the 'development' stage.
- Typically, most of the manpower used is **unskilled** workers. Hence, the FM industry in the country has a shortage of FM professionals that can make use of advanced FM technologies.

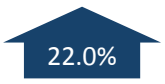
Country profiles
Middle East

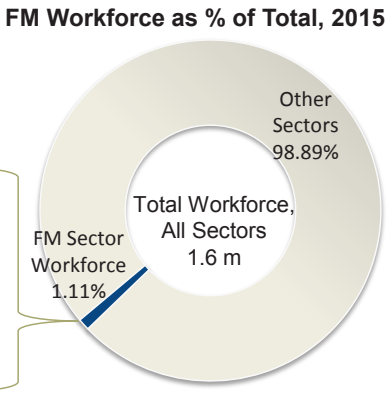


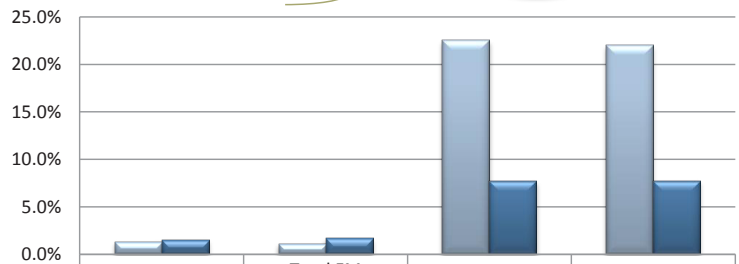
Qatar

Facilities Management Market, 2015









	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Qatar	1.32%	1.11%	22.50%	22.00%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

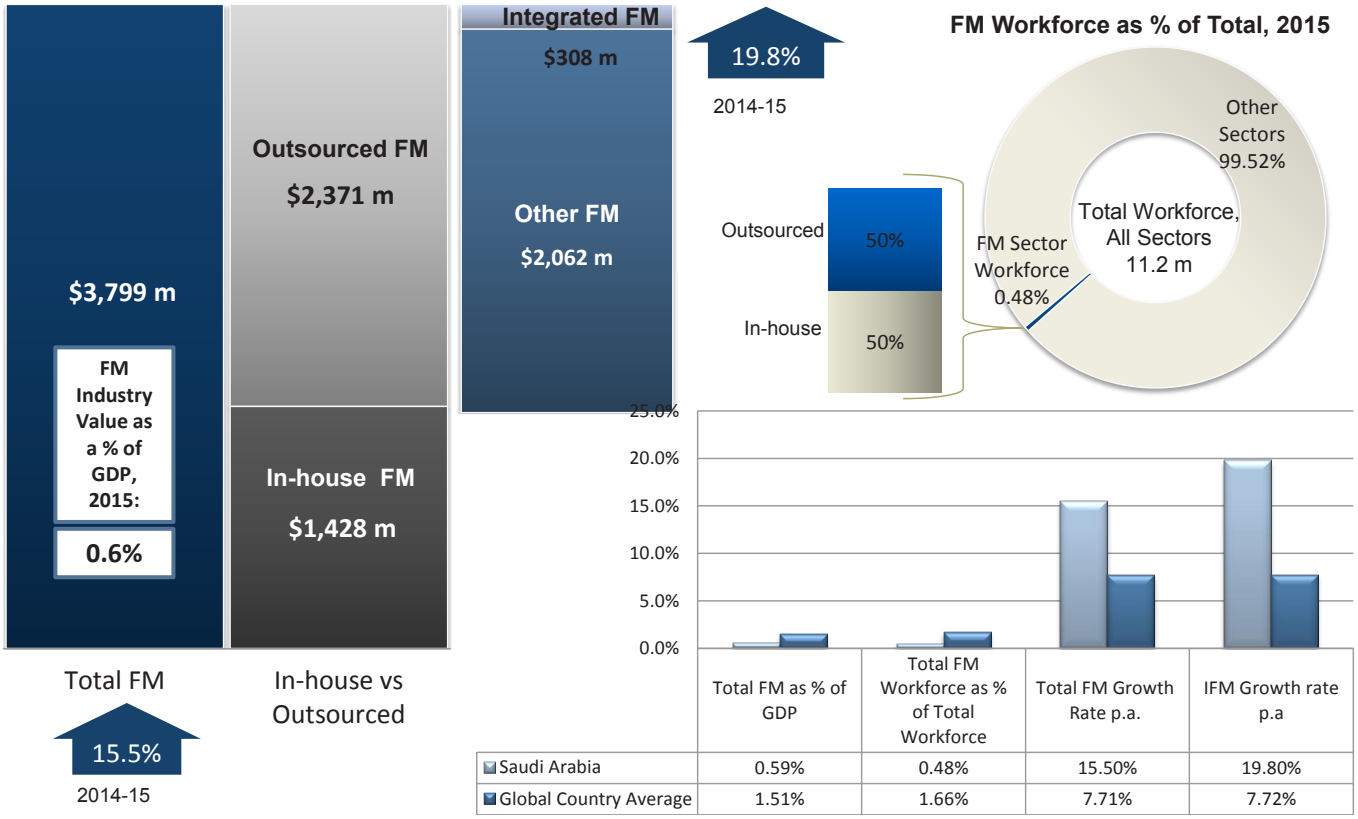
- Qatar is a small, but fast growing FM market driven by huge **construction spend** in rail, roads, water, and other infrastructure. Significant opportunities exist due to facilities being built for the **2022 FIFA World Cup.**
- The sheer scale of construction with prestigious commercial, leisure, and infrastructure projects (airport expansions, universities, hospitals, and so on) and the growing importance of **sustainability** and **asset lifecycle management** are anticipated to lead to high growth in the country.
- The Qatar market will also be driven over the long term by a **growing population.**
- Monitoring, security, surveillance and integration of information technology (IT) in the development of cities will be expected in Qatar. FM companies looking to realise upcoming opportunities must build capabilities to handle such **integrated building solutions.**

Country profiles
Middle East



Saudi Arabia

Facilities Management Market, 2015



	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Saudi Arabia	0.59%	0.48%	15.50%	19.80%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

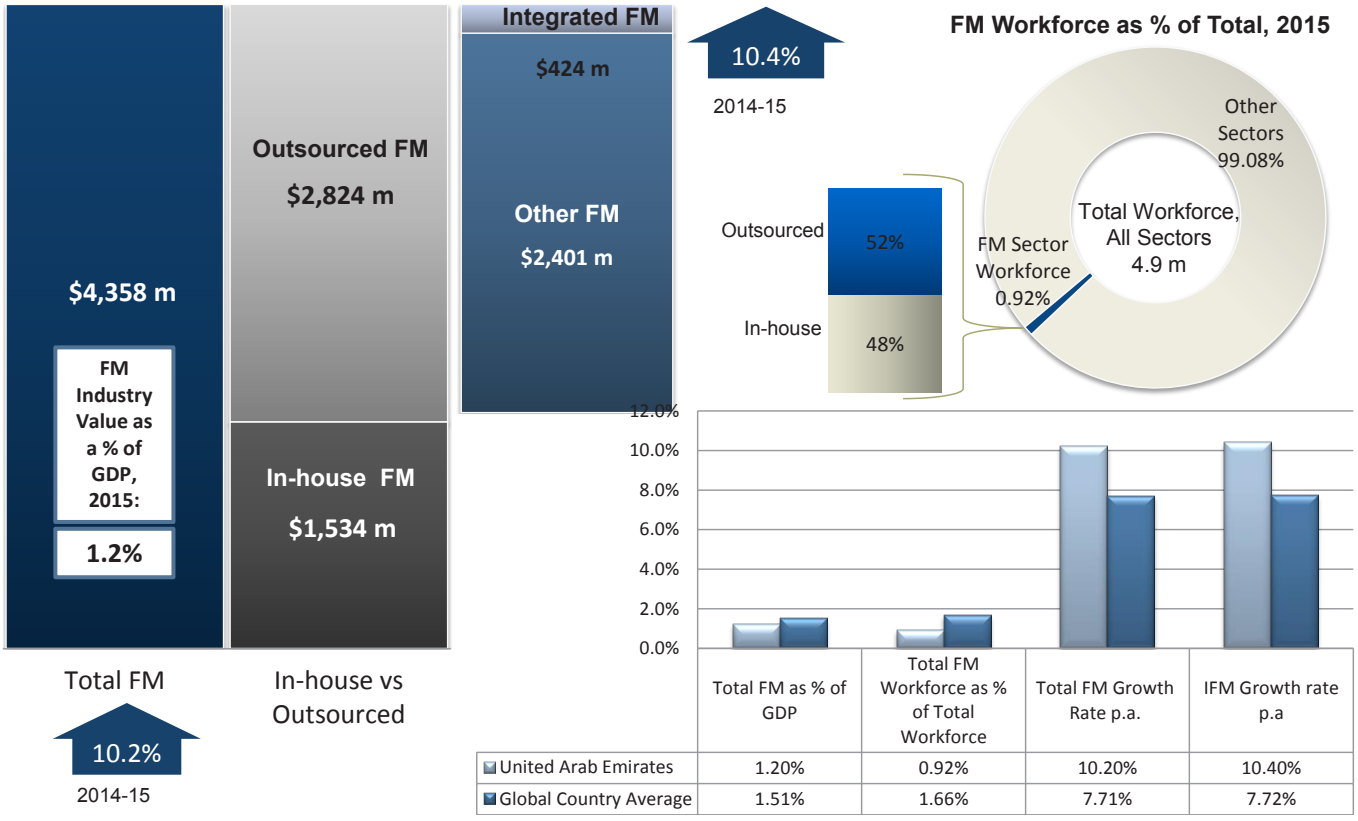
- Saudi Arabia is viewed as one of the fastest growing markets in the region. **Awareness** in Saudi Arabia is changing, with new buildings increasingly perceived as assets that need to be maintained in order to maximise the life cycle.
- Saudi Arabia, with its fast growing population, has realised the importance of investing in **healthcare** and **education**. Many large projects have already been realised—such as the King Abdullah University of Science and Technology—or are on the horizon, such as the King Khalid Medical Centre set to open in 2018; both are state-of-the-art facilities.
- The building operations and maintenance service segment is the main segment in FM market, with a majority of large FM participants from a **construction background.** Multinational corporations that set up business operations in the country will continue to drive growth in the outsourced FM market.
- The growth of FM services in Saudi Arabia will be largely driven by growing awareness and increasing customer sophistication, thus generating a number of **new IFM contracts.**
- IFM market is emerging rapidly around Jeddah and Riad. Saudi Arabia has ambitious growth plans in IFM and as a part of it, the country is investing significantly in **improving communication networks** which right now do not support advanced technologies.

Country profiles
Middle East



United Arab Emirates

Facilities Management Market, 2015



	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
United Arab Emirates	1.20%	0.92%	10.20%	10.40%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

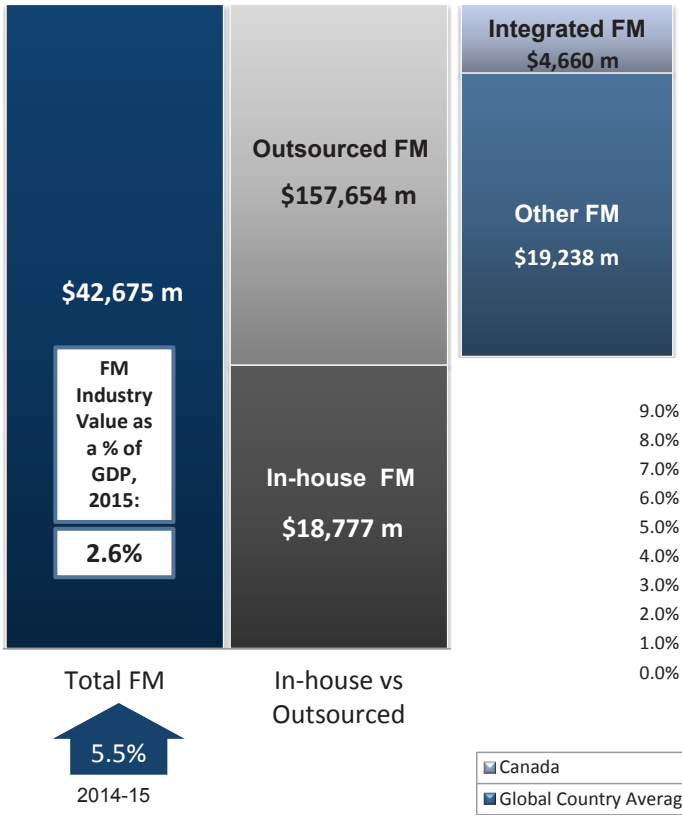
- UAE being one of the rapidly growing economies, with the **highest construction spend in the GCC region** has been at the forefront of FM adoption. Among the GCC countries, it leads the way and acts as a benchmark for FM implementation in the region. A **strong economy** coupled with a booming construction sector positively influences the growth of the FM market.
- In UAE, the market is characterised by a **good mix of competitors** from both multinational (global) and local FM companies, which has resulted in **competitive pricing** in order to realise opportunities to offer comprehensive services. Many global/local companies delivering FM are backed/funded by the large business conglomerates or real estate property developers.
- According to Dubai's 2007 strata law (Joint Owned Property law), only companies offering **IFM** Services will be considered eligible for providing services to freehold properties. This has left FM service providers outsourcing the services worried, while forcing many of them to adapt in order to retain their customers.
- The IFM market in UAE is the clear leader in the Middle East region. This is mainly due to high demands to achieve **sustainability** metrics and a number of **existing high-end facilities.** The focal point is shifting from Dubai to Abu Dhabi. Plan 2030, Estidama, reflects a clear commitment to sustainability as the foundation of any new development in Abu Dhabi.

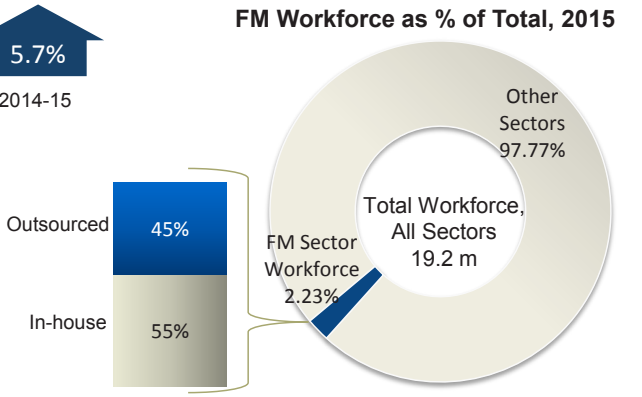
Country profiles
North America

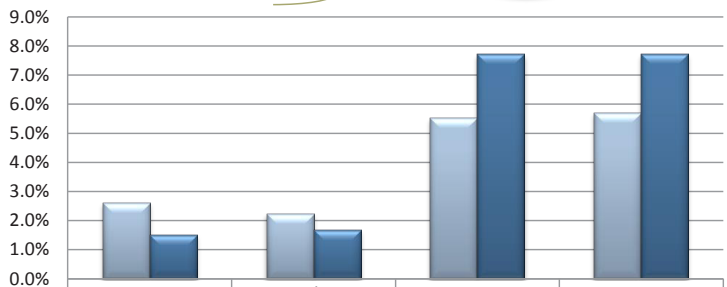


Canada

Facilities Management Market, 2015







	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Canada	2.60%	2.23%	5.51%	5.71%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

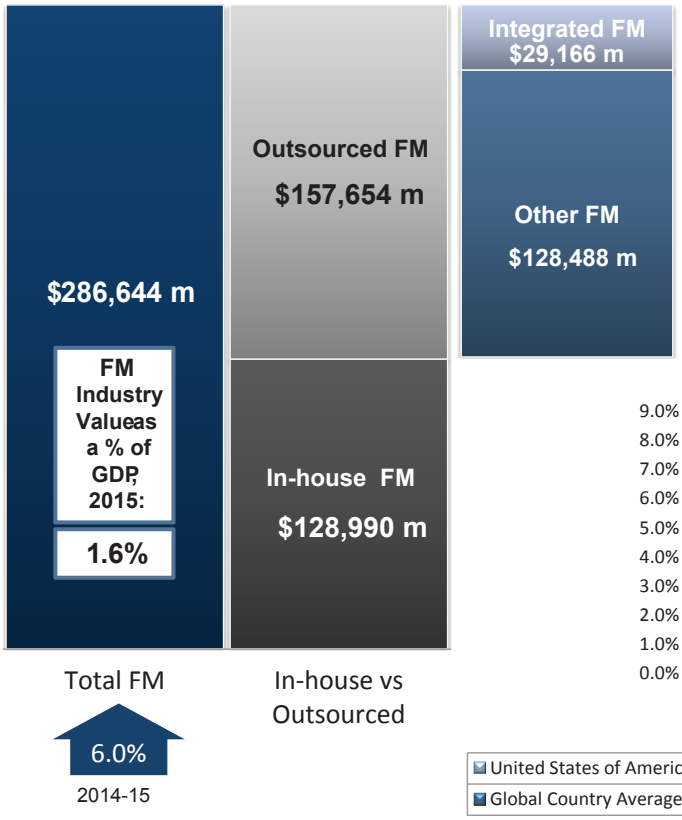
- The Canadian FM market is **mature,** assisted in recent years by the **quick economic recovery** from recession, as well as by the **increasing interest in outsourcing** by private and public organisations.
- Although smaller than the United States, the Canadian **IFM** market is in some ways more advanced as a result of the **higher public sector penetration**. Outside of the public sector, strong demand for IFM is also being seen in **commercial, healthcare, public,** and **education** sectors in particular.
- Moves to **cut costs** have been an important driver for the Canadian IFM market; with an additional driver in the form of **PPP** projects, which the public sector has stimulated.
- Over the short-term, Canada's terms-of-trade will be affected by **lower energy export prices** but will be somewhat reinforced by higher import costs from a weaker Canadian dollar. The economy is expected to return to full capacity around the end of 2016. Employment and income growth in commodity-driven markets such as Calgary and Edmonton will be hampered most on a regional basis. The Canadian construction outlook continues to be very positive, despite some roadblocks.

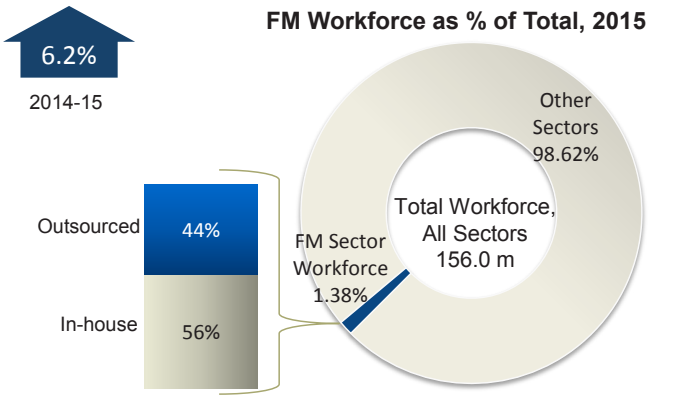
Country profiles
North America

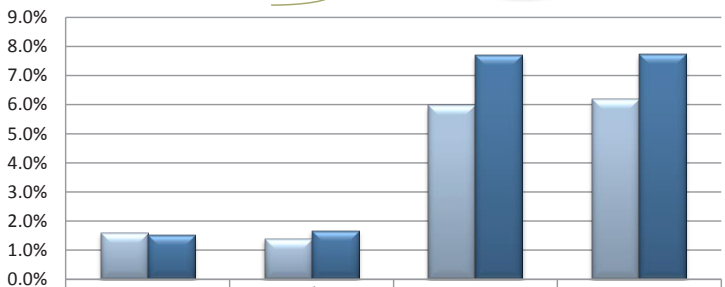


United States of America

Facilities Management Market, 2015







	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
United States of America	1.60%	1.38%	5.98%	6.20%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

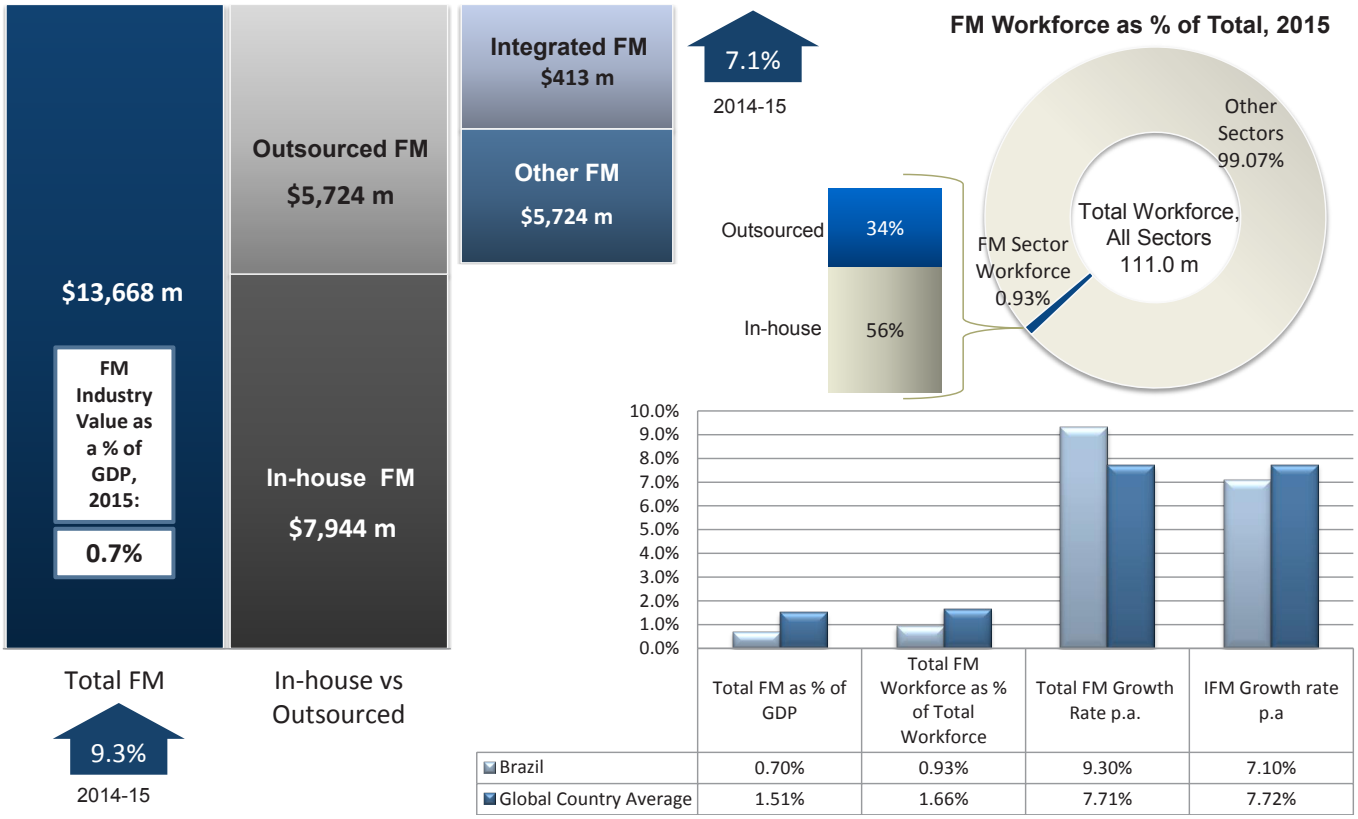
- Despite being a **well developed FM** market, the United States FM industry is expected to grow on the back of a **booming construction industry.** Construction will be a $953 billion market in 2020 in the US, with expansion stemming from **growth in domestic oil and gas production.**
- Increased adoption of **smart technology in the workspace** will create a need for workplace solutions and heightened security to protect or safeguard against data and privacy breaches. FM service providers will increasingly need to address data security concerns of clients to ensure a competitive position.
- The US also remains a highly mature market for **IFM**. Nevertheless, the desire from existing and new users of IFM services to reduce costs and integrate non-core services is resulting in further expansion of this sector.
- Equally, there is the impact of **mid-sized commercial organisations,** many new to IFM, who are driving the market forward further. Strong demand is currently being seen in **commercial, industrial,** and **public sectors,** as well as in certain areas of the **education** and **healthcare** markets.
- Reshoring, intellectual property protection, and highly specialised manufacturing techniques are driving growth in the US manufacturing sector. **Manufacturing** will be the largest industry in 2025, with more than $6 trillion in output.
- Most larger cities are already adopting smart technologies. Currently, there are at least 8 **Smart Cities** in the US, with many more emerging by 2025. Population density will increase by 2025, but the US will still have only 1 true Mega City (New York, NY) and 1 emerging Mega City (Los Angeles, CA).

Country profiles
South America



Brazil

Facilities Management Market, 2015



	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Brazil	0.70%	0.93%	9.30%	7.10%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

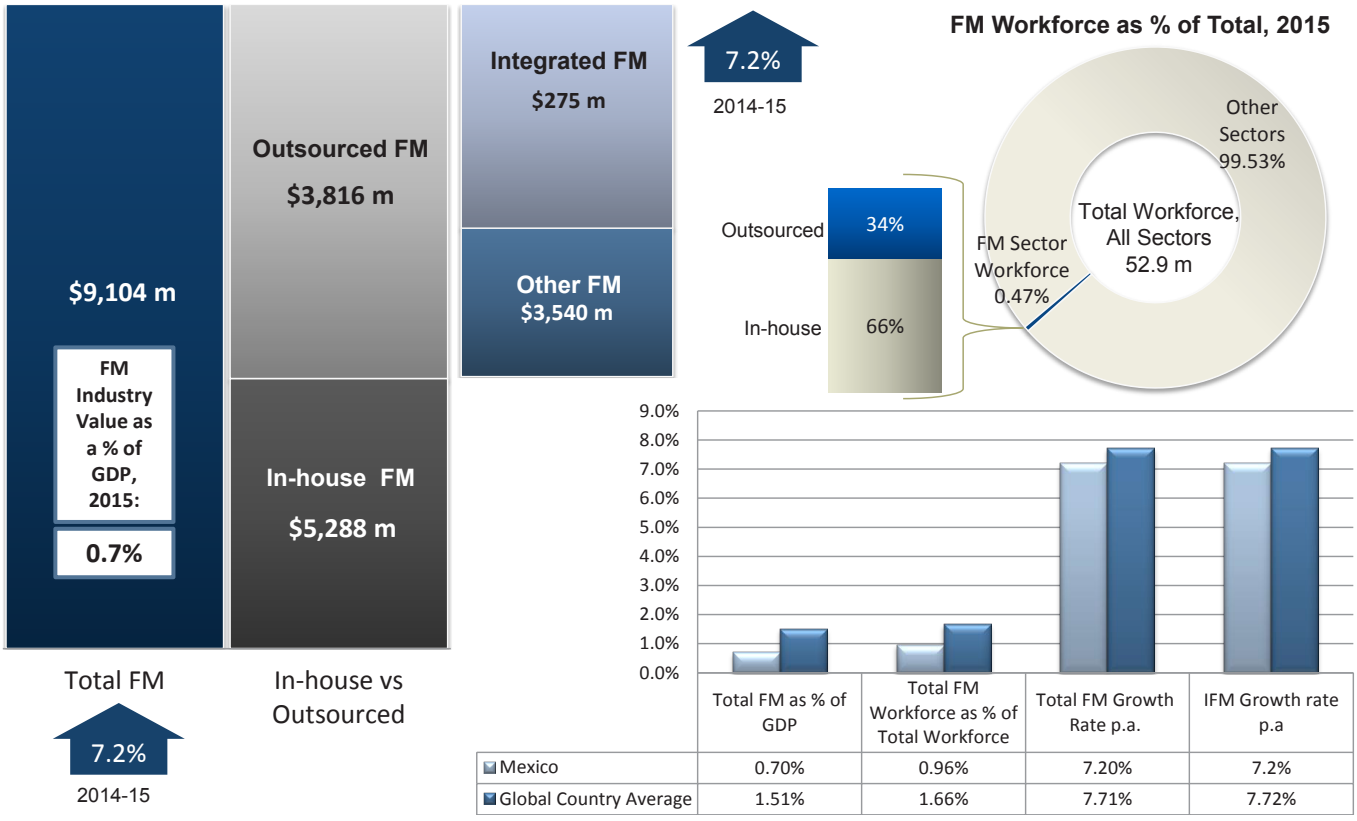
- The Brazilian FM industry is expected to benefit from a **dynamic construction market** with an increasing number of **high-end commercial facilities.** Due to strong economic growth and being host to the 2014 World Cup and upcoming 2016 Olympic games in Rio, the nation has invested heavily in **large infrastructure projects** such as airports, hospitals, and educational institutions.
- Due to reservations towards sub-contracting practices in the Brazilian FM market, **service self-delivery** is also a strong competitive factor. Besides making it easier to assure quality standardisation in service delivery, it also helps customer acquisition, by starting out with single-service offerings before migrating customers to more integrated concepts.
- **Semi-public institutions,** including Brazil's energy giant Petrobras, and state financial institutions, have been showing **increasing interest in integrated concepts** for parts of their operations. Shopping centres have been developing strong demand for multi-services solutions, while keeping their FM departments in-house.
- **IFM suppliers with a high level of self-performance** are expected to continue to benefit from demand for integrated services. IFM demand in Brazil is led by banking and finance and multinational industrial corporations, especially pharmaceutical and life science.
- In Brazil, an IFM solution can have a **higher price tag due to double taxing,** as the provider passes on the value-added tax (VAT) paid for sub-contracting to the end user, which limits the appeal for IFM in the first place.

Country profiles
South America



Mexico

Facilities Management Market, 2015



	Total FM as % of GDP	Total FM Workforce as % of Total Workforce	Total FM Growth Rate p.a.	IFM Growth rate p.a
Mexico	0.70%	0.96%	7.20%	7.2%
Global Country Average	1.51%	1.66%	7.71%	7.72%

Country Commentary

- On the back of a strong construction market, which sees an increasing stock of class A facilities, the Mexican FM market is **poised for strong growth over the medium term.**
- Nearly all Mexican end-users still have **internal personnel to self-perform or, at least, manage the provision of FM service delivery.** Sound economic growth and construction activity are forecast to spur the demand for professional FM solutions in the Mexican market.
- While the externalisation of FM services, especially soft FM, is already very common in Mexico, the demand for **integrated solutions remains rather sporadic.** A restraint to the Mexican IFM market is that commercial clients, including multinationals, rent rather than own the space they are occupying, and property management firms that look after the facilities **mostly 'out-task' building services on a single-service basis.**
- In the occupier-owned markets, the trend towards service integration is gaining momentum with FM suppliers that can provide integrated services without much sub-contracting are preferred. **Opportunities linked to a range of PPP projects** are expected to provide new growth to the Mexican IFM market.
- Local FM companies have developed to provide **FM services at international standards.** Some of them, such as Cortina, are introducing more integrated concepts as well.



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