



Facility Management 2030: Innovation, Sustainability, and Growth Opportunities

Transforming Facilities into Engines of Productivity and Resilience

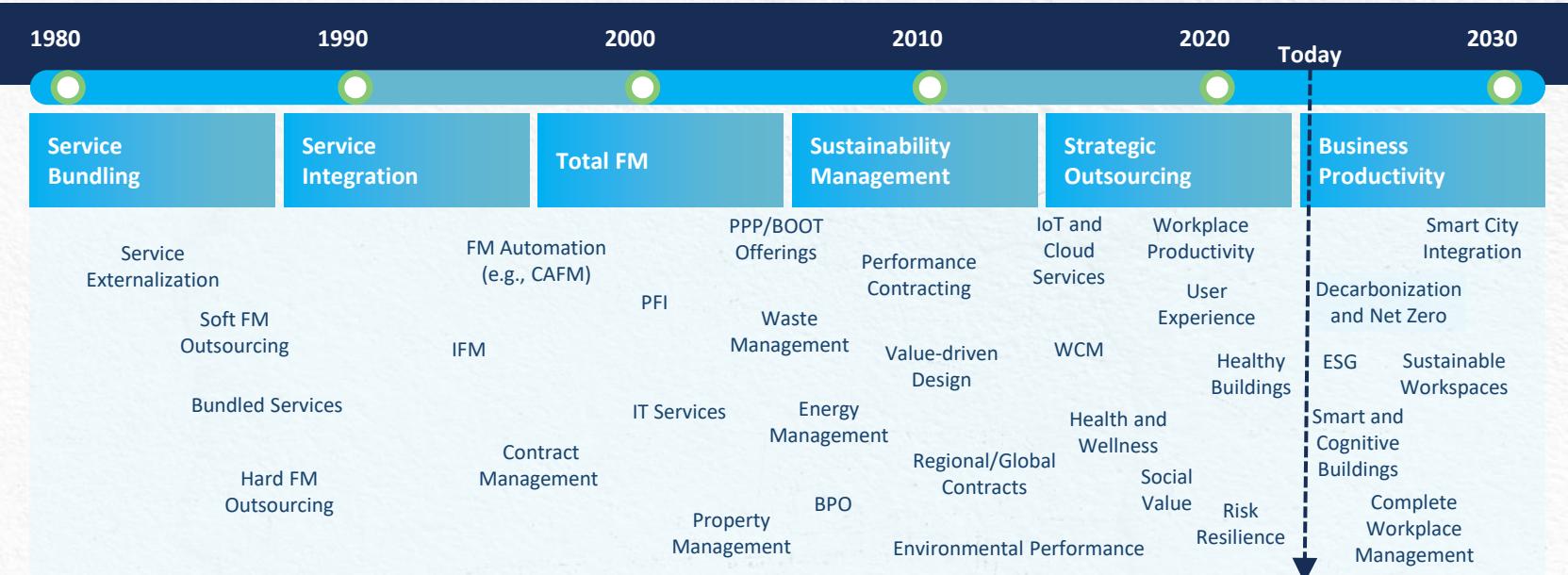
FOCUS POINTS

- 1 KEY STRATEGIC IMPERATIVES ON FACILITY MANAGEMENT (FM)
- 2 FM EVOLUTION
- 3 TOP TRANSFORMATIONAL FM TRENDS, 2025-2030
- 4 5 MAIN PILLARS OF FM TRANSFORMATION
- 5 TOP 5 FM DEVELOPMENTS, 2025–2030
- 6 HIGH IMPACT TRENDS AND WHAT IT MEANS IN 2026
- 7 GLOBAL FM MARKET SNAPSHOT
- 8 REGIONAL FM MARKET SNAPSHOT
- 9 GROWTH OPPORTUNITIES
- 10 CALL TO ACTION FOR FM ADVANCEMENT
- 11 KEY TAKEAWAYS

KEY STRATEGIC IMPERATIVES ON FACILITY MANAGEMENT (FM)

	Geopolitical Chaos	Transformative Megatrends	Internal Challenges
Why	<p>Global FM faces rising costs and margin pressure due to high inflation, low economic growth, and geopolitical disruptions impacting supply chains and energy prices.</p>	<p>Technological shifts, workforce mobility, and sustainability demands are driving innovation in FM services and business models.</p>	<p>Many FM firms struggle to modernize, leading to commoditization, margin erosion, and stagnating growth over the next 2–3 years.</p>
Frost Perspective	<ul style="list-style-type: none">During low GDP growth or recession, customers prioritize cost optimization and productivity, often increasing FM outsourcing to reduce operating expenses.2026 Outlook: Cost efficiency will remain critical as economic uncertainty persists	<ul style="list-style-type: none">FM firms must deeply understand clients' transformative journeys and offer solutions aligned with technology, sustainability, and productivity goals.2026 Outlook: Digitalization and sustainability will dominate FM strategies globally.	<ul style="list-style-type: none">Companies need to embrace change across all FM segments, leveraging partnerships and M&As to build skills and capabilities for growth opportunities.2026 Outlook: Strategic alliances will accelerate innovation and market expansion.

FM EVOLUTION



Hot Topics:

- Hybrid working and the future of work
- Service integration and contract globalization
- User experiences and outcome solutions
- Convergence of FM with workplace optimization
- Decarbonization and net zero buildings
- Business efficiency value propositions
- Adoption of smart and cognitive buildings
- Active energy management services
- Technology-enhanced service business models
- Risk and resilience value propositions

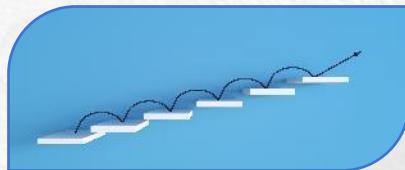
Key: CAFM = Computer-aided FM; PPP = Public-private partnership; BOOT = Build, own, operate, and transfer; PFI = Private finance initiative; BPO = Business process outsourcing
ESG = Environment, social and governance

TOP TRANSFORMATIONAL FM TRENDS, 2025-2030



Business Productivity, Resilience, and Risk

Drive customer profitability and business resilience using value propositions



User Experience and Human Touch

Satisfaction and engagement with building users and visitors



Sustainability and ESG

Climate action, energy management, reporting, social goals beyond energy and environment



AI and Robots

The era of smart and cognitive facilities with AI, ML and advanced analytics



Selling Outcomes

Performance contracting and guaranteed efficiency outcomes



Partnerships and Collaborations

Skill sharing in a complex market



IoT and Cloud Services

Digital transformation, data analytics, and cloud FM



Health and Wellness

Happy, healthy, and engaged workers

5 MAIN PILLARS OF FM TRANSFORMATION

	Moving from...	to...
	Digital Transformation Using digital technology to boost efficiency and performance	→ Using technology and new models to create value and develop offerings
	Decarbonization and Net-zero Vision Setting goals and timelines for decarbonization and net zero	→ Creating roadmaps and deploying integrated solutions to achieve this vision
	Customer Experience and Hospitality Creating solutions to enhance customer comfort, convenience, and wellness	→ Tailoring solutions to boost user experience, engagement, and productivity
	ESG Strategies Improving environmental and energy performance	→ Focusing on social strategies to benefit people and communities
	Workplace Solutions Maintaining efficient, attractive spaces for hybrid work	→ Shaping future workplaces with data-driven insights

TOP 5 FM DEVELOPMENTS, 2025–2030

01

Service Integration



2025: IFM makes up **11.6%** of the FM market, led by contract management firms.
2030: IFM grows to **12.4%** globally, with self-delivery firms expanding capabilities.

02

Workplace Solutions



2025: Changing work practices drive demand for **integrated workplace solutions**, boosting client productivity.
2030: Diverse suppliers **converge with technology and change management**; providers deliver outcomes to the C-suite.

03

Leveraging IoT



2025: Real-time monitoring uses sensors; IoT enables **asset tracking** via mobile devices.
2030: Every asset has a **unique identity**, integrating with smart buildings for remote portfolio management.

04

AI, Data Analytics and Data-led Services



2025: Data-led projects **optimize energy and space**; AI focuses on process improvement.
2030: **AI and analytics drive cost savings**, efficiency, and sustainable building creation.

05

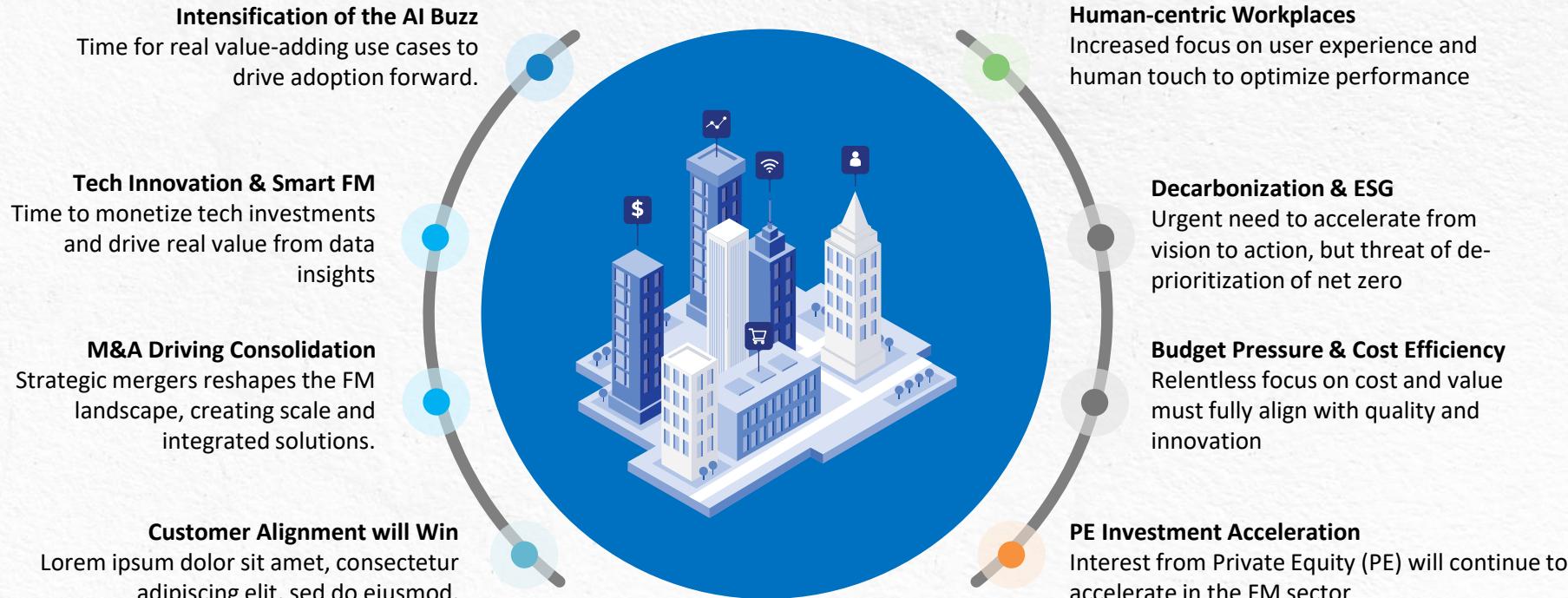
Market Consolidation



2025: Top 5 FM players hold 10.7% share; **M&A targets expansion and scale**.
2030: Top 5 reach 12% share; M&A focuses on **technological skills** and **new business models**.

HIGH IMPACT TRENDS AND WHAT IT MEANS IN 2026

Progress Under Pressure: 2026 will challenge FM players to balance innovation, ESG commitments, and cost efficiency amid relentless budget pressure and slow adoption of AI.



GLOBAL FM MARKET SNAPSHOT

Highlights in Numbers

Global

2026

2030

Outsourced FM

\$1,118.65 B

\$1360.34 B

Outsourcing Rate

36.6%

37.6%

IFM

\$132.32 B

\$168.26 B

North America

Europe

Asia

Rest of the World

2026

2030

2026

2030

2026

2030

2026

2030

Outsourced FM \$319.85 B \$370.47 B

Outsourced FM \$284.82 B \$330.01 B

Outsourced FM \$393.37 B \$509.85 B

Outsourced FM \$120.61 B \$150.01 B

Outsourcing Rate 45.3% 45.9%

Outsourcing Rate 36.6% 37.6%

Outsourcing Rate 34.3% 35.6%

Outsourcing Rate 28.8% 29.9%

IFM \$51.70 B \$62.62 B

IFM \$37.63 B \$47.52 B

IFM \$32.28 B \$42.78 B

IFM \$10.71 B \$15.34 B

GLOBAL FM MARKET SNAPSHOT

Competitive Indicators

2025 – 2026	No. of Competitors*	Market Concentration**	Average R&D Spend as a % of Revenue	Average Marketing Spend as a % of Revenue
-------------	---------------------	------------------------	-------------------------------------	---

Global	4,500+	10.6%	1.8%	1.7%
--------	--------	-------	------	------

North America

Europe

Asia

Rest of the World

No. of Competitors

450+

No. of Competitors

1,300+

No. of Competitors

2,100+

No. of Competitors

900+

Market Concentration

22.1%

Market Concentration

13.3%

Market Concentration

3.6%

Market Concentration

4.4%

Average R&D Spend as a % of Revenue

2.0%

Average R&D Spend as a % of Revenue

1.9%

Average R&D Spend as a % of Revenue

1.8%

Average R&D Spend as a % of Revenue

1.6%

Average Marketing Spend as a % of Revenue

1.9%

Average Marketing Spend as a % of Revenue

1.8%

Average Marketing Spend as a % of Revenue

1.5%

Average Marketing Spend as a % of Revenue

1.3%

REGIONAL FM MARKET SNAPSHOT

North America



Leading FM Players in North America

1. Compass
2. Sodexo
3. Aramark
4. CBRE
5. ABM

Others includes JLL, Allied Universal, Cushman & Wakefield, Fluor, Emcor, BGIS, Equans, GDI, ISS, Atkins Realis, Elior, Serco, Black & McDonald

Fast Growing Region: US

North America: USA, and Canada

REGIONAL FM MARKET SNAPSHOT

Europe



Leading FM Players in Europe

1. Sodexo
2. ISS
3. Compass
4. Mitie
5. Elior

Others includes CBRE, Spie, Apleona, Equans, JLL, Dussmann, Serco, OCS, Atalian, Aramark, Vinci, Wisag, Rekeep, Coor, Eulen, Clece

Fastest Growing Region: CEE



F R O S T & S U L L I V A N

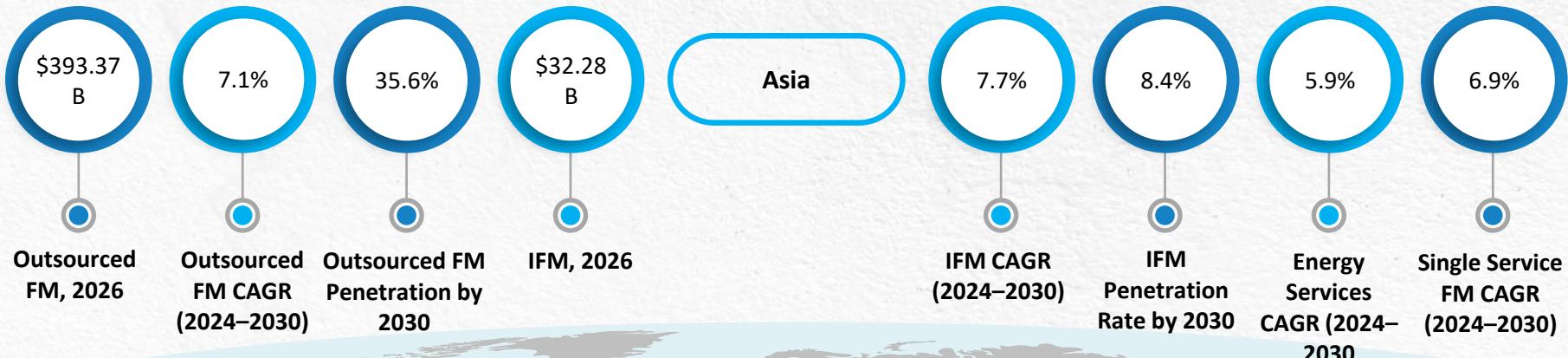
Europe: UK, France, Germany, Italy, Spain, The Nordics1, Benelux, Central and Eastern Europe (CEE), and Rest of Europe (ROE)

Source: Frost & Sullivan

12

REGIONAL FM MARKET SNAPSHOT

Asia



Leading FM Players in Asia

1. Sodexo
2. Compass
3. CBRE
4. Persol/Programmed
5. ISS

Others includes CMPO, JLL, Aeon Delight, Downer EDI, Ventia, Country Garden Services, SIS, CRMLS, Aramark, OCS, Cushman & Wakefield

Fastest Growing Region: India

Asia: China, India, Japan, South Korea, Australia, New Zealand, Southeast Asia, and Rest of Asia (ROA)

REGIONAL FM MARKET SNAPSHOT

Rest of the World



Leading FM Players in Rest of the World

1. Aramark
2. CBRE
3. Compass
4. Sodexo
5. JLL

Others includes EFS, Brasanitas, Bidvest, Cushman & Wakefield, ISS, Imdaad, Dussmann, Emrill, G4S, Equans, Apleona, Serco, Vinci

Fastest Growing Region: UAE

Rest of the World: Brazil, Mexico, Russia, Saudi Arabia, UAE, Rest of Middle East, South Africa, and Others (Central Asia, the Rest of Latin America, and the Rest of Africa)

GROWTH OPPORTUNITIES



CALL TO ACTION FOR FM ADVANCEMENT



Lead the Sustainability and ESG Transformation

Position your organization at the forefront of decarbonization, healthy buildings, and ESG strategies to meet global sustainability goals and strengthen stakeholder trust.



Accelerate Digitalization and Innovation

Invest in AI, analytics, and remote FM technologies to drive operational efficiency, predictive capabilities, and smarter service delivery across facilities.



Elevate Customer-Centric Experiences

Redefine FM by aligning with sector-specific needs and enhancing user experience through hospitality-driven services and integrated solutions,



Build Resilient, Integrated, and Future-Ready Operations

Adopt service integration models and resilience-focused strategies to improve productivity, adaptability, and long-term value for clients and partners.

KEY TAKEAWAYS

1

Outsourcing Growth:
The shift from in-house to outsourced FM services will drive global growth, with outsourcing rates rising to 37.6% by 2030.

2

Customer Sophistication:
Suppliers must adopt customer-focused strategies and sector alignment to meet growing expectations.

3

Collaboration & Technology:
Partnerships and accelerated technology adoption are critical to stay competitive as new business models disrupt FM.

4

Technical Services & M&A: Hard services will outpace soft services, intensifying competition and fueling M&As

5

High-Growth Areas:
Sustainability, energy management, and performance contracting are key priorities for FM providers globally.



Contact Us

Name

Designation

Email: xxx.xxx@frost.com

Name

Designation

Email: xxx.xxx@frost.com