

The facilities management industry in the region is entering a period of rapid change. Owners and regulators are becoming more aware of the need for sustainability in building construction and management and as a result new buildings are becoming more complex, and operating targets for existing buildings are becoming more demanding. The FM industry is at the centre of these trends; how we respond will shape the industry in the next decade.

1 FM in the region will return to strong growth driven by the current construction boom

The GCC construction market is on its way to recovering to pre-recession levels, and this should ensure strong growth in the FM market over the next 3 – 5 years.



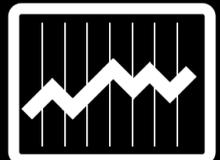
2 While the picture is consistent across the whole region, the UAE, KSA and Qatar will lead the region's growth

Addition of floor space alone will keep UAE, KSA and Qatar FM markets buoyant. Increasing outsourcing in KSA and Qatar – where current levels are relatively low – provides further upside.



3 Despite a return to growth, margins will not return to pre-recession levels

Competition, more experienced buyers and rising costs will mean that even as the markets return to growth we are unlikely to see any increases in current margins – still well above those in western countries.



4 We will start to see Governments and larger clients embracing longer and more sophisticated contract structures

Current contracts in the region are typically short term and unsophisticated. However, more advanced relationships will develop as awareness of the potential for savings grows. Key opportunities for development are through greater bundling of services, performance-driven contracts, longer-term partnerships and gain-share arrangements.



In association with Credo Business Consulting, FM EXPO looks at the top 10 trends for the next 5 years. Many of the trends are nascent, but over the next 5 years we believe that all will have considerable impact on the industry.

5 Energy Management will become an increasing factor in FM contracts

With explicit targets for reducing energy consumption coming out of the region's governments, customers will want to see energy savings built into FM contract KPIs. Whether the industry benefits from a share of these savings depends on how it responds to the energy management challenge.



6 ESCOs, technology and telecoms firms will become part of the competitive landscape

The region's energy management markets are likely to follow the pattern established in Europe where ESCOs team with technology and telecoms companies to offer customers Energy Management solutions - providing the wherewithal to monitor consumption and initiate action. Some will compete directly with FM, providing resources to deliver savings; others will work with customers to set FM KPIs – either way they will have a significant impact on the FM industry.



7 Smart buildings will transform FM delivery

New buildings are increasingly incorporating smart technology, providing real-time actionable data and enabling automated building control. Innovative FM players are developing new products and services that take advantage of these technologies, delivering higher value services to customers and capturing superior returns themselves.



8 Sustainability will become a key factor in the way buildings are managed

Energy management is in the vanguard of building sustainability but emissions control and waste recycling will also become key considerations in the way buildings are built and managed and will start to become KPIs in FM contracts.



9 Regulation, accreditation and benchmarking will create shared standards for the industry

As the FM industry grows and matures, the need for formal standards and accreditation will become increasingly important, both in driving and maintaining professional standards, and tracking performance. An effective industry-wide system of measurement and benchmarking will be required to support this.



10 Professional qualifications and training will become increasingly important for industry participants

With the industry becoming more sophisticated and performance requirements more demanding there is slowly emerging a cadre of FM professionals - in line with other areas of management and technology. In future, qualifications will increasingly become essential for a career in FM and graduates will look to leading companies to provide training and development that allows them to earn those qualifications.



All these top 10 trends, and more, will feature at the World FM Congress, taking place within FM EXPO, on 19th May 2014 at Dubai World Trade Centre.

For more information, visit www.fm-expo.com