

FM market optimism down and economic dangers up, finds IWFM research

2 years ago



One of the key findings in this year's outlook survey is that the optimistic expectations evident in the 2022 survey, while not fully reversed, have been "significantly dampened".

The Institute of Workplace and Facilities Management's (IWFM) Market Outlook Survey into the performance of the workplace and facilities management (FM) sector has revealed that "there are growing concerns about the higher costs and squeezed cash flows, as the economy stutters and clients' ability to pay is tested".

Although many respondents (41%) believe the market will either improve or improve significantly in 2023, this is notably more pessimistic than the results of last year's research, where most (59%) expected an improvement. The top three factors identified as having a negative impact on the sector were supply chain disruption (89%), increases in energy prices (86%), and the state of the UK economy, which rose 16 percentage points since 2022 (84% in 2023, up from 68% in 2022).

Among the factors identified as having either a positive or significantly positive impact on the sector are changes in building safety legislation (58%), opportunities to support climate change measures (55%), and financial investment to mitigate climate change impacts (41%).

The report also states that the skills shortage remains "a major source of disruption". If FM companies are going to remain competitive and capitalise on fast-changing market opportunities, "they need to continue to work on ways to address this", says the study. A key ally in addressing the skills issues is technology and it is "also a key driver of positive change in the FM market".

EDI grows in importance

In other findings, EDI (equity, diversity and inclusion) continues to grow in importance. Almost seven in 10 respondents (69%) indicate that they had seen an increased demand for EDI measures within their organisation, and just over half (51%) believe this is true for the market as a whole. However, “it is also clear that barriers remain that hinder progress in this area, particularly unconscious bias, but also lack of EDI policy and drive, support, mentors, role models and flexibility within organisations”, states the report. It recommends that businesses should not let tougher market conditions derail long-term plans and labour recruitment, retention and training issues should continue to be prioritised as EDI is “a big part of the answer to the current challenges related” to this area.

Sofie Hooper, head of policy and research at IWFM, said: “Evidently, challenges old and new weigh heavily on the minds of FMs, and it is little wonder under current conditions. Yet our research underlines real opportunities for the sector to grow and make a difference, such as building safety, technology, and sustainability. This year’s report also provides a range of useful ideas to support IWFM members in mitigating the worst impacts of the challenges. Plan effectively, embrace change intelligently, and the rewards will follow.”

Join IWFM’s webinar at 12pm, Wednesday 3 May. Find out more on IWFM’s next live webinar, where the industry will discuss the IWFM Market Outlook 2023 survey report findings and share ideas for navigating the sector’s key challenges. Register now [here](#).

To access the full findings and discover IWFM’s recommendations, download the IWFM [Market Outlook 2023 survey report](#). The report is free for IWFM members.