

BCIS publishes facilities management forecast

1 year ago



BCIS produces five-year construction industry forecasts, covering projected costs and output, and examining the latest construction market trends.

The quarterly BCIS maintenance, cleaning and energy briefing is a building maintenance market report. It presents our view of construction repair and maintenance output, and private and public sector building maintenance, cleaning and energy costs, against the backdrop of the wider economic background.

The full briefing is available to subscribers of the [BCIS Building Running Costs Online service](#).

BCIS maintenance, cleaning and energy forecast: 4Q2023 – 4Q2028

Repair and maintenance output is expected to fall substantially in 2024, by 5.6% compared with 2023, according to the latest quarterly forecast for the facilities management sector from BCIS.

With output forecast to remain static in 2025, and then to slowly and gradually increase again, annual growth is expected to be 1.4% in 2028.

BCIS Chief Data Officer, Karl Horton said: 'While the economy was fragile and uncertain in 2023, repair and maintenance showed strong growth compared with new work, with output up 8.3% on the year. However, as private householders' and the private commercial sector's spending falls, and public sector budgets are constrained, we expect to see output fall in this sector too.'

‘There are, however, encouraging indicators for the facilities management sector, including decreasing inflation and falling energy prices. We expect that the activity on energy-efficiency retrofit, cladding remediation and RAAC issues – even if a sizable amount of this may be classified as new work for non-domestic buildings – will push the repair and maintenance output to further growth, at least in the later stage of our forecast period.’

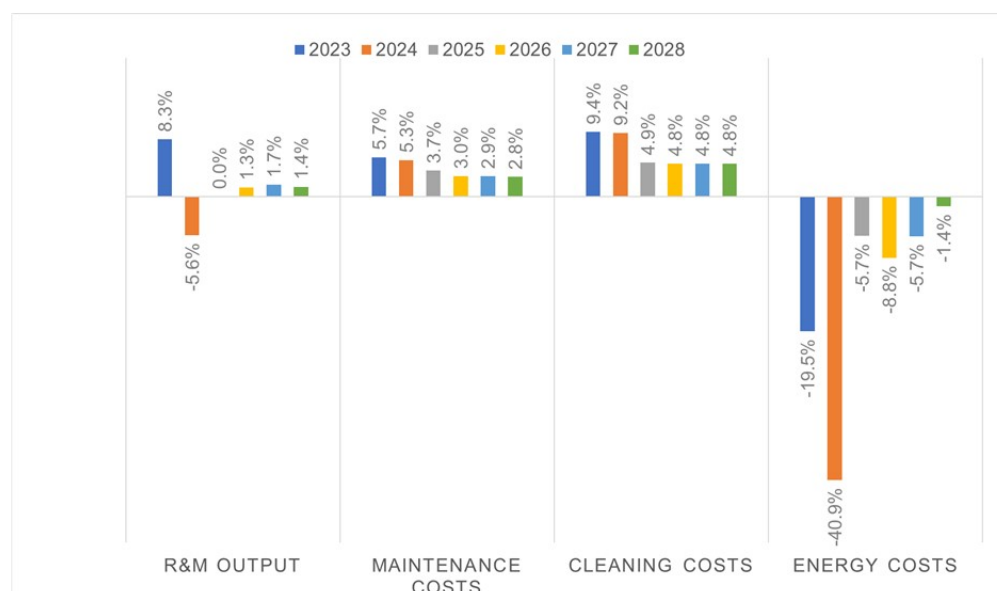
Maintenance costs, as measured by the BCIS All-in Maintenance Cost Indices, are set to rise by 19% in the same period to 4Q2028.

Cleaning costs are forecast to increase by 32% by the end of 2028, with a 9.2% annual increase in 4Q2024 due to factors including labour shortages and increases in the national living wage. Energy costs are expected to fall by around 53% by 4Q2028, though the sector is of course vulnerable to ongoing geopolitical movements and global conflict.

Horton said: ‘While materials cost inflation has cooled considerably and there has been less pressure on availability, there are still concerns about developments in the Middle and Far East, which has the potential to put further pressure on supply and drive up prices.

‘The slowing materials cost inflation, however, will be offset by higher inflation wage awards in the first two years of our forecast, with labour costs making up between two-thirds to three-quarters of maintenance costs. Although general inflation has decreased, wage awards continue to be influenced by inflation in previous periods and we forecast they will be above the current rate of inflation over the next two years.’

Annual percentage change in repair and maintenance output, and maintenance, cleaning and energy costs



Source: BCIS

Note: Output is full year on full year, costs are changes from 4Q to 4Q of the previous year

The full details of the forecast are available in the [BCIS Building Running Costs Online service](#).

To keep up to date with the latest industry news and insights from BCIS, register for our [newsletter here](#).

Quarterly updates to forecasts are published for maintenance, cleaning and energy, building, and infrastructure, while an annual update is published for the economic significance of maintenance. Non-subscribers can access the previous year's economic significance of maintenance report to find out more about its coverage.

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