

BCIS reveals five-year maintenance, cleaning and energy forecast

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Maintenance costs, as measured by the <u>BCIS</u> All-in Maintenance Cost Indices, are set to rise 15% by 3Q2029, according to the latest forecast data from the <u>Building Cost Information Service (BCIS)</u>.

Cleaning costs, mainly driven by labour costs, are expected to rise by 25% over the forecast period, while BCIS expects energy prices to fall by 15% over the same period.

Chief data officer at BCIS, Karl Horton, said: "The UK's economy is restrained due to fragile business confidence after the Autumn Budget. Additionally, high borrowing costs, a lack of skilled labour, rising labour costs, and a high level of insolvency continue to threaten the facility management, building services and occupant support services.

"Increases in the National Living Wage and employer National Insurance contributions will push up labour costs, which will have a significant effect on cleaning costs in particular."

BCIS is expecting there to have been annual increases in all repair and maintenance (R&M) sub-sectors apart from public non-housing in 2024, and to show 3.6% overall growth for the year. BCIS is projecting R&M output will rise 9.2% in the five years to 3Q2029.

Horton added: "Repair and maintenance output is expected to remain positive, with a slump in the annual growth rate in the near-term, but steady growth expected for the rest of the forecast period."

For more information about BCIS, please visit: www.bcis.co.uk.