

£4bn surge awaits UK Facilities Management market to 2029

8 months ago



A new report from [MTW Research](#) forecasts a £4 billion boost for the UK Facilities Management (FM) market by 2029, with real-term growth kicking off in 2025 as inflation eases. Drawing on outsourcing market data exceeding £100 billion, the report signals a stabilising FM market after recent volatility, with nearly 70% of FM companies reporting growth over the past year.

MTW identifies over 50 key trends driving this expansion, from technology-driven solutions to flexible service models. Director Mark Waddy commented, “After sharp fluctuations in net worth, profitability is poised for steadier growth. The industry has adapted to a dynamic market through modular bundling and AI-enhanced services, which are boosting contract values.”

The report reveals borrowing in the FM sector has hit historic highs, projected to surpass £75 billion by 2029—a 26% rise since 2019. Strong merger and acquisition activity reflects sustained margin pressures, with demand for specialised providers, particularly in proptech, accelerating market evolution.

MTW highlights a growing client focus on workplace wellness to attract and retain talent amid a competitive labour market. Waddy notes, “Recent productivity dips are prompting more office-based working, alongside a push for employee welfare and intrinsic motivation. This is spurring demand for innovative, wellness-focused FM market solutions.” Integrated FM (IFM), tech/comms, security, and contract cleaning are expected to gain market share in 2025 according to MTW, driven by trends such as ESG compliance and AI integration in access control and building management.

The 180 page report underscores additional growth drivers, including selective tendering, specialist certifications, and strategic partnerships. Waddy indicates, “Usage-driven servicing, enhanced data

analytics, and technology differentiation are shaping a confident outlook for the FM Market in 2025 and beyond." Key growth sectors according to MTW include AI data centres and a £250 billion health sector spending boom, alongside a forecast acceleration in consumer confidence from H2 2025, fuelling FM demand in leisure and retail as inflationary pressures fade and wage growth is sustained.

Despite challenges like rising energy costs due to Middle East tensions and geopolitical uncertainties, MTW forecasts consistent real-term growth to 2029 for the FM market.