

## Colliers urges FM leaders to act now as costs remain out of step with occupancy

6 months ago



Colliers' latest Occupier Cost Index (OCI) reveals a critical warning for facilities and building managers: the industry is failing to keep pace with how workplaces are used today.

The annual cost to keep an employee in the office stands at €9,809 per full-time equivalent (FTE), yet European offices operate at just 30-40 per cent occupancy. If costs were calculated on actual usage, they would soar to €25,000-€33,000 per person. This disconnect is unsustainable and demands immediate action.

While overall FM costs fell by 1 per cent, soft services costs jumped 8 per cent and IT costs rose 6 per cent. These increases, combined with low occupancy, expose inefficiencies that cannot be ignored. FM leaders have a clear opportunity to reset their strategies and adopt adaptive, technology-driven models that align services with real-time occupancy. Colliers estimates this could unlock savings of 25 per cent or more without compromising service quality.

Key findings from OCI 2025:

- Overall costs down 1 per cent year-on-year, driven by lower energy prices and deferred refurbishments.
- Soft services costs up 8 per cent, reflecting inflation and higher demand for security.
- IT costs up 6 per cent due to rising labour and licensing fees.
- Space and infrastructure costs down 4 per cent.

- Management costs fell 9 per cent.
- Occupancy remains low, yet FM delivery models are largely static.

Nicholas Marsh, Head of Enterprise FM Advisory, EMEA Occupier Services at Colliers, said: “The start of the adaptive FM era is moving slowly. Technology exists to align services with real-time occupancy, but adoption is patchy. Those who act now will unlock significant value and efficiency.”

Denise Hoogendoorn, Director of Strategic Consulting, EMEA Occupier Services at Colliers, added: “By embracing technology, FM leaders can deliver flexible, cost-effective services. The time for incremental change is over – this shift needs to accelerate.”

The OCI draws on data from 4,000 buildings across 28 countries, covering 26.3 million sqm, making it one of the most comprehensive benchmarks for FM costs in Europe.

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