

The Road Ahead: Mark Whittaker's 2026 Industry Forecast

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As we begin 2026, former IWFM Chair Mark Whittaker, reflects on 2025 and shares his predictions for the FM industry for the year ahead...

On a personal note, the summer of 2025 saw my four year tenure as Chair of the Institute of Workplace and Facilities Management (IWFM) come to end, as I passed the reins to the more than capable hands of Andrew Hulbert. After over fourteen years volunteering for the Institute, six of which has been on the IWFM Board, it has been a huge personal honour to hold such an important and high profile role and hope I have made a positive contribution to the Institute and sector over that time.

2025 had its challenges within the sector. Thankfully inflation rates in the UK economy stabilised throughout the year, but the biggest cost pressure was the rise in the Employer National Insurance rate from 13.8% to 15% from 6th April 2025 and the employer contribution threshold reducing from £9,100 to £5,000 per annum. Another labour market cost pressure was the 6.7% increase in the National Living Wage (NLW) to £12.21 per hour from 1st April 2025.

These increases have had a particular impact on soft FM service providers where there are a larger number of workers on the NLW, such as cleaners, portering and catering staff. Service providers in the sector, already operating on tight net profit margins of between 3% and 5%, needed to find ways to achieve internal cost efficiencies, without compromising service delivery and also being mindful of maintaining pay differentials between different job grades. The situation was exacerbated by many service providers being unable to pass these increased costs on to their customers.

Another challenge in 2025, which will continue to be faced in 2026 and beyond, is the worsening skills

shortage within the sector. Currently the average age of someone working in the facilities management sector is 49-50 years old and it is widely recognised that we are lacking a young, diverse range of people coming into the sector. This situation has been exacerbated by reduced numbers of under-19s taking apprenticeships and the perennial problem that the industry is still not effective in showcasing the opportunities for young people in the sector, particularly by getting in to the schools and speaking to young people. This is despite IWFM having their 'Career of Choice' resources available to the sector and the fact that there are schools across the country teaching Class of Your Own's 'Design-Engineer-Construct' courses, which have facilities management in the curriculum!

On the more positive side, another prediction for 2026, which I am already seeing in my consultancy work for Thomson FM (www.thomsonfm.co.uk) is that an increasing number of organisations are looking to develop and document their 'Asset Management Strategies'. There are many facets to developing such a strategy which can include ensuring they have up to date and accurate asset information, a robust planned maintenance (PPM) regime aligned to an industry standard, such as SFG20, the creation of asset life cycle modelling based on their condition data to improve the accuracy of their asset replacement plans/budgets, greater visibility of all their statutory compliance records and the optimisation of their Computer Aided Facilities Management (CAFM) systems, exploiting this improved data.

The difficulty in developing and implementing such a strategy is that it takes time, money, training and expertise to effectively deliver this. With many organisations tightening their FM budgets, particularly within the public sector, the challenge as always will be to put a compelling business case forward internally to secure the required funding.

In predicting future market trends in FM, it would be remiss of me not to mention Artificial Intelligence (AI). It is also important to stress that the sector historically does not have the reputation of being early adopters of technology and many are still grappling with the basics

of good asset and service performance data and compliance records. AI is already widespread in the sector by service providers in writing their tender submissions and it will be interesting to see how AI can be used within CAFM systems to optimise PPM regimes and asset fault diagnosis, for example.

Finally, the handback of PFI schemes as the contracts reach maturity, will be a continued major area of focus for the sector in 2026. How facilities management companies are able to meet their contractual handback obligations will be interesting, as will how Trusts and Authorities decide which future facilities management service delivery model meets their needs, post PFI.