

BCIS Forecasts 15% Hike in FM Maintenance Costs

3 months ago



Facilities managers are facing a challenging five-year outlook as a combination of ‘sticky’ inflation, chronic skills shortages, and rising statutory wages are set to drive maintenance and cleaning costs significantly higher by 2030.

According to the latest five-year forecast from the [Building Cost Information Service \(BCIS\)](#), the cost of building maintenance is projected to rise by 15% over the next five years. Cleaning services face an even steeper climb, with costs expected to surge by 23% over the same period, primarily driven by successive increases to the National Living Wage and a shrinking pool of available labour.

The Engagement Recession and Labour Pains

The report highlights that labour remains the primary engine of inflation within the FM sector. While material cost volatility has largely stabilised since the peaks of 2022, the “human element” is now the critical risk.

Dr David Crosthwaite, Chief Economist at BCIS, noted that the industry is navigating a “stagflation-type squeeze,” where weak economic growth is paired with elevated operating costs. “Labour cost risks remain on the upside,” Crosthwaite warned. “Skills shortages are prevalent across the market and continue to impact the viability of both routine and reactive maintenance projects.”

Cleaning Costs: The 23% Surge

Cleaning contractors are expected to bear the brunt of wage-driven inflation. Because cleaning is a labour-

intensive service with slim margins, the mandated increases in the National Living Wage, alongside potential hikes in employer National Insurance contributions, are being passed directly through to clients. BCIS expects these costs to rise by nearly a quarter by 3Q2030.

Energy: The Only Silver Lining?

In a rare piece of positive news for estate managers, BCIS projects that energy costs will decline by approximately 25% between 2025 and 2030. This forecast reflects an anticipated easing of wholesale gas and electricity prices as global supply chains normalise and new renewable generation capacity comes online. However, BCIS cautioned that geopolitical volatility remains a wildcard that could disrupt this downward trend at any moment.

Output Stagnation and the Discovery Gap

The forecast for Repair and Maintenance (R&M) output is one of “slow but steady” recovery. Following a sluggish 2024 and 2025, output is expected to grow by 9% through to 2030.

A significant portion of this work is expected to be driven by “essential” rather than “discretionary” spending. BCIS points to a massive backlog in public sector maintenance, including urgent remediation of Reinforced Autoclaved Aerated Concrete (RAAC) in schools and hospitals, as a primary driver of demand.

Strategic Takeaways for FM Directors

The report serves as a stark reminder that the “low-cost” era of facilities management has ended. To navigate the next 60 months, BCIS suggests that FM leaders must:

- Decouple Productivity from Headcount: With cleaning and maintenance wages rising, investment in autonomous technology and sensor-led monitoring is no longer optional.
- Review Indexation Clauses: Ensure contracts are flexible enough to absorb statutory wage hikes without collapsing margins.
- Focus on Asset Resilience: As funding remains constrained, “sweating the assets” through predictive maintenance will be the only way to avoid catastrophic failure in aging building stock.

“The UK economy continues to experience uneven growth,” concluded Dr Crosthwaite. “For facility managers, the major challenges to cost control remain rising labour costs and limited funding.”