Middle East Facility Management Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 139 pages | Mordor Intelligence

AVAILABLE LICENSES:

- Single User License $4750.00
- Team License (1-7 Users) $5250.00
- Site License $6500.00
- Corporate License $8750.00

Report description:

The Middle-East facility management market is estimated to register a CAGR of 7.63% from 2022 to 2027. Several private and public projects, including construction, infrastructural, energy projects, etc., are creating a huge demand for FM services.

Key Highlights
Driven by the growing emphasis on cleaning, disinfection, and space management practices, and with several ongoing infrastructural projects, the facility management market is anticipated to grow steadily over the forecast period. The extreme climatic conditions have further necessitated hard and soft FM services in the region. The regional market is characterized by the integration of various technologies, like computer-aided facility management (CAFM) and building management systems (BMS), which are expected to take center stage alongside the penetration of Remote Monitoring, Internet of Things, Mobile Solutions, Robotics, Artificial Intelligence to ensure the viability of FM contracts, especially for outsourced FM Services. The COVID-19 pandemic has further accelerated the adoption of technology processes to continue with remote FM services in the region.
Saudi Arabia, the United Arab Emirates, and Qatar can be identified as key areas of growth for the facility management market in the region, owing to their increasing demand for commercial real estate. The intensifying competition between Dubai and Saudi to host global companies has resulted in relaxing taxation and ensuring the provision of a supportive business ecosystem in the region. According to October 2021 reports, the Royal Commission of Riyadh City announced that the country plans to host 7,000 new businesses, making Saudi Arabia its regional headquarters. With the influx of businesses, the region is expected to see a boost in demand for FM services.
Furthermore, the economic development of countries like Nigeria has positively influenced the studied market. Current market dynamics indicate the increasing demand for outsourcing FM services, moving away from in-house services. Favorable government support to induce large-scale infrastructural development through monetary aid and policy changes is predicted to steer the demand for FM services. However, the region's high unemployment rate is attributed to the lack of skills, which has

posed a significant challenge for the growth of the facility management market.
With the regional regulatory bodies outlining real estate owners and developers to optimize their real estate assets, the demand for FM services is rising. However, with a lack of skilled workforce and the cost of hiring rising, the market players are engaging in partnerships and acquisitions to pool talent and deliver long-term contractual obligations.
The COVID-19 pandemic highlighted the need for cleaning and sanitation services as part of the hygiene protocol across healthcare institutes, which led to strong demand for soft facility management services. The demand side dynamics presented a new opportunity for leading several companies to redesign their policies and further tailor their service offerings to include hygiene maintenance and COVID-19 safety provisions.

MEA Facility Management Market Trends

Outsourced Facility Managment is Driving the Market Growth

The Middle-Eastn outsourced facility management sectors are still in the growth stage compared to more established and mature markets such as Europe and the United States.
The growing application of facility management in commercial buildings, infrastructure, and industrial projects drives the market's growth. One of the major factors driving the facility management market is growing construction activity. For instance, Saudi Arabia is invested heavily in constructing ports, railways, roads, and airports. For large-scale projects, outsourced facility management services will bring new opportunities to the market.
Facility management services across the region are growing owing to several megaprojects and gigaprojects currently being undertaken. Dubai is working on most development projects in the country's commercial sector. Moreover, hosting Dubai Expo 2020, conducted in 2022, required substantial investments from the Dubai government across various infrastructure and related commercial projects. The government initiatives across infrastructure development projects will increase the need for better facility management services across the commercial sector. Both outsourced and in-house facility management can be adopted based on demand.
Qatar National Vision (QNV) 2030 is a long-term economic development plan driven by preparations for the 2022 FIFA World Cup. Qatar invests heavily in infrastructure programs focused on its non-oil and gas sectors. The Ministry of Transport and Communications (MoTC) functions as the main regulator of the transportation sector, overseeing the work of individual transport operators and project owners. In collaboration with its government and private sector, Qatar is working on long-term projects such as major rail and expressway projects, the recent opening of the new commercial seaport and significant capacity upgrades at Hamad International Airport(HIA), logistics flows, and multimodal transportation networks are being developed at a remarkable pace. To support these construction projects, facility management services need to be outsourced. This will drive new growth opportunities in the facility management market.
The rest of MEA is geographically small; Ethiopia and Kenya offer a very active market for outsourced facilities management. The critical end-user sectors are banking, commercial and industrial. Many large construction projects are either planned or under construction. These developments are expected to drive the demand for Outsourced FM services in the region.

Commercial Segment to Dominate The Market

The Middle-East facility management services market is fragmented as significant local players enter the commercial sector. For instance, the market is dominated by local players such as EFS Facilities Services Group, Emrill Services LLC, Farnek Services LLC, Sodexo, Inc., etc. And the local players are offering competitive pricing in the market, which reduces the suppliers' bargaining power and thus gives the buyers an option to quickly switch their facility management vendors with minimal switching costs.?

Local players with fewer international relationships are leading to less adoption of technically advanced FMS services such as robotics used for cleaning practices which will be a major threat with a long-term effect.
The inflow of investments from foreign companies in different sectors has positively attributed to the growing need for offices boosting the commercial real estate sector. Furthermore, the demand for the commercial real estate sector in the region translates to a higher requirement for facility management services for maintenance and cleaning, among others. As regional companies recover from the pandemic and instruct employees to return to the office, the vacancy rate is expected to decline in commercial spaces. With a special focus on cleaning services to disinfect office spaces and maintain hygiene protocols, the demand for soft FM services has witnessed a large spike in the region.
Saudi Vision 2030 is the major factor driving new construction plans. The government's vision is to prompt the development of megaprojects across multiple commercial spaces, be it in the retail, tourism, or residential sector, all of which will need facilities management services. For instance, USD 1 trillion was spent on infrastructure and real estate projects and USD 575 billion in investment to develop the Red Sea Coast into a global tourism and business hub. Additionally, there are eleven mega projects active in Saudi Arabia.
Moreover, the increase in office buildings also demands facilities management. For instance, Reem Mall in Abu Dhabi marks one of the megaprojects to boost the commercial retail sector by facilitating more than 450 stores for retail, a hypermarket, a multiplex cinema, and two food courts, supporting the commercial food outlets, too. Several such projects are under construction in the GCC and Northern African countries.

MEA Facility Management Market Competitor Analysis

The Middle-Eastn facility management market is highly fragmented, with local and international players having decades of industry experience. ?The FM vendors are incorporating a powerful competitive strategy by leveraging their expertise. Additionally, they are spending a large chunk of the amount on advertising.?

May 2022 - Emrill launched an efficiency-enhancing App across four vertical communities comprising 178 buildings. The app could aim to enhance operational efficiencies by 25% across workforce optimization and task completion. The app could feature a digital monitoring solution that helps schedule task allocation through an online platform. This could allow supervisors to monitor the completion of the task, viewing as per individuals, or teams, posted on different floors.
February 2022 - EFS Facilities Services inaugurated a benchmark initiative of EFS Centralised Stores (ECS), featuring innovations leveraging technology, storage solutions, and warehouse logistics management. The initiative would help replenish satellite stores across the United Arab Emirates. Some of the store's unique features include an integrated robotic system, improved tracking systems, automated material handling, flexibility, and many advanced solutions, contributing to improving material handling and supporting different services provided by the group.

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

Table of Contents:

7.1 Company Profiles
7.1.1 Engie Cofely Energy Services LLC (engie Sa)
7.1.2 EFS Facilities Services Group
7.1.3 Ejadah Asset Management Group
7.1.4 Emrill Services LLC
7.1.5 Farnek Services LLC
7.1.6 Initial Saudi Arabia Company Limited
7.1.7 Kharafi National for Infrastructure Projects Developments Construction and Services SAE
7.1.8 Mace Group Limited
7.1.9 Serco Group PLC
7.1.10 Sodexo Inc.
7.1.11 Ecolab Inc.

8 INVESTMENT ANALYSIS

9 FUTURE TRENDS

Scotts International. EU Vat number: PL 6772247784
tel. 0048 603 394 346 e-mail: support@scotts-international.com
www.scotts-international.com

Middle East Facility Management Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)

Market Report | 2023-01-23 | 139 pages | Mordor Intelligence

To place an Order with Scotts International:
- - Print this form
- - Complete the relevant blank fields and sign
- - Send as a scanned email to support@scotts-international.com

ORDER FORM:

Select license	License	Price
	Single User License	$4750.00
	Team License (1-7 Users)	$5250.00
	Site License	$6500.00
	Corporate License	$8750.00
	VAT	
	Total	

*Please circle the relevant license option. For any questions please contact support@scotts-international.com or 0048 603 394 346.

** VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

Email*		Phone*	
First Name*		Last Name*	
Job title*			
Company Name*		EU Vat / Tax ID / NIP number*	
Address*		City*	
Zip Code*		Country*	
		Date	2026-02-28
		Signature	

Scotts International. EU Vat number: PL 6772247784
tel. 0048 603 394 346 e-mail: support@scotts-international.com
www.scotts-international.com

Scotts International. EU Vat number: PL 6772247784
tel. 0048 603 394 346 e-mail: support@scotts-international.com
www.scotts-international.com