

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

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Report description:

The Asia Pacific Facility Management Market is expected to grow at a CAGR of 12% over the forecast period 2022 to 2027. Contract globalization and services integration is expected to accelerate growth in the FM market, particularly the commercial building sector, given the increase in penetration of commercial building services through the forecast period. The market is forecast to record high growth in the Asia Pacific.

Key Highlights

Governments from all around the Asia Pacific are investing heavily in the building and infrastructure industries. Restoration of existing buildings, new building construction, and civil engineering are the three main components of infrastructure development. However, the business is well-positioned to gain from infrastructure expenditures in the global context. The industry's proclivity drives most facility management services, presentations, and market growth for renovating existing facilities.

Various large facilities management service providers with a significant initial investment in facility services in Asia - Pacific region, on the other hand, have very few issues with limited technology adoption due to long-term contracts.

Increasing the investments in healthcare infrastructure and the Construction of Healthcare Facilities in China is expected to drive the growth of the industry. For instance, in October 2021, Hospital infrastructure has been addressed as the prerequisite of healthcare delivery which intensively affects medical quality. Over the past decade, China has proposed investment plans for hospital infrastructure to promote healthcare development in underdeveloped regions.

However, security concerns related to devising safety and network safety are restraining market growth. Increasing security breaches and cybercrime group threats are causing distrust and affecting the market growth in the region. Furthermore, the region's public sector has begun to seek longer-term contracts from facilities management companies. Still, the lack of certainty about future labor prices and supplies makes building projects riskier. This could function as a big impediment to the players bidding for long-term contracts.

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In addition, the COVID-19 epidemic had a mixed economic impact on facilities management companies in the Asia Pacific region. The limits on people's movement resulted in a drop in project work and a drop-in activity at several customer locations. With the construction sector being severely hit, the studied market witnessed a negative impact during 2020.

APAC Facility Management Market Trends

Commercial Buildings Segment to hold significant share in the market

The facility management business has been boosted by new investments in the Asia Pacific commercial construction industry. Several investment firms have enlisted the help of real estate management services to manage their real estate portfolios. The continuous construction of commercial buildings across countries in the region is expected to drive the demand for facility management services.

The commercial sector is expected to develop at the highest rate because of the large penetrable segment and a high degree of technological acceptance in South Korea. FM demand continues to be driven by large-scale construction and activity in core commercial locations such as Seoul. While the development of logistical infrastructure for online shopping/retail outlets is the major focus area in the suburbs, the relatively large size of MNC activities can be attributed to both commercial and industrial sectors.

According to the Singapore Department of Statistics, Singapore's commercial building demand was estimated at SGD 2.76 billion in 2021. This increased above last year, indicating that the industry was recovering from the COVID-19 outbreak.

According to the Beijing Municipal Bureau of Statistics, from 2018 to 2021, the monthly price index for newly constructed commercial and residential buildings is slightly changing in Beijing, China. The cost of newly constructed commercial and residential property in China's capital city remained unchanged in December 2021 compared to the previous month.

China is Expected to Register the Fastest Growth

China has some of the world's active building marketplaces. China is an attractive market for FM penetration due to a growth in the creation of high-end commercial facilities and huge expenditures on infrastructure projects such as airports, hospitals, and educational institutions. End-user knowledge of the benefits of FM outsourcing and service integration is predicted to contribute to the growth of the FM industry.

Building operations and maintenance are frequently in-house in the present FM market. Constructing the size of China's economy and its vast new property space available, the outsourced FM market remains small, reflecting tremendous market potential. FM outsourcing is now restricted to business areas like Shanghai and Beijing.

Multinational corporations' migration into China due to mergers and acquisitions and partnerships with local firms is expected to increase the acceptability of more complete or sophisticated solutions in China. These players approach China's FM outsourcing market as part of a global or regional procurement strategy that allows service providers to provide a larger range of services, an integrated delivery methodology, and economies of scale to help them achieve better value.

China's large market potential and the growing number of educated end users provide attractive chances for FM outsourcing. In contrast, IFM development is expected to be fueled primarily by international companies operating in the country.

According to the China Academy of Information and Communications Technology (CAICT), In China, 71 smart party-building projects were launched in the first half of 2021, up nearly 45% from the previous year's period. During the most recent measurement period, the value of such project investments totaled roughly CNY 1.5 trillion.

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The Asia Pacific Facility Management Market is highly competitive with diverse firms of different sizes. This market is anticipated to encounter several partnerships, mergers, and acquisitions as organizations continue to invest strategically in offsetting the present slowdowns they are experiencing. The clients in this region are employing FM services to increase the ease of their business operations. The market comprises key solutions and service providers, such as Aden Group, Aeon Delight Co Ltd (Aeon Co Ltd), Group Italian, Broadspectrum, and CBRE.

January 2022 - Total Energies has signed a Memorandum of Understanding (MoU) with Aden Group, a pioneer in sustainable and data-driven management of buildings and business/industrial parks in Asia, through its distributed renewable energy generating solutions. This Memorandum of Understanding explores potential collaboration opportunities in sharing and delivering sophisticated solutions to lower the carbon footprint of developed assets using solar energy and data-driven energy optimization.

June 2021 - Aeon Delight Co Ltd (Aeon Delight), a subsidiary of Aeon Co Ltd, is a facility management services company that collaborated with Coca-Cola Bottlers Japan to strengthen vending machine activity and facility management services.

Additional Benefits:

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

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