

## **Hungary Facility Management Market - Growth, Trends, Covid-19 Impact, and Forecasts (2023 - 2028)**

Market Report | 2023-01-23 | 90 pages | Mordor Intelligence

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### **Report description:**

The Hungary Facility Management Market is expected to grow at a CAGR of 3.72 % 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 Hungary.

### **Key Highlights**

In the Hungarian FM market, single service contracts account for most of the contracts. Minimum wage increases of 15% for unskilled workers and 25% for qualified personnel have significantly increased prices for FM providers. Further, the private sector accounts for the majority of overall FM demand, mostly from the commercial and industrial sectors. The industrial sector's economic expansion has aided outsourcing, with end-users outsourcing a greater range of FM services.

The presence of foreign FM providers in Hungary boosts market competition, resulting in additional subcontracting opportunities for service providers with the necessary expertise and a proven track record to win significant contracts.

Supply chain interruptions have caused challenges in obtaining materials and supplies for FM providers. They've also had difficulty dealing with employee shortages due to various circumstances such as lockdown limits, self-isolation, and illness. The readily constructed environment, on the other hand, has played a major role in supporting various businesses, from health and social services to transportation and utilities, as well as preventing the virus from spreading.

The COVID-19 pandemic significantly influenced the facilities management business, causing a significant shift in the operations, strategies, and functions of facility managers within firms. As companies strive to transition to a post-COVID-19 future, there is a growing demand for transformation, creative methods, and distinctive planning techniques. As the focus shifts toward increased hygiene-related policies, the rising need for safety and cleanliness at the workplace, and the development of a digitized work environment, sourcing and procurement play a critical role in the transformation, recovery, and restart of the facilities

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management industry in the post-COVID-19 era.

## Hungary Facility Management Market Trends

### Commercial Industry is Expected to Hold Significant Market Share

Commercial entities are office buildings built or occupied by businesses, such as IT and communication corporate headquarters, manufacturers, and other service providers. Decoration and management have gained substantial importance due to the provision of essential fitments and interiors in commercial buildings, consequently pushing the market in the country's commercial sector.

Modern offices with long-term tenants remain highly sought-after by investors despite the discussions surrounding hybrid working. The need for facility management services in the country is predicted to rise as industry leaders gain more business acumen and the economy diversifies aside from automobile industries and other sectors.

For Instance, the Univerzum Office Building in Budapest, Hungary, has the greatest floorspace among the office buildings constructed in the fourth quarter of 2021, with 22 thousand square meters. With a floor space of 19.8 thousand square meters, Buda Part City came in second.

According to the Hungarian National Bank, in the first quarter of 2017, the offered average rental rate of modern offices in Budapest totaled 11.2 euros per square meter per month. In the second quarter of 2021, it reached as high as 13.5 euros per square meter. Further, in June 2021, the biggest shopping center real estate stock was in Hungary's capital, Budapest. The county of Pest came second in the ranking with over 380 thousand square meters' worth of shopping center real estate area.

### In House Facility Management to Witness High Growth Rate

Facility management encompasses a wide range of services, including real estate, human resource management, financial management, change management, health and safety, contract management, and more, in addition to domestic services, building management, and utility supplies. These broad facilities management operations can be given or conducted in-house or through outsourcing, depending on the priority of an organization's services or activities. When deciding whether to do something in-house or outsource it, most businesses base their decision on cost. Other factors may prove that in-house options are more effective in the long run.

Large firms often manage their facilities in-house due to their diverse operations and size. It also helps them save money and improve their efficiency. Several multinational organizations in Hungary also administer their facilities.

Companies strive to reduce expenses by employing an in-house facility management method, which also helps them reduce expenditure on other processes and material utilization, such as gas and energy usage in the workplace. Some expenses are unavoidable; however, applying some easy maintenance practices can make a difference in the quantities of energy utilized and expenditures. Heating and cooling costs may be significantly reduced by simply improving the HVAC (heating, ventilation, and air conditioning) system.

According to Property Forum, in the third quarter of 2021, the completions on the industrial property market in Budapest, Hungary, totaled over 14 thousand square meters. From the 1st quarter of 2016 to the 3rd quarter of 2021, the highest figure was recorded in the second quarter of 2021. In the third quarter of 2021, the total demand in the industrial property market in Budapest amounted to approximately 144 thousand square meters. This represented a decrease of nearly 20 percent compared to the corresponding period of the previous year.

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## Hungary Facility Management Market Competitor Analysis

The Hungary Facility Management Market is highly competitive with diverse firms of different sizes. This market is anticipated to encounter a number of 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 CBRE, Apleona GmbH, ISS Global, Jones Lang LaSalle IP, Inc., and Group Italian.

March 2021 - B+N Referencia Zrt has acquired the operations of ISS Group in Central and Eastern Europe. The Hungarian group became one of the region's most renowned facilities management companies after making an internationally significant purchase. The deal involves the ISS Group's principal companies in the Czech Republic, Slovakia, Romania, and Hungary.

### Additional Benefits:

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

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