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

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Report description:

The Europe Soft Facility Management market revenue is expected to grow at a CAGR of 3.0% over the next five years. Key soft facility management companies, such as Cbre group Inc, Mitie Group PLC, Emcor Facilities Services WLL, Atlas FM Ltd, and Sodexo Inc., are constantly innovating by making significant R&D investments.

Key Highlights
Increasing investments in the healthcare sector with new production facilities are expected to drive the growth of the market studied. For instance, in May last year, BD (Becton, Dickinson, and Company) built a USD 200 million high-tech manufacturing facility in Zaragoza, Spain, to support the production of pre-fillable syringes for vaccines and other biologics.
The market is witnessing multiple strategic acquisitions between the market leaders in these regions. For instance, Samsic acquired Uniserve building cleaning GmbH, a German cleaning and security services provider. The acquisition will strengthen its services in Germany, including hygiene, cleaning, green spaces, snow removal, and safety services.
Long-term soft facility management services contracts will create new growth opportunities for the market. For instance, A&R services won a new commercial cleaning contract with the Bart Ingredients Company to provide cleaning services in Severn Beach, Bristol.
The spread of COVID-19 forced the mass closure of workspaces and the implementation of work-from-home policies in most industries, especially in the corporate buildings of the IT and telecommunication sectors, which negatively affected the market. However, for some businesses, the new normal initially meant virus-proofing their offices through short-term fixes, new working patterns, and long-term design upgrades that put hygiene at the core of running the workplace. This positively impacted the region's soft services, such as COVID-19 cleaning services.
The post-COVID-19 periodhas encouraged the Europe soft facility management vendors to increase investments in mergers and acquisitions to improve service and technology, in order to gain an edge in the market. For instance, in October last year, Levy

merged with the Zoove group, a German company that offers facility management to enable SaaS solutions in the cleaning facility management sector. The technological upgrade helps Zoove optimize the planning, analysis, quality management, and communication along with reporting the status of working hours, room status, and cleaning activities in real-time with a mobile application. Therefore, with increased digitization trends, the adoption of modern soft facility management is expected to increase during the forecast period.

Europe Soft Facility Management Market Trends

Infractructure developments is expected to bring new opportunities for the market

The commercial sector covers office buildings occupied by business services, such as corporate offices of manufacturers, IT and telecommunication, finance and insurance, property, and other service providers. In the commercial sector, there is a need for cleaning, security, catering, support, environmental management, and others services. Infrastructure developments/ new building construction need cleaning and maintenance services.

The growing investments in infrastructure developments are further expected to increase the region's demand for facility management services. It is quite evident with the recent developments in the region. For instance, in August last year, Google opened a new Google Cloud region in Berlin-Brandenburg with investment plans in renewable energy. The company plans to further invest in Germany's transition to a digital and sustainable economy. The company plans to invest approximately USD 1.06 billion in digital infrastructure and clean energy by 2030.

Key players in the market are expanding their short-term contracts to long-term, which is expected to drive the market's growth. For instance, in March this year, Walton Centre NHS Foundation Trust extended its partnership with ISS UK to provide security, helpdesk, retail restaurant, patient catering, healthcare cleaning services, and hospitality across the main hospital and Sid Watkins buildings. The new contract is worth USD 3.70 million a year for three years and has the option to extend for up to two further years.

The growth in construction activities across Europe is significantly boosting the demand for SFM services in the region. For Instance, JCDs deal with all aspects of post-construction cleaning services, from bathrooms to baseboards, vacuuming to polishing.

According to the Department for International Trade, FDI (Foreign direct investment) projects are expected to grow at a CAGR of 3% from 2017 to 2022. Such FDI investments in construction activity would create new growth opportunities for the Soft facility management market.

United Kingdom is Expected to Witness Significant Growth

The soft facility management market across the United Kingdom is expected to grow at a high rate over the next five years. Given the increased penetration of soft facility management services, vendors are now increasingly focusing on using specialized services to gain a foothold in the market, which witnessed several changes due to the macroeconomic and social changes in the region.

According to a survey conducted by the Royal Institute of Chartered Surveyors in Q2 2021, the demand for soft facility management services has increased across all sectors except retail. Further, the growth was most prominent in the healthcare sector.

On the other hand, the United Kingdom facility management market is majorly driven by increasing private investments in real estate, growing facilities in the pharmaceutical industry, and hygiene factors in educational, government, and commercial properties. This has increased the contractual services in cleaning and maintenance services.

Healthcare infrastructure developments are growing owing to the increasing number of patients and rising healthcare expenditure by the public and private players in healthcare systems. As per the data published by the OECD (The Organization for Economic Co-operation and Development), in the United Kingdom, total healthcare spending was projected to grow at an average rate of 9.7% per year during 2018-2021, reaching nearly USD 276.6 Billion by 2021.
The outbreak of COVID-19 had a mixed business impact on soft facilities management firms. The restrictions on the movement of people resulted in a decline in project work and a decreased level of activity across many customer sites. Significant market players, such as NuServe, introduced a cleaning robot known as Cobotics, creating new growth opportunities for the commercial cleaning industry.

Europe Soft Facility Management Market Competitor Analysis

The Europe soft facility management market is highly fragmented due to ongoing partnerships and recent advancements in the market. Some major players in the market studied include Cbre group Inc, Mitie Group PLC, Emcor Facilities Services WLL, Atlas FM Ltd, and Sodexo Inc.

In February 2022, ATALIAN renewed its facilities management contract with the Institut Gustave Roussy in France. ATALIAN has been associated with this client for the past five years with its cleaning and related services (bio-cleaning, blanking, distribution of patient meals, etc.).
In February 2022, Clean Space acquired London-based cleaning company Abelian UK Ltd to strengthen its cleaning initiatives.

Additional Benefits:

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

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