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FACILITIES MANAGEMENT OUTSOURCING: CORPORATE SECTOR MARKET REPORT UK 2011-2015

New AMA report provides a major review of this significant market

"Levels of construction output have a strong impact on the corporate FM market, with the commencement of FM commonly linked to the uptake of new business premises. The global economic crisis has therefore impacted upon the majority of corporate end use sectors, with some contraction in the corporate FM market from 2009. Over the short to medium term the market is expected to return to growth as the economy strengthens."

A brief summary of the report is included on the following page.

Priced at £775, the report is currently available from AMA Research Ltd, Telephone 01242 235724 or e-mail at sales@amaresearch.com.uk.

Editors Note:

Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

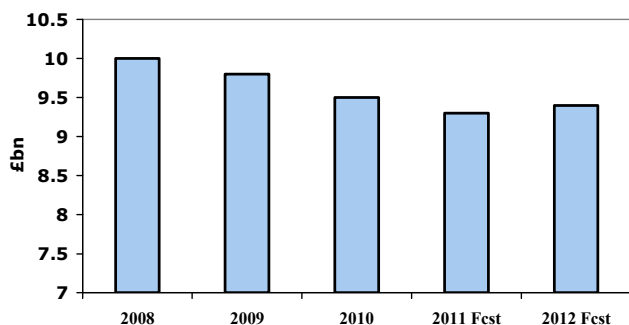
If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Chris Moore or Keith Taylor on (01242) 235724.

Please include our web address and telephone number on any review printed, it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

AMA Research Ltd
Montpellier House
Montpellier Drive
Cheltenham
Gloucestershire GL50 1TY
Tel: +44 (0)1242 235724
Fax: +44 (0)1242 262948
E-mail: keithtaylor@amaresearch.co.uk
Website: www.amaresearch.co.uk

FACILITIES MANAGEMENT OUTSOURCING CORPORATE SECTOR MARKET - UK 2011-2015

**UK Corporate Outsourcing Market
Current Prices 2008 - 2012**



This report is specifically focused upon Corporate end-use application areas to include commercial offices, retail, entertainment & leisure, manufacturing & warehousing, energy & utilities and privatised transport services. The Corporate market for outsourced 'bundled' services is valued at around £9.5bn in 2010, with the development of this market between 2008 and 2012 illustrated in the chart to the left.

While growth rates for FM outsourcing within the corporate sector were at their highest during the early 1990's, the market demonstrated steady growth from the turn of the millennium benefiting from the healthy overall state of the economy, with high levels of consumer spending, boosted by an upturn in the commercial office sector. Levels of construction output have a strong impact on the corporate FM market, with the commencement of FM commonly linked to the uptake of new business premises. The market therefore benefited from high levels of construction activity in the office, retail and leisure sectors until 2008/09 when construction began to fall in the face of global economic uncertainty. Another factor contributing to growth in recent years has been the underlying market trend to outsource an increasing array of services, with a gradual shift towards 'bundled service' and TFM contracts adding to contract values.

Commercial offices represent the largest sector within Corporate FM, followed by retail. Leisure & entertainment are also significant, with 'Other' sectors such as manufacturing, utilities and privatised transport accounting for the remaining market.

Maturity in the corporate FM market makes it heavily dependent upon the economic climate. As a result, the market is expected to exhibit some stabilisation and subsequent growth over the short to medium term, recovering only slowly from 2012 as construction activity improves and new projects reach completion. There remain some opportunities within niche growth sectors, with leisure for example benefiting from the 2012 Olympic Games, and growth in the budget hotel sector expected to be sustained over the next decade or so.

The last few years have seen significant consolidation in the supply structure of the FM market, with an unprecedented number of mergers, acquisitions, business failures and market withdrawals. Also, the trend for customers to seek a growing range of service provision under one contract will encourage further mergers and acquisitions as the major players seek to diversify their portfolios and strengthen their positions.

AMA Research's report "Facilities Management Outsourcing: Corporate Sector Market Report - UK 2011-2015 Analysis" is available in hard copy or electronic format for £795 and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.