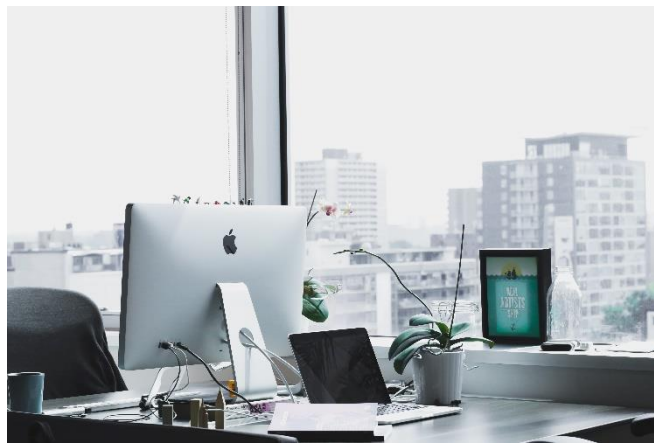


Facilities Management Outsourcing market is estimated to have declined 6% due to Covid-19



In 2020, market value is projected to decrease by around 6%, largely due to Covid-19 and the lockdown measures introduced to attempt to halt its spread. Although FM contracts have continued to be issued within the last year, the UK economy is expected to take a severe hit, with budgets and investment decisions likely to be negatively impacted.

The effects of the lockdown measures introduced across the UK have been especially hard within several key end-users of FM services. Notable examples include retail, leisure (e.g. gyms and sports stadiums) and the hospitality industry, i.e. pubs, cafes and restaurants. Meanwhile, the curtailing of international travel has also adversely affected end-use FM sectors such as hotels.

Prior to 2020, the bundled outsourced FM market experienced relatively steady growth of around 3% per annum, with the exception of 2017 when the prevailing political uncertainty caused by Brexit resulted in a slowdown. Between 2015 and 2019, market value rose by almost 10%.

The FM market is considered relatively mature across a wide range of sectors, a factor likely to inhibit growth levels over the next few years. The performance of the market remains heavily dependent upon the prevailing political and economic situation in the UK and its effects upon budgets and investment.

Fiona Watts, Commissioned Research Manager at AMA Research, comments “it remains to be seen to what extent end-user sectors such as retail, leisure and hospitality recover from Covid-19 and the associated economic impacts of lockdown. Given that many were struggling to remain profitable prior to the pandemic, it seems likely that many companies may either go out of business or dramatically scale down their estates, thereby reducing demand for FM services”.

The market for outsourced FM services is expected to recover in the years following 2020, although to what extent largely depends upon the UK economic situation. It has been suggested in the past that outsourcing is protected from the worst effects of economic cycles to a large extent – in times of economic slowdown or recession, cost-cutting measures by clients can often stimulate demand for FM services. In times of economic growth, the number of FM contracts tends to increase.

Editors Note:

The information was taken from the [Facilities Management Outsourcing Market Report – UK 2021-2025](#) by AMA Research, which is available to purchase now at www.amaresearch.co.uk or by calling 01242 235724.

Please include our web address on any press release or article published. If you would like to receive more information on the report, or would like to speak to the Editor, then please contact:

Roshni Patel
AMA Research
t: +44 (0) 1242 235724
e: roshnipatel@amaresearch.co.uk

About AMA Research

AMA Research is a leading provider of market research and consultancy services with over 30 years' experience within the construction and home improvement markets. For more information, go to www.amaresearch.co.uk or follow us on Twitter [@AMAResearch](https://twitter.com/AMAResearch) for all the latest building and construction market news.

Since 2017, AMA Research has been part of [Barbour ABI](#), a leading provider of construction intelligence services. Barbour ABI is part of UBM, which in June 2018 combined with Informa PLC to become a leading B2B information services group and the largest B2B Events organiser in the world. To learn more and for the latest news and information, visit www.ubm.com and www.informa.com.