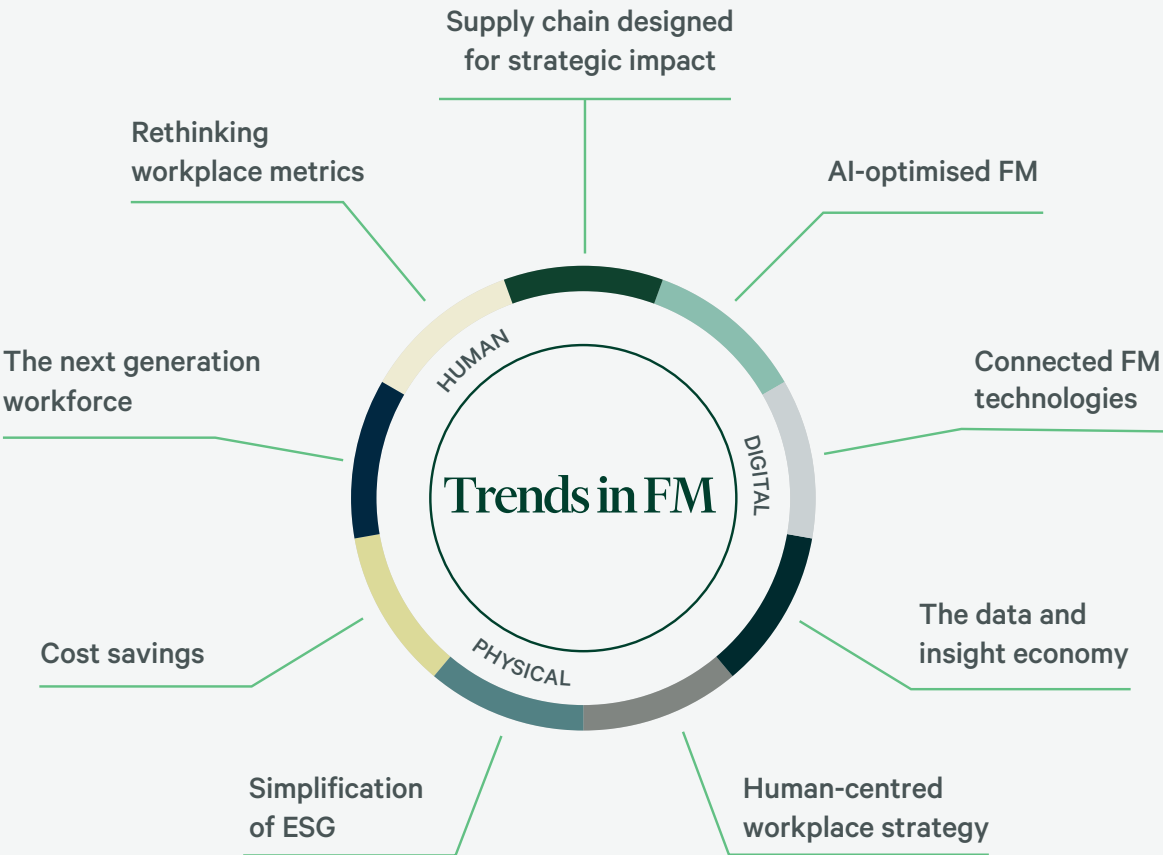




FACILITIES MANAGEMENT

CBRE

Trends in Facilities Management for 2025



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Trends in FM for 2025

The facilities management (FM) industry has experienced several transformations over the past few years. From being at the forefront of the pandemic response to pioneering hybrid working strategies and navigating the economic downturn, the sector has continually shown resilience, adapting to unprecedented challenges.

As we look ahead to 2025, the outlook is promising - markets are rebounding and economic prospects are brightening for most organisations. This shift allows facilities management and real estate functions to refocus on future-facing problems rather than reacting or readjusting based on economic factors. Greater certainty will stimulate greater investment, and for facilities managers, this will be a year to drive solutions that will shape the industry's future.

Building and facilities management services can represent a significant proportion of total expenditure for some organisations, so value-for-money workplace solutions are in constant demand. With facilities management professionals' diverse and evolving expertise, outsourcing FM remains the best way to future-proof commercial estates – buying expertise in this area will continue to give companies an advantage.

As we navigate through 2025, the facilities management landscape continues to evolve, driven by technological innovations, a focus on human-centred workplaces and an increasing emphasis on data. This article delves into the high-level drivers reshaping the FM industry, offering insights for organisations looking to stay ahead in this field.



Economic Stability

Economically, in 2025, CBRE expects a more stable inflation rate, broadly at the target or slightly above it. This, coupled with 100bps of base rate cuts, will be positive for the economy and we forecast growth of 1.8%.

Government investment may surprise businesses, while changes in National Insurance Contributions (NICs) could increase prices and reduce job creation.

According to Frost & Sullivan, the UK's outsourced facilities management market is worth over £35 billion and saw robust growth of 4.1% in 2024. With inflation falling and markets stabilising, they predict the market will see a more modest growth of 3.2% in 2025.



Workplace PHD

As custodians of the buildings and workplaces they manage, facilities managers play an integral role in supporting an organisation's goals, such as attracting and retaining talent, improving employee engagement and implementing decarbonisation plans.

CBRE's 2025 facilities management trends are organised by the three key elements of optimal workplace strategies — physical, human, and digital.

DIGITAL

01. AI-optimised Facilities Management

Artificial intelligence (AI) tools have exploded over the past 12 months, with businesses in every sector exploring how they can drive efficiencies and change. The integration of AI and automation into facilities management services is accelerating and we are already seeing the potential it has to transform operational excellence, user experience, skills and talent, innovation, data and sustainability.

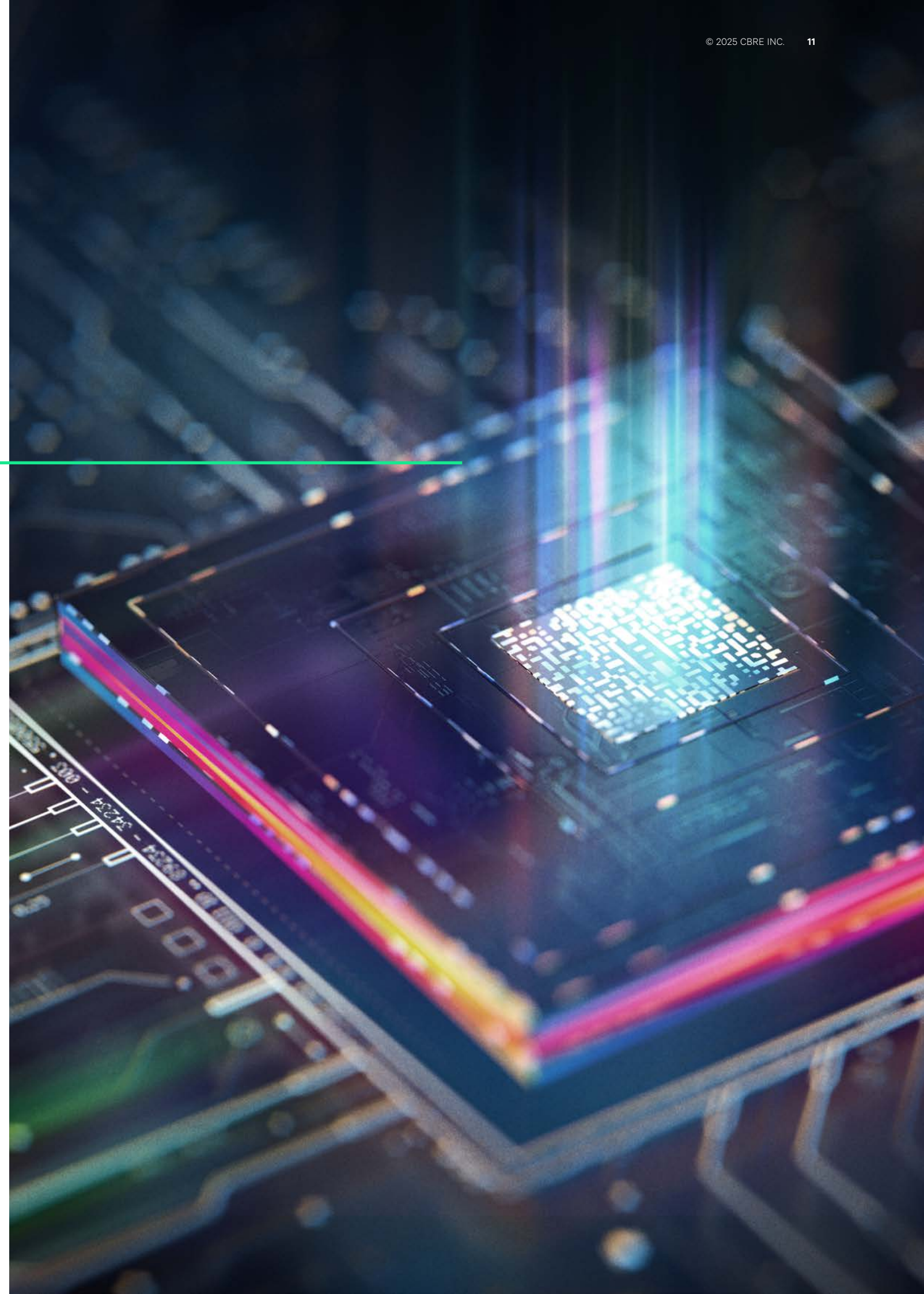
This year, we will further begin to understand the impact AI will have on the industry – for now it is proving to be a powerful capability that can significantly improve outcomes for organisations, such as increasing productivity through streamlining workflows, scheduling routine tasks and automating building systems. We will see its implementation expedited in agile companies and will start to see more industry-specific variations emerging.

We are already witnessing increased demand for AI as a competitive capability and we expect to see more focus on the human impact of AI implementation.

Balancing conversations about introducing new technology with discussions about skills, company culture and human qualities is essential. To foster adoption, organisations must create a culture that values critical thinking, creativity, problem-solving and empathy.

AI and automation solutions where technology enhances rather than replaces human decision-making will continue to be desirable as organisations build trust in AI-enabled facilities management. AI in facilities management will supercharge human abilities in 2025 rather than replace them. The “human-in-the-loop” concept, integrating human input into AI systems, is highly valued by those at the forefront to encourage increased accuracy and reliability over the longer term.

The success of AI capability is primarily dependent on data quality, therefore, we anticipate an advanced level of data maturity in facilities management which will improve AI and machine learning (ML) models and expand the use cases for AI in facilities management.



DIGITAL

02. Connected FM technologies

Facilities management has experienced an influx of technology solutions over the past year, but 2025 will be about implementing and scaling key technology capabilities that support an organisation's core business objectives or bottom line.

We will see an acceleration of Smart FM deployment (e.g. IoT sensors, BMS alarm analytics, HVAC optimisation, fault detection and diagnostics, AI-powered Building Information Modelling [BIM] etc.) to drive operational efficiencies, primarily through

predictive maintenance and sustainability initiatives to directly deliver savings and value.

The facilities management industry is shifting towards flexible, on-demand service models and technology is a crucial enabler of this evolution. By coupling remote monitoring and support, with IoT and predictive maintenance, companies will realise cost efficiencies thanks to optimised resource allocation and pay-as-you-go models.

The emerging technology concept for 2025 will be – living intelligence – systems that can adapt, learn and evolve through the integration of AI with advanced workplace sensors.

Many organisations have invested in building and implementing AI capability, but few have been able to effectively integrate these with their preexisting sensor network to optimise operations. The continuous data analysis associated with living intelligence will bring facilities management outcomes

such as increased workflow efficiency efficient workflow, reduced operational costs and better sustainability outcomes.

The PropTech landscape will likely experience increased M&A activity in 2025 and consolidation of startups, driven by a reduction in global inflation and abundant investment capital. This consolidation will aid unification of data structures, enabling AI to finally deliver its promised impact in the industry.



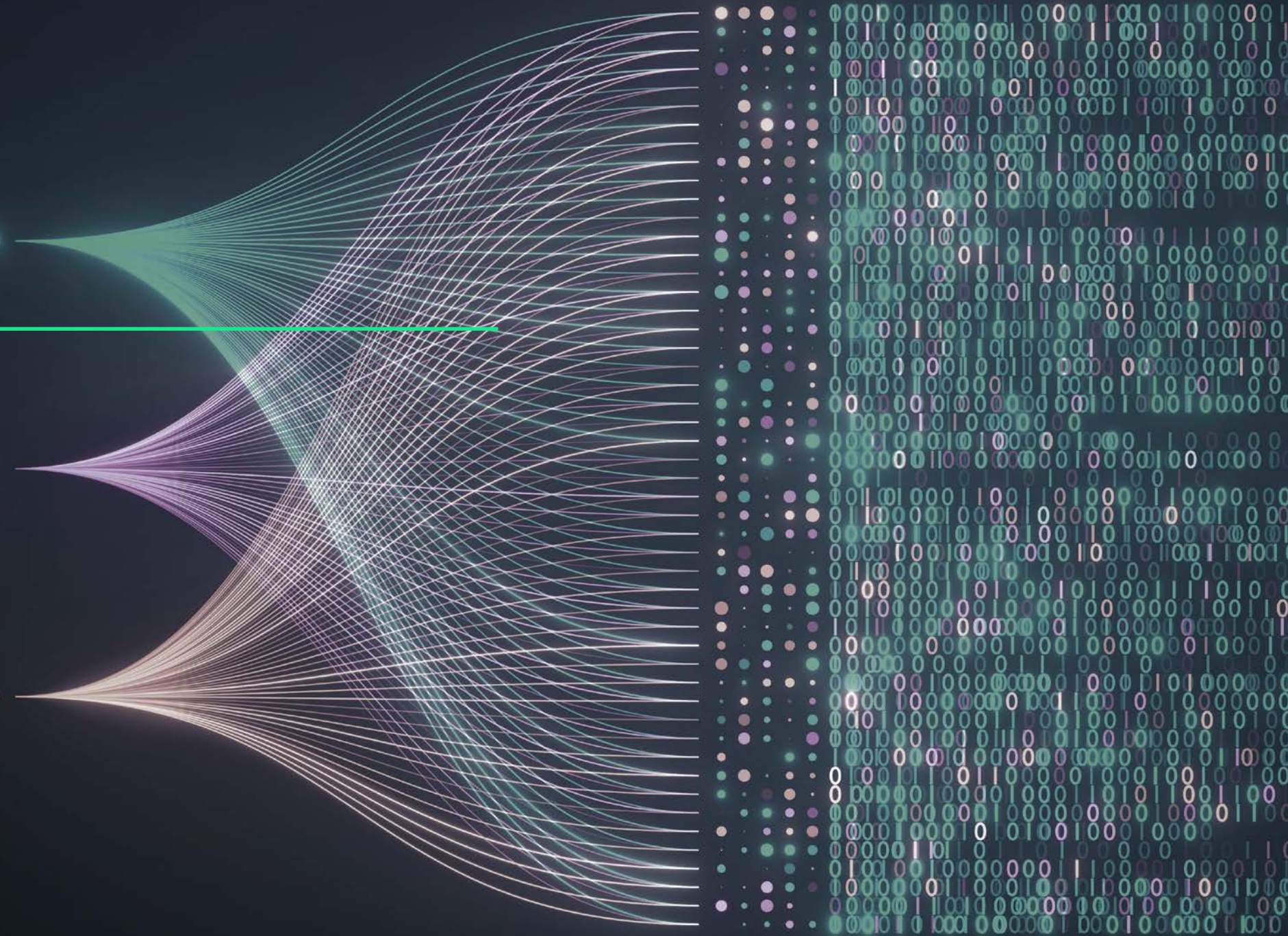
DIGITAL

03. The data and insight economy

Data is an increasingly valuable business asset, and FM data is no different. In a data-driven world, facilities managers derive meaningful insight from large volumes of information to support organisations in making strategic decisions. Improving quality in proprietary facilities management data will be a central focus in 2025, with the aim of supporting decision-making through enhanced accuracy and usability, thus creating meaningful pathways for successful action and outcomes.

Data protection and cyber security remain central priorities for all organisations, especially as systems and platforms become increasingly connected; with more technology comes more risk. Enterprise data is projected to grow significantly in 2025, so enhancing data security controls will be a crucial facilities management trend.

This year, companies will start feeling the effects of the environmental impact of data storage as a Scope 3 emission, particularly as AI becomes more prominent. We will begin to see whether [AI will enable the net zero transition or derail it](#).



PHYSICAL

04. Human-centred workplace strategy

The narrative around workplace strategy is expanding far beyond [hybrid working](#) and the common thread will be the need to reimagine our offices to meet the needs of workforces in 2025 and beyond. Workplace strategies in 2025 need to respect the phenomenon of the “[untethered workforce](#),” drawing employees into the office while maintaining flexible policies and working environments – all to create a talent advantage. Much of this conversation will focus on designing a [human-centred workplace experience](#), allowing the objective measurement of workplace experience and definition of strategies that unlock the potential of place to create competitive advantage.

Inclusion will continue to be a fundamental element of workplace design. Creating spaces that cater to the diverse needs of the workforce will be even more closely knitted into workplace experience strategies, especially for organisations that haven’t yet fully embraced this approach. Whether it’s building better accessibility, designing for neurodiversity or creating [intentional meeting points](#) to encourage spontaneous interactions, these strategies will have human needs at the heart.

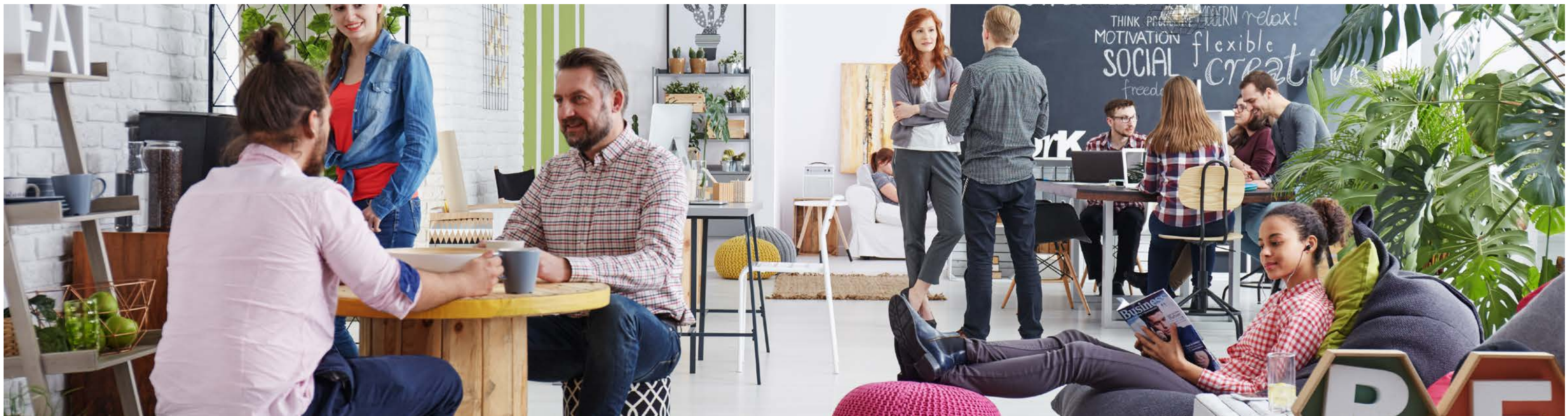
Spaces will continue to be optimised to minimise carbon footprints through renewable energy sources,

the adoption of energy-efficient technology, the promotion of a circular economy and sustainable building certifications like [NABERS](#) or [BREEAM](#).

Workplaces are still seeing a significant drop-off in occupancy on Fridays. According to [Centre for Cities](#) (2024), London offices see 40% attendance on Fridays —a 21-percentage-point reduction relative to the Tuesday-Thursday average. Several prominent global companies now require their employees to be in the office full-time or nearly full-time. Companies that have not yet mandated attendance on Fridays will continue to explore creative ways to boost

occupancy on that day or find alternative uses for the office space. For facilities management, this means more flexible, demand-led services that can scale in line with occupancy throughout the week.

The four-day work week and the [metaverse](#) remain peripheral discussions that will likely gain momentum in future years. These will be discussed in conjunction with concerns over growing levels of burnout and digital overload in the workforce.





PHYSICAL

05. Simplification of ESG

After a year of newsworthy climate impacts there will be a sharper focus for Environmental, Social and Governance (ESG) in 2025. With the reality of net zero targets becoming closer, the need for action is becoming more urgent and higher on boardroom agendas.

We expect a reset on sustainability-related policy, increasing disclosure requirements and a greater focus on physical climate risk. ESG will, therefore, be increasingly focused on data rather than initiatives, with governance risk and climate impact risk driving this change.

Organisations are now shifting from target setting and implementing low-cost initiatives to taking concrete action and ensuring data integrity. Facilities managers need to be ready to support organisations with these ambitions. In 2025, we anticipate more FM-facilitated advanced benchmarking of ESG performance across industries and supporting boardroom discussions on allocating budget for decarbonisation and capital projects.

There will be a stronger emphasis on the “S” of “ESG” in 2025. In addition to a continued focus on creating healthy and inclusive workplaces, facilities managers can help organisations enhance their impact in local areas by sourcing services from ethical and sustainable suppliers. They can also support through conducting needs analysis assessments of local communities and designing an effective social value strategy that prioritises initiatives that truly support the needs of local people.

PHYSICAL

06. Cost savings

According to a CBRE survey of facilities management industry experts, cost and value for money will continue to be the top drivers of FM purchasing decisions in 2025. Though it's easier to realise savings on newer contracts, facilities managers are well-positioned to deliver high-quality services whilst cutting costs on mature FM contracts.

We'll see innovation and cost savings go hand in hand in 2025 – it will be those organisations who invest the most who will have the most to gain. This will be especially true of digitisation, where implementation of solutions at pace and scale will realise the greatest benefit. Cost will also remain a strong driver of ESG initiatives; facilities managers who can demonstrate the cost benefits of ESG activities will help organisations reach net zero targets more quickly.

A challenge to the ability of facilities managers to support cost savings is the National Insurance increase, as outlined in the current Government's budget scheduled to take effect in April 2025. As a result, facilities management providers will seek innovative strategies to mitigate its impact on employment opportunities and service quality.

What will the key decision drivers be when purchasing facilities management services in 2025?

We surveyed 60 industry experts to canvas their views on key factors that will influence FM purchasing decisions in 2025, and 77% of respondents listed cost and value for money as the top driver. 27% thought sustainability would remain a driving factor. Service quality, innovation, partnership, workplace experience, technology, flexibility and data/insight were also cited as important drivers

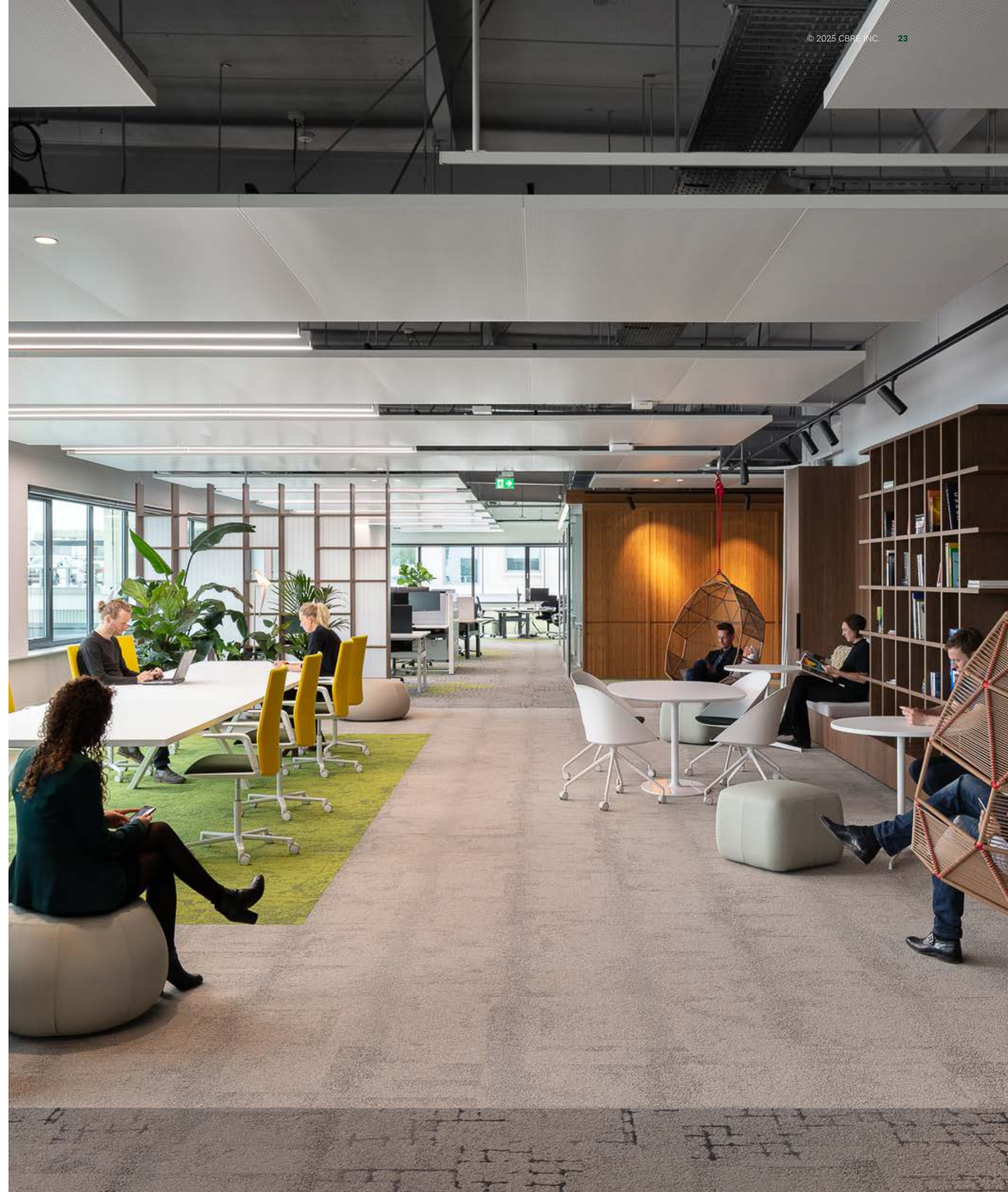
HUMAN

07. The next generation workforce

The influx of Gen Z into the workforce is reshaping workplace expectations and will continue to do so in 2025. With at least five generations in workplaces¹, companies must adapt to meet the needs of a multigenerational workforce, balancing the expectations of different age groups. Workplace experience and design have a big role to play in supporting the collaboration of generations in the workplace.

Gen Z's expectations of the workplace are different from those of the generations before them. They are accustomed to personalisation-at-scale in every other aspect of their lives, and work is no different. Equally, an enforced five-day office attendance is generally seen as less attractive by younger generations, so this debate is likely to continue rumbling in 2025 with companies needing to decide their position in the context of their future workforce.

Wrapped up in this trend is the growing need to digitally reskill the workforce, [address the skills gap](#) and continually enhance the capabilities of facilities managers to meet the needs of new buildings. AI is changing job types, necessitating more digitally literate facilities management professionals. The [Government's newly formed skills board](#) recognises the fractured skills landscape and could prove useful in driving next generation talent into engineering and facilities management careers across the whole of the UK.



¹Five Generations at Work: How We Win Together, For Good by Rebecca Robins and Patrick Dunne

HUMAN

08. Rethinking workplace metrics

In 2025, we will continue to see an evolution of traditional measures of workplace performance. We will see a move from efficiency measures, like desk density and sharing ratio, to effectiveness measures such as utilisation and employee sentiment or satisfaction. Total cost of occupancy will become a common and crucial measure of estate performance and a valuable data asset that facilities management can deliver to their clients.

We are also predicting a shift towards improved data analytics and advanced connectivity between previously unlinked sets, specifically correlating FM performance and its impact on the workforce or business performance. For example, escalators and lift uptime can be linked to footfall or retail sales.

New metrics that measure employee experience, organisational dynamics and ESG are also gaining prominence and will become more common in 2025.



HUMAN

09. Supply chain designed for strategic impact

As the needs of organisations evolve, their FM supply chain needs to be able to flex and adapt synchronously, continuously delivering improvements.

Whether it's instigating technological innovation and service efficiencies or aligning with ESG ambitions and delivering diverse spend, fostering differentiated partnerships will remain crucial. Whilst being an important source of innovation, with a greater emphasis on reducing scope 3 emissions in 2025, suppliers also need to be accountable for their environmental impact.

In today's fast-paced marketplace, organisations need a facilities team that that fosters a culture of proactively identifying advantage – and evolving solutions to keep at them at the cutting edge. Whether organisations are targeting efficiencies, cost savings, smart solutions or other innovations, facilities supply chains in 2025 will be designed to deliver strategic impact.

Sofie Hooper, Head of Policy and Research at [IWFM](#) predicts

“Having hailed 2024 as the year ‘the tide is turning’ driven by lower inflation and investments in the ‘right’ areas, 2025's waters are looking better set to lull than to surf. We're expecting facilities budgets to be tightening against a backdrop of rising employment costs and new employment rights – both likely to impact inflation rates.

Workplace and facilities managers will continue to press value for money while wanting to reduce their risk. Increased outsourcing is the likely beneficiary of this, with tailored and agile solutions part of the package, whatever the chosen model.

While we are expecting organisations to reduce their area of space managed as contracts come up for renewal, we also expect ongoing investment in the workplace experience and quality of service delivery. Alongside this, we anticipate a steady increase in technology investment, in part to meet the efficiency and decision-making gains needed and to mitigate employment costs.

Sustainability and carbon solution measures are likely to be an ongoing recipient of investment, especially where organisations are well into their net zero journey.”

The final word

The outlook for 2025 is extremely positive for the facilities management industry. The economy is improving, facilities managers are empowered through more usable data than ever before, and the industry is flooded with innovation.

If we've learnt anything from the past few years, it is that the industry can adapt and deliver, even in the most testing conditions. The industry will need to remain resilient and flexible, planning for whatever is around the corner. But the good news is that the industry is being given leeway to focus on addressing future-facing problems rather than reacting to the uncertainty of recent years.

Organisations are becoming more insistent on working with facilities management providers who deeply understand the idiosyncrasies of their business, industry and facilities. FMs will become more effective at articulating their industry-specific experience and products to meet this demand. This will go hand-in-hand with partnership as the most important driver of facilities management success. People are the heart of facilities management, and this will remain even more pertinent in 2025 as organisations demand more value from their facilities budgets.

The facilities management industry will continue to thrive in 2025 by embracing big data, human-centric design, and digital transformation. Staying ahead in 2025 will ultimately rely on an ongoing and passionate commitment to delivering exceptional value to organisations.



How can we help?

For further information, please contact:



**Kevin
Lynn**

Global Workplace Solutions | UK
+44 7932 448 238
Kevin.Lynn@cbre.com

**Anna
Fowler**

CBRE | Global Workplace Solutions | UK
+44 7795 686 552
Anna.Fowler@cbre.com

**Graeme
McClelland**

CBRE | Global Workplace Solutions | UK
+44 7891 568 707
Graeme.McClelland@cbre.com

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