

MEA Facility Management - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

<https://marketpublishers.com/r/M3A9B5A0E724EN.html>

Date: July 2024

Pages: 139

Price: US\$ 4,750.00 (Single User License)

ID: M3A9B5A0E724EN

Abstracts

The MEA Facility Management Market size is estimated at USD 53.73 billion in 2024, and is expected to reach USD 74.59 billion by 2029, growing at a CAGR of 6.78% during the forecast period (2024-2029).

Private and public projects, including construction, infrastructural, and energy projects, are creating a massive demand for facility management services in the Middle East. The regional market is characterized by the integration of technologies, such as computer-aided facility management (CAFM) and building management systems (BMS), which are anticipated to take center stage along with remote monitoring, internet of things, mobile solutions, robotics, and AI to ensure the viability of FM contracts, particularly outsourced facility management services.

Key Highlights

Driven by the growing emphasis on cleaning, disinfection, space management practices, and several ongoing infrastructural projects, the facility management market is anticipated to grow steadily during the forecast period. The region's extreme climatic conditions have further necessitated the use of hard and soft facility management services.

Saudi Arabia, the United Arab Emirates, and Qatar can be identified as critical growth areas for the facility management market in the region, owing to their increasing demand for commercial real estate. The intensifying competition between Dubai and Saudi Arabia to host global companies has resulted in relaxing taxation and ensuring the provision of a supportive business ecosystem in the region. With the influx of

businesses, the area is expected to see a boost in demand for facility management services.

Furthermore, the economic development of various countries in the region has positively influenced the studied market. Current market dynamics highlight the increasing demand for outsourcing facility management services, moving away from in-house services. In addition to this, favorable government support is helping to induce large-scale infrastructural development through monetary aid and policies designed to steer the demand for facility management services.

With regional regulatory bodies outlining how real estate owners and developers should optimize their assets, the demand for FM services is rising. However, with the increased cost of hiring and the lack of a skilled workforce, the regional market players are engaging in partnerships and acquisitions to pool talent and deliver long-term contractual obligations.

The COVID-19 pandemic has highlighted the need for facility management services such as cleaning and sanitation services as part of the hygiene protocol across the healthcare sector, accelerating the demand for soft facility management services. The demand side further presents a new opportunity for several companies to redesign their policies and tailor their offerings to include hygiene maintenance.

MEA Facility Management Market Trends

The Outsourced Facility Management Segment is Driving the Market's Growth

The Middle East and Africa outsourced facility management segment is still in the growth stage compared to more established and mature markets. The increasing emphasis on adopting green buildings across sectors, such as retail and real estate, is expected to stimulate the growth of outsourced facility management in the region. For instance, EchoStone announced plans to build 182,000 affordable, certified green buildings in Lagos, Nigeria, by 2023.

The growing use of facility management in commercial buildings and industrial projects is driving the growth of outsourced facility management, including soft services. One of the major factors driving the facility management market in the Middle East is growing construction activity. For instance, Saudi Arabia has invested heavily in constructing railways, roads, ports, and airports. Thus, outsourced facility management services are anticipated to bring new opportunities to the market for large-scale projects.

Outsourced Facility management services across the region are growing owing to several megaprojects currently being undertaken. KSA is working on most development projects in the country's commercial sector. With continuing investment and technological enhancements, Saudi Arabia invests in diverse projects. Saudi plans to invest approximately USD 1 trillion in its non-hydrocarbon industry by 2035. Some key projects include Qiddiya Entertainment City, King Abdullah Financial District, Neom, the Red Sea Project, and Amaala.

Qatar National Vision (QNV) 2030 is a long-term economic development plan. Qatar invests heavily in infrastructure programs focused on its non-oil and gas sectors. The Ministry of Transport and Communications (MoTC) functions as the primary regulator of the transportation sector, overseeing the work of individual transport operators and project owners, and creates an opportunity for the vendors' outsourced facility management services.

Additionally, in collaboration with its government and private sector, Qatar is working on central rail and expressway projects, the recent opening of the new commercial seaport and significant capacity upgrades at Hamad International Airport (HIA), logistics flows, and multimodal transportation networks are being developed at a remarkable pace. To support these construction projects, facility management services are expected to be outsourced. This will drive new growth opportunities in the facility management market.

The Commercial Segment is Expected to Dominate the Market

As regional companies recover from the pandemic and instruct employees to return to the office, the vacancy rate will decline in commercial spaces. The demand for soft facility management services in the region has witnessed a significant spike, focusing on cleaning services to disinfect office spaces and maintain hygiene protocols.

The inflow of investments from foreign companies in different sectors has positively attributed to the growing need for offices boosting the commercial real estate sector. Furthermore, the demand for the commercial real estate sector in the region translates to a higher requirement for facility management services for maintenance and cleaning, among others.

Moreover, the increase in office buildings also demands facilities management. For

instance, Reem Mall in Abu Dhabi marks one of the megaprojects to boost the commercial retail sector by facilitating more than 450 stores for retail, a hypermarket, a multiplex cinema, and two food courts, supporting commercial food outlets. Several such projects are under construction in the GCC and Northern African countries.

Kuwait is a fast-emerging IT hub in Middle East and Africa. With its 2035 Vision, Kuwait is poised to become the area's financial and commercial center. The rapid development of IT hubs in Kuwait directly influences the country's demand for facility management services.

Cairo remains the primary activity center in developing Egypt's commercial real estate sector. The lifting of lockdown restrictions has increased the mobility of people and organizations, allowing them to re-convene work from the office, which is also set to increase the occupancy rate in the country. Furthermore, the entry of several foreign organizations into the Greater Cairo region has boosted the demand for office space. It is expected to have a strong positive impact on facility management services.

The retail sector in the GCC has faced unprecedented levels of demand in the recent past, where developers and retailers have benefited from strong economic growth and surging footfall numbers. The demand in both Abu Dhabi and Dubai is likely to remain strong. Rental rates are anticipated to increase, with a moderate rate of rental growth in both Abu Dhabi and Dubai.

MEA Facility Management Industry Overview

The Middle East and Africa facility management market is fragmented, with many players having decades of industry experience. These FM vendors are incorporating competitive strategies by leveraging their expertise and are significantly investing in advertising. The market is dominated by regional players such as EFS Facilities Services Group, Emrill Services LLC, Farnek Services LLC, and Sodexo, Inc. Local players are offering competitive pricing, reducing the suppliers' bargaining power and giving buyers an option to switch their facility management vendors with minimal switching costs.

September 2023: The CFAO Group, a player in the fields of mobility, infrastructure, healthcare, consumer, and energy in Africa, became a key partner in Africa's infrastructure sector by implementing affordable and sustainable development as part of

its With Africa For Africa mission. The aim is to contribute more to addressing the challenges by focusing on sustainable infrastructure, renewable energy, and facility management solutions in the region.

May 2024: Crystal Facilities Management, which delivers cleaning services, introduced innovative solutions to help drive integrated facilities management services and consultancy to the KSA. The company offers commercial cleaning, contractor cleaning, office cleaning, security, pest control, waste management, and janitorial services in Riyadh, Saudi Arabia, helping clients achieve their objectives. The company announced that it is leveraging its industry experience to deliver high-quality IFM solutions that will drive positive change through consultation, design, and delivery of facility management services.

Additional Benefits:

The market estimate (ME) sheet in Excel format

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