



IFMA[®]
International Facility Management Association

IFMA Facility Management Pulse Report

OCTOBER - DECEMBER 2025

A quarterly snapshot of global facility management trends
and the latest Facility Management Workload Index





The International Facility Management Association

Founded in 1980, we are the world's largest and most widely recognized international association for facility management (FM) professionals, supporting over 25,000 members in more than 100 countries.

This diverse membership participates in focused component groups equipped to address their unique situations by region, industry, and areas of interest. Together they manage more than 839 billion square feet of property and annually purchase more than US\$774 billion in products and services.

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About the Simplar Foundation

The Simplar Foundation is a collaborative team of faculty and researchers who specialize in facility organizational assessment, performance measurement and analytics, process improvement, and advanced procurement delivery systems.

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IFMA Facility Management Pulse Report

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Introduction



Michael V. Geary, CAE

President and CEO
International Facility Management
Association

One of the most important areas in which IFMA is guiding the facility management profession through shifting business trends and risks, advancing FM knowledge of process and practice improvements, and increasing understanding of FM's impact on operational efficiency and facility performance is research and benchmarking.

IFMA examines topics that carry the greatest urgency and opportunity for the profession, collaborating on a global, multisector scale with subject matter experts and practicing facility managers. Our applied research and benchmarking reports serve to provide FM and the wider buildings industry with tools to track trends, evaluate and elevate facility performance, measure and justify costs, and optimize operations for compliance and competitiveness.

At the intersection of all built environment disciplines, facility management is a uniting force, leading mission-critical roles to manage new realities, prepare for future concerns and bring a higher level of excellence to organizations worldwide. An FM's ability to anticipate and adapt to emerging risks and trends is vital to ensuring resilient, flexible, progressive built environments.

IFMA is pleased to introduce our inaugural FM Market Pulse report, giving facility professionals the strategic foresight to skillfully navigate and capitalize on evolving risks and demands. It includes the new Facility Management Workload Index (FMWI), providing insights into how various aspects of the industry are trending. This is of immense value in understanding current drivers, challenges and expectations across regions and sectors. It helps ensure that FMs and their organizations are not caught off guard by factors influencing market dynamics, but are better prepared to respond to supply and staffing issues, scope changes, economic conditions, regulatory impacts, and other risks and opportunities.

Knowledge shapes strategy. Broadening knowledge with insights grounded in real-world data and expert analysis drives smart decision-making. Published quarterly, IFMA's Pulse report offers a comprehensive look at what FMs globally are experiencing to help you determine whether your organization is keeping up, outpacing or falling behind — and how to proceed.

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+43

Facility Management Workload Index

The FM landscape is gearing up for more work, measured budget increases, and widening regional differences.

Executive Summary: What You Need to Know

Facility organizations will enter the next six months with a generally higher workload, modest budget growth and a more deliberate approach to staffing and project risk. A central feature of this report is the new Facility Management Workload Index (FMWI), which condenses workload expectations into a single number on a scale from -100 to +100. The index is calculated from a question asked of facility professionals worldwide about whether they expect their overall workload to increase, decrease or stay about the same. Scores above zero mean more respondents expect increases than decreases, and the farther from zero, the stronger the lean. The FMWI provides a consistent barometer across sectors, regions and future survey waves, giving FM leaders a simple way to compare conditions and track change over time.

The inaugural FMWI reading is +43, which means more facility professionals expect overall workload to rise than to fall. Workload expectations are not uniform. Respondents in Latin America, Africa and parts of Asia-Pacific report the highest FMWI values, indicating stronger expected workload increases. North America sits in the middle, while Europe is somewhat lower. By sector, higher FMWI values appear in transportation and warehousing; utilities; public administration; manufacturing; and professional, scientific and technical services. Lower values appear in information and accommodation and food services. Workload expectations also climb with portfolio size and leadership responsibility, peaking among very large portfolios and multilevel managers.

Budget expectations are steady to slightly higher. Roughly four to five in ten respondents anticipate increases in both operations and management (O&M) and capital expenditure (CapEx) budgets, most often in the 5%–10% range. Around one-quarter expect no significant change, and just over one-quarter foresee reductions. O&M shows a slightly stronger upward trend than CapEx, suggesting that funding for day-to-day operations may have more room to grow than do new capital programs. Regionally, Africa respondents report the strongest increase signals; Europe and North America cluster near “no change,” with a balance of increases and cuts; Asia-Pacific leans modestly positive; and Latin America has the most downward pressure on both operating and capital budgets.

Staffing plans emphasize stability and targeted growth. Backfilling only (24%) and increasing net headcount (24%) are the most common responses, followed by using none of the provided options (21%), freezing hiring (17%) and reducing headcount (14%). Vacancies are generally modest but uneven. Housekeeping and technician roles

2/3

of FM programs feel tariff and trade impacts.

in educational services and the other-industries category have the highest estimated vacancy rates (often above 8%), whereas finance and insurance, manufacturing, and public administration sit at the low end. The average time to fill a critical role is about 3.7 months, and nearly half of organizations report that it typically takes more than three months. Regionally, Africa, Latin America and parts of Europe face the longest hiring timelines and higher vacancy levels, whereas North America remains comparatively well staffed and Asia-Pacific is closer to the global average.

To manage workload and skill needs, many FM teams continue to lean on contractors. For example, 37% of respondents report increasing their use of outsourcing, 43% report no change and 18% report a decrease, resulting in a net shift of +19 percentage points toward more outsourcing. The trend is strongest in utilities; health care; educational services; and professional, scientific and technical services and in regions such as Africa and Latin America, where more than half of respondents report increased use of outside providers. This pattern reflects a strategy of using contractors to cover gaps in staff capacity, access specialized skills and manage peaks in workload.

On the financial decision side, approval cycles have become more cautious. Over half (54%) of respondents say budget-approval times are unchanged, but about one-third (33%) report longer cycles and only 11% report shorter cycles; a small share cite frozen approvals. The resulting approval-cycle balance is -21 points, indicating a net shift toward slower approvals. Capital-project pipelines are more stable: 34% of respondents describe their pipeline as stable, 24% as expanding and 16% as shrinking, for a pipeline expansion balance of +8 points. Vendor respondents reinforce this view, with about 53% expecting a slight increase in client demand over the next year.

Tariff and trade shifts have affected most facility programs. Roughly two-thirds (65%) of respondents report at least one impact in the past six months, whereas about one-third report no changes. The top responses are increased project budgets or added contingencies (33%), rescope projects (30%), deferred projects (26%), changed vendors (21%), shifted sourcing to domestic or regional suppliers (20%) and accelerated orders ahead of expected changes (17%). These results point to active risk buffering and supply adjustment rather than widespread cancellations.

Project delivery and risk remain a significant concern. Only 10% of organizations report that all projects are on schedule. Most report that 1%–40% of projects are delayed, and about 17% report that more than 40% or all projects are delayed. The leading causes of delay are scope changes (51%) and supply chain issues (49%), followed by permitting and regulatory approvals (34 percent) and funding delays (32 percent). Quality issues and safety incidents are rarely cited as primary drivers. In response to delays, organizations are updating contract terms to better manage volatility and digital risk, most often by adding data security

FM leaders must plan early, protect budgets, and align sourcing to stay ahead of rising demand.

or cybersecurity requirements (55 %); price-escalation clauses (47 %); sustainability or environmental, social and governance (ESG) provisions (45 %); and shorter price-hold windows (30 %), along with strengthening bonding, incentives, and digital-information clauses.

What the Findings Mean for FM Professionals

- Plan for steady workload. Use the FMWI with the approval and pipeline balances to decide how quickly to release O&M and CapEx work, especially if in a region or sector with a higher activity score.
- Plan for long hiring timelines. Because the average time to fill is nearly four months and technician vacancies are elevated in several sectors and regions, stage backfills and critical hires early. Use targeted outsourcing to bridge gaps in skills and capacities.
- Protect budgets and project schedules. Expect cautious approvals and moderate budget growth. Tighten scope control; build realistic material and lead-time assumptions into plans; and use price-adjustment mechanisms, shorter holds and data-security clauses where volatility is high.
- Match sourcing strategies to tariff and supply exposure. Maintain backup suppliers and domestic or regional options when trade exposure is significant, and reserve contingencies for projects that are sensitive to lead time and cost swings.
- Monitor regional and sector hotspots. Respondents in Latin America, Africa, and parts of Asia-Pacific report stronger workload growth and more outsourcing, whereas Europe respondents report slower activity and higher staffing challenges. Education and the other-industry sectors carry more vacancy and delay risk, whereas transportation, utilities and public administration have stronger workload signals.

Overall, this quarter's report presents a profession that is preparing for continued workload growth and measured budget support, tempered by slower approvals, selective staffing gaps and persistent delivery friction. Facility leaders who sequence work carefully, line up capacity early and strengthen contracts and sourcing will be best positioned to convert near-term demand into reliable outcomes.

About the Survey

The findings in this report are based on more than 1,400 responses to IFMA's Q3 2025 Facility Management Index and Economic Pulse Survey. The sample includes nearly 1,200 facility professionals, 200 vendors or service providers and a small group of respondents in other roles. Results presented in this report focus primarily on the FM respondents.

Respondents work in 80 countries across North America, Latin America, Europe, Africa, the Middle East, and Asia-Pacific and represent a wide range of industry sectors, such as professional, scientific and technical services; public administration; finance and insurance; healthcare; education; manufacturing; and utilities.

FM respondents who reported square footage manage a total of about 3.2 billion square feet (about 300 million square meters) of space. The median FM respondent oversees roughly 400,000 square feet (about 37,000 square meters), with many managing multisite and campus portfolios in the multimillion square foot range. Among those reporting years of experience, about 70% have more than 10 years of experience managing FM work, and a significant share have more than 20 years of experience in the field. Roughly half of the respondents are IFMA members, and the remainder are nonmembers, providing a mix of association-engaged and broader-market perspectives.

Market Analysis



Facility teams everywhere are managing rising expectations with limited resources. This part of the report looks at how facility professionals see the next 6–12 months: whether work is expected to increase or slow; how budgets are expected to shift; and what adjustments organizations expect to make regarding travel, staffing and project plans.

THE FOLLOWING ARE KEY FINDINGS:

- **Facility Management Workload Index:** +43. Respondents expect overall FM workload to increase over the next six months.
- **Budgets:** Slight increases expected. The data suggest modest additional funding rather than a large increase.
- **Staffing direction:** Many teams plan to restore or hold capacity. Most indicated they would backfill only (24%), increase the headcount (24%), freeze the headcount (17%) or reduce (14%) the headcount.
- **Tariff and trade impacts:** About two-thirds (65%) report at least one impact; about one-third report no changes. Common adjustments include added contingencies (33%), rescoping (30%), deferring projects (28%), changing vendors (21%) and shifting to domestic or regional suppliers (20%).
- **Sector patterns:** The largest expected workload increases are in public administration; manufacturing; professional, scientific and technical; and finance and insurance. Budget increases are most evident in finance and insurance and in public administration. Manufacturing CapEx trends are slightly down.

1.1 Tariff Impacts and Trade Changes

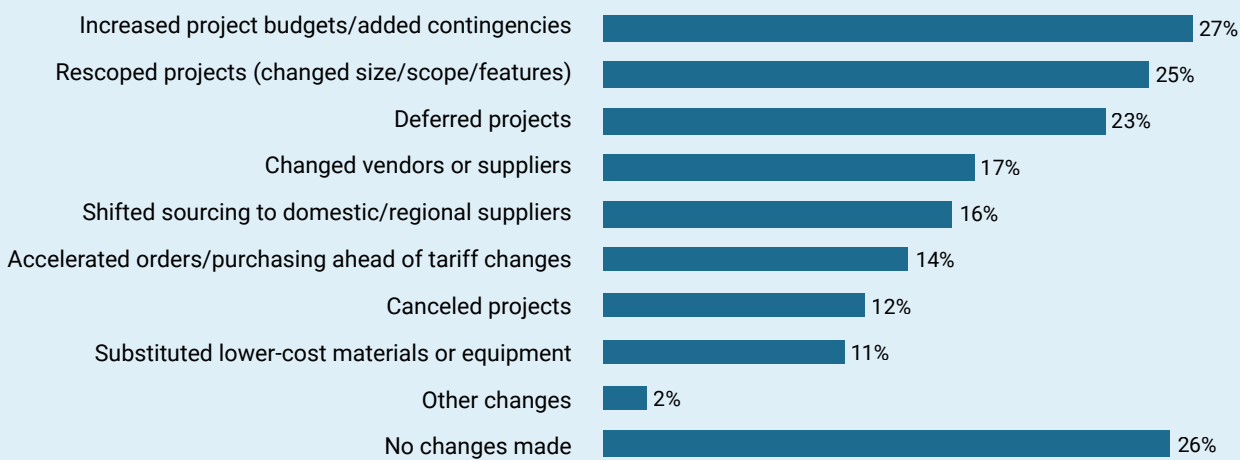
Over the past six months, tariff and trade shifts have affected most facility programs in some way. Nearly two-thirds (65%) of respondents reported at least one impact, about one-third (31%) saw no changes and 5% were unsure if they were affected. The most common responses point to budget protection and scope control: 33% increased project budgets or added contingencies, 30% rescoped projects and 26% deferred projects. Supply strategies adjusted as well, with 21% of respondents changing vendors, 19% shifting sourcing to domestic or regional suppliers and 16.9% accelerating orders ahead of expected changes.

In general, organizations are primarily buffering cost and risk (contingencies, scope, timing) while making targeted adjustments to sourcing (see Figure 1.1). The distribution of responses indicates broad operational impacts rather than isolated exceptions, and regional variation aligns with market-specific exposure and supply routes.

Respondents who selected “other changes” described a range of smaller but meaningful adjustments, including the following:

- Increased controls on spending and tighter internal approvals
- Extended project timelines to manage delays and higher costs
- Introduced surcharges or tracked tariff costs separately to isolate impact
- Reduced external consultancy to keep work in-house
- Outsourced labor to offset material or import increases
- Shifted some projects to the next annual plan while prioritizing critical maintenance

Figure 1.1: Tariff and Trade Changes



1.1.1 Industry Sector

Tariff and trade shifts have affected nearly every industry, though the intensity and type of impact vary widely. Across most sectors, roughly one in five organizations adjusted project scope, budgets or sourcing strategies in response to changing trade conditions (see Figure 1.2). Appendix B provides detailed tariff impacts and trade changes for 57 industry subsectors.

Almost all sectors have been affected. Nearly all sectors show some level of disruption; few respondents reported experiencing no change. Even respondents in service-based sectors, such as professional and scientific and public administration, indicate notable adjustment rates across multiple categories.

Project budgets adjustments and contingencies are the common response.

Increased project budgets or contingencies was among the most common effects in nearly every industry, reaching about 18%–20% in education, public administration and religious/civic organizations.

Projects are rescope and deferred. Rescoped projects and deferred projects consistently range from 10% to 18% across industries, suggesting facility leaders are moderating demand rather than canceling projects outright.

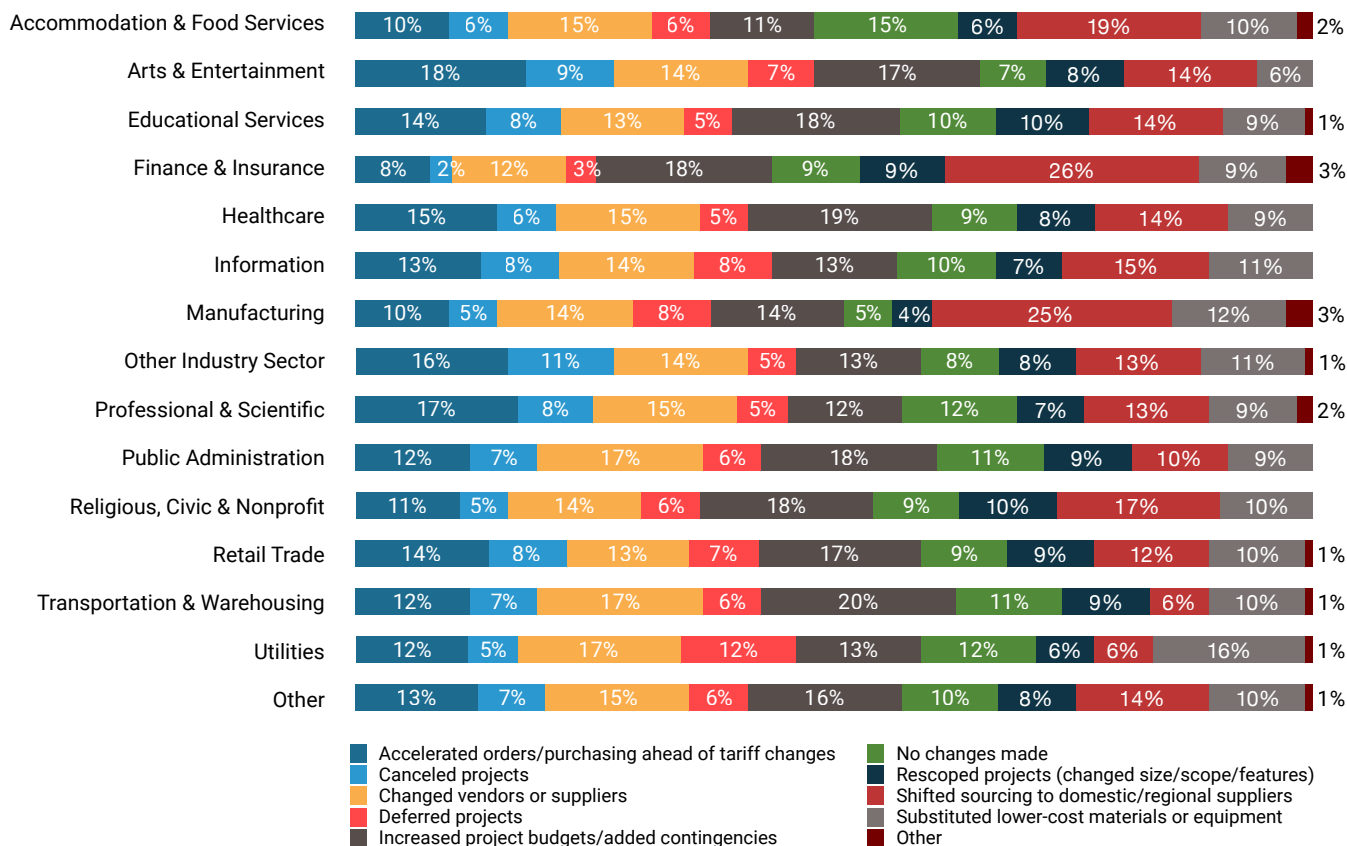
Some suppliers are more likely to change vendors.

The finance/insurance, manufacturing and healthcare sectors show higher rates of changed vendors (up to 27%, in finance) and shifted sourcing to domestic/regional suppliers, reflecting deeper supply chain sensitivity.

Effects are pronounced in asset-heavy sectors.

Manufacturing, utilities and transportation and warehousing had elevated responses across several categories, which isn't surprising for industries reliant on imported materials, specialized equipment or cross-border logistics.

Figure 1.2: Tariff Impacts by Industry Sector



1.1.2 Region

Tariff and trade shifts are affecting facility portfolios in every world region, though the balance between project deferrals, budget increases and sourcing changes varies noticeably from one market to another (see Figure 1.3). Appendix L (Regional Definitions) provides a detailed breakdown of various regional classifications..

Disruption is present everywhere. Respondents in every region report tariff-related changes across multiple categories. The answer “no changes made” is relatively low in Africa and Latin America (7%–10%) and is highest in Europe and Asia-Pacific (around 18%–19%).

Deferred and rescoped projects are common in all regions. Deferred projects cluster around the midteens and are most prevalent in Latin America (19%). Rescoped projects are most common in Europe (19%) and are also elevated in Africa and Latin America (about 14%–16%).

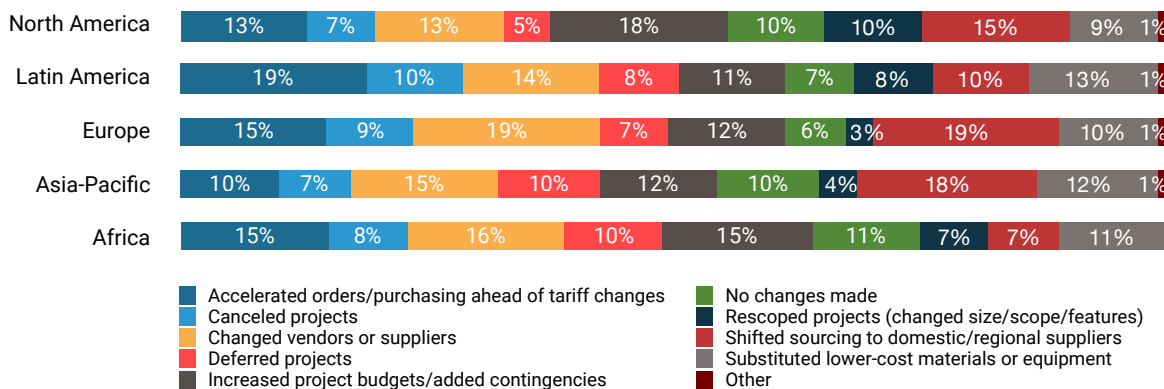
North America respondents lean most on budget increases. North America shows the highest share of increased project budgets/added contingencies (18%), has moderate levels of deferred and rescoped projects and has relatively low cancellations (7%).

Africa respondents report broad, active adjustments rather than inaction. Africa has midteen levels of deferred, rescoped and higher-budget projects, and only 7% of respondents reported not making changes. These findings indicate respondents are making widespread adaptations instead of waiting out conditions.

Respondents in Europe and Asia-Pacific are more likely to report no changes but still adjust project scope. In both regions, nearly one in five respondents report no changes, yet respondents in these areas, especially in Europe, also show solid use of rescoping and budget increases.

Vendor and sourcing shifts are significant but secondary levers. Respondents in all regions change vendors or suppliers about 9%–13% (with the highest rates in Latin America and Asia-Pacific). Shifting sourcing to domestic or regional suppliers typically is in the single- to low-double digit range, indicating targeted rather than wholesale supply-chain redesign.

Figure 1.3: Tariff Impacts by Geographic Region



1.1.3 Facility Size

Across facility sizes, tariff and trade impacts are widespread, with organizations of every size adjusting projects, budgets and sourcing (see Figure 1.4). The following are key patterns:

Facilities of all sizes have been disrupted.

Every facility-size band shows meaningful response activity, and roughly 6%–13% of the respondents report no changes, indicating that very few portfolios are untouched.

Budgets, scope and deferrals are the primary levers. For nearly every size category, the top responses cluster around increased project budgets/contingencies, rescoped projects and deferred projects; the frequency of each response is typically in the midteens. Portfolios in the 2–3 million square foot range (about 185,800–278,700 square meters) have the highest share of budget increases, at around one in five.

Smaller facilities lean more on vendor changes.

Facilities under about 250,000 square feet (about 23,200 square meters) most frequently change vendors or suppliers, often at a rate approaching 19%. These facilities are also somewhat more likely to use lower-cost materials or equipment. These findings suggest that smaller sites respond more through vendor and product substitution than large-scale project redesign.

Very large portfolios show more sourcing resilience.

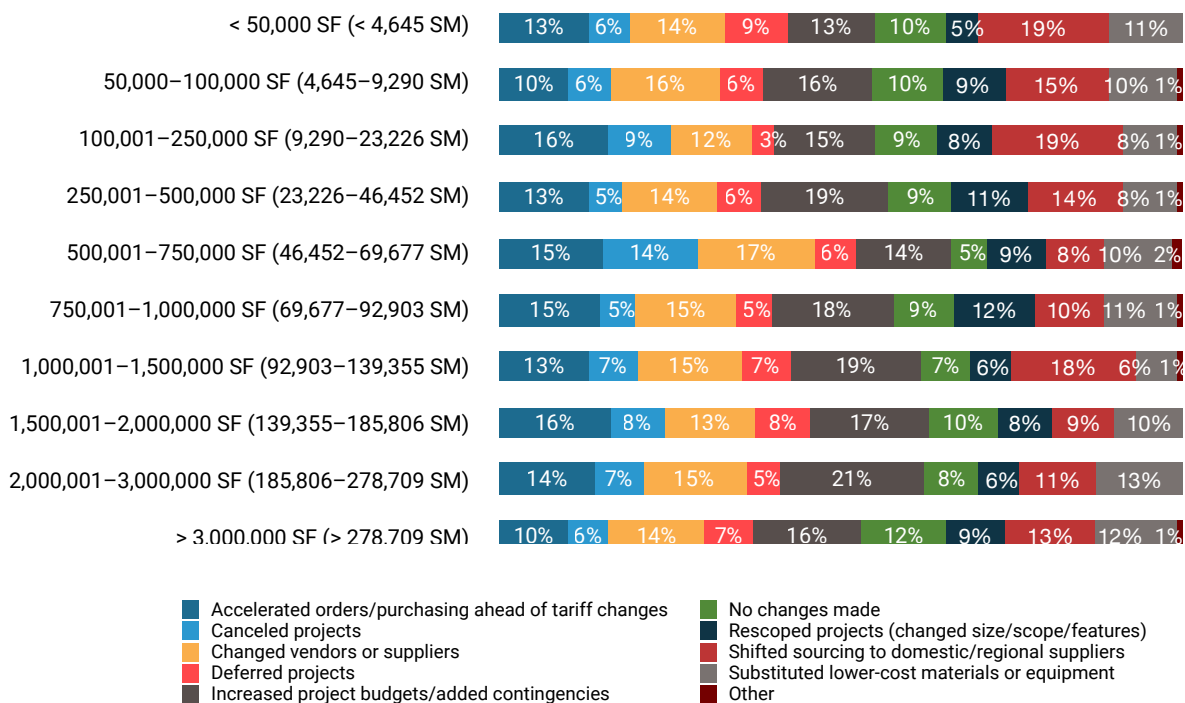
Campuses above 3 million square feet (about 278,700 square meters) are more likely to shift sourcing to domestic/regional suppliers and are slightly more likely to report no changes, implying that these facilities have more room to absorb cost swings within existing contracts or supply chains.

Cancellations are a minority response. Project cancellations remain lower than deferrals or rescoping across all sizes of facilities; other than a pea in the 500,000–750,000 square foot band (about 46,500–69,700 square meters), the rates stay in the single digits, indicating that most owners choose to adjust or delay work rather than stop it entirely.

Midsize facilities actively juggle timing.

Facilities between roughly 250,000 and 1 million square feet (23,000–93,000 square meters) have some of the highest rates of accelerated purchasing ahead of tariff changes, reflecting a tactical focus on timing buys to manage price risk.

Figure 1.3: Tariff Impacts by Geographic Region



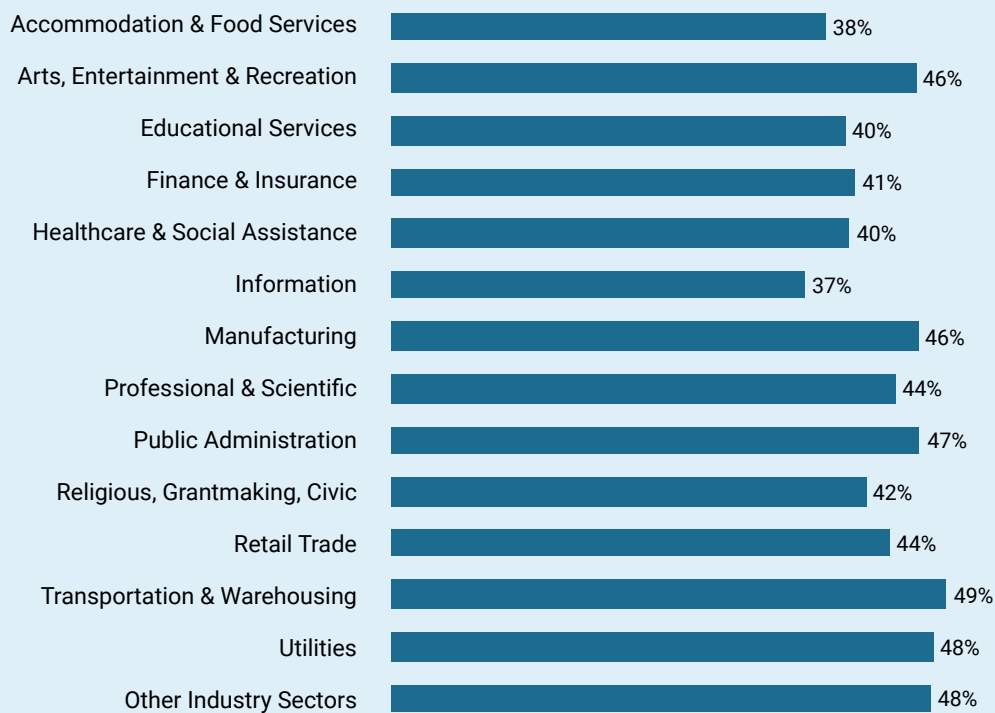
1.2 Workload Outlook: Introducing the FMWI

In this report, IFMA introduces a new metric called the Facility Management Workload Index (FMWI). It is a single measure that captures how facility professionals expect their overall workload to change over the next six months. It reflects sentiment about total activity levels, everything from daily operations and maintenance to renovation and project work. Scores range from -100 to +100. Values above zero mean more respondents expect workload to increase than to decrease. The current reading is +43 for all FM respondents.

1.2.1 Industry Sector

Respondents in all sectors expect workload increases, with the FMWI ranging from +36.5 to +48.9 (see Figure 1.5). The highest readings appear in transportation and warehousing (+48.9), utilities (+47.7), public administration (+46.6) and manufacturing (+46.4); lower readers appear in information (+36.5) and accommodation and food services (+38.3). In educational services, colleges and universities have higher scores than does K-12 (+40.2 vs. +38.5). In the professional services sector, architecture and engineering is the high point (+44.1) relative to other subsectors. In public administration, municipal scores are higher than federal scores, and county/parish scores are similar to municipal but have a smaller base. Appendix C provides a detailed breakdown of the FMWI by industry subsector.

Figure 1.5: FMWI by Industry Sector



1.2.2 Region

Expected workload increases vary by location (see Table 1.1). The highest score is at the global level (+42.6), followed by Africa (+48.1) and Asia-Pacific (+45.8). North America sits near the middle at +41.2, and Europe has the lowest projected activity at +39.8.

In North America, the U.S. South Central (+50.0) and Southeast (+48.0) have the strongest expected increases. Midrange scores appear in New England (+45.0), the Midwest (+44.2) and the Heartland (+42.5). Lower scores are seen in the North Central (+35.9), the Pacific (+37.3), Mountain (+37.1), the Northeast (+37.0) and the Mid-Atlantic (+39.5).

In Canada, Ontario is moderate at +41.1, while the scores in British Columbia (+36.4) and the Prairie Region (+40.5) should be considered with caution because of smaller sample sizes. A detailed breakdown of the FMWI by country is provided in Appendix D, and a breakdown of the FMWI by U.S. state is provided in Appendix E. Additional location-specific details are not available for other areas because respondent counts were too low.

1.2.3 Facility Size

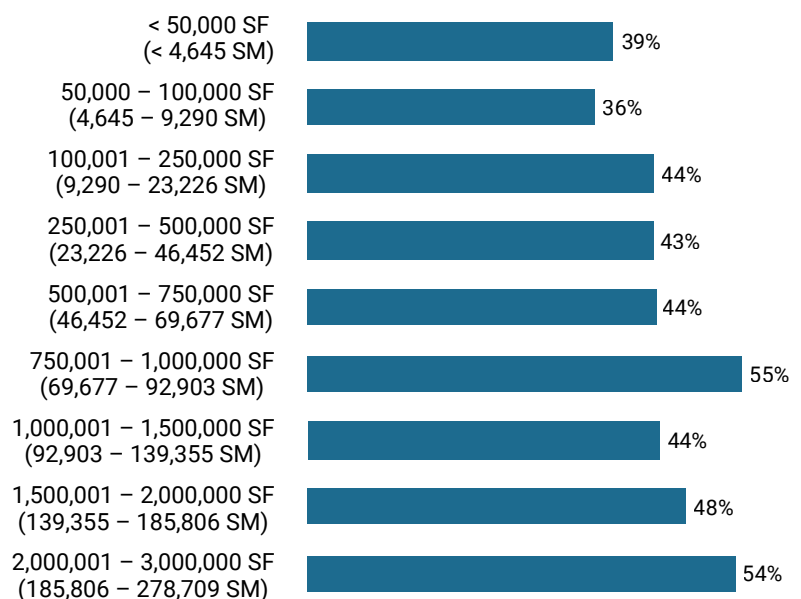
The FMWI score generally increases with facility size, indicating that larger portfolios expect greater changes in workload over the next six months (see Figure 1.6).

Scores are fairly steady across most midsize facilities (around +43), then rise notably for very large facilities: Respondents managing over 1 million square feet (~93,000 square meters) report the highest activity levels (+50 to +55). Facilities under 250,000 square feet (~23,000 square meters) have positive but somewhat lower scores, in the mid-30s to low-40s range.

Table 1.1: FMWI by Global, Canadian, and U.S. Region

Global Region	N	FMWI
Africa	79	48.1
Asia-Pacific	212	45.8
Europe	103	39.8
Latin America	42	54.8
North America	742	41.2
Canadian Region	N	FMWI
British Columbia	11	36.4
Ontario	45	41.1
Prairie Region	21	40.5
U.S. Region	N	FMWI
New England (CT, MA, ME, NH, NJ, VT, RI)	40	45.0
Northeast (DE, NY, PA)	46	37.0
Mid-Atlantic (DC, MD, NC, SC, VA, WV)	76	39.5
Southeast (AL, FL, GA, MS, TN)	75	48.0
Midwest (IN, KY, MI, OH)	60	44.2
North Central (IA, MN, MT, ND, SD, WI)	46	35.9
Heartland (IL, KS, MO, NE)	60	42.5
South Central (AR, LA, OK, TX)	60	50.0
Mountain (AZ, CO, ID, NM, NV, UT, WY)	66	37.1
Pacific (AK, CA, HI, OR, WA)	122	37.3

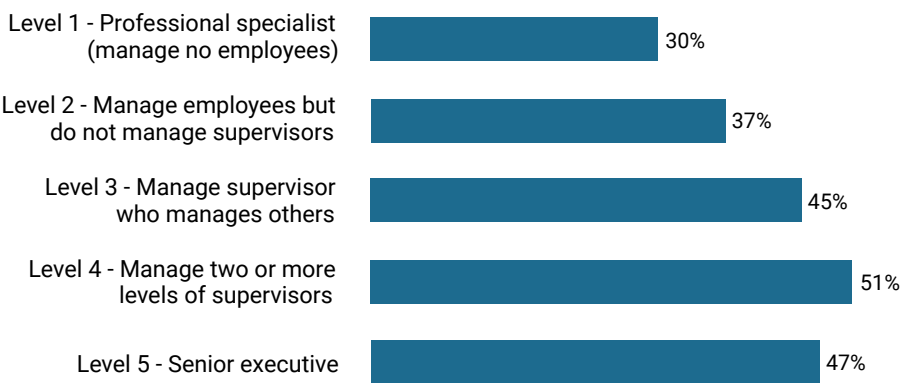
Figure 1.6: FMWI by Facility Size



1.2.4 FM Responsibility Level

Expected workload rises with organizational responsibility (see Figure 1.7). Level 1 specialists report a modest increase (+30.3), Levels 2 and 3 specialists expect larger increases (+37.3 and +45.3, respectively) and Level 4 managers who oversee multiple layers expect the largest increase (+50.8).

Figure 1.7: FMWI by Responsibility Level



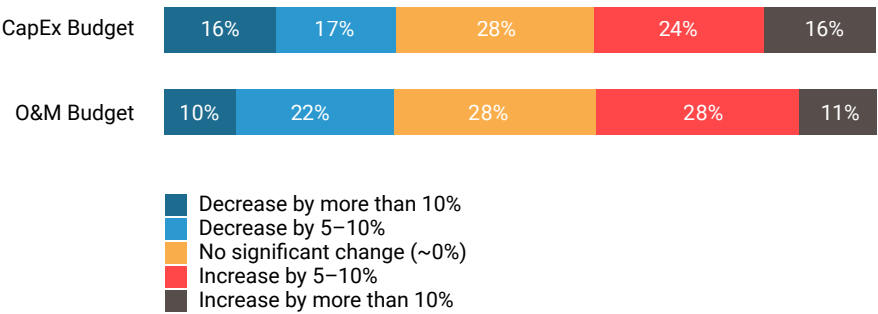
1.3 Budgets

Facility professionals report largely steady budget expectations, with mild increases. Roughly 40% of respondents anticipate increases in both O&M and CapEx budgets, most often in the 5%–10% range. Around 25% expect no significant changes, and a slightly larger share (33%) foresee reductions.

O&M budgets show a slightly stronger tendency toward growth; CapEx budgets are more evenly spread between increases and decreases. These findings suggest that though funding for day-to-day operations may expand modestly, capital spending will likely remain selective, focusing on essential renewals and deferred projects rather than new major initiatives.

Overall, the data point to a period of tight but manageable budgets—enough room for incremental improvements and necessary maintenance but not for broad expansion. Facility leaders should plan to prioritize and sequence work to make the most of limited new funding.

Figure 1.8: Anticipated Budget Changes Over the Next Six Months



1.3.1 Industry Sector

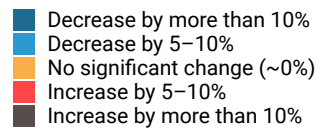
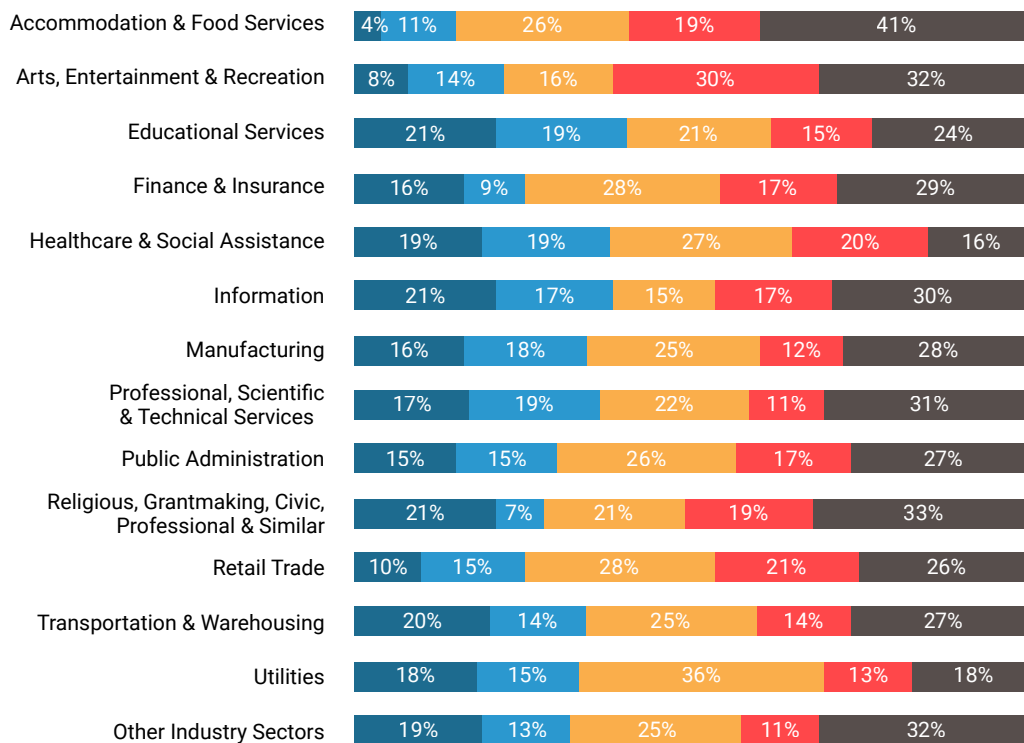
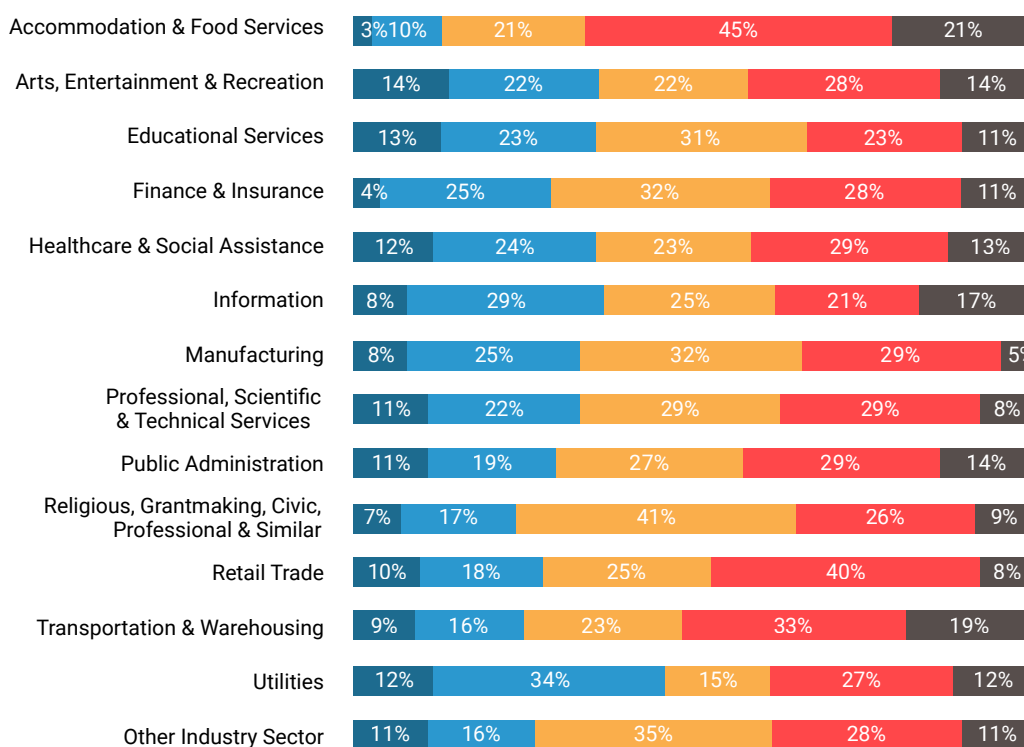
Budget expectations differ across industries but generally show modest shifts in both O&M and CapEx spending. The pattern across sectors is largely similar for both budget types, with most respondents reporting budgets that are stable or slightly higher and with few expecting major cuts or large increases.

O&M budgets lean toward stability, with the majority of sectors showing that 20%–30% of respondents expect increases and that a similar share expect decreases. Respondents in utilities, transportation and warehousing, and manufacturing report the most positive outlook, with roughly one-third or more anticipating increases. Finance and insurance, information, and accommodation and food services are closer to even, with increases and decreases nearly balanced. Appendix F provides a detailed summary of O&M budget changes by industry subsector.

CapEx results are similar but show slightly more caution in some sectors. Public administration, professional and technical services, and finance and insurance have the highest shares of respondents expecting increased capital spending. Educational services, information, and arts and entertainment have a mix of modest increases and small declines, suggesting that new capital projects will be more selective. Appendix G provides a detailed summary of CapEx budget changes by industry subsector.

A man with dark hair, a beard, and glasses, wearing a dark suit jacket over a light-colored shirt, is looking down at a white document he is holding. He is in an office environment with blurred background elements like shelves and a laptop. The text is overlaid on the right side of the image.

Most industries expect stable or slightly higher O&M and CapEx spending, with only modest shifts across sectors.

**Figure 1.9: O&M Budget Changes by Sector****Figure 1.10: CapEx Budget Changes by Sector**

1.3.2 Region

Respondents in Africa have the strongest expectation of higher O&M spending, with roughly two-thirds of organizations reporting increases of 5% or more and about one-quarter reporting decreases. North America and Europe are steadier, with the largest shares expecting no significant changes and with a near-even split between increases and cuts. Asia-Pacific leans positive overall, with increases expected to modestly outpace decreases and with many respondents reporting flat budgets. Latin America respondents reports the most pressure on O&M budgets, with more than half indicating reductions and with the lowest share expecting no changes.

CapEx budgets follow a similar pattern: Africa is the most expansionary; Europe and North America cluster around no changes, with balanced upward and downward shifts; Asia-Pacific slightly trending toward growth; and Latin America appears the most constrained, with cuts more common than increases.

The following appendices provide additional regional detail:

- Appendix H: Budget Changes by Country
- Appendix I: Budget Changes by Canadian Province
- Appendix J: Budget Changes by U.S. State

Figure 1.11: O&M Budget Changes by Region

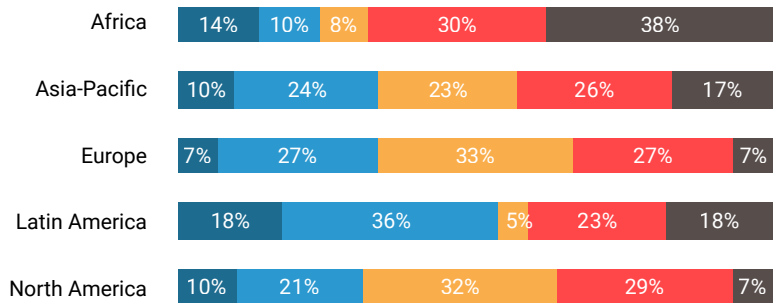
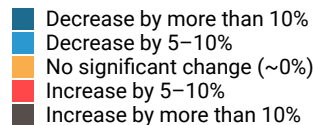
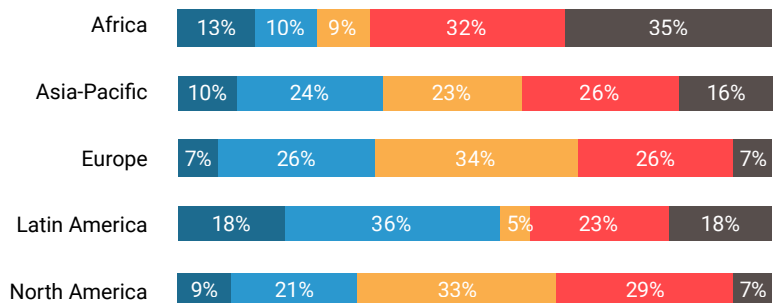


Figure 1.12: CapEx Budget Changes by Region



1.3.3 Facility Size

Across facility size bands, most respondents expect O&M budgets (Figure 1.13) to stay about the same or increase by 5%–10%. Expectations for increases are broadly similar by size, although facilities in the 200,001–500,000 square foot range (18,581–46,450 square meters) show the highest combined share expecting O&M growth, and the smallest sites at 100,000 square feet or less ($\leq 9,290$ square meters) also lean toward increases but with a relatively even mix of increases and decreases.

Expected CapEx budget changes (Figure 1.14) are more spread out than O&M changes. Sites in the 200,001–500,000 square foot band (18,581–46,450 square meters) are most likely to expect CapEx increases of more than 10%, while facilities 100,000 square feet or smaller ($\leq 9,290$ square meters) and very large portfolios above 1 million square feet ($> 92,900$ square meters) show more polarized views, with relatively high shares expecting both sizeable decreases and sizeable increases. Midsize facilities from 100,001 to 500,000 square feet (9,291–46,450 square meters) still cluster around no change or increases of 5%–10%, and portfolios between 500,001 and 1,000,000 square feet (46,451–92,900 square meters) are more likely to expect no change or decreases than increases.

Figure 1.13: O&M Budget Changes by Facility Size

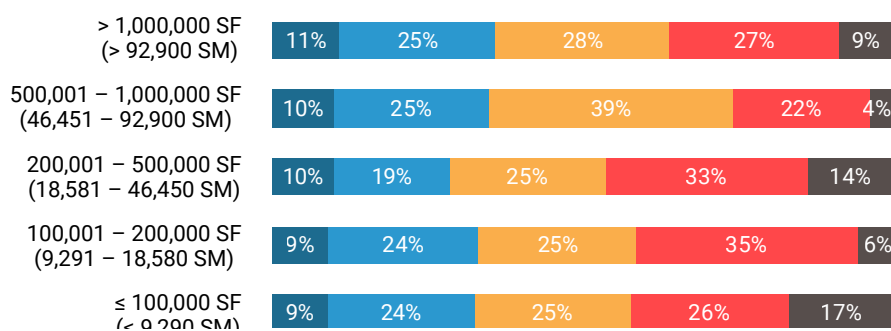
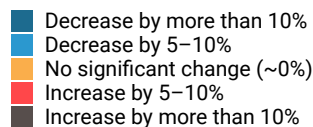
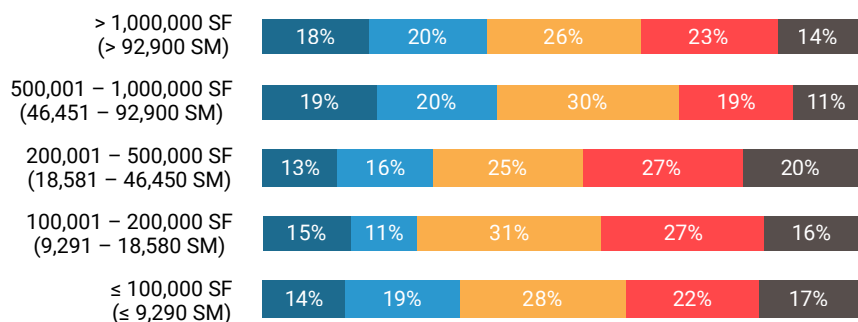


Figure 1.14: CapEx Budget Changes by Facility Size



1.4 FM Staffing Trends

Respondent data indicate that staffing plans focus on stabilization with targeted adds. The most common selections are backfilling only (24%) and increasing net headcount (24%), followed by using none of the activities presented (21%), freezing hiring (17%) and reducing headcount (14%).

Most teams plan to restore or maintain coverage first, then add selectively where needed. Respondents also highlighted preparing for backfills and critical hires, keeping a contingency plan for freezes, and watching budget changes that may necessitate cutting positions.

Figure 1.15: Anticipated FM Staffing Changes



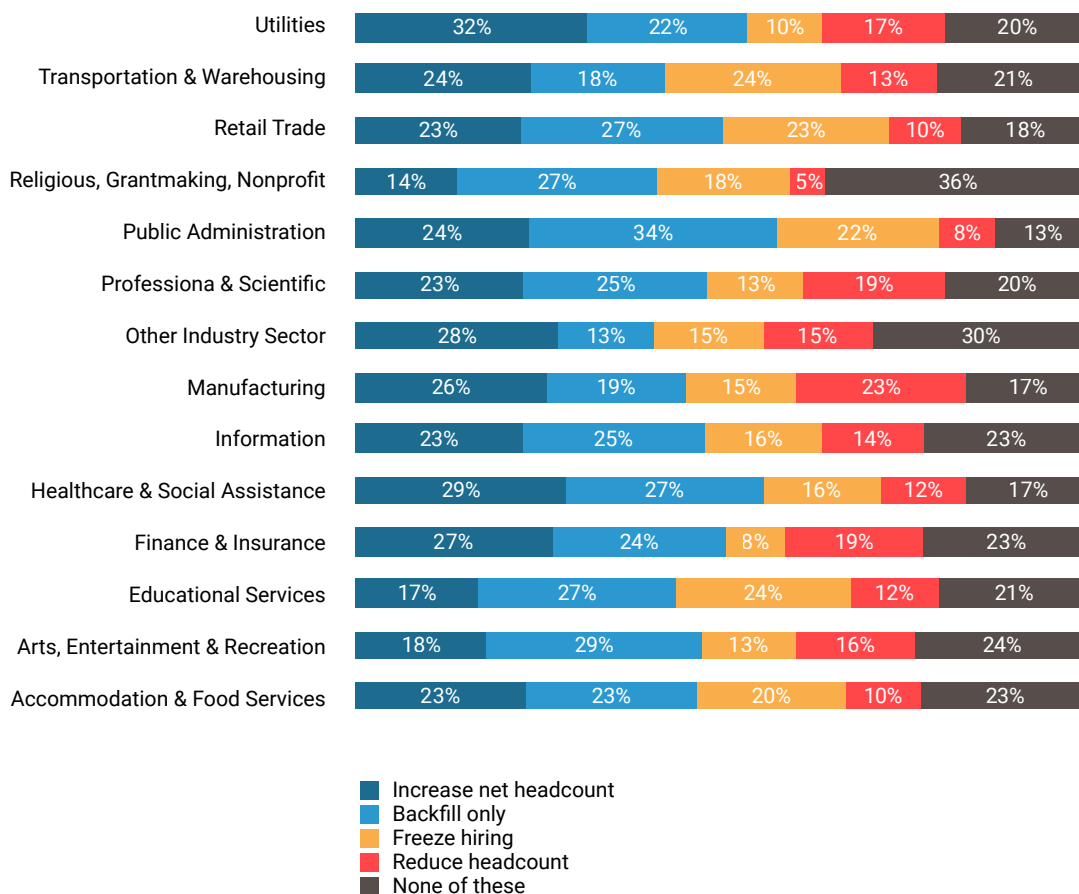
Respondents show a clear focus on maintaining staffing levels and making targeted hires, keeping freezes and reductions as contingency measures.

1.4.1 Industry Sector

Most sectors cluster around two moves: backfilling and targeted net hiring. Utilities (32%) and healthcare (29%) lead on the expectation of net hiring, and finance and insurance (27%) and manufacturing (26%) are also elevated. Public administration shows the strongest backfill-only expectation (34%) and expects a low percentage of reductions in headcount (8%).

Sectors showing more caution include manufacturing, which has the highest share respondents expecting reductions (23%), and transportation and warehousing and retail trade, which expect more hiring freezes rates (18%–24%). Educational services also has a relatively high expectation of hiring freezes (24%). The religious/nonprofit sector and the other-industry sectors have the largest shares of expecting none of the provided options (36% and 30%, respectively), suggesting a hold-steady stance. Appendix K provides a detailed breakdown of FM staff changes by industry subsector.

Figure 1.16: FM Team Changes by Sector



1.4.2 Region

Most sectors cluster around two moves: backfilling and targeted net hiring. Utilities (32%) and healthcare (29%) lead on the expectation of net hiring, and finance and insurance (27%) and manufacturing (26%) are also elevated. Public administration shows the strongest backfill-only expectation (34%) and expects a low percentage of reductions in headcount (8%).

Sectors showing more caution include manufacturing, which has the highest share respondents expecting reductions (23%), and transportation and warehousing and retail trade, which expect more hiring freezes rates (18%–24%). Educational services also has a relatively high expectation of hiring freezes (24%). The religious/nonprofit sector and the other-industry sectors have the largest shares of expecting none of the provided options (36% and 30%, respectively), suggesting a hold-steady stance. Appendix K provides a detailed breakdown of FM staff changes by industry subsector.

In Canada, Ontario reflects a balanced picture (20% increase, 29% backfill, 17% freeze), whereas respondents in British Columbia are heavily focused on backfilling (44%) and respondents in Quebec report small but polarized results, split evenly between freeze hiring (50%) and none of these options (50%). (See Figure 1.19.)

Figure 1.17: FM Team Changes by Global Region

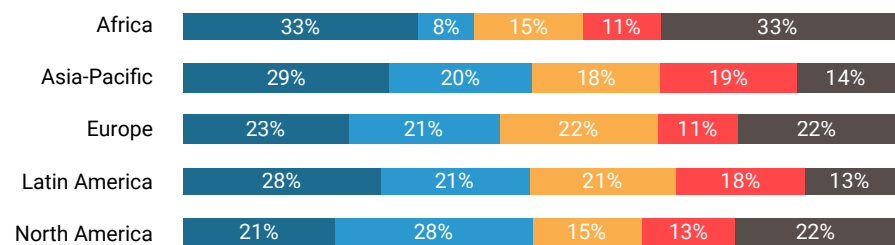
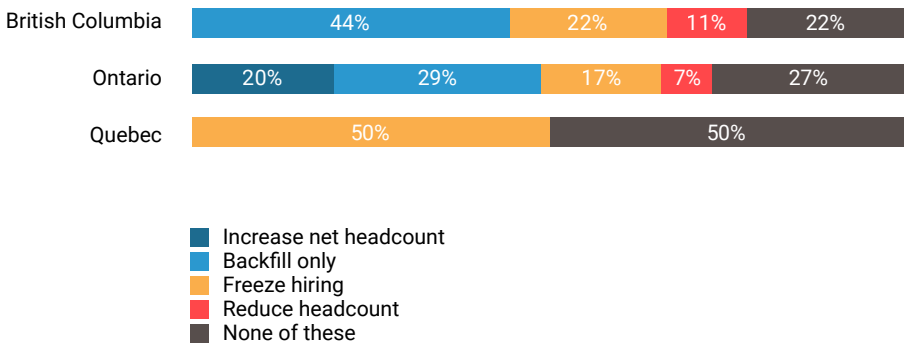


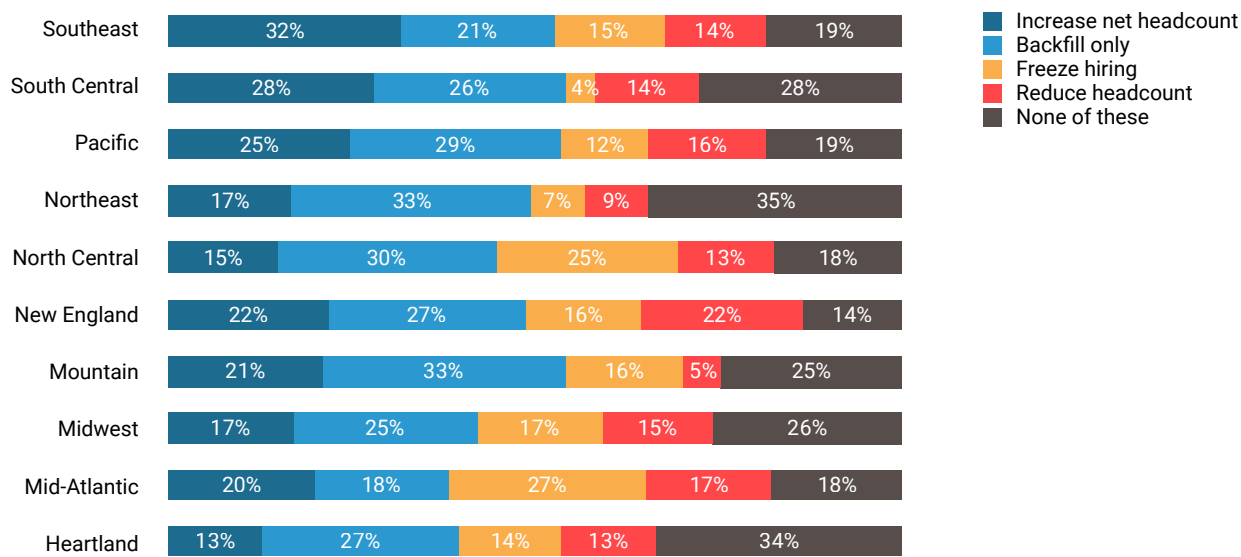
Figure 1.18: FM Team Changes by Canadian Region



1.4.2 Region (continued)

In the United States, respondents in the Southeast (32%) and South Central (28%) regions report the highest levels of anticipated hiring, followed by the Pacific (25%). Respondents in the Northeast (33%) and Mountain (33%) regions most often selected backfill only, reflecting workforce stabilization (see Figure 1.20). Respondents in the Mid-Atlantic (27% freeze), North Central (25% freeze) and New England (22% reduce) regions show more cautious staffing intentions.

Figure 1.19: FM Team Changes by U.S. Region

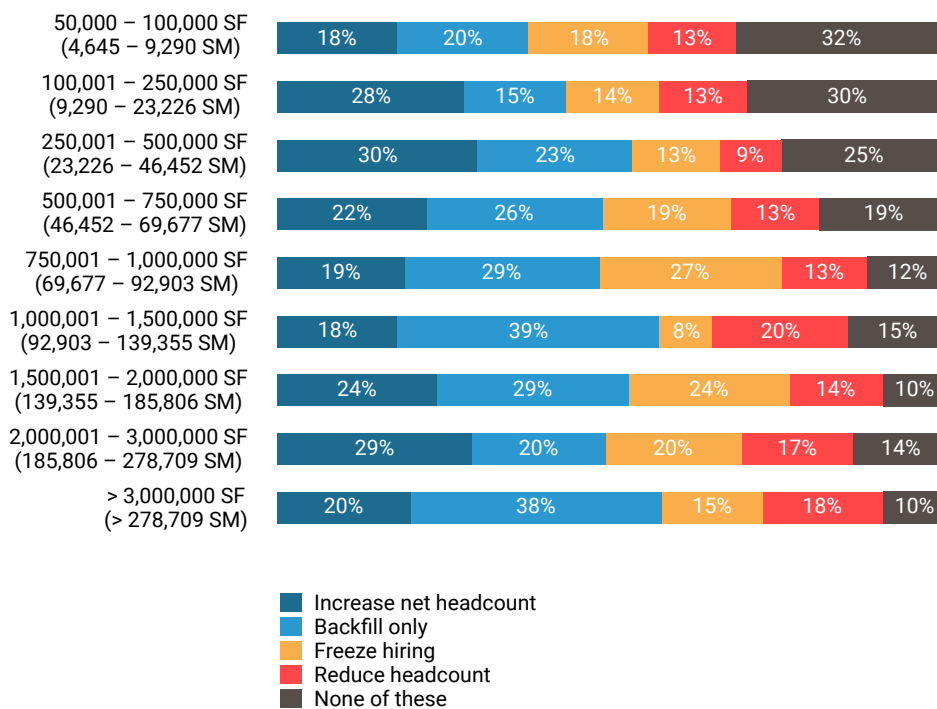


The Southeast and South Central lead hiring, while the Northeast and Mountain stabilize and northern regions show greater caution.

1.4.3 Facility Size

Staffing plans differ by portfolio size. At sites with up to 100,000 square feet (up to about 9,300 square meters), respondents' most common answer is that they are using none of the presented options (roughly 30%), with net hiring and freezes each near 20%. Respondents with portfolios of 100,001–500,000 square feet (about 9,300–46,500 square meters) have the strongest growth posture, with net headcount gains around 25% and backfilling in the low-to-mid-20% range. Respondents with portfolios of 500,001–1,000,000 square feet (about 46,500–93,000 square meters) expect to use backfill-only strategies most heavily (mid-30% range) and to have moderate net hiring (near 20%). Among respondents with portfolios above 1 million square feet (> more than 93,000 square meters) 25%–30% expect to use backfill and net hiring, while freezes and reductions are in percentages in the low to high teens. The lowest forecasted job-reduction levels are among respondents with portfolios of 100,001–250,000 square feet (~9,300–23,200 square meters) (about 9%).

Figure 1.20: FM Team Changes by Facility Size



1.5 Professional Challenges

Respondents were asked to describe their biggest professional challenge in the coming six months. The 648 open-ended responses most often cited three issues:

- **Budget and cost pressure** (22.5%)
- **Staffing and talent needs** (16.2%)
- **Project delivery or capital work** (9.7%)

A second tier of challenges includes technology and data systems (7.6%), vendor and contractor management (6.6%) and workplace/space and return-to-office considerations (4.5%). About one-third of comments were short or general in nature and did not fit a single category. Facility professionals described the challenges above in the following words:

- “Getting approvals for budget”
- “Cost cutting measures to programs”
- “High staff turnover and low entry of skilled workers”
- “Hiring skilled workers to back fill retiring skilled trade workers”
- “Multiple construction projects”
- “One integrated software for CAFM + IoT + ESG”
- “Occupancy of building during hybrid work schedules”

Different sectors also experience different challenges:

- **Educational services** respondents most frequently mentioned budget constraints (37%) and staffing (26%).
- **Manufacturing** respondents emphasized budget (28%) and staffing (16%), with project delivery close behind (14%).
- **Professional, scientific and technical services** respondents identified budget concerns (23%) and a stronger focus on technology and data systems (12%) more often than respondents in other sectors did.
- **Public administration** respondents focused on budget (19%) and staffing (18%); vendor and contractor management was also notable (10%).

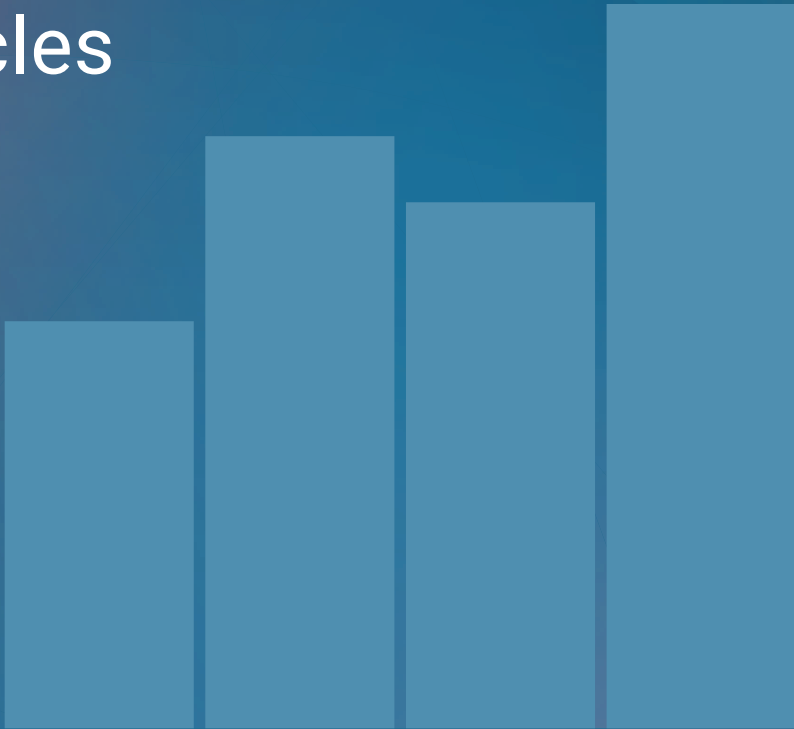
- **Finance and insurance** respondents pointed to budget (18%), staffing (16%) and project delivery (13%) and also expressed above-average concern about workplace/space and return-to-office issues.
- **Healthcare and social assistance** respondents most often referenced budget (20%) and staffing (14%), followed by project delivery (11%); these respondents also mentioned aging infrastructure and compliance/safety.

Regional patterns mirrored economic and operational contexts:

- **Africa:** Budget pressure (19%) and staffing (11%) are frequent; vendor/supplier constraints and energy/ESG are also notable (8%).
- **Asia-Pacific:** Budget pressure is the standout theme (30%), followed by staffing (16%) and technology/data systems (9%); compliance (5%) and energy/ESG (4%) are in a secondary tier.
- **Europe:** Technology/data systems (18%) and budget concerns (17%) are most prominent, followed by project delivery (9%); there were a few mentions of compliance and energy/ESG issues.
- **Latin America:** Budget (17%) and staffing (13%) are the lead concerns; a small share of respondents mentioned project delivery and workplace/space and return-to-office issues (each 3%). (These results should be interpreted directionally given the smaller sample sizes in Latin America.)
- **North America:** Staffing and talent (23%) and budget pressure (22%) dominate; project delivery /capital work was also a concern (13%), as was workplace/space and return-to-office issues (6%).

Facility professionals worldwide are balancing tight budgets, limited staffing pipelines and intensifying project workloads while modernizing systems and adjusting to evolving workplace and vendor environments. The responses depict an industry under operational strain but **actively pursuing efficiency, integration and workforce stability** in the face of financial and labor headwinds.

Budget Approval Cycles and Future Demand



Facility professionals are balancing ongoing operational demands with growing pressure to justify every dollar of investment. This section examines two indicators that show how decision-making and capital flow are shifting in organizations.

The first indicator regards budget approval cycles—specifically, whether it is taking more or less time to get funding approved. We refer to this indicator as the Approval Cycle Balance, which we define as the share of respondents reporting shorter cycles minus the share reporting longer cycles. A positive number means approvals are generally moving faster, whereas a negative number means they are generally taking longer.

The second indicator regards the capital-project pipeline—specifically, whether organizations are expanding, holding steady or scaling back new-project starts. We refer to this indicator as the Pipeline Expansion Balance, which we define as the share of respondents reporting expanding pipelines minus the share reporting shrinking pipelines. A positive number indicates more organizations are adding projects than cutting or delaying them.

Together, these measures provide an early read on how readily organizations are moving money into projects and maintenance. In a tightening financial climate, small changes in approval time and project start can signal larger shifts in how work is planned, funded and sequenced.

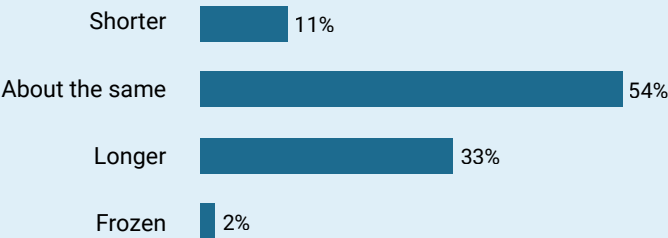
THE FOLLOWING ARE KEY FINDINGS:

- **Approval cycles have slowed slightly.** Over half (54%) of respondents report that approval times are unchanged, but one-third say approval times have become longer; only 11% say the cycles are shorter. The overall Approval Cycle Balance is -21 points, signaling a modest net slowdown.
- **Capital-project pipelines are mostly stable.** About one-third (34%) say their pipeline is steady, and roughly one-quarter (24%) report expansion. Fewer organizations report shrinkage (16%), leaving a Pipeline Expansion Balance of +8 points, a small but positive signal.
- **Finance and healthcare are most positive about capital flow.** In both sectors, around one-third of organizations are expanding their project pipelines; less than one in five are shrinking project pipelines.
- **Regional differences are moderate.** Most respondents in North America and Europe report stable approvals and pipelines, Asia-Pacific is more mixed and Africa and Latin America are report longer approval cycles and stalled or shrinking pipelines.

2.1 FM Budget Approval Cycles

Staffing plans differ by portfolio size. At sites with up to 100,000 square feet (up to about 9,300 square meters), respondents’ most common answer is that they are using none of the presented options (roughly 30%), with net hiring and freezes each near 20%. Respondents with portfolios of 100,001–500,000 square feet (about 9,300–46,500 square meters) have the strongest growth posture, with net headcount gains around 25% and backfilling in the low-to-mid-20% range. Respondents with portfolios of 500,001–1,000,000 square feet (about 46,500–93,000 square meters) expect to use backfill-only strategies most heavily (mid-30% range) and to have moderate net hiring (near 20%). Among respondents with portfolios above 1 million square feet (> more than 93,000 square meters) 25–30% expect to use backfill and net hiring, while freezes and reductions are in percentages in the low to high teens. The lowest forecasted job-reduction levels are among respondents with portfolios of 100,001–250,000 square feet (~9,300–23,200 square meters) (about 9%).

Figure 2.1: Overall Changes in Budget-Approval Cycle (Past 12 Months)

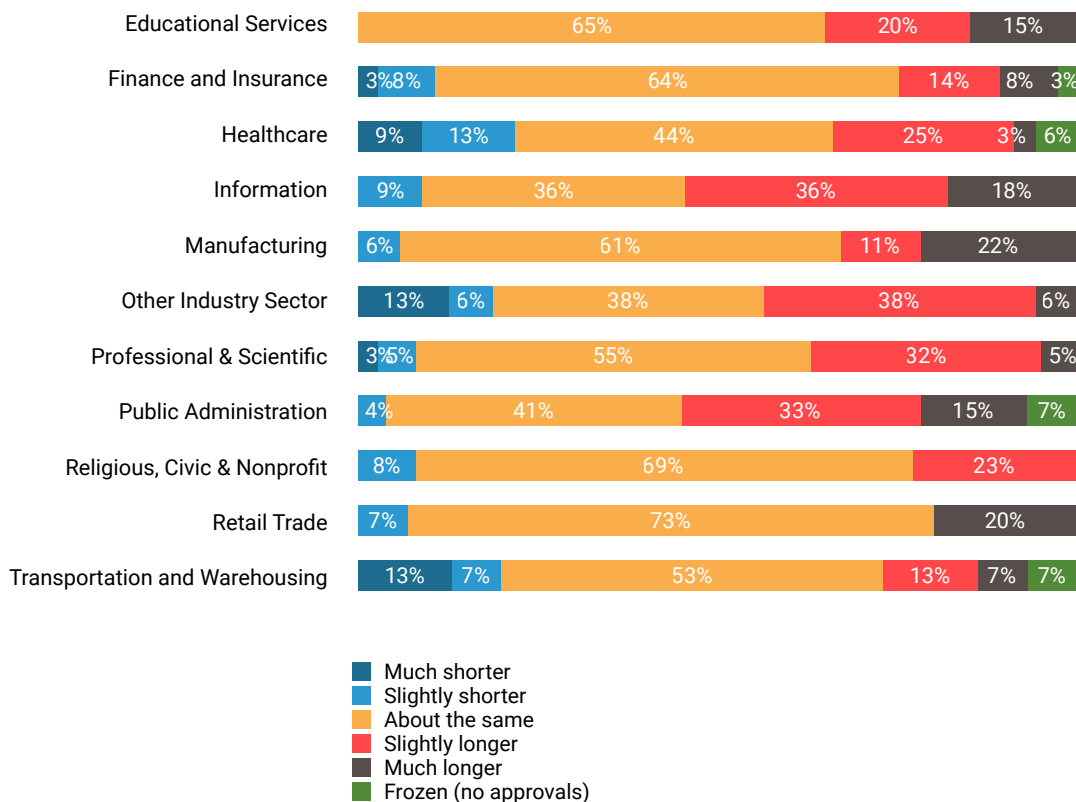


2.1 FM Budget Approval Cycles (continued)

The majority of industries cluster near the overall average, but some other patterns stand out (see Figure 2.2). Finance and insurance and educational services have the most stable approval environments, with about 65% of respondents reporting that the cycles remain about the same. Healthcare and professional and scientific services have mixed perspectives, with 25%–32% reporting longer cycles, suggesting increased scrutiny or added review steps. Manufacturing and information respondents report the highest shares (18%–22%) of much-longer approval cycles, indicating stronger headwinds in capital and expense approvals.

Public administration respondents have more varied responses: 41% say approval timelines are shorter or about the same, but nearly half report approval timelines are longer or approvals are frozen. Religious, civic and nonprofit organization respondents report mostly stable or slightly slower timelines. In contrast, transportation and warehousing is one of the few sectors with more respondents citing shorter cycles (20%) than longer ones.

Figure 2.2: Budget-Approval Cycle by Sector



2.1 FM Budget Approval Cycles (continued)

Approval timelines show similar patterns across regions, with most respondents indicating that their cycles are either holding steady or taking longer (see Figure 2.3). North America remains the most stable, with 61% of respondents saying approval times are about the same, about 8% reporting shorter cycles, 28% experiencing longer approvals and only 3% noting that funding approvals are currently frozen.

Europe is also relatively steady, with 58% of respondents reporting no change and 26% reporting longer approvals. Asia-Pacific is more mixed, with 38% reporting stable timelines and 43% facing slightly or much longer approval timelines. Africa and Latin America stand out as the most constrained regions, with half of respondents in each area reporting longer approval cycles and with only 25% in Africa and 40% in Latin America seeing no change.

Across all regions, the approval approach remains cautious. North America and Europe are largely steady, whereas Asia-Pacific, Africa and Latin America show more signs of delay and uncertainty, suggesting that facility teams in these markets may face longer internal reviews and slower fund releases in the months ahead.

In Ontario and all U.S. regions, most respondents (typically around two-thirds or more in each region) say project approval times are about the same as before (see Figure 2.4). Delays are more common in the Southeast, Mid-Atlantic, New England, Pacific and South Central regions, where much larger percentages of respondents report projects taking slightly or much longer. In South Central, a notable minority also see approvals becoming much shorter.

Figure 2.3: Budget-Approval Cycle by Region

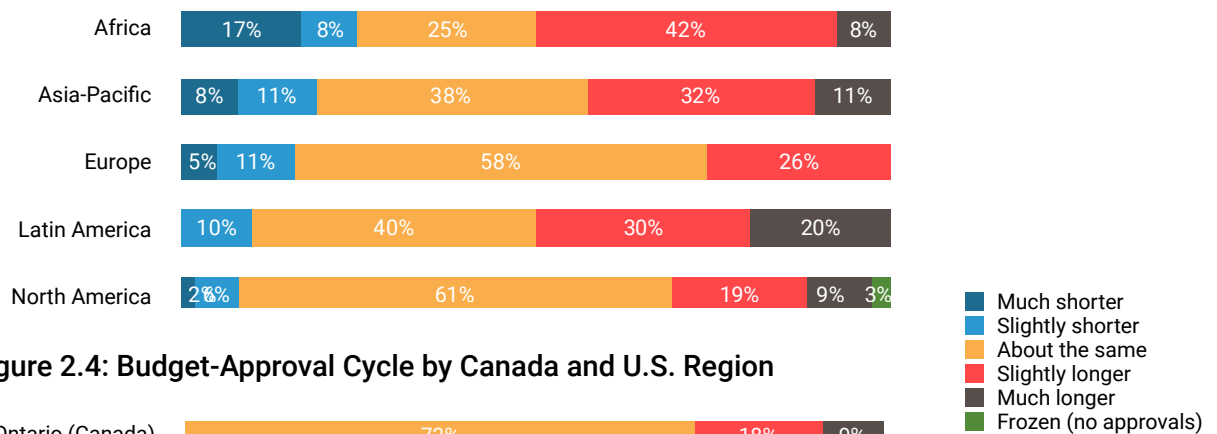
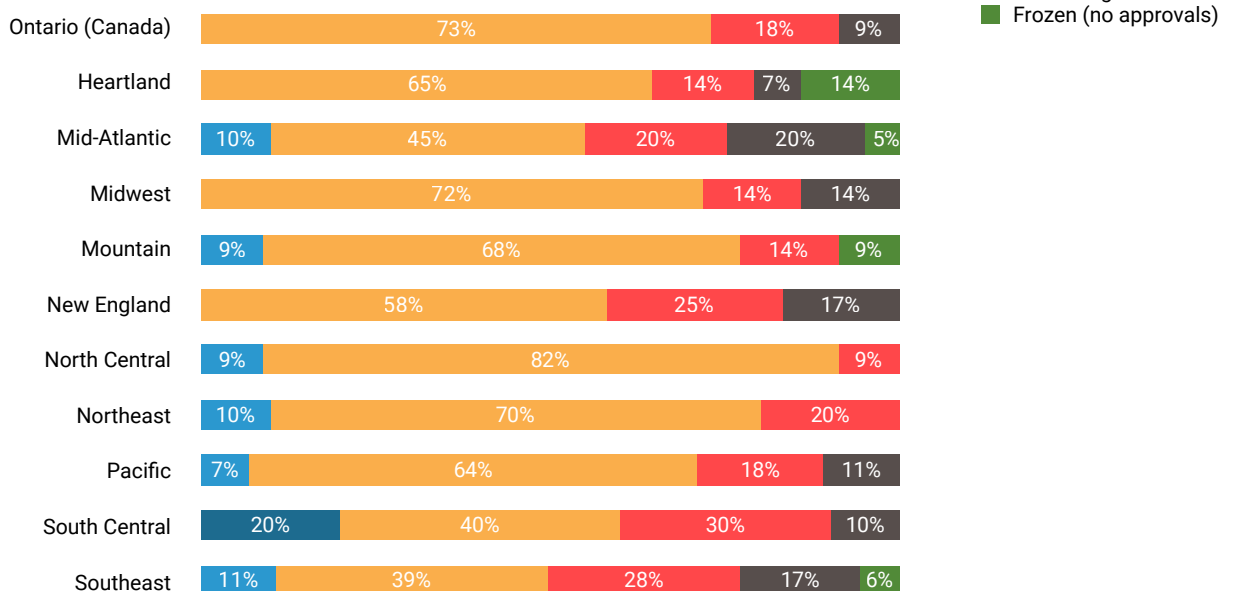


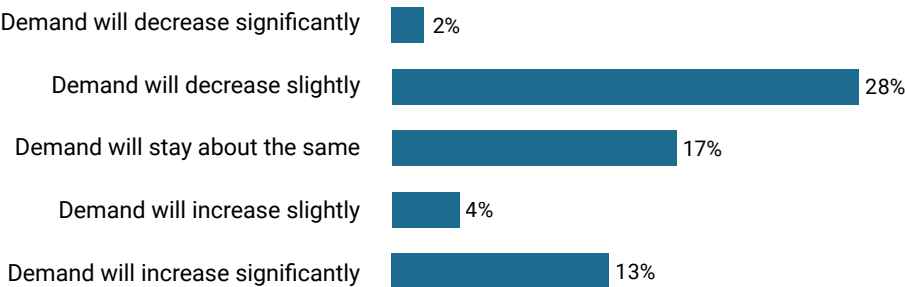
Figure 2.4: Budget-Approval Cycle by Canada and U.S. Region



2.2 Vendor Perspective on Future Client Demand

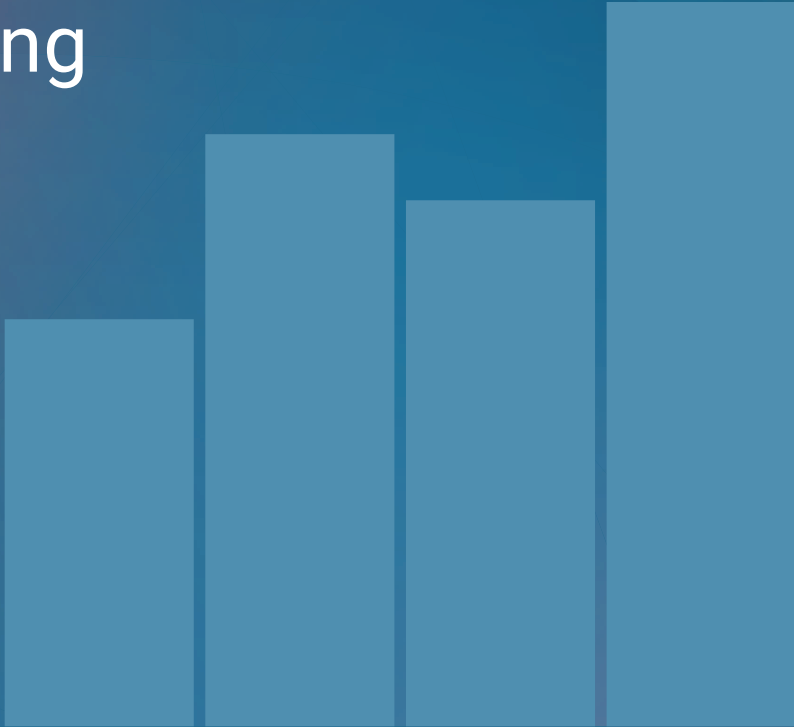
FM service providers were asked about their expectations regarding future client demand (see Figure 2.5). About half (53%) expect demand to increase (13% significantly; 40% slightly) over the next six months compared to the previous 12 months.

Figure 2.5: Vendor Expectations Regarding Future Client Demand



While organizations are scrutinizing spending more closely, FM service providers anticipate growth.

Workforce and Staffing



Facility organizations are managing an increasingly complex staffing environment. Even as vacancy rates remain moderate, recruiting and retention continue to challenge many teams, especially regarding skilled and technical roles. This chapter summarizes three workforce indicators that, together, indicate how well the FM labor market is functioning and how organizations are adapting. These indicators are (1) the proportion of critical FM positions that are unfilled (see Figure 3.1), (2) the average time required to fill those positions, and (3) recent shifts in the use of contractors and outsourcing.

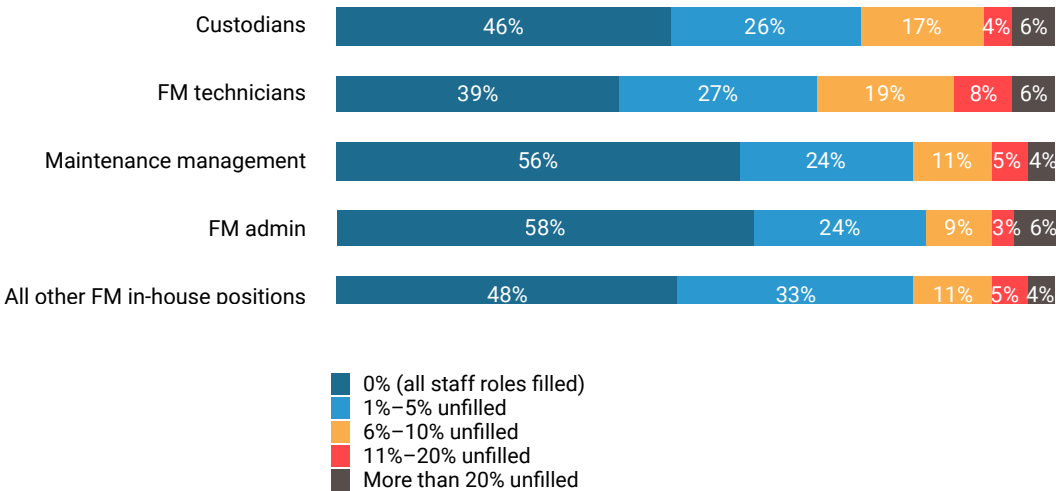
Across the global sample, vacancy rates are generally modest, but pockets of difficulty persist—most notably in educational services, healthcare and other-industry sectors. Hiring timelines average about four months overall; cycles are slower in education, public administration and several international regions. Many organizations are also relying more on contractors to maintain service levels and flexibility in a tight labor market.

These measures provide a snapshot of workforce stability in the FM field. They highlight where organizations face persistent staffing pressures and how those pressures are influencing decisions about recruiting, training and outsourcing.

THE FOLLOWING ARE KEY FINDINGS:

- **Vacancy levels are modest but uneven.** Most FM roles show vacancy rates of 2%–5%, but housekeeping and technician positions in education and other-industry sectors exceed 8%.
- **Regional differences are clear.** Respondents in Africa, Latin America and parts of Europe report higher vacancy levels and longer hiring timelines; North America remains comparatively well staffed, and Asia-Pacific sits closer to the global average.
- **Hiring takes time.** The average time to fill a critical FM position is 3.7 months; nearly half of organizations require more than 3 months.
- **Outsourcing is expanding.** Roughly one-third of respondents have increased their use of contractors, resulting in a net +19-point shift toward greater reliance on external providers.

Figure 3.1: Overall Vacancies by Critical FM Role



While most FM roles have low vacancies, harder-hit regions and sectors face longer hiring timelines and increasingly turn to outsourcing.

3.1 Critical Position by Sector

Vacancy levels remain relatively low across most FM roles, but clear differences exist between sectors and position types (see Table 3.2). In Table 3.2, “vacancy (%)” is the average share of positions unfilled across organizations; “>10% unfilled” is the share of organizations with double-digit vacancies in a role.

Housekeepers/Cleaners and FM technicians have the highest vacancy rates. In educational services, custodian vacancies average 9%, and 29% of respondents report that more than one in ten positions are unfilled. Technician vacancies are also elevated in education (8.2%) and other-industry sectors (9%). In contrast, finance and insurance respondents report the lowest vacancies in both roles (2%–3%).

Maintenance management positions average 2%–5% vacancy rates; higher rates are in professional and scientific (5%) and other-industry sectors (6%). Educational services and public administration are close to the overall average, whereas manufacturing and religious and civic roles are near full staffing.

FM administrative roles are generally well staffed, averaging 3%–4% vacancy rates, although other-industry sectors have a somewhat higher rate (8%).

Other in-house FM positions follow a similar pattern, with most sectors having 3%–4% vacancy rates. Other-industry sectors have a higher rate (9%), and manufacturing and healthcare have the lowest vacancy levels.

Overall, vacancy rates are modest overall but most pronounced in educational services and other-industry sectors and to a lesser extent the healthcare sector. Finance, manufacturing and public administration are consistently near the lower end of vacancy rates, suggesting greater staffing stability in those sectors. These vacancy rates need to be carefully monitored given forthcoming demographic shifts and retirement trends.

Table 3.1: Vacancies by Critical Staff Role and Sector

Sector	Housekeepers/Cleaners		FM Technicians	
	Vacancy (%)	> 10% Unfilled	Vacancy (%)	> 10% Unfilled
Educational Services	8.9%	28.6%	8.2%	26.9%
Finance and Insurance	2.1%	5.6%	2.7%	4.2%
Healthcare	6.1%	13.3%	5.7%	15.0%
Manufacturing	2.8%	0.0%	4.6%	9.5%
Other-Industry Sectors	10.2%	30.0%	8.6%	25.0%
Professional & Scientific	2.4%	4.0%	5.1%	16.7%
Public Administration	3.4%	3.4%	5.0%	8.8%
Religious & Civic	—	—	5.6%	20.0%

Table 3.1: Vacancies by Critical Staff Role and Sector (continued)

Sector	Maintenance Management		FM Administration	
	Vacancy (%)	> 10% Unfilled	Vacancy (%)	> 10% Unfilled
Educational Services	3.5%	7.1%	4.4%	6.9%
Finance and Insurance	3.9%	12.5%	2.6%	8.3%
Healthcare	3.0%	9.5%	3.6%	11.1%
Manufacturing	2.0%	0.0%	3.3%	10.0%
Professional & Scientific	5.2%	16.1%	2.8%	8.8%
Public Administration	2.9%	8.6%	2.9%	5.9%
Religious & Civic	1.9%	8.3%	3.7%	9.1%
Other Industry Sector	5.8%	16.7%	7.9%	25.0%

Sector	Other In-House Positions	
	Vacancy (%)	> 10% Unfilled
Educational Services	3.4%	4.3%
Finance and Insurance	3.4%	12.5%
Healthcare	2.8%	0.0%
Manufacturing	2.2%	0.0%
Professional & Scientific	3.4%	10.3%
Public Administration	3.5%	3.2%
Religious & Civic	—	—
Other Industry Sector	8.5%	27.3%

3.1 Critical Position by Sector (continued)

Vacancy levels are relatively consistent across regions, but some areas show greater difficulty filling key technical and management roles.

Housekeeping vacancies are highest in Asia-Pacific and Latin America (5.2%–5.3%), with about one in seven organizations in Asia-Pacific and about one in ten in Latin America and North America reporting that more than 10% of housekeeping positions are unfilled. Europe and Africa report lower housekeeping vacancy rates (1%–2%) and almost no high-vacancy cases. Regarding technician roles, vacancy rates cluster around 6%–7% in Africa, Asia-Pacific, Europe and Latin America; North America has a lower rate of 4%. The share of organizations with more than 10% of technician posts vacant is roughly 18%–24% in Africa, Asia-Pacific and Europe, compared with 9%–11% in Latin America and North America.

Regarding maintenance management and FM administration, Africa again shows elevated vacancy levels (7.3% and 6.3%), with roughly 20% to 25% of organizations above the 10% threshold). Asia-Pacific and Latin America are in the midrange (4.6%–4.9% vacancy and 9%–14% above the > 10% threshold); Europe is slightly above North America but below Africa and Asia-Pacific. North America respondents continue to report the lowest vacancy rates for these management and administrative roles (2.6%–2.8%, with fewer than 8% of organizations above the 10% threshold).

Other in-house FM roles have vacancy levels of 3%–8% across regions. Africa and Europe respondents report the highest rates (8% and 7%), and about one-quarter of organizations in each region have more than 10% of positions unfilled. Latin America and North America organizations are lower both in average vacancy rates and in the share with double-digit vacancies. Overall, recruitment pressures appear most acute in Africa and Europe, particularly for technicians, maintenance leaders, administrators and other specialist FM staff, whereas North America remains comparatively well staffed and Asia-Pacific and Latin America are near the global average.

Table 3.2: Vacancy by Critical Staff Role and Region

Global Region	Housekeepers/Cleaners		FM Technicians	
	Vacancy (%)	> 10% Unfilled	Vacancy (%)	> 10% Unfilled
Africa	1.0%	0.0%	6.6%	18.2%
Asia-Pacific	5.3%	13.9%	6.8%	23.8%
Europe	2.3%	0.0%	5.9%	21.4%
Latin America	5.2%	11.1%	6.3%	9.1%
North America	4.4%	10.7%	4.4%	11.0%

Table 3.2: Vacancy by Critical Staff Role and Region (continued)

Global Region	Maintenance Management		FM Administration	
	Vacancy (%)	> 10% Unfilled	Vacancy (%)	> 10% Unfilled
Africa	7.3%	18.2%	6.3%	25.0%
Asia-Pacific	4.8%	14.3%	4.9%	14.3%
Europe	3.7%	6.7%	4.4%	12.5%
Latin America	4.6%	9.1%	4.0%	10.0%
North America	2.6%	7.3%	2.8%	6.6%

Global Region	Other In-House Positions	
	Vacancy (%)	> 10% Unfilled
Africa	8.0%	25.0%
Asia-Pacific	5.1%	13.5%
Europe	6.6%	23.1%
Latin America	3.3%	0.0%
North America	2.4%	5.2%

3.2 Time to Fill Critical Roles

Most facility organizations report a moderate hiring timeline for critical FM positions (see Table 3.3). Half of respondents say it takes one to three months to fill a key role, whereas 32% report a timeline of four to six months and 14% report a timeline of more than six months. Only 4% of organizations are able to hire in under a month. The average fill time across all responses is 3.7 months, and 46% of organizations indicate that filling key positions typically takes longer than three months.

Time to fill varies notably across sectors. The slowest hiring timelines are found in educational services (4.7 months) and public administration (4.5 months); roughly two-thirds of respondents (68% and 61%, respectively) in these sectors report that filling critical positions takes more than three months, and about one-quarter require over six months. Healthcare (4.2 months) and information (3.7 months) also have longer fill times. In contrast, finance and insurance (3.1 months) and professional and scientific services (3.2 months) have the fastest hiring cycles, with only about one-third of respondents reporting timelines beyond three months.

Hiring timelines also differ by geography. Latin America respondents reports the longest average fill time (4.8 months), followed by Africa (4.6 months) and Europe (4.1 months). North America and Asia-Pacific are somewhat faster (3.6 and 3.1 months, respectively). In Asia-Pacific, 70% of organizations fill positions within one to three months, whereas in Africa, Europe and Latin America, 64⁺–69% of organizations require more than three months to fill a critical role.

The data suggest that though hiring cycles are manageable for many organizations, the cycles remain lengthy in sectors such as educational services and public administration, as well as in Africa, Europe and Latin America. In these areas, staffing delays can compound maintenance backlogs and resource gaps, underscoring the need for workforce planning that assumes multimonth recruiting horizons.



FM hiring is moderate overall, yet delays are common in education, public administration, and regions with slower recruiting cycles.

Table 3.3: Time to Fill Critical Positions

Time to Fill a Position	Percent of Respondents
Less than 1 month	4%
1–3 months	50%
4–6 months	32%
More than 6 months	14%

Sector	Avg. months	> 3 months	< 1 month	1–3 months	4–6 months	> 6 months
Educational Services	4.7	68%	0%	32%	42%	26%
Finance and Insurance	3.1	33%	4%	63%	26%	7%
Healthcare	4.2	56%	0%	44%	33%	22%
Information	3.7	50%	0%	50%	42%	8%
Manufacturing	3.5	43%	0%	57%	33%	10%
Professional & Scientific	3.2	37%	9%	54%	31%	6%
Public Administration	4.5	61%	0%	39%	36%	25%
Religious & Civic	3.7	40%	0%	60%	20%	20%
Utilities	3.4	50%	10%	40%	50%	0%
Other Industry Sectors	3.1	25%	8%	67%	8%	17%

Region	Avg. months	> 3 months	< 1 month	1–3 months	4–6 months	> 6 months
Africa	4.6	64%	0%	36%	36%	29%
Asia-Pacific	3.1	28%	2%	70%	18%	10%
Europe	4.1	65%	4%	31%	58%	8%
Latin America	4.8	69%	8%	23%	38%	31%
North America	3.6	45%	6%	49%	31%	13%

3.3 Use of Outsourcing or Contractors

Most facility organizations report that their use of contractors and outsourced services has remained stable or increased over the past year (see Table 3.4). More than one-third (37%) say outsourcing has increased, whereas 43% report no significant change and 18% report a decrease. Only 3% indicate that outsourcing does not apply to their organizations. Overall, the net outsourcing shift (share increasing minus share decreasing) stands at +19 points, showing a moderate move toward greater use of external providers.

The strongest shifts toward outsourcing appear in utilities (+36), healthcare (+29), professional and scientific services (+26) and education (+25). These sectors tend to have large, distributed portfolios that benefit from specialized contractors. Public administration (+16) and finance and insurance (+17) also lean toward increased outsourcing, though at more moderate levels. Information (-9) and other-industry sectors (-15) show small net decreases, suggesting limited expansion of contractor use or a slight return to in-house staffing.

Regional patterns vary, but several areas show clear movement toward increased outsourcing. Africa respondents report the strongest shift (+69), with 69% of respondents increasing their use of contractors and none reporting decreases. Latin America follows with a +43 shift; 50% of respondents report increased outsourcing. Asia-Pacific (+13) and North America (+14) show smaller but still positive balances. Europe remains flat (0), with increases and decreases in near balance and 57% of respondents reporting no significant change.

The data indicate that outsourcing continues to expand as a core FM delivery strategy, particularly in sectors with complex systems and broad geographic reach. Facility leaders are using contractors to address staffing gaps and skill shortages, manage workload peaks and maintain flexibility in an uncertain labor market.

A photograph showing two construction workers shaking hands. One worker is wearing a white hard hat and a high-visibility yellow safety vest over a blue long-sleeved shirt. The other worker's arm is visible, wearing a similar high-visibility vest. They are standing on a construction site with a metal framework in the background.

Most organizations report stable or growing outsourcing, with notable increases in key sectors and regions facing staffing gaps and skill shortages.

Table 3.4: Changes in the Use of Outsourcing and Contractors

Metric	Percent of Respondents
Decrease any %	18%
Stayed same %	43%
Increase any %	37%
Not applicable %	3%
Net outsourcing shift	19%

Sector	Decrease Any %	Stayed Same %	Increase Any %	Not Applicable %	Net Outsourcing Shift
Educational Services	19%	34%	44%	3%	25%
Finance and Insurance	17%	50%	33%	0%	17%
Healthcare and	19%	29%	48%	5%	29%
Information	18%	73%	9%	0%	-9%
Manufacturing	24%	38%	33%	5%	10%
Other-Industry Sectors	38%	38%	23%	0%	-15%
Professional & Scientific	13%	46%	38%	3%	26%
Public Administration	19%	46%	35%	0%	16%
Religious & Civic	15%	46%	23%	15%	8%
Utilities	9%	36%	45%	9%	36%

Sector	Decrease Any %	Stayed Same %	Increase Any %	Not Applicable %	Net Outsourcing Shift
Africa	0%	25%	69%	0%	69%
Asia-Pacific	19%	48%	33%	0%	13%
Europe	18%	57%	18%	4%	0%
Latin America	7%	29%	50%	14%	43%
North America	19%	39%	33%	7%	14%

Project Delivery and Risk



Most organizations experience at least some degree of project delay. Only 10% report that all projects are on schedule (see Figure 4.1). The majority of respondents indicate they experience partial disruptions: 35% report delays affecting 1%–10% of projects, and another 38% report delays across 11%–40% of their active portfolios. A smaller portion (13%) say that more than 40% of projects are delayed, and 3% report that all projects are currently delayed.

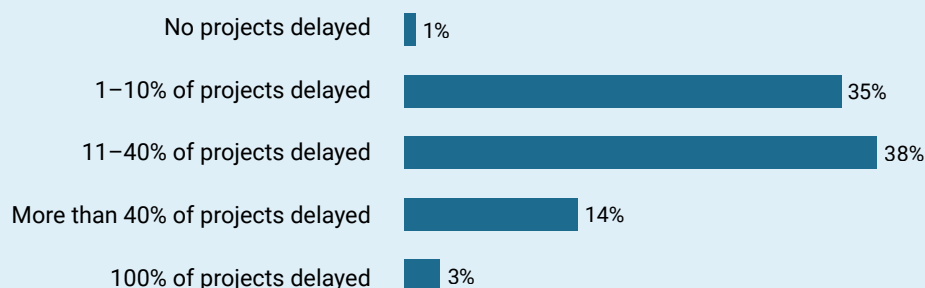
When asked about causes, respondents most often point to scope changes (51%) and supply chain issues (49%), reflecting the ongoing impact of material availability and shifting project priorities. Permitting and regulatory approvals (34%) and funding delays (32%) also occur frequently, whereas quality issues (9%) and safety incidents (1%) are far less common. These trends suggest that delays are driven more by upstream planning, approvals and market conditions than by day-to-day execution.

Many organizations are also adjusting how risk is managed in project agreements. The most common contract changes include added data security or cybersecurity requirements (55%), price-escalation clauses (47%) and new sustainability or ESG provisions (45%). Nearly one-third (30%) report shorter price-hold windows or scheduled price reviews. Other respondents report stronger bonding and guarantee requirements (20%), revised incentive or penalty schemes (15%) and clarified BIM or digital-twin and data ownership terms (12%). Taken together, these results show that projects are still moving forward but with closer attention to price risk, compliance and data governance.

THE FOLLOWING ARE KEY FINDINGS:

- **Project delays are now the norm, not the exception.** Only about 10% of organizations report no delays. Most see delays on 1%–40% of projects, and about 16% report that more than 40% or even all projects are delayed.
- **Delays are driven mainly by scope and supply chain factors.** The top causes are scope changes (51%) and supply chain issues (49%), followed by permitting and regulatory approvals (34%) and funding delays (32%). Quality and safety problems are rarely cited as primary drivers.
- **Schedule risk varies by sector and region.** Information and utilities respondents report fewer and less-severe delays, whereas some sectors (e.g., professional and scientific, public administration, and transportation and warehousing) and several regions (e.g., parts of Europe; Latin America; and the U.S. Pacific, South Central, and Southeast regions) experience higher concentrations of heavy delays.
- **Contracts are being used more actively to manage risk.** Many organizations are adding data and cybersecurity requirements (55%), price-escalation clauses (47%) and ESG provisions (45%), along with shorter price-hold periods and stronger guarantees. These findings indicate projects are continuing to move forward but with tighter controls regarding pricing, compliance and information.

Figure 4.1: Overall Schedule Delays on FM Projects (Last 12 Months)

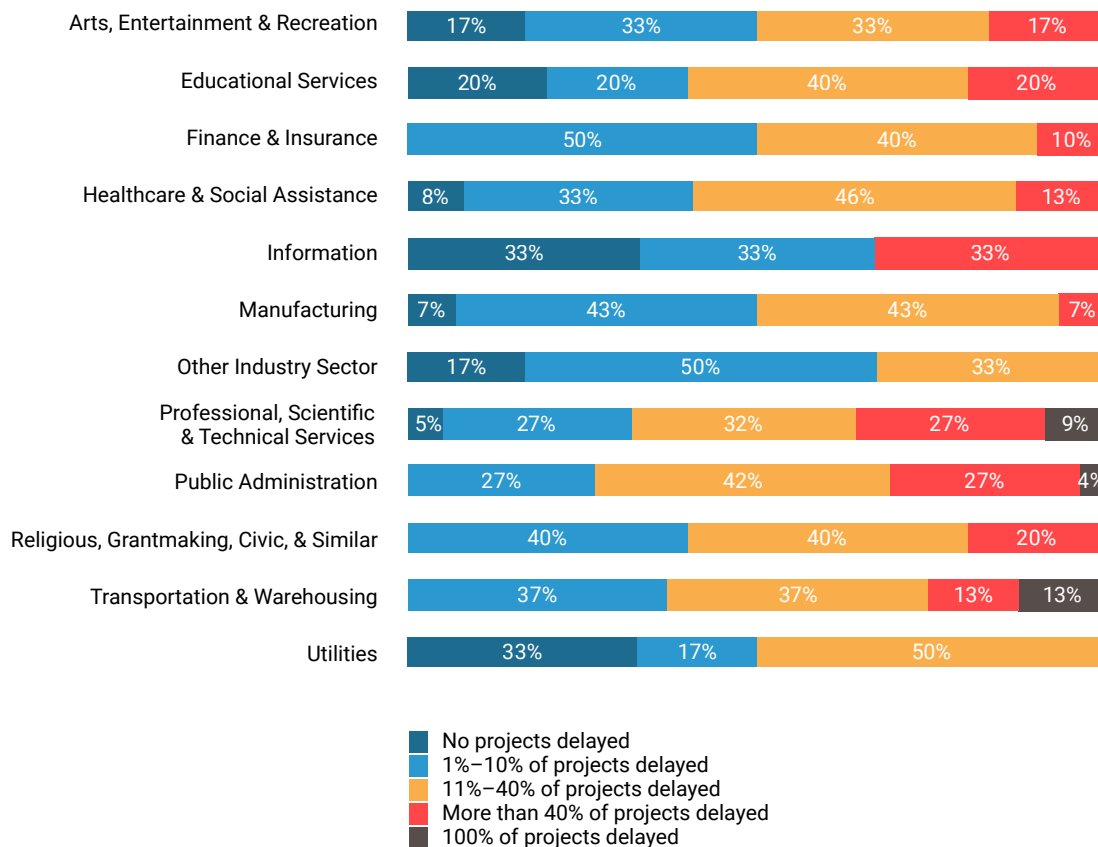


4.1 Project Delays

Across sectors, project delays are common rather than the exception (see Figure 4.2). In most industries, the majority of respondents report that at least some projects (usually 1%–40%) are delayed. Very few respondents in finance and insurance, healthcare, manufacturing, public administration, religious and civic, transportation and warehousing, and other-industry sectors report that no projects are delayed.

Severe disruptions are concentrated in a few areas. Professional, scientific and technical services; public administration; and transportation and warehousing have the highest shares, with more than 40% of projects delayed or all projects delayed. In contrast, information and utilities respondents have the healthiest schedules, with about one-third of respondents in each sector saying no projects are delayed; relatively few respondents in these sectors reported experiencing the highest delay bands.

Figure 4.1: Overall Schedule Delays on FM Projects (Last 12 Months)



4.1 Project Delays (continued)

Across all regions, most organizations are experiencing at least some schedule slippage (see Figure 4.3). Only 4%–17% of respondents report no delayed projects; the lowest no-delays percentage is in Europe (4%), and the highest is in Africa and Latin America (17% each). Delays are most common in 1%–10% of projects or 11%–40% of projects. Asia-Pacific organizations has the largest share of minor delays (53% in the 1%–10% band); delays affecting 11%–40% of projects are more common in Latin America (50%), Europe (44%), North America (38%) and Africa (35%).

More-severe disruptions are less common but still present. A total of 18% of North American respondents and 11%–17% respondents in Europe and Latin America report that more than 40% of projects are delayed. A small number of respondents in Africa and Europe (4% each) indicate that all projects are currently delayed, underscoring that some portfolios face significant schedule risk.

In Canada, Ontario has a wider spread of project delays than the Prairie Region does (see Figure 4.4): In Ontario, 9% report no delays, 36% report delays on 1%–10% of projects, 27% report delays on 11%–40% of projects and another 27% report delays on more than 40% of projects. In the Prairie Region, all respondents report delays: 40% experience delays on 1%–10% of projects, and 60% report delays on 11%–40% of projects; no respondents report no delays or delays on more than 40% of projects.

Figure 4.3: Schedule Delays by Global Region

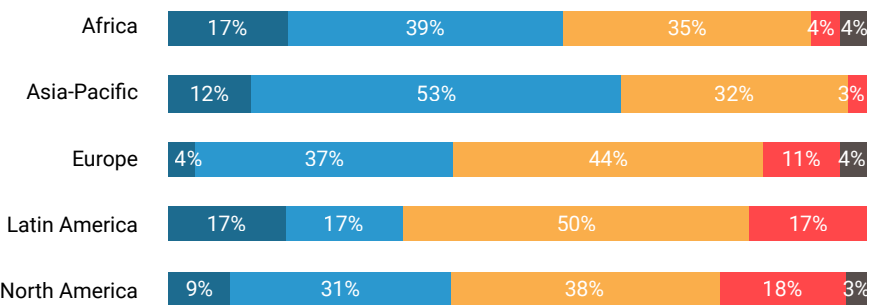
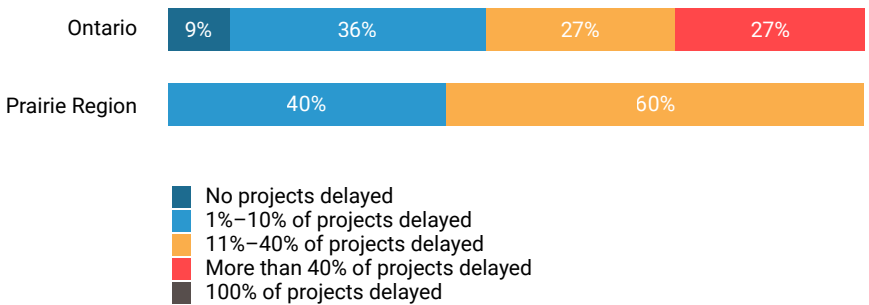


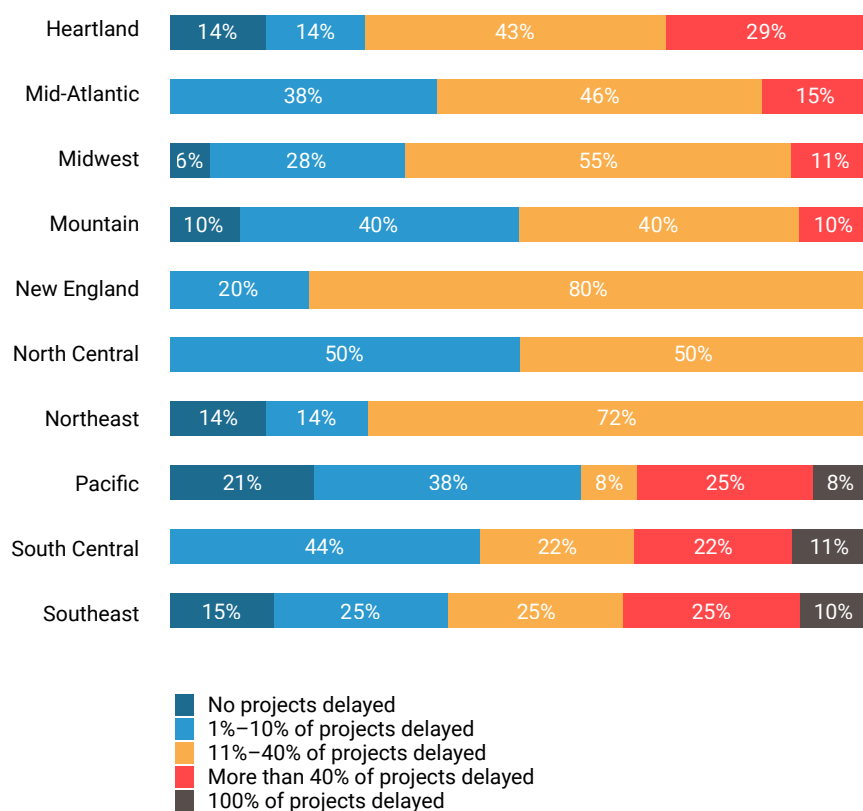
Figure 4.4: Project Delays by Canadian Region



4.1 Project Delays (continued)

Across U.S. regions, delays are common, with most areas reporting that at least 11%–40% of projects are delayed (see Figure 4.5). The New England, North Central, Midwest and Northeast regions have the highest rates (often 70%–80%) in this middle-delay band, whereas the Pacific, South Central and Southeast regions have the greatest concentration of severe impacts; roughly one-quarter or more of respondents in these regions report delays on more than 40% of projects, and some of these respondents report delays on all projects.

Figure 4.5: Project Delays by U.S. Region



4.1 Project Delays (continued)

Scope and supply chain problems remain the dominant drivers of schedule delays (see Figure 4.6). For most FMs, the biggest schedule risks are work that moves after the budget and plan are set and materials and equipment that do not arrive when needed. A second tier of issues includes permitting and regulatory approvals and funding delays, both of which sit upstream of the project team and can stall work even when designs and vendors are ready. Quality issues and safety incidents are much less common triggers.

These findings suggest that the highest-value levers are tighter scope control, more realistic material and lead-time planning and early coordination with finance and permitting groups. Strengthening these front-end processes may do more to protect schedules than focusing solely on traditional construction-phase risks does.

Many organizations are also updating project agreements to reflect this risk profile (see Figure 4.7). Data and cybersecurity requirements, pricing protections and ESG provisions top the list, followed by changes to price-hold windows, bonding, incentives and digital-information terms. These changes indicate that FMs are actively including risk controls in contracts rather than relying only on informal practices.

Figure 4.6: Most Common Causes of Schedule Delays

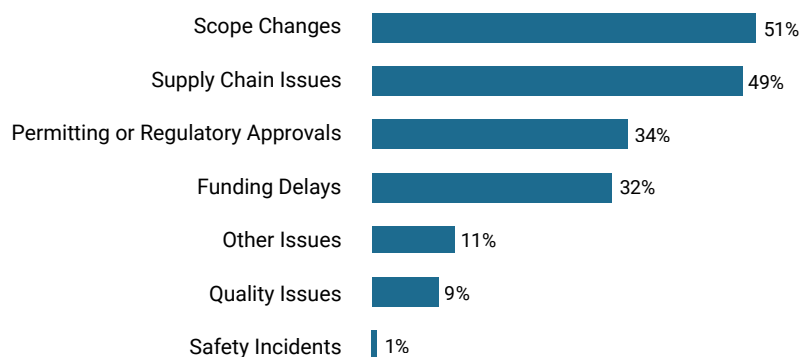
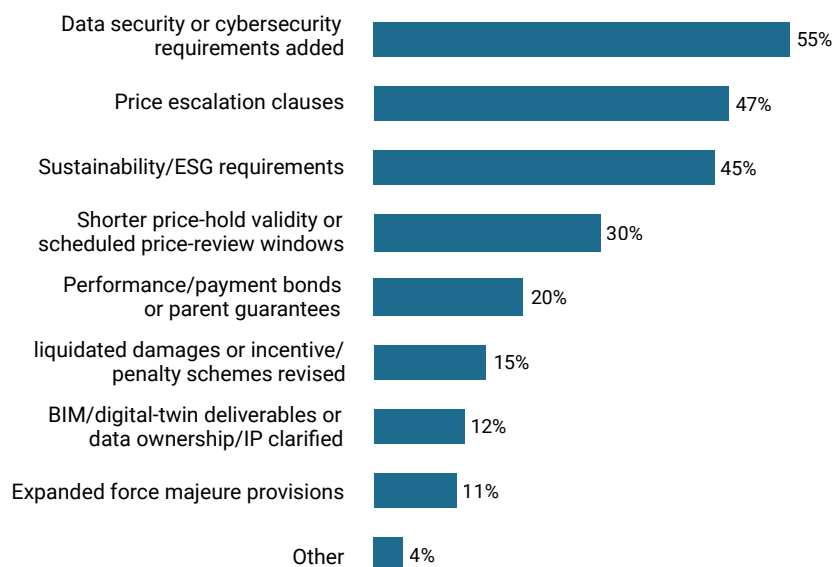


Figure 4.7: Contract Changes Over the Past 12 Months



Definitions

Approval Cycle Balance

A summary measure of whether internal FM budget approvals are speeding up or slowing down. It is calculated as the share of respondents reporting “shorter” approval cycles minus the share reporting “longer.” Positive values indicate approvals are generally faster; negative values indicate approvals are generally slower.

Backfilling (staffing)

Backfilling is hiring to replace positions that became vacant (for example due to turnover or retirement) in order to restore/maintain current staffing levels, with no net increase in total FM headcount. This aligns with the report’s “backfill only” staffing response option and the related narrative about restoring or maintaining coverage first.

CapEx (Capital Expenditure)

Spending on major facility assets or improvements that provide value over multiple years, such as new construction, major renovations, large equipment purchases, and major system replacements. In this report, CapEx is discussed as part of anticipated budget changes.

Facility Size

A standardized size band for the portfolio/facility the respondent is reporting on, based on total gross area under management. In this report, facility size is grouped using gross square feet (GSF) thresholds (with metric equivalents shown).

Facility Management Workload Index (FMWI)

What it is: The Facility Management Workload Index is a single measure that captures how facility professionals expect their overall workload to change over the next six months. It reflects sentiment about total activity levels, from daily operations and maintenance to renovation and project work.

How it works: Respondents were asked whether they expect their organization’s overall facility workload to decrease, stay about the same, or increase.

Each answer is converted to a numerical value on a scale from -100 to +100:

- Large decreases pull the score down
- Large increases push it up,
- Zero means expectations are balanced.

A higher number means more facility professionals expect their workload to rise.

How to read it:

- Positive scores (> 0) → overall activity expected to grow.
- Negative scores (< 0) → workload expected to contract.
- Scores near zero → stable conditions.

Why it matters: The Facility Management Workload Index acts as a quick “heartbeat” for the profession. It summarizes whether facility teams are preparing for growth, stability, or slowdown, and it provides a baseline for tracking change in future FM Pulse surveys.

Definitions

Gross Square Feet (GSF)

Gross Square Feet (GSF) is a measure of total building area (gross floor area). It is used throughout this report to describe facility/portfolio size bands (with approximate square-meter equivalents provided).

Industry Sector

Industry Sector is a standardized category that describes the primary industry served by the facility (for example, Health Care, Manufacturing, Utilities). In this report, sector labels are primarily based on NAICS, which organizes economic activity into a hierarchy with increasing detail (sector → subsector → industry group → industry). For international respondents and global comparability, the sector framework is also aligned, where appropriate, with widely used international and regional systems including ISIC (a global classification) and NACE (a European classification derived from ISIC).

For benchmarking consistency, respondents are instructed to answer for their largest, most active facility. If a portfolio spans multiple sectors, respondents should select the sector that represents the largest share of square footage or operating budget. Industry Subsector is a more detailed classification within an Industry Sector (for example, “Colleges and Universities” within Educational Services). This report includes several subsector-level breakouts in the appendices.

The sector list is adapted for facility management benchmarking needs and includes an “Other” option to capture less common or emerging activities. Based on pilot feedback and classification refinements, the framework also includes a top-level category for Real Estate & Rental and Leasing.

OpEx (Operating Expenditure)

Ongoing, day-to-day spending required to operate and maintain facilities, such as labor, routine maintenance, utilities, service contracts, and supplies. In this report, operating spending is primarily reflected in O&M (Operations and Maintenance) budgets

Operations and Maintenance (O&M)

Operations and Maintenance (O&M) refers to day-to-day facility operations spending and routine maintenance work required to keep assets functioning. In this report, O&M is used as the primary expression of operating spending (OpEx) for benchmarking.

Targeted Net Hiring

Targeted net hiring is selective hiring that results in a net increase in headcount, typically focused on specific critical roles, skills, or priority areas rather than broad across-the-board growth. In the report narrative, this is the “targeted adds” concept and is reflected in the “increase net headcount” response option (often discussed alongside backfilling as the two dominant staffing moves).