

FACILITIES SNAPSHOT

3rd Quarter 2011

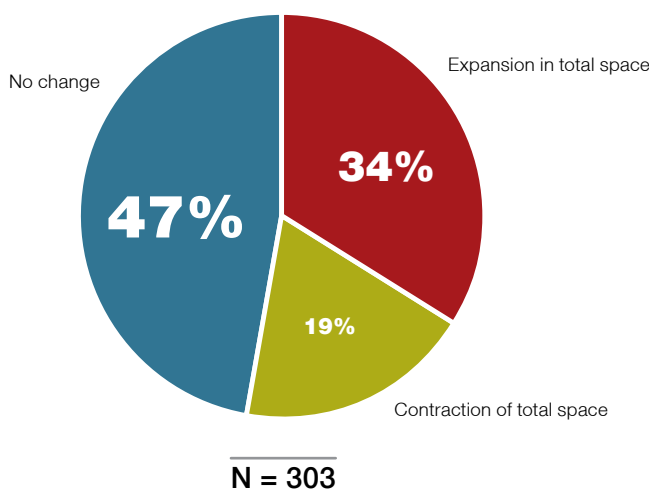
IFMA
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Empowering Facility Professionals Worldwide

Background

IFMA's *Facility Snapshot* is a survey issued on a quarterly basis to members and stakeholders to assess the current climate of facility management activities. IFMA has collected a year's worth of data and has witnessed a steady increase in most FM activities. In this particular quarter, we see some sectors contract while others such as health care continue to expand. In this quarter, we asked respondents to list the countries in which they manage and operate facilities. The findings show 109 different countries are represented. As anticipated, there is a variety of challenges that arise from working in multiple locations, as cited in this report.

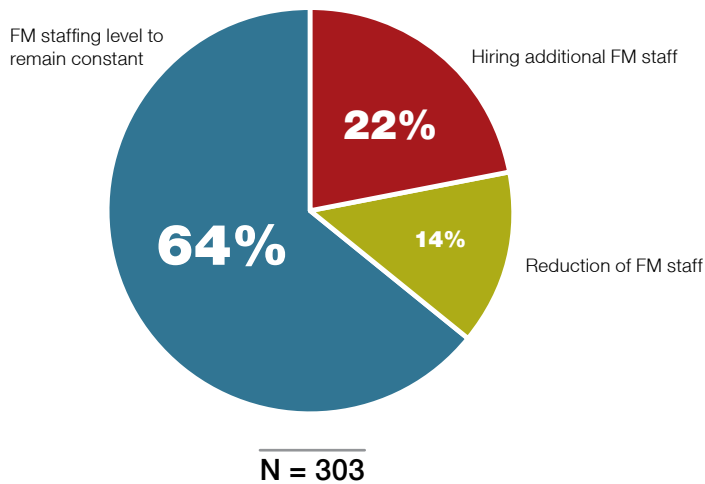
1. Regarding the space you manage, what do you foresee in the next six months?

We lead each Facility Snapshot poll with this question each time because it provides an accurate assessment of overall activity. Just as in the previous quarter, 47 percent of the respondents do not anticipate a change in the size of their portfolio. However, we see a slight increase, from 14 to 19 percent of in the number of firms that anticipate a contraction of space. Facility professionals reporting from the health care, educational and insurance sectors still foresee expansion.



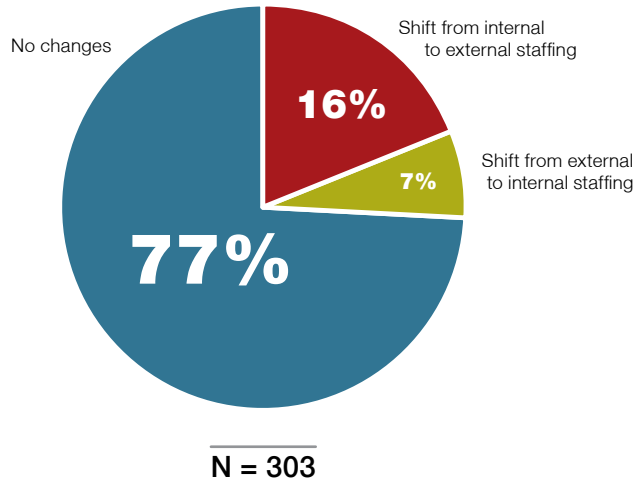
2. Regarding FM staff (in house and contracted), what do you anticipate in the next six months?

Compared to the previous second quarter results, we see a decrease in the number of organizations that are planning to hire additional FM staff, and conversely, an increase in the number of organizations that anticipate a reduction in staff. More facility managers within the professional services sector have reported a reduction in staff, while the health care sector still leads in growth. Nearly two-thirds of the respondents plan to keep staff levels constant because of the revolving door of replacing retired workers, transferring employees to different departments and pulling workers from other areas.

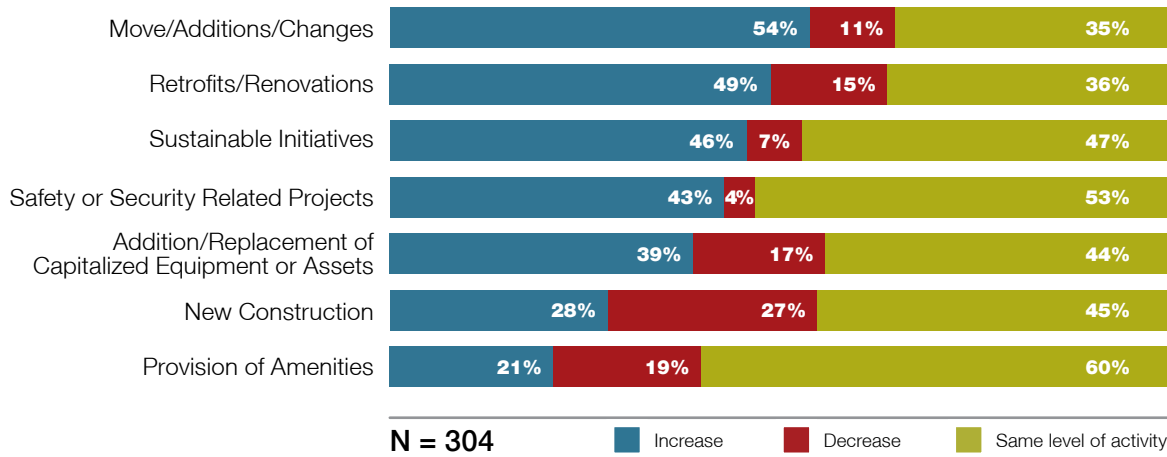


3. Regarding provision of FM services, what do you envision in the next six months?

Nearly three-quarters of facility managers who answered this question say they are not planning any changes in their staffing mix, and figures from the previous quarter reflect almost no change. The shift from internal to outsourced staff seems to be more prominent in the banking and government sectors, and some foresee a shift taking place much further in the future, not in the next six months. When it comes to staffing, facility managers are reaching out to find candidates who offer more technical skills and education as they look to improve service level delivery.

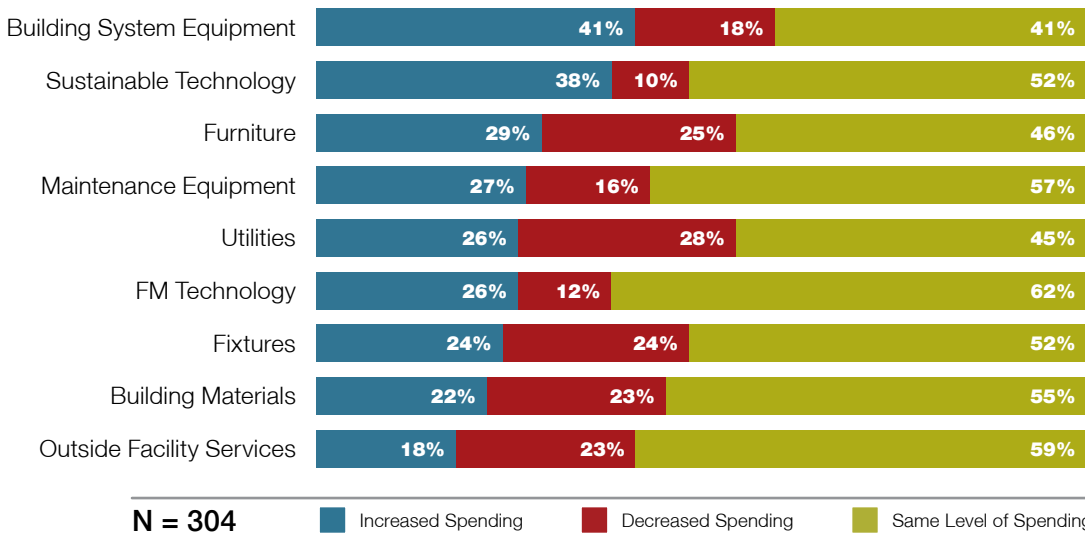


4. Looking back on the past six months, what level of activity have you experienced for the following:



Facility managers across the board have reported increases in moves, additions, or changes and retrofits and renovations, while activities that require more long term planning (initiatives and major projects) have seen little change. This result is possibly because the plans have already been implemented. Reorganizations and consolidations are driving the increased level of M/A/C activities. The health care industry continues to show signs of growth, leading in categories for new construction and moves, additions or changes. Those within the manufacturing facilities, on the other hand, are experiencing more retrofits and renovations than most other sectors.

5. Do you anticipate your organization spending more, less or the same on the following in the next six months?



The majority of facility manager responses show the same level of spending across the board, with building system equipment and sustaining technology receiving the lion's share of increased investment. Professional services firms are more apt to look for ways to decrease spending over the next six months, followed closely by the banking sector. All indicators ultimately point to a general theme: budgets are tight, more so than in the past, with managers adding that travel expenses are first on the list of expenses to be reviewed and cut.

6. The following is a list of sustainable initiatives that you or your organization may have considered or undertaken recently. What plans do you have for the next 12 months?

	Currently in place, plan to do more in the next 12 months	Currently in place, no plan to do any more in the area	Plant to start within the next 12 months	No plans at this time
Energy Conservation	61%	26%	8%	5%
Recycling	42%	47%	3%	8%
Lighting Fixtures Retrofits	40%	27%	9%	24%
Waste Reduction	39%	31%	7%	23%
Employee Education Program	35%	30%	12%	23%
Light Sensors	35%	35%	7%	23%
Participation in ENERGY STAR	28%	22%	11%	39%
Re-use of Furnishings and Supplies	23%	26%	7%	34%
Working Toward a Building Certification	19%	16%	7%	58%
Landscaping	15%	31%	7%	47%
Use of Alternative Fuels/Renewable Energy	14%	12%	6%	68%
Transportation Alternatives	12%	23%	6%	59%

N = 303

Recycling and energy conservation remain the two leading initiatives that organizations continue to focus on. Waste reduction, lighting retrofits and light sensors are top priorities over the next 12 months for most industries. City and county governments lead with more than 80 percent with plans for retrofits and sensors in the upcoming year. In addition to working toward LEED certification, some organizations are moving to ISO 14001 certification in some of their offices. With the focus in most industries being on conservation and reduction, it is surprising that all industries overwhelmingly have no plans for transportation alternatives or alternative fuels and renewable energy. This could possibly be due to the fact that technologies for these alternatives are not yet cost-effective.

7. Please indicate in which countries your organization operates facilities.

<1%	Albania	<1%	Eritrea	1%	Luxembourg	<1%	Senegal
4%	Argentina	<1%	Estonia	<1%	Macedonia	8%	Singapore
<1%	Armenia	<1%	Ethiopia	<1%	Malawi	2%	Slovakia
12%	Australia	<1%	Fiji	1%	Malaysia	1%	Slovenia
3%	Austria	2%	Finland	<1%	Malta	4%	South Africa
1%	Bahrain	10%	France	1%	Mauritius	8%	Spain
1%	Bangladesh	1%	Georgia	9%	Mexico	1%	Sri Lanka
1%	Barbados	12%	Germany	1%	Mongolia	4%	Sweden
<1%	Belarus	1%	Ghana	1%	Morocco	6%	Switzerland
7%	Belgium	3%	Greece	<1%	Mozambique	2%	Taiwan
1%	Belize	1%	Guatemala	<1%	Nepal	3%	Thailand
1%	Bolivia	<1%	Guyana	6%	Netherlands	2%	Trinidad and Tobago
8%	Brazil	7%	Hong Kong	4%	New Zealand	1%	Tunisia
<1%	Brunei	2%	Hungary	1%	Nigeria	3%	Turkey
1%	Bulgaria	1%	Iceland	4%	Norway	1%	Uganda
21%	Canada	11%	India	<1%	Oman	<1%	Ukraine
4%	Chile	1%	Indonesia	<1%	Pakistan	4%	United Arab Emirates
14%	China	1%	Israel	1%	Panama	17%	United Kingdom
2%	Colombia	8%	Italy	1%	Paraguay	80%	United States
2%	Costa Rica	<1%	Jamaica	1%	Peru	3%	Venezuela
<1%	Croatia	10%	Japan	3%	Philippines	2%	Vietnam
<1%	Curacao	<1%	Jordan	3%	Poland	<1%	Yemen
<1%	Cyprus	<1%	Kenya	3%	Portugal	1%	Yugoslavia
3%	Czech Republic	4%	Korea	<1%	Qatar	1%	Zambia
3%	Denmark	<1%	Kuwait	3%	Ireland	<1%	Zimbabwe
1%	Ecuador	<1%	Latvia	2%	Romania		
2%	Egypt	1%	Lebanon	5%	Russia		
2%	El Salvador	<1%	Lithuania	3%	Saudi Arabia		

N = 362

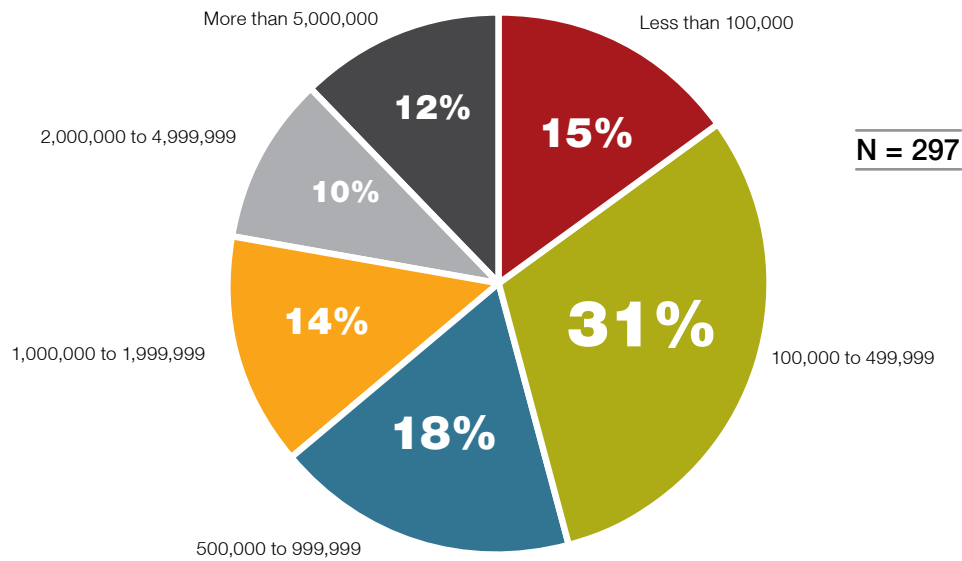
8. What FM challenges have you encountered by managing facilities in more than one country?

Managing sites in different countries adds a layer of complexity. In addition to currency and measurement differences, one should recognize that there are cultural differences that impact how a building is operated and how quickly matters are attended to. Other challenges include standardization of data and maintaining the same level of service quality. As one respondent advised, "As with any project, you must educate yourself on the local nuances prior to any FM work."

Here are the some of other challenges mentioned:

- "The biggest challenge is language and the specifics to laws as to what can be divulged between employees and vendors/contractors."
- "Blending governmental variances and policies that challenge consistent best practices."
- "Contracts are very seldom based on performance criteria in the US which brings the input of the contractor and quality of the services to a lower level. (We are a company supplying FM services.)"
- "Cost"
- "Cultural differences in executing implementation of improvement of FM."
- "Cultural differences when it comes to deadlines. Many other countries don't operate as we do when it comes to getting things done quickly."
- "Differences in real estate rules, regulations, standards and lease provisions. Variances between landlord and tenant responsibilities between countries."
- "Different cultures make the understanding of FM concepts very difficult."
- "Establishing common business processes."
- "Lack of centralized cost databases and associated collaborative software... multi-language, multi-currency."
- "Lack of consistency."
- "Lack of service providers who can truly integrate service levels, processes, and contracting methodologies across countries."
- "Language and cultural differences."
- "Less challenges, as I have found contractors and ethics abroad very much trustable compared to Italian ones."
- "Lots of culture to understand. Learn the metric system and be prepared for slow work and lots of travel."
- "Mainly legal aspects to different services/policies but also cultural differences amongst the countries."
- "Maintaining company standards and specs while balancing exceptions for local customs."
- "Managing maintenance contractors is a bit different in Italy than in the Netherlands."
- "Maximize staff utilization while adhering to unique country work rules."
- "My personal responsibilities only involve the U.S. and Canada. Based in the US, the FM challenges I face associated with Canada relate to code differences, understanding the tax situation and customs and practices in the construction and services areas."
- "Security in China and connectivity."
- "Standardizing processes, communication amongst diverse cultures, understanding differences in legal, local and cultural matters."
- "The biggest obstacle is the time zones and periodically the language barriers."
- "The challenge is the differences in culture, how space is leased, and how assets are obtained."
- "Time differential between offices, expense of sending personnel between facilities."
- "Variations regarding currency, real estate measurements, leases and contracts, contractors, and culture."

9. Approximately how many square feet/square meters of facilities do your responsibilities cover?



10. Predominant Use of Facility

1%	Big Box/Department Store	7%	Manufacturing
14%	Branch/Regional Office	1%	Medical Office
3%	Call Center	1%	Military
1%	Casino	15%	Mixed Use (Office is dominant component)
1%	Community/Recreation Center	0%	Multi-Family (Condominium/Student Housing)
1%	Convention Center/Exhibit Hall	5%	Multi Use (No single type of space dominates more than 50%)
0%	Correctional	1%	Museum (Gallery/Zoo/Arboretum)
1%	Courthouse	2%	Religious
2%	Data Center (Data/Computer Center/Switch Facility)	2%	Research Center (Research Laboratory)
6%	Education	4%	Retail Branch (Bank/Other)
21%	Headquarter	1%	Senior Housing (Assisted Living/Skilled Nursing)
4%	Health Care	1%	Sports and Entertainment (Aquatic/Gaming/Golf Course)
1%	Library	0%	Stadium/Arena/Auditorium
1%	Lodging and Hospitality	1%	Transportation (Airport/Rail/Bus Station)
0%	Mall	2%	Warehouse

N = 284

11. Industries Represented:

Services Sector		Manufacturing Sector		Institutional Sector	
8%	Banking	1%	Aircraft/Industrial	2%	Association
9%	Facility Management	2%	Building/Construction	1%	Cultural
3%	Health Care	2%	Chemical/Pharmaceutical	6%	Education
3%	Hospitality	1%	Consumer Products	2%	Federal Government
2%	Information Services	2%	Computer	1%	State/Provincial Government
4%	Insurance	2%	Electronics	6%	City/County Government
2%	Investment Services	2%	Energy	1%	Special District/Quasi-Government
2%	Media	1%	Furniture	1%	Military
6%	Professional Services	2%	Medical Equipment	2%	Religious
3%	Telecommunications	1%	Motor Vehicles	2%	Research
1%	Trade	2%	Other Manufacturing	1%	Other Institutions
2%	Utilities				
8%	Other Services				

N = 286

12. Countries represented in survey:

Australia	Ghana	Mexico	Sweden
Belgium	Greece	Netherlands	Trinidad and Tobago
Brazil	India	New Zealand	Turkey
Canada	Italy	Nigeria	United Arab Emirates
China	Jamaica	Philippines	United Kingdom
Czech Republic	Japan	Qatar	United States
Egypt	Luxembourg	Slovakia	Yugoslavia
Germany	Macau	Spain	

Methodology

The Facilities Snapshot survey was posted to IFMA's LinkedIn, Twitter and Facebook sites on December 7, 2011. In addition to these sites, the survey link was sent to a global sample of IFMA members in December 19, 2011. A total of 304 responses were received by January 15, 2012. A confidence level and margin of error give readers some measure of how much they can rely on survey responses to represent all IFMA member organizations. Given the response level to this survey, IFMA is 95 percent confident that the responses given can be generalized to all IFMA member organizations with a margin of error of approximately +/- 6 percent.