

National survey “Facility and property management services market in Bulgaria”

Purpose of the survey

The survey aims to show what kind of companies participate in the property and facility management service market, how many and what kind of facilities they are managing, how big are these companies etc. As a professional media concerning the public services development, publics.bg takes as its mission to give useful and high quality information. This could be achieved only with the active participation of experts, who can share their vision and anticipations for the FM sector.

The questionnaire was sent to more than 200 companies and consists of 23 questions, which aim to identify the most common services offered by the companies, which of them are in-house and which are outsourced. The survey also has the purpose to show to what extent the companies use modern tools for monitoring the facilities and the FM processes.

FM in Europe and worldwide

What is common for Bulgaria and most Eastern European countries is the fact that facility management (FM) is a new business sector compared it to some West European countries, where it has been a strategic activity for more than 20 years. Having in mind the wide scope of services encompassed in FM, the companies in Europe and worldwide are trying to consolidate the sector. This is a way to establish and maintain good contact between the companies and FM professionals, in order to share information and expertise between all stakeholders, which leads into the shaping of this sector and increasing quality of the services provided.

The importance of FM for all the public and private companies and institutions led to the preparation of EN 15221:1&2 – the first two norms for FM, made by the European Committee for Standardization. This standard gives the definition of facility management, which is also officially adopted by the Bulgarian Facility Management Association:

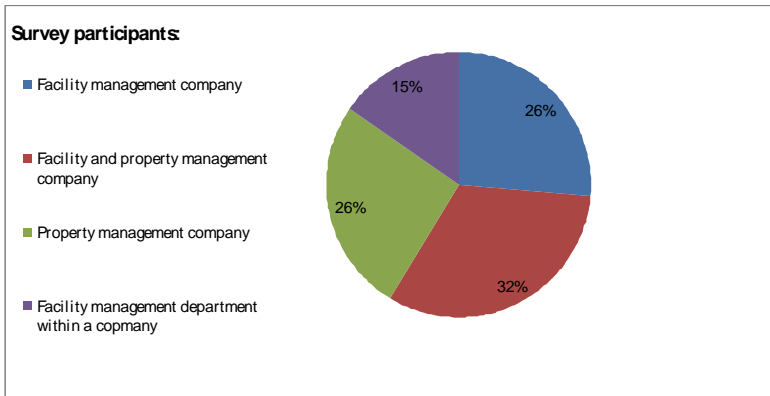
"Facility management is the integration of processes within an organization to maintain and develop the agreed services which support and improve the effectiveness of its primary activities"

FM in Bulgaria

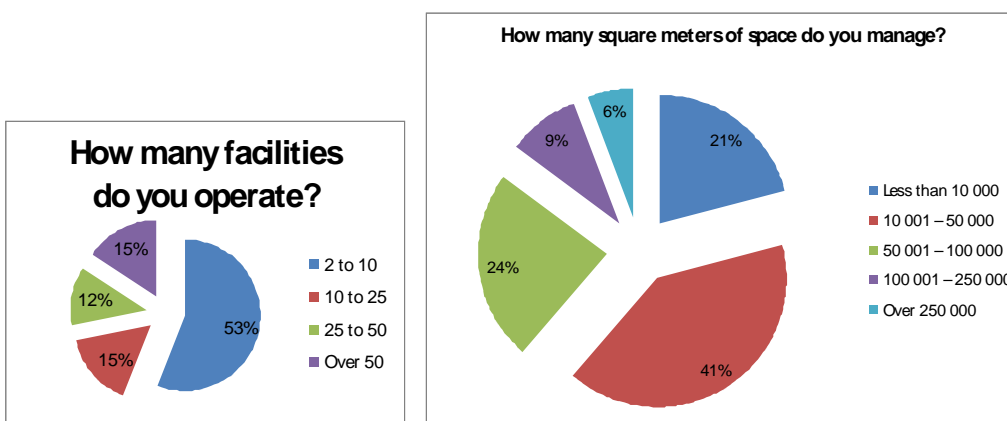
Facility management is becoming more and more popular in Bulgaria. After an initiative, from the Bulgarian Facility Management Association (bgfma.bg), *facility manager* was officially recognized as a profession in the Bulgarian National Classification of Professions. Nevertheless many organizations directly or indirectly connected with facility management are not yet familiar with this term.

The participants

In the survey took part 34 companies, mainly property and facility management service providers but also FM bodies within large organizations.



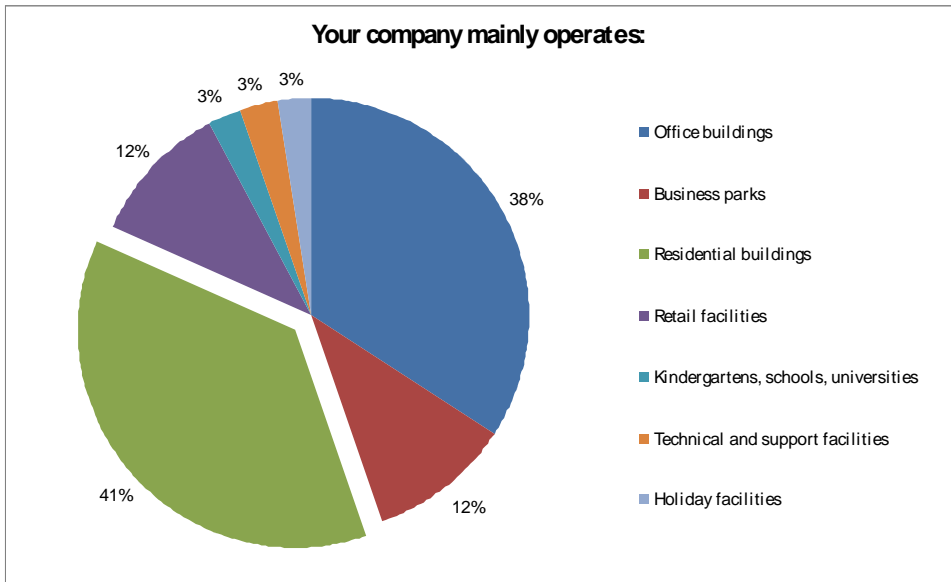
More than half of the respondents manage between 2 and 10 facilities, and the majority manage between 10 000 and 50 000 sq meters of space



Most of the participating organizations operate residential and office buildings – 41% and 38% respectively.

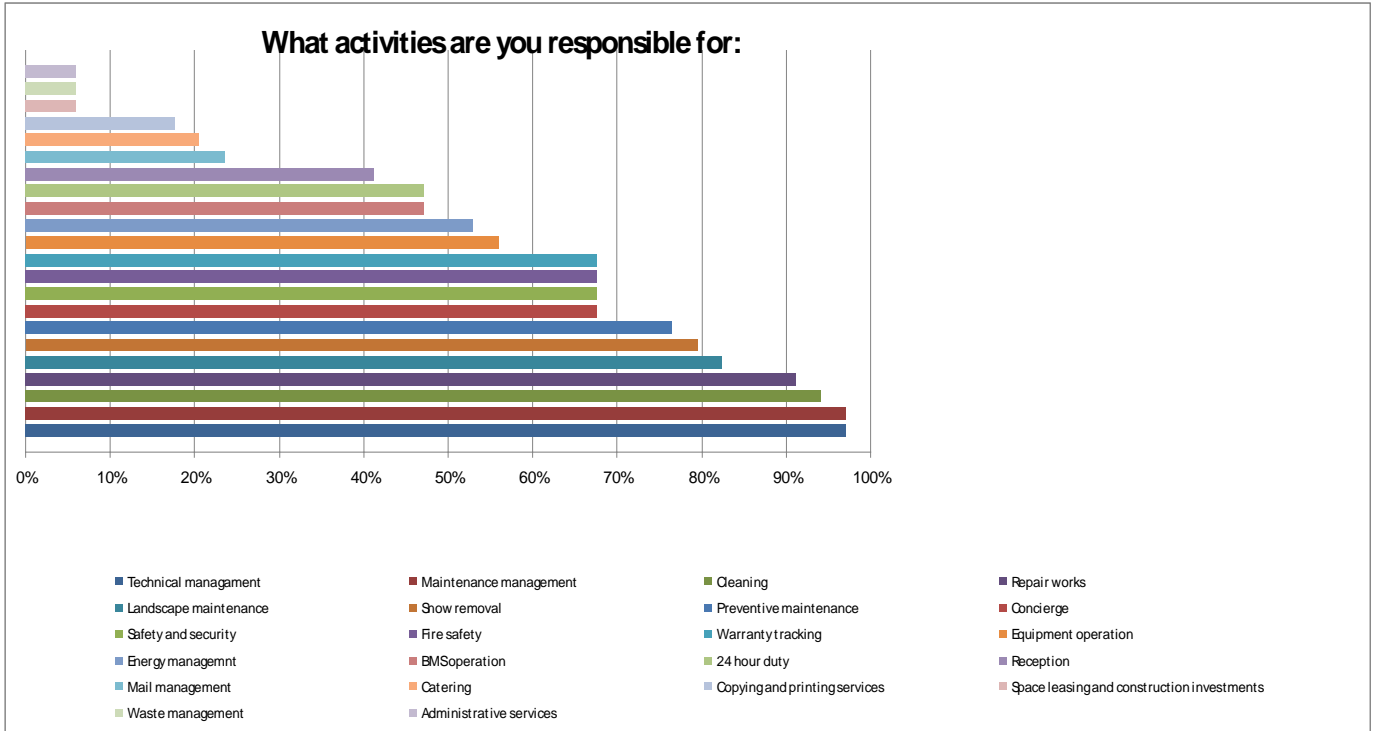
Some organizations also manage educational facilities and kindergartens. Although they represent only small part from the whole, the other companies and the municipalities as well could think more about the professional management of these facilities which are important for youth development. Moreover in Bulgaria there are already cases of office buildings with kindergartens.

The fact that residential buildings are leading as a percentage could be explained with a number of factors – on the one hand the companies which serve the residential sector or the so called housekeeping companies tend to be more active on the market and on the other hand residential facilities represent the biggest part of the building stock as a whole. More and more residential building owners rely on the professionals on the market.



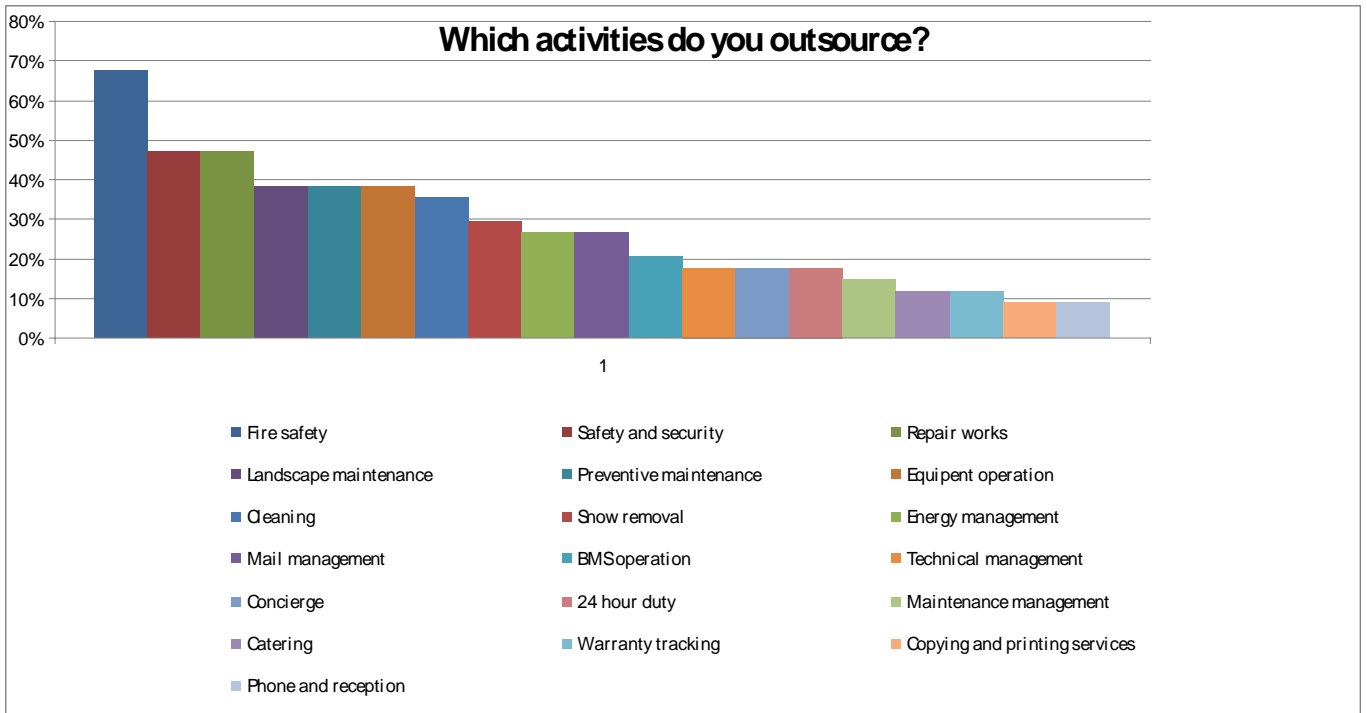
The most offered services

The majority of companies offer all supporting services related to the management of fabric maintenance, cleaning and security services. This fact complies with the global tendencies, as these are basic services that almost every total FM company offers to its current and potential clients. Print & copy, mail management and catering, however, outline themselves as the least popular services.



Outsourcing

In terms of outsourcing, the most outsourced services are safety and security, fire safety and landscape maintenance. The least outsourced services are guarantee management, telephone services and reception followed by print & copy services and 24 hour duty. It is noticeable that fire safety is far ahead from the other services in terms of outsourcing which could be explained with its specific nature.

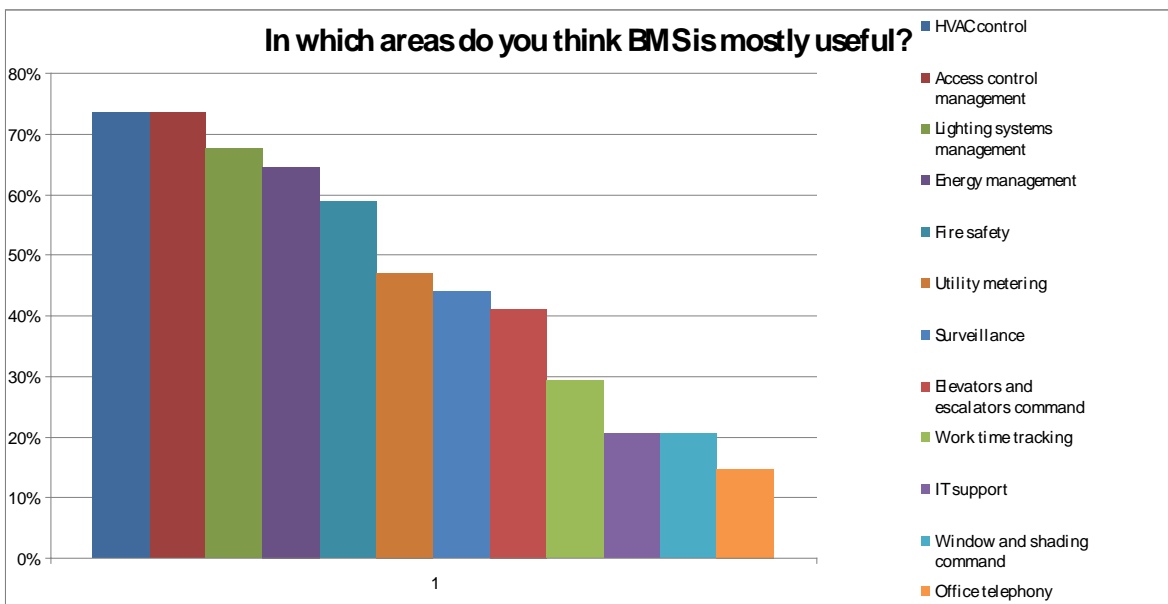


Building management systems

BMS are becoming more and more common and irreplaceable in building management. Almost half of the survey participants use a BMS despite the big percentage of companies who serve the residential sector, where BMS are rarely needed.

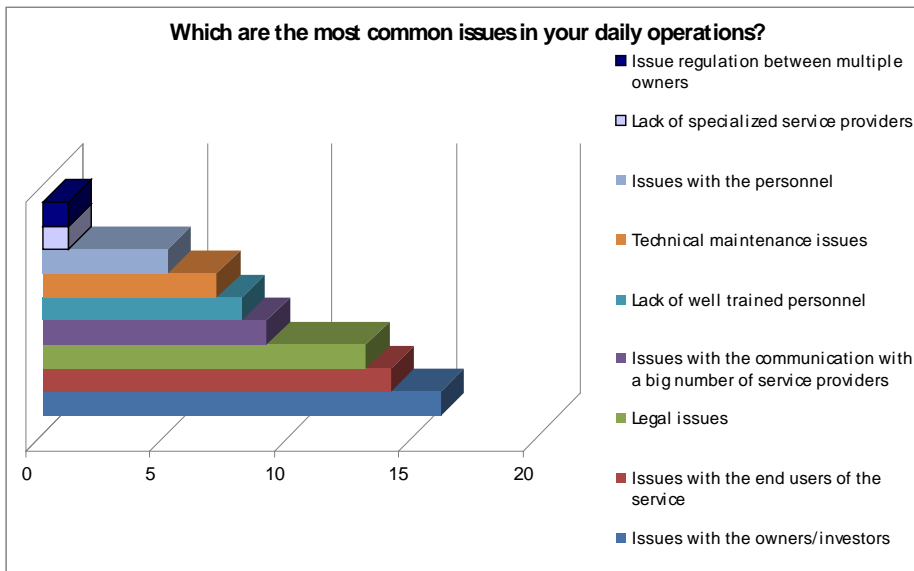
The survey indicates that the areas where BMS are most useful are HVAC control and access control. Energy management and utility metering are also regarded as useful functions of BMS. The vast majority of the survey participants - 85% express the opinion that a BMS would significantly reduce the facility running costs.

Taking into account the energy efficiency requirements of the EU directives and the legal framework in Bulgaria together with the survey results it is clear that BMS systems will be more and more demanded in public buildings as they not only contribute to energy efficiency but also are the tool to measure energy efficiency measures. The presence of a BMS also brings more points when undergoing a certification with sustainability standards such as BREEAM, LEED and DGNB.



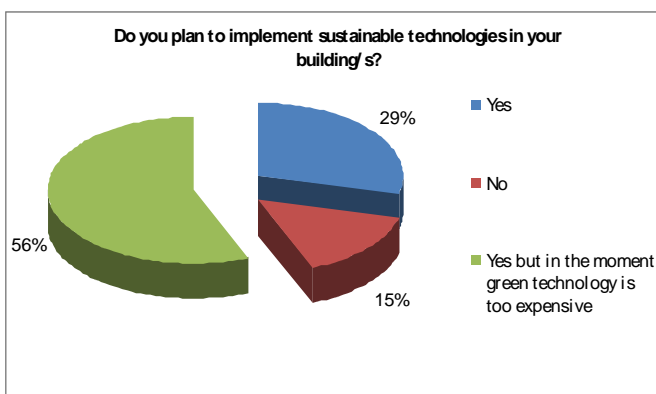
Problematic cases

The most common problematic cases in the daily operations of the survey participants are issues with owners and investors. This is not surprising as in Bulgaria facility management as a service is sought after the construction of a facility has already been finished. On the other hand the building owners in Bulgaria rarely look at the management of buildings strategically in the long term. According to the data issues with the FM service provider's own personnel are least common.



Sustainable technology

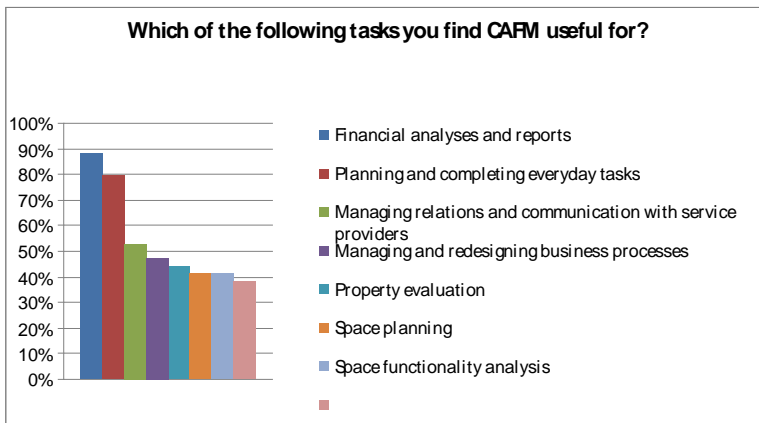
Less than 10% of the survey participants use alternative energy sources. On the other hand most of the participants would like to implement green technologies in the building they manage. Nevertheless more than a half of the respondents state that these technologies are too expensive for them to undertake real actions. The legal framework in Bulgaria which makes it difficult to connect building integrated renewable energy sources to the energy grid contributes to their image as being costly.



Computer aided facility management (CAFM)

According to the survey is CAFM still not widespread in Bulgaria – only about a quarter of the survey participants use such tools. Nevertheless the vast majority thinks that using software tools for facility management would increase service quality and would lead to better task timing. In this relation the low

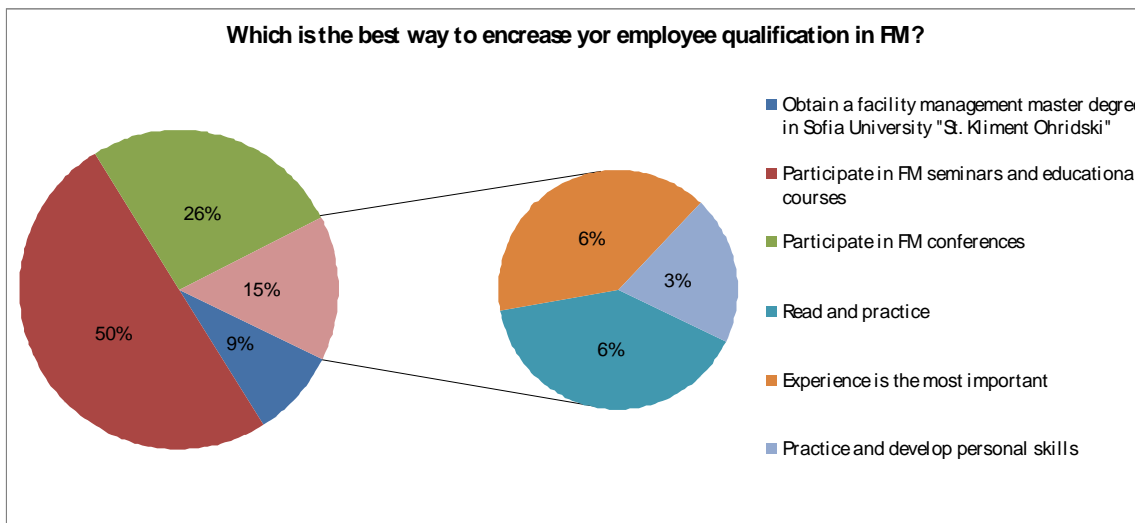
market penetration of the CAFM products could only mean that they have big market potential in the coming years.



FM personnel and qualification

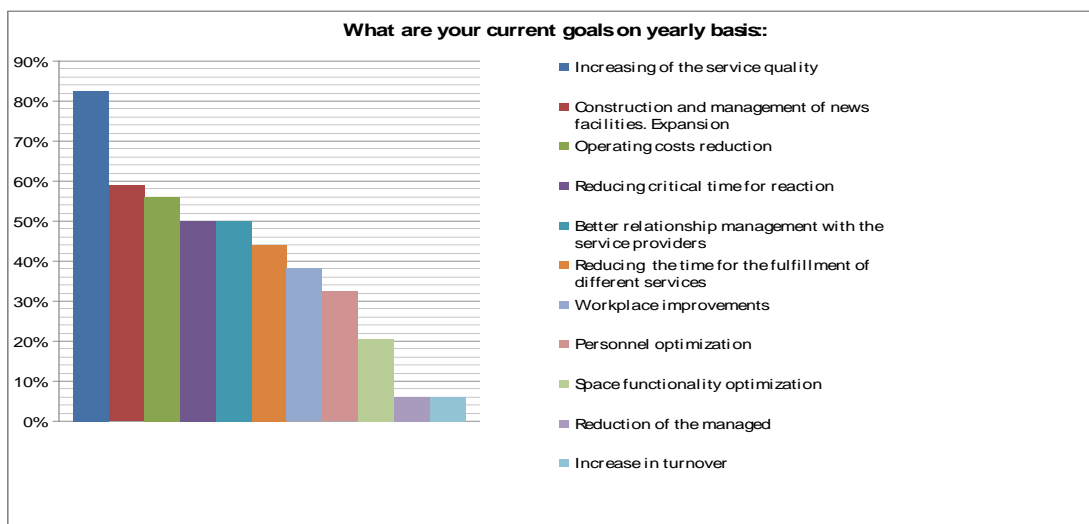
According to the results the need for hiring new FM employees is relatively rare but a common issue is to find qualified professionals when this is needed.

The majority of the survey participants think that the best way to increase FM professional qualification is the participation in FM courses and seminars. Relatively small part from the survey participants regards the only master degree facility management program in Bulgaria – the one in Sofia University “St. Kliment Ohridski” as a good method for raising FM qualification.



Goals

What is common among the survey participants is the aim to increase service quality (80%) and to decrease the running costs of the facilities (56%). Other major goals for the next year are reducing the time for reaction in critical situations, improving collaboration with service providers and workplace improvement improvements. The survey also shows that increasing turnover is not priority target for the property and facility management providers. From this we can make the conclusion that it can be anticipated the quality FM service to increase in the coming years.



Customer relations

The majority of the property and facility management providers use alternative channels of communication with their clients. The most widespread way for receiving feedback is through a feedback fill-in forms on the company website. About 1/3 from the respondents use social networks like Facebook, Twitter, LinkedIn etc. for communication with their clients.

Conclusion

Although the survey doesn't pretend to give a full picture of the property and facility management services market, the authors express their belief that the results can help many companies to see where they are situated among their competitors on the market.

Some of the conclusions which can be derived from the survey results are:

- The market is represented mainly by small companies – the majority operates between 2 and 10 facilities and between 10 000 and 50 000 sq meters of space
- The main goal for most FMs in Bulgaria is to increase service quality
- There is a big potential for the CAFM market – low market penetration of CAFM products, while the majority of the companies on the market express the opinion that using CAFM can lead to significant processes optimization
- In Bulgaria there is a lack of well trained FMs and good educational programs
- Sustainable building technologies are desired but regarded as too expensive

The team of publics.bg hopes that the survey has managed to lay the foundations of a full scope look on the property and facility services market in Bulgaria and that with the collaboration of the market participants, this survey will become annual. We hope that in the years to follow more and more companies will get involved in the survey.

We await your comments or suggestions for the following editions of the survey. You can use our web mail office@publics.bg or tel. +359 887 499 443.

Sincerely,
Publics.bg team

The survey is prepared by:
Petar Tashev, Yassen Dimitrov and Atanas Georgiev
Public Services Ltd. (www.publics.bg)