

INDUSTRY UPDATE
NOVEMBER 2026

Facilities Management and Building Services

Driven by statutory compliance demand, UK facilities management and building services M&A remains active in 2026, led by private equity-backed consolidation of technical services and rising interest in consultancy.

HEADLINES

TECHNICAL SERVICES LEAD DEAL FLOW

Of 211 publicly announced UK facilities management and building services deals between January and October 2026, 68% were in technical services: M&E and building maintenance, fire and security, compliance and testing, and lifts[1].

BUYERS FAVOUR RECURRING REVENUE

Businesses with predictable, recurring maintenance and inspection income, healthy margins and a diverse customer base attract the most buyer interest.

DEFENSIVE, REGULATED DEMAND

Statutory inspection cycles underpin demand through the economic cycle, and the government estate carries a maintenance backlog of at least £49 billion[2]. Buyers see physical, certified on-site work as a hedge against AI.

PE LED CONSOLIDATION

Sponsor-backed buyers made 59% of deals, rising to 69% in fire, compliance and lifts, and four in five of their deals were bolt-ons to existing platforms[1].

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MARKET OVERVIEW

The UK facilities management and building services market is a large and mature part of the built environment, with the outsourced market alone valued at around £49.2 billion of annual contract value[3].

This report covers six segments: fire, security and life safety; compliance, testing and inspection; lifts and access; M&E and building maintenance; integrated and soft FM; and property and building consultancy.

211
PUBLICLY ANNOUNCED UK FACILITIES MANAGEMENT AND BUILDING SERVICES DEALS, JAN TO OCT 2026[1]

80%
OF SPONSOR BACKED DEALS WERE BOLT-ONS TO EXISTING PLATFORMS[1]

16%
OF DEALS WERE MADE BY OVERSEAS BUYERS[1]

£49.2 billion
ANNUAL CONTRACT VALUE OF THE OUTSOURCED UK FM MARKET[3]

Demand anchored by statutory compliance

Regulation underpins demand. The Building Safety Regulator became a standalone body in January 2026[4], the Fire Safety (England) Regulations impose monthly, quarterly and annual checks on taller residential buildings[5], five yearly electrical testing has been extended to social housing, and the government has proposed an EPC B minimum standard from 2031 for larger privately rented commercial buildings, subject to legislation and cost effectiveness requirements[6]. These obligations support repeat demand and create opportunities for providers to secure recurring maintenance and inspection contracts.

The government estate adds to this. The National Audit Office puts the maintenance backlog at a minimum of £49 billion, with the NHS, defence and schools estates each above £10 billion[2]. An ageing building stock adds further demand, as older buildings need more frequent repair and upgrades to meet current fire, energy and electrical standards.

Physical, regulated work is resilient to AI disruption

Fire, security, lift, water and electrical compliance work has to be carried out on-site by certified engineers, and the sign off building owners need comes from a competent engineer rather than from software. The Department for Education finds that manual, technically difficult roles are the least exposed to AI; the main exception in facilities services is manned security, where AI-enabled monitoring is a real substitution risk[7]. The binding constraint is skilled labour, so businesses that self-deliver and train their own engineers are increasingly rewarded.

M&A ACTIVITY

Technical services account for most deals

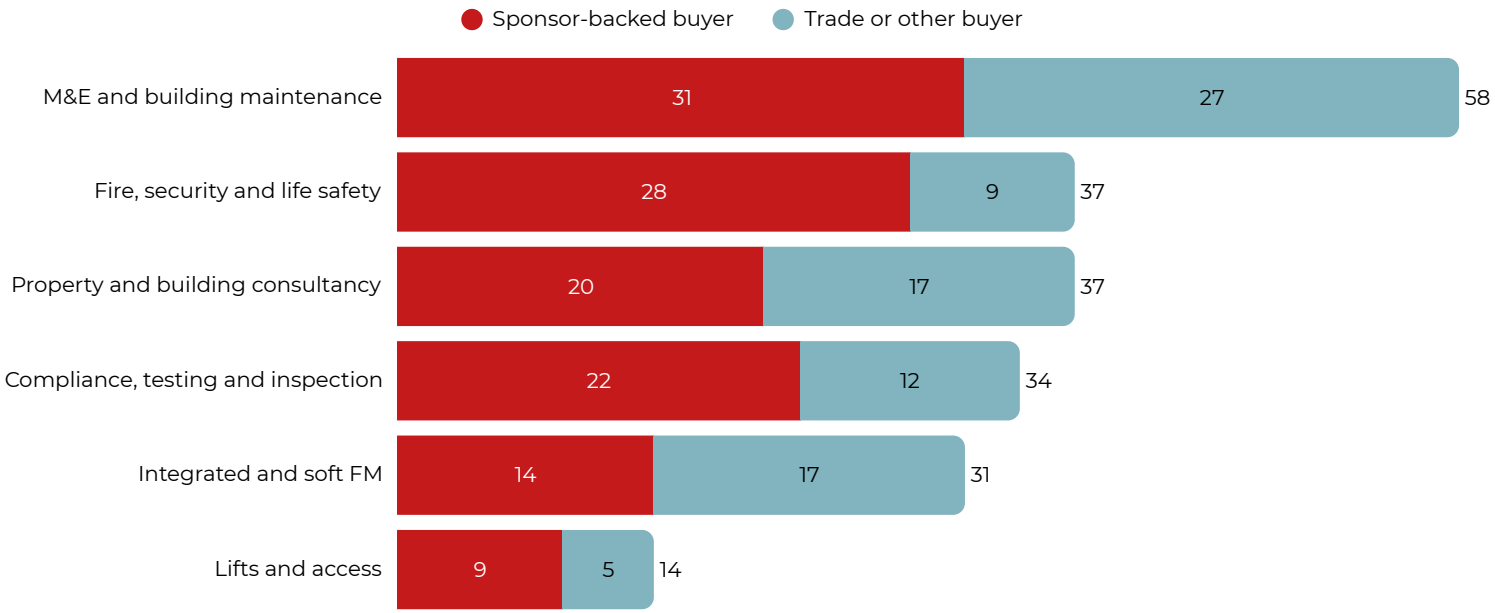
Our analysis of PitchBook and MarktoMarket data identifies 211 publicly announced transactions involving UK-based facilities management and building services businesses, whatever the buyer's location, between January and late October 2026[1]. Most did not disclose a price, and the data will not capture every transaction, particularly small private sales, but it gives a consistent view of where activity is concentrated. Technical services account for two thirds of deals. Fire, compliance, lift and M&E businesses are often regional and owner-managed, with recurring revenue from statutory testing and maintenance. This makes them ideal to combine into national platforms. Soft FM deals are fewer and more selective, reflecting thin margins and heavy wage exposure. Property and building consultancy is largely project based, but has become a private equity theme in its own right, with nine of the 25 direct fund investments this year[1].

Private equity platforms drive buy-and-build

Sponsor backed buyers made 59% of deals, rising to 69% in fire, compliance and lifts, and four in five of their deals were bolt-ons by existing platforms[1]. Where platforms are established, as in fire, compliance and lifts, almost all sponsor activity were bolt-ons; new platforms are forming in less consolidated segments, including consultancy, M&E and soft FM. Overseas buyers made around one in six deals, most of them European groups, which reflects the quality of UK assets and widens the pool of credible bidders for owners.

The long tail of owner-managed operators is what makes buy-and-build work: only one deal in 20 disclosed a price, a sign that most targets are small private businesses[1]. Historic averages show why: across selected UK built environment transactions with disclosed financial information tracked by Gerald Edelman between 2017 and 2025, deals below £30 million enterprise value completed at a median of around 6.6x EBITDA, against around 9.8x for larger deals[8].

PUBLICLY ANNOUNCED UK FACILITIES MANAGEMENT AND BUILDING SERVICES DEALS BY SEGMENT, JAN - OCT 2026



Source: Gerald Edelman analysis of PitchBook and MarktoMarket data. Sponsor-backed = PE or PE-backed buyer

SELECTED RECENT TRANSACTIONS (1/2)

Advised by Gerald Edelman

Date	Target / Buyer	Target / Buyer Description	Target / Buyer HQ	Deal Rationale
7 Oct 2026	Medway	Commercial & industrial heating systems and electrical services.		Adds commercial heating and building services maintenance to EverGrowth's platform.
	EVERGROWTH	FourLeaf Capital backed platform acquiring core services businesses.		
1 Oct 2026	NEPTUNECOMPLIANCE	Legionella testing, water treatment and water risk assessment provider.		Expands PTSG's water treatment division, adding expertise, reach and cross selling opportunities.
	PTSG PREMIER TECHNICAL SERVICES GROUP LTD Niche Specialist Service Provider	Macquarie & Warburg Pincus backed building services group.		
21 Jul 2026	mitie	UK's largest facilities management and compliance group.		Proposed combination of two complementary businesses, expected to complete in Q1 2027.
	OCS	Facilities services group backed by Clayton Dubilier & Rice.		
16 Jun 2026	RANGER FIRE SECURITY	Fire and security services platform with over 25 acquisitions.		Majority investment to accelerate buy-and-build in a resilient, regulated market.
	inflexion	UK mid-market private equity investor.		
12 May 2026	BESPOKE	Commercial cleaning business serving corporate London offices.		Acquisition by a serial acquirer of a commercial cleaning business serving corporate offices.
	ROSE STREET	Serial acquirer of UK businesses across multiple sectors.		
5 May 2026	classiclifts glasgow	Lift installation, modernisation, repair and maintenance.		Adds a Scottish lift engineering base to Complii's lifts and escalators division.
	Complii	Ansor backed building safety and compliance group.		
21 Apr 2026	senseco Fire • Sprinklers • Suppression • Security	Design, install and maintenance of fire and security systems.		One of two fire safety acquisitions for andwis in April, broadening its fire and life safety offer.
	andwis.	H.I.G. backed compliance services group.		
13 Apr 2026	GreenSpark	Environmental compliance and maintenance company.		Adds environmental compliance and drainage maintenance for multi site clients to the SoFlow platform.
	SoFlow Service Partners	Strada Partners backed drainage and wastewater services platform.		

SELECTED RECENT TRANSACTIONS (2/2)

Advised by Gerald Edelman

Date	Target / Buyer	Target / Buyer Description	Target / Buyer HQ	Deal Rationale
31 Mar 2026	Iceline Yorkshire Ltd	Refrigeration installation and modification specialist.		One of six UK acquisitions this year as Nordic Climate Group builds a UK cooling and refrigeration group.
	Nordic Climate Group	Altor backed Swedish refrigeration and climate services group.		
16 Mar 2026	excell Cleaning Services	Specialist contract cleaner for theatres and heritage buildings.		Specialist cleaning bolt on extending EverGrowth's soft services offer.
	EverGrowth	FourLeaf Capital backed platform acquiring core services businesses.		
10 Mar 2026	Frankham Group	Multi disciplinary property and construction consultancy.		PE buyout of a consultancy with a fire and building compliance offer.
	LDC	UK mid-market private equity investor.		
11 Feb 2026	ICA Group	Testing, inspection and building control business.		Vendor CEPS plc could no longer fund ICA's growth at scale.
	Certania	German testing, inspection and certification consolidator.		
6 Jan 2026	Faskin Group	Roofing installation, maintenance and specialist roof survey company.		First of six acquisitions for Cardo this year, adding roofing maintenance in Scotland.
	Cardo	Buckthorn and Souter backed building maintenance group.		
1 Dec 2025	A.B. Key	CCTV and security solutions provider with a glazing division.		Search fund acquisition of a CCTV and security installation and managed services business.
	Astra	UK search fund acquirer.		
9 Aug 2025	Nobel fire systems	Specialist fire detection and suppression systems provider.		Acquisition by Safecto, a newly formed safety group, with Nobel's shareholders reinvesting alongside Systematic Growth.
	Safecto	Safety group formed by Swedish private equity firm Systematic Growth.		

OUTLOOK

We expect demand for good technical services businesses to stay strong through 2027. The most active platforms have recently been recapitalised or are early in their holds, sponsors have capital to deploy, and the proposed OCS and Mitie combination, if completed, is likely to release contracts and non-core businesses[9].

Financing is the main constraint. The Bank of England raised Bank Rates to 4% in November, its first increase since 2023, and has not ruled out further rises. Higher financing costs limit how much acquisition debt buyers can raise, and therefore what they can pay, so we expect buyers to scrutinise the quality of earnings more closely and to use more deferred and earn out consideration to bridge price gaps.

WHAT BUYERS PAY FOR

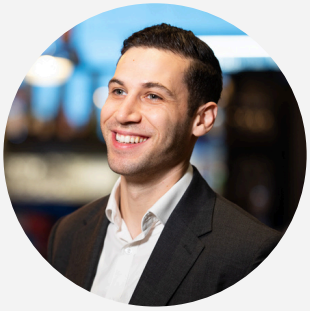
Buyer appetite is broad but not indiscriminate. In our experience, including recent discussions with acquirers and business owners, three characteristics drive interest and price: a high share of predictable, recurring revenue, such as maintenance and inspection contracts; healthy and stable margins; and a diverse customer base. In our historic sample, compliance and testing businesses sold for higher revenue multiples than facilities management businesses, which largely reflects their higher margins rather than a premium on earnings[8].

For owners, three implications follow. First, quality of revenue matters as much as scale: converting installation customers into maintenance contracts and evidencing renewal rates will typically do more for value than adding turnover. Second, concentration is priced: a business reliant on one client or end market should broaden its base before going to market. Third, preparation matters: a management team that can run the business without its founder, clean monthly reporting and evidence of engineer retention are what turn buyer interest into a competitive process, and they are far easier to put in place before a sale than during one.

References

1. Gerald Edelman analysis of PitchBook and MarktoMarket transaction data, publicly announced transactions with UK-based targets, January to October 2026.
2. National Audit Office. Government building maintenance backlog is at least £49 billion. 2025.
3. Baachu Rain. UK FM market analysis 2025. 2025.
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5. UK Government. Fire Safety (England) Regulations 2022: fact sheet. 2023.
6. UK Government. Minimum Energy Efficiency Standards in the non-domestic private rented sector: interim response. June 2026.
7. Department for Education. The impact of AI on UK jobs and training. November 2023.
8. Gerald Edelman analysis of selected UK built environment transactions with disclosed financial information, 2017 to 2025.
9. OCS Group International. Recommended cash acquisition of Mitie Group plc. July 2026.

CONTACT US



SAM BARR
PARTNER

+44 (0)20 3963 3915
sbarr@geraldedelman.com

MEET SAM



JACK BETTELL
DIRECTOR

+44 (0)20 7299 1468
jbettell@geraldedelman.com

MEET JACK



JACK ABRAHAMS
MANAGER

+44 (0)20 7299 1450
jabrahams@geraldedelman.com

MEET JACK

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The team is divided into two 'sub-teams': Deal Advisory and Transaction Services.

Deal Advisory

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Working with businesses prior to a sale or investment exercise to maximise value and enhance market appeal.

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- **Management teams.**
- **Financial investors.**

Clients

- **Corporates.**
- **Search Funds.**
- **Private Equity firms.**