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Digital Transformation in Integrated Facility Management: A Case Study of Value Creation in Finnish Office Buildings through Smart IFM

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Abstract

The office real estate sector is undergoing structural transformation driven by hybrid work, increasing operational costs, and tightening sustainability requirements, resulting in persistent under-utilisation and pressure on asset values. While existing research highlights the operational benefits of digital facility management (FM) and smart buildings, limited attention has been given to how these improvements translate into measurable financial value at the asset level.

This study examines how digital transformation in integrated facility management (IFM) can convert operational optimisation into financial value in Finnish multi-tenant office buildings. A single-case study is conducted on a representative 10,000 m² (leased space) office building in the Helsinki metropolitan area, applying a scenario-based modelling approach linking occupancy, operating costs, energy performance, and ESG data quality to net operating income (NOI) and asset valuation.

The results indicate that digitally enabled IFM can reduce annual operating costs by approximately €84,000 (≈11%) and increase rental income by approximately €207,000, resulting in an estimated NOI uplift of €291,000. At capitalisation rates of 6–7%, this corresponds to an indicative asset value increase of €4.1–4.8 million. In addition, improved ESG data transparency enhances compliance readiness and access to sustainable finance. The findings also identify enhancement opportunities for user and tenant experience but highlights procurement practices as a structural barrier limiting the adoption of smart IFM solutions.

Keywords: Integrated Facility Management, Digital Transformation, Smart Buildings, Sustainability, Real Estate Performance