



# Building Maintenance Services

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US Industry Study with Forecasts to **2011 & 2016**

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Study #2177 | April 2007 | \$4400 | 243 pages

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*The ongoing shift away from “do-it-yourself” to “do-it-for-me” building maintenance, particularly in the residential market, will support increasing building maintenance service revenues.*

## US revenues to grow 5.6% annually through 2011

Revenues for building maintenance services (performed on a contract-basis only) are forecast to advance 5.6 percent per year to \$91.6 billion in 2011. Growth will be aided by ongoing increases in both the number of households and the number of business establishments. Increasing availability and affordability of building maintenance services are anticipated to aid demand. However, competition will remain fierce in many service segments, including the large landscaping market, limiting firms' ability to raise prices.

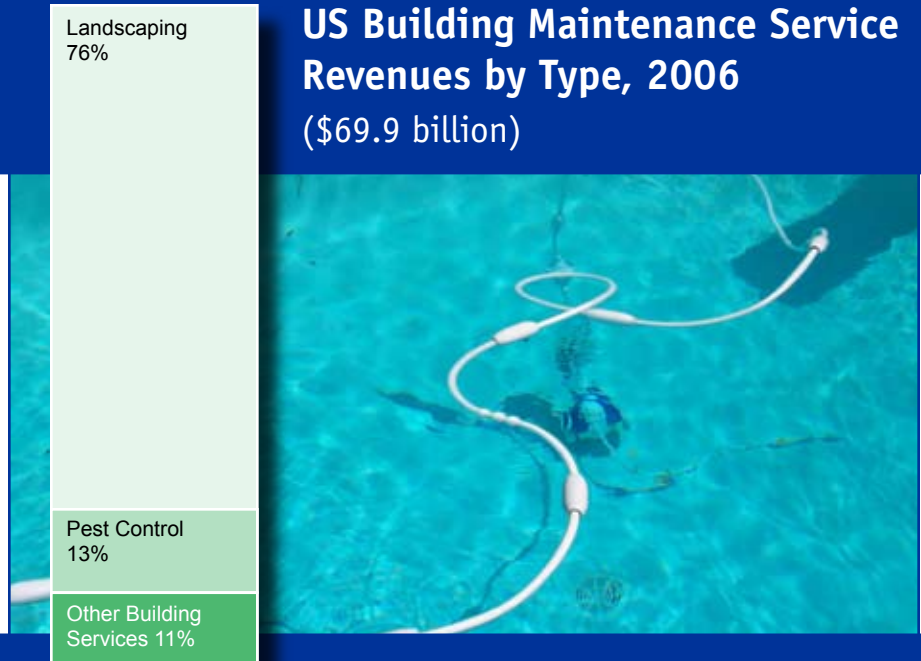
Building maintenance services include landscaping, pest control, exterior building cleaning, swimming pool cleaning, snowplowing and other (e.g., HVAC and restroom deodorizing). Barriers to entry are low, with most segments being highly labor-intensive and requiring little fixed investment. For instance, a start-up landscaping company often needs little more than a truck and a lawnmower. New pest control and swimming pool firms face the most barriers, including insurance and licensing requirements.

## Changing demographics to support increasing revenues

The shift away from “do-it-yourself” to “do-it-for-me” building maintenance will persist, particularly in the residential market. Changes in demographics will support increasing building maintenance

## US Building Maintenance Service Revenues by Type, 2006

(\$69.9 billion)



service revenues, as the number of dual-income households rises and the US population ages. Dual-income families often do not have the time or the inclination to perform building maintenance tasks, and therefore contract out these services. The growing number of baby boomers in the US generally have the financial wherewithal to use professional services on a routine basis. In addition, these individuals may not have the physical ability to maintain their homes as they once did, creating demand for contract building maintenance services. Nevertheless, a cooldown in the new construction market from historical highs between 2001 to 2006 will limit residential gains.

## Nonresidential market to benefit from outsourcing

The nonresidential market is expected to benefit from the ongoing trend toward outsourcing noncore functions to cut costs. While the office market has already seen much of this shift, others such as institutional, commercial and industrial will continue to see contract service growth. Strong new nonresidential construction activity will also expand the potential for contract services. Despite these factors, the use of in-house personnel in many nonresidential markets (e.g., retail establishments and lodging facilities) will continue to hamper growth, as businesses seek to control quality of service and flexibility of scheduling.

## Sample Text, Table & Chart

### MARKETS

#### Residential

The residential market for building maintenance services (multifamily residential facilities, single-family residential complexes), single-family residential services in the US, accounting for the residential market was the largest market for building maintenance services in the US, accounting for 70 percent of total revenues. The market obtains this dominance through landscaping and pest control services. Landscaping and pest control services will fare slightly better than other services in the residential market, due to the high rate of adoption in many of the service segments and the large number of households in the US.

**SAMPLE  
TEXT**

Revenues for building maintenance services in the residential market are forecast to advance 5.8 percent annually through 2011 to \$57.7 billion. Building maintenance service revenues will be supported by the growing number of dual-income families that not only have less time to devote to home maintenance tasks, but are also better able to afford to contract with a professional service provider. In addition, the aging of the US population will aid demand for professional services as well, as these homeowners are not physically able to care for their homes as they once did but still wish to keep a high standard of living. The number of households is expected to continue to grow through 2011, expanding the potential market for building maintenance services in the residential segment. However, the new single-family housing market is projected to cool through 2011, limiting revenue gains.

Price competition is a factor in the residential market. The high level of price competition has made building maintenance services increasingly affordable to a larger number of homeowners. However, this price competition will limit the ability of service providers to raise prices, particularly in the low-end residential landscaping segment, therefore restraining value growth. Furthermore, despite the price competition

97

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TABLE III-3

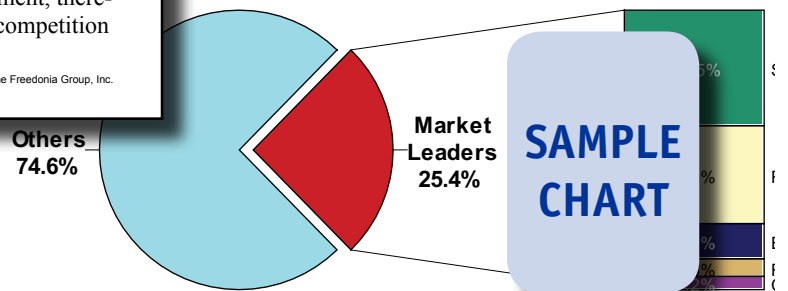
LAWN & GARDEN SERVICE REVENUES BY MARKET  
(million dollars)

Item	1996	2001	2006	2011	2016
Gross Domestic Product (bil \$)	7,000	10,000	13,000	16,000	19,000
\$ services/000\$ GDP	0.6	0.6	0.6	0.6	0.6
Lawn & Garden Landscaping Residential	1,000	1,000	1,000	1,000	1,000
Nonresidential	1,000	1,000	1,000	1,000	1,000
000\$ revenues/establishment	0.0	0.0	0.0	0.0	0.0
Lawn & Garden Establishments (000)	0.0	0.0	0.0	0.0	0.0
employees/establishment	4.0	4.0	4.0	4.0	4.0
Lawn & Garden Employees (000)	0.0	0.0	0.0	0.0	0.0
% lawn & garden	7.0	7.0	7.0	7.0	7.0
Landscaping Revenues (mil \$)	23,000	23,000	23,000	23,000	23,000

**SAMPLE  
TABLE**

TABLE III-4

PEST CONTROL MARKET SHARE, 2006  
(\$8.9 billion)



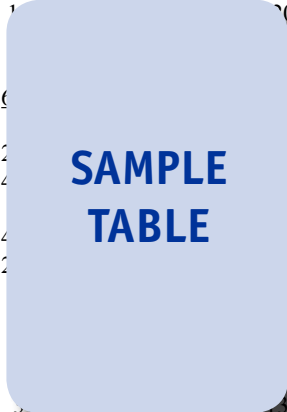
**SAMPLE  
CHART**

\* Includes revenues of JC Ehrlich, which was acquired in March 2006

## Sample Profile, Table & Forecast

**TABLE V-14**  
**WEST BUILDING MAINTENANCE SERVICE REVENUES BY SUBREGION & MARKET (million dollars)**

Item	1996	2001	2006	2011	2016
West Nonresidential Space (bil sq ft)	1	1	1	1	1
\$ services/000 sq ft	1	1	1	1	1
West Building Maintenance Services	6	6	6	6	6
By Subregion:					
Mountain	2	2	2	2	2
Pacific	2	2	2	2	2
By Market:					
Residential	2	2	2	2	2
Nonresidential:	2	2	2	2	2
Institutional					
Office					
Commercial					
Industrial					
Other Nonresidential					



### COMPANY PROFILES

#### Scotts Miracle-Gro Company

14111 Scottslawn Road  
 Marysville, OH 43041  
 937-644-  
 http://wv

Sales: \$  
 Employ

Key Ser rol, related services

Scotts Miracle-Gro, a division of Scotts Company in March 2005, is a leading supplier of consumer products for lawn and garden care, as well as a top manufacturer of products for professional turf care and horticulture. The Company is also a major provider of lawn care services in the US. Scotts Miracle-Gro operates through four segments: North America, SCOTTS LAWN SERVICE, International, and Corporate and Other.

The Company participates in the US building maintenance service market via the SCOTTS LAWN SERVICE segment, which generated FY 2006 sales of \$206 million. SCOTTS LAWN SERVICE offers a wide range of lawn care, tree and shrub care, external pest control, and related services under the SCOTTS LAWN SERVICE umbrella brand name. These services are provided to residential customers in the US through a network of company-owned branches and independent franchises. The network comprised 77 company-operated locations in 44 US metropolitan markets, as well as 82 independent franchises in various secondary markets, as of September 2006. SCOTTS LAWN SERVICE's principal competitor in the US lawn care service market is TruGreen ChemLawn (Memphis, Tennessee), a segment of Service-Master Company (Downers Grove, Illinois). In addition to its residential customers, Scotts Miracle-Gro manufactures and markets a broad

"Through 2011, revenues for building maintenance services in the West are forecast to advance 6.1 percent per year to \$21 billion. Over the forecast period, advances will be driven by strong population growth and economic activity, both of which are projected to be the second fastest growth rates in the US (just behind the South). The West is also forecast to post the strongest gains in the size of the housing stock. Expansion of the building maintenance service market will also be supported by ..."  
 --Section V, pg. 158

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**OTHER STUDIES**

**Home Organization Products**

US sales of home organization products will grow 4.5% annually through 2011, driven by demographic trends favoring more organized storage needs. Metal and wire products will remain the largest type and grow the fastest, especially modular units. Products used in garages and closets will lead gains by room. This study analyzes the \$6.9 billion US home organization product industry, with forecasts for 2011 and 2016 by material, product, room and market. It also evaluates market share and profiles major producers.  
 #2224 ..... 09/2007..... \$4400

**Commercial Printing**

Revenues for the US commercial printing industry will reach \$82 billion in 2011. Lithographic printing will remain dominant while digital printing will grow the fastest based on lower cost, quick turnaround and ease of customization for short printing runs. Advertising will stay the top use while the label and wrapper printing segment leads gains. This study analyzes the US commercial printing industry, with forecasts for 2011 and 2016 by process and application. It also evaluates market share and profiles major players.  
 #2204 ..... 07/2007..... \$4400

**Commercial & Residential Cleaning Services**

US commercial and residential cleaning service sales will grow 5.3% annually through 2011. Gains will be driven by the shift toward "do-it-for-me" cleaning services in the residential market, and by the outsourcing of noncore functions in the nonresidential market. This study analyzes the \$48.4 billion US contract cleaning service industry, with historical data and forecasts for 2011 and 2016 presented by service, market and region. The study also evaluates company market share and profiles leading players.  
 #2191 ..... 05/2007..... \$4400

**Janitorial Equipment & Supplies**

US demand for janitorial equipment and supplies will reach \$7.6 billion in 2011 based on substantial growth in nonresidential construction and floor space. Manual cleaning products like wipes and automated floor cleaning equipment such as backpack vacuums will lead gains. Industrial buildings will outpace all other markets. This study analyzes the \$6.5 billion US janitorial equipment and supplies industry to 2011 and 2016 by product, market and region. It also evaluates market share and profiles major players.  
 #2181 ..... 03/2007..... \$4400

**World Security Services**

World demand for private security services will grow 7.3% yearly through 2010 based on rising urbanization and heightened fears of crime and terrorism. The US will remain the largest market while developing regions will grow the fastest. Best opportunities will be found in alarm monitoring, systems integration and consulting. This study analyzes the \$110 billion world security service industry to 2010 and 2015 by type, market, world region and for 23 countries. It also evaluates market share and profiles major firms.  
 #2129 ..... 11/2006..... \$5500

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