

Commercial & Residential Cleaning Services

Study # 1940

May 2005

\$4100

US demand to grow 5.5% yearly through 2009

Revenue for commercial and residential cleaning services is projected to advance 5.5 percent per annum through 2009 to over \$60 billion. Growth will be driven by the continuing trend toward outsourcing noncore activities among businesses and by the growing number of consumers who have neither the time nor the inclination to do their own cleaning. In addition, improvement in the overall economy will lead to a steady increase in nonresidential floor space and a projected acceleration in the growth of the number of business establishments.

Interior/janitorial segment to see accelerating gains

Interior building cleaning services, also referred to as janitorial services, account for over 80 percent of cleaning service revenue. This segment is expected to see accelerating growth (compared to the previous-five year period) through 2009. Janitorial cleaning services and all other cleaning services will significantly outpace the carpet and



upholstery cleaning segment, where revenues will be restrained by the increasing availability of do-it-yourself equipment and the growing popularity of hard surface flooring in the residential market, which accounts for approximately 80 percent of segment revenues. However, modest gains will be supported by consumer interest in more frequent carpet and upholstery cleaning as a way to combat indoor allergens and by the increasing affordability of the service.

Pool, HVAC cleaning to pace other services

Among the many other types of cleaning services, swimming pool cleaning

and maintenance and HVAC cleaning services will provide strong opportunities for growth. Pool cleaning will benefit from rapid new construction growth in the lodging segment and in-migration of US residents to warmer regions, both of which will expand the market base. HVAC cleaning service revenues will continue to benefit from indoor air quality concerns.

Institutional, office markets to remain dominant

All markets for cleaning services will see increases in growth through 2009, with gains ranging between five and six percent. The institutional and office markets will remain the

largest segments for cleaning services, together accounting for nearly 55 percent of revenues in 2009. However, these segments have a relatively high level of market maturity, which will limit growth somewhat. The residential market, also a significant end user of cleaning services, will continue to comprise nearly 18 percent of revenues in 2009. This market will benefit from an ongoing rise in the number of dual-income households which can afford and/or require (due to time constraints) residential cleaning services. Among the other markets, transportation equipment cleaning will provide solid growth opportunities, as owners of these fleets turn to outsourcing to cut costs.

Study coverage

Details on these and other findings are contained in **Commercial & Residential Cleaning Services**, a 231-page Freedonia study available for \$4100. This study provides US historical demand data (1994, 1999, 2004) plus forecasts to 2009 and 2014 by service type, market and US region. In addition, it evaluates company market share data and profiles 32 industry competitors.

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**TABLE III-1
COMMERCIAL & RESIDENTIAL CLEANING SERVICE REVENUES
(million dollars)**

Item	1994	1999	2004	2009	2014
Gross Domestic Product (bil \$)					
\$ svcs revenue/000\$ GDP					
Resident Population (mil persons)					
\$ svcs revenue/capita					
Cleaning Service Revenues					
By Service:					
Interior Building Cleaning					
Carpet & Upholstery Cleaning					
Other Cleaning Services					
By Market:					
Nonresidential					
Residential					
Transportation					
price deflator (2000 = 100)					
Cleaning Service Revenues (mil 2000)					

Source: The Freedonia Group, Inc.

CLEANING SERVICES

Interior Building Cleaning Services

Revenue for contract interior building cleaning services is expected to reach \$1.5 billion in 2009. Gains will be bolstered by the recovery in the US economy from the 2001 recession, as well as by growth in the number of dual-income households and a general inclination to do regular cleaning services. Gains will also be aided by a projected acceleration in the growth of the number of business establishments, increasing the potential market for contract cleaning services.

Value gains will also be driven by continued concern over indoor air quality, building appearance and hygiene, which will lead to higher building maintenance standards. Additionally, there is a growing number of firms that offer periodic specialty cleaning — such as before or after parties, for seasonal cleaning, and after disasters such as fires and floods. Not only do a growing number of households take advantage of such services on an as-needed basis, but many households and businesses with regular cleaning contracts also purchase these specialty services.

Nevertheless, further value growth will be limited by low barriers to entry in this industry, which create

“Although nonresidential markets for cleaning services are more resistant than the residential market to slowdowns and recessions in the US economy, as cleaning is a necessary part of doing business, growth in this sector did decelerate between 1999 and 2004. Contributing to this deceleration were an economic recession in 2001; an increase in the number of corporate bankruptcies; and an increase in the vacancy rates of nonresidential space in the 1999 to 2004 period. In addition, company spending on noncore functions such as cleaning was tightened and a leveling off of outsourcing in office and other commercial settings continued.”

-- pg. 49

**TABLE III-4
NONRESIDENTIAL CONTRACT CLEANING SERVICE REVENUES
(million dollars)**

Item	1994	1999	2004	2009	2014
Business Establishments (million)					
000\$ services/establishment		6.5			
Nonres Interior Building Cleaning					
By Business Type:					
Franchise/Corporate					
Individual Proprietorships					
By Building Type:					
Office Building					
Institutional Building					
Other Commercial Building					
Industrial Building					
Other Nonresidential					
% nonresidential					
Total Interior Building Cleaning					

Source: The Freedonia Group, Inc.

**SAMPLE
PAGE**

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This study can help you:

- Determine your market & sales potential
- Complement your research & planning
- Learn more about industry competitors
- Assess new products & technologies
- Identify firms to merge with or acquire
- Gather data for presentations
- Confirm your own internal data
- Make better business decisions

TABLE V-10
SOUTH COMMERCIAL & RESIDENTIAL CLEANING SERVICE REVENUES BY SUBREGION & TYPE (million dollars)

Item	1994	1999	2004	2009	2014
Population (millions)					
\$ services/capita					
Nonresidential Floor Space (bil sq ft)					
\$ services/000 sq ft					
South Cleaning Service Revenues					
By Subregion:					
South Atlantic					
East South Central					
West South Central					
By Type:					
Interior Building Cleaning					
Carpet & Upholstery Cleaning					
Other Cleaning Services					
% south					
Cleaning Service Revenues					

Source: The Freedonia Group, Inc.

MARKETS

Industrial Buildings

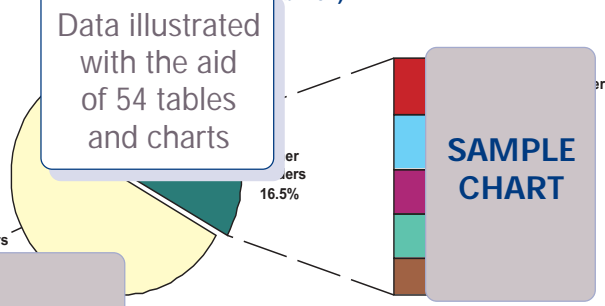
Demand for cleaning services for industrial buildings (the production operations of manufacturing, mining, and construction) is expected to grow steadily over the next five years through the use of contract cleaning services. Advances will be made in cleaning services as a result of the fact that there is a minimal need for carpet and upholstery cleaning. Gains will also be slowed by the fact that many industrial facilities are closely linked in some types of industrial facilities to process and plant system maintenance, thus making it more likely that the operations will be handled by in-house staffs.

SAMPLE TABLE

Explanations that support each table's data and forecasts

In 2004, interior building cleaning services accounted for 92 percent of revenues in the market. Revenue growth will benefit from the high standards for cleaning in industries such as food processing, pharmaceuticals and electronics. These industries have such high cleanliness standards that they are more likely to request higher value cleaning services, including high-level disinfecting, more frequent floor polishing and air vent cleaning. However, for a variety of reasons, this market has the same tradition as retail establishments in that each has a long history of maintaining proprietary (in-house) cleaning personnel, a practice which has limited the growth of contract cleaning services. Reasons for this tradition include safety/security considerations and the fact that many factories operate around the clock (making it difficult for contract cleaning personnel to be accommodated without interruptions). Nevertheless, continued concern over maintenance and sanitation standards, as well as economic considerations (e.g., reducing

CHART VI-1
US COMMERCIAL & RESIDENTIAL CLEANING SERVICE MARKET SHARE, 2004 (billion)



COMPANY PROFILES

Maid to Perfection
 1101 Opal Court
 Hagerstown, MD 21753
 301-790-7900
<http://www.maidto.com>

Annual Sales: \$100 million
 Employment: 1,000
 Key Services: residential and commercial cleaning, vacuuming, sink and shower cleaning, carpet shampooing, tile floor power scrubbing and polishing

SAMPLE PROFILE

Maid to Perfection is a franchiser of residential and commercial cleaning services. The privately held company provides equipment, training and other support to its franchisees.

The Company is active in the US cleaning service industry through the provision of MAID TO PERFECTION cleaning services to residential and commercial customers. Maid to Perfection's residential cleaning services are provided by an individual cleaner or a two-person crew, and are offered to homeowners, realtors and building and property managers. Services include the dusting of walls, ceilings, blinds, furniture, baseboards, window sills and railings; the wiping and cleaning of cabinets, appliances, tables, chairs and other home decor; the vacuuming of floors and carpets; the cleaning of sinks and bathroom fixtures; the emptying and changing of bed linens.

Profiles for 32 US industry participants

Maid to Perfection's commercial cleaning services include the dusting of furniture, the vacuuming of carpeting and upholstery, wet and dry mopping, carpet shampooing, floor stripping and refinishing, and the power scrubbing of tile floors. These services are offered to corporate headquarters and other office buildings, physicians' and dentists' offices, schools, apartments and condominiums, and other structures. The Company uses teams of trained personnel to quickly perform cleaning tasks, and detailed charts

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Company Profiles also feature:

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Home Organization Products

This study examines demand for home organization products in the US. It provides historical data (1994, 1999 and 2004) plus forecasts to 2009 and 2014 for demand by type (e.g., shelving, baskets, hanging storage, sliding storage, bins, free-standing modular units and accessories) and by room (e.g., family room, bedroom, garage, utility room and pantry). In addition, this study examines the market environment, reviews the industry structure, evaluates market share data and profiles US industry participants.

#1967..... 09/2005 \$4100

Golf Course Consumables

US golf course consumables demand will reach \$1.3 billion in 2009 based on more golf rounds played and continued course construction. The best performing products will include less persistent and lower mobility fertilizers, more specific insecticides and salinity-resistant turf. Regional demand will follow population shifts south and west. This study analyzes the US golf course consumables industry to 2009 and 2014 by product, application and regional market. It also details market share and profiles major players.

#1942..... 06/2005 \$4100

Janitorial Equipment & Supplies

The US market for janitorial equipment and supplies will reach \$6.4 billion in 2009, supported by a growing number of business establishments and increasing nonresidential floorspace, as well as by ongoing interest in indoor air quality and building maintenance standards. Wipes and backpack vacuums will see the fastest gains. This study analyzes the US janitorial equipment and supply industry to 2009 and 2014 by type, market and US region. It also evaluates company market share and profiles leading players.

#1925..... 05/2005 \$4100

Wipes

US consumer and industrial wipes demand will grow 6% yearly through 2009 based on further market segmentation and new product introduction. Baby wipes will remain the top segment while clean room and surface prep wipes grow the fastest. Manufacturing and health care will top out industrial markets. Spunlaced nonwovens will outpace airlaid substrates. This study analyzes the \$1.5 billion US wipes industry to 2009 and 2014 by market and material. It also evaluates market share and profiles major players.

#1909..... 03/2005 \$4100

Building Maintenance Services

US revenues for building maintenance services will rise over 4% annually through 2008. Gains will be driven by ongoing growth in the number of households and business establishments, and a continuing shift from "do-it-yourself" to "do-it-for-me" maintenance in nonresidential and residential buildings. This study analyzes the \$114 billion US building maintenance service industry to 2008 and 2013 by type, market and geographic region. It also evaluates market share and profiles leading industry players.

#1894..... 02/2005 \$4100

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