



Commercial & Residential Cleaning Services

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

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Changes in demographics will support increasing cleaning service revenues in the US through 2011, as the number of dual-income households rises and the US population ages.

US contract cleaning service demand to grow 5.3% yearly through 2011

Revenues for contract commercial and residential cleaning services are forecast to advance 5.3 percent annually to \$62.8 billion in 2011. Gains will be driven by ongoing increases in both the number of households and the number of business establishments. Increasing availability and affordability of cleaning services are expected to bolster demand. However, competition will continue to be significant in many service segments, including the large interior building cleaning market, limiting firms' ability to raise prices.

"Do-it-for-me" trend to persist in residential cleaning service market

The shift away from "do-it-yourself" to "do-it-for-me" cleaning services will persist, especially in the residential market. Changes in demographics will support increasing cleaning 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 cleaning 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 cleaning services.

US Cleaning Service Revenues (\$48.4 billion, 2006)

photo courtesy of Xxtra Clean

Interior Buildings
73%

Floors, Fabrics & Surfaces
12%

Other Cleaning Services
15%



Outsourcing to spread in nonresidential markets

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 aid revenue growth. However, the use of in-house personnel in many nonresidential markets (e.g., retail establishments and lodging facilities) will limit gains somewhat through 2011, as many firms seek to control quality of service and flexibility of scheduling.

Barriers to entry low in cleaning service industry

The cleaning service industry encompasses interior building cleaning; floor, fabric and surface cleaning; exterior building cleaning; swimming pool cleaning and maintenance; restoration and remediation services; and other specialized services. Barriers to entry into the industry are low, with most segments being highly labor-intensive and requiring little fixed investment. For instance, the interior building segment often requires little more than transportation and basic cleaning supplies. Potential entrants into the swimming pool and restoration and remediation markets face the most significant barriers, including insurance and licensing requirements.

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Sample Text, Table & Chart

SERVICES

Interior Building Cleaning Services

Revenues for contract interior building cleaning services are expected to rise to \$2.2 billion in 2011. Additional support will be provided by an aging US population of older individuals who lack the physical ability to clean their homes themselves. The increasing number of dual-income households will also lead to an increasing number of dual-income households outsourcing cleaning services, bolstering demand for interior building cleaning services. Furthermore, the nonresidential market will see growth in the amount of nonresidential floor space and the number of business establishments, increasing the base of potential contract cleaning service customers.

Both the residential and nonresidential markets will benefit from ongoing concerns regarding indoor air quality, building appearance and hygiene. Furthermore, a growing number of firms offer periodic specialty cleaning -- such as before or after parties and for seasonal cleaning. Not only do an increasing 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.

However, the interior building cleaning service industry will continue to be hampered by extremely low barriers to entry, which create a large number of industry participants, many of whom primarily compete on the basis of price. As a result, value gains are expected to be restrained through 2011. Moreover, many households choose not to hire a cleaning company, and instead perform the chores themselves. Similarly, business establishments (e.g., grocery stores and restaurants) require immediate and responsive cleaning crews and many of these establishments will continue to maintain in-house cleaning staffs.

TABLE V-5

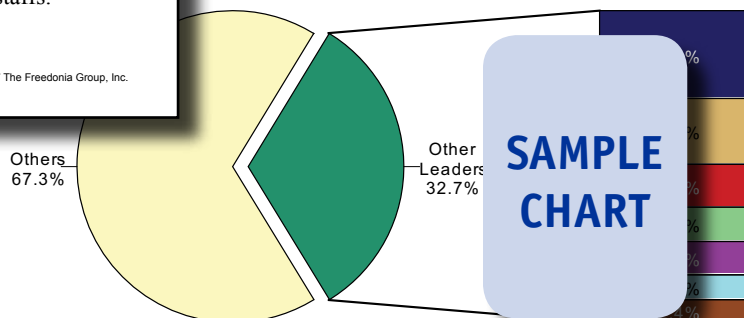
COMMERCIAL & RESIDENTIAL CLEANING SERVICE REVENUES BY REGION (million dollars)

Item	1996	2001	2006	2011	2016
Population (millions)	261.1				
\$ services/capita	247				
Nonresidential Floor Space (bil sq ft)	2.0				
\$ services/000 sq ft	790				
Cleaning Services	250				
Northeast	100				
Midwest	100				
South	50				
West	50				

SAMPLE TABLE

CHART VI-1

COMMERCIAL & RESIDENTIAL CLEANING SERVICE MARKET SHARE, 2006 (\$48.4 billion)



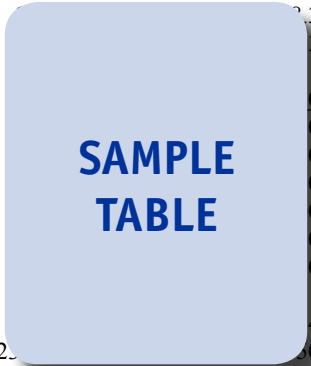
SAMPLE CHART

*acquired by Home Depot in January 2006

Sample Profile, Table & Forecast

TABLE IV-2
INSTITUTIONAL BUILDING CLEANING SERVICE REVENUES BY TYPE
 (million dollars)

Item	1996	2001	2006	2011	2016
Institutional Bldg Space (bil sq ft)					
\$ services/000 sq ft					
Institutional Bldg Cleaning Services					
Interior Building Cleaning					
Floors, Fabrics & Surfaces					
Restoration & Remediation					
Exterior Buildings					
Swimming Pools					
Other Cleaning Services					
% institutional Cleaning Services	2.3	2.3	2.3	2.3	2.3



COMPANY PROFILES

UNICCO Service Company
 275 Grove Street, Suite 3-200
 Newton, MA 02459
 617-527-5222
<http://www.unicco.com>



Annual Sales:
 Employment:

Key Services: janitorial cleaning; exterior building cleaning;

UNICCO Service is a privately held provider of integrated facilities services to the industrial, commercial and institutional markets. The Company's services include janitorial, landscaping, operations and maintenance, office, and lighting services.

The Company competes in the US cleaning service market via the provision of a full range of janitorial services for corporate/commercial, manufacturing, government, retail, financial institution, education, public venue and other structures. UNICCO Service also provides janitorial services for airport terminals. Other cleaning services from the Company include fire, flood and other damage restoration services; graffiti removal; and removal of post-construction wastes from job sites.

Among the janitorial services offered by UNICCO Service are vacuuming and cleaning of carpets; stripping, buffing and burnishing of hard surface flooring; dry and wet mopping; dusting; washing of walls, ceilings, fixtures, vertical and horizontal blinds, and upholstery; high-pressure exterior cleaning; cleaning of glass partitions; and cleaning and sanitization of bathrooms and kitchens. Specialty services include the Company's GREENCLEAN program, which uses environmentally

"Office Building Market"

Revenues for cleaning services in the office building market are projected to rise 5.3 percent annually through 2011 to \$15.5 billion, mirroring the national average. Advances will be supported by a continued trend toward outsourcing, although this trend is maturing for the larger segments such as interior building cleaning and carpet cleaning. Growth will benefit from a significant recovery in new construction activity through 2011. Furthermore, ..."

--Section IV, pg. 114

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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

Building Maintenance Services

US revenues for building maintenance services will rise 5.6% annually through 2011, aided by a shift away from "do-it-yourself" to "do-it-for-me" maintenance for businesses and households. The nonresidential market will grow the fastest while swimming pool and building systems services will lead gains by type. This study analyzes the \$69.9 billion US building maintenance service industry to 2011 and 2016 by type, market and region. It also evaluates company market share and profiles industry competitors.
 #2177 04/2007..... \$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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