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Private Security Services

US Industry Study with Forecasts for **2016 & 2021**

Study #2944 | October 2012 | \$5100 | 413 pages

www.freedoniagroup.com



The Freedonia Group

767 Beta Drive

Cleveland, OH • 44143-2326 • USA

Toll Free US Tel: 800.927.5900 or +1 440.684.9600

Fax: +1 440.646.0484

E-mail: info@freedoniagroup.com

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Growth will be driven by an improving economy, changes in regulations and technological innovations in alarm monitoring, security consulting, and systems integration services.

US demand to rise 5.4% annually through 2016

US demand for private contracted security services is projected to increase 5.4 percent annually to \$64.5 billion in 2016. The market will be supported by an improving economy, as spending on private security was curtailed to a degree during the recession. Gains will also be aided by changes in regulations as well as technological innovations which will encourage investment in alarm monitoring, security consulting, and systems integration services. Ongoing real and perceived concerns about crime will continue to support healthy growth of the US private security industry. The use of contracted security services will be further supported by the regulatory burden of an in-house security force.

Consulting, systems integration to lead gains

Through 2016, the fastest growth is projected in security consulting, followed closely by systems integration and management. Advances in both segments will be supported by the economic rebound, particularly the growth in construction and fixed investment activity. These economic factors will spur the installation of new electronic security systems, benefiting both consultants, who help to design complex systems, and systems integrators, who assemble components from various equipment providers into a complete system. In addition, real and perceived security concerns, particularly in areas involving

Private Security Service Revenues (\$64.5 billion, 2016)



Guarding
38%

Alarm Monitoring
30%

Private Investigations
8%

Correctional Mgmt 7%

Other Services
17%

photo: Sandia National Laboratories

white collar crimes and employee safety, will lead to re-evaluations of security equipment and procedures, supporting demand for consultants and systems integrators. Alarm monitoring and correctional facility management will also see above average gains through 2016. Alarm monitoring demand will be driven by the recovery in construction activity, because new contracts are most commonly purchased following new construction or a significant renovation. In addition, the aging of the population will support strong growth in the personal emergency response service segment. Revenues for the private management of correctional facilities will be driven by the need to reduce overcrowding in public prisons, exacerbated by budget cuts that preclude building new public facilities.

Residential market to outpace nonresidential

Through 2016 the residential market is expected to outpace the dominant nonresidential sector, benefiting from a recovery in housing construction and personal spending. In the nonresidential market, the best growth prospects are in the industrial and institutional sectors. The industrial segment will be supported by the recovery in manufacturing activity and an acceleration in industrial construction. The institutional market will benefit from strong growth in construction activity, but will also be supported by the gravity of the security risks in the institutional setting where large numbers of persons are typically gathered.

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Sample Text, Table & Chart

MARKETS

Nonresidential

The nonresidential security service market saw a very v decade from 2001 to 2011. Between 2001 and 2006, many n surged, driven by significantly increased interest in security s after the September 2001 terrorist attacks. However, these g as the shock of the incident wore off and many of the security envisioned after the attacks were completed. Between 2006 spending on security moderated due to economic weakness, a poor outlook for many types of nonresidential construction formations, and revenues for many businesses. While growth solid in some markets -- particularly government as overcrow public prisons led to greater use of privately managed facilit nonresidential markets increased less rapidly than growth in

Going forward, the nonresidential market for security services is forecast to increase billion in 2016, a significant improvem Many of the factors which restrained the slowdown are expected to boost gains through d in construction activity will increase protected, support- ing demand for guard ulting, and alarm monitoring services. In ons and hiring activity are expected to rise more rapidly than during the downturn, providing opportunities for pre-employment screening services. In addition to an improved economic climate, growth in contracted security services will also be bolstered by the ongoing shift toward privatization, p in correctional facilities and guarding services in the govern as well as by the continued growth in business outsourcing o services such as security.

Further increases will be restrained by the maturity of a nonresidential markets. For instance, many businesses alrea

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**SAMPLE
TEXT**

TABLE III-1

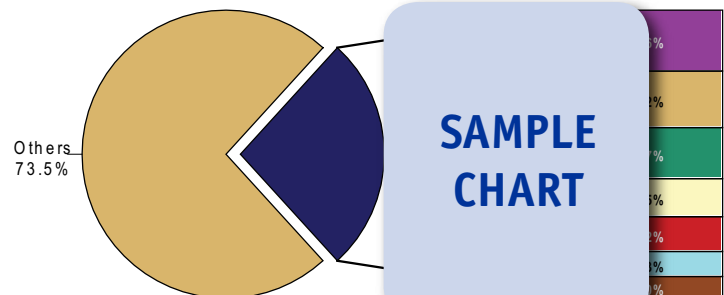
PRIVATE SECURITY SERVICE REVENUES
(million dollars)

Item	2001	2006	2011	2016	2021
Gross Domestic Product (bil \$)					
\$ security revenues/000\$ GDP					
Private Security Service Revenues					
Guarding					
Alarm Monitoring					
Private Investigations					
Correctional Facility Management					
Armored Transport					
Systems Integration & Management					
Security Consulting					
Pre-Employment Screening					
Other					
000\$ revenues/employee					
Security Service Employment (000)					

**SAMPLE
TABLE**

CHART VI-1

PRIVATE SECURITY SERVICE MARKET SHARE
(\$49.7 billion)



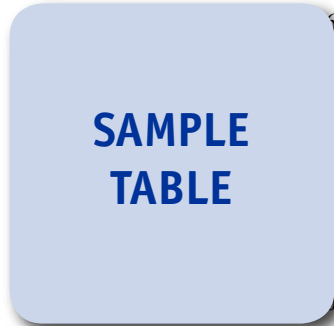
**SAMPLE
CHART**

Sample Profile, Table & Forecast

TABLE V-7
PRIVATE SECURITY SERVICE MARKET BY REGION
 (million dollars)

Item	2001	2006	2011	2016	2021
Population (mil persons)					
Gross Domestic Product (bil \$)					
\$ security/capita					
\$ security/000\$ GDP					
Private Security Service Market*					
Northeast					
Midwest					
South					
West					

* excluding correctional facility management revenues



COMPANY PROFILES

ABM Industries Incorporated

551 5th Avenue, Suite 300
 New York, NY 10176
 212-297-0200
 http://www.abm.com

Revenues: \$
 Employment:

Key Services: janitorial, parking, engineering, security, and facility services; investigative services; electronic access control devices, and access control devices



ABM Industries provides janitorial, parking, engineering, security, and facility services to a variety of commercial, industrial, institutional, and retail facilities in a number of cities throughout North America. The Company operates through five segments: Janitorial, Parking, Security, Engineering, and Corporate.

The Company participates in the US private security service industry through the Security segment, which generated revenues of \$350 million in FY 2011. The segment does business as ABM Security Services Incorporated, and offers security officers; mobile patrol and investigative services; monitoring of fire, life safety, and access control devices; and security consulting services. Specifically, these services include uniformed, plainclothes, and unarmed security officers; background checks and investigative services; patrol and alarm response; security consulting, surveys, and system design using the company's SECURE-FM solution; crowd control; and security training. In general, ABM Security Services' contracts are for one-year periods with automatic renewal clauses. The company maintains 73 offices in 39 states and Washington, DC.

"Demand for private security services in the West South Central subregion is projected to advance 5.8 percent annually to \$6.4 billion in 2016, matching growth in the South Atlantic and trailing only the Pacific subregion. Demand will benefit from strong growth in population, GDP, and construction spending, all of which will be among the fastest in the US. In addition, the West South Central has the highest crime rate of any US subregion, at ..."
 --Section V, pg. 271

OTHER STUDIES

World Security Equipment

World demand for security equipment will advance 7.0 percent annually to \$117 billion in 2016. The fastest gains will be in parts of Asia, Eastern Europe, Africa, and the Middle East where security markets are relatively underdeveloped. The dominant electronic security products segment will outpace mechanical security equipment. This study analyzes the \$83.1 billion world security equipment industry with forecasts for 2016 and 2021 by product, market, world region and for 18 major countries. The study also evaluates company market share and profiles industry participants.

#3005 March 2013 \$6300

Security Products

The US market for security products and systems is expected to increase 6.3 percent annually to \$19.9 billion in 2016. Electronic access control systems such as smart cards and biometrics, as well as mechanical and electromechanical locks, will post the fastest gains as new construction rebounds. The most rapid market growth will occur in the office and lodging segment. This study analyzes the \$14.6 billion US security product industry, forecasts for 2016 and 2021 by product and market. The study also evaluates company market share and profiles industry players.

#2917 August 2012 \$5100

Contract Cleaning Services

US revenues for contract cleaning services are forecast to rise 4.8 percent yearly to \$68.3 billion in 2016. Interior cleaning services will continue to account for the largest share of sales, but revenue from exterior cleaning services will grow the fastest. The industrial, institutional and residential markets will offer above-average growth prospects. This study analyzes the \$54.1 billion US contract cleaning service industry, with forecasts for 2016 and 2021 by service, market and region. The study also evaluates company market share and profiles industry players.

#2886 May 2012 Price: \$4900

Janitorial Equipment & Supplies

US demand for janitorial equipment and supplies is forecast to grow 2.2 percent annually through 2015, an improvement over the 2005-2010 decline. Manual cleaning products will see the fastest gains of any major segment, driven by microfiber cloths, wipes, wet mops and squeegees. Institutional buildings will be the fastest growing market. This study analyzes the \$5.9 billion US janitorial equipment and supply industry, with forecasts for 2015 and 2020 by type, market and US region. The study also evaluates company market share and profiles industry players.

#2770 August 2011 \$4900

Waste Management & Remediation Services

US waste management and remediation revenues will rise 4.4 percent yearly through 2015, driven in part by stricter environmental regulations and more recycling programs. Waste collection will remain the dominant service while material recovery and remediation grows the fastest. This study analyzes the \$81.9 billion US waste management and remediation industry, with forecasts for 2015 and 2020 by service, market and region. The study also considers market environment factors, evaluates company market share and profiles 27 industry players.

#2750 April 2011 \$4800

About The Freedonia Group

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