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Contract Cleaning Services

Industry Study with Forecasts for 2019 & 2024

Study #3371 | December 2015 | \$5300 | 295 pages

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US demand for contract cleaning services will be spurred by increased business formation, disposable personal income, and construction spending.

US revenues to reach \$65 billion in 2019

Revenues for contract (non-proprietary) cleaning services in the US are forecast to advance 3.2 percent annually to \$65 billion in 2019. Improvements in construction spending, disposable personal incomes, and the formation of business establishments are expected to support gains in cleaning service revenue. In general, the principal impetus to hire a contract cleaner is to save money and time. However, the outsourcing trend has been maturing in some markets, and while the high level of price competition helps make these services affordable to more potential users, it also will restrain further gains in market value.

Nonresidential market to remain dominant

The nonresidential market accounts for the vast majority of cleaning service revenues, and ongoing expansion in both the amount of nonresidential floor space and the number of businesses will bolster demand for contract cleaning services. Typically, demand for cleaning services in the nonresidential market is more inelastic than in the residential market because cleaning functions are often essential to providing a safe and clean facility for customers and employees. However, in many cases these operations are outside the core capabilities of the business and thus are contracted out.

Demand for contract cleaning services in the residential market will accelerate through 2019 due to an increased number of households, an aging population,



and the high number of dual-income households. Members of dual-income households often do not have the time or the inclination to perform cleaning tasks. Greater price competition among a rising number of cleaning service companies will lead households to view contract cleaners less as a luxury, and more as an affordable convenience allowing them to have more free time. In addition, older citizens are sometimes less able to perform cleaning tasks than they once were, particularly as a growing share choose to stay in their homes and age in place.

Rising needs of businesses to benefit interior cleaning

Although larger contract cleaning firms are expanding their services into several markets, thus becoming a one-stop shop

for all of a client's cleaning needs, most businesses still specialize in a limited number of cleaning services. Interior building cleaning services are the largest contributor to cleaning service revenues, accounting for nearly three-quarters of the total in 2014. Growth in revenues will be fueled by expansions in both the number of business establishments and the number of dual-income households. Although maturing, outsourcing as a means of reducing operating costs will continue to support the use of contract interior cleaning services in nonresidential markets. While revenues for most types of cleaning sources will expand at a near average pace, fabric cleaning and flooring revenues will grow more slowly as a growing number of potential customers shift away from carpeting or opt to clean their surfaces themselves.

Sample Text, Table & Chart

SERVICES

Restoration & Remediation Services

Restoration and remediation service revenues are projected to increase to \$1.7 billion in 2019. These services are directly influenced by economic conditions but are also impacted by natural disasters. Strong growth is expected during the forecast period primarily due to destruction from hurricanes (2012). Restoration and remediation services include restoration after water storm damage.

SAMPLE
TEXT

Restoration specialists provide such services as water extraction, structural drying, and fire or smoke damage removal. Additionally, these services also handle bacteria, fungus, and mold removal and restoration. Restoration and remediation services are not limited to buildings, but also may include furniture and other items within the building. Because they are labor intensive and often are needed at times of crisis, restoration and remediation services are generally not suitable as DIY activities and are contracted to specialized cleaning services firms. Bacteria, fungus, and mold restoration are specialized services that require particular equipment and skills.

Demand for restoration and remediation services is primarily driven by damage from natural disasters. However, year-to-year property damages caused by natural disasters can fluctuate greatly; for example, floods caused \$2.6 billion of damage in 2014, but only \$490 million in 2012. Although weather events -- such as floods, fires, hurricanes, and tornadoes -- cannot be predicted, these natural disasters generally occur on a yearly basis in the US, resulting in opportunities for service in areas affected by the weather.

Other factors that influence restoration and remediation services include a growing awareness on the part of consumers regarding

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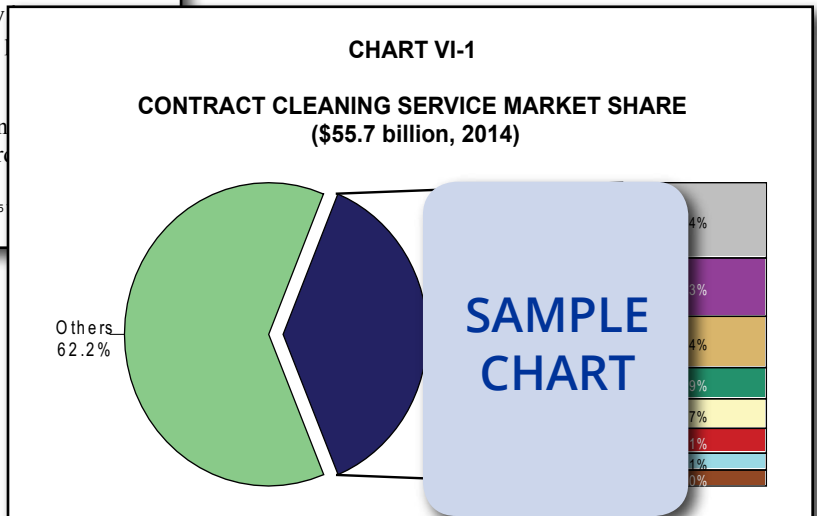
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TABLE IV-2
NONRESIDENTIAL CLEANING SERVICE REVENUES BY MARKET
 (million dollars)

Item	2004	2009	2014	2019	2024
Nonresidential Building Stock \$ services/000\$ stock					
Nonresidential Floor Space (bil sq ft) \$ services/000 sq ft					
Nonresidential Cleaning Revenues					
Institutional Buildings					
Office Buildings					
Commercial Buildings					
Industrial Buildings					
Other Nonresidential					
% nonresidential Cleaning Service Revenues					

Source: The Freedonia Group, Inc.

SAMPLE
TABLE



Sample Profile & Table, & Study Coverage

TABLE V-9
NORTHEAST:
CLEANING SERVICE REVENUES BY SUBREGION & MARKET
 (million dollars)

Item	2004	2009	2014	2019	2024
Northeast Cleaning Service Revenues					
By Subregion:					
New England					
Middle Atlantic					
By Market:					
Nonresidential					
Residential					
Transportation & Other Markets					

Source: The Freedonia Group, Inc.

SAMPLE PROFILE

STUDY COVERAGE

This Freedonia study, *Contract Cleaning Services*, gives historical demand data (2004, 2009, 2014) plus forecasts (2019, 2024) by service, market and region of the US. In addition, the study details key market environment factors, assesses the industry structure, analyzes company market share and profiles 40 competitors in the US marketplace.

COMPANY PROFILES

Stratus Building Solutions
 10530 Victory Boulevard
 North Hollywood, CA 91606
 818-981-1700
 www.stratusbu

Annual Sales:
 Employment:

Key Services: power washing, pressure washing, carpet cleaning, and other services

Stratus Building Solutions is a privately held franchiser of commercial cleaning services. In February 2015, the Company relocated its headquarters from St. Louis, Missouri to North Hollywood, California.

The Company is active in the US cleaning services industry via the provision of cleaning services for such commercial properties as office buildings, healthcare facilities, banks, retail stores, shopping centers, educational facilities, day care centers, government buildings, restaurants, fitness centers and gyms, automobile dealerships, and churches. Specific services available from Stratus Building Solutions include general interior cleaning, carpet and hard surface floor cleaning, tile and grout cleaning, window washing, and restroom sanitization. In addition, the Company offers green cleaning services through the STRATUS GREEN CLEAN program, which utilize environmentally friendly chemicals, equipment, and cleaning processes. Furthermore, Stratus Building Solutions provides power washing, pressure washing, and construction and emergency cleanup services.

Stratus Building Solutions maintains regional offices in Arizona, California (6), Colorado (3), Hawaii, Iowa, Kansas (3), North Carolina,

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Related Studies

Janitorial Equipment & Supplies

US demand for janitorial equipment and supplies will rise 2.2 percent annually through 2019 to \$7.1 billion, driven by pent-up demand for automated floor cleaning equipment. Office and institutional buildings will remain the largest and fastest growing markets. In-house purchasers will remain dominant, but will be outpaced by contract cleaners. This study analyzes the \$6.4 billion US janitorial equipment and supply industry, with forecasts for 2019 and 2024 by product, market and purchaser. The study also evaluates company market share and profiles industry competitors. **#3311.....August 2015.....\$5300**

Consumer Water & Air Treatment Systems

US demand for consumer water and air treatment systems will rise 5.5 percent annually to \$2.3 billion in 2019. Whole-house systems will be the fastest growing within both the air and water treatment segments. Among consumables, salt will offer the best growth opportunities, followed by water filters and membranes. This study analyzes the \$1.8 billion US consumer market for water and air treatment systems, with forecasts for 2019 and 2024 by technology, product, and US region. The study also evaluates company market share and profiles industry players. **#3281.....July 2015.....\$5500**

Private Security Services

US demand for private contracted security services will rise 4.2 percent annually through 2019 to \$66.9 billion. Systems integration and security consulting will be the fastest growing services, while guarding and alarm monitoring will remain dominant. The non-residential market will remain the largest segment, while the institutional market grows the fastest. This study analyzes the \$54.5 billion US private security service industry, with forecasts for 2019 and 2024 by type, market and US region. The study also evaluates company market share and profiles industry players. **#3268.....May 2015.....\$5400**

Elder Care Services

US revenues for elder care service providers are expected to grow 6.3 percent per year, approaching \$400 billion in 2018. Home healthcare services will remain the second largest and fastest growing segment. Skilled nursing facilities will see the slowest gains. Growth in nonprofit providers will outpace the dominant for-profit segment. This study analyzes the \$294 billion US elder care service industry, with forecasts for 2018 and 2023 by type, provider, payment source and US region. The study also evaluates company market share and profiles industry players. **#3214.....January 2015.....\$5200**

World Security Services

Global demand for private contract security services is forecast to increase 6.9 percent per year to \$267 billion in 2018. The fastest gains will occur in developing parts of Asia, Central and South America, Africa, and the Middle East. The dominant contract guarding segment will achieve the fastest gains. This study analyzes the \$191 billion world security service industry, with forecasts for 2018 and 2023 by service, market, world region, and for 21 countries. The study also evaluates company market share and profiles industry participants. **#3201.....November 2014.....\$6600**

About The Freedonia Group

The Freedonia Group, Inc., is a leading international industry market research company that provides its clients with information and analysis needed to make informed strategic decisions for their businesses. Studies help clients identify business opportunities, develop strategies, make investment decisions and evaluate opportunities and threats. Freedonia research is designed to deliver unbiased views and reliable outlooks to assist clients in making the right decisions. Freedonia capitalizes on the resources of its proprietary in-house research team of experienced economists, professional analysts, industry researchers and editorial groups. Freedonia covers a diverse group of industries throughout the United States and other world markets. Industries analyzed by Freedonia include:

- Automotive & Transport • Chemicals • Construction & Building Products • Consumer Goods • Energy & Petroleum • Industrial Components • Healthcare & Life Sciences • Machinery & Equipment • Metals, Minerals & Glass • Packaging • Plastics & Other Polymers • Security • Services • Textiles & Nonwovens • Water Treatment

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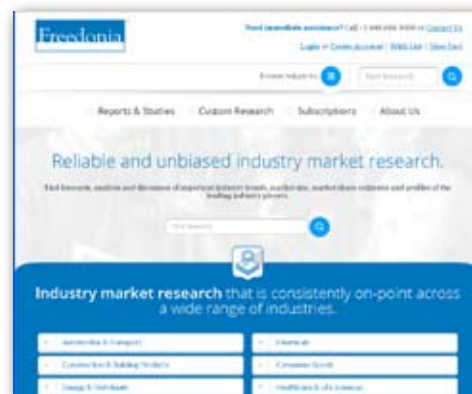
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