

# THE U.S. COMMERCIAL CLEANING INDUSTRY

## Table of Contents

	Page
<b><u>Introduction - Study Scope, Sources Used, Methodology</u></b>	1-4
* Industry Nature & Definition: Description of the industry's major segments, services provided, NAICS codes	
<b><u>Executive Overview of Major Findings</u></b>	5-19
* <b>Highlights &amp; key findings of all report chapters:</b> industry nature, analysis of major trends/issues affecting the industry (Covid-19 crisis, recession, staff pay/turnover, commercial office vacancy rates, commercial construction, franchising, green cleaning), outlooks by trade associations, analysts and consultants, industry size/growth: 1997-2017, 2020 & 2025 Forecast, industry structure, 2012 & 2017 Census key operating metrics (receipts, avg. per establishment, payroll/labor costs, etc.), client mix, services provided, top competitors ranking (franchises & non-franchise firms). Values of education, commercial, healthcare, retail end-user segments.	
<b><u>Demand factors: Outlook For Office Space &amp; Commercial Construction</u></b>	20-38
* Analysis of the amount of commercial floorspace nationwide	
* Outlook for commercial & office construction activity and indicators: value of non-residential construction, commercial <b>office vacancy rates</b> in major metro areas & nationwide	
* Outlooks by: Natl. Assn. of Realtors, CB Richard Ellis, Jones Lang LaSalle: 2019-2020 mkt. status	
* Findings of 2018 BOMA Experience Exchange Report: commercial office and industrial expense trends, occupancy	
* Industrial and commercial building outlook	
* Medical building construction outlook	
* Amount of existing commercial <b>floor space</b> by U.S. and by region (1979-2012) share of space by type activity (retail, education, healthcare)	
* Commercial office vacancy rates, by 10 largest cities, office mkts. with highest vacancy rates	
<u>Tables:</u>	
- Amount of commercial floorspace in the U.S. – 1989-2025 F (EIA survey)	
- Distribution of floor space, by main building activity: 2012	
- No. of buildings and % of total floor space by type activity (education, health care, lodging, retail, offices, warehouses, etc.), by region (1986, 1989, 1992, 1995, 1999, 2003, 2012)	
- Distribution of commercial floor space, by size of building: 2012	
- Distribution of commercial floor space, no. of buildings, by Census region: 2012	
- Value of new construction of non-residential buildings, by type building/sector: 2008-2019	
- Value of new construction of non-residential buildings: 1990-2019	
- National office vacancy rates: 2007-2019 (NAR)	
- Top 10 office markets with highest vacancy rates: Q4 2019	
- U.S. healthcare expenditures & construction spending on structures: 1995-2020 projections.	

- \* Discussion/analysis of 3-tiered mkt. structure (large contractors vs. small independents, and franchise organizations vs. non-franchise cleaners), estimated share by top firms
- \* Discussion of major factors affecting demand: growth drivers
- \* Industry size estimates; rationale for estimates by various sources – based on amount of commercial Floorspace, based on Census survey data – receipts of establishments nationwide, Marketdata's estimates/forecasts, factors affecting recent growth
- \* Analysis of employer vs. non-employer estabs. and receipts: 2000-2020
- \* Industry Segment growth: analysis of janitorial revenues vs. total building maint. industry.
- \* **2020 Outlook and probable effects of COVID-19 crisis:** outlook for non-residential construction, office vacancy rates, effect on small vs. large contractors, cleaning methods needed
- \* **2021-2025 Forecast:** discussion of long-term effect on the industry, post-recession changes
- \* Value of major industry segments in 2019: commercial office, industrial, healthcare, education, retail, other.
- \* Discussion and \$ value of the Disaster Restoration Market
- \* Discussion and \$ value of the Termite & Pest Control Market.

**Tables:**

- Total industry potential, \$ value and % change (1992-2020)
- Total industry revenues forecast: 2020 - 2025
- Share of total receipts by exterminating/pest control, janitorial, carpet cleaning, "all other" building cleaning & maintenance services: 2000-2017
- Total industry receipts, by major segments, annual % change (2000-2017, Census Bureau): total Industry, pest control, janitorial, carpet cleaning, other services to buildings
- Amount of commercial floorspace in U.S. – 1989-2025 Forecast
- Annual percent change in janitorial services receipts: 2001-2017
- Historical share of industry sales by pest control, carpet cleaning vs. janitorial/all other services: 2000-2017
- Employer vs. non-employer receipts: 2000-2020
- Historical industry receipts (1983-1998) - Census Bureau data.
- Historical share of industry receipts: pest control vs. janitorial & other services: 1985-2012

**Industry Economic Structure & Operating Ratios****All Building Maintenance Services** p. 59-69

- \* Explanation of how to interpret Census data, how the data is arranged/classified by NAICS codes, and major market segments, 2017 Census
- \* Summary: discussion of total building services receipts in 2017, breakdown by type (janitorial services, pest control, carpet cleaning, all other maint. services)
- \* Outlook by **Bureau of Labor Statistics** for demand for janitors (number, wages): to 2020
- \* Labor productivity ratios: 2017 vs. 2012
- \* Discussion of Non-employer receipts (sole proprietorships without payrolls) IRS data 2012
- \* Discussion of industry Financial health: composite income statement & balance sheet ratios, profitability trends, by size of cleaning contractor (janitorial services, pest control, other services: 2007-2011.
- \* Major findings of **2019 CMM Magazine survey:** type services provided by cleaning contractors, Square footage cleaned, share of revenues by building type, contractors' gross revenue classes
- \* Summary & analysis: no. of cleaning establishments in U.S. and for leading states; no. of firms; industry size; avg. receipts per office by top states; mkt. share top 50 firms ratios; summary findings of Census re: legal form of organization, firms & estabs. by sales size (in receipts & employment); single/multi-unit operations.

- \* Summary statistics: 2007, 2012, 2017 - no. of estabs; total industry vs. disinfecting/pest control, other services; annual receipts; payroll costs; no. of workers; payroll per employee; receipts per employee, receipts per establishment.
- \* Geographic analysis - share of national receipts, avg. receipts per estab., by state, top states' ranking: 2017.

### Statistical Tables:

#### Total Industry p. 70-80

- Receipts of all services to buildings (excl. landscaping) – pest control, janitorial, carpet cleaning, all other services: 2000-2017 (no. of estabs., receipts, receipts per estab.)
- Industry snapshot: 2002, 2007, 2012, 2017: key ratios (payroll, no. estabs., receipts, etc.)
- Annual % change in receipts of janitorial vs. ALL building services: 2001-2017 Est.
- Employer vs. nonemployer estabs. – no. of estabs. and receipts
- Total cleaning industry firms, by legal form of organization -corporations, sole proprietorships, partnerships: 2012 (no. of firms, receipts, payroll as % receipts, no. of employees).
- Single vs. multi-unit operations, by size (statistics as above) 2012.
- Concentration Ratios: ratios for top 4, 8, 20, 50 largest firms: 2012
- Total Commercial Cleaning Firms, by receipts size (under \$100,000 to \$100 + mill.); (no. of firms, estabs., receipts, payroll, avg. receipts per firm) 1997, 2002, 2007
- Receipts & avg. receipts per establishment, by state - 2016

#### Janitorial Services p. 81-84

- Janitorial service firms, by legal form of organization - corporate, sole proprietorships, partnerships: 2012, 2007 (no. of firms, receipts, payroll as % receipts, no. of employees)
- Single vs. multi-unit operations, by size (statistics as above) 2012, 2007
- Concentration Ratios : ratios by top 4, 8, 20, 50 largest firms: 2012, 2007
- Janitorial service firms, by receipts size (under \$100,000 to \$100+ mill.) (no. of firms, estabs., receipts, payroll, avg. receipts per firm): 2012, 2007

### **Competitor Profiles: Major Cleaning Franchise Organizations**

85-116

- \* Summary - how many exist? - Entrepreneur magazine's 2019 Franchise 500 ranking, Discussion: how cleaning franchises work and differ, services typically provided by parent, master franchises,
- \* Analysis of **avg. initial franchise fees/royalty rates/start-up costs**
- \* The industry's leading franchisers: parent co. vs. **systemwide revenues**, avg. estimated annual receipts, difficulties estimating revenues due to full-time vs. part-time workers; franchise investment pkgs. sold.
- \* Discussion of past problems with franchises, misrepresentation of earnings, churning of accounts, territory encroachment, lawsuits and Atty. General actions

#### Tables:

- The major commercial cleaning franchises: 13 companies' systemwide sales: 2019.
- Top franchises (no. of units 2010-2019, initial franchise fee, royalty %, investment costs)
- The major commercial cleaning franchises, by no. of units: 2010-2019.

### Profiles of The Leading Commercial Cleaning Franchises & Non-Franchise Firms

(For each company below: discussion & analysis of services offered, divisions, franchise packages offered/cost, markets served; strategies, actual or estimated revenues to 2019, history & recent developments; acquisitions, number of franchises units; marketing strategies)

- \* ABM Industries
- \* Anago Cleaning Systems
- \* Bonus Building Care
- \* Clean Net USA
- \* Coverall North America
- \* Jan-Pro Intl.
- \* Jani-King Intl.
- \* Pritchard Industries
- \* Red Coats
- \* ServiceMaster Clean
- \* ServPro
- \* Stratus Building Solutions
- \* Vanguard Cleaning Systems

### **Reference Directory of Industry Information Sources**

117-126

- \* Addresses, phones, contacts at major cleaning industry trade associations, trade journals, consulting firms, stock analysts.