

COMPANY DEEP-DIVE

Manager at Valcourt Group Sees Growth and Challenges in Exterior Building Maintenance Industry Through M&A and Strategy

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Summary

The conversation between the client and the expert delved into the exterior building maintenance services industry, focusing on segments like recurring maintenance services and project-based reconstruction work. They discussed the fragmentation within each segment, potential for reaching \$10 million of EBITDA through acquisitions, revenue allocation between recurring and project-based work, purchasing criteria for maintenance service contracts, margin pressures, labor market challenges, pricing trends, industry growth, M&A synergies, major players in the industry, competitive landscape, potential acquisition opportunities, valuation multiples, end markets for services, and industry associations. The expert emphasized the importance of strategy, risk profile, price in winning contracts, labor market tightening, scarcity of skilled labor, scale benefits, integration challenges post-M&A, and the cyclical nature of different segments and end markets.

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EXPERT BIO

INTERVIEW TRANSCRIPT

Client ▶ 00:00:00

Thank you so much for joining the call today. Really looking forward to it. Looking forward to learning a little bit more about the exterior building maintenance services space. Would love to know more about your background.

Expert ▶ 00:00:13

Currently M&A manager for a company that's in this space pursuing both organic and inorganic growth. It was founded through a merger of two, we call, the waterproofing segment, restoration companies. There was a merger of the two, and from there, we've grown through a number of acquisitions. Prior to doing M&A, in other sectors, industrial and commercial vehicles and then telecom.

As far as more industry here, I think, like you said, it is somewhat fragmented, pretty geographical divide with these companies that are owner-led and operated will tend to stay in smaller geographic regions. They are broken out across number of different services that are all related in the restoration or building maintenance or exterior services, as you said. Anything specific I can try to help you with as far as how they're working out?

Client ▶ 00:01:05

That's very helpful background. Maybe just starting out at a high level, when you think about exterior building services, what are the main segments that come to mind? I know you threw out waterproofing, restoration, but would be helpful if you could just list each segment. I'll probably have some follow-up questions as well.

Expert ▶ 00:01:25

It's a very broad category, so it depends on how you view it. It can be anything from sweeping, pressure washing, window cleaning, some janitorial, all the actual exterior recurring services up to reconstruction, structural repairs, historical work, preservation work. It's really broad. It's hard to put a number on the size of these just because a lot of companies will engage in a wide range of them as their clients need, and they'll sub out work to fill in the gaps of what they're not capable of.

It's roughly segmented, growing. It is really diversified in terms of some companies in some areas will do only one or two of these categories. Some will address all of them. Some will work as a general contractor, some as a sub. It just depends on how you're licensed, and the talent they have in-house, whether they have the right masons or stoneworkers or carpenters or whatever the trades that are needed for this work, structural engineers, just concrete work. It's really, really broad. I guess it's split by all those segments.

A few of them will do the more general recurring maintenance and also the structural stuff, most of them stick to either or. It also depends on geography. The nature of buildings in different parts of the country will drive different kinds of work. It's a mix. It's a really broad space, but those are the general categories that we see.

Client ▶ 00:02:50

Got it. Following here, more of the recurring maintenance. That's going to be street sweeping, pressure washing, window cleaning. Another more broad segment would be the reconstruction work that you mentioned, which is more construction, general contracting, structural repairs, preservation, stuff like that.

Expert ▶ 00:03:08

That's right.

Client ▶ 00:03:09

Okay. When you think about the recurring maintenance services, street sweeping, pressure washing, window cleaning, any other services that you can think of that you've seen, maybe not that your company does specifically, but any other just exterior more maintenance work?

Expert ▶ 00:03:26

I think that's most of it. Once you get beyond that, I think it becomes more in the janitorial space, which is not something that would typically be tied with this sector. I'm trying to think of recurring. I guess in some places, there's graffiti removal and abatement, but that's the only other thing I can think of that's recurring service that's not janitorial. There's landscaping too, but that's obviously a whole different sector.

Client ▶ 00:03:53

Okay. On the reconstruction segment, like structural repairs, that's more of the general contractor type work. Does that include waterproofing, or would waterproofing be included in the more recurring maintenance?

Expert ▶ 00:04:07

I think it's more project-based work. It's not so much under recurring contract. It just depends on probably building codes and the state of repair of the building.

Client ▶ 00:04:17

Got it. Going through each of the recurring maintenance segments, one question we have is just fragmentation, target availability. Each of these segments, like street sweeping, pressure washing, window cleaning, etc., would love to just get a sense for how fragmented each segment is, if you can speak to that. I don't know if you can speak to that, but it would be helpful get a better sense of fragmentation for each of these segments, street sweeping, pressure washing, window cleaning.

Expert ▶ 00:04:47

I probably can't give specific numbers on company size or company amounts. Just think about it in terms of barrier to entry. To get a window cleaning business off the ground, it's really not capital-intensive. There's a lot of mom-and-pop shops all around a major city versus something that's more structural engineering reconstruction that requires licensing and requires a more sophisticated skill set and employee base.

The recurring services are much, much more fragmented than the reconstruction project-based work just as far as the barrier to entry to start one of these operations. As far as the ones that get up to the scale, you're saying, obviously there's fewer, but depending the city, I would just say it's more fragmented than the waterproofing by a considerable amount.

Client ▶ 00:05:36

Got it. Do you think for each of these segments, street sweeping, pressure washing, window cleaning, you can acquire a handful of companies, and within each segment, get to at least \$10 million of EBITDA, or do you think it's even more fragmented, that would be hard to do?

Expert ▶ 00:05:53

Mind repeating the first part?

Client ▶ 00:05:55

Another way to ask the question on fragmentation, for each of these segments, do you think through a buy and build or M&A, you can get to at least \$10 million of EBITDA in each of these

cycles? For example, can you go out and acquire five companies that are \$2 million EBITDA and get to \$10 million, or is it even more fragmented?

Expert ▶ 00:06:17

I'd say it's more fragmented. For the recurring maintenance ones, which obviously are the most attractive ones, you're going to need more than that. Probably there's maybe a handful out there that are large, over \$1 million of EBITDA, but those are going to be maybe more under a franchise model or some other complicated model that makes it harder to acquire. They would need more than \$5 million probably to get to \$10 million EBITDA.

Client ▶ 00:06:44

Got it. That's pretty much all of those recurring maintenance services?

Expert ▶ 00:06:49

That's generally true for all that kind of maintenance work because the amount of competition in that is really high, just given, again, the barrier to entry for that versus a waterproofing or reconstruction business.

Client ▶ 00:07:03

Got it. What about for the waterproofing reconstruction? Do you see larger companies in that segment? Do you think they'll be able to get to \$10 million of EBITDA doing a handful of add-ons?

Expert ▶ 00:07:15

I think easier on the waterproofing side. Those do come in much wider ranges of sizes. They get some really big ones that are \$50 million-\$100 million of revenue, or they can get little ones that are under \$5 million, under \$2 million. It really just depends, but it'd be possible to, with the right ones, get over \$10 million.

Client ▶ 00:07:37

Got it. As far as mix, if you think of a maintenance service provider, they have a mix of recurring maintenance services and more project-based reconstruction work, what do you think is a good mix to have in terms of percentage of revenue allocated towards the recurring maintenance work versus reconstruction? What is, in your mind, a good mix, and then maybe what's typical that you see?

Expert ▶ 00:08:01

Are you saying for companies that do both, or are you saying just if you were to start your own platform?

Client ▶ 00:08:08

Yeah, for companies that do both. For a company providing all these types of exterior maintenance services.

Expert ▶ 00:08:14

It depend on the strategy or approach to where you want to add the value. I haven't really seen many that offer both. They seem to stick in one lane or the other just given the type of work and skill set that's needed for each one. They don't really overlap. It's really rare to have a company with masons that can also sweep sidewalks. They stick to one or the other. I haven't seen any, at least in my experience, that do both. They can obviously acquire one of each or multiple of each. As far as the mix, I think it would just depend on the strategy and the mix of recurring and non-recurring work you want to have.

Client ▶ 00:08:52

Yeah. In your opinion, based on your experience, what do you think is a good mix to target between recurring and project-based work?

Expert ▶ 00:09:01

That's just tough to answer because it really depends on the way they want to take on the risk. Obviously, it's a non-recurring, it's all bid work. They're openly bidding every project, so you eat what you kill. The other one, they have to try to lock in contracts that are much, much smaller amounts but a little more stable. It just really depends. I'm afraid to give an answer because I would give away our mix, and I can't really do that. I think it would just depend on the risk profile and gross margin profile that they want to look at.

Client ▶ 00:09:34

Got it. You mentioned on the non-recurring work, more project-based work, that's going to be all bid work. What percent of the work? Is it 100% RFP work?

Expert ▶ 00:09:44

It'll typically be RFP or a mix of some business development seeking to get onto lists and seeking to get invited to bids. Definitely, a business where the connections between the owners and the certain firms that hire these companies are very important. Having those connections can definitely impact whether you're on a bid list or not, or if you're doing government work. It's obviously a more open process but more competitive. It just depends on what sector this company plays in. It could be a mix of both.

Client ▶ 00:10:16

Okay. Typically, what do you see? Is it 80% RFPs, 50% RFP, 50% relationship? Just trying to get a sense. This is heavy RFP industry?

Expert ▶ 00:10:25

I'd say it's heavy RFP. I'd say majority RFP, and on a rare occasion, you get some more negotiated work with long-term clients. Vast majority will be RFP open process. If there were ever any government funds, then there has to be an open bid process. Often, depending on certain institutions or things like that, they also require open bid processes. I think it's about 80% probably or more RFP.

Client ▶ 00:10:50

Got it. That's just for the more non-recurring project-based work, correct?

Expert ▶ 00:10:54

Correct.

Client ▶ 00:10:54

Okay. What about more of the recurring maintenance services? What do RFP dynamics look like for those types of services?

Expert ▶ 00:11:02

Really just depends. A lot of it is RFP. Some of the work has been commoditized to an extent. Even though work's recurring, the client can terminate the agreement almost any time and switch to a lower-cost provider. I'd say it's probably more 50/50 on relationships and RFP processes.

Client ▶ 00:11:20

Got it. For the more recurring maintenance service contracts, what are going to be the most important purchasing criteria for customers, like price, quality, stuff like that?

Expert ▶ 00:11:31

I'd say price. Price is definitely number one. two) Maybe long-standing relationships with certain clients do matter, but I'd say also just scheduling. There's some companies that just don't have the manpower to schedule. They're so booked up with their limited manpower that jobs might be backlogged for months and months. Sometimes, it's timing, but really price is the majority because there's more wiggle room for not the lowest bid to win in a project-based work if there's sophistication that comes with that versus sweeping a sidewalk is pretty commoditized. It just matters, its price really. Price and just availability and timing.

Client ▶ 00:12:11

Got it. You did mention some of these services are becoming more commoditized. Everything is becoming more competitive, lower barriers to entry. Has this translated into any margin pressure? What are you seeing in terms of margin trends?

Expert ▶ 00:12:26

I'm trying to think what I can share here. I'd just look to labor markets. Those have been tightening, which has some pressure on margins. I think it depends on the strategy and the niche of the business. Honestly, I think depending on geography, there's different pressures up or down. I think it just really depends on demand in different regions of the country. That, I think, has more of a driving factor. I would say for the recurring work, it has been, I think, a little more difficult to stand out among a sea of competitors.

Maybe sometimes, the relationship matters and the brand behind it matters. There are some pressures, but really, I think it's market-dependent. It's also some cyclical to labor markets and just overall CapEx cycles for companies doing maintenance or pushing out maintenance, that also a factor.

Client ▶ 00:13:17

Got it. As far as these pressures, competition, etc., when you think about the next 12-18 months, one to two years, do you think this environment is going to continue where everything will become more pressured, more competitive, less focused on quality? What's the outlook?

Expert ▶ 00:13:34

I think it's a little hard to say just given what happened in the last two weeks. We're all waiting to see what happens in terms of maybe labor regulations or tax. It's hard to say right now, but investable, yeah, probably still is. I don't know. I think we're all on edge waiting to see what happens with the new government, so it's tough to give you some reasonable answer for the next 12, 18 months. I think we'll know a lot more in the next three. It's just a matter of waiting to see how that plays out.

I would think the demand for restoration and repair work keep going up. It's just a matter of what happens, I think, to labor. If there were to be any tariffs, what does that do to materials, and some of the products that go into the restoration, waterproofing work. That's an unknown. Again, just labor markets in the south, also an unknown. There's less supplier because there are a lot of fly-by-night companies that have downward pressure on prices with labor that may not always be legitimate. It's hard to see what's going to happen with that. I wish I could share more, but were asking the same thing.

Client ▶ 00:14:44

Got it. When you mentioned just labor markets have been tightening, can you expand on what pressures or maybe what headwinds you've seen in the industry as far as labor and employee?

Expert ▶ 00:14:55

Some of these trades, craftsmen really that are stone masons, carpenters, bricklayers, some of those are just getting harder and harder to find. I think just natural. Any change of where people seek jobs and careers are changing so there's fewer of those to go around. Unions that train them, I think, are dwindling.

There's just more of a shortage of that kind of profession, so I think that's something where the trend may reverse, or maybe these unions will invest more into training with people, but it has been harder to find some of those more technical employees. Also, stuff like window cleaning and that kind of stuff, when you're hanging off side of the building, it's also a hard skill set to find. Just in general, it's always competitive to find labor. That's what I was referring to. Just the nature of some of the skills or the backgrounds needed for some of these jobs are just becoming a little more scarce these days.

Client ▶ 00:15:53

Got it. Is this a pretty high-turnover industry? What does average employee turnover look like in the industry?

Expert ▶ 00:16:00

I don't know about average, but I think it's really company-dependent. Some take care of their employees, and they can be there for 20 years. Some of them turn every year. It really depends. I really can't answer that. It's still dependent on the individual company and how they're treated and set up there. It can be a wide range. It just depends on those. The larger companies tend to have much less. Small companies have much more. It just depends.

Client ▶ 00:16:28

Got it. I know we talked about margins a little. What about pricing and pricing power? Thinking about the last 12-18 months, how has pricing been trending? Have you been able to continue to increase prices, or have you seen pushback from customers? Just general commentary on the pricing environment.

Expert ▶ 00:16:47

I can't speak to our pricing, but I think where I can point to is that the more sophisticated work, the restoration, the waterproofing, structural stuff, that has stayed pretty consistent. I think that's just been more of a function of the demand for that has increased a little bit. On the recurring revenue side, I can't comment too much on that, but I think it's probably just in line with CPI in general across the board. Nothing really noteworthy has changed.

Client ▶ 00:17:16

Got it. Maybe 2%-3%, 2%-4% pricing increases?

Expert ▶ 00:17:19

I can't confirm that. I'm not so much up on the commercial side, but I think there hasn't been any drastic change up or down. I just can't comment on our view on that. Anything about how we're seeing pricing.

Client 🎧 00:17:32

All these questions I'm asking are just broad industry. You don't have to speak to your specific company. I'm sure you're evaluating companies, so just any trends that you're seeing in the industry. Are customers pushing back on pricing increases? Stuff like that. Just more general trends.

Expert 🎧 00:17:50

It really just depends on the business. Some are smarter and more savvy about the way they go about it. Others have probably not tried it in years. I think it's just really maybe a sophistication difference between some companies that are more clever about it, more clever about the way they structure bids, and how they bake in certain upside and margin for themselves in the bids. Other ones are not very sophisticated. It just depends. I'm not really seeing any trends that are drastically out of line with general CPI. I'm not really seeing any kind of depression or any kind of acceleration in pricing.

Client 🎧 00:18:27

Got it. What about growth for maybe splitting it up into different segments, the more reconstruction work and more recurring maintenance? What is industry overall? What do you see as far as average top-line growth?

Expert 🎧 00:18:41

I think it's pretty in line with just inflation. Some companies, I think it tends to be what happens and what they probably look for in private equities. Something we look for is just the consolidation. The bigger companies get bigger. The smaller ones either stay the same or get acquired. There haven't been any drastic changes, but I'd say in line with CPI, there's thousands and thousands of these that they're on all kinds of spectrums of growth. Hard to give you an answer of average top-line growth for such a broad industry, but at least inflation.

Client 🎧 00:19:15

Got it. I'm just making sure it is still a growing industry. You're not seeing any declines, if that makes sense?

Expert 🎧 00:19:22

Some companies we look at definitely have had declines, others haven't. It really is company-dependent, how they set up their labor, how they win jobs. They could grow for three years straight, and then decline for three years straight. It just all depends on how they're pursuing work and they're winning more projects one year over the next.

Client ▶ 00:19:43

Got it. Would love to talk a little bit more about M&A synergies and cross-selling. Have you seen companies successfully cross-sell these types of services to customers, or have you seen any challenges? Really, what are some of the main synergies or cross-selling?

Expert ▶ 00:20:00

Not a whole lot on cross-selling. I think it's just companies like to stay with what they consider their subject matter experts. I don't think they take the referral from a guy sitting on the sidewalk to structurally repair their garage. It doesn't really carry that much weight, I don't think. At least my experience, I don't think it's really a big driver. That's just how we're seeing it, but could vary.

Client ▶ 00:20:25

Got it. What about other just M&A synergies or synergies you can achieve through scale, cross-selling? Maybe not one, but just any other synergies that you've seen in the industry, whether that's via M&A or just scale?

Expert ▶ 00:20:38

Scale is the biggest one. I probably can't get into specifics just because what I've seen is what we do. I would say probably the same thing that applies to almost any other platform investment of scale. Being a friend is definitely true here, being able to bid larger projects.

Client ▶ 00:20:56

Got it. Is that scale you mentioned, you can bid out for win larger contracts? Is that purchasing power? Just thinking of general.

Expert ▶ 00:21:04

It's a mix of that and purchasing power, and then there's less competition the bigger you get. It becomes less commoditized when you're a \$500 million company that can bid anything versus a mom-and-pop shop that's bidding against all the other fly-by-night contractors for a \$200,000 job.

Client ▶ 00:21:23

Got it. Not from your experience, but more generally speaking, any integration challenges or best practices?

Expert ▶ 00:21:30

Challenges would always just be the continuity of all the work. It's really case by case. Some integrations are pretty seamless, some require a lot of lift just to get ready for them. How you deal with these contracts is important. That's all I can say on that. Understanding the contracts because there's a lot of them for project business. Just to make sure you understand what you're walking into.

Client ▶ 00:21:54

Got it. Who are the major players in this industry?

Expert ▶ 00:21:58

There's no real major players for the recurring side, I would say, at least they're also fragmented. On the waterproofing side, it just depends on which branch of waterproofing. There's obviously major structural engineering firms. I think Southern Waterproofing is one that's huge. They're private, but they're family-owned and operated for years. I think they're one of the biggest. It just depends on the region. I think Western Waterproofing. There's not that many. It's pretty fragmented, pretty regional.

Client ▶ 00:22:29

Got it. Your company, Valcourt, would they be considered a major player. I'm just trying to understand, who are companies you run up against? Who are companies of similar size? I feel like I've heard of a few.

Expert ▶ 00:22:41

If you want to name some, I can tell you if we see them or not. The thing is that it really depends. There's company we might bump into in Florida that we'll never see anywhere west of Mississippi. Because we're national, we don't really see anyone nationally the same way. There's probably a few that are more waterproofing-based. I think Western is one, and there's Baker Concrete we'll see on some projects, but they're more new construction. It just depends. As far as being reconstruction, restoration work nationally, we just haven't seen that many.

Client ▶ 00:23:15

Got it. Even just a few regional players, it would just be helpful to just go look at these companies, see what they look like. Even if you just have a few regional players you run into or off the top of your head, be helpful.

Expert ▶ 00:23:29

No, not really off of my head unfortunately. I look at more of the smaller middle market ones, not so much the larger, not the ones that are our size. I really look at the ones that are acquirable for us. I don't know. I probably just can't give them any in Florida or Texas or California. It all just varies. I'm not as close to some of those as I'd like to be, so I can't really give you names.

Client ▶ 00:23:53

Got it. Just from an M&A standpoint, do you think you can go out and acquire 10-15 companies and get to \$30 million of EBITDA, or do you think it's more you have to acquire 20 companies to get to \$10 million of EBITDA? Is it too fragmented?

Expert ▶ 00:24:10

It's possible. It's just highly, highly fragmented. I don't know, 10 to 15 gets there. It just depends on what they're able to buy as far as size. It could take 10. It could take 30. It truly depends on the mix they want to have from the recurring work to the non-recurring, and then just the size they can acquire. Doable? Yes. Easy? Definitely not. They're not really sophisticated when it comes to doing deals. They get all kinds of advice, some good, some bad, some obstructive. It's definitely a big list. Is it out there for \$30 million EBITDA that can be acquired? Definitely. It's a good amount of deals.

Client ▶ 00:24:49

Got it. Are most of these companies that you see up the lower end of the market, are they in that \$1 million of EBITDA range or less? Is it that fragmented?

Expert ▶ 00:24:59

Depends on the space. I'd say if you take an average of the waterproofing reconstruction companies and all the recurring maintenance, then maybe about \$1 million. It's more weighted towards the waterproofing services companies, which I'd say the vast majority of those are under \$1 million EBITDA. The waterproofing can be \$500,000-\$20 million of EBITDA or more. There's just not as many. Some are long-time family-run and operated, some are open to selling. It just depends. The average of both these sectors combined is probably \$1 million. It's about right, maybe a little less.

Client ▶ 00:25:37

Got it. Another question I had is just on valuation by segment. Maybe starting with more of the recurring maintenance services, what are typically valuation multiples of EBITDA for these companies? Maybe starting with recurring maintenance and then the waterproofing.

Expert ▶ 00:25:54

I don't think I can answer valuation questions, unfortunately, just because, like I said, we're actively pursuing these. Any insight I give might be influenced by our approach. I don't think I can give any multiples or stuff like that. I think multiples are the way it's viewed in this space, multiples of EBITDA. I just unfortunately can't share any. That's pretty sensitive now.

Client ▶ 00:26:17

Got it. Even just generally speaking, a range would be helpful, but if you can't give that away.

Expert ▶ 00:26:23

No. I don't know.

Client ▶ 00:26:24

Got it. What are the main customers in end markets? Can you go through each one, just listing them out? I have a few follow-ups on each of those.

Expert ▶ 00:26:33

End markets for these kinds of companies?

Client ▶ 00:26:36

For exterior building maintenance, what are the main end markets?

Expert ▶ 00:26:40

Vast majority is just any commercial vehicle or building. Any commercial building, office, apartments, condos, universities, churches, government buildings, hospital. Literally any kind of building. At least for us, anything that's not residential. It's a pretty wide range.

Client ▶ 00:26:57

Got it. Commercial office, condos, apartments, universities, hospitals, government. What is the largest end market?

Expert ▶ 00:27:03

It depends on the region. Any commercial building, I'd say that's the majority of buildings that are out there. The answer would just be that whatever buildings exist the most, that's the largest end market. All these buildings, regardless of end market, have to get typically general cleaning on the outside and occasionally restoration repair on the inside. It's really just tied to the amount of buildings in a given area as the largest end market. In Florida, you might get more condos, but in New York, you might get more office buildings. It really depends on where you're at.

Client ▶ 00:27:39

Got it. What about cyclical? I know you mentioned earlier, this is a cyclical industry. Are there any end markets that are maybe more cyclical than others and just any commentary around cyclical of certain segments or services that are more cyclical that property managers will cut in a downturn or just customers that will be more cyclical?

Expert ▶ 00:28:01

I'd just say least cyclical tend to be universities and hospitals. I think all the rest of them can be equally cyclical. We've seen them. Any of them can cut budgets or skip repair cycles or stuff like that. The least ones are probably universities, hospitals, government buildings, and then offices like that are more P&L-driven. Commercial is more P&L driven, more cyclical than government or any nonprofit entities.

Client ▶ 00:28:27

Got it. That's helpful. Have you seen any softness or slowdown with customers cutting budgets, skipping repair cycles in the past 12-18 months, and then maybe what happened to the business, if you know, during the last recession, 2008, 2009?

Expert ▶ 00:28:44

We weren't formed back then, so I can't really answer for 2008. COVID was definitely a slowdown. It came back pretty strong after COVID. As far as recent cutting, it really just depends. I'd say office space has definitely had a bit of a slowdown, I think, almost anywhere. I'd say most slowdown I've seen really has just been office, and then maybe some larger scale repair CapEx projects put on hold some places. It's a little bit. Part of it probably was just uncertainty around the election, as how it was framed as. Could be for many reasons. I'm not sure.

Client ▶ 00:29:19

Got it. When you say seeing a slowdown in office space, that's something we've observed in other facility services businesses. I'm just curious, when you say slowdown, is that flat, down, moderating growth? What constitutes a slowdown?

Expert ▶ 00:29:33

I'd say just putting anything on hold or any delay and work. Probably flat to down. It just depends on the market and the client. Obviously, not all offices, not all clients, and not all places. There's definitely been more of some slowing or delaying than maybe two years ago.

Client ▶ 00:29:50

Got it. Out of all the services we discussed, like window cleaning, waterproofing, pressure washing, street sweeping, etc., are any of those services going to be more cyclical than others? If a budget is tightening for a property manager, what services will get cut first?

Expert ▶ 00:30:07

I think it depends. All of those are eligible to be cut. Sometimes, really other factors, weather can be a factor. There's some really heavy rainy seasons in California last year and in the southeast this year, obviously. Sometimes, that's a factor of accelerating or delaying service. I don't know.

I'd say out of pressure washing, window cleaning, and sweeping, maybe the window cleaning is first to go, sweeping because it's more visible than the window 20 floors up. I imagine they maintain the sweeping, but it just really depends on the property owner and property manager on that. All those are eligible. It just depends on almost on a whim sometimes of what they cut. It could be any of them.

Client ▶ 00:30:50

Got it. Any industry associations or trade shows to mention?

Expert ⏮ 00:30:54

There's SWRI. I forget what it stands for, but it's a waterproofing one. There is Power Washers of North America. I think there's a concrete fair as well, or something like trade show, international, World of Concrete. I think those are all the big ones.

Client ⏮ 00:31:10

Got it. Thank you for taking the time to chat. Have a great day.