

# STEADY CLIMB

## CONTRACTORS CONTINUE TO SETTLE BACK IN –

and then some – since the end of the Great Recession, making it another solid year for the green industry. Landscaping companies had a median revenue of \$291,000, which is up from \$256,000 in 2015 and \$217,000 in 2014. Slightly more contractors turned a profit in 2016 (86 percent) than in 2015 (84 percent) and 2014 (78 percent).

Landscape maintenance stayed the most profitable service offered, and it regained the top spot as the most popular service provided after losing that spot to lawn care last year.

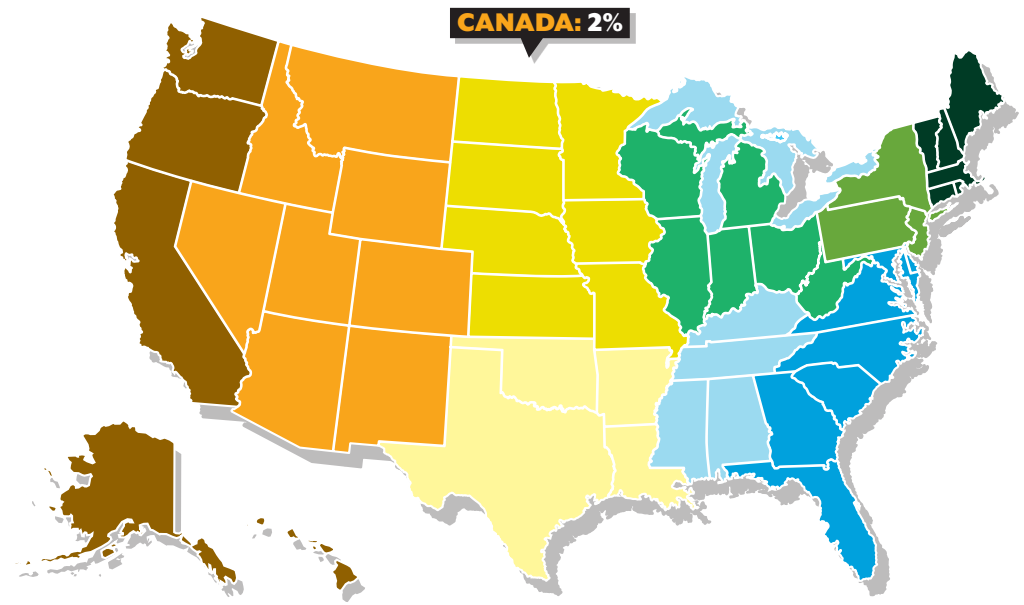
A lack of quality labor continues to be the top concern in the industry, especially for companies making more than \$1 million in revenue. On a 1-10 scale (10 being a major concern), those companies ranked hiring a 7.8, compared to the average ranking from all companies, which was 6.5.

Personal stress, low-ball competitors and high health insurance costs also ranked as major concerns for landscapers. Bad weather fell in the middle of the pack this year as a concern, though this survey was taken before the hurricanes in Texas, Florida and Puerto Rico.

But even with those concerns, respondents have a bright outlook on their companies and the future of the industry with 94 percent saying they are at least somewhat confident the industry will grow. When asked about the confidence in their company's growth, 93 percent had the same answer. – Brian Horn

» **\$291,000**

LANDSCAPING COMPANIES MEDIAN REVENUE IS UP MORE THAN \$70,000 SINCE 2014.



### IN WHICH STATE/PROVINCE IS YOUR COMPANY LOCATED?

#### NORTHEAST

- New England: CT, MA, ME, NH, RI, VT ..... 5%
- Middle Atlantic: NJ, NY, PA ..... 13%

#### MIDWEST

- East North Central: IL, IN, MI, OH, WI ..... 17%
- West North Central: IA, KS, MN, MO, NE, ND, SD ..... 11%

#### SOUTH

- South Atlantic: DC, DE, FL, GA, MD, NC, PR/VI, SC, VA, WV ..... 24%
- East South Central: AL, KY, MS, TN ..... 7%
- West South Central: AR, LA, OK, TX ..... 7%

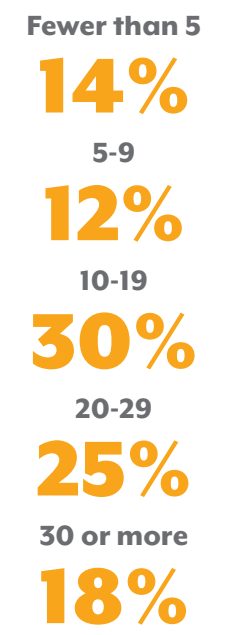
#### WEST

- Mountain: AZ, CO, ID, MT, NM, NV, UT, WY ..... 6%
- Pacific: AK, CA, HI, OR, WA ..... 6%

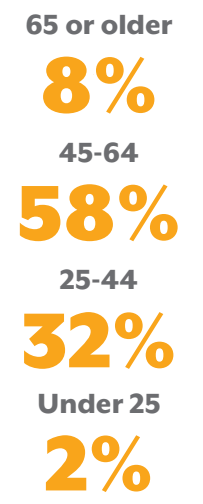
### APPROXIMATELY WHAT WAS YOUR LOCATION'S GROSS REVENUE IN 2016?



### HOW MANY YEARS HAS YOUR COMPANY BEEN IN BUSINESS?



### HOW OLD ARE YOU?

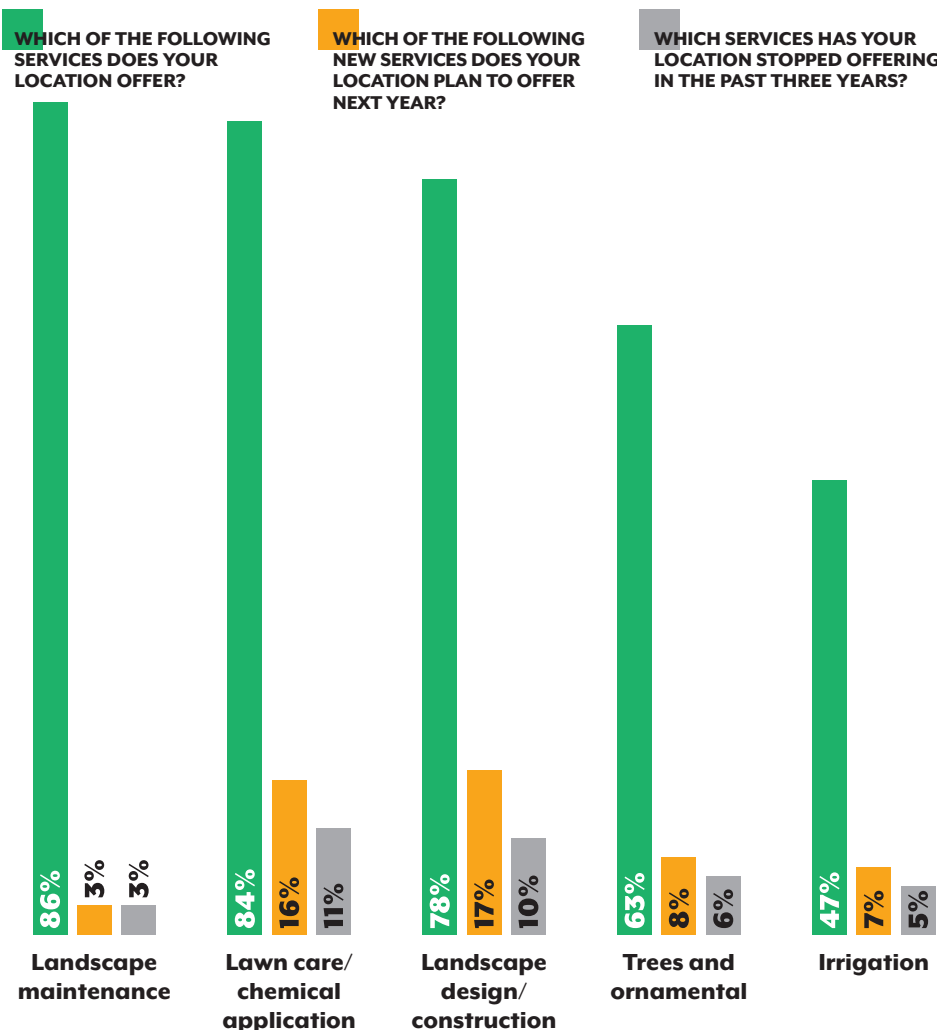


### 18 YEARS: THE MEDIAN NUMBER OF YEARS A COMPANY HAS BEEN IN BUSINESS

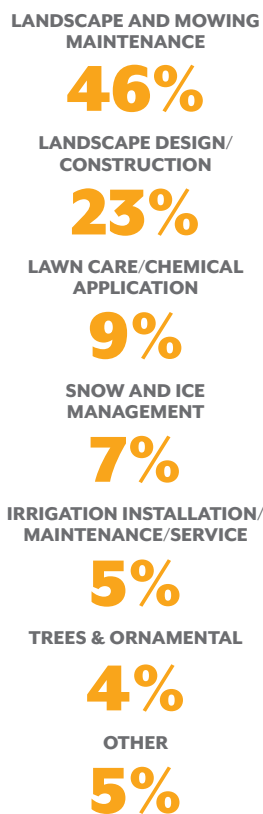
# AT YOUR SERVICE

## CONTRACTORS ARE GROWING THE SERVICES

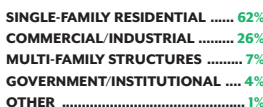
they provide across the board compared to last year. **Maintenance** (79% last year) and **design/build construction** (71%) saw the largest jump while **lawn care** (82%), **tree and ornamental** (59%) and **irrigation** (44%) also saw slight increases. As far as what new services contractors are adding, design/build grabbed the top spot from last year's leader lawn care.



### WHAT PERCENTAGE OF YOUR LOCATION'S 2016 GROSS REVENUE CAME FROM EACH OF THE FOLLOWING SERVICES?

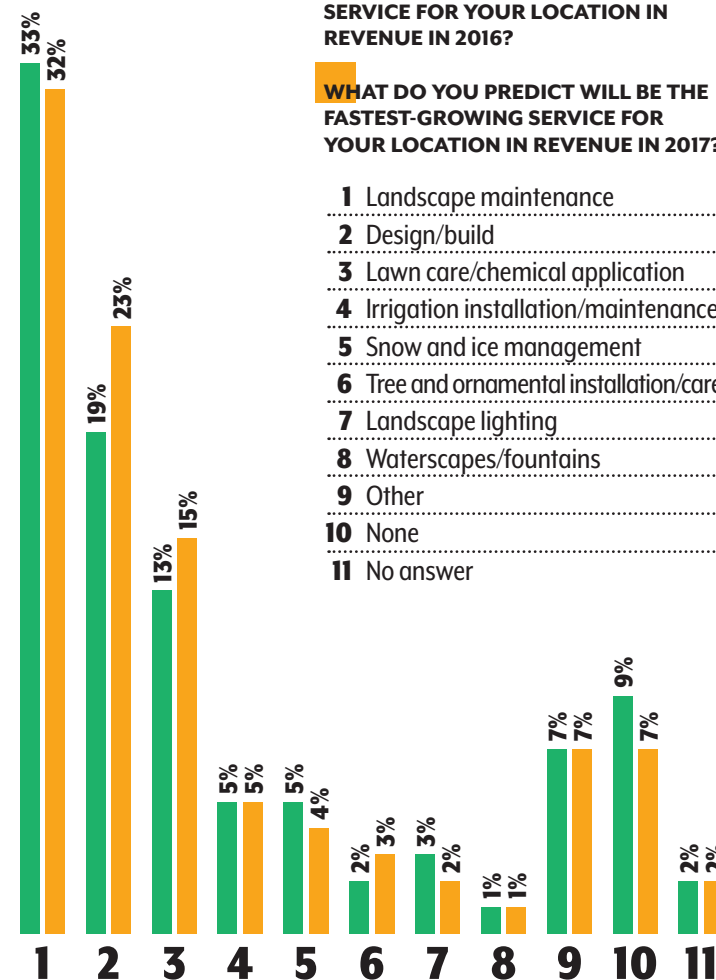


### WHAT PERCENTAGE OF YOUR LOCATION'S 2016 SALES CAME FROM EACH OF THE FOLLOWING PROPERTY TYPES?



### WHAT WAS THE FASTEST-GROWING SERVICE FOR YOUR LOCATION IN REVENUE IN 2016?

### WHAT DO YOU PREDICT WILL BE THE FASTEST-GROWING SERVICE FOR YOUR LOCATION IN REVENUE IN 2017?



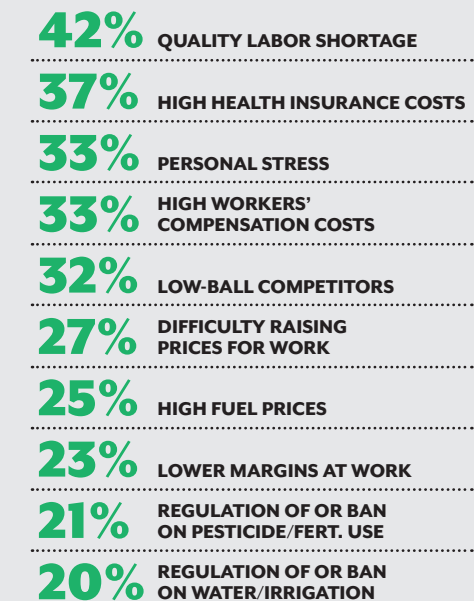
### SURVEY METHODOLOGY

The survey sample of 8,501 was selected in systematic fashion by GIE Media and Readex Research. The sample represented 17,002 individuals at the time of selection. The survey ran from July 6-17 and the margin of error for percentages based on 521 landscape contractors/lawn care operators is ±4.2 percentage points at the 95% confidence level.

## LACK OF QUALITY LABOR

is still the top challenge contractors face this year and expect to face in the next three years. The good news is the concern is slightly down from our 2016 report. Last year, 45% of contractors responded that they were very concerned (scoring it as an 8-10) about the issue compared to 42% this year. In fact, all but one category showed less of a concern compared to our 2016 report – regulation of or ban on equipment noise/emissions rose from 17% in last year's report to 18% this year's report.

THE PERCENTAGES SHOW HOW MANY RESPONDENTS RANKED AN ISSUE AS A MAJOR CONCERN IN THE NEXT THREE YEARS BY SCORING IT AS AN 8, 9 OR 10.



HOW WOULD YOU RATE YOUR CONCERN WITH EACH OF THE FOLLOWING ISSUES AND THEIR IMPACT ON YOUR LOCATION'S BUSINESS IN THE NEXT THREE YEARS? (10=VERY CONCERNED, 1=NOT CONCERNED)



75% OF RESPONDENTS WERE VERY CONFIDENT/CONFIDENT THEIR BUSINESS WILL GROW

NEXT YEAR. 6% WERE NOT CONFIDENT AT ALL.