

A photograph of a room undergoing renovation. A wooden ladder stands against a white wall. On the floor, there are various painting supplies including cans of paint, a bucket, and a roll of white material. Large windows on the right side of the room offer a view of other buildings. The scene is brightly lit, suggesting daytime.

**A VETTED BIZ GUIDE:**

# **HOME SERVICES INDUSTRY**

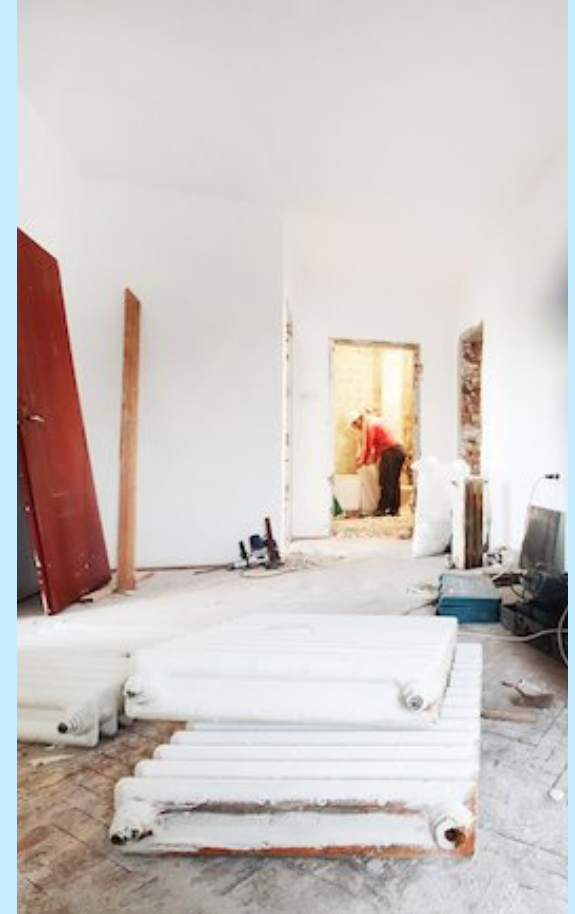
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# Opportunities in the Healthy Fast Food Industry

Home Services is an industry that is overlooked by many, yet has a **strong potential** for **profits**. The industry is **constantly** in **demand** as house sales continue to be **on the rise** and new home owners are always looking to **renovate their living installments**. Home Services businesses include those offering services such as plumbing, floor care, landscaping, storage services, repair and maintenance, installations, home improvements, and others.

Home services companies operate either on an **online** or **offline environment** and customers can apply directly online, or they can be physically present for filling out an application. Vetted Biz believes that the Home Services industry has **great opportunities** for **growth** in today's market.



# Home Services Industry Numbers



The Home Services Industry was valued at **\$105.55 billion** in 2018, and is expected to witness a total growth of **18.91% until 2026**. The wide array of services included in this spectrum also allows for investors to be specific about the services they wish to provide such as flooring, plumbing or landscaping.

# Home Services Industry 10-year Business Success Record



The SBA Loan Success Ratio (developed by Vetted Biz) is a vital measurement for **financial strength and can be applied to many small business categories**. The loan success ratio calculates **how many businesses have successfully paid back their loans for each business that defaulted and most likely closed**. Beware of loan success ratios below 4:1 as there is a substantial risk for failure in that business sector.

## Franchised Success Ratio

**11 : 1**

*Home Services Industry*

**10 : 1**

*All Industries*

## Non-Franchised Success Ratio

**11 : 1**

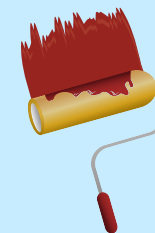
*Home Services Industry*

**11 : 1**

*All Industries*

\*Data was obtained from the Small Business Administration (SBA) records. SBA loan data is taken from 567,734 loans issued from 2010 to 2019.

# Home Services Industry 30-year Franchise Success Record



Home Services  
Franchise Success Ratio

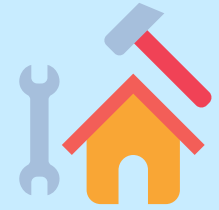
**5 : 1**

All Industries  
Franchise Success Ratio

**4 : 1**

From 1991 to 2019, **3,157 loans** were issued to franchises within the **Home Services** industry, out of the **108,404** loans issued overall. Data was obtained from the Small Business Administration (SBA) records. SBA loan success ratio is considered an important measurement of past business success, and takes into account the **number of businesses** that **successfully pay back** their business loans, for every **1 business** that **defaults** on their loan and most likely **closes down**.

# Home Services Franchise Information



**Home Services** businesses provide a range of services, such as window repair, tree light installation and floor coverings. The past 30-year **success ratio** for loans issued to franchises within the Home Services industry showed that for every **5 loans** that were **Paid In Full, 1 Defaulted.**

The standard **Home Services** franchise industry **investment amount** is **\$109,000**

**Average Franchise Royalty\*** and **Marketing Fees** within this industry are **6.9%** and **2.8%** respectively

# Industry Example Franchise



It helps to look at a specific example of a franchise concept with historical financials that is part of the Home Services industry to have a clearer picture regarding financials for a franchise operating in this industry.

## Industry Example Franchise

The specific example subsequently shown provides a variety of house renovation services. The initial cost for a unit ranges from **\$142,575 to \$364,550**.

## Industry Example Franchise Numbers

The specific example subsequently shown was founded in **1975**, and currently has over **34 units** established across a number of US states.

# Industry Example Franchise Financials



2019						
Quartiles	Average Retail Sales Per Franchisee Per Quartile	Highest Retail Sales Per Quartile	Lowest Retail Sales Per Quartile	Number of Franchisees in Quartile	Number Meeting or Surpassing Average	Percent Meeting or Surpassing Average
Top	\$2,410,362	\$4,450,529	\$1,423,740	8	3	37.5%
Second	\$1,177,336	\$1,407,069	\$808,936	8	5	62.5%
Third	\$676,790	\$801,129	\$530,651	7	4	51.1%
Bottom	\$386,736	\$503,076	\$91,419	7	5	71.4%

2019						
Quartiles	Median Retail Sales Per Franchisee Per Quartile	Highest Retail Sales Per Quartile	Lowest Retail Sales Per Quartile	Number of Franchisees in Quartile	Number Meeting or Surpassing Median	Percent Meeting or Surpassing Median
Top	\$2,099,680	\$4,450,529	\$1,423,740	8	4	50.0%
Second	\$1,307,673	\$1,407,069	\$808,936	8	4	50.0%
Third	\$702,018	\$801,129	\$530,651	7	4	57.1%
Bottom	\$434,973	\$503,076	\$91,419	7	4	57.1%

Quartiles	Average Gross Profit Margin per Quartile	Median Gross Profit Margin Per Quartile	# of Franchisees in Quartile	Meeting or Surpassing Average	Meeting or Surpassing Median
Top	50.7%	50.8%	7	4	4
Second	46.6%	46.6%	7	4	4
Third	42.0%	41.3%	6	3	3
Bottom	36.5%	36.3%	6	3	3



# Final Thoughts



Home Services is an industry that allows for a stream of **multiple revenues**, with many services offered for a **high margin**. The business to business aspect provides the investor with a client base that will **keep returning** as long as they provide a **good service**.

Vetted Biz believes that the Home Services Industry has been overlooked by many investors and has **large opportunities** for **expansion**. Through our research we have identified a number of **unique concepts** that are **growing**. We at Vetted Biz are here to help our clients find the best Home Services opportunity that fits their investment and personal goals.

**Visit our business listings to find the best business or franchise for your entrepreneurial goals!**

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