



Private Equity Sector Brief

Nonresidential Exterior Building Services

Executive Summary: Exterior Building Services

This brief outlines the market opportunity, thematic drivers and an overview of market fragmentation for the nonresidential exterior building services industry. This guide is intended to serve as a roadmap for private equity firms developing an investment thesis or targeting an acquisition in the space.

Strategic Case for Exterior Building Services

The exterior building services sector presents a compelling platform investment opportunity due to nondiscretionary demand, strong industry fundamentals, high fragmentation and early-stage consolidation opportunity. This market shares many of the same attractive qualities as the roofing and HVAC service/maintenance markets.

Several unique market characteristics create a landscape primed for investment:

Recurring Revenue and Nondiscretionary Demand

- Structural aging, regulatory enforcement and climate adaptation create built-in, recurring demand for exterior services. A large and aging install base increasingly needs exterior façade enhancements.

Secular Tailwinds and Regulatory-Driven Growth

- Compliance-driven demand is increasing, shifting exterior maintenance from a discretionary budget item to an operational necessity.

Buy-and-Build Scalability

- A fragmented market and lack of scaled platforms present a clear opportunity for roll-up strategies to integrate services and expand nationally.

Early-Mover Advantage in Platform Consolidation

- The industry remains in the early stages of consolidation, providing an opportunity to aggregate operators, scale services and establish a national leader before broader competition emerges.

Market Size and Growth Potential

The **nonresidential exterior building services** sector represents a **mid- to high-growth, nondiscretionary industry** with **recurring revenue potential**. These services are required in new construction, building maintenance and parking garage applications.

- Total U.S. market: \$13.5 billion in 2024, projected to exceed \$17.5 billion by 2029, at a 5.4% CAGR.
- Building service and maintenance is the largest segment totaling \$8.7 billion in annual spending as of 2024. Nearly \$2.8 billion in additional annual spend is anticipated in this segment by 2029.
- Building service and maintenance is expected to outpace parking garage waterproofing and new construction services, growing at a 5.4% CAGR over the next five years.

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Key Growth Drivers

A primary driver of growth is the expansion of commercial and institutional buildings, which increased 22% in number and 35% in total floorspace over a 15-year period, per the Energy Information Administration. This increasing install base directly correlates to sustained demand for exterior maintenance, restoration and compliance-driven enhancements.

- Extreme weather accelerates exterior deterioration, increasing demand for preventative maintenance.
- Stricter regulatory directives drive mandatory inspection, and the resulting spend on façade, foundation and waterproofing.
- Tighter insurance standards make preventative exterior maintenance essential.
- Façade retrofits are now linked to compliance and ESG, pushing long-term capital expenditures into building envelopes.

Competitive Landscape and Acquisition Opportunity

- The market composition of exterior building services is highly fragmented.
- Local and regional firms dominate market share across the market landscape nationwide. This creates a high volume of potential acquisition targets across geographic and service focus.
- **With no dominant national player and a market expected to surpass \$17.5 billion by 2029, this is a prime opportunity to consolidate regional players, integrate services and build a scalable platform.**



Market Size and Growth: Exterior Building Services

U.S. Nonresidential Exterior Building Services Market Opportunity

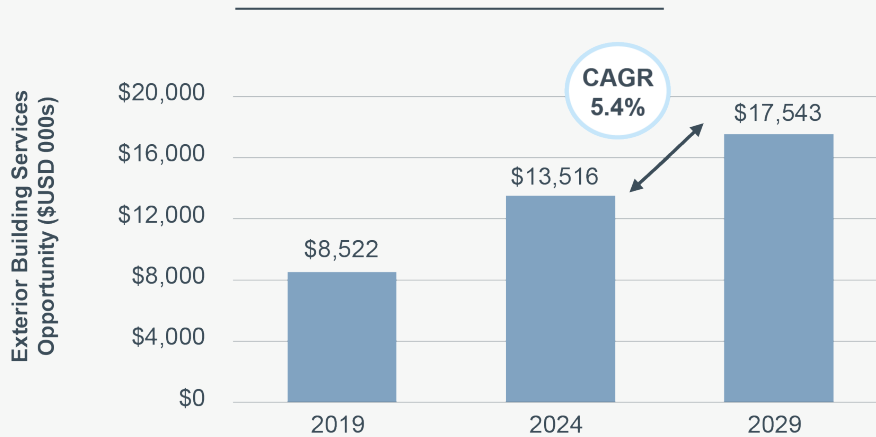
- \$13.5 billion U.S. market (2024), projected to reach \$17.5 billion by 2029, growing at a 5.4% CAGR.
- Building service and maintenance, the largest and fastest-growing segment (66% of total spend), is expected to outpace the broader market at a 5.8% CAGR. This constitutes an additional \$2.8 billion per year by 2029.
- Historical growth shows this market to be resilient to economic downturns due to the nondeferrable and essential nature of these services. Roughly 75% of the TAM is associated with R/R and service/maintenance opportunity .

Underlying Market Growth Dynamics

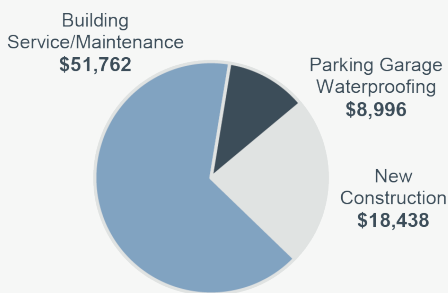
The installed base of commercial buildings in the U.S. increased 22% over 15 years, with total floorspace up 35%*. Fundamental recurring demand ensures market durability, limited cyclicity and steady market expansion from 2025 to 2029.

High growth in total spending from 2019 to 2024 was partially attributed to the impact of inflation, particularly on materials and labor from 2021 to 2023. This has stabilized in the current market and returned to a normal state.

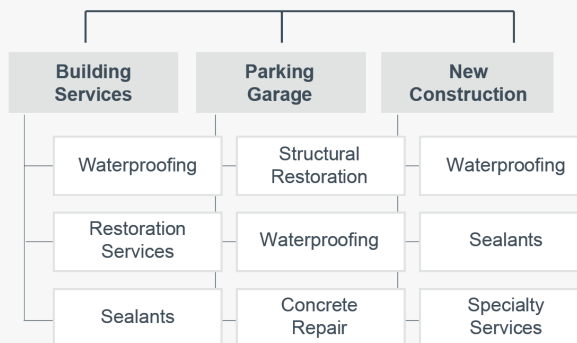
Annual U.S. Total Addressable Market



Five Year Forecast Volume



U.S. Market 2025-2029 (\$79 Billion)



- 1. Building Service/Maintenance:** Service/maintenance conducted on nonresidential buildings
- 2. Parking Garage Structures:** Service/maintenance conducted on nonresidential parking garages
- 3. New Construction Services:** Supporting new nonresidential construction activities

Industry Tailwinds and Drivers: Exterior Building Services

Why exterior building services have attractive fundamentals:

- Growth in the overall building stock nationwide supports multiple tailwinds that drive demand for exterior building services. These services are largely nondeferrable and considered essential to maintain the ongoing use and operations of building and related structures.
- Secondary drivers such as weather and regulation vary greatly by geography. These factors are driving increased inspections, preventative maintenance and proactive restoration.

Primary Drivers

Expanding Building Stock and Aging Infrastructure

- As infrastructure ages, demand for maintenance, restoration and compliance-driven enhancements accelerates, creating a structurally embedded market need.
- Nonresidential construction added \$276 billion annually (2019-2024)*, with concentrated growth in high-density urban centers, fueling demand for exterior envelope services.
- Redevelopment and adaptive reuse projects are accelerating, particularly in densely populated, high-growth regions.
- Historic preservation mandates are driving incremental demand for specialized exterior restoration and façade services.

Secondary Drivers

Climate-Driven Demand for Structural Resilience

- Normal weather patterns contribute to the gradual aging of building exteriors, similar to roofs, necessitating regular repair and maintenance services throughout their lifespan. This ongoing need ensures a steady demand for exterior building services.
- Weather events across all geographies accelerate deterioration of buildings or drive demand for increased protection of the building envelope. Owners are incentivized to proactively maintain façades to avoid costly failures.

Increase in Stringent Regulatory Environment

- State/local regulations and insurance requirements are becoming more stringent in the wake of building failures, driving increased proactivity in preventative building maintenance. Opportunities include foundation, masonry or concrete repair, as well as ensuring safety code compliance with fire-stopping and weather barriers.
- Many states and cities passed legislation requiring more frequent inspections to identify structural flaws and prevent deterioration, driven in part by tragedies like the building collapse in Surfside, Florida.

Sustainability and Energy Efficiency Requirements

- Initiatives to improve energy efficiency in buildings is driving increased inspections of existing buildings, resulting in building façade enhancements.
- Effective water or air leak mitigation can improve energy efficiency in buildings. Owners are upgrading building envelopes to improve insulation or sealant effectiveness to comply with new codes or meet sustainability targets.

Competitive Landscape: Exterior Building Services

A Highly Fragmented Market

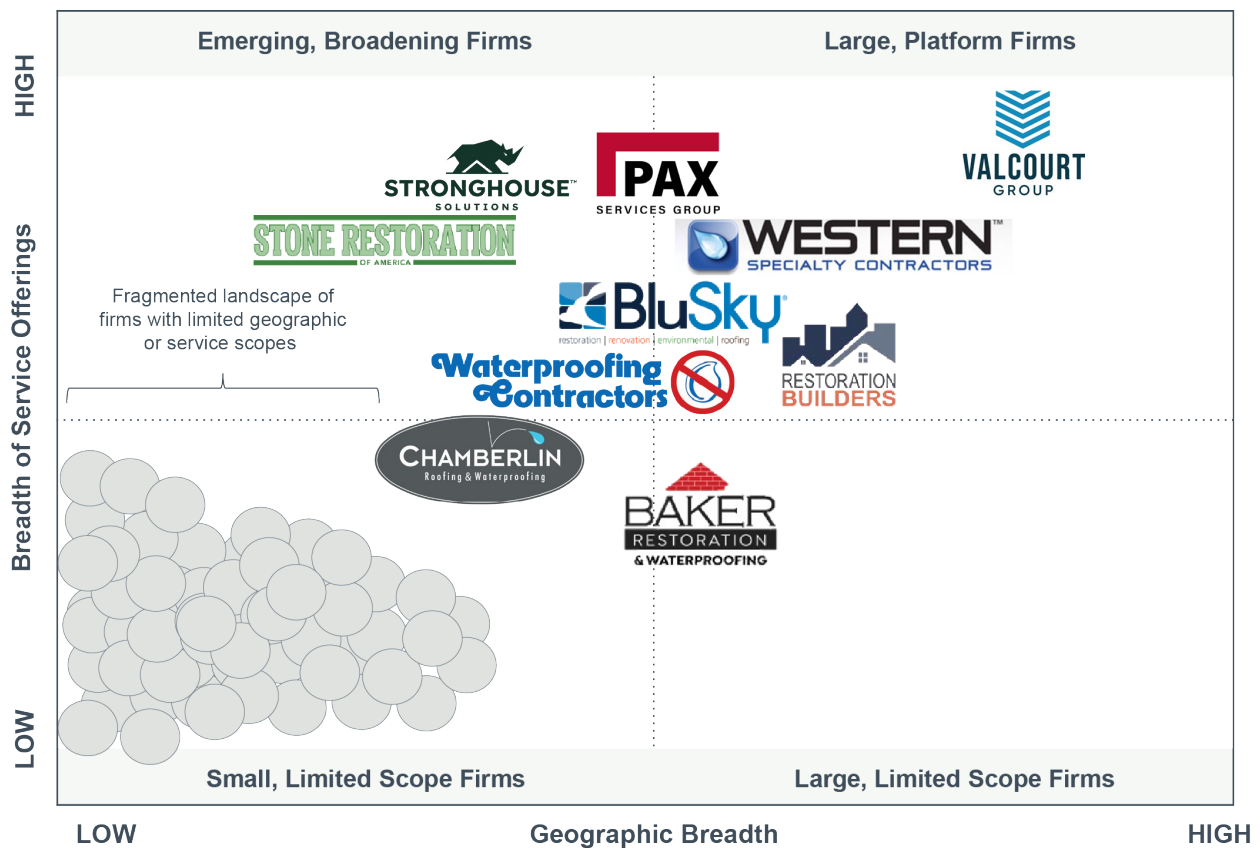
The **exterior building services** sector remains **highly fragmented**, with **thousands of regional providers**.

- There is estimated to be more than 30,000 firms offering exterior building services in some form.
- Local service providers comprise most of the firms in this market, typically limited to single-service offerings or singular geographic footprints.
- Approximately 70% of market spending is captured by firms with less than \$50 million in revenue.

Opportunity to Build a Scalable, Integrated Platform

With **early-stage consolidation trends and rising service bundling**, firms can:

- Acquire and integrate regional operators to establish market density and operational scale.
- Expand into adjacent verticals (e.g., roofing, structural repair) to diversify service mix and increase cross-sell potential.
- Providers often lack sophistication, allowing for immediate value creation from first time capital.



Emerging Consolidation and Service Line Expansion Trends

- National roofing firms are expanding into full-building envelope restoration, integrating services such as façade restoration, waterproofing and fireproofing.
- Select private equity-backed platforms are beginning to aggregate specialty firms, signaling early-stage roll-up activity.
- Acquisition activity is increasing, but the sector remains under-penetrated by institutional capital, creating an early-mover advantage for scaled market entry.

Example M&A Activity: Exterior Building Services

- Market conditions are driving an interest in the façade services space, as noted by a sample of recent transactions.
- There are few national platforms currently in the exterior building services space except for Valcourt Group. The industry is in early stages of consolidation, which creates an advantage to early movers.
- Early PE-backed consolidation efforts suggest a growing investor appetite, but the sector remains largely unconsolidated.
- First movers into the space have an opportunity to leverage consolidation capabilities and service bundling to integrate regional operators, expand into adjacent verticals and expand geographic territories.

Recent Transactions in the Exterior Building Services Space*

Firm	Acquirer	Year	Services Offered
S&K Building Services	RF Investment Partners	2025	Metal/glass restoration, window cleaning, pressure washing
Concrete Protection & Restoration	KLH Capital	2024	Waterproofing, structural repairs, façade restoration, window repair/replacement
Consolidated Coatings, Inc.	New State Capital	2024	Waterproofing, coatings, painting, concrete/masonry repair, historic rest.
Rampart Exterior Services	Huron Capital	2024	Waterproofing, roofing, building restoration, preventative maintenance
R.L. James, Inc.	Hidden Harbor Capital	2024	Waterproofing, painting, concrete repairs, windows, disaster recovery
Restocon Corp Cercone Exterior Restoration Lupini Construction	Valcourt/ Littlejohn & Co.	2024	Waterproofing, concrete repair, roof coatings, fireproofing, historic preservation, pressure washing

Case Study

Valcourt Group exemplifies how private equity can successfully scale a fragmented industry through strategic acquisitions and operational integration. With an investment from Littlejohn & Co. in 2021, Valcourt expanded to more than 1,500 employees in 44 branches, leveraging M&A to consolidate expertise in waterproofing, window cleaning, façade restoration and repair. Their approach highlights the attractiveness of the space: utilizing a roll-up strategy to build scale and service breadth and driving value creation through operational efficiencies.



*The table above depicts a small subset of example transactions within the exterior building services landscape.



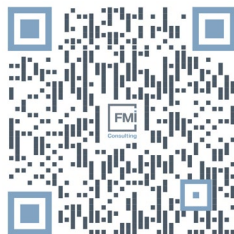
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Paul Giovannoni
Partner

Paul.Giovannoni@fmicorp.com

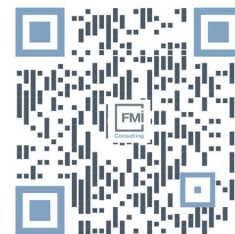
W 919.785.9216
M 727.251.3709



Mark Flournoy
Senior Consultant

Mark.Flournoy@fmicorp.com

W 919.785.9275
M 919.619.8163





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Denver

44 Cook Street
Suite 900
Denver, Colorado
80206
303.377.4740

Houston

1301 McKinney Street
Suite 2000
Houston, TX 77010
713.936.5400

Raleigh

223 S. West Street
Suite 1200
Raleigh, NC 27603
919.787.8400

Tampa

4300 W. Cypress Street
Suite 950
Tampa, FL 33607
813.636.1364