



Private Equity Sector Brief

Perimeter Security and Fencing

Executive Summary: Perimeter Security and Fencing

This brief outlines the market opportunity, thematic drivers and an overview of market fragmentation for the installation and contracting of perimeter security and fencing within the residential and nonresidential spaces. This guide is intended to serve as a roadmap for private equity firms developing an investment thesis or targeting an acquisition.

Investment Thesis and Value Creation for Perimeter Security and Fencing

The perimeter security and fencing sector offers scale, stability and growth, combining resilient nonresidential demand, residential construction and renovation tailwinds, and the opportunity to consolidate a fragmented landscape.

For private equity, the early-entry buy-and-build opportunity presents multiple levers to unlock value creation and build a defensible national or regional platform.

1. Strong, Resilient Market Demand

Noncyclical and high-growth end segments, such as data centers, industrial facilities and institutional sites, are driving heightened demand and priority for perimeter security. These sectors are less sensitive to economic cycles and are expected to sustain elevated construction and security investment throughout the forecast period, creating a durable growth opportunity. Residential construction, supported by both the housing shortage and continued renovation spending, continues to drive the growing demand for fencing and perimeter security.

2. Integration of Physical and Electronic Security

Owners are increasingly prioritizing bundled solutions that combine fencing with electronic systems such as AI-enabled cameras and controls. Electronic security, forecasted to grow at a 10.8% CAGR, offers higher-margin opportunities and recurring revenue through monitoring and service contracts. Platforms that deliver integrated solutions can remain differentiated within the market, capturing larger projects and establishing long-term customer relationships.

3. Highly Fragmented Market Is a Buy and Build Opportunity

The perimeter security and fencing industry remains highly fragmented, with fewer than 1% of firms operating at a national scale. This fragmentation creates a strong opportunity to execute a buy-and-build strategy across both residential and nonresidential markets. A scaled platform can deliver multimarket coverage for new projects and ongoing service, while leveraging supply chain advantages and a coordinated national accounts strategy to ensure consistency. Standardized performance and professionalized operations across geographies would position the platform as the partner of choice for owners with regional and national facility portfolios.



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Market Size and Growth Potential

The **perimeter security and fencing** sector represents a **high-growth industry** that includes multiple end segments with significant growth and spending volume through 2029.

- Total U.S. market: \$19.5 billion in 2024, projected to exceed \$26.6 billion by 2029, at a 7.0% CAGR.
- Nonresidential is the largest segment totaling \$13.7 billion in annual spending as of 2024. Nearly \$5.4 billion in additional annual spend is anticipated in this segment by 2029.

Key Growth Drivers

Nonresidential Focus:

Diversification across nonresidential sectors supports a dependable demand base, led by military installations, power plants and data centers. These companies require advanced perimeter protection, intrusion prevention and monitoring technologies. Further growth is supported by institutional settings like schools and hospitals, alongside industrial facilities and warehouse distribution centers.

- **Surge in Demand from Data Centers, E-Commerce and Institutional Facilities:** Rapid growth in cloud computing, AI and online retail is driving significant investment in data centers and fulfillment hubs, with expected CAGRs of 12% and 8% respectively from 2025–2029. These facilities require secure, large-scale perimeter solutions to manage high-value inventory and continuous logistics operations. Similarly, institutional sectors, including schools, correctional facilities and military sites, are benefiting from sustained or increased funding focused on perimeter security infrastructure and access controls.
- **Heightened Focus on Security and Risk Mitigation:** Escalating threats ranging from vandalism to terrorism are pushing facility owners to enhance perimeter defenses, especially at high-risk or high-value sites. Regulatory compliance is driving demand for advanced fencing systems, including electronic controls, crash-rated barriers and intrusion detection technologies, particularly in sectors handling sensitive or hazardous materials.

Residential Focus:

Strong construction and remodeling trends, especially in high-end and HOA-governed communities will continue through 2029.

- **Residential Construction Demand:** Steady growth in new home construction and ongoing renovation activity, driven by home equity gains and remote work, are sustaining demand for residential fencing. Both single-family and multifamily segments show positive momentum, with single-family new construction projected to grow at a 4% CAGR and multifamily at 5% CAGR from 2025 to 2029. The structural shortage of single-family homes is expected to drive higher housing starts, ensuring a steady pipeline of fencing demand tied to new construction and planned community requirements.
- **Stability with Home Improvement Spending:** Parallel to new builds, renovation and home improvement spending provides a resilient, recurring demand base, as homeowners reinvest equity into curb appeal, privacy and functional upgrades. Improvements spending for both single-family and multifamily is expected to increase at a 5% CAGR from 2025 through 2029.

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Competitive Landscape and Acquisition Opportunity

- The market composition for perimeter security and fencing services is highly fragmented. Local and regional firms dominate market share across the landscape nationwide, representing more than 75% of the fencing service providers. This creates a high volume of potential acquisition targets allowing firms to grow both geographically and across residential and nonresidential buildings.
- While there is no dominant national leader and a market expected to surpass \$26.6 billion by 2029, there is a prime opportunity to grow and build a large regional and national platform.

Prime opportunity to build regional and national platform:

No dominant national leader and market expected to exceed \$26.6 billion by 2029.

Local and regional firms dominate

>75%

Considerations for Platform Acquisitions

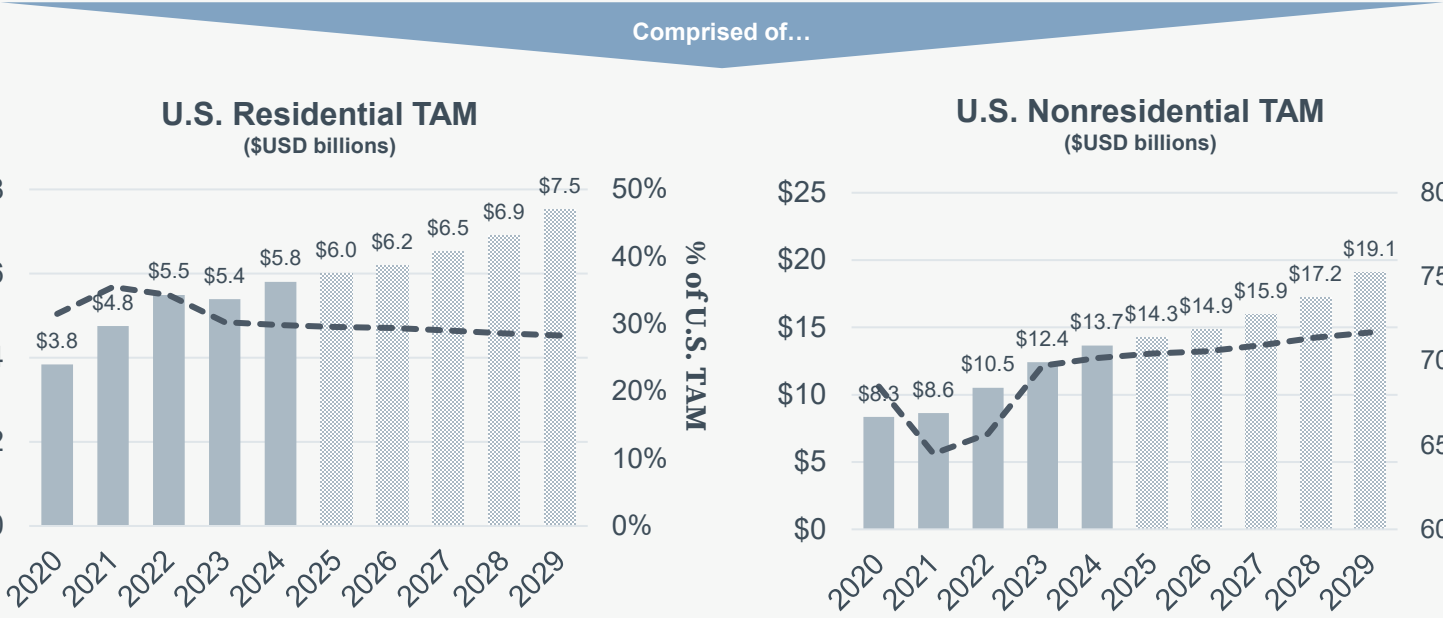
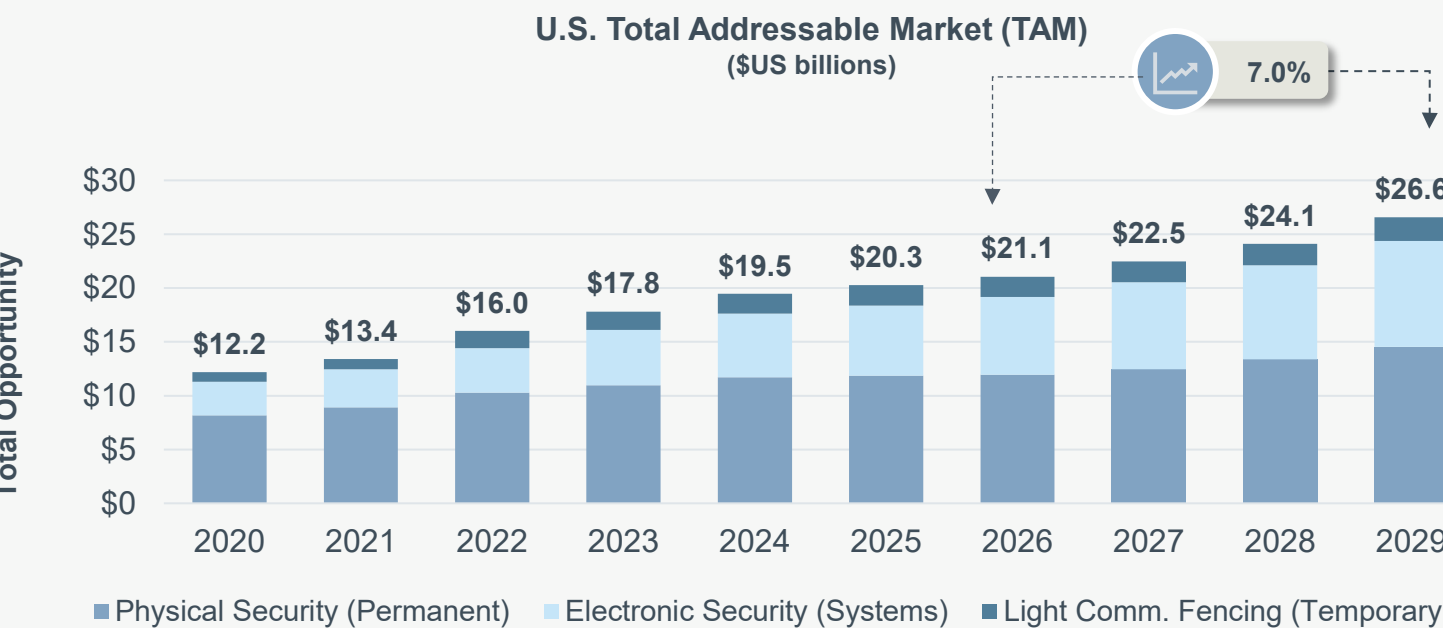
- How does the company's current revenue mix by customer and end market align with the investment thesis and provide an ability to growth into high potential niches of the market?
- Beyond physical fencing, does the company offer electronic security, access control or integrated perimeter solutions that align with market tailwinds and higher-margin recurring opportunities?
- Does the company have the operational infrastructure, systems and leadership depth to scale into a regional or national platform for potential add-ons?
- How is the company managing labor availability, retention and its balance of in-house versus subcontracted crews to support growth?
- How stable and strategic are the company's supplier and distributor relationships, and is it able to secure favorable terms or leverage buying power for materials?



Market Size and Growth: Perimeter Security and Fencing

Total U.S. Perimeter Security and Fencing Market Demand

- The total addressable market for perimeter security and fencing service is expected to reach \$26.6 billion in annual spending by 2029, growing at a 7.0% CAGR from 2025-2029.
- Within services, physical security represents the largest volume of spending, accounting for more than 54% by 2029.
- Electronic security and systems are expected to grow at the fastest rate, with a forecast CAGR of 10.8%.

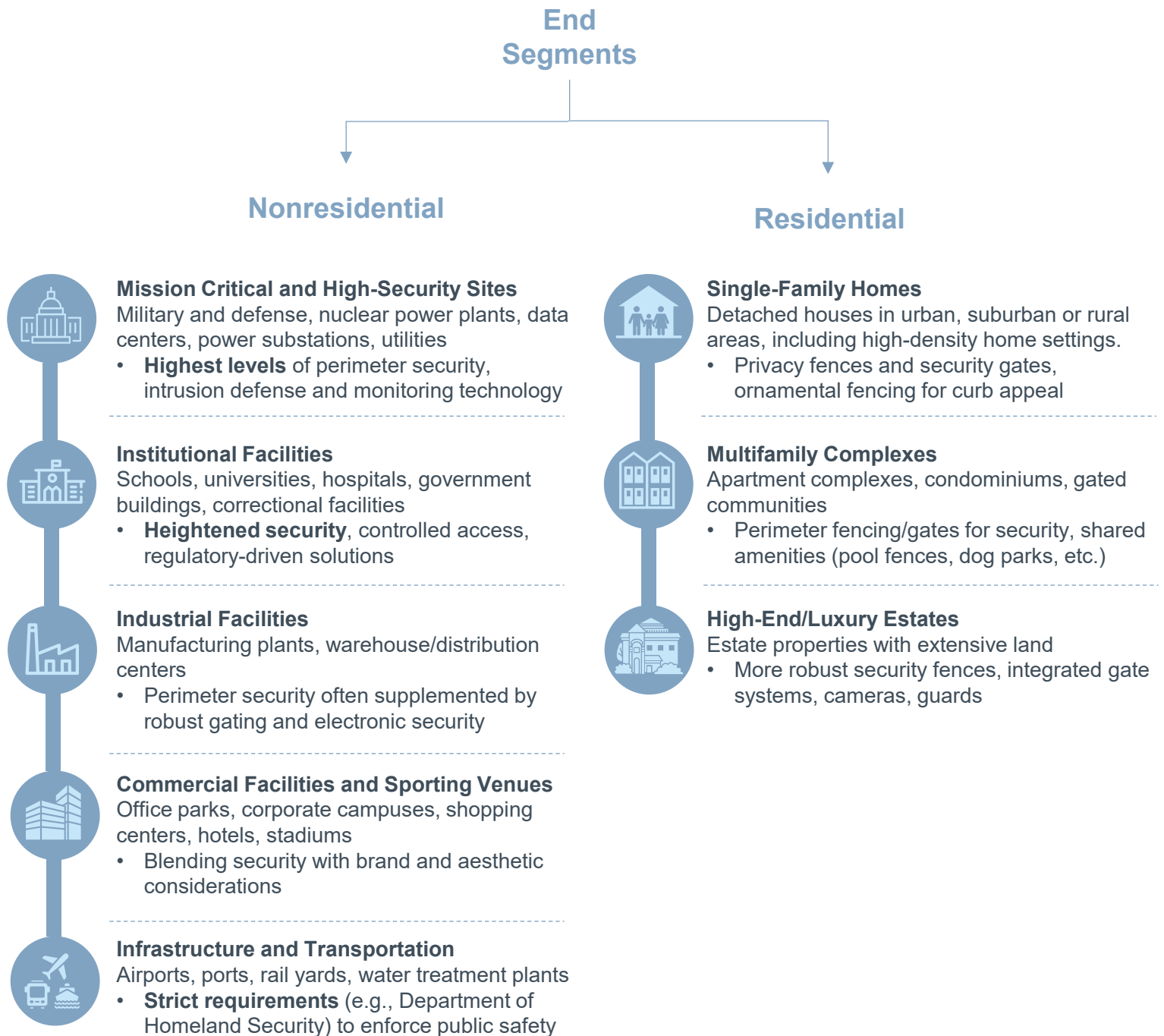


Following a slight decline due to pandemic and supply chain disruptions, spending within the nonresidential market is expected to grow, accounting for more than 72% of the total addressable market by 2029.

Multiple Avenues for Revenue Capture

Perimeter security and fencing offers a wide breadth of end uses:

- A key benefit of perimeter security and fencing is that it serves a wide range of end users, ensuring a steady base of demand and significant growth potential for providers. Companies in this sector can broaden their expertise across multiple segments to diversify and grow revenue streams, creating avenues for bolt-on acquisitions and strategic expansions across both residential and nonresidential markets that strengthen roll-up platform potential.



Industry Drivers: Perimeter Security and Fencing

Why perimeter security and fencing has attractive fundamentals:

- Drivers for both the nonresidential and residential segments reinforces the overall demand for perimeter security and fencing. These create a stable or growing market as facilities across multiple industries upgrade and maintain robust perimeter security systems in efforts to protect people, property and data.

Primary Drivers

Nonresidential Drivers:

Rapid Growth of Data Center and E-Commerce

- **Data Centers:** The continued proliferation of cloud computing, big data and AI has fueled new data center construction, highlighted by an expected 2025-2029 CAGR of 12%.
- **Warehousing/Fulfillment Centers:** Rapid growth in e-commerce requires massive warehouse spaces and distribution hubs. With an expected 8% CAGR from 2025-2029, these sites continue to create demand for well-defined perimeters and controlled access points to store high-value inventory and manage continuous inflows and outflows of goods

Security Concerns and Risk Management

- Rising security threats, from theft and vandalism to terrorism, along with high-profile incidents push owners to strengthen perimeter defenses. Meanwhile, facilities handling hazardous or high-value assets must meet strict requirements set by agencies like the Department of Homeland Security or the Nuclear Regulatory Commission, often mandating robust fencing, electronic security controls and advanced intrusion detection. This is a primary driver for the electronics security, as rising security threats continue to propel technological and electronic security demand.

Government and Institutional Funding

- School security initiatives remain strong, such as single point of entry strategies that require controlled perimeters reinforced by fencing and gates.
- Many correctional, military and government facilities receive dedicated federal or defense budget allocations that are earmarked for perimeter control and high-security fencing solutions, including anti-climb, crash-rated or intrusion-detection fencing systems.

Residential Drivers:

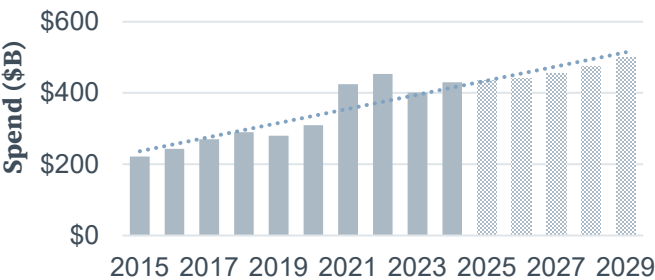
Renovation Trends

- Renovation and improvement activity is underpinned by long-term structural factors such as rising home equity, aging housing stock and lifestyle shifts such as remote work that increase demand for outdoor living, privacy and security. These trends make fencing a priority in curb appeal and functional upgrades, particularly in communities with HOA or zoning standards that mandate uniform fencing. Multifamily and rental property owners are also reinvesting in fencing to enhance amenities and security, expanding opportunities beyond the single-family market.

Single-Family New Construction Homes

- New construction spend remains positive through the forecast period, growing at an overall CAGR of 3.6% from 2025-2029.
- The U.S. housing market continues to face a structural shortage of single-family homes, with demand consistently outpacing supply. As a result, homebuilders are expected to increase housing starts over the coming years to close the gap, creating a tailwind for fencing contractors.

Single-Family Construction Spend (\$B)



Competitive Landscape: Perimeter Security and Fencing

A Highly Fragmented Market

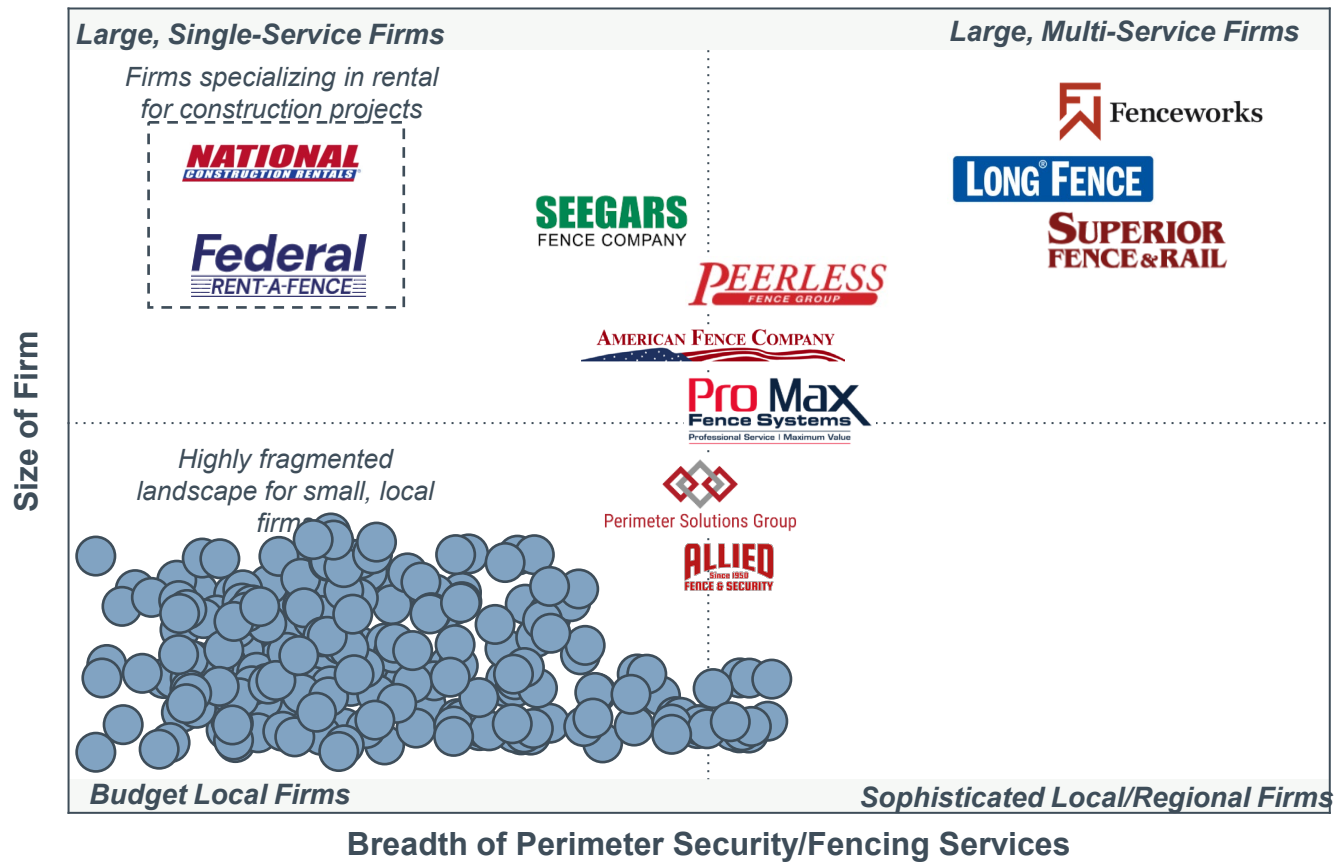
The perimeter security and fencing installation market remains highly fragmented, with thousands of local/regional providers.

- There is estimated to be more than 25,000 firms offering perimeter security and fencing installation capabilities throughout the U.S.
- Local service providers comprise most of the firms in this market, typically limited to single-service offerings or singular geographic footprints.

Opportunity to Build a Scalable and Cross-Regional Platform

With early-stage consolidation trends and significant opportunity to add-on companies, firms can:

- Acquire and integrate local and regional service providers to establish market density and operational scale.
- Allow services in both residential and nonresidential to diversify revenue mix.
- Providers often lack sophistication, allowing for immediate value creation from first time capital.









Emerging Consolidation and Roll-Up Potential

- Select private equity-backed platforms are beginning to aggregate firms in both the residential and nonresidential space, signaling early-stage roll-up activity.
- It is estimated that more than 25,000 companies offer perimeter security and fencing capabilities. Of these firms, roughly 75% are local, small businesses operating in sole locations with fewer than 15 employees.
 - Less than 1% of the firms are considered large companies with more than 200 employees, outlining the high fragmentation within the space.

Example M&A Activity: Perimeter Security and Fencing

- Market conditions are driving an interest with perimeter security and fencing installers.
- There are limited national platforms, representing an industry that is in the early stages of consolidation, which creates an advantage to early movers for regional and national roll-up platforms.
- 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 Perimeter Security and Fencing Landscape*

Firm	Acquirer	Year	Residential	Non-Residential	Services Offered
 RICK'S CUSTOM FENCING & DECKING	Tenex Capital Management	2025	✓		Custom residential fencing, gates, framed covers and decks
 Perimeter Solutions Group	Bertram Capital Partners	2024		✓	Commercial/industrial perimeter protection solutions including permanent and rental fencing and access control
 Pro Max Fence Systems Professional Service Maximum Value	Saw Mill Capital	2024	✓	✓	Multiple business divisions for rentals, residential and nonresidential (perimeter security and access controls)
 Federal RENT-A-FENCE	Argosy Private Equity	2024		✓	Rental model for fencing solutions to secure construction jobsites
 Fenceworks	Gemspring Capital	2023	✓		Fencing solutions for single-family homes and homebuilders
 PEERLESS FENCE GROUP	Akoya Capital Partners	2023	✓	✓	Fence installation and automated gates

Case Study

In June 2024, Saw Mill Capital partnered with Pro Max Fence Systems based in Pennsylvania. This strategic investment aims to accelerate Pro Max's growth in the nonresidential fencing and access control markets across the Mid Atlantic region.

- **Focus on Nonresidential Markets:** Pro Max specializes in installation and repair services for nonresidential fencing and access control systems, serving a diverse clientele including commercial, municipal, institutional and industrial sectors.
- **Platform for Regional Leadership:** The partnership positions Pro Max to solidify its status as a regional leader in the fencing industry, leveraging Saw Mill Capital's expertise in scaling field service businesses and further expanding throughout the Mid Atlantic region.



*The table above depicts a small subset of example transactions within the perimeter security and fencing landscape.



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