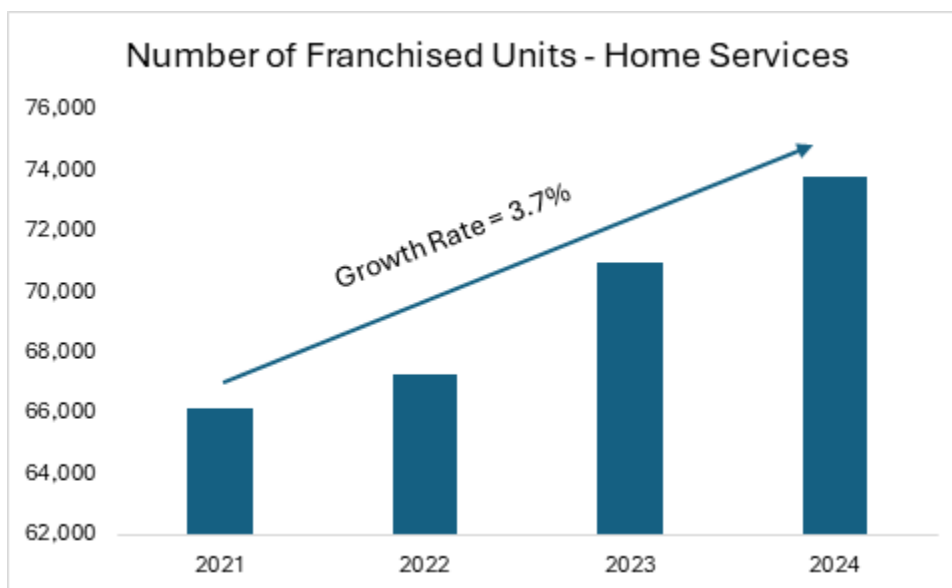


Industry Spotlight: Home Services and Maintenance, Cleaning & Sanitation Services

-Khadija Cochinwala

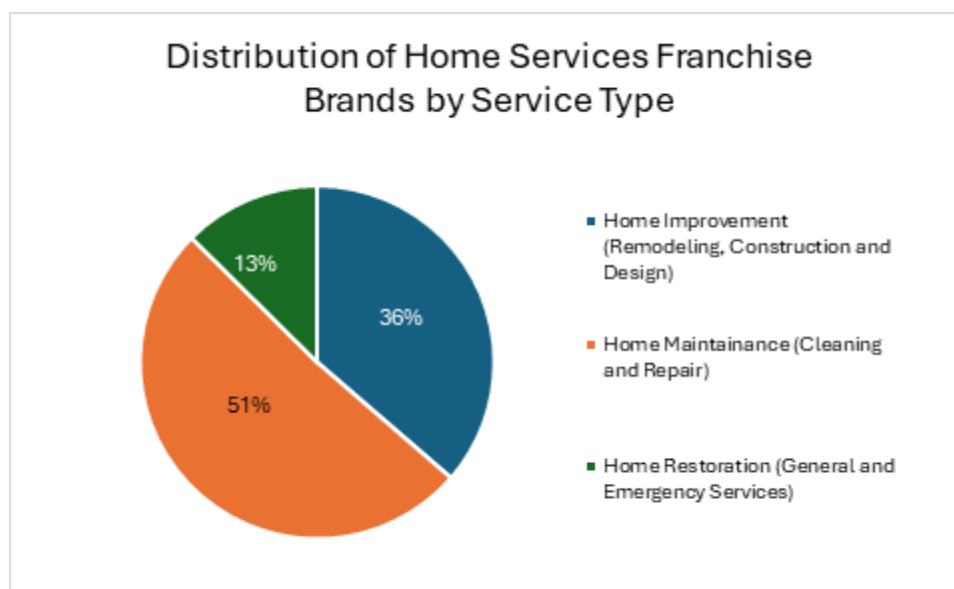
Amidst the uncertain macroeconomic environment shaping value-driven consumer preferences, the 2026 franchised commercial and residential services industry (which is dominated by the home services and maintenance sector) is expected to experience the highest growth amongst all the franchised industries driven by **the essential and needs-based nature of its services** such as repairs and maintenance, professional home cleaning and maid services, moving and storage-related services, and pest control. According to the 2026 IFA Economic Outlook Report, the industry's output is projected to exceed \$143.3 billion, reflecting a 3.2% year-over-year growth. Based on FRANdata research, franchised units in this segment have increased at a 3.7% CAGR between 2021 and 2024. Low investments required for mobile and home-based models, the relatively "AI-proof" recession-resistant nature of services, and rising interest from new brands—over 11% of 2025's new concepts were in home services—underscore the segment's steady, value-driven expansion.



Source: FRANdata Research

Expansion of home maintenance and repair services is supported by structural housing and demographic trends. An aging housing stock—with only about 2.0% of homes built after 2020—combined with limited inventory and high mortgage rates is encouraging homeowners to adopt a “repair over replace” mindset and invest in proactive and predictive maintenance rather than reactive fixes. With more than 65.0% of American homes being owned by their occupants, more residents are anticipated to prefer upgrading and maintaining their existing properties instead of moving. Within this context, wealthier Baby Boomers, who own a substantial share of the housing stock, are a key demand driver, since not only do they favor outsourcing physically demanding upkeep and maintenance jobs, but are also increasingly funding aging-in-place related renovation projects.

The growth of the home maintenance services is also reinforced by a structural shift from DIY (do-it-yourself) to DIFM (do-it-for-me). Dual-income millennials and Gen-Zers, who prioritize time, convenience, and professional expertise, are increasingly outsourcing routine maintenance chores to specialized service providers. At the same time, rising expectations around speed, reliability, and trust in service delivery is leading consumers to favor established, branded providers over unverified independent contractors. Franchised home service operators are particularly well positioned to capture this demand, leveraging brand recognition, centralized marketing, and purchasing scale to deliver more consistent, efficient, and competitively priced services.



Source: FRANdata Research

The pandemic-era home remodel and improvement boom is normalizing as budget conscious consumers prioritize essential, value-driven home repairs and maintenance offered by 51% of the brands in the industry. Demand is shifting towards energy-efficient upgrades such as HVAC improvements, water-saving plumbing, solar panel installations, enhanced insulation, and smart thermostats that help lower utility costs. In addition, tariff induced material price increases are prompting many households to defer noncritical home improvement projects. Consequently, the pace of growth is anticipated to moderate for the franchised brands in the home improvement segment that account for 36.0% of the total home services sector. Nevertheless, this segment will continue to be supported by discretionary spending from affluent consumers who are expected to invest in technology-enabled “smart” renovations, including app-controlled appliances and security systems, wellness-focused fixtures, and high-end kitchen and bathroom remodels to provide a stable premium demand for the renovation segment alongside the growing maintenance-focused base in the overall home services market.

In response to an uncertain macroeconomic environment, uneven demand, and persistent inflation, **franchisors are increasingly adopting subscription-based offerings in categories such as cleaning, landscaping, and pest control.** These models provide more predictable recurring revenue,

stronger customer retention, and greater operational stability, thereby helping stabilize cash flows and supporting more resilient unit-level economics.

Like most industries, the home service franchises are also increasingly incorporating artificial intelligence (AI) and digitization of service offerings. By automating client servicing, follow-ups, technician scheduling, and inventory management, early adoption of AI has provided franchises a significant efficiency edge over independent operators. As more consumers prefer app-based, on-demand service, most inquiries and bookings are being directed through mobile interfaces, while Internet of Things (IoT) connected HVAC and plumbing systems that enable remote diagnostics and predictive alerts support Maintenance-as-a-Service (MaaS) business models. Franchisors are broadening AI use in marketing with localized data, augmented reality (AR) empowered job guidance, integrated field-service platforms, automated review requests, cloud workflows, and AI phone agents that quote prices and handle basic queries. AI-related pressure on entry-level white-collar jobs and the rising costs of a college degree is also steering more young workers toward skilled trades, improving labor availability, easing wage pressures and prompting home-service franchises to increase training and workforce development investments.

The franchised home services industry remains fragmented and competitive, prompting increased private equity investment and platform-company consolidation. With declining financing costs in 2026, PE-backed platform brands are expected to continue to acquire and integrate complementary concepts and gain meaningful advantages through cross-selling and upselling across service lines. Along with diversifying revenue streams, these platform companies in the home services sector also leverage shared back-office and technology infrastructure that independent operators struggle to match.

Overall, the franchised home services sector is positioned for steady growth in 2026, supported by its essential, needs-based offerings, low investment requirements, and resilient AI-proof models. Expansion is fueled by home maintenance and repair, energy-efficient upgrades, and a shift from DIY to DIFM as aging housing stock, Baby Boomers, and younger dual-income households favor professional services. At the same time, AI, IoT, and app-based platforms are boosting automation, efficiency, and subscription revenues, positioning scaled platform systems and tech-enabled franchise brands to outperform independents.

About Khadija Cochinwala

Khadija Cochinwala is a Research Analyst at FRANdata. She is part of a team of analysts who measure, track, and analyze franchisor performance. Khadija is committed to producing quality franchise insights that enable strategic decision making and propelling business growth.