



INDUSTRY MARKET PROFILE

Plumbing, Heating, Air Conditioning Contractors[238220]

Sector: Construction

Market Area: Portland-Vancouver-Hillsboro, OR-WA Metro Area

Release Date: May-2022

About the Data

Data Sources and Limitations

ANNUAL SALES

Average Annual Sales

EMPLOYMENT

Industry Employment

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2020-2021 Cessation Rates
(note to Kristaps: change
headings to reflect this)

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Bizminer Data Is Widely Accepted For Industry

Analytical Work, Benchmarking, Valuations, Forensics And Litigation.

Bizminer Content Is Accepted In US Tax Court (Bauer Vs. IRS: T.C.

Memo. 2012-156) And Is Utilized By State, Provincial And National Taxing Agencies In The US And Canada.

Raw data analyzed for Bizminer reports is sourced from an array of the nation's government and private statistical sources. None of these raw data sources creates the final measures reflected in Bizminer industry profiles. In total, Bizminer accesses over a billion sourced data points from 15 million business operations for each of its twice annual updates covering a 3-5 year time series. Historical data and Bizminer algorithms are used to inform and test projections for non-reporting firms. Data elements are sourced specifically from the sources listed below:

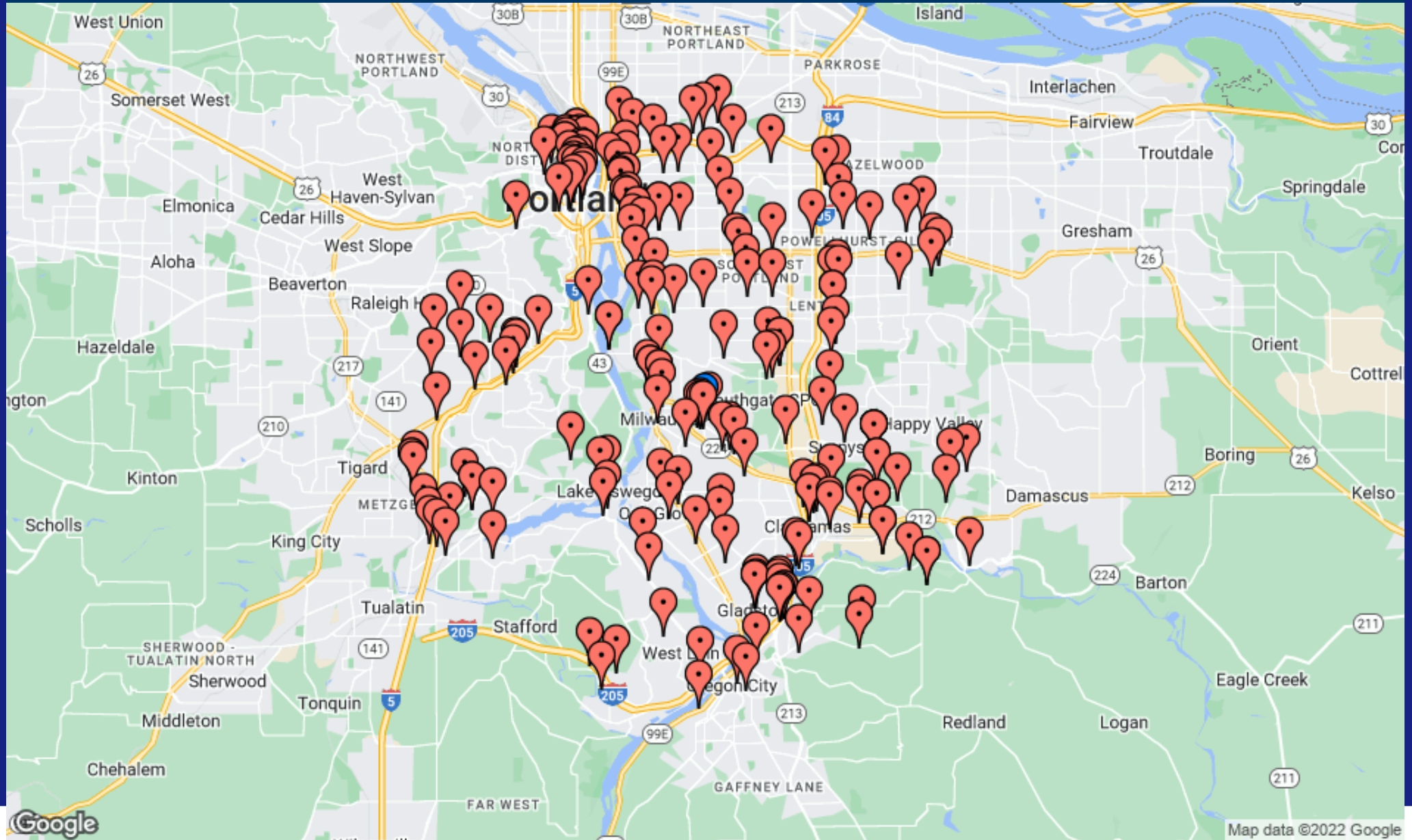
While 100% firm coverage is desirable for analysis purposes, the greatest value of Bizminer reports rests in discerning patterns of activity, which are reflected in the large samples used to develop our reports. The overall current coverage of the databases surpasses 13 million active business operations at any point in time. As is the case with any databases this large, some errors are inevitable. Some firms are missed and specific information on others is lacking from the database. Not all information received is uniform or complete, resulting in the need to develop projection algorithms for specific industry segments and metrics in some report series. No representation is made as to the accuracy of the databases utilized or the results of subsequent analyses.

- ✓ IRS Statistics of Income
- ✓ IRS Statistics of Income
- ✓ US Census Quarterly Financial Reports
- ✓ Bureau of Labor Statistics Monthly Employment Reports
- ✓ Bureau of Labor Statistics Annual Wage Survey
- ✓ Bureau of Labor Statistics Price Indices
- ✓ US Census Quarterly Financial Reports
- ✓ Data Axle
- ✓ Credit Reporting Agencies
- ✓ IRS SOI Corporation Tax Book
- ✓ US Economic Census
- ✓ US Census County Business Patterns
- ✓ Bureau of Labor Statistics Monthly Unemployment Reports
- ✓ Bureau of Labor Statistics Industry Productivity Reports
- ✓ National Agricultural Statistical Service
- ✓ US Census Retail Trade Report
- ✓ Bureau of Economic Analysis (BEA)
- ✓ Business Valuation Resources (BVR)
- ✓ Business Directories

Map

Industry Locations

May-2022 Industry Market Area Operations (up to 250 closest in market area)



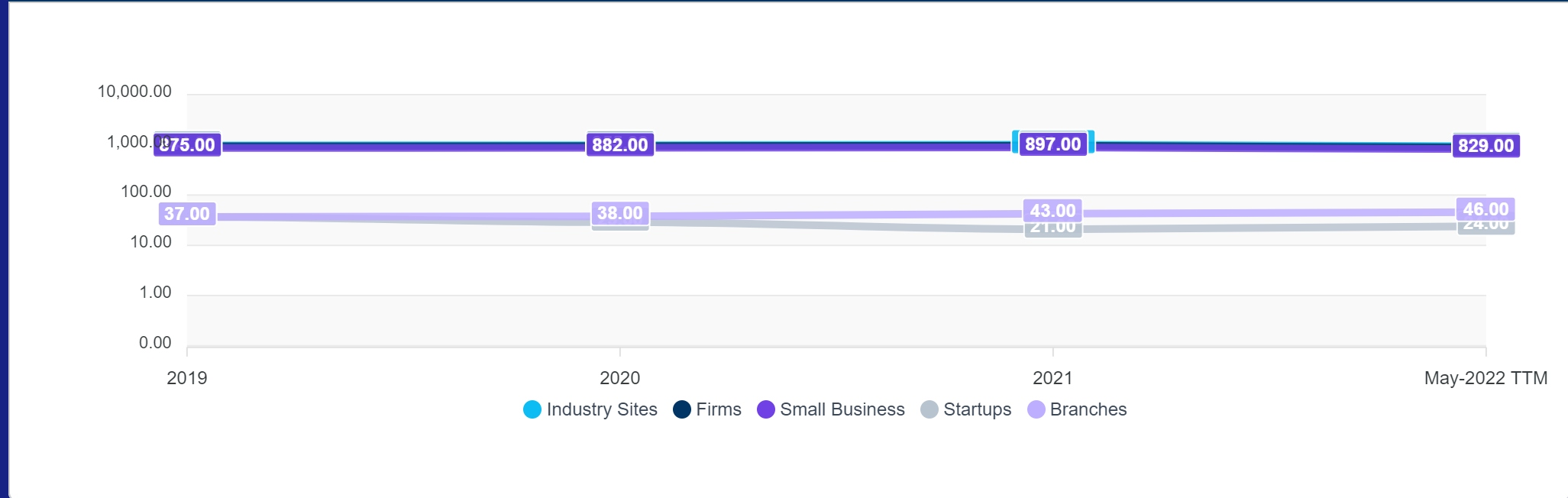
Competitors

OCT 3RD 2022

Table

Industry Market Area Operations				
	2019	2020	2021	MAY-2022 TTM
Industry Sites	981	993	1014	944
Firms	944	955	971	898
Small Business	875	882	897	829
Startups	37	29	21	24
Branches	37	38	43	46

May-2022 TTM Industry Market Area Operations



Industry Market Volume

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VOLUME

Industry Market Area Operations				
	2019	2020	2021	MAY-2022 TTM
Industry	\$1,860,358,816	\$1,968,924,636	\$2,107,148,608	\$2,144,848,230
Small Business	\$899,404,600	\$948,991,176	\$1,003,132,380	\$971,966,770
Startup	\$43,561,524	\$37,128,672	\$13,009,908	\$17,741,870

SHARE

Industry Market Area Operations				
	2019	2020	2021	MAY-2022 TTM
Industry	100.00	100.00	100.00	100.00
Small Business	48.35	48.20	47.61	45.32
Startup	2.34	1.89	0.62	0.83

Average Annual Sales (\$)

OCT 3RD 2022

Average Annual Sales (\$)					
	2019	2020	2021	MAY-2022 TTM	% CHANGE:2021 TO MAY-2022 TTM
Average Site	1,896,390	1,982,804	2,078,056	2,272,085	9.34%
Median Site	866,896	884,016	912,976	959,020	5.04%
Small Business	1,027,891	1,075,954	1,118,319	1,172,457	4.84%
Startups	1,177,338	1,280,299	619,519	739,245	19.33%

Competitive Market Narrative

Average annual industry site sales are \$2,272,085, including branch operations controlled from outside the market area. Median site sales are \$959,020. Market area small business sales average \$1,172,457 and 18.2% above median market area industry sales.

COVID-19 Impact

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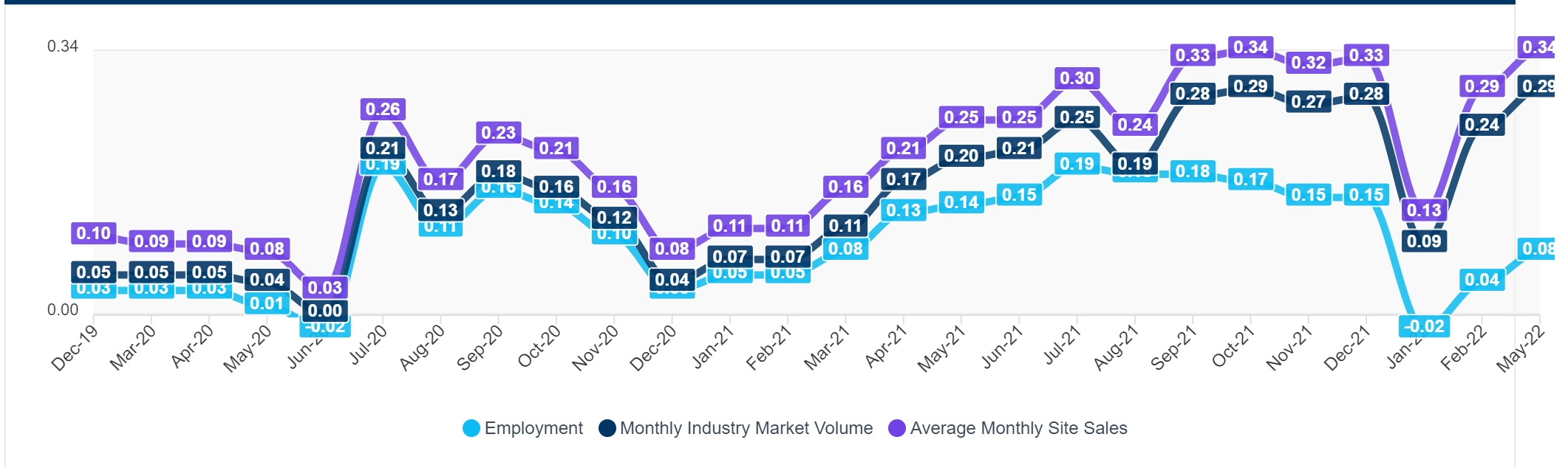
Month-To-Month Employment-Sales

	EMPLOYMENT	MONTHLY INDUSTRY MARKET VOLUME	AVERAGE MONTHLY SITE SALES
Dec-19	\$981	\$17,717,155	\$18,060
Mar-20	\$1,009	\$18,680,888	\$19,789
Apr-20	\$1,006	\$18,617,000	\$19,721
May-20	\$1,006	\$18,617,000	\$19,721
Jun-20	\$994	\$18,383,346	\$19,474
Jul-20	\$958	\$17,628,765	\$18,675
Aug-20	\$1,172	\$21,462,902	\$22,736
Sep-20	\$1,091	\$19,948,204	\$21,132
Oct-20	\$1,141	\$20,913,712	\$22,154
Nov-20	\$1,119	\$20,557,364	\$21,777
Dec-20	\$1,081	\$19,776,246	\$20,949
Jan-21	\$1,010	\$18,474,748	\$19,571
Feb-21	\$1,030	\$18,907,022	\$20,029
Mar-21	\$1,026	\$18,927,303	\$20,050
Apr-21	\$1,064	\$19,718,166	\$20,888
May-21	\$1,111	\$20,703,131	\$21,931
Jun-21	\$1,116	\$21,330,763	\$22,596
Jul-21	\$1,125	\$21,357,842	\$22,625
Aug-21	\$1,166	\$22,181,495	\$23,497
Sep-21	\$1,154	\$21,160,645	\$22,416
Oct-21	\$1,153	\$22,663,978	\$24,008
Nov-21	\$1,152	\$22,877,748	\$24,235
Dec-21	\$1,131	\$22,530,244	\$23,867
Jan-22	\$1,125	\$22,618,695	\$23,960
Feb-22	\$958	\$19,276,366	\$20,420
May-22	\$1,021	\$22,003,093	\$23,308
June-22 Advance	\$1,062	\$22,893,631	\$24,252

% Change From Dec-19

	DEC-19	MAR-20	APR-20	MAY-20	JUN-20	JUL-20	AUG-20	SEP-20	OCT-20	NOV-20	DEC-20	JAN-21	FEB-21	MAR-21	APR-21	MAY-21	JUN-21	JUL-21	AUG-
Employment	0.03%	0.03%	0.03%	0.01%	-0.02%	0.19%	0.11%	0.16%	0.14%	0.10%	0.03%	0.05%	0.05%	0.08%	0.13%	0.14%	0.15%	0.19%	0.18%
Monthly Industry Market Volume	0.05%	0.05%	0.05%	0.04%	0.00%	0.21%	0.13%	0.18%	0.16%	0.12%	0.04%	0.07%	0.07%	0.11%	0.17%	0.20%	0.21%	0.25%	0.19%
Average Monthly Site Sales	0.10%	0.09%	0.09%	0.08%	0.03%	0.26%	0.17%	0.23%	0.21%	0.16%	0.08%	0.11%	0.11%	0.16%	0.21%	0.25%	0.25%	0.30%	0.24%

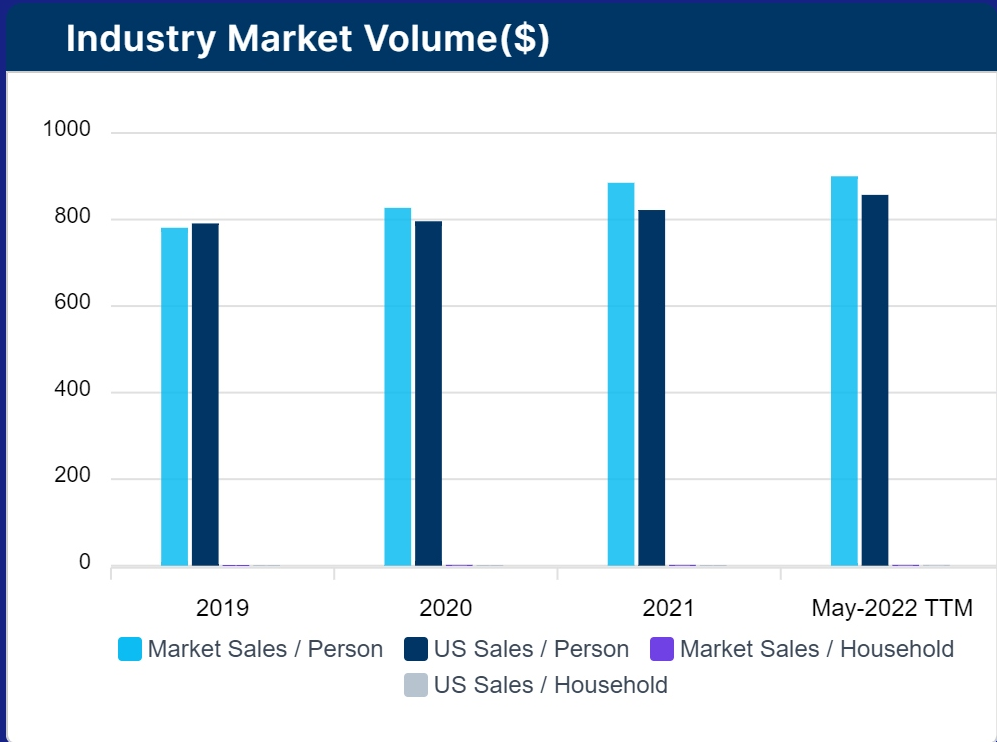
Monthly Change Index (Dec-19=1.00)



Penetration

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Market Penetration (\$)		2019	2020	2021	MAY-2022 TTM
Market Sales / Person		\$781	\$827	\$885	\$900
US Sales / Person		\$791	\$796	\$822	\$857
Market Sales / Household		\$1,925	\$2,037	\$2,181	\$2,220
US Sales / Household		\$1,875	\$1,887	\$1,950	\$2,032



Competitive Market Narrative

Industry operations in the market area account for a total market volume of \$2,144,848,230. Of that, the industry's small business segment in the market area earns \$971,966,770.

Market volume and average firm sales calculations are developed with firm-level data which is integrated with BizMiner's internally generated Sales per Employee projections. SPE data is both industry- and location-specific, and is updated monthly by the application of US Census data and five industry and consumer price and productivity indices from the Bureau of Labor Statistics and other federal agencies.

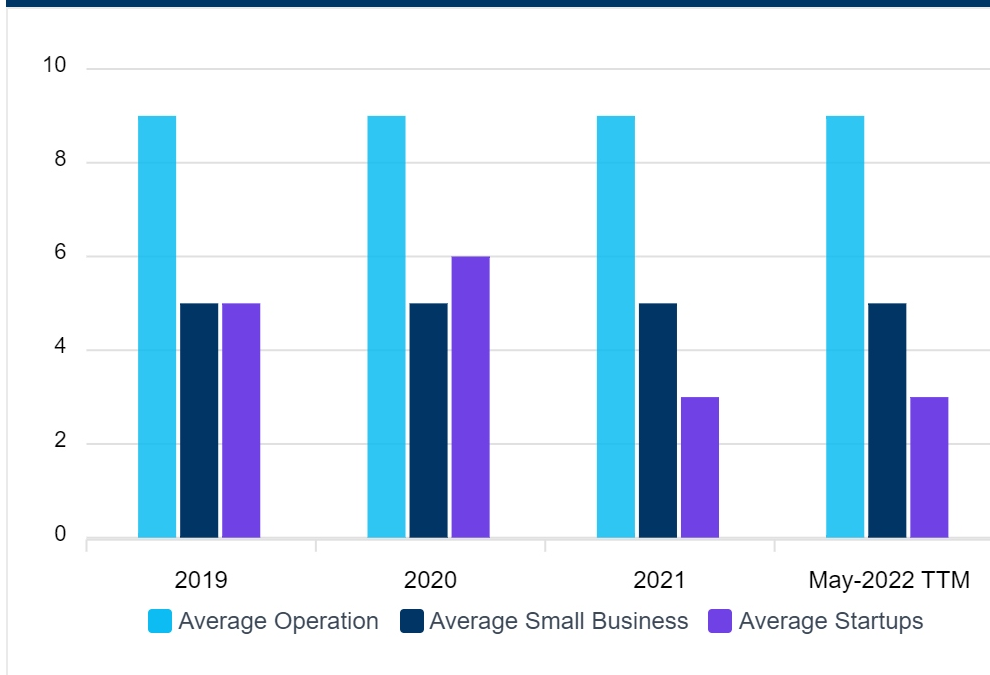
Employment

OCT 3RD 2022

Industry Employment

	2019	2020	2021	MAY-2022 TTM
Average Operation	9	9	9	9
Average Small Business	5	5	5	5
Average Startups	5	6	3	3

May-2022 TTM Average Industry Employment



Employment

How steady is industry employment? Does your firm employ more or less than the average in this industry market? This section reports on industry and small business employment. If you input employment history for your firm, it is benchmarked against the averages.

Productivity

VALUES

Sales Per Employee (\$)				
SALES PER EMPLOYEE (\$)	2019	2020	2021	MAY-2022 TTM
US	208,446	212,563	219,526	230,597
Market Area	216,724	221,004	228,244	239,755
AVERAGE ANNUAL WAGE (\$)				
AVERAGE ANNUAL WAGE (\$)	2019	2020	2021	MAY-2022 TTM
US	63,117	59,562	61,916	62,300
Market Area	50,504	47,452	49,327	49,633
RENT PER EMPLOYEE (\$)				
RENT PER EMPLOYEE (\$)	2019	2020	2021	MAY-2022 TTM
US	3,814			4,219
Market Area	3,965			4,386

Competitive Market Narrative

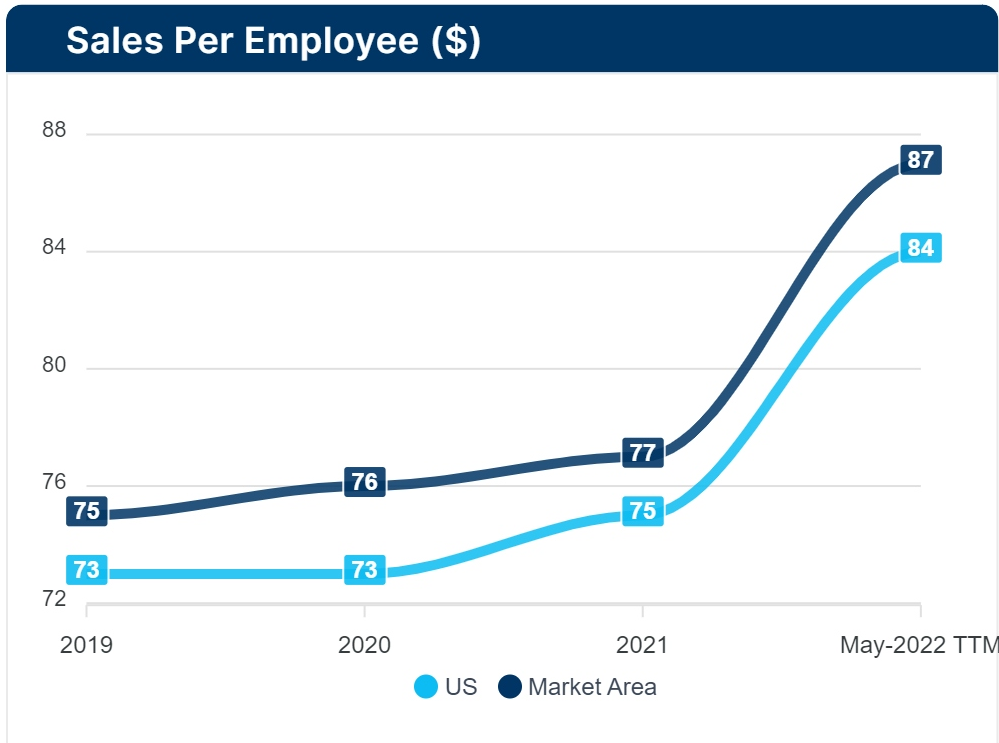
In 2021, the Plumbing, Heating, Air Conditioning Contractors industry supported 9,232 employees in the market area, up from 2019. Of these, 4,616 are employed in small business operations of fewer than 25 workers.

Values

Is your sales per employee efficiency measure above or below the US industry and market average? Sales per Employee levels are compared to your firm levels if you input both sales and employment for those years.

Average annual industry wages and rent per employee are displayed and benchmarked against your firm wage levels if they were input.

Chart



Competitive Market Narrative

In 2021, the Plumbing, Heating, Air Conditioning Contractors industry supported 9,232 employees in the market area, up from 2019. Of these, 4,616 are employed in small business operations of fewer than 25 workers.

Chart

How much more or less efficient is your operation relative to the competition? The Sales per Employee Index expresses your firm's SPE as a percentage comparison to market and US levels where 100% reflects the same level. A zero per cent rating (+0%) indicates parity with the market benchmark.

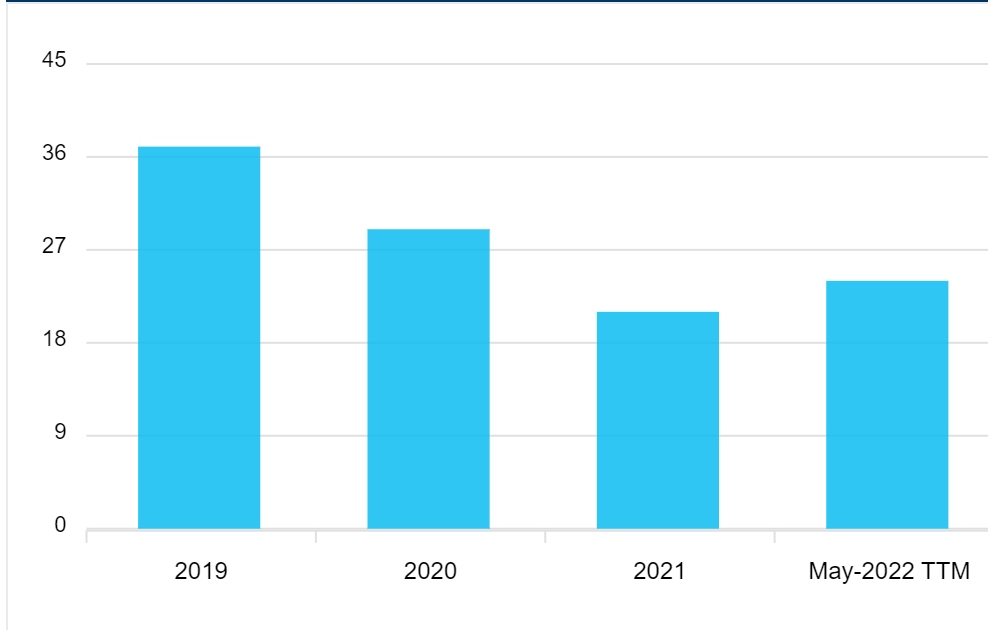
The Efficiency Index divides sales per employee by average annual worker salary. Non-wage factors may also affect efficiency but are not represented by this index.

Startups

Startup Performance (Firms)

	2019	2020	2021	MAY-2022 TTM
Local Industry Startup Rate (%)	3.98	3.22	2.17	2.65
US Industry Startup Rate (%)	2.85	2.11	3.86	7.89
Local Industry Startup Index (US=1.00)	1.40	1.53	0.56	0.34
Population	37	29	21	24
Average Sales (\$)	1177338	1280299	619519	739245
Market Volume (\$)	43561524	37128672	13009908	17741870
Market Share (%)	2.34	1.89	0.62	0.83

Industry Startups (2 Years)



Competitive Market Narrative

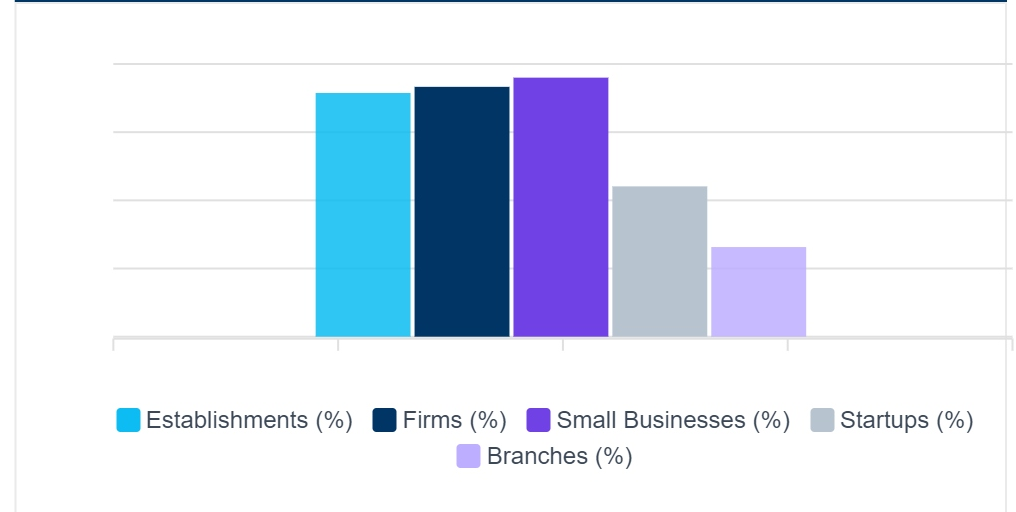
How vigorous is industry entrepreneurship in the market area? Defined as operations in business for two years or less, 24 independent industry startups and new branch operations were identified in the market area in May-2022, creating a new operation rate of 2.65% in the most recent analysis year, less than the national rate of 7.89%. Unusually low new operation rates can indicate market saturation or lack of perceived opportunity, while high rates suggest both opportunity and the recognition of it. Startup rates are calculated by dividing the number of industry market startups by the total number of operations for which an age is known. (Due to the limited number of new operations at any given time, this indicator may be less useful in small local market areas.) Industry startup operations hold a 0.83% share of the total local industry market, with average sales of \$739,245. Due to the variations in scale, startup sales often diverge from the industry and small business average.

2018-2019 Cessation Rates

2018-2019 Cessation Rates

	2019
Establishments (%)	7.15
Firms (%)	7.33
Small Businesses (%)	7.60
Startups (%)	4.41
Branches (%)	2.63

2018-2019 Cessation Rates



Competitive Market Narrative

Over 2020-2021, 7.15% of industry establishments (firms and branches), 7.33% of all firms and 7.60% in the industry small business segment ceased operation.

Cessation

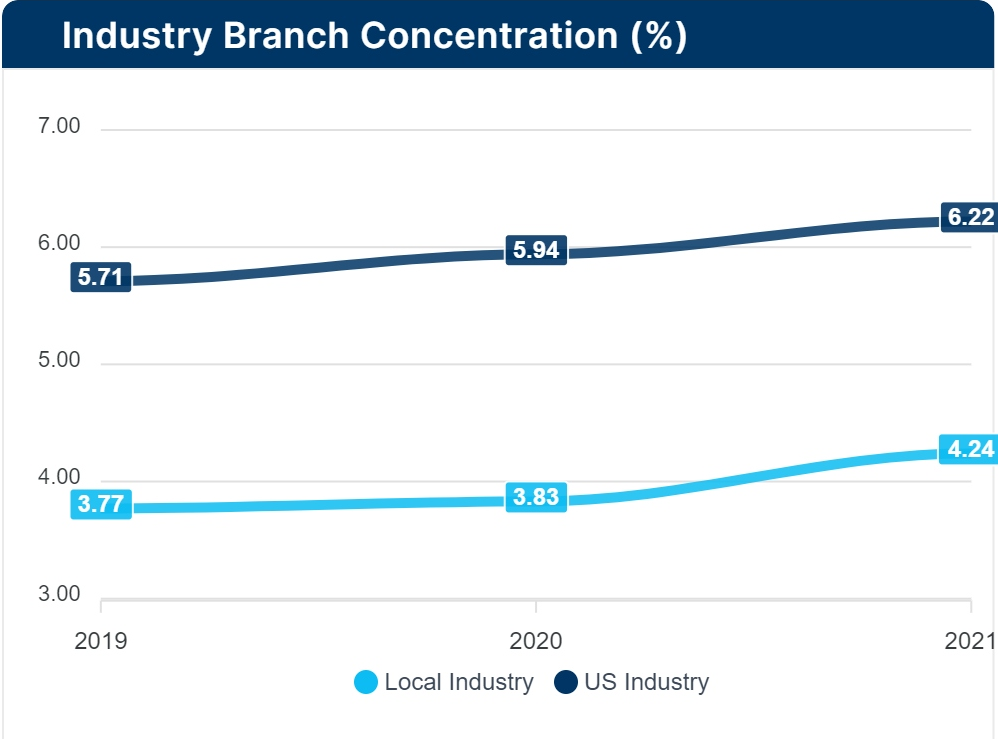
Cessation rates track the experience of business establishments, firms, small businesses, branches and startups doing business at the start of the time series, and still in operation today.

Firms which relocate but maintain independent operations are considered survivors if they do not move out of the jurisdiction being analyzed. Firms which become subsidiary locations, or whose location is terminated, are grouped with others which ceased operation. Any business entity which does not evidence ongoing operations (for example, by registering with government agencies, credit reporting services or business directories) is considered to have ceased viable operations and is classified in the "ceased operation" category.

Cessation rates occasionally reflect performance above 100% or below 0% due to business migration among industries (changes in primary business line) or (in the case of location-specific cessation rates) to business relocations. Migrants within a NAICS-2 industry sector are considered as survivors in the in-migrant classification.

Industry Branch Concentration

Industry Branch Concentration (%)			
	2019	2020	2021
Local Industry	3.77	3.83	4.24
US Industry	5.71	5.94	6.22



Ownership

Is the Plumbing, Heating, Air Conditioning Contractors industry becoming subject to outside ownership decisions that could affect the market area? Are local entrepreneurs being squeezed out by franchises or branch operations? The analysis includes an indication based on the percentage of industry branch operations as a barometer of relative consolidation trends. Increasing branch levels may indicate long-term pressure on area entrepreneurship. In this industry market, the percentage of branch operations has increased over the last three years and stands at 4.24. At 6.22, national industry consolidation rates are higher and have also increased from 2019.

Market Area Demographics

Age		
5-9 Years	150,282	6.14%
10-14 Years	149,225	6.10%
15-19 Years	143,566	5.87%
20-24 Years	144,224	5.90%
25-34 Years	376,063	15.38%
35-44 Years	358,495	14.66%
45-54 Years	336,050	13.74%
55-59 Years	153,841	6.29%
60-64 Years	151,312	6.19%
65-74 Years	219,177	8.96%
75-84 Years	93,167	3.81%
85-plus Years	41,541	1.70%
Median Age	38	

Education		
Population 25+ Years	1,729,646	100.00%
High School Graduate	341,430	19.74%
Some College/Associate's Degree	556,899	32.20%
Bachelor's degree	424,888	24.57%
Graduate/Professional degree	258,604	14.95%
% High School Graduate or Higher (total)	1,581,821	91.45%
% Bachelor's Degree or Higher (total)	683,492	39.52%

Employment

Population: 16-plus Years	1,975,134	100.00%
Labor force	1,321,327	66.90%
Civilian Labor Force	1,319,898	66.83%
Civilian employment	1,257,931	63.69%
Unemployed	61,967	3.14%
Work at Home	91,961	
Total Commuters	1,142,699	100.00%
Commute < 15 Minutes	253,745	22.21%
Commute 15-29 Minutes	428,537	37.50%
Commute 30-44 Minutes	264,035	23.11%
Commute 45-89 Minutes	172,233	15.07%
Commute > 90 Minutes	24,149	2.11%

Housing

Total Housing Units	993,201	100.00%
Occupied Housing Units	938,646	94.51%
Type of Housing		
1 Unit Detached Housing Structures	614,584	61.88%
1 Unit Attached Housing Structures	52,978	5.33%
2 Unit Housing Structures	25,409	2.56%
3-4 Unit Housing Structures	41,967	4.23%
5-9 Unit Housing Structures	50,246	5.06%
10-19 Unit Housing Structures	48,972	4.93%
20-plus Unit Housing Structures	119,961	12.08%
Mobile Home Housing Units	37,328	3.76%
Boat-RV-Van Housing Units	1,756	0.18%
Age of Housing		
Housing Built 2010 or Later	62,827	6.33%
Housing Built 2000-2009	144,299	14.53%
Housing Built 1990-1999	185,116	18.64%
Housing Built 1980-1989	112,014	11.28%
Housing Built 1970-1979	170,820	17.20%
Housing Built 1960-1969	83,748	8.43%
Housing Built 1950-1959	70,406	7.09%
Housing Built 1940-1949	45,509	4.58%
Housing Built 1939 or Before	118,462	11.93%
Occupants per Unit		
Units with less than 1 Occupant Per Room	907,835	91.40%
Units with 1.1-1.5 Occupants Per Room	19,910	2.00%
Units with 1.51-plus Occupants Per Room	10,901	1.10%

Income

Total households	938,646	100.00%
Below \$10k Income	43,312	4.61%
\$10k-14.9k Income	28,920	3.08%
\$15k-24.9k Income	62,693	6.68%
\$25k-34.9k Income	68,993	7.35%
\$35k-49.9k Income	104,317	11.11%
\$50k-74.9k Income	162,327	17.29%
\$75k-99.9k Income	131,320	13.99%
\$100k-149.9k Income	171,768	18.30%
\$150k-199.9k Income	79,853	8.51%
>\$200k Income	85,143	9.07%
Median HH Income (\$)	74,792	
Mean HH Income (\$)	75,140	
Per Capita Income (\$)	38,544	

Race / Ethnicity

White	1,984,115	81.12%
Hispanic (all races)	292,707	11.97%
African American	69,343	2.84%
Native American	18,570	0.76%
Asian	163,720	6.69%
2-plus Races	122,996	5.03%

Total Population

Total population	2,445,761	100.00%
Male	1,210,509	49.49%
Female	1,235,252	50.51%

Competitive Market Narrative

This competitive industry market area analysis includes the Portland OR Metro Area. In May-2022, the market area economy supports a total private sector business base of 9999999999999999 local operations. Total population in the market area is 2,445,761 including 938,646 households with a median age of 38. 39.52% of the population boasts a bachelor's degree or higher; another 32.20% holds an associate degree. Median housing value in the market area is \$368,800, while the median rent level is \$1,271 per month. Per capita income in the market area is \$38,544, while average (mean) household income is \$75,140 and median household income is \$74,792. 35.88% of market area households earn over one hundred thousand dollars per year. Population demographics are applied from the Census Bureau's American Community Survey. Data for zip-county-metro-state and US markets are applied directly. Demographic totals for radius-based markets are applied at the level of aggregated zip codes which are co-joined to the selected market radius.

Demographics

Population demographics are applied from the Census Bureau's American Community Survey. Data for zip-county-metro-state and US markets are applied directly. Demographic totals for radius-based markets are applied at the level of aggregated zip codes which are co-joined to the selected market radius. Elements of this data are also integrated into our Sales per Person and Sales per Household calculations displayed on the Penetration>Table tab.