Amenity Horticulture

Commercial Market View 2019



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Introduction

Research Method

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Qualitative Research

24 interviews with ‘stakeholders’ in the amenity horticulture industry



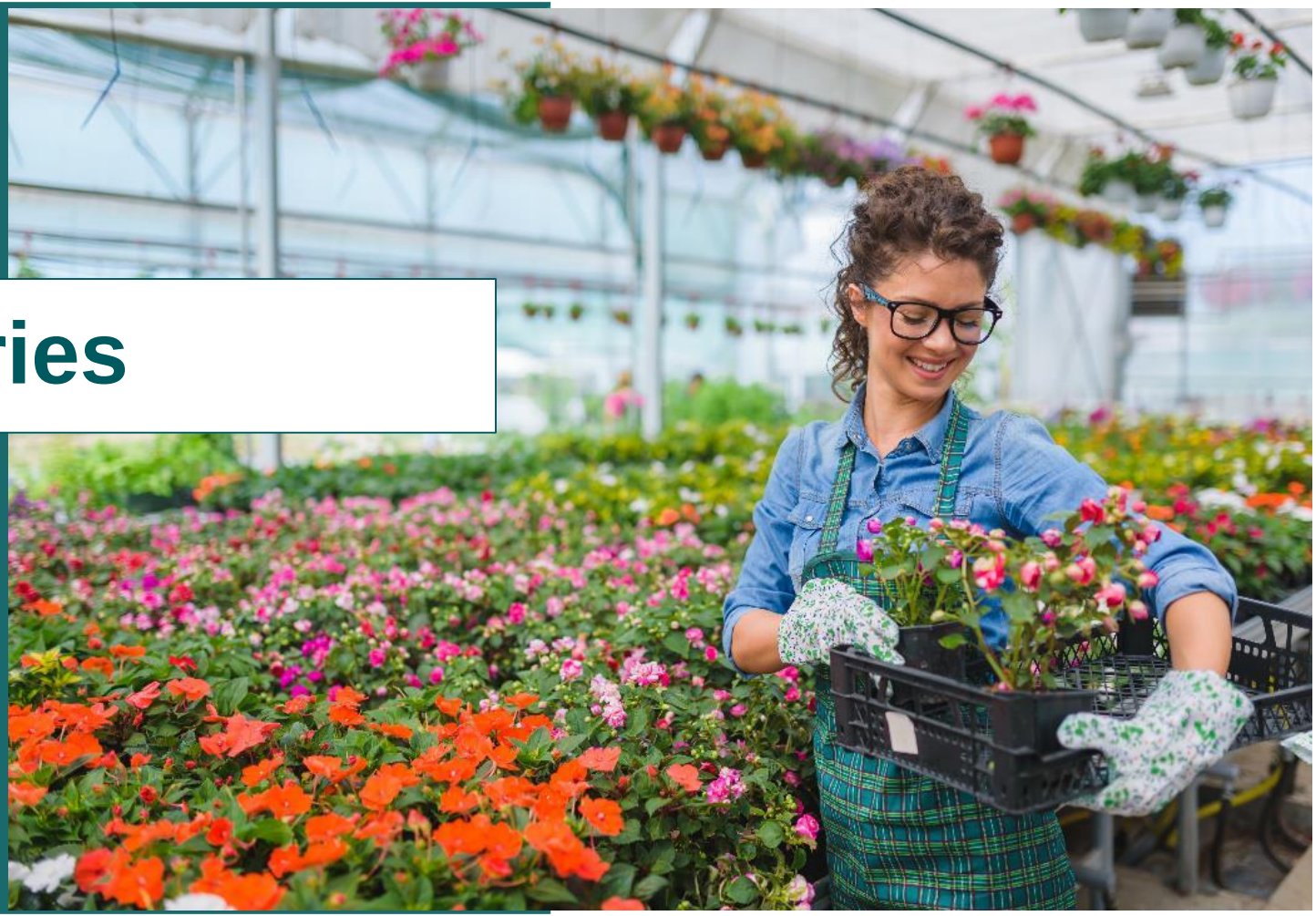
Quantitative Research

A survey of

- 70 landscaping architects and professionals and
- 43 Nursery Owners



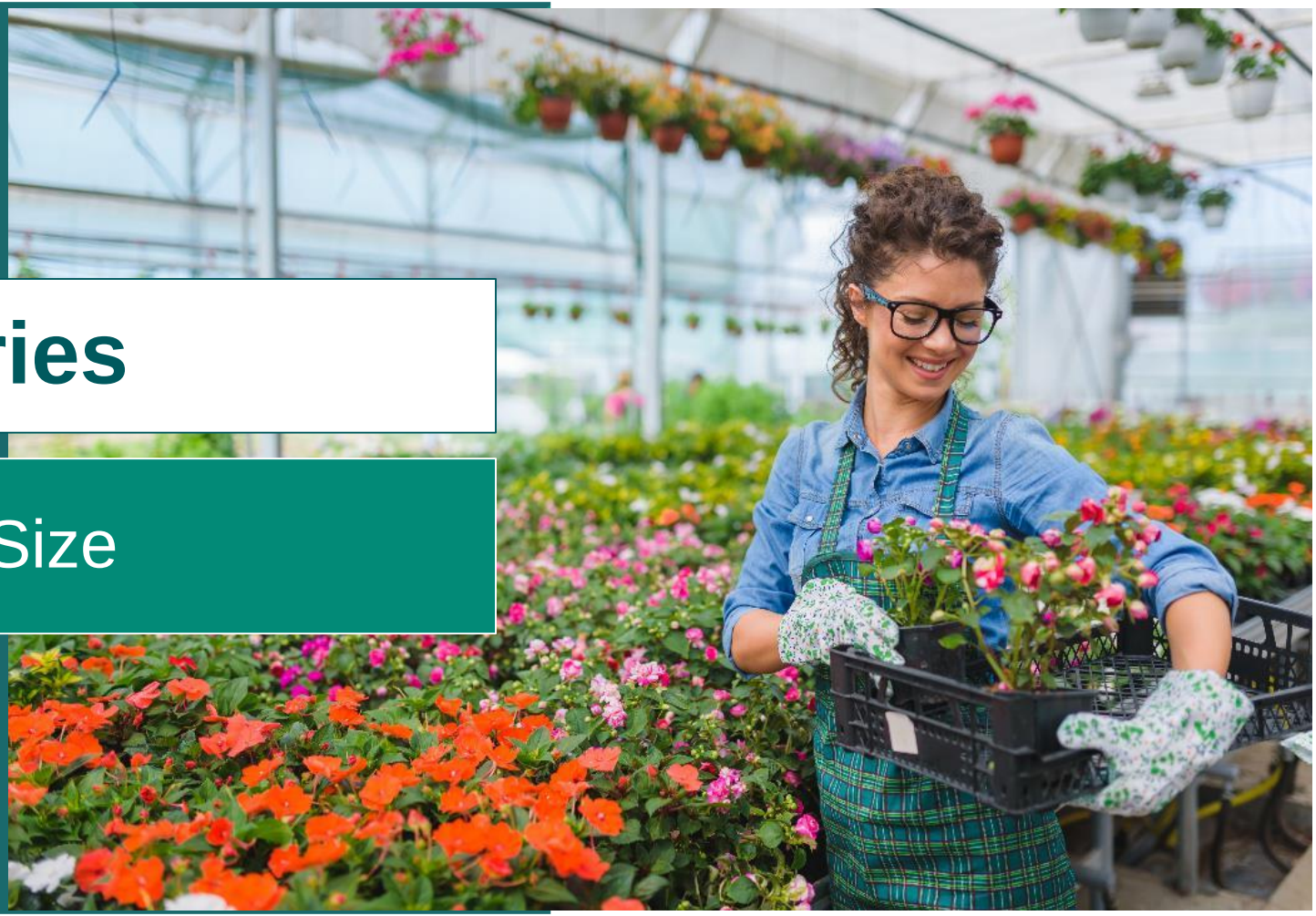
Nurseries



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Nurseries

Industry Size



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Total Nursery Market Size & Sales

- Sample: 43, Universe: 61
- Total: €48,000,000
- Mean: €790,000
- Median: €150,000

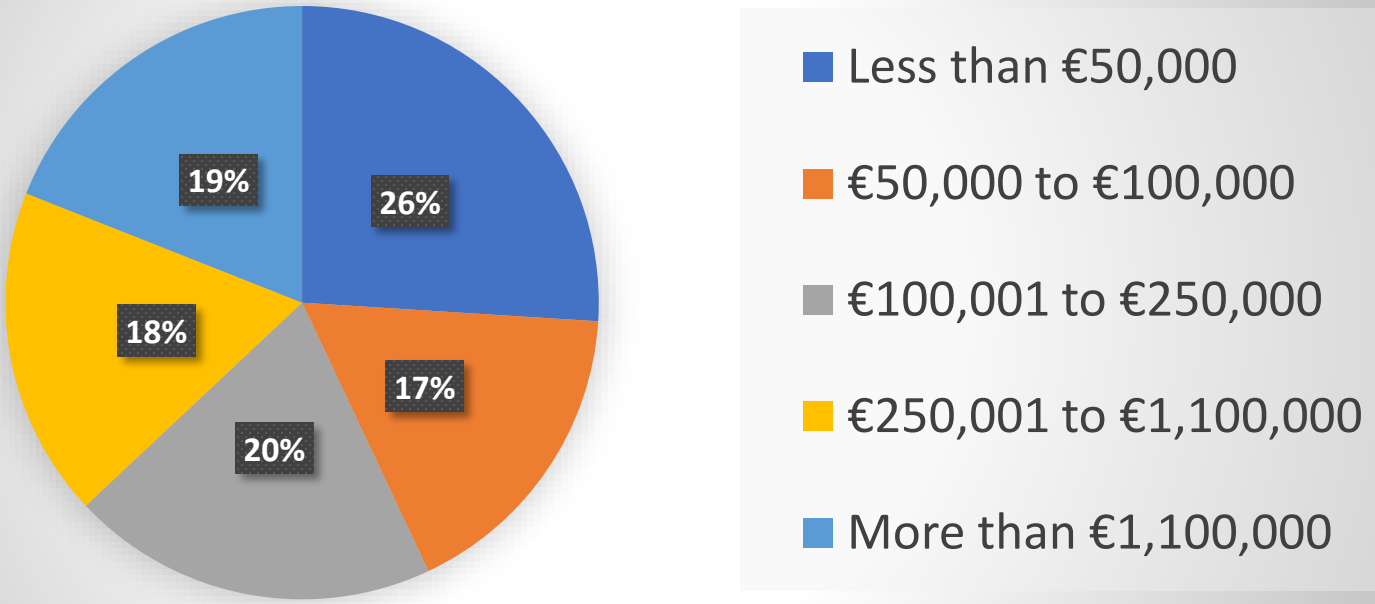
Nurseries

Revenue Bands



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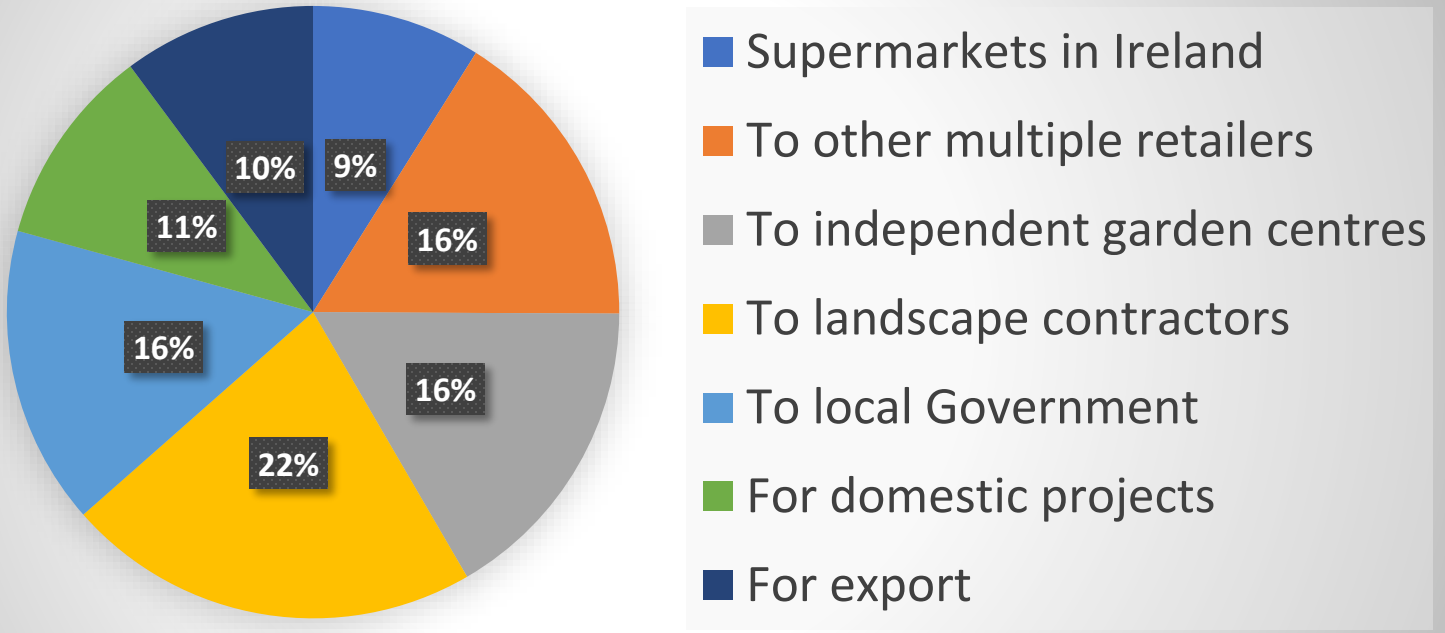
Total Nursery Market Plant Sales



There is a strong artisan ethos in nurseries

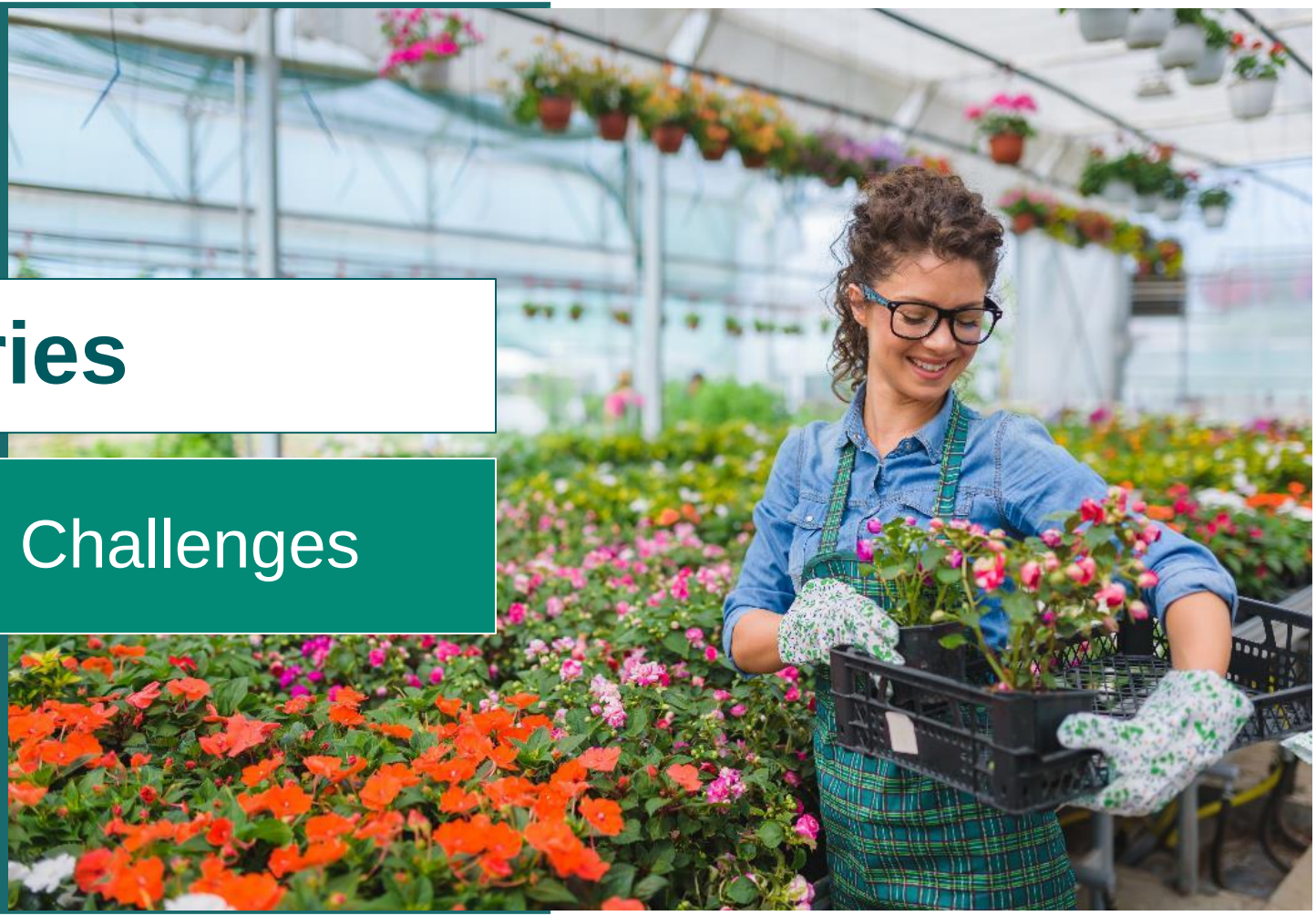


Nursery Revenue Split 2018



Nurseries

Business Challenges



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Top 3 Challenges for Nurseries



75%
Insurance costs

64%
Getting suitable and retaining staff

52%
Brexit

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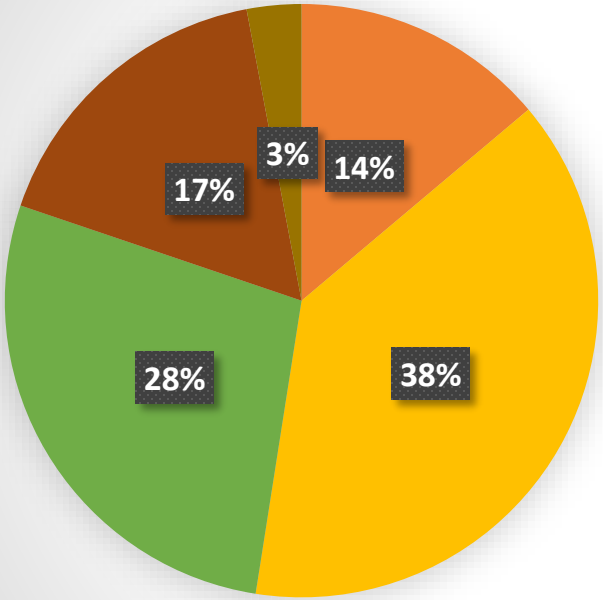
Nurseries

Sentiment for 2020



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Nurseries – Sentiment for 2020



Very Positive
Fairly Positive
Average
Fairly Negative
Very Negative

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Landscaping



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Landscaping

Industry Size



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Industry Figures – 2007 and 2019

Year	2007	2019
Est. No. of Contractors:	1164	431
Source:	Industry and Golden Pages	ALCI and Bill Moss

Industry Figures – 2007 and 2019

Year	2007	2019
Contractors:	1164	431
Average T/O	€863k	€658k
Total Size	€826m	€279m

Company Size and Turnover

Employees	1-3	4-9	10+
Cos. in Survey	34	25	11
Average Turnover	€138k	€382k	€2,871k

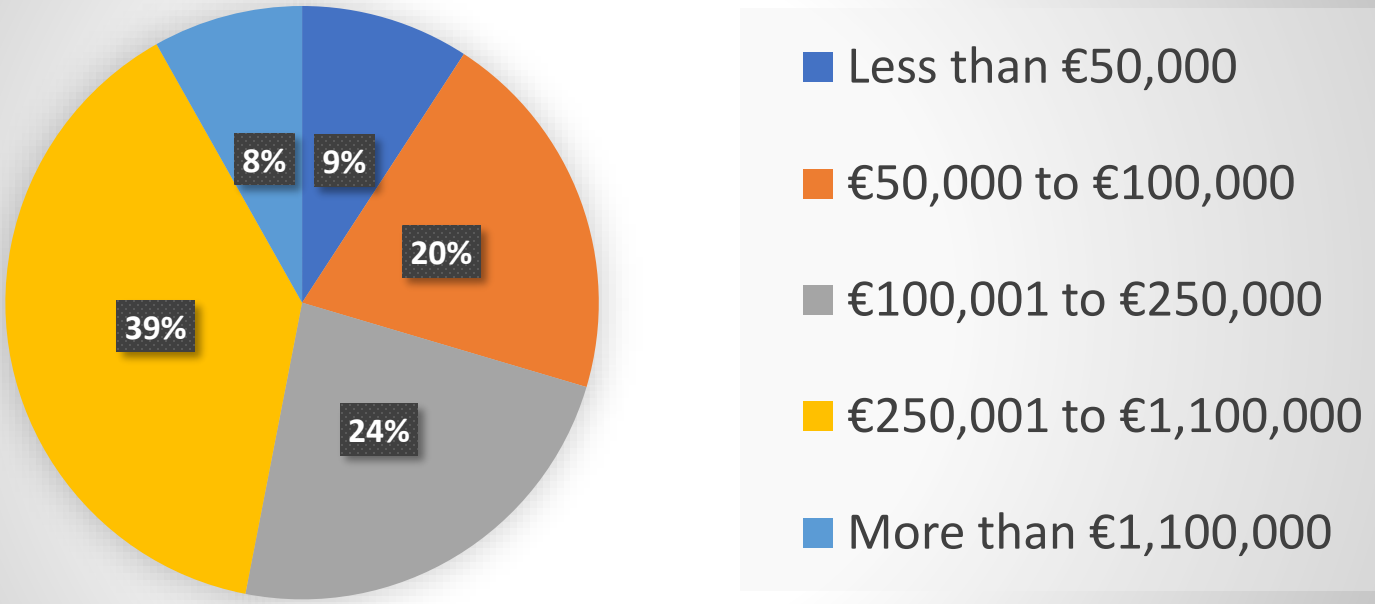
Landscaping

Revenue Bands



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Total Landscape Market Sales



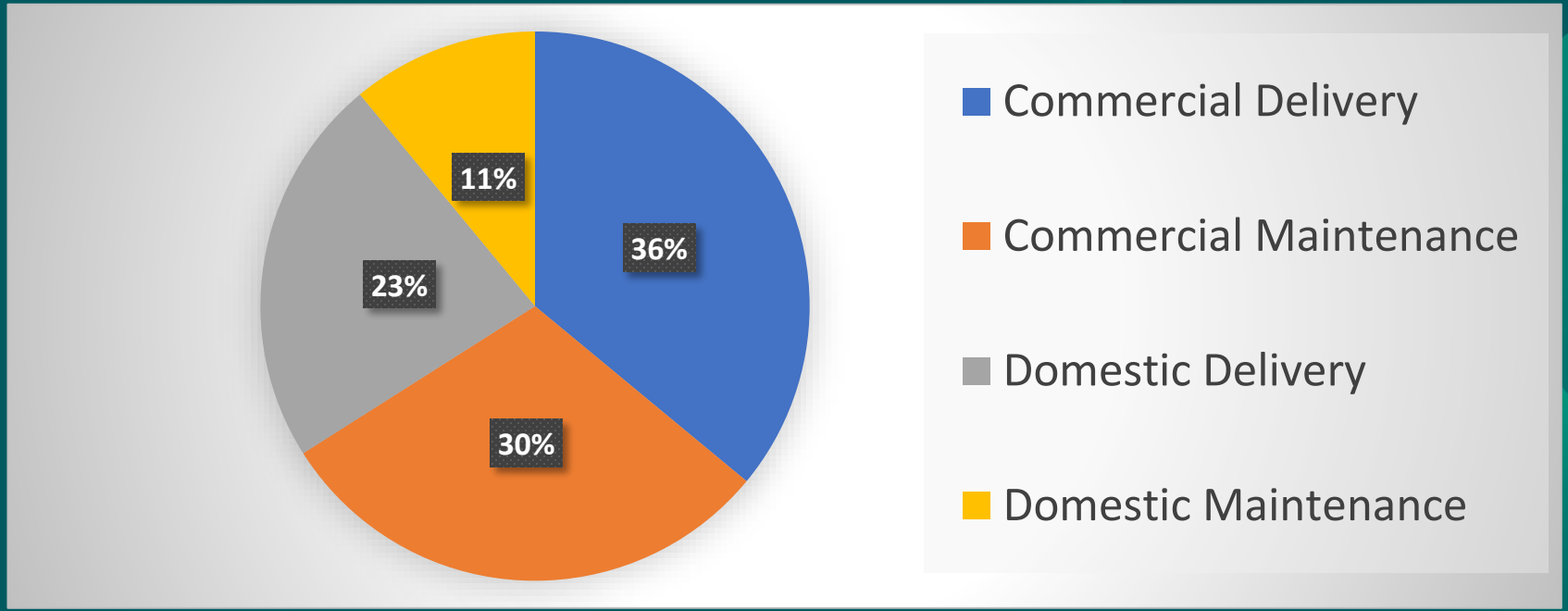
Landscaping

Business Elements



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Sales by Segment and Type



Sales by Product and Service Delivery – Commercial & Domestic

Sales value of Irish soft products	**10.3%**
Sales value of imported soft products	**6.3%**
Sales value of hard products	**12.0%**
Value of service for landscape delivery	**30.7%**
Delivery - Total	**59.3%**

Sales by Product and Service Maintenance – Commercial & Domestic

Sales value of Irish soft products	4.1%
Sales value of imported soft products	1.0%
Value of service	35.6%
Maintenance - Total	**40.7%**

Landscaping

Business Challenges



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Top 3 Challenges for Contractors



78%
Getting suitable and retaining staff

70%
Insurance costs

43%
Waste Costs

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"The single biggest problem we have at the moment is labour. The single thing preventing us from growing the business is labour."

Large Landscaping Contractor



Those learning about horticulture are often older enthusiasts



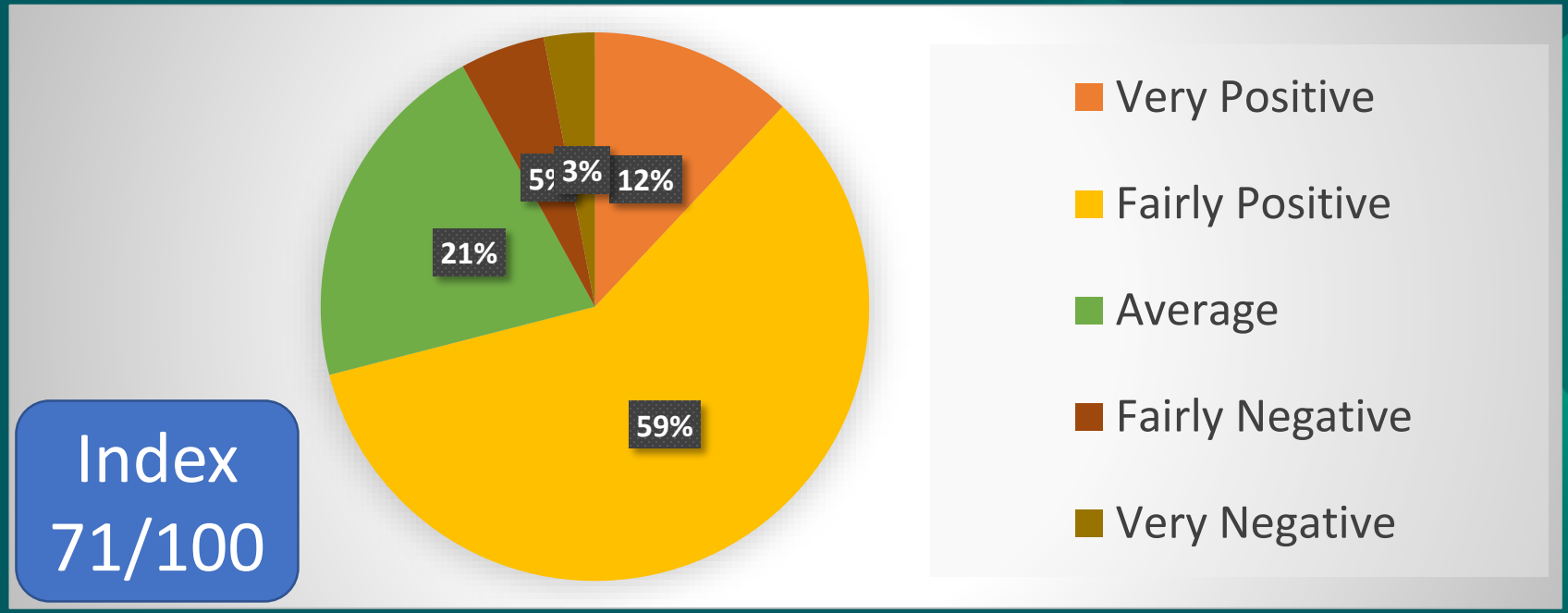
Landscaping

Sentiment for 2020



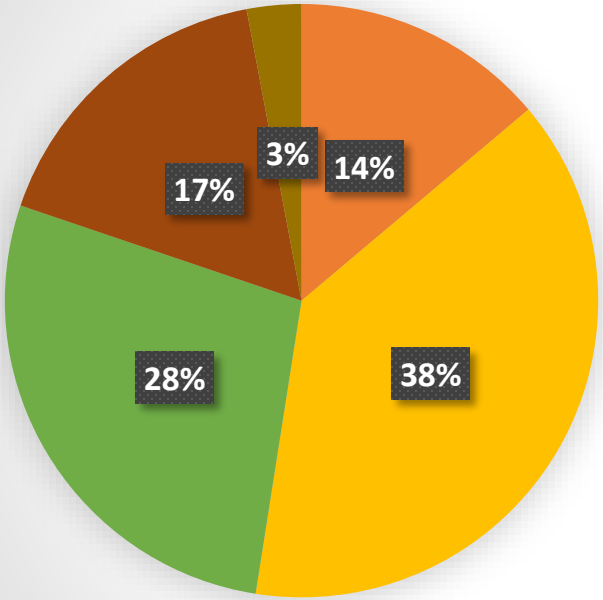
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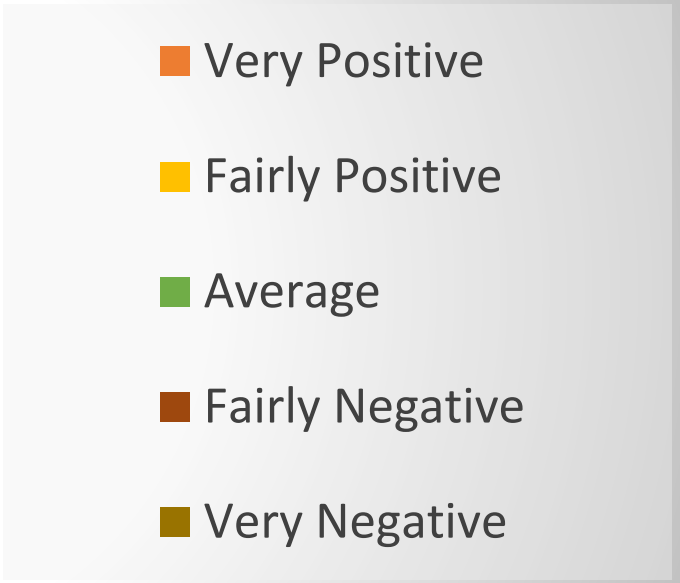
Landscapers' Sentiment for 2020



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71/100

Nurseries' Sentiment for 2020





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Landscaping

Industry Attitudes

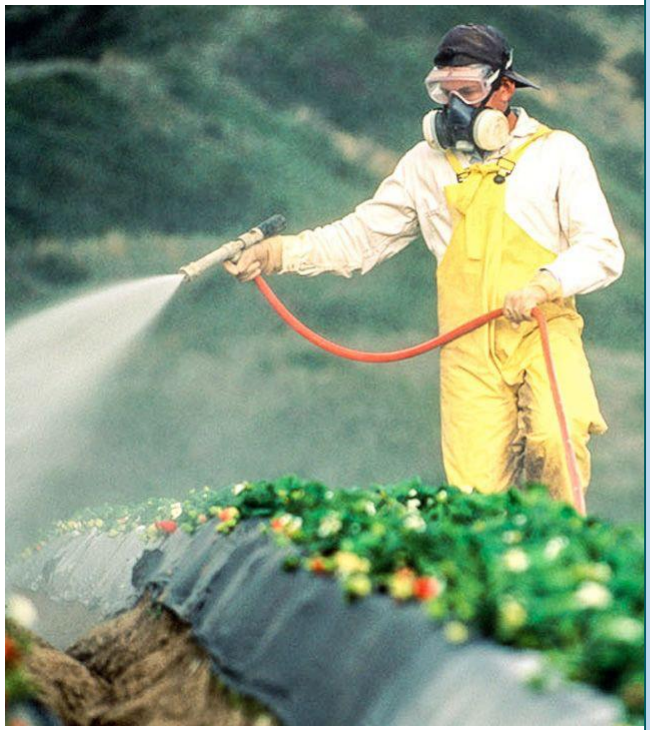


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“The landscaping industry has a responsibility to contribute to biodiversity wherever possible.”



Any agree: 96%



"The use of chemicals on landscaping projects will be more tightly controlled by legislation in the years to come."

Any agree: 87%



"Not enough is being done to ensure that plant diseases and invasive species are kept out of Ireland."

Any agree: 68%

"Landscaping contractors should be licensed in the same way as electricians and gas engineers."





Any agree: 73%

Landscaping

Decision-making



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Supermarket v. landscaping client

Supermarket buyer will usually

- know what they want,
- know what they should pay for it
- know how to judge what is delivered

Supermarket v. landscaping client

Landscaping client will usually

- not know what they want,
- not know what they should pay for it,
- be oblivious to supply-chain tensions
- not know how to judge what is delivered

Decision Influencers

Client

Architect

Landscape Arch.

Builder

Quantity Surveyor

Team Leader

Lands. Contractor

Decision-making e.g. New Apartments



- Developer wishes to optimise revenue with high quality in all aspects

Decision-making e.g. Landscape Only



- Contractor provides design and delivery

Decision-making e.g. Public transport



- Project owner wants job delivered to highest standard.

Decision-making e.g. New school



- Client is not qualified or able to judge quality.

Buying Irish

- Buying Irish product or supplier?
- Most happy to, but not desperate to
- Buying Irish can increase if
  - Brexit is disruptive to supply routes
  - Briefs start specifying indigenous
  - Requirement to reduce carbon footprint

Landscaping

Client Archetypes



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Dream Clients



Professional Clients



Soft Builders

- Favourably disposed to landscaping
- View themselves as enlightened
- See opportunities for self-promotion

“Commercial clients are more willing than ever before to invest in landscaping.”



Any agree: 51%

“Most commercial clients know that good landscaping can add value to the rent or sales values of their properties.”



Any agree: 73%

"A lot of builders who have survived are passionate about the landscape, want to make the place look impressive are willing to spend and love the fact that people are happy moving in to their houses and that it is a green open space."

Large Landscaping Contractor



Hard Builders

- No time for landscaping
- Regard it as inconvenient and expensive

“Most landscaping budgets on commercial jobs will be reduced along the way to pay for other work on the site.”



Any agree: 65%

"Unfortunately, when everyone is cutting corners, what they want to do is 'value engineer' every single job which is a nice way of saying 'give us money off' or 'how can you do a cheaper job'."

Large Landscaping Contractor



If they were told to put down concrete they would love it. They don't want the hassle of trees. They will appreciate it when it is all done but it is a very small percentage of the overall cost of what they are doing in any construction job.

Large Landscaping Contractor



Investors for Sale Value

- A straight return-on-investment decision
- Will I get my money back with interest?
- Will it give me a competitive edge?

"Things can run over budget but, if the market is flat or if the builder is cagey or worried about selling, he might spend extra on the landscaping just to really make it look fantastic so it gets the sales through."

Large Landscaping Contractor



Investors for Maintenance Value

- Spend now and save at their leisure
- Low maintenance options favoured
- They are budget long-term

"What we are finding on our end with that is whilst people are saying 'yes, we want the landscaping done' and 'yes, we want to do it correctly' they are also saying 'but we want as low a maintenance product as possible'."

Large Landscaping Contractor



New Pragmatists

- No great affection for landscaping
- But recognise that the world is changing
- So see the value of doing it right first time

I feel our landscape architects are getting stronger and insisting that the work is carried out to their specification; although the builders are trying to veto the work our guys are saying 'I have chosen those materials for a very good reason'."

Architect



Constrained Idealists

- Would like to do everything brilliantly
- But are constrained by realities
  - Politics
  - Finance
  - Legalities

"They tell you all this amazing stuff about what they are going to do and environmentally they are going to be amazing, they actually can't follow it because they haven't got the manpower or the budget and they're worried about being sued."

Architect



For debate…



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Shape procurement or be shaped by it



Shape the law or be shaped by it



Educate government on best practice in health augmentation



Make a stronger case to business for horticulture investment



Recruitment is a battle for hearts and minds

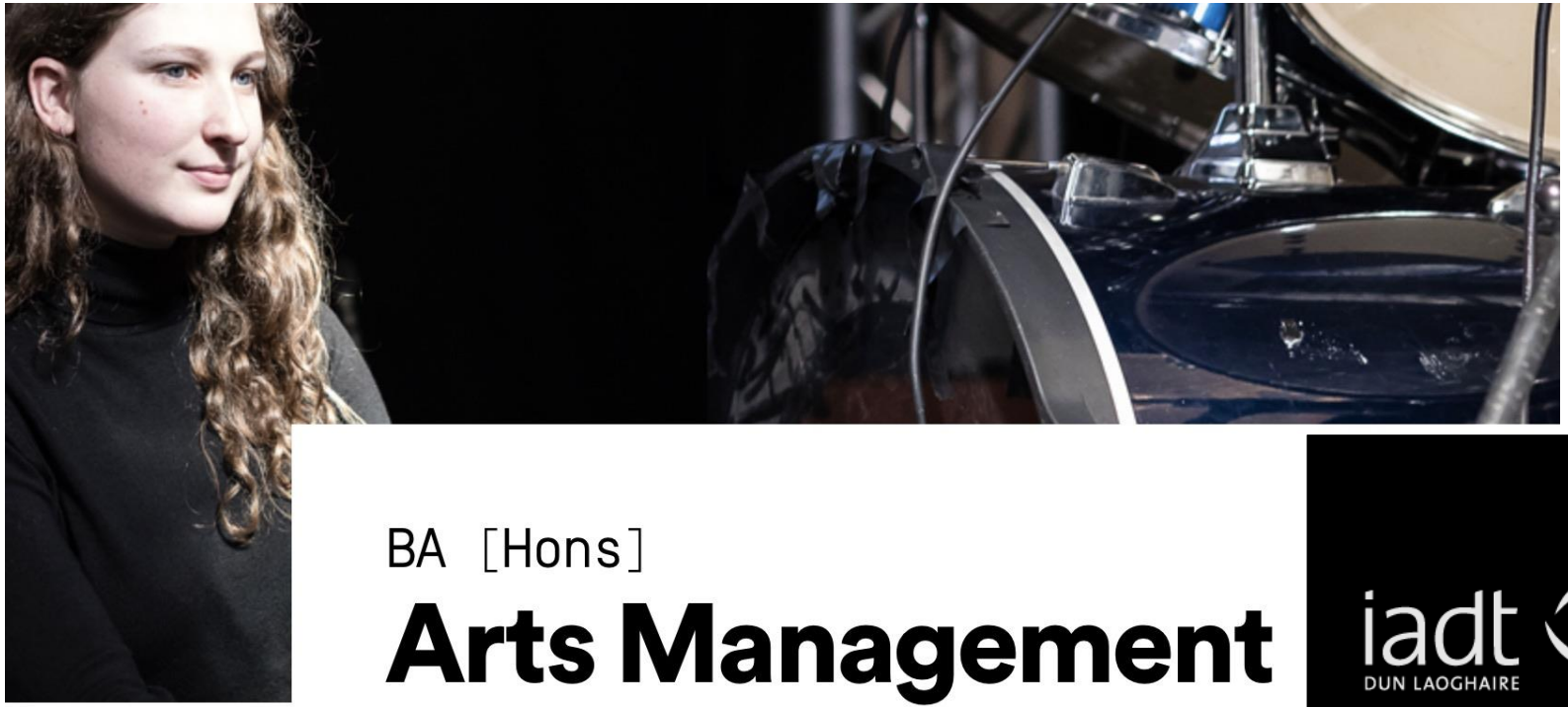




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IRISH LANDSCAPE INSTITUTE
INSTITIÚID TÍRDHREACHA NA hÉIREANN


IHNSA


alcí
Association of Landscape
Contractors of Ireland


Irish Institute of
Sports Surfaces
Foras Dromchlaí Spóirt na hÉireann


GLDA
Garden & Landscape Designers Association


isna
Irish specialist nursery association