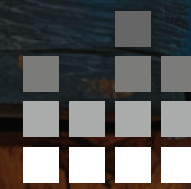


STATE OF THE INDUSTRY 2024





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LANDSCAPERS LOOK TO 2025 WITH RESILIENCE AND RESOLVE

BY KARINA SINCLAIR

Cautious Optimism

In 2024, landscape professionals faced a range of economic pressures, evolving industry demands and shifting workforce expectations with a cautious but hopeful outlook. The fourth annual State of the Industry survey, conducted by *Landscape Trades*, captures the perspectives of landscapers and business owners across Canada, highlighting their main concerns, strategies for growth and outlook for the future.

Respondents shared their thoughts on inflation's impact on costs for materials, labour and equipment, along with staffing challenges and increased competition. Despite the pressures, many are optimistic: over half (52.3%) rated their 2024 financial picture as "moderate," while 31.2% described it as "strong," and 8.3% even called it a "record year." Across companies of all sizes and stages, there is a shared focus on innovation and resilience as they look to 2025. Join us in exploring these insights, revealing trends that may shape the future of landscaping and provide strategies to drive growth in a competitive landscape.

WHAT WERE THE BIGGEST CHALLENGES YOUR BUSINESS FACED IN 2024?



In the 2023 survey, respondents predicted inflation as the top challenge they'd face in 2024 and they were right. Survey participants were asked to select all challenges that applied to them, and more than half cited inflation as their biggest challenge over the past year. The cost of everything — from equipment to fuel, materials to wages — crept higher and higher, eating into profit margins. Recruiting and retaining staff was the second highest rated challenge, with some respondents suggesting the cost of living is driving qualified people (staff and clients) away. Hiring staff beyond the summer season and replacing experienced workers who were retiring was also a challenge for many. Cancelled or reduced project scopes and low sales, possibly due to lower priced competitors, rounded out some core concerns for many. And yet, there were a lucky few who did not experience any challenges.

WHAT DO YOU EXPECT TO BE YOUR BIGGEST CHALLENGES IN 2025?



For the coming year, most respondents anticipate the challenges of 2024 to continue. High inflation remains a constant worry, as does losing sales to lowballing competitors. Many feel enough work is available, but clients may need more education to understand the value of higher prices for quality work. The challenge of finding tradespeople to provide that quality work will certainly continue.

Lower pricing usually comes with less quality, knowledge and service!

DID YOUR BUSINESS INCREASE PRICES IN 2024?



DO YOU EXPECT TO INCREASE PRICES IN 2025?



Almost three quarters of respondents said they raised prices in 2024. Most were moderate increases, with over a third raising their prices by up to five per cent, while only a small portion bumped them by more than 20 per cent. A major reason was to offset the higher cost of materials, but also to attract and keep quality employees by offering them a living wage. A quarter of respondents held steady at last year's rates for a number of reasons, such as fear of scaring off clients who were also feeling stretched by inflation. Others had already raised prices last year and wanted to wait to see how this impacted their business. A very small percentage actually lowered their prices.

Increased costs of overhead and expenses affecting the bottom line. Also, some of the hourly rates of our long-term clients were too low or below the industry standard — hourly prices did not reflect annual cost of living increases.

Even with an exclusive clientele and a very reputable bond with suppliers there is no support from the government to allow growth.

We have seen the prices from our suppliers still increase every year, as well as shipping costs, and we unfortunately need to pass this on to our customers.

Economy was not good. Didn't want to turn people off with higher prices.

I expect to raise wages for the 2025 season in order to keep my excellent staff.

FOUR TRENDS TO WATCH FOR 2025 (ACCORDING TO YOU)

CLIENT EDUCATION

"The most interesting trend is I find myself spending more time with clients and educating them about old world craftsmanship using new world construction. They have all been blinded by the 20 television shows that are mostly poor quality. Good from far but far from good. The quality shows are more technical and the general public doesn't watch that."

WATER-WISE PLANT CHOICES

"Xeriscaping is on the rise in the residential market."

"Clients want larger plants and drought tolerant landscapes."

"More plant diversity, developing more gardens to help pollinators. Gardens that have low water needs."

"The trend away from lawns and more towards different types of ground covers other than grass."

CHANGE IN SCALE, UP AND DOWN

"Have noticed a higher demand for lower budget/quality work this year. Clients looking for quick & cheapest work. Many are planning to move and not wanting to spend or willing to cut corners to flip a property."

"Still lots of projects out there, just on a smaller scale."

"Projects are getting larger and more complex. Customers want a 'turn key' project from design to installation. I will collaborate more with contractors to offer this seamless transition."

AI TECHNOLOGY

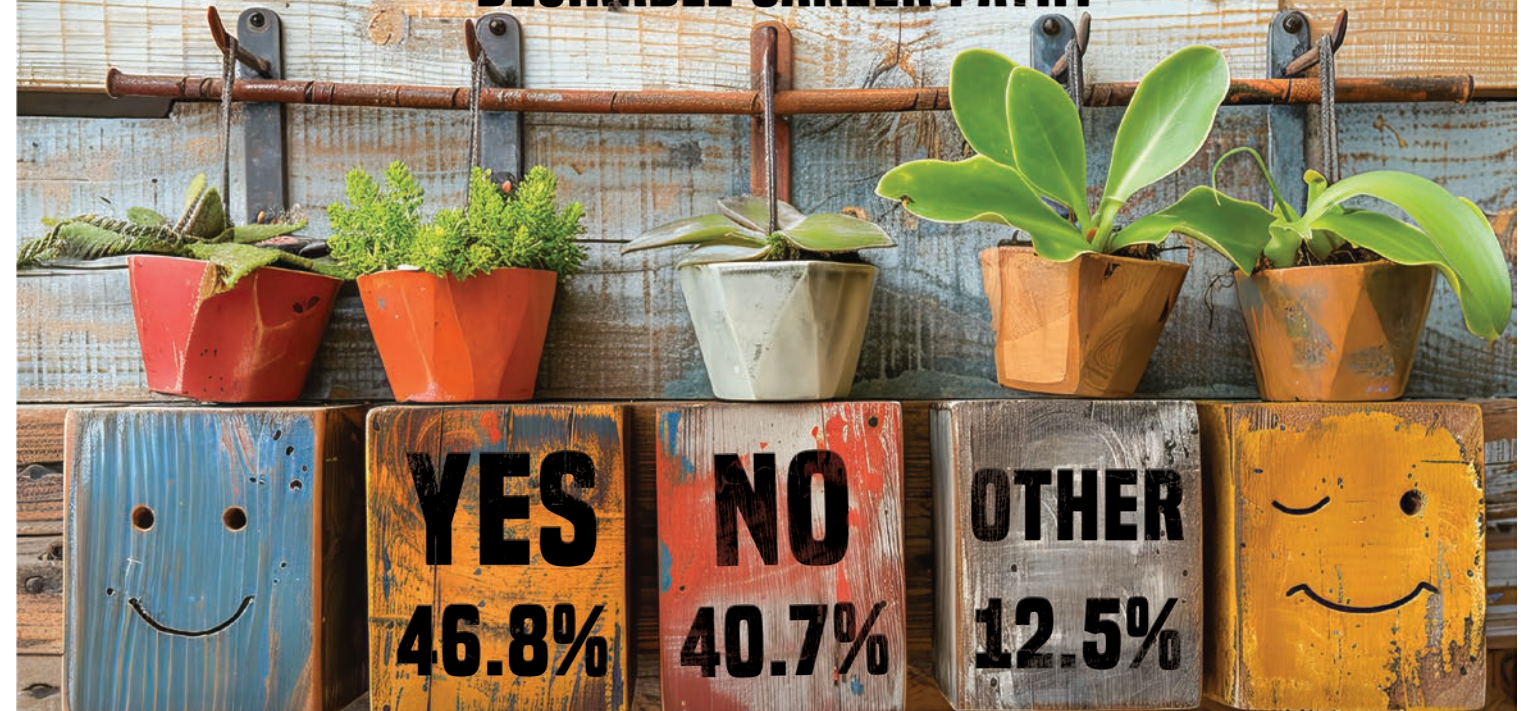
"Autonomous mowers will be a game changer. Using AI for CRM and lead generation will also ramp up quickly in the near future."

WHAT SERVICES/STRATEGIES DID YOU USE TO CLOSE LABOUR GAPS?



In 2024, 53 per cent of respondents said they experienced a labour shortage, between "Somewhat" (47.9%) and "A lot" (5.1%). With so many vacant roles, employers had to get creative to ensure they had enough crew members to meet demand. For some, this meant being more selective and passing on smaller jobs to focus on higher quality projects. For others, it meant promoting employees to more responsible crew lead roles before they were ready. Ease of recruitment also seemed to depend on a business's reputation within its local community. In addition to word of mouth, posting jobs on premises and offering flexible hours, most landscaping companies turned to general job boards to recruit staff.

DO YOU BELIEVE LANDSCAPING IS BECOMING A MORE DESIRABLE CAREER PATH?



Another strategy to address labour gaps would be to make a career in the green trades more attractive. Respondents had a lot to say about this. Some feel there has been a renewed interest in working outdoors in nature, while others expressed strong opinions around work ethic, public perception and shady business practices.

Young people are more attracted to tech/online industries, probably.

Flooded by low wage companies that work under the table ... this leaves a sour taste in the general public and craftsmen stay away from very lucrative positions.

Technology is helping the industry, and not in danger of AI replacing jobs. Younger people are looking for a trade and this offers something different every day.

More people see the value in working outdoors/in trades.

Parents do not encourage their children to attend these programs because they are not high wage earning professions. The job is physically demanding and many people do not want to do this type of work. Many existing employees in the industry are aging out and not being replaced.

There is a perception that landscaping is not year round and landscape work is labour intensive. Landscaping is highly competitive, and in our area there are a number of contractors that are undervaluing employees and significantly underbidding work.

HOW OPTIMISTIC DO YOU FEEL ABOUT THE OVERALL OUTLOOK OF THE LANDSCAPE AND HORTICULTURAL PROFESSION?

Despite the financial challenges of 2024, respondents still expressed optimism about the future of their profession, with very similar results to last year. There's a lot of hope, albeit tinged with caution. Some of you applaud the younger generation's commitment to environmental causes, while wondering if they're ready for the realities of the job site. Many of you have also noticed that clients, especially within the

aging demographic, are willing to pay more, whether it's for higher quality work or to ensure crews enjoy a living wage. Some are worried about land development encroaching on nursery space or fly-by-night businesses tarnishing the reputation of the whole profession, while others are simply delighted to love what they do and would choose to pursue landscaping all over again if given the chance.



I hear it every day from people: 'If I had to do it all over again, I would've gone into the landscape industry,' or 'I would love to be working outside every day and then having the winter off to do something different.'

We have seen a shift in client values and their desire to pay livable wages for professional service. We are continuing to employ strategies that will educate the workforce regarding careers in the landscape industry. There is a strong market.



CONCLUSION

The thoughtful responses gathered paint a picture of perseverance. While navigating real challenges, those working in the landscape industry remain cautiously optimistic about the future. Rising costs, labour shortages and increased competition remain common concerns, with many businesses feeling the impact on their bottom lines. However, despite these pressures, most respondents view their current financial outlook as stable, with many expecting moderate growth in the coming year. This careful blend of caution and confidence reflects a resilient mindset across the industry, as landscape professionals prepare to adapt, innovate and seize opportunities in 2025.