

INDUSTRY REPORT

# U.S. FENCE INSTALLATION AND PERIMETER SECURITY

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***Prepared by Dillon Park Partners LLC***

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## **Executive Summary**

The U.S. fence installation and perimeter security market remains highly fragmented despite accelerating private-equity-backed consolidation. As of Q1 2025, the fence installation market in the U.S. is estimated to be valued at ~\$15B, with the broader perimeter security market estimated around ~\$25B. Residential demand tempered in 2024 amid higher mortgage rates, but robust commercial and infrastructure spending kept overall growth positive (~3% YoY). Consolidators are targeting regional leaders with gate automation capabilities, driving EBITDA multiples into the 7x-9x+ range for premier, platform-sized assets (typically those with \$7M+ EBITDA). Contractors that integrate electronic access control and recurring rental or maintenance services (e.g., temporary fencing) command premium margins (18-25%+ EBITDA) versus plain installers (10-15%). Strategic investors should prioritize multi-service operators in high-growth markets to capture above-trend revenue and margin expansion. Near-term risks include steel price volatility and labor shortages, but steady security demand and federal infrastructure funding underpin a resilient outlook. Key recommendations for enhancing value: (1) pursue bolt-on acquisitions in areas adjacent to current service area to increase regional coverage and overall scale to receive higher rebates and purchase discounts (up to 15%) on materials from key suppliers; (2) deepen gate automation, maintenance service & security monitoring contracts to lift recurring cash flow; (3) lock-in commodity pricing through bulk-buy programs to stabilize gross margin.

## **1. Business Overview**

### **1.1 Industry Scope & Segments**

The U.S. fence installation industry (NAICS part of 23899) generates roughly \$14–15 billion in annual revenue. It encompasses residential fencing (homes, apartments) and commercial fencing (industrial, institutional, and infrastructure projects). Residential work (e.g., backyard privacy fences, pool enclosures, decorative picket fences) makes up about half of total demand by value, with the remainder in commercial and “nonbuilding” applications (e.g., fences for highways, airports, agriculture). The industry is highly fragmented – as of 2024 there were ~6,800 businesses nationwide, indicating most are small local contractors (average ~\$2.2M revenue per firm). No single company holds more than a few percent market share, though recent consolidation is creating some larger regional players.

### **1.2 Typical Business Models**

Most fence installers are specialty contractors focusing on fence and gate installation. Business models range from owner-operator crews (small local businesses handling residential jobs) to regional firms with multiple branch locations. A growing model is franchising – for example, Superior Fence & Rail has franchised dozens of local outlets under one brand (see Key Players below). Some large fence companies are vertically integrated, performing material fabrication and distribution alongside installation. For instance, Fenceworks in California not only performs