

THE 2025 RESTORATION BENCHMARKING SURVEY REPORT



If you've felt like the restoration industry has become more challenging to navigate in recent years, you're not alone. According to recent survey responses from restoration professionals nationwide, some real, shared challenges impact operations, growth, and profitability.

Whether you're a seasoned veteran or a new business owner, these top concerns may hit close to home and understanding them can help you act. As you read, notice what some of your peers have said about these issues.

Insurance company headaches

Let's start with the elephant in the room: insurance companies. Contractors report a range of issues, including slow payments, claim denials, reduced scopes, and unfair practices. Many of you feel like adjusters and third-party administrators (TPAs) are more interested in minimizing payouts than supporting proper restoration.

"Insurance companies are trying to control pricing, shorting scopes, and scaring clients out of filing claims."

Does this sound familiar? This type of control affects your ability to serve clients properly and to get paid what you're worth.

Cash flow strain

It's no surprise that cash flow remains a top pain point, given payment delays and mounting project costs. Poor cash flow disrupts everything, whether it's waiting on receivables, managing payroll, or handling upfront supply costs.

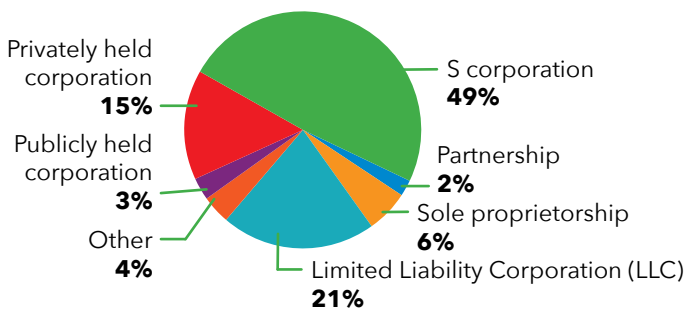
"AR collections and cash turnover are slowing down... and the claims industry is slowing too."

You can't scale or invest in your team if you constantly wait for checks that should've cleared weeks ago.

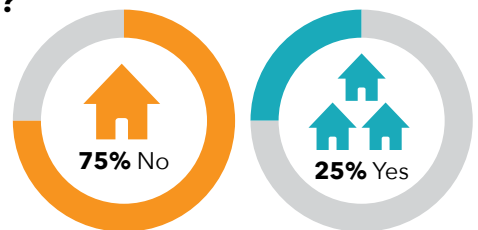
Labor and staffing shortages

Hiring and retaining quality talent is another consistent challenge. Restoration work demands skill, commitment, and availability, which aren't easy to find in today's job market.

Business type



Franchise, anyone?



About this report: The data recorded in this survey is based on answers from restoration contractors who responded to invitations to participate. Results are not necessarily based on audited financial statements.

See all results from this survey at cleanfax.com/2025-restoration-survey.

“Finding good labor help is nearly impossible.”
 “We can’t keep motivated employees.”
 “We get someone good, and they quickly start looking at better options.”

Many of you noted high turnover, lack of skilled trades, and the struggle to build a team you can rely on. Add in unpredictable weather patterns and labor availability, and staffing becomes a full-time job.

Competition—fair and otherwise

There’s healthy competition, and then there’s cutthroat, race-to-the-bottom competition that undercuts your value. Several of you are seeing a rise in low-quality players entering the industry due to low barriers to entry, along with growing pressure from preferred vendor networks and private equity-backed national firms.

“Too much competition... and ‘pay-for-play’ companies dominate local work.”

“Consolidation is creating unfair advantages.”

You’re not alone if you’ve been edged out of jobs because you weren’t part of a program or because your pricing reflects actual costs.

Rising costs and stagnant pricing

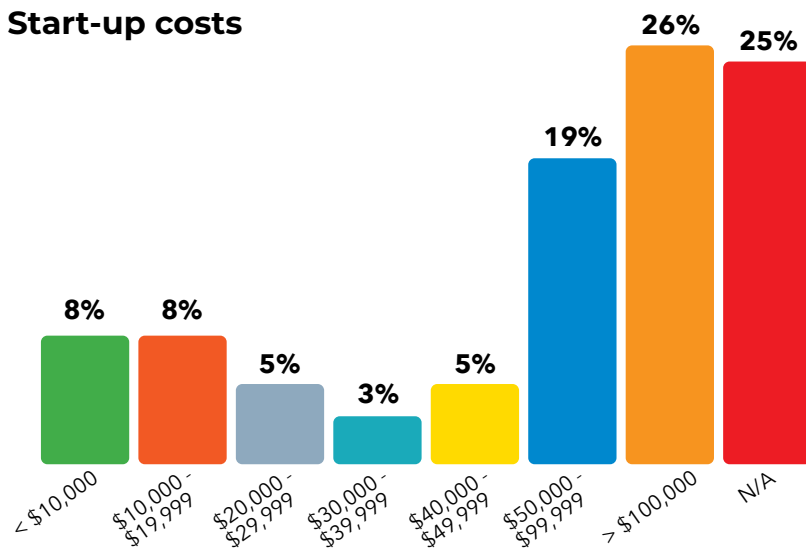
While everything from materials to insurance premiums continues to rise, many say pricing hasn’t kept up, especially when you’re stuck using fixed estimating platforms like Xactimate.

“Labor rates and material costs are increasing, but pricing programs don’t reflect reality.”

Without pricing flexibility, even well-managed jobs can squeeze your margins thin.

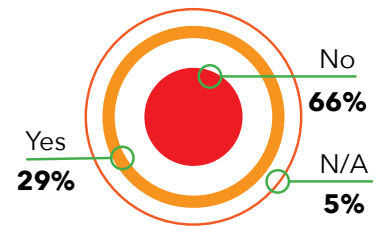
Analyze the 2025 Restoration Benchmarking Survey Report and do your due diligence in comparing your operations to the industry. [📄](#)

Start-up costs



30% participate in a **TPA PROGRAM**

Storm chasing



Services offered	CURRENTLY OFFER	DON'T OFFER	SUBCONTRACT	CONSIDERING ADDING
Water damage restoration	93%	4%	2%	1%
Sewage remediation	79%	13%	6%	2%
Mold remediation/Abatement	79%	10%	9%	2%
Fire/Smoke damage restoration	76%	15%	7%	2%
Biohazard/Trauma cleanup	62%	27%	9%	2%
Pack-out/Move-out	59%	20%	19%	2%
Contents restoration	52%	23%	23%	2%
Reconstruction/Remodeling	52%	22%	25%	1%
Consulting/Mold assessment	42%	18%	38%	2%
Wind damage (i.e., exterior repairs)	40%	35%	23%	1%

Residential vs. commercial

100% Residential - 0% Commercial.....**3%**
 90% Residential - 10% Commercial.... **25%**
 80% Residential - 20% Commercial... **23%**
 70% Residential - 30% Commercial... **19%**
 60% Residential - 40% Commercial.....**5%**
 50% Residential - 50% Commercial.....**5%**
 40% Residential - 60% Commercial.....**5%**
 30% Residential - 70% Commercial.....**6%**
 20% Residential - 80% Commercial.....**2%**
 10% Residential - 90% Commercial.....**5%**
 0% Residential - 100% Commercial.....**1%**

The most profitable services ...

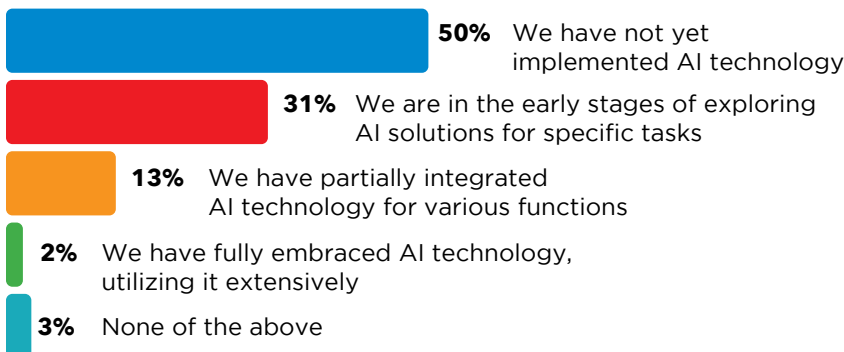


Restoration/ remediation equipment	LEASE	RENT
Yes	9%	52%
No	91%	41%

Annual restoration gross revenue

Less than \$99,999 **9%**
 \$100,000 to \$249,999..... **7%**
 \$250,000 to \$499,999..... **13%**
 \$500,000 to \$749,999..... **10%**
 \$750,000 to \$999,999 **6%**
 \$1 million to \$2.9 million.... **19%**
 \$3 million to \$4.9 million.... **10%**
 \$5 million to \$7.49 million... **9%**
 \$7.5 million to \$9.9 million.. **3%**
 More than \$10 million **10%**
 Refuse N/A..... **3%**

Implementing artificial intelligence (AI) technology



Restoration/ remediation GROSS profit margin in 2024

Less than 20% **12%**
 20-25% **11%**
 26-30% **9%**
 31-35% **16%**
 36-40% **12%**
 41-45% **7%**
 46-50% **10%**
 More than 50% **11%**
 Refuse N/A..... **11%**

The affordability of implementing AI technology to enhance restoration processes	
A concern, but we are exploring cost-effective solutions	25%
Manageable, and we are actively investing in technology	16%
A significant barrier, and it is currently beyond our budget	11%
Not a major concern, and we have allocated a substantial budget for adopting technology for our company	6%
None of the above	35%
Other	6%

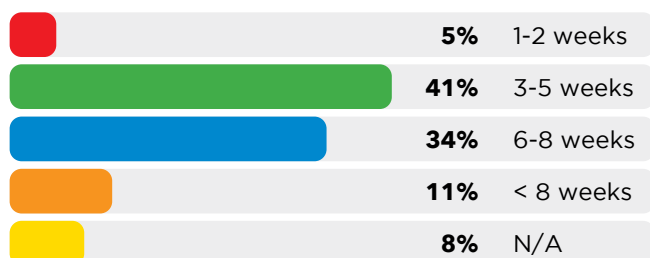
The top 5 challenges

01	Recruiting and retaining quality staff	81%
02	Maintaining margins and profitability	64%
03	Differentiating your company	47%
04	Cash flow challenges	46%
05	Increasing costs of doing business	38%

How you differentiate

Company experience/reputation	67%
One-stop shop (single-source service provider)	18%
Specialized services	8%
Industry-recognized certifications	3%
Value-added services	1%
Low-cost provider	0%
Other	3%

Insurance wait time



Largest factor impacting your company's revenues in 2024

Weather (positive impact)	20%
Economy (negative impact)	15%
Weather (negative impact)	13%
Insurance relationships	12%
Change in marketing strategy	7%
Labor shortage	7%
Diversified services offering	6%
Third-party administrators, a.k.a. TPAs (positive impact)	4%
Economy (positive impact)	4%
Third-party administrators, a.k.a. TPAs (negative impact)	3%
Acquisition of another company	0%
Litigation	0%
Other	8%

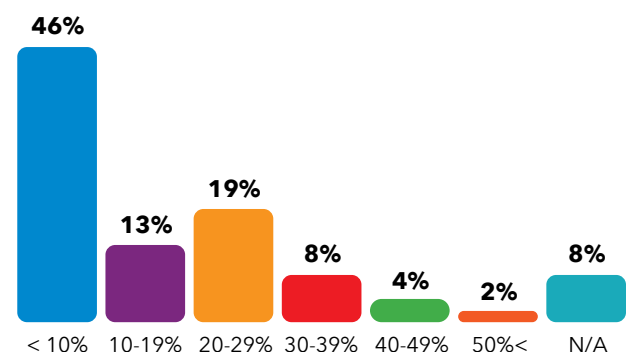
Lead-generation methods

Referrals	95%
Adjusters/Insurance agent relations	68%
Social media	63%
Networking (associations, chambers, etc.)	62%
Electronic media (website, email, Google Ads)	59%
Outside sales rep(s)	37%
Lead service	13%
Customer newsletter	13%
Radio ads	13%
Referral sites (Yelp, Angie's List)	12%
Yellow Pages/Newspaper ads	10%
Direct mail promotions	10%
TV ads	5%
Telemarketing	1%
Other	5%

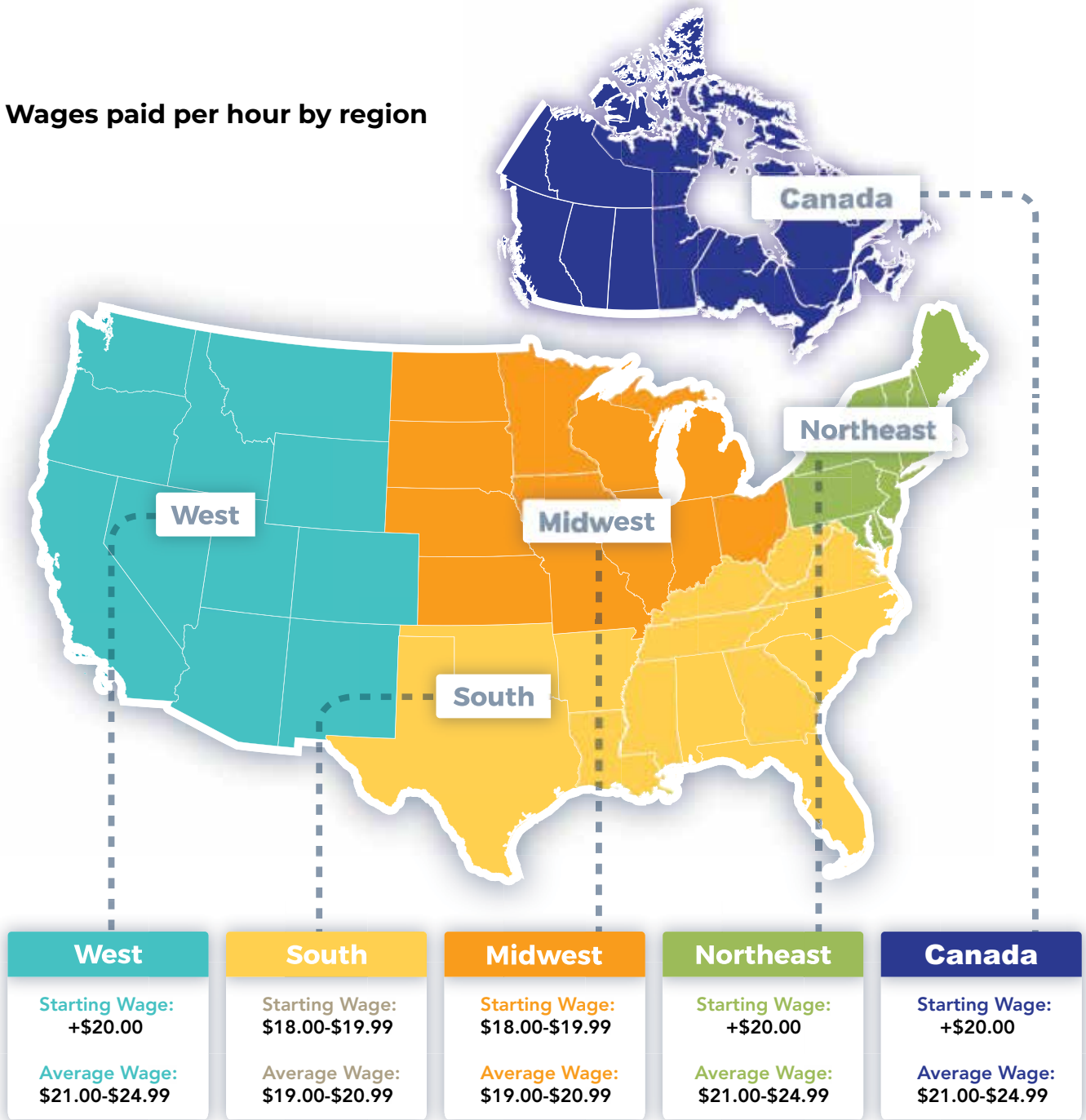
Gross sales growth rate in 2024 compared to 2023

0-1% growth	8%
1-3% growth	10%
4-6% growth	20%
7-10% growth	16%
11-15% growth	10%
16-20% growth	11%
More than 20% growth	8%
Negative growth	11%
Refuse N/A	6%

Annual employee turnover rate



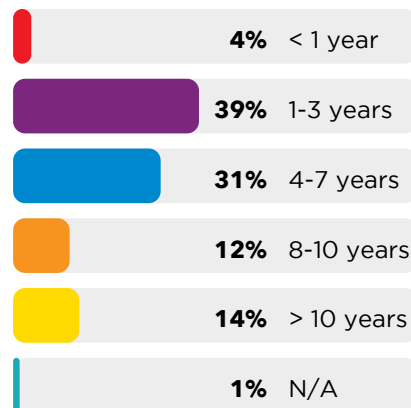
Wages paid per hour by region



Full-time equivalent (FTE) employees

1-5	32%	41-45	3%
6-10	15%	46-50	2%
11-15	8%	51-60	2%
16-20	8%	61-70	0%
21-25	8%	71-80	3%
26-30	8%	81-90	1%
31-35	1%	91-100	2%
36-40	3%	100+	2%

Employee tenure



Formal training

