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# Wood & Competitive Decking

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US Industry Study with Forecasts for **2011 & 2016**

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Study #2222 | July 2007 | \$4500 | 326 pages

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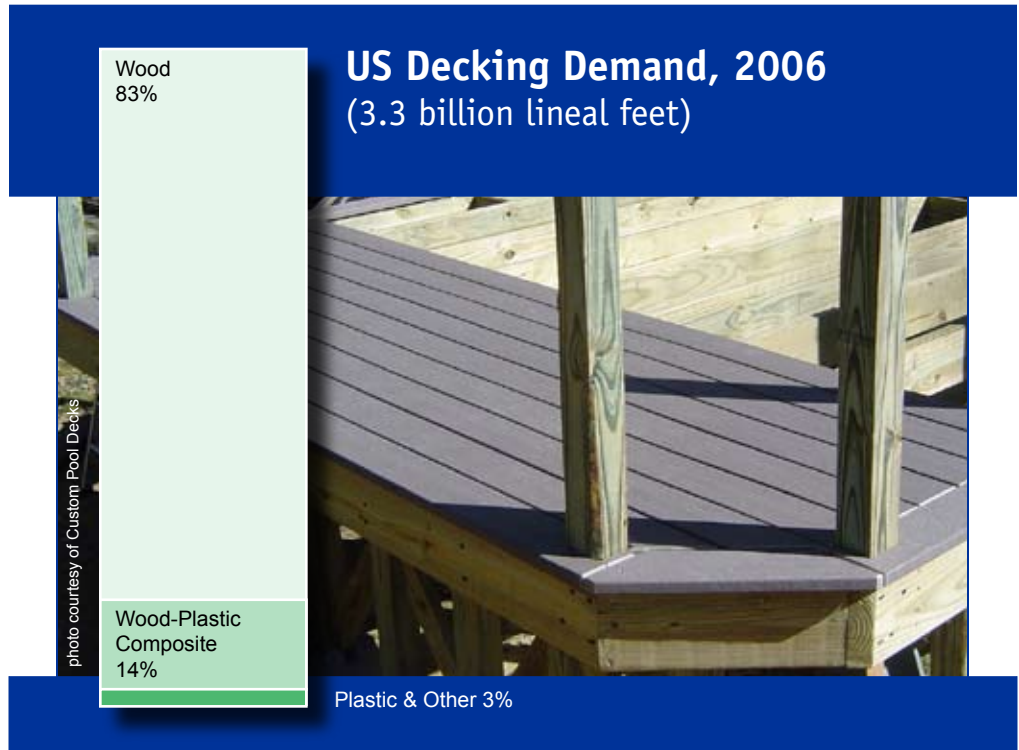
*Wood-plastic composite decking will lead gains, fueled by its high durability and low maintenance requirements, as well as by product advances that provide a more realistic wood appearance.*

## US demand to reach 3.6 billion lineal feet in 2011

US demand for decking is projected to advance 2.2 percent per year through 2011 to 3.6 billion lineal feet, valued at \$5.6 billion. Growth will be similar to the 2001 to 2006 period, despite a weaker new housing outlook. The decking market is relatively stable because more than 85 percent of demand is generated through improvement and repair activity, which is inherently less cyclical than the new construction market. New markets will offer more mixed prospects. Gains in new nonresidential construction activity will accelerate, while new residential and nonbuilding construction spending are expected to cool, limiting decking gains.

## Alternative decking materials to outpace wood

Over the course of the past decade, alternative decking materials such as wood-plastic composites, vinyl and polyethylene replaced natural wood materials at a rapid pace. These materials will continue to lead annual gains in the decking market through 2011, further eroding the market share of wood materials. Wood-plastic composite decking will provide the strongest growth opportunity, fueled by its high durability and low maintenance requirements, as well as by product advances that provide a more realistic wood appearance. Additionally, the favorable environmental profile of composites (some woodplastic blends use recycled materials), as well



as their increasing acceptance and availability, will drive gains. Plastic decking materials will also show strong growth through 2011. Demand for these materials, which include vinyl, polyethylene and other resin-based products, will benefit from many of the same performance characteristics as composites, such as lower maintenance requirements and long life. However, plastic decking materials often provide less favorable aesthetics and a much higher price than composite or wood materials, which often limits use in the large residential market.

## Wood to remain dominant

Through 2011, wood decking is expected to see a slight decline in demand,

restrained by growing competition from alternative materials and by ongoing concern over the safety of preservatives used to treat wood. An anticipated weakness in new housing, a key market for wood decking, will also hamper growth. Nevertheless, wood will remain the dominant material used to produce decks in the US going forward and continue to benefit from its good reputation and its aesthetic appeal. Pressure-treated wood in particular will continue to benefit from its lower price compared to other woods and alternative decking materials. Tropical hardwoods will lead gains in the wood segment, particularly in the high-end residential decking market.

## Sample Text, Table & Chart

### PRODUCTS

#### Demand by Volume & Value

Demand for wood-plastic composite decking is forecast through 2011 nearly **million lineal feet** fastest gains of any **will continue** by increasing acceptance **building profes** particularly in terms **an environn** friendly or green bu **the developn** product testing stand **posite materia** building codes will as **cking will cor** benefit from the switch in wood treatment technologies to **atives**, as the performance and durability of these products has fully determined. Gains will also be driven by the growing p of low-maintenance decking products and product advances aesthetics and performance. Furthermore, the increasing ava composite materials at home centers and lumberyards will fuel growth. However, wood remains a popular choice among consumers, limiting composite growth somewhat. Furthermore, growing competition from plastic decking and other alternative decking materials (e.g., non-wood composites) will hamper gains going forward.

Demand for composite decking in value terms is expected to rise over 13 percent annually to \$1.9 billion in 2011. Value growth will primarily be fueled by unit gains, as composite decking materials continue to increase their penetration in the US decking market. Price increases through 2011 will be minimal, as plastic prices are projected to moderate from highs in the 2001 to 2006 period. Nevertheless, the growing popularity of composite railing systems and accessories, which are typically 30 to 40 percent more expensive than boards, will aid value growth. Product advances and the rising popularity of more expensive composites (e.g., vinyl-based) will also support value gains. Growing competition within the composite decking market itself from an increasing number of participants and ongoing competition with less expensive pressure-treated wood decking materials will restrain pricing gains.

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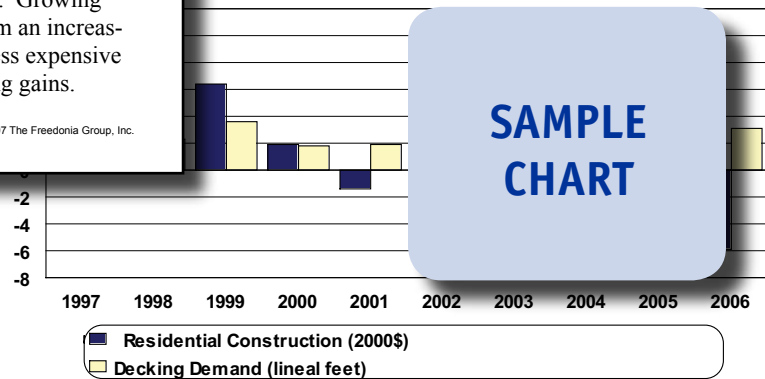
TABLE VI-8

SOUTH DECKING DEMAND BY SUBREGION & MARKET  
 (million lineal feet)

Item	1996	2001	2006	2011	2016
South Construction (bil 2000\$) lineal feet/000\$ construction	27	30	33	37.5	43
South Decking Demand				0	
By Subregion:					
South Atlantic				5	
East South Central				0	
West South Central				5	
By Market:					
Residential				5	
Nonresidential				0	
Nonbuilding				5	
% South Decking Demand	2	3	3	8	20

CHART II-2

DECKING GROWTH, 1997-2006  
 (annual percent change)



## Sample Profile, Table & Forecast

### COMPANY PROFILES

#### Hoover Treated Wood Products Incorporated

154 Wire Road  
 Thomson, GA  
 706-595-1264  
<http://www.frtv.com>

Annual Sales:  
 Employment:

Key Products: Lumber for decking

Hoover Treated Wood Products is a leading full-line treating company of fire-retardant and preservative-treated wood. The privately held company is owned by Berggruen Holdings Limited, formerly Alpha Private Equity Group, and Hoover's management.

The Company is a full-line wood pressure treatment company, with manufacturing operations in Pine Bluff, Arkansas; Thomson, Georgia; Winston, Oregon; Detroit, Michigan; and Milford, Virginia. Among the products suitable for decking applications are DURA-GUARD, EXTERIOR FIRE-X, Copper-8-quinolinolate (COP-8) and chromated copper arsenate (CCA) offerings. For example, DURA-GUARD alkaline copper quaternary wood preservative, which combines copper and an organic quaternary compound, is designed to enhance the durability of wood and improve its resistance to termites and decay in decking and other applications. Hoover Treated Wood Products' EXTERIOR FIRE-X pressure-impregnated fire-retardant lumber can provide fire protection for decks that are directly exposed to high humidity and other environmental hazards. This lumber, which is designed to resist decay, can be stained or painted.

COP-8 preservative is an oil-borne fungicidal water repellent formulated to reduce warping and splitting in wood. Lumber treated with

TABLE V-2

### RESIDENTIAL DECKING DEMAND BY MATERIAL TYPE & APPLICATION (million lineal feet)

Item	1996	2001	2006	2011	2016
Residential Construction (bil 2000\$)	33	33	33	33	33
lineal feet/000\$ construction					
Residential Decking Demand					
By Material Type:					
Wood					
Wood-Plastic Composite					
Plastic & Other					
By Application:					
New					
Improvement & Repair					
% residential Decking Demand					
\$/lineal foot					
Residential Decking Demand (mil \$)	1807	2165	2607	3430	4680

SAMPLE  
TABLE

**"Composite, Plastic & Other Decking --**  
 In contrast to the declines in the wood market, demand for nonwood decking materials (in the aggregate) are anticipated to see strong growth from a small base through 2011. These materials are projected to expand their share of the total new residential market to 15 percent, up from one percent in 1996. Wood-plastic composite materials will account for ..."

--Section V, pg. 160

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**OTHER STUDIES**

**Composite & Plastic Lumber**

US composite and plastic lumber demand will grow 10% yearly through 2011, based on performance advantages over wood. Wood-plastic composites will fare better than plastic lumber. Molding and trim will remain a key market while windows and doors, decking and other applications lead gains. This study analyzes the \$3.4 billion US composite and plastic lumber industry, with forecasts for 2011 and 2016 by material, application and market. It also evaluates company market share and profiles major players.  
 #2239 ..... 09/2007..... \$4500

**Nanotechnology in Construction**

US demand for nanomaterials in construction will reach \$100 million in 2011, and leap to \$1.75 billion by 2025. Coatings will be the largest application, followed by composites and concrete additives. Nanoscale silica, titanium dioxide, and clay will post substantial gains. This study analyzes the US market for nanomaterials in construction, with forecasts for 2011, 2016 and 2025 presented by product, application and market. It also considers market environment factors and profiles leading industry players.  
 #2185 ..... 05/2007..... \$4500

**World Siding (Cladding)**

Global demand for exterior siding (or cladding) will grow 3.8% yearly through 2010 based on a pickup in nonresidential building construction. Metal, concrete and stone, and fiber cement siding will grow the fastest. China, India and Russia will lead gains, while growth rates in developed countries will be slower. This study analyzes the 4.3 billion square meter world siding industry to 2010 and 2015 by product, market, world region and for 31 countries. It also evaluates market share and profiles major producers.  
 #2159 ..... 02/2007..... \$5500

**Wood Panels**

US demand for wood panels will decline 1.1% annually through 2010, restrained by a weak single family housing market. Best prospects will occur in smaller segments such as new nonresidential building and construction improvements and repairs. Nonstructural panels will see marginal increases based on a brighter outlook for manufacturing. This study analyzes the \$18.2 billion US wood panel industry to 2010 and 2015 by product, market and region. It also evaluates company market share and profiles major players.  
 #2124 ..... 01/2007..... \$4400

**Fencing**

The US fencing market will reach \$6.4 billion in 2010 based on a strong outlook for nonresidential building and nonbuilding construction. Repair, maintenance and improvement activity will drive demand in the agricultural and residential markets. Plastic and concrete fencing will post the fastest gains while metal and wood will remain dominant. This study analyzes the 875 million linear foot US fencing industry to 2010 and 2015 by type, market and region. It also details market share and profiles major firms.  
 #2132 ..... 11/2006..... \$4300

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