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Insulation

US Industry Study with Forecasts for **2014 & 2019**

Study #2628 | June 2010 | \$4900 | 308 pages

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INDUSTRY STRUCTURE

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The principal driver of demand will be the recovery of residential construction from weak 2009 levels, and from expanded production of major appliances and transportation equipment.

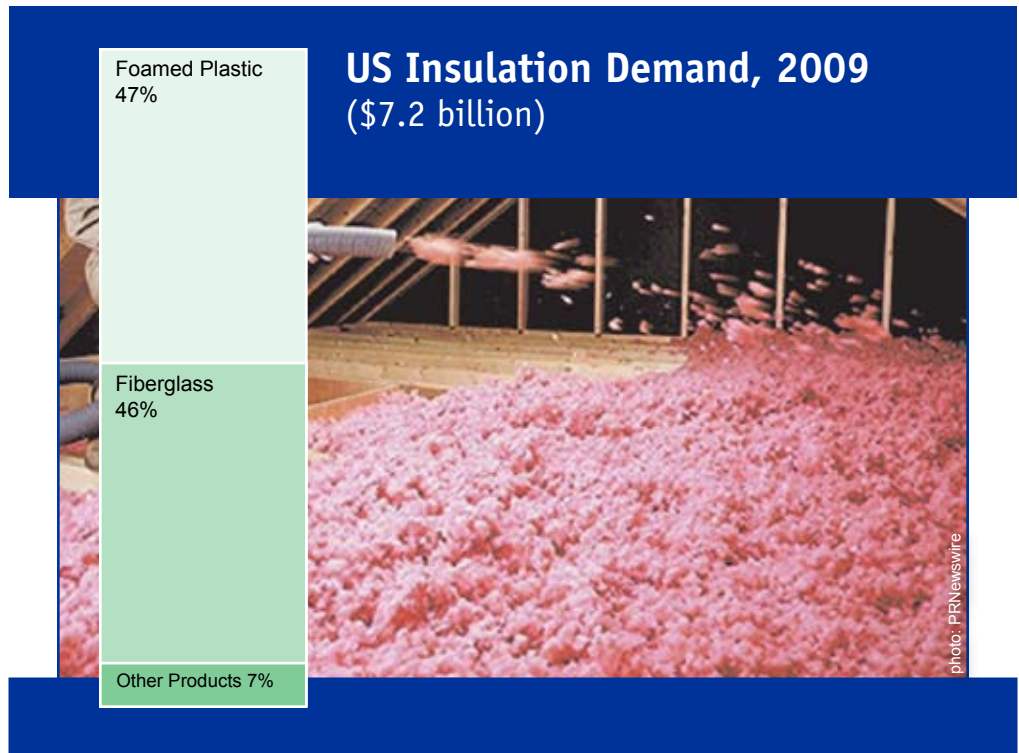
US demand to rise 7.4% annually through 2014

Demand for insulation materials in the US is projected to increase 7.4 percent annually from a weak 2009 base to \$10.2 billion in 2014. The principal driver of demand will be the recovery of residential construction from weak 2009 levels. Consumption of insulation will also benefit from expanded production of major appliances and transportation equipment, as these markets also rebound.

Fiberglass, cellulose types among best opportunities

Demand in the key fiberglass insulation segment is projected to increase 9.1 percent annually through 2014. The steep decline in new housing activity between 2006 and 2009 led to a significant drop-off in demand for fiberglass insulation, which is heavily dependent on the residential market. As new housing construction rebounds through 2014, demand for fiberglass insulation will once again become the leading insulation material in use in value terms, after briefly falling behind foamed plastic in 2009.

Consumption of foamed plastic insulation materials is forecast to expand 5.3 percent annually through 2014. While gains in demand were slight in the 2004-2009 time frame, foamed plastic insulation did not register the same sharp decline as fiberglass, reflecting the fact



that foamed plastic insulation is less heavily concentrated in residential markets. Through 2014, foamed plastic insulation will benefit from the recovery in new housing construction, even though nonresidential markets will remain the major contributor to demand. Foamed plastic demand will also benefit from the increasing production of major appliances and transportation equipment.

While small in value terms, cellulose insulation will post the fastest growth in demand through 2014, advancing more than 14 percent annually. The environmental and performance advantages of cellulose insulation will benefit demand, although the primary demand driver will be the strong rebound in new housing construction.

Reflective/radiant insulation to outpace fiberglass

Consumption of reflective insulation and radiant barrier materials is expected to increase almost ten percent annually through 2014. Demand will benefit from growing market acceptance and the recovery in new housing construction activity. Nonresidential markets are the primary outlet for reflective and radiant barrier materials. These materials are complementary to other insulation materials, rather than being a replacement for them. Thus, continued education of builders and homeowners as to the advantages of reflective and radiant insulation will benefit demand.

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Sample Text, Table & Chart

PRODUCTS

Reflective Insulation & Radiant Barriers

Demand for reflective insulation and radiant barriers is expected to increase 9.7 percent annually through 2019. Continued recovery of these comparatively new products is expected to benefit from the recovery of the new housing market and the gains across all market segments. Reflective insulation is used in residential and other nonresidential structures.

SAMPLE TEXT

Reflective insulation and radiant barriers will continue to gain their presence in US insulation markets, particularly in the Southeast. Ease of installation, fiber-free composition, lightweight design and barrier qualities give reflective insulation and radiant barriers advantages over competing insulation materials, particularly in construction applications. In addition, reflective insulation and radiant barriers can be used in combination with other types of insulation to enhance the total R-value for the application. Rising energy costs will help fuel the use of reflective insulation and radiant barriers in residential applications.

Nevertheless, demand for reflective insulation and radiant barriers will continue to account for a very small share of the market. Lack of consumer knowledge and negative perceptions among builders regarding these products will need to be overcome to drive demand in the long term. In addition, the familiarity of fiberglass and cellulose insulation in construction markets gives those materials an advantage in terms of user acceptance. In colder climates, radiant barriers can be used in structures as they act as a vapor barrier, potentially causing time condensation. Also, if radiant barriers are used in conjunction with reflective roofing systems, the barrier may not add any benefit and could potentially trap heat in the structure at night, which would be a disadvantage in the summer months.

111

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TABLE VI-6

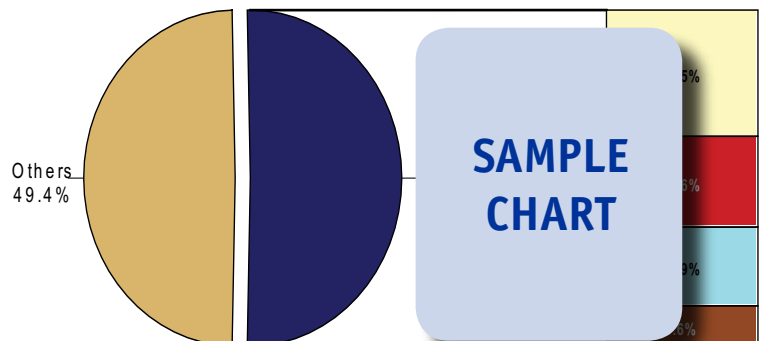
NORTHEAST INSULATION DEMAND BY SUBREGION & MARKET (million dollars)

Item	1999	2004	2009	2014	2019
Northeast Construction Expenditures (billions of \$ insulation/000\$ construction)	31	2			
Northeast Insulation Demand	0				
By Subregion:					
New England	0				
Middle Atlantic	0				
By Market:					
Residential	5				
Nonresidential	5				
Industrial, HVAC & Other	0				
% Northeast Insulation Demand	1				
	65%	10%	11%	12%	12%

SAMPLE TABLE

CHART VII-1

INSULATION MARKET SHARE BY COMPANY (\$7.1 billion, 2009)

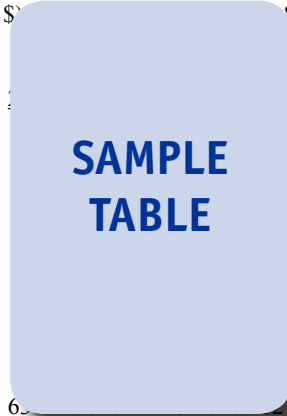


SAMPLE CHART

Sample Profile, Table & Forecast

TABLE V-3
RESIDENTIAL CONSTRUCTION MARKET
FOR INSULATION BY MATERIAL
 (million dollars)

Item	1999	2004	2009	2014	2019
Residential Building Construction (bil \$)					861
\$ insulation/000\$ construction					6.1
Residential Insulation Demand					80
Fiberglass					10
Foamed Plastics:					85
Rigid Urethane					95
Other Foamed Plastics					90
Cellulose					40
Mineral Wool					42
Reflective/Radiant					90
Other					13
% residential construction					1.6
Insulation Demand	6.2				2700



COMPANY PROFILES

Homasote Company
 932 Lower Ferry Road
 West Trenton, NJ 08628
 609-883-3300
<http://www.homasote.com>

Annual Sales
 Employment

Key Products: boards, and underlays

Homasote products used in various construction applications among the privately held companies in the building materials and packing products for industrial customers.

Homasote competes in the US insulation industry via the manufacture of composite insulation boards, which include THERMASOTE types and NCFR THERMASOTE roof insulation. THERMASOTE is a nailable composite of asbestos-free weather-resistant 440 HOMASOTE insulation and polyisocyanurate (ISO) foam with a bottom facer of fibrous glass. This product is designed for use with the Company's HOMASOTE roof decking, wood or other structural decking, and can also be used as roof insulation. NCFR THERMASOTE insulation from the Company features fire-resistant NCFR HOMASOTE board and ISO foam with a fibrous glass bottom facer.

Among the additional insulating products from Homasote is 440 SOUNDBARRIER, a structural board that is made of 100-percent cellulose fiber. This product is resistant to termites, rot, fungal growth and

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“Consumption of insulation in new housing applications is projected to advance nearly 26 percent annually from a very weak 2009 base to 114 billion square feet of R-1 value in 2014. The expected rebound in new housing construction -- particularly for single-family homes, which are the leading consumers of insulation materials -- will drive gains in insulation demand. In addition to rapidly rising housing starts, demand will also benefit from increasing insulation usage per home.”
 --Section V, pg. 138

OTHER STUDIES

World Insulation

This study analyzes the global insulation industry. It presents historical demand data for the years 1999, 2004 and 2009 and forecasts for 2014 and 2019 by insulation material (e.g., foamed plastic, fiberglass, mineral wool), market (construction; industrial, HVAC and OEM), world region and major national market. The study considers market environment factors, details industry structure, evaluates company market share and profiles industry players.

#2707 February 2011 \$6100

World Drywall & Building Plasters

Global demand for drywall is forecast to advance 8.4% annually to 2014. Over four-fifths of new demand will be attributable to the US and the Asia/Pacific region. The residential market will outpace nonresidential demand. Global building plaster demand will advance 5.3% annually to 2014. This study analyzes the world drywall and building plaster industry, with forecasts by product, world region and for 17 countries. It also evaluates company market share and profiles industry participants.

#2643 June 2010 \$5800

Siding

Demand for siding in the US is forecast to grow 6.5% annually through 2014, driven by a rebound in housing completions from depressed levels in 2009. Fiber cement, stucco and brick siding will see the most rapid advances. Vinyl siding will remain the largest segment and will continue to supplant wood. This study analyzes the 74 million square US siding industry, with forecasts for 2014 and 2019 by material, market and US region. It also evaluates company market share and profiles industry players.

#2623 04/2010 \$4900

Foamed Plastics

US foamed plastics demand will reach 8.4 billion pounds in 2013 as key construction and motor vehicle markets recover. Foamed urethane will remain the largest segment while foamed LDPE grows the fastest. Construction will provide the best opportunities based on growth in insulation and carpet underlay applications. This study analyzes the \$22.5 billion US foamed plastics industry, with forecasts for 2013 and 2018 by market and product. It also evaluates company market share and profiles industry players.

#2532 07/2009 \$4700

Glass Fibers

US glass fiber demand will grow 3.3% yearly through 2013. Glass wool fiber will lead gains based on a rebound in new home building and more intensive use of fiberglass insulation per new housing unit. Textile glass fiber will be driven mainly by use in reinforced plastics, but will be restrained by maturing markets and lower-cost imported fibers. This study analyzes the 6.1 billion pound US glass fiber industry, with forecasts for 2013 and 2018 by type and market. It also details market share and profiles industry players.

#2505 06/2009 \$4700

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