Brick & Block

US Industry Study with Forecasts for 2014 & 2019

Study #2652 | September 2010 | $4800 | 245 pages
Table of Contents

EXECUTIVE SUMMARY

MARKET ENVIRONMENT
Macroeconomic Environment .......................... 5
Demographic Trends .................................... 9
Consumer Spending Trends ............................ 12
Construction Trends .................................... 14
Building Construction .................................. 18
Residential .............................................. 21
Housing Outlook ....................................... 23
Housing Stock .......................................... 27
Improvements & Repairs ............................... 30
Nonresidential ......................................... 31
New Construction ...................................... 32
Improvements & Repairs ............................... 34
Nonbuilding Construction ............................. 35
Brick & Block Market Trends ......................... 37
Pricing Trends .......................................... 40
Foreign Trade .......................................... 42
International Overview ................................ 43

OVERVIEW
Manufacturing ........................................... 46
Clay Brick Manufacturing ............................. 46
Concrete Block Manufacturing ....................... 48
Raw Materials .......................................... 48
Vertical Integration .................................... 50
Environmental & Regulatory Issues .................. 51
Environmental Issues .................................. 51
Recycling .............................................. 52
Green Building Trends ................................ 53
Competitive Materials .................................. 54

PRODUCTS
General .................................................. 57
Clay Brick .............................................. 61
Common Clay Brick ................................... 63
Glazed Clay Brick ..................................... 68
Other Clay Brick ....................................... 70
Concrete Brick & Block ............................... 75
Structural Concrete Block ............................ 77
Concrete Pavers ........................................ 81
Concrete Brick ......................................... 83
Decorative Concrete Block ........................... 85

MARKETS
General ................................................. 89
Residential Building ................................... 92
New ....................................................... 94
Improvement & Repair ................................ 97
Demand by Housing Type ............................ 100
Single-Family .......................................... 102
Multifamily ............................................. 104
Manufactured Housing ............................... 106
Nonresidential Building ............................... 109
New ....................................................... 112
Improvement & Repair ............................... 115
Nonbuilding Construction ............................ 117

APPLICATIONS
General ................................................... 120
Siding ..................................................... 122
Structural ............................................... 125
Chimneywork ......................................... 128
Fencing ................................................... 131
Other Applications ..................................... 133

REGIONS
General ................................................... 136
Regional Economic & Demographic Trends ........ 137
Economic Outlook .................................... 137
Population Patterns .................................... 139
Construction Activity .................................. 141
Housing Trends ........................................ 144
Brick & Block Demand ............................... 146
Northeast ............................................... 149
New England .......................................... 151
Middle Atlantic ....................................... 152
Midwest ............................................... 153
East North Central .................................... 155
West North Central ................................... 156
South .................................................... 157
South Atlantic ........................................ 160
East South Central .................................... 161
West South Central ................................... 162
West ..................................................... 163
Mountain ............................................... 166
Pacific ................................................... 167

INDUSTRY STRUCTURE
General ................................................... 169
Industry Composition ................................ 170
Market Share ......................................... 172
Competitive Strategies ............................... 176
Product Development ................................. 179
Marketing & Distribution ............................ 180
Acquisitions & Divestitures ......................... 181

COMPANY PROFILES
Belden Brick ........................................... 183
Berkshire Hathaway ................................... 185
Boral Limited .......................................... 188
Bowerston Shale ....................................... 191
Carolina Ceramics Brick ............................. 192
Castle & Cooke ........................................ 194
CEMEX SAB ........................................... 197
Cherokee Brick & Tile ................................ 199
Columbus Brick ........................................ 200
CRH plc ................................................. 201
Elgin Butler .......................................... 207
Endicott Clay Products ............................... 209
Hebron Brick Supply .................................. 211
HeidelbergCement AG ................................ 212
Henry Brick .......................................... 215
Ideal Concrete Block .................................. 216
Jenkins Brick .......................................... 219
Kasten Masonry ....................................... 220
Lawrenceville Brick ................................... 221
Lee Masonry Products ............................... 222
McAvoy Brick .......................................... 224
Morin Brick .......................................... 225
Nash Brick .......................................... 226
Old World Bricks ..................................... 227
Pavestone Company .................................. 228
Pine Hall Brick ........................................ 231
Richards Brick ........................................ 232
Taylor Clay Products ................................. 233
Titan Cement .......................................... 235
Triangle Brick ......................................... 236
Whitacre-Greer Fireproofing ......................... 237
Wienerberger Baustoffindustrie ..................... 239

Additional Companies
Mentioned in the Study ............................... 243

Page 2
List of Tables

EXECUTIVE SUMMARY
1 Summary Table................................ 3

MARKET ENVIRONMENT
1 Macroeconomic Indicators.............. 8
2 Population & Households............. 12
3 Personal Consumption
   Expenditures................................ 14
4 Construction Expenditures........... 18
5 Building Construction
   Expenditures.............................. 21
6 Residential Building Construction
   Expenditures.............................. 21
7 Private Housing Completions...... 27
8 Housing Stock by Type............. 29
9 Residential Improvement
   & Repair Expenditures............... 31
10 Nonresidential Building
    Construction Expenditures.......... 34
11 Nonresidential Building
    Improvement & Repair
    Expenditures.......................... 35
12 Nonbuilding Construction
    Expenditures............................ 37
13 Brick & Block Market, 1999-2009 39
14 Brick & Block Pricing.............. 42
15 Brick & Block Foreign Trade....... 43

PRODUCTS
1 Brick & Block Demand................. 59
2 Clay Brick Demand.................... 63
3 Common Clay Brick Demand...... 68
4 Glazed Clay Brick Demand......... 70
5 Other Clay Brick Demand......... 74
6 Concrete Brick & Block Demand... 76
7 Structural Concrete Block Demand 80
8 Concrete Paver Demand............ 83
9 Concrete Brick Demand............ 85
10 Decorative Concrete
    Block Demand............................ 88

MARKETS
1 Brick & Block Demand by Market... 91
2 Residential Market for
   Brick & Block.......................... 94
3 New Residential Market
   for Brick & Block..................... 96
4 Residential Improvement & Repair
   Market for Brick & Block........... 100
5 Residential Brick & Block Demand
   by Housing Type...................... 102
6 Single-Family Housing Market
   for Brick & Block..................... 104
7 Multifamily Housing Market
   for Brick & Block..................... 106
8 Manufactured Housing Market
   for Brick & Block..................... 109
9 Nonresidential Building Market
   for Brick & Block..................... 112
10 New Nonresidential Building
    Market for Brick & Block.......... 115
11 Nonresidential Building
    Improvement & Repair
    Market for Brick & Block.......... 117
12 Nonbuilding Market for
    Brick & Block......................... 119

APPLICATIONS
1 Brick & Block Demand
   by Application.......................... 121
2 Siding Demand for Brick & Block 125
3 Structural Demand for
   Brick & Block.......................... 127
4 Chimneywork Demand
   for Brick & Block..................... 131
5 Fencing Demand for
   Brick & Block.......................... 133
6 Other Applications for
   Brick & Block.......................... 135

REGIONS
1 Gross Domestic Product
   by Region............................... 139
2 Population by Region................. 141
3 Construction Expenditures
   by Region................................ 143

INDUSTRY STRUCTURE
1 US Brick & Block Revenues for
   Selected Producers, 2009........... 172
2 Brick & Block Market, 1999-2009 40
3 US Brick & Block
   Market Share, 2009.................... 174
As residential construction rebounds through 2014, demand for clay brick will improve considerably over the weak performance of 2009, but will still be below the record level of 2004.

**US demand to rise 11.8% annually through 2014**

Demand for brick and block products is projected to increase nearly twelve percent annually from a weak 2009 base to 12.4 billion units in 2014, valued at $8 billion. The expected recovery in building construction, specifically residential construction, will drive growth.

**Clay brick to outpace concrete brick and block**

Consumption of clay brick products tends to be concentrated in residential markets, reflecting the heavy use of clay brick as a siding material in new home construction. In 2009, demand for clay brick was very low -- less than one-half the 2004 level -- due to the ongoing severe contraction in new housing construction. As residential construction (particularly new single-family housing) rebounds through 2014, demand for clay brick will benefit, advancing 15 percent annually to 8.2 billion units in 2014, a considerable improvement over the weak performance of 2009 but still below the record level of 2004.

**Concrete products to also gain from housing recovery**

Demand for concrete brick and block products is projected to increase 6.9 percent annually to 4.3 billion units in 2014. Although the majority of demand will remain concentrated in nonresidential markets, the most significant growth opportunities will derive from the recovery in the housing market. This will benefit concrete brick (used in siding, paving and landscaping applications) and concrete pavers. Much slower gains will occur in structural and decorative concrete block products, which are more heavily reliant on nonresidential construction.

**Price increases to be less dramatic through 2014**

Aggregate brick and block pricing rose sharply in the 2004-2009 time frame, reflecting high energy costs. While average prices for each product group will rise through 2014, these increases will be less dramatic than in the previous period. However, because growth through 2014 will be heavily concentrated in lower unit cost clay brick, aggregate prices will remain flat.

Several hundred manufacturers of brick and block products are active in the US industry. The vast majority of these are relatively small producers who tend to market their products over a limited geographic area. Nevertheless, there are a small number of very large competitors who compete on a regional or national scale through the use of multiple plants located throughout the country. In 2009, the eight largest suppliers to the US brick and block market held an aggregate share of 41 percent.
Demand for structural concrete block is projected to increase 6.1 percent annually to 2.9 billion units in 2014, valued at $3.9 billion. Growth will derive primarily from increasing construction activity in residential markets, which will account for a smaller portion of demand. Nonresidential markets will continue to dominate demand. Considered siding in some quarters and as an unfinished structural material in others, for the purposes of this report, conventional concrete block is considered to be exclusively structural, rather than a siding material.

A number of different structural concrete block products are available, with the exact dimensions and styles varying slightly from manufacturer to manufacturer. In general, structural block is divided into three categories -- lightweight, medium weight and normal weight. These distinctions are based on different weight per volume ratios, a result of using different raw materials and production methods. For example, an 8-inch-by-8-inch-by-24-inch lightweight unit weighs only 35 pounds, while a smaller (8-inch-by-8-inch-by-16-inch) medium weight unit weighs 50 pounds. By switching to lightweight units, builders can improve productivity, reduce worker injuries, lower costs and shorten construction times.

Concrete block masonry units possess very good insulation qualities, due to their hollow core construction, so that the two side walls of the block are separated by an air cavity. These voids can also be filled with insulation, such as plastic foam or perlite, either at the factory or on site, in order to improve the insulation characteristics of the block. In some cases, the assembled walls are also filled with concrete, which improves both the structural and insulation qualities of the product.
Sample Profile, Table & Forecast

COMPANY PROFILES

Pine Hall Brick Company Incorporated
2701 Shorefair Drive
Winston-Salem, NC 27105
336-721-7500
http://www.pinehallbrick.com

Annual Sales: $25 million (estimated)
Employment: 250 (estimated)
Key Products:

Pine Hall Brick Company manufactures and sells standard and specialty bricks and pavers. The Company’s products are suitable for use in the construction of residential, institutional, educational, commercial and other structures. Pine Hall Brick is privately held.

The Company participates in the US brick and block industry through the production and marketing of face and specialty bricks, and pavers. Pine Hall’s face bricks are made using clay and are available in red, pink, orange, burgundy, brown/tan and grey/white colors. Among these products are CLASSIC series bricks, which are straight-edge bricks that have been fired at temperatures greater than 2,000 degrees Fahrenheit; GUILDCRAFT oversized, rough-textured types; OLD WORLD bricks with rounded edges; HERITAGE styles that have handcrafted textures and an antique look; TIDEWATER oversized tumbled varieties; VINTAGE COLLECTION oversized, simulated tumbled bricks, which are designed to be an economical alternative to tumbled bricks; and TRADITIONAL bricks. Furthermore, the Company makes THINCLAD thin veneer face bricks that are 1/2-inch thick and engineered for kitchen, wine cellar and other projects that can’t handle the depth of full-size bricks. Specialty bricks from Pine Hall include splay and bullnose stretchers, ogees, watertables, sills, traditional and mitered.

“Consumption of brick and block in nonresidential markets in the Northeast region is forecast to expand 3.2 percent annually to 560 million units in 2014. Nonresidential markets will continue to be the largest outlet for brick and block in the Northeast, accounting for 46 percent of regional demand in 2014. The size of the nonresidential market in the Northeast reflects the region’s significance in office, commercial and institutional building, coupled with a relatively high preference toward full basements in new home construction, all of which will benefit demand for concrete block.”

--Section VII, pg. 150
Corporate Use License

Now every decision maker in your organization can act on the key intelligence found in all Freedonia studies. For an additional $2600, companies receive unlimited use of an electronic version (PDF) of the study. Place it on your intranet, e-mail it to coworkers around the world, or print it as many times as you like.

Click here to learn more about the Corporate Use License

[Order Information]

Five Convenient Ways to Order

ONLINE: www.freedoniagroup.com
MAIL: Print out and complete the order form and send to The Freedonia Group (see address at the bottom of this form)
PHONE: Call toll free, 800.927.5900 (US) or +1 440.684.9600
FAX: +1 440.646.0484 (US)
EMAIL: info@freedoniagroup.com

Free Handling & Shipping

There is NO charge for handling or UPS shipping in the US. Expect delivery in 3 to 5 business days. Outside the US, Freedonia provides free airmail service. Express delivery is available at cost.

Orders Outside of the US

Checks must be made payable in US funds, drawn against a US bank and mailed directly to The Freedonia Group. For wire transfers please contact our customer service department at info@freedoniagroup.com. Credit cards accepted.

Save 15%

If you order three (3) different titles at the same time, you can receive a 15% discount. If your order is accompanied by a check or wire transfer, you may take a 5% cash discount (discounts do not apply to Corporate Use Licenses).

[Order Form]

Brick & Block ................................................................. $4800

[ ] Corporate Use License (add to study price) *

+ $2600

[ ] Additional Print Copies @ $600 each *

Total (including selected option) $_____________________

Enclosed is my check (5% discount) drawn on a US bank and payable to

The Freedonia Group, Inc., in US funds (Ohio residents add 7.75% sales tax)

[ ] Bill my company [ ] American Express [ ] MasterCard [ ] Visa

(No PO Box please)

Currency ________________________ MM YY

Street

City/State/Zip __________________________

Country __________________________

Phone ________________________ Fax ________________________

Email __________________________

Signature __________________________

* Please check appropriate option and sign below to order an electronic version of the study.

[ ] Individual Use License Agreement

The undersigned hereby represents that the above captioned study will be used by only ____ individual(s) who are employees of the company and that the study will not be loaded on a network for multiple users. In the event that usage of the study changes, the Company will promptly notify Freedonia of such change and will pay to Freedonia the appropriate fee based on Freedonia’s standard fee schedule then in effect. Note: Entire company corporate use license, add $2600; one additional user, add $600; two additional users, add $1200; three additional users, add $1800.

Signature __________________________

[ ] Corporate Use License Agreement

The above captioned study may be stored on the company’s intranet or shared directory, available to company employees. Copies of the study may be made, but the undersigned represents that distribution of the study will be limited to employees of the company.

Signature __________________________

Page 7
Other Studies

World Housing
Global demand for new housing will rise 3% yearly to 2014. North America, Western Europe and Japan will grow the fastest from steep recent declines. Among developing areas, the Asia/Pacific region will build the most new units while the Africa/Mideast region grows the fastest. The global housing stock will rise 1.8% yearly. This study analyzes the 1.9 billion unit world housing industry, with forecasts for 2014 and 2019 by type, world region and for 22 countries. It also considers market environment influences on demand.
#2692 ................ September 2010............... $5300

Fencing
Demand for fencing in the US is forecast to expand 2.9% yearly to 2014, based on a rebound in housing completions. Residential buildings will be the fastest growing market and remain the largest. Plastic and composite fencing will be the most rapidly growing material type. This study analyzes the 737 million linear foot US fencing industry, with forecasts for 2014 and 2019 by material type, market and geographic region. It also evaluates company market share and profiles industry players.
#2682 ................ September 2010............... $5900

Cement & Concrete Additives
US cement and concrete additive demand will rise 9.9% yearly through 2014. The residential building market will grow the fastest, followed by highway and street uses based on continued federal transportation funding. Chemical additives will remain the largest segment, while mineral and fiber additives lead gains. This study analyzes the $1.9 billion US cement and concrete additive industry, with forecasts for 2014 and 2019 by product and market. It also evaluates company market share and profiles industry players.
#2657 ................ July 2010............... $4800

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 ................ April 2010............... $4900

Landscaping Products
US landscaping product demand is forecast to grow 6.1% yearly through 2013 based on a recovery in the housing market. Decorative products will benefit from the relatively low market penetration of water features. Hardscapes will see favorable growth as consumers value pavers, stones and boulders for patios, walkways and surrounds. This study analyzes the $5.6 billion US landscaping product industry, with forecasts for 2013 and 2018 by type, market, end use and region. It also evaluates market share and profiles industry players.
#2488 ................ April 2009............... $4700

About The Freedonia Group

The Freedonia Group, Inc., is a leading international industry market research company that provides its clients with information and analysis needed to make informed strategic decisions for their businesses. Studies help clients identify business opportunities, develop strategies, make investment decisions and evaluate opportunities and threats. Freedonia research is designed to deliver unbiased views and reliable outlooks to assist clients in making the right decisions. Freedonia capitalizes on the resources of its proprietary in-house research team of experienced economists, professional analysts, industry researchers and editorial groups. Freedonia covers a diverse group of industries throughout the United States, the emerging China market, and other world markets. Industries analyzed by Freedonia include:
- Chemicals
- Plastics
- Life Sciences
- Packaging
- Building Materials
- Security & Electronics
- Industrial Components & Equipment
- Automotive & Transportation Equipment
- Household Goods
- Energy/Power Equipment

Freedonia Custom Research

Freedonia Custom Research delivers the same high quality, thorough and unbiased assessment of an industry or market as an industry study. Since the research initiative is based upon a company’s specific needs, companies harness Freedonia’s research capabilities and resources to answer unique questions. When you leverage the results of a Freedonia Custom Research engagement, you are able to obtain important answers to specific questions and issues associated with: mergers and acquisitions, new product launches/development, geographic expansion, entry into new markets, strategic business planning, and investment and funding decisions.

Freedonia Custom Research is ideal for companies seeking to make a strategic difference in the status quo and focus on future business growth. Working side by side with clients, Freedonia’s team is able to define a research project that is customized to answer specific questions and provide the basis from which a company can make informed business decisions.

Click here for complete title list
Click here to visit freedoniagroup.com

The Freedonia Group, Inc. 767 Beta Drive • Cleveland, OH • 44143-2326 • USA • Web site: www.freedoniagroup.com
Tel US: 800.927.5900 or +1 440.684.9600 • Fax: +1 440.646.0484 • e-mail: info@freedoniagroup.com