Precast Concrete Products

US Industry Study with Forecasts for 2015 & 2020

Study #2746 | March 2011 | $4800 | 276 pages
Table of Contents

EXECUTIVE SUMMARY

MARKET ENVIRONMENT

General ................................................. 4
Macroeconomic Environment .................... 5
Demographic Trends ................................ 9
Construction Trends ................................ 14
Residential Buildings .......................... 17
Housing Starts .................................. 20
Housing Stock .................................. 24
Improvements & Repairs ....................... 28
Nonresidential Buildings ................. 29
New ........................................ 30
Improvements & Repairs ....................... 32
Nonresidential Building Stock .............. 34
Nonbuilding Construction ..................... 36
Nonbuilding Construction Stock .......... 38
Public Highway Spending ..................... 39
Water & Sewer Spending ....................... 41
Agricultural Outlook .......................... 44
Pricing ........................................ 47
Historical Trends ............................... 49
Building Code Regulations .................. 51
Building Construction Practices .......... 54
Nonbuilding Construction Practices ...... 55
Environmental Issues ......................... 56
LEED ........................................ 56
Other Certification Programs .............. 58
Emissions & Energy Use Reductions .... 60
Recycling ..................................... 61
American Recovery and Reinvestment ..... 62
Act of 2009 ................................ 62
Foreign Trade ................................ 63
World Overview ................................ 64

PRODUCTS

General ................................................. 67
Supply & Demand .............................. 69
Demand by Type ............................... 71
Demand by Product ......................... 73
Structural Building Components .......... 75
Floor & Wall Units ............................ 78
Prefabricated Building Systems .......... 82
Structural Supports .......................... 85
Underground Structural Products ........ 90
Other Structural Building Components ... 95
Architectural Building Components ..... 97
Decorative Façades ......................... 100
Roofing Tiles ................................ 101
Door & Window Components ............ 102
Siding ......................................... 103
Interior Walls ................................ 104
Fencing ....................................... 104
Other Products ................................ 105
Transportation Products ................. 106
Bridges ....................................... 109
Noise Barriers .............................. 111
Traffic Barriers .............................. 112
Pavement Slabs ............................. 113
Other ........................................ 114
Water & Waste Handling Products .... 115
Septic Tanks ................................. 118
Manholes .................................. 120
Other Products ................................ 121
Cemetery Products ........................... 122
Vaults ....................................... 124
Mausoleums & Other Products .......... 125
Agricultural Products ....................... 126
Feed & Watering ............................. 128
Animal Containment & Other .......... 128
Other Precast Concrete Products ...... 129
Retaining Walls .............................. 131
Marine ..................................... 132
All Other .................................. 133

MARKETS

General ................................................. 134
Nonresidential Buildings ................. 137
New ........................................ 140
Improvement & Repair ...................... 143
Nonbuilding ................................. 145
Transportation .............................. 148
Utilities ..................................... 150
Other ........................................ 152
Residential .................................. 154
New ........................................ 157
Improvement & Repair ...................... 160
Agricultural ................................. 162

REGIONS

General ................................................. 165
Regional Demographic & Economic Trends 166
Population Patterns .......................... 167
Economic Outlook ........................... 169
Regional Construction ..................... 172
Housing Trends ............................. 175

REGIONAL DEMAND FOR PRECAST

Concrete Products ............................ 178
Northeast ..................................... 181
New England .............................. 183
Middle Atlantic ............................ 184
Midwest ..................................... 185
East North Central ......................... 188
West North Central ......................... 189
South ........................................ 190
South Atlantic ............................. 193
East South Central ......................... 195
West South Central ......................... 196
West ........................................ 197
Mountain ................................ 200
Pacific ................................... 201

INDUSTRY STRUCTURE

General ................................................. 203
Industry Composition ....................... 203
Market Share ................................ 206
Manufacturing ............................... 213
Product Developments ..................... 214
Competitive Strategies .................... 217
Vertical & Horizontal Integration ....... 219
Marketing .................................. 221
Distribution ................................ 222
Mergers & Acquisitions ................. 223
Cooperative Agreements ................. 224

COMPANY PROFILES

Amcon Block & Precast ....................... 226
Amercast Incorporated ...................... 227
Ameron International ....................... 228
Boral Limited ................................ 229
CEMEX S.A.B ............................... 231
Clark Pacific ................................ 233
Coreslab International ..................... 234
CreteX Companies ........................ 235
CRH plc .................................. 237
East Texas Precast ......................... 241
EnCon Companies ......................... 242
Fabcon Incorporated ...................... 244
Finfrock Industries ......................... 245
Foster (LB) Company ...................... 246
Gage Brothers Concrete Products ...... 247
Gate Petroleum ........................... 248
HeidelbergCement AG ................. 251

(continued on following page)
Table of Contents

COMPANY PROFILES (continued from previous page)

High Companies .......................................................... 254
Lafarge SA ........................................................................ 256
Metromont Corporation .................................................. 257
Miller (AC) Concrete Products ........................................ 259
Modern Precast Concrete .................................................. 260
Molin Concrete Products .................................................. 262
New Enterprise Stone & Lime ......................................... 263
Olson Precast ................................................................ 264
Sidley (RW) Incorporated ................................................ 265
Smith-Midland Corporation .............................................. 266
Spancrete Group .............................................................. 267
Taiheiyo Cement ............................................................. 269
Teichert Incorporated ....................................................... 270
Tindall Corporation ........................................................ 271
Unistress Corporation ...................................................... 272
US Concrete .................................................................. 273
Wieser Concrete Products ............................................... 274
Other Companies Mentioned in Study ......................... 276

MARKET ENVIRONMENT

1 Macroeconomic Indicators ........................................... 9
2 Population & Households ............................................. 13
3 Construction Expenditures .......................................... 17
4 Residential Building Construction Expenditures ............. 20
5 Housing Starts ............................................................. 24
6 Housing Stock by Type ................................................ 27
7 Year of Construction of Housing Stock, 2010 ................ 27
8 Nonresidential Building Construction Expenditures ........ 32
9 Nonresidential Building Improvement & Repair Expenditures 33
10 Nonresidential Building Stock ..................................... 36
11 Nonbuilding Construction Expenditures ....................... 38
12 Nonbuilding Construction Stock ................................. 39
13 Public Highway Spending ............................................ 41
14 Water & Sewer Expenditures ...................................... 43
15 Agricultural Indicators ................................................ 47

MARKETS

1 Precast Concrete Product Supply & Demand..................... 71
2 Precast Concrete Product Demand by Type .................... 73
3 Precast Concrete Product Demand by Product ................ 74
4 Precast Concrete Structural Building Component Demand .... 77
5 Floor & Wall Unit Demand ............................................ 79
6 Prefabricated Building System Demand ......................... 85
7 Structural Building Support Demand ............................ 87
8 Underground Structural Product Demand ....................... 91
9 Other Structural Building Component Demand ............... 97
10 Architectural Building Component Demand by Product .... 100
11 Precast Concrete Transportation Product Demand .......... 109
12 Precast Concrete Water & Waste Handling Product Demand .... 118
13 Precast Concrete Cemetery Product Demand ................ 124
14 Precast Concrete Agricultural Product Demand ................ 127
15 Other Precast Concrete Product Demand ....................... 131

MARKET ENVIRONMENT

1 Precast Concrete Product Demand by Market .................... 136
2 Nonresidential Building Precast Concrete Product Demand ...... 140
3 New Nonresidential Building Precast Concrete Product Demand .......... 142
4 Nonresidential Building Improvement & Repair Precast Concrete Product Demand .......... 145
5 Nonbuilding Precast Concrete Product Demand .................. 148
6 Transportation Market Precast Concrete Product Demand ........ 150
7 Utilities Market Precast Concrete Product Demand ............... 152
8 Other Nonbuilding Markets Precast Concrete Product Demand .......... 153
9 Residential Buildings Precast Concrete Product Demand ........ 157
10 New Residential Buildings Precast Concrete Product Demand .......... 159
11 Residential Buildings Improvement & Repair Precast Concrete Product Demand .......... 162
12 Agricultural Market Precast Concrete Product Demand .......... 164

REGIONS

1 Population by Region .................................................. 169
2 Gross Domestic Product by Region ............................... 172
3 Construction Expenditures by Region ............................ 175
4 Regional Housing Indicators ......................................... 177
5 Precast Concrete Product Demand by Region ................... 180
6 Northeast Precast Concrete Product Demand .................... 183
7 Midwest Precast Concrete Product Demand ..................... 188
8 South Precast Concrete Product Demand ....................... 193
9 West Precast Concrete Product Demand ......................... 200

INDUSTRY STRUCTURE

1 US Sales of Selected Precast Concrete Product Manufacturers, 2010 ...... 205
Cht Precast Concrete Product Market Share, 2010 ................ 207
2 Selected Cooperative Agreements ............................... 225
US demand to rise 6.1% annually through 2015

US demand for precast concrete products is forecast to rise 6.1 percent annually to $11.3 billion in 2015. This pace will represent a turnaround from the 2005-2010 time frame when demand fell on account of a precipitous drop in construction activity toward the latter part of the period. The vast majority of demand for precast concrete products comes from construction markets. Growth in demand will be driven by an across-the-board rebound in construction activity from a low 2010 base.

In addition to being buoyed by increased construction activity, demand for precast concrete components will be supported by more intensive use of these products. Precast concrete components will be favored over other building materials because of their durability and longer lifespans. Compared to site-poured concrete, precast concrete building components offer such desirable characteristics as consistent quality and the ability to reduce the cost and time of construction projects.

Residential building to be fastest growing market

Residential building will be the fastest growing market for precast concrete products, advancing at a rate of 9.3 percent annually through 2015. Growth will be helped by the expected large rise in housing starts from a low 2010 base. Products that will fare particularly well in this market include foundations, basement walls and floors.

Nonresidential building is the largest precast concrete product market, comprising nearly one-half of all demand. Strong growth is expected in the office and commercial, and institutional market segments, where precast concrete products are used because of their ease of installation, consistent product quality and long lifespan.

Architectural components to be fastest growing types

Of all product types, architectural building components are forecast to see the fastest growth in demand through 2015. Growth will be spurred by the rising use of such products as decorative façades, door and window surrounds, and siding. Roofing tiles will also support demand and will benefit from their popularity in the rapidly growing residential markets in the South and West.

Structural building components account for the largest share of product demand. Above-average growth will be supported by builders increasingly specifying precast concrete products at the expense of less durable wood products and more costly steel products. Prefabricated buildings, floors and walls, and underground building supports will all experience healthy gains.

Demand will be supported by the consistent quality of precast concrete products and their ability to reduce the cost and time of construction projects compared to site-poured concrete.
Structural Building Components

Structural building components made from precast concrete include floor and wall units, prefabricated buildings, building supports, underground structural products, and other items such as stairs and ramps. In 2010, structural building components accounted for the largest share of precast concrete product demand, totaling 46 percent.

Demand for precast concrete structural building components is forecast to rise 6.6 percent annually to $5.3 billion in 2015. Gains will be driven by the expected rebound in building construction activity from its low 2010 level. Construction expenditures will spur demand for floor and wall units, building supports, and prefabricated buildings. Rebounding housing starts will boost the use of foundations.

Further growth for precast concrete structural building component demand will be supported by construction trends that call for increasing use of precast concrete materials instead of site-poured concrete or building products made from other materials. Builders and contractors will specify precast concrete components as they can be mass-produced in factory-like settings. Not only does this process create products with more consistent quality than site-poured concrete, but precast concrete products can be inspected to make sure that specifications are met prior to shipment, and not at the job site. This reduces construction times and costs, as work crews do not have to wait for poured concrete to cure. Moreover, precast concrete products can require less labor to install than poured concrete. For instance, a home builder may opt for precast concrete slabs as structural foundations and basements instead of pouring a concrete foundation. Precast concrete products usually only require a crane for installation, and a standard construction crew is generally considered capable enough to perform other related tasks such as the attachment of structural supports, or the installation of utilities.

<table>
<thead>
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<td>Nonresident Building Construction (bil $)</td>
<td>299.5</td>
<td>307.4</td>
<td>298.5</td>
<td>449.0</td>
<td>593.5</td>
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<td>$ precast concrete/000$ construction</td>
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<td>12.3</td>
<td>11.4</td>
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<td>5120</td>
<td>6480</td>
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<td>Structural Building Components</td>
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<td>Other Products</td>
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<td>685</td>
<td>910</td>
<td>1105</td>
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<td>2340</td>
<td>3440</td>
<td>4410</td>
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<td>Improvement &amp; Repair</td>
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<td>1450</td>
<td>1320</td>
<td>1680</td>
<td>2070</td>
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<tr>
<td>% nonresidential</td>
<td>72.9%</td>
<td>72.9%</td>
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<td>72.9%</td>
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<td>10680</td>
<td>8400</td>
<td>11300</td>
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Sample Profile, Table & Forecast

TABLE V-9
WEST PRECAST CONCRETE PRODUCT DEMAND
(million dollars)

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<td>West Construction Expenditures (bil $)</td>
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<td>305.8</td>
<td>216.0</td>
<td>354.0</td>
<td>469.5</td>
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<td>$ precast concrete/000$ construction</td>
<td>10.3</td>
<td>9.7</td>
<td>11.0</td>
<td>8.9</td>
<td>8.5</td>
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<td>West Precast Concrete Product Demand</td>
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<td>2970</td>
<td>2370</td>
<td>3160</td>
<td>3980</td>
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<td>By Subregion:</td>
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<tr>
<td>Mountain</td>
<td>825</td>
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<td>905</td>
<td>1215</td>
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<td>Pacific</td>
<td>1280</td>
<td>1810</td>
<td>1465</td>
<td>1945</td>
<td>2450</td>
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<td>By Market:</td>
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<td>695</td>
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<td>1025</td>
<td>1275</td>
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<td>Agricultural</td>
<td>125</td>
<td>125</td>
<td>150</td>
<td>180</td>
<td>220</td>
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<tr>
<td>% west</td>
<td>27.0</td>
<td>27.8</td>
<td>28.2</td>
<td>28.0</td>
<td>28.0</td>
</tr>
<tr>
<td>Precast Concrete Product Demand</td>
<td>7785</td>
<td>10680</td>
<td>8400</td>
<td>11300</td>
<td>14200</td>
</tr>
</tbody>
</table>

“Demand for precast concrete products in the Pacific subregion is projected to rise 5.8 percent annually to $1.9 billion in 2015. Advances will be spurred by the expected growth in residential building and nonresidential building construction expenditures from their low 2010 bases. Continued demand for housing will support precast concrete product demand, as many homes in the region -- especially those erected in earthquake-prone areas -- are made from precast concrete because of its ability to withstand severe shocks.”

--Section V, pg. 209

Smith-Midland Corporation
5119 Catlett Road
Midland, VA 22728
540-439-3266
http://www.smithmid.com

Revenues: $30 million (2009)
Employment: 135 (March 2010)

Key Products: precast concrete buildings & architectural precast panels

Smith-Midland develops, manufactures, markets and installs precast concrete products, and rents construction products and equipment.

The Company competes in the US precast concrete product industry via the manufacture of precast concrete buildings and architectural precast panels. In 2009, precast buildings accounted for $4 million of Smith-Midland’s total revenues. These structures, which are sold under the EASI-SET brand name, are prefabricated, portable, single-story utility buildings that are delivered to job sites preassembled. Among end uses for EASI-SET buildings are communications shelters, hazardous materials storage, guard houses, restrooms, concessions stands, pump and well houses, equipment shelters, dugouts, press boxes, control rooms, electrical enclosures and generator housings. These structures resist bullets, impacts, fire, vandalism, earthquakes and hurricanes. Smith-Midland produces EASI-SET prefabricated buildings in 10-foot-by-12-foot, 12-foot-by-16-foot and 12-foot-by-20-foot standard sizes. Furthermore, the EASI-SET product line includes EASI-SPAN expandable precast concrete modular buildings. EASI-SPAN buildings...
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Other Studies

Construction Outlook in China
This study analyzes the construction industry in China. It presents historical demand data for the years 2000, 2005 and 2010, and forecasts for 2015 and 2020 by type (residential building, nonresidential building, nonbuilding), market (new construction, additions and alterations, maintenance and repairs) and Chinese region (e.g., Central-North, Northeast, Central-East). The study also considers market environment factors, details industry structure, evaluates company market share and profiles industry participants.

#2767 ............... May 2011 ................... $5400

Large Diameter Pipe
This study analyzes the US large diameter pipe industry. It presents historical demand data for the years 2000, 2005 and 2010, and forecasts for 2015 and 2020 by market (e.g., storm and sanitary sewers, water distribution, drainage, natural gas, process industries, petroleum) and material (e.g., concrete, PVC, HDPE, steel, ductile iron). The study also considers market environment factors, details industry structure, evaluates company market share and profiles industry players.

#2745 ............... April 2011 ................... $4900

Fencing
Demand for fencing in the US is forecast to expand 2.9 percent yearly through 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 region. It also evaluates company market share and profiles industry players.

#2682 ............... September 2010 ................... $5900

Brick & Block
US demand for brick and block products is projected to increase 11.8 percent annually through 2014. Gains will be driven by a recovery in building construction, especially new housing. Common, glazed and other clay brick will be the fastest growing products, followed by concrete pavers. This study analyzes the 7.1 billion unit US brick and block industry, with forecasts for 2014 and 2019 by product, market, application and US region. It also evaluates company market share and profiles industry players.

#2652 ............... September 2010 ................... $4800

World Roofing
Global roofing demand will grow 3.1 percent annually through 2014. China alone will claim over a third of all new demand, strengthening its position as the largest roofing market in square meter terms. Concrete tile will be the fastest growing type based on dominance in developing Asian nations. This study analyzes the 9.5 billion square meter world roofing industry, with forecasts for 2014 and 2019 by product, market, world region and for 56 countries. It also evaluates company market share and profiles industry participants.

#2656 ............... July 2010 ................... $6100