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# Wood & Competitive Decking

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Industry Study with Forecasts for **2016 & 2021**

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Study #2959 | October 2012 | \$5300 | 366 pages

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*Through 2016, decking demand will be driven by an expected advance in housing completions and continuing consumer interest in decks as a way to increase outdoor leisure space.*

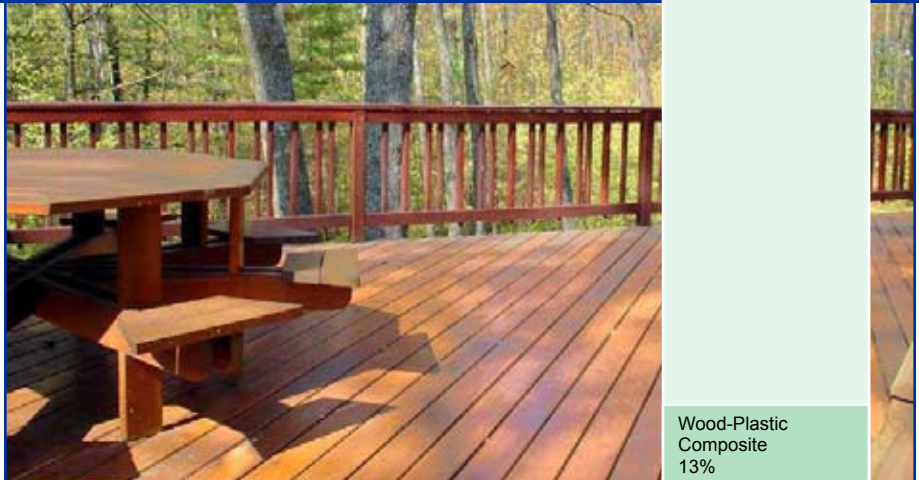
## US demand to rise 2.4% annually through 2016

US demand for decking is forecast to rise 2.4 percent per year to 3.3 billion lineal feet in 2016, valued at \$5.7 billion. This pace represents a rebound from the declines seen between 2006 and 2011, when housing completions plummeted and residential improvement and repair expenditures contracted from their elevated 2006 base. Through 2016, decking demand will be driven by an expected advance in housing completions and continuing consumer interest in decks as a way to increase outdoor leisure space.

## Plastic, composite decking to see double-digit gains

Wood-plastic composite and plastic lumber decking materials are expected to experience double-digit annual gains in demand through 2016. Plastic decking will see the most rapid growth. Consumers are expected to opt for the material because of its durability and low maintenance requirements. Moreover, increasing availability of cellular PVC decking that better resembles natural wood will promote advances among residential consumers. Composite decking demand will be supported by its favorable performance properties and reputation as a "green" product that uses recycled materials. Because wood scraps are a key component, composite decking looks more like wood decking than many plastic varieties, a feature that will aid in its adoption.

## US Decking Demand, 2016 (3.3 billion lineal feet)



Wood  
83%

Wood-Plastic  
Composite  
13%

Plastic & Other 4%

Wood decking will continue to account for the majority of decking demand in volume and value terms. However, demand for wood decking is forecast to rise less than one percent annually to 2.7 billion lineal feet in 2016. Advances will be checked by competition from composite and plastic decking, which need less maintenance. Among wood types, tropical hardwoods will see the fastest growth due to their favorable aesthetics and performance properties.

## Dominant residential market to rebound

The residential market accounted for 61 percent of decking demand in 2011, a lower share than the historical average.

The depressed level of housing completions suppressed demand, as did an unfavorable lending environment for home equity loans, a common method of funding projects such as deck installation and replacement. Going forward, residential decking demand is forecast to rise at the fastest pace of all markets. Rebounding housing completions will spur gains in the new residential segment and less restrictive credit conditions will support residential improvements and repairs. Moreover, many of these decks will be larger in size, requiring more boards, and will feature such amenities as spas, outdoor kitchens, and dining areas, which will boost the use of railings, benches, and other accessories.

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## Sample Text, Table & Chart

### PRODUCTS

#### Installation Methods

Professional installation accounted for 81 percent of wo demand in 2011. Demand for professionally installed decks to rise 1 billion lineal feet. Rebound in residential improvement pair ex... considers either cons themse... the work to a certifi to ensu... the deck meets all b ing coc... se, so too will the of profes... residential improver repair market, increasing consumer demand for larger decks amenities -- such as outdoor kitchens, fire pits, and dining an areas -- will spur homeowners to hire professional installers. consumers, such as dual-income homeowners and aging baby prefer to have decks installed by professionals, rather than sp cant amounts of time installing their own decks. In the nonre and nonbuilding markets, decks are almost always installed by profes sional contractors. Thus, as nonresidential building construction and nonbuilding construction expenditures advance, so too will demand for professionally installed decks.

Demand for decks built using do-it-yourself (DIY) methods is projected to advance 1.2 percent annually to 520 million lineal feet in 2016, aided by a general interest in DIY projects. Some homeowners will install or replace their own decks, particularly decks with sim or those with minimal extra features, such as seating areas. T reason for this is to reduce costs. Consumers can learn about building from the Internet, television shows that popularize l improvement projects, and seminars and classes on deck con sponsored by home improvement superstores (which stock a materials needed for deck construction).

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TABLE V-2

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

Item	2001	2006	2011	2016	2021
Residential Bldg Construction (bil 2005\$)	1.0	1.0	1.0	1.0	1.0
lineal feet decking/000\$ construction	1.0	1.0	1.0	1.0	1.0
Residential Decking Demand	1.0	1.0	1.0	1.0	1.0
By Application:					
New	0.0	0.0	0.0	0.0	0.0
Improvement & Repair	0.0	0.0	0.0	0.0	0.0
By Material:					
Wood	0.0	0.0	0.0	0.0	0.0
Wood-Plastic Composite	0.0	0.0	0.0	0.0	0.0
Plastic & Other	0.0	0.0	0.0	0.0	0.0
% residential	5.0	5.0	5.0	5.0	5.0
Decking Demand	0.0	0.0	0.0	0.0	0.0
\$/lineal foot	3.0	3.0	3.0	3.0	3.0
Residential Decking Demand (mil \$)	5.0	5.0	5.0	5.0	5.0

SAMPLE  
TABLE

CHART IV-2

### PLASTIC DECKING MARKET SHARE (\$283 million, 2011)

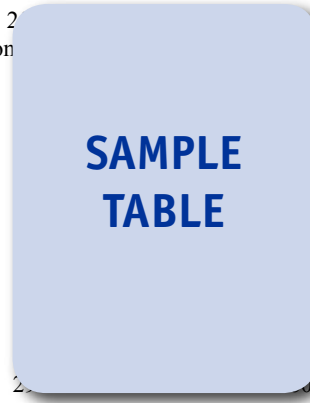


SAMPLE  
CHART

## Sample Profile, Table & Forecast

**TABLE VI-9**  
**WEST DECKING DEMAND BY SUBREGION & MARKET**  
 (million lineal feet)

Item	2001	2006	2011	2016	2021
West Construction (bil 2005\$)	2				
lineal feet decking/000\$ construction					
West Decking Demand					
By Subregion:					
Mountain					
Pacific					
By Market:					
Residential Buildings					
Nonresidential Buildings					
Nonbuilding Construction					
% West Decking Demand	2				



### COMPANY PROFILES

#### Advanced Environmental Recycling Technologies Inc

914 North Jefferson Street  
 Springdale, AR 72764

479-756-7777

http://www.aert.com

Sales: \$100 million

Employment: 100

Key Products: Composite decking, railing, trim, door components and fencing

Advanced Environmental Recycling Technologies (AERT) develops, manufactures and markets composite decking materials made from reclaimed plastic and wood fiber waste for use in specialized exterior construction applications. The Company's products include decking, railing, trim, door components and fencing.

The Company competes in the US decking industry through the manufacture and sale of composite decking and railing systems under the CHOICEDEK and MOISTURESHIELD brand names. Decking and railing from AERT are manufactured through a patented encapsulation process using recycled wood fiber, including wood fiber waste generated from hardwood furniture, pallet, cabinet, and flooring manufacturers; and postindustrial and postconsumer waste polyethylene. The Company produces decking, railing, and other composite products at two facilities in Springdale, Arkansas. AERT performs plastic recycling, blending, and storage at plants in Lowell, Arkansas and Watts, Oklahoma. The Company distributes its products via a network of sales representatives and dealers, as well as through cooperative agreements. According to the Company, its principal competitors in the nonwood decking market are TAMKO Building Products Incorporated (Joplin, Missouri), the TimberTech Limited subsidiary (Wilmington, Ohio) of CPG International (Scranton, Pennsylvania), Trex Company

"Demand for decking in the West is expected to rise 2.9 percent per year to 630 million lineal feet in 2016. This is a turnaround from the declines seen during the 2006-2011 period, when decking demand fell because of the region's precipitous decline in housing activity. Moreover, steep drops in home values negatively affected decking demand in the residential improvement and repair market, as it became more difficult for homeowners to take out home equity loans to engage in renovation projects, such as deck repair or replacement."  
 --Section VI, pg. 246

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**OTHER STUDIES**

**Molding & Trim**

US demand for molding and trim is forecast to rise nearly 11 percent per year to \$9.0 billion in 2016, driven by a sharp rebound in housing and building construction. Stairwork will be the fastest growing product, while engineered wood the fastest growing material. The dominant residential market will vastly outpace growth in the nonresidential sector. This study analyzes the \$5.4 billion US molding and trim industry, with forecasts for 2016 and 2021 by material, product and market. The study also evaluates company market share and profiles industry players.  
 #2976..... December 2012..... \$5100

**Fencing**

Demand for fencing in the US is forecast to expand 7.1 percent per year to \$8.3 billion in 2016, totaling 835 million linear feet. Gains will be supported by rising installation of high-value fences, such as ornamental metal and composite fencing. Plastic and composite, as well as concrete and other fencing will be the fastest growing types. This study analyzes the 672 million linear foot US fencing industry, with forecasts for 2016 and 2021 by material type, market and US region. The study also evaluates company market share and profiles industry players.  
 #2921..... July 2012..... \$5100

**Siding**

Demand for siding in the US is forecast to advance 8.4 percent per year through 2016 to 96.5 million squares. Brick, stucco and fiber cement siding will see the most rapid demand gains. The South and West regions -- where these materials are most often installed -- are forecast to see the strongest growth in population and housing activity. This study analyzes the 64.5 million square US siding industry, with forecasts for 2016 and 2021 by siding material, market and US region. The study also evaluates company market share and profiles industry players.  
 #2875..... April 2012..... \$5100

**Wood-Plastic Composite & Plastic Lumber**

US demand for wood-plastic composite and plastic lumber is projected to advance 13.2 percent annually to \$5.4 billion in 2015. Decking will remain the largest application and grow the fastest, followed by the molding and trim and windows and doors segments. Wood-plastic composite lumber will outpace plastic types. This study analyzes the \$2.9 billion US wood-plastic composite and plastic lumber industry, with forecasts for 2015 and 2020 by material, application and market. The study also evaluates company market share and profiles industry players.  
 #2836..... January 2012..... \$5100

**Outdoor Furniture & Grills**

US demand for outdoor furniture and grill products is expected to rise 4.0 percent annually to nearly \$7 billion in 2015. The grill and related accessories segment will see the fastest growth, followed by the larger outdoor furniture and accessories segment. An expected rebound in the housing market will offer opportunities in the dominant residential sector. This study analyzes the \$5.7 billion US outdoor furniture and grill industry, with forecasts for 2015 and 2020 by product, market and region. The study also evaluates company market share and profiles industry players.  
 #2828..... January 2012..... \$4900

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