



Roofing

US Industry Study with Forecasts to 2007 & 2012

STUDY #1625 | February 2003 | \$3900



The Freedonia Group
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Roofing US Industry Study with Forecasts to 2007 & 2012

Study #1625 • February 2003 • \$3900 • 221 Pages

Among the various types of roofing materials, plastics and metal are expected to enjoy some of the brighter prospects

US demand to exceed 256 million squares by 2007

US roofing demand is projected to expand 1.7 percent per annum through 2007 to 256 million squares. Measured in terms of dollar value, demand is expected to rise 3.3 percent per year to \$11 billion in 2007. In nonresidential markets, a recovery in building construction in the commercial segment will help boost new roofing demand. By contrast, in residential markets, reroofing applications will provide better opportunities over the forecast period. The smaller new residential reroofing market will be constrained by sluggish single-family housing starts, especially compared to the robust level in 2002.

Plastic Roofing to see healthy gains

Among the various types of roofing materials, plastics and metal are expected to enjoy some of the brighter prospects. Plastic roofing will benefit from the improving outlook for nonresidential roofing. Thermoplastic polyolefin (TPO) roofing will continue its inroads against built-up and elastomeric roofing. Another plastic roofing product that will see healthy gains is spray-applied roofing. Advances in application technology will boost usage. Metal roofing will benefit from a modest rebound in industrial construction from a depressed 2002 level. In addition, the material will continue its incursion into residential

Roofing Demand by Region, 2002 (\$9.7 billion)



Northeast
18.4%

Midwest
21.9%

South
36.6%

West
23.1%

applications, where modular metal panels have seen usage as alternatives to roofing tile or asphalt shingles.

Asphalt shingles to remain dominant material

Despite the less robust outlook for residential markets, asphalt shingles will easily remain the dominant roofing material, representing more than three-fifths of the total installed squares. Measured in terms of dollar value, demand for asphalt shingles is expected to increase 2.5 percent annually through 2007 to \$3.5 billion. Value gains for asphalt shingles will be aided by the continuing trend toward higher-value laminated

shingles at the expense of the traditional three-tab shingles.

West, South to post above-average growth

The fastest growth in US roofing demand is expected to be in the West region, where a more favorable outlook for construction spending, economic growth and population gains will power demand. Although construction of new housing units is expected to decline in the West through 2007, the drop will be less steep than in the Northeast or the Midwest. The South is also forecast to post above-average growth in demand for roofing through 2007.

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Table of Contents

INTRODUCTION

EXECUTIVE SUMMARY 1

MARKET ENVIRONMENT 4

General	4
Macroeconomic Environment	5
Consumer Income & Spending ...	7
Personal Income & Expenditures .	8
Consumer Financing	10
Demographic Trends	12
Population	12
Households	14
Building Construction Trends ...	15
Residential Construction	17
Housing Starts	19
Housing Stock	21
Improvements & Repairs	23
Nonresidential Construction ..	24
Pricing Patterns	26
Installed Costs	28
Market Trends	30
Materials & Technology Trends ...	33
Legislation & Regulatory	
Considerations	34
Foreign Trade	36
World Industry Outlook	38

PRODUCTS & MATERIALS 40

General	40
Asphalt Shingles	42
Products	44
Cost Factors	47
Metal Roofing	48
Products	50
Cost Factors	52
Elastomeric Roofing	53
Products	55
Cost Factors	57
Built-Up Roofing	58
Products	60
Cost Factors	62
Modified Bitumen Roofing	64
Products	66
Cost Factors	68
Plastic Roofing	69
Products	71
Cost Factors	74
Roofing Tile	75
Products	77
Cost Factors	79
Wood Shingles & Shakes	80
Products	82
Cost Factors	83
Roll Roofing	84
Products	86
Cost Factors	88
Other Roofing Materials	89

Letter From the CEO



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At Freedonia, it is our mission to provide you with an unbiased, reliable outlook for each industry ...

Each Freedonia industry study provides you with the information and analysis you need to make important decisions. How large is your target market? Which product segments are growing fastest? Which markets are growing fastest? Our analysts review the relevant secondary sources and talk directly to participants in the industry to find the answers.

Our **Roofing** study is the culmination of several hundred hours of Freedonia analysts' time. It provides you with market sizes and growth rates for numerous product segments and further breaks out demand by market and region. The study also discusses the competing materials used in roofing and picks the likely winners and losers.

I invite you to add the Freedonia Group to your team by acquiring our **Roofing** study today.

Very truly yours,

Jeffrey Weiss, CEO

Table of Contents (cont.)

MARKETS 92

General	92
Residential	94
New	97
Reroofing	100
Nonresidential	101
New	103
Reroofing	105
Office & Commercial	107
Industrial	109
Institutional	112
Other Nonresidential	114

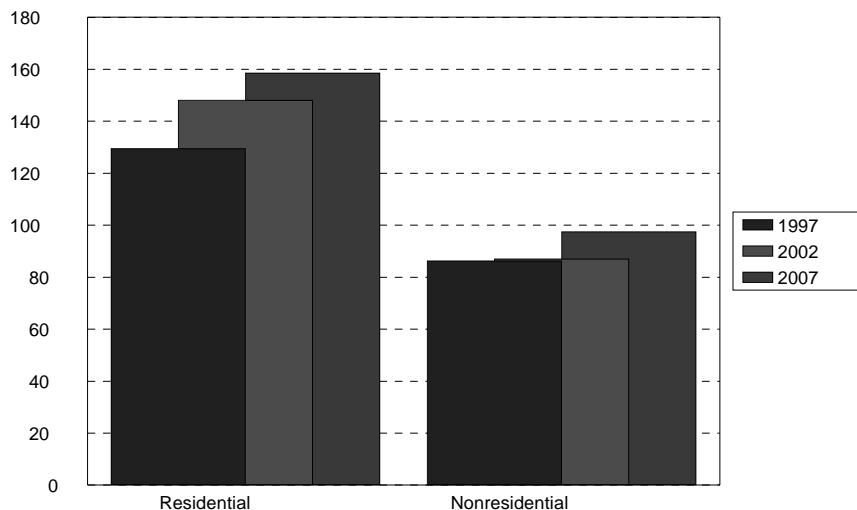
MARKETS BY REGION 116

General	116
Regional Demographic & Economic Trends	117
Population Patterns	118
Economic Outlook	120
Construction Activity	121
Housing Trends	123
Regional Demand for Roofing ..	125
Northeast	127
New England	129
Middle Atlantic	131
Midwest	132
East North Central	133
West North Central	134
South	135
South Atlantic	137
East South Central	138
West South Central	139
West	140
Mountain	142
Pacific	143

INDUSTRY STRUCTURE 145

General	145
Industry Composition	
& Market Share	146
Market Leaders	148
Product Segment Leaders	150
Asphalt Shingles	150
Single-Ply Flexible Membranes	151
Other Roofing Materials	151
Product Development	
& Manufacturing	152
Competitive Strategies	155
Marketing & Distribution	156
Financial Issues	158
Mergers, Acquisitions	
& Related Matters	160
Company Profiles	161-221

Roofing Demand by Market, 1997 to 2007
(million squares)



COMPANY PROFILES

Duro-Last Roofing Incorporated

525 West Morley Drive
Saginaw, MI 48601
989-753-6486
<http://www.duro-last.com>

Annual Sales: \$100 million (verified by company, 1/03)
Employment: 470 (verified by company, 1/03)

Key Products: prefabricated thermoplastic roofing systems

Duro-Last Roofing produces prefabricated, reinforced single-ply roofing systems for commercial and industrial buildings. In addition to its headquarters and manufacturing plant in Saginaw, Michigan, the privately held company operates three other manufacturing facilities in Grants Pass, Oregon; Jackson, Mississippi; and Sigourney, Iowa. Duro-Last markets its products throughout the US, Canada and Mexico.

The Company's roofing systems are proprietary thermoplastic membranes made of resins, plasticizers, stabilizers, biocides, flame retardants and ultraviolet absorbents. The systems are laminated to a weft insertion knitted scrim, which is produced by over stitching a nonwoven web. According to the Company, the resulting roofing system resists wind, burning and leaks. Duro-Last's products are also engineered to be energy efficient. For example,

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Roofing Tile Demand by Product (million squares)

Item	1992	1997	2002	2007	2012
Res Bldg Constr Expend (bil 1996\$)	224.0	225.0	240.0	252.0	275.0
Roofing Tile Demand					
Concrete					
Clay					

PRODUCTS & MATERIALS
This Section provides demand for historical years and forecasts growth to 2007 and 2012

PRODUCTS & MATERIALS

Elastomeric Roofing - Cost Factors

SAMPLE PAGE
Text sections support each table's numbers & projections

roofing. During the 1997-2002 period, competition from TPOs led to a slight decline in per square price for elastomeric roofing. Continuing attempts by TPO producers to increase market share, as well as increased production capacity, will maintain price pressure on elastomeric single-ply membranes such as EPDM. The wide range of installed costs for elastomeric roofing is broad, with EPDM at the lower end of the range (approximately \$100 per square), while CSPE is roughly 50 percent higher.

Products

Elastomeric roofing, also known as thermoplastic polyolefin roofing or rubber roofing, is a flexible membrane system based on compounded rubber materials. The primary materials in use are EPDM (ethylene propylene diene monomer), a vulcanized cured material, and CSPE (chlorosulfonated polyethylene), a synthetic material that self-cures as it is exposed to ultraviolet light following installation. Thermoplastic polyolefin

Office & Commercial Roofing Market (million squares)

Item	1992	1997	2002	2007	2012
Office & Comm Constr (bil 1996\$)	140.0	151.0	151.0	111.0	120.0
Office & Commercial Roofing					
By Material:					
Asphalt Shingles					
Metal Roofing					
Elastomeric Roofing					
Built-Up Roofing					
Modified Bitumen Roofing					
Plastic Roofing					
Other Roofing Materials					
By Application:					
New					
Reroofing					
% office & commercial Nonresidential Roofing Market					
\$/square					
Office & Comm Roof Dmd (mil sq)	1100	2000	2000	2010	2210

MARKETS
The Markets Section analyzes trends and considers the threats and opportunities in each major market

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- Automotive & Other Transportation Equipment
- World Studies

Freedonia Methodology

Freedonia does not just collect and reprint data, Freedonia develops data. Our analysts thoroughly investigate an industry by interviewing key participants and analyzing information from sources such as associations, government and trade literature. Once this research is complete, Freedonia establishes one set of forecasts. All writing, editing and forecasting is done in-house to assure quality and consistency. In cases where data does not exist, Freedonia develops the data based on input/output ratios, bills of materials and flow charts.

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