Low-Slope Commercial Roofing: 2000 - 2010

— Market Survey
— Current Conditions
— Future Trends

TEGNOS Research, Inc.
www.tegnos.org
317-679-1542

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U.S. Low-Slope Commercial Roofing Market

2000 – 2010

(Percent Share)

[Pie charts showing the percent share of different roofing materials from 2000 to 2010.]

- EPDM: 47%, 43%, 35%
- TPO: 15%, 13%, 9%
- PVC: 14%, 14%, 13%
- APP: 33%, 31%, 23%
- SBS: 8%, 17%, 13%
- BUR: 19%, 12%, 13%
TPO resumes market share growth after a significant big-box downturn

After stabilizing for a few years, EPDM is experiencing a dramatic decline

After declining modestly for a few years, PVC has re-established its niche market share

Asphallic systems continue a steady historic decline
U.S. Low-Slope Commercial Roofing Market 2000 - 2010

TPO Growth Drivers

- Low installed cost
- Big box retail / wholesale preference
- White, heat-reflective membrane meets expanding “cool roof” requirements
- Increasing product confidence backed by leading manufacturers
Economical ballasted EPDM systems supplanted by mechanically attached TPO - at little or no cost differential.

Fully adhered EPDM systems holding their own as a trade-up system, but only in North & Mid-West

Increasing demand and regulation for cool roofing makes black EPDM look like yesterday’s technology

Firestone has closed one plant, eliminating 30%+ of its manufacturing capacity. Entry of Johns Manville into EPDM manufacturing beginning in 2012 may force more capacity reductions

A significant portion of EPDM membrane production is now targeted to non-roofing applications (pond linings, geomembranes, etc.)
• Industry rationalization brings supply more in line with demand
• Torch application continues to diminish due to regulation and insurance requirements
• Technologies for meeting “cool roof” surface standards are now available, but they add a significant price premium (Field-applied coatings or higher-priced reflective roofing granules)
• Low-VOC and cold-applied systems are not as cost-effective as traditional hot asphalt / torch-applied systems
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PVC Stabilization Factors

• Niche market with focused suppliers
• Enduring specification preference
  • Proven track record in Europe and U.S.
  • Effective PR campaign by the Vinyl Institute
  • White, heat-reflective membrane
• But environmental concerns about halogens remain
Cool roofing regulations continue to expand across the country.

EPA currently reviewing ground level ozone standards, which may lead to further requirements for low-VOC adhesives and sealants.

Expanding specification and regulation for building air barriers will drive significant demand for adhesive attachment technologies, especially for roofing membranes and roof insulation.

New International Green Construction Code and green product certification initiatives will favor roofing materials with few inherent emissions (fumes, VOCs, fire retardants, plasticizers, etc.).

Significant increases in roof energy efficiency beyond current standards will be very difficult without a recognized cost for carbon.

Green is becoming an established business strategy rather than a tactical trend, but significant opposition may surface from conservative interest groups (e.g., Congressional “Bulb Act” legislation).