

NEWS RELEASE



For Immediate Release

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US DEMAND FOR DECKING TO EXCEED 3.6 BILLION LINEAL FEET IN 2011

US demand for decking is projected to advance 2.2 percent per year through 2011 to 3.6 billion lineal feet, valued at \$5.6 billion. Growth will be similar to the 2001 to 2006 period, despite a weaker new housing outlook. The decking market is relatively stable because more than 85 percent of demand is generated through improvement and repair activity, which is inherently less cyclical than the new construction market. New markets will offer more mixed prospects. Gains in new nonresidential construction activity will accelerate, while new residential and nonbuilding construction spending are expected to cool, limiting decking gains. These and other trends are presented in ***Wood & Competitive Decking***, a new study from **The Freedonia Group, Inc.**, a Cleveland-based industry research firm.

The US decking market has seen a shift in product mix in recent years. In 1996, wood decking materials accounted for 95 percent of volume demand, with only minimal use of alternative decking materials such as wood-plastic composites, vinyl and polyethylene. However, over the course of the past decade, alternative materials replaced natural wood materials at a rapid pace. In 2006, alternative decking materials in the aggregate accounted for 17 percent of the 3.3 billion lineal feet of decking.

Alternative decking materials will continue to lead the decking market in terms of yearly gains through 2011, further eroding the market share of wood materials.

Wood-plastic composite decking will provide the strongest growth opportunity, fueled by its high durability and low maintenance requirements, as well as by product advances that provide a more realistic wood appearance. Plastic decking materials will also show strong growth through 2011. Vinyl, polyethylene and other resin-based products, will benefit from many of the same performance characteristics as composites.

Through 2011, wood decking is expected to see a slight decline in demand, restrained by growing competition from alternative materials and by ongoing concern over the safety of preservatives used to treat wood. An anticipated weakness in new housing, a key market for wood decking, will also hamper growth. Nevertheless, wood will remain the dominant material used to produce decks in the US going forward and continue to benefit from its good reputation and its aesthetic appeal. Pressure-treated wood in particular will continue to benefit from its lower price compared to other woods and alternative decking materials. Tropical hardwoods will lead gains in the wood segment, particularly in the high-end residential decking market.

US DECKING DEMAND (million lineal feet)					
Item	2001	2006	2011	% Annual Growth	
				2001- 2006	2006- 2011
Decking Demand	<u>2946</u>	<u>3266</u>	<u>3645</u>	2.1	2.2
Wood	2645	2705	2660	0.4	-0.3
Wood-Plastic Composite	242	456	825	13.5	12.6
Plastic & Other	59	105	160	12.2	8.8

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Wood & Competitive Decking (published 07/2007, 326 pages) is available for \$4,500 from The Freedonia Group, Inc., 767 Beta Drive, Cleveland, OH 44143-2326. For further details, please contact Corinne Gangloff by phone 440.684.9600, fax 440.646.0484 or e-mail pr@freedoniagroup.com. Information may also be obtained through www.freedoniagroup.com.

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