

# NEWS RELEASE



**For Immediate Release**

**Contact:**

**Corinne Gangloff**  
**Media Relations**  
phone: +1 440.684.9600  
fax: +1 440.646.0484  
pr@freedoniagroup.com

## **US DEMAND FOR INSULATION TO EXCEED \$10 BILLION IN 2014**

**Demand for insulation materials in the US is projected to increase 7.4 percent annually from a weak 2009 base to \$10.2 billion in 2014.** The principal driver of demand will be the recovery of residential construction from weak 2009 levels. Consumption of insulation will also benefit from expanded production of major appliances and transportation equipment, as these markets also rebound. These and other trends are presented in *Insulation*, a new study from **The Freedonia Group, Inc.**, a Cleveland-based industry market research firm.

**Traditionally, residential markets have consumed the largest portion of insulation demand in value terms, often accounting for two-fifths or more of the total.**

However, the sharp decline in new home construction (particularly single-family homes) from 2006 through 2009 caused a steep reduction in demand. As a result, residential markets accounted for only 29 percent of the total in 2009. Conversely, nonresidential markets accounted for an unusually high percentage of the total in 2009.

**Foamed plastic and fiberglass are by far the two leading insulation products in use**, together accounting for more than 90 percent of demand in 2009. Demand for fiberglass insulation is projected to increase 9.1 percent annually. As new housing construction rebounds through 2014, demand for fiberglass insulation will benefit. As a result, fiberglass will once again become the leading insulation material in use in value terms, after briefly falling behind foamed plastic in 2009. Consumption of foamed plastic insulation materials is forecast to expand 5.3 percent annually to \$4.4 billion in 2014. While gains in demand were slight in the 2004-2009 time frame, foamed plastic insulation did not register the same sharp decline as fiberglass, reflecting the fact that foamed plastic insulation is less heavily concentrated in residential markets.

**While small in value terms, cellulose insulation will post the fastest growth in demand through 2014**, advancing more than 14 percent annually to nearly \$300 million. The environmental and performance advantages of cellulose insulation will benefit demand, although the primary demand driver will be the strong rebound in new housing construction. Consumption of reflective insulation and radiant barrier materials is expected to increase almost ten percent annually to \$235 million in 2014. Demand will benefit from growing market acceptance and the recovery in new housing construction activity.

<b>US INSULATION DEMAND (million dollars)</b>					
Item	2004	2009	2014	% Annual Growth	
				2004- 2009	2009- 2014
Insulation demand	<u>7640</u>	<u>7145</u>	<u>10200</u>	-1.3	7.4
Foamed Plastic	3191	3370	4370	1.1	5.3
Fiberglass	3951	3258	5040	-3.8	9.1
Reflective/Radiant	119	148	235	4.5	9.7
Mineral Wool	109	117	145	1.4	4.4
Cellulose	181	152	295	-3.4	14.2
Other	89	100	115	2.4	2.8

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**Insulation** (published 06/2010, 308 pages) is available for \$4,900 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](mailto:pr@freedoniagroup.com). Information may also be obtained through [www.freedoniagroup.com](http://www.freedoniagroup.com).

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