

# 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 Approach \$9 Billion in 2016**

**US demand for insulation is forecast to rise 7.8 percent annually to \$8.9 billion in 2016.** Advances will be driven by a rebound in building construction expenditures from a depressed 2011 base. Further growth will be spurred by changes in building codes and continuing consumer interest in reducing energy consumption and utility bills. Home owners and building owners will add or upgrade insulation to achieve these goals. These and other trends are presented in ***Insulation***, a new study from **The Freedonia Group, Inc.**, a Cleveland-based industry market research firm.

**The residential market will post the most rapid gains through 2016, advancing at a double-digit pace as housing starts rebound.** Moreover, builders will construct homes with larger amounts of insulation to make them more desirable to potential buyers. Residential insulation demand will also be supported by the attic reinsulation and home improvement and replacement markets. **Insulation demand in the nonresidential market will also see solid advances.** Rebounding nonresidential building construction expenditures, particularly in the office and commercial segments, will promote gains.

**Fiberglass insulation accounted for the largest share of insulation demand in 2011 with 48 percent of the market by value.** Fiberglass insulation will remain the market leader in 2016, with demand rising 8.1 percent annually to \$4.4 billion. Growth will be spurred by a rebound in the residential market. Fiberglass insulation remains a popular choice with builders and contractors because of its low cost, favorable insulative properties and ready availability.

**Demand for foamed plastic insulation, which accounted for the second largest share of the market in 2011**, is expected to rise 7.3 percent per year to \$3.9 billion in 2016. Advances will be driven by the rebound in building construction spending.

**Demand for radiant barrier and reflective insulation is anticipated to grow 8.7 percent per year to \$190 million in 2016.** The rebounding housing market will boost demand, with further gains supported by increases in industrial and nonresidential building construction spending. Growth will be concentrated in the South and West regions, as structures in those regions are more often exposed to sunlight, and thus best benefit from the use of radiant barriers and reflective insulation.

<b>US INSULATION DEMAND (million dollars)</b>					
Item	2006	2011	2016	% Annual Growth	
				2006-2011	2011-2016
Insulation	<u>8450</u>	<u>6115</u>	<u>8900</u>	-6.3	7.8
Fiberglass	4191	2955	4370	-6.8	8.1
Foamed Plastic	3696	2750	3910	-5.7	7.3
Reflective/Radiant	140	125	190	-2.2	8.7
Mineral Wool	117	115	145	-0.3	4.7
Cellulose	212	85	175	-16.7	15.5
Other	94	85	110	-2.0	5.3

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**Insulation** (published 03/2012, 331 pages) is available for \$5100 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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