

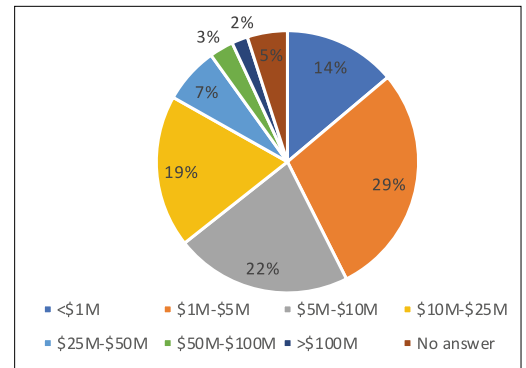
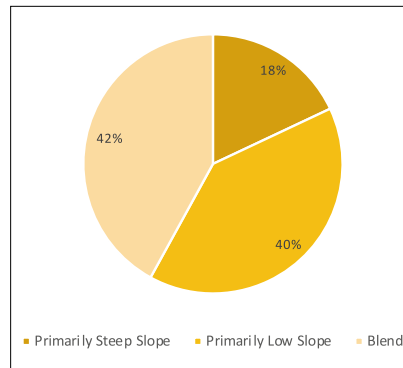
# Latest Survey Provides Mixed Indicators about Business Volume in the Reroofing Industry

**FOR FOUR YEARS**, the quarterly Market Index Survey for Reroofing has provided insight into market trends in the North American reroofing industry. Findings from the latest survey, conducted in January, were mixed. There were signs of market contraction in the primarily low-slope and primarily steep-slope market segments, but the outlook for businesses that offer low-slope and steep-slope reroofing seemed to be optimistic.

IIBEC cosponsored the latest survey with the Asphalt Roofing Manufacturing Association, Canadian Roofing Contractors Association, Chemical Fabrics and Film Association, EPDM Roofing Association, Metal Construction Association, National Roofing Contractors Association, National Women in Roofing, Polyisocyanurate Insulation Manufacturers Association, Roofers Coffee Shop, and Single Ply Roofing Industry.

## PARTICIPANT PROFILE

In the latest survey, 22% of respondents self-identified as consultants, and 78% self-identified as contractors. **Figure 1** summarizes the breakdown of participants by market segment and by the annual gross revenues of their firms. The US South Atlantic (Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, and West Virginia) and US East North Central (Illinois, Indiana, Michigan, Ohio, and



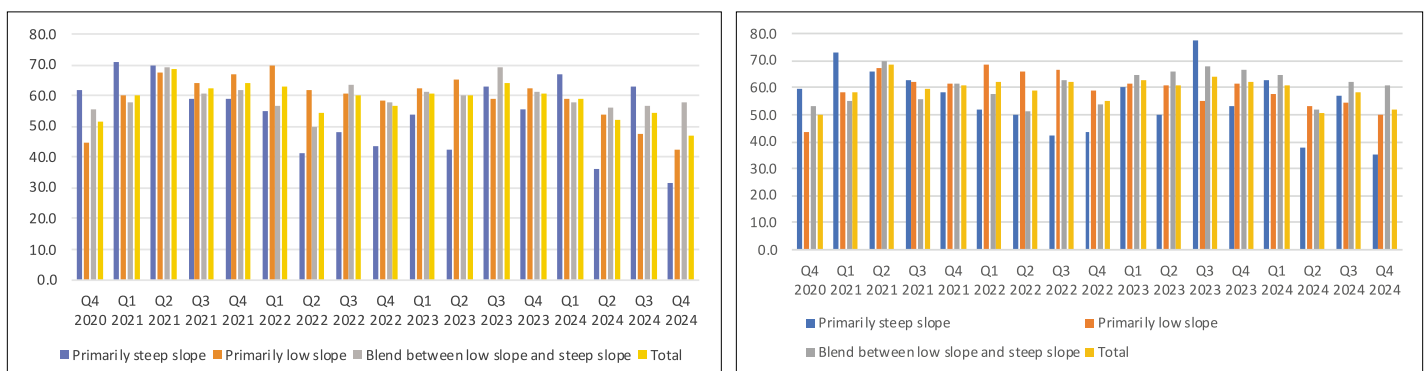
**Figure 1.** Classification of survey participants by market segment (left) and annual gross revenues in US dollars (right).

Wisconsin) regions generated the most revenue, with each of these districts representing 14% of total reported revenue. Ontario was the greatest revenue-generating district in Canada, with 6% of total reported revenue.

## DIVERGING TRENDS ACROSS REROOFING INDUSTRY MARKET SEGMENTS

Each time it is conducted, the survey includes two questions about business volume trends. One question asks participants to compare the volume of customer inquiries received by their firm in the most recent quarter and in the same quarter of the previous year. The other question asks them

to provide a similar comparison of the volume of their firm's project contracts. The responses are indexed by adding the percentage of responses indicating that the volume increased when compared with the same quarter of the previous year and one-half of the percentage reporting no change, and then multiplying the sum by 100. An index score of 50 or higher suggests expansion or optimism, and a value below 50 indicates contraction or pessimism. Indexes are provided for the reroofing industry as a whole, as well as the three market segments in which respondents work: primarily steep-slope, primarily low-slope, and a blend of steep-slope and low-slope reroofing (**Fig. 2**).



**Figure 2.** Indexes for customer inquiries (left) and project contracts (right) by market segment since the fourth quarter of 2020. Each index is equal to the percentage of respondents indicating that the volume of customer inquiries or project contracts increased when compared to the same quarter of the previous year, plus one-half of the percentage of respondents reporting no change. The total is multiplied by 100 to create the index. A score of 50 or higher suggests expansion or optimism, while a value below 50 signals contraction or pessimism.

## JOIN THE PARTICIPANT POOL!

IIBEC encourages its members to participate in future Market Index Surveys for Reroofing. By participating, you can help ensure that the data are robust and fully reflect industry trends. Check IIBEC's weekly newsletter for announcements about survey participation and results.

slightly (from 56.7 in Q3 to 57.8 in Q4). That segment's index has never dipped into the pessimistic range.

For the reroofing industry as a whole, the project contracts index for Q4 2024 was 52.0. This score extended the streak of industry-wide optimistic findings about project contracts that began with the first survey in January 2021.

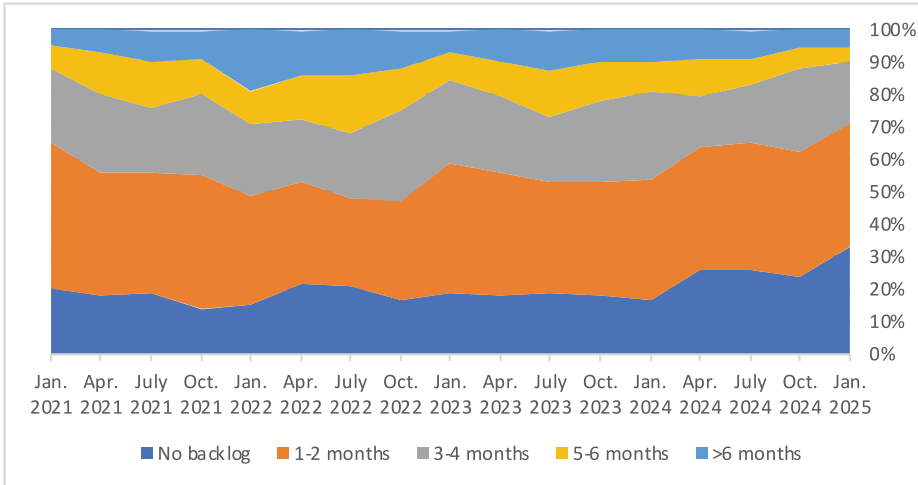
However, the Q4 2024 index was several points lower than the previous quarter's index of 58.2, and all three market segment-specific indexes declined between Q3 and Q4. The drop in the index for the blended market segment was small (from 62.2 to 61.1), whereas the declines in the indexes for the primarily low-slope segment (from 54.1 to 50.0) and primarily steep-slope segment (from 56.7 to 35.7) were more substantial.

## TRENDS IN PROJECT BACKLOGS AND VOLUME OF MATERIALS INSTALLED

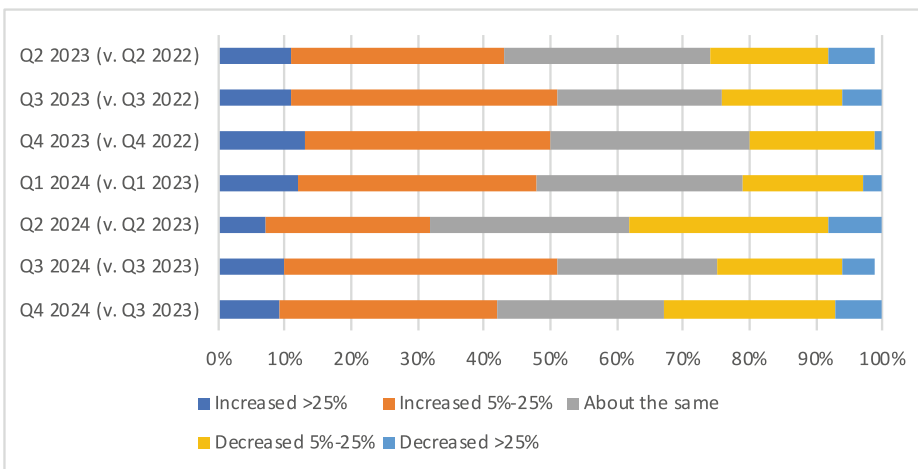
The survey also tracks trends in two other aspects of the reroofing business: project backlogs in the month of the survey and the volume of materials installed for the quarter compared with the volume in same quarter of the year before. The latter question, which was introduced in the Q2 2023 survey, is asked of contractors only. **Figures 3** and **4** show the trends in the responses to those questions.

## SURVEY LIMITATIONS

When interpreting the survey findings, readers should keep in mind that participation is voluntary and survey respondents may not be a representative sample of the North American reroofing industry.



**Figure 3. Project backlog trends by survey month.**  
 Note: Due to rounding of percentages, totals may not equal 100%.



**Figure 4. Trended comparison of the volume of materials installed versus the same quarter of the previous year.**  
 Note: Only contractors may answer this question. Due to rounding of percentages, totals may not equal 100%.

The customer inquiries index for the reroofing industry in the fourth quarter of 2024 was 47.0. This score represents the lowest industry-wide customer inquiries index in the history of the survey. It also marks the first time that the index has suggested industry-wide market contraction/pessimism. By comparison, the customer inquiries index for the reroofing industry in Q3 2024 was 54.4.

The decline in the overall customer inquiries index between quarters reflects a sharp drop in the index for the primarily steep-slope market segment (from 62.9 in Q3 to 31.5 in Q4) and a smaller drop in the index for the primarily low-slope market segment (from 47.6 to 42.4). The index for the blend of low-slope and steep-slope services segment increased

