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Product Monitor: Decking

Split Decision: The decking market is skewing toward high- and low-end products.

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By Craig Webb

The product itself may be flat, but the key shape in decking's future is a dumbbell. That's how decking experts predict the sales chart for their market will look in coming years. The bulge on one end will be taken up by low-cost wooden decking products, they say, while the bulge on the other is where you'll find much more expensive, plastics-based goods.

That evolution toward a dumbbell market is only one of several major trends that are taking place in the decking market. Among others:

- The recession-fueled resurgence in popularity for wood, which accounts for \$2 billion of the \$2.75 billion decking market, appears to have stopped, while demand for non-wood products has revived.
- Production of wood-plastic composites, a \$650 million category today, is likely to be phased out within a few years.
- "Capped" decking—composites with an outer wrapping of PVC (polyvinyl chloride)—will grow in popularity. Decking made from 100% PVC, which now generates sales of \$100 million, will combine with the capped products to gobble up the market now occupied by uncapped composites.
- Concerns over long-term looks and maintenance issues—some of them unjustified given non-wood decking's constant evolution—continue to dog non-wood products. Wood interests, newly organized, aim to exploit those fears.
- Big-box stores, which historically have played second fiddle to pro-oriented LBM dealers in sales of composite and PVC decking, are accounting for a bigger share of those segments' sales.
- A handful of composites and PVC decking manufacturers dominate the market, but they continue to see challenges from newcomers.
- Manufacturers increasingly are making their decking products as part of a suite of outdoor living materials that go beyond boards to embrace hardscapes, furniture, grills, fireplaces, and outbuildings.
- Makers and users of wood treatments see potential in several new technologies, such as heat-treated and acetylated wood, though most are unlikely to take hold in 2011.

It all adds up to confusing times ahead. "This year, you're going to see a big move in the industry," Kevin Brennan, TimberTech's senior vice president for sales and marketing, told participants at Principia Partners' wood-plastic composites conference last fall. "But we're not sure where the market is going to go."

Shifting Sales Mix Where the decking market has gone over the past few years is south. Principia's Steve Van Kouteren estimates that sales for all decking products have shrunk about 40% from their peak four or five years ago to about \$2.75 billion today.

That decline is linked to the roughly 75% drop in new housing starts from the market's peak in 2006 through today, but it doesn't mean decks are any less desired by consumers. According to the National Association of Home Builders, the percentage of new homes started that include decks has wavered only slightly—between 24.5% and 27%—between 2005 and 2009.

Deck popularity varies markedly by region, however. The same NAHB report says that, depending on the census area, the percentage of new homes that come with decks ranges from 6.6% in the West South Central region (Texas, Oklahoma, Arkansas, and Louisiana) to 69% in New England. In contrast, of the nine census regions, the West South Central area ranks second-highest in percentage of homes with patios while New England ranks last.

Who sells what kind of decking also varies. It has long been gospel that stores like The Home Depot, Lowe's, and Menards account for the lion's share of pressure-treated wood sold, while pro dealers handle most of the composite and PVC decking. But Principia estimates that big boxes now account for one-third of non-wood decking sales.

And while wood accounts for two-thirds of all decking dollars, the picture is much different when one looks at the market for replacement decks, particularly in upscale areas. Christopher Grandpre, CEO of Outdoor Living Brands Inc. of Richmond, Va., which includes the 200-franchise Archadeck design-build firm, said at the Principia conference there was about a 50-50 split in the number of wood vs. synthetic products used in Archadeck-built projects in 2008. During 2009, wood's share rose to 54%, apparently because of financial worries, he said, but so far this year synthetics have recovered and now figure in 52% of the company's projects.

Until a few years ago, the non-wood side of the decking market consisted of composites, made from a mixture of plastics and finely ground wood, and all-plastic products. That changed last year with Trex Co.'s release of Transcend, a composite line in which three sides of the decking is covered with a PVC-type surface. The combination enabled Trex to sell PVC looks and durability at a lower price point than a pure PVC product.

Now others are catching up. TimberTech has introduced Earthwood Evolutions while CertainTeed is unveiling its EverNew PT decking line. Unlike Transcend, which isn't capped on the bottom, these two are fully encapsulated. That difference could be crucial, as there's a robust debate under way over whether exposing the bottom of a board hurts it.

What isn't debated is the trend toward more plastic in a deck's diet. "We see that, in a couple of years, two of every three jobs [we do] will involve some sort of low-maintenance materials," Grandpre said. Fiberon president Douglas Mancosh went so far as to say he doesn't expect any manufacturer to produce uncapped



BEYOND PLANKS: AZEK has just come out with bench/planter boxes and an in-deck storage kit made of the same basic materials as its decking. AZEK says the lid on the storage compartment is strong enough to be walked on and holds up to 500 pounds.

composite products two years from now.

Robert Lett agreed. "The wrapped products are what we see as the future," said Lett, vice president for sales and marketing at Wolf, a distributor.

Getting the Gray Out The days in which PVC and composite came only in unnatural gray slabs are long gone. The color palette for non-wood products is widening every year. AZEK added five colors in 2010 to the six it already had, and at this month's International Builders' Show (IBS) it planned to promote its recently launched decking in a pair of multichromatic shades: cobre and silver oak. "You'll see a lot of color play in each board," said Michael Gori, AZEK's director of product management. "Both look exotic. Silver oak is in a weathered teak look, and the cobre is more of a golden teak color."

Guardian Building Products already has 21 colors in its Rembrandt series. Trex Transcend, which had been available in four colors, has just added two more: spiced rum ("a warm, earthy umber") and lava rock (featuring "rich reddish-black hardwood streaking").

Meanwhile, CertainTeed is adding two new chromatic blends—Jatoba and Spanish cedar—to its EverNew vinyl decking line. That product is made with an average of 27% pre-consumer, recycled content, and now comes with a 20-year stain and fade warranty.



Accys Technologies

THE NEXT BIG THING? The Accoya brand from Accys Technologies is drawing attention for claims that an old process called acetylation can transform plantation-grown softwoods into decking with the strength and endurance of tropical hardwoods. Meanwhile, other firms are betting on ancillary products.

If this millennium's first decade was about the arrival of composites and PVC, this decade may be remembered known for advances in materials and in ways to treat wood. One such newcomer is NyloDeck, made from a mixture of recycled carpet fiber and a VOC-free polyurethane binder. It's promoted as impervious to moisture, termites, mold, and mildew. Another is Natures Composites, which has come out with composite fencing and decking made from wheat straw and recycled plastics.

Manufacturers also are adjusting their offerings to provide more deck options. AZEK's exhibit at IBS will promote storage hatches in decks, easy-to-build gates, and bench and planter kits, all made from PVC. Trex is introducing a line of energy-efficient LED dimmable deck lighting as well as expanding its Transcend line with deck boards in 2x6 and 2x4 profiles.

Got Wood? The attention that composites and PVC have attracted in recent years have at times made wood seem passé, even though pressure-treated products still dominate the total market. Now wood's champions are fighting back.

Sellers of wood and preservatives joined with trade associations to create a wood pavilion at last fall's DeckExpo, and there's discussion about creating a fee on wood sales that would go into a research and marketing fund to develop and promote wood, similar to what milk producers do with their "Got Milk?" campaign.

New treatment techniques also are coming into the market. Gary Converse of Osmose notes that his company has developed a water-repellant additive called RainDance that is included in the original pressure treatment. The additive removes the need for a homeowner to brush on any water-repellant during the deck's first year. The product—which also is sold under several private-label names—is claimed to also help reduce cracking, splitting, and warping.

Wood-plastic composites aren't the only ones playing the color game. Universal Forest Product's MicroShades, added during the pressure-treating process, can make treated wood look like redwood or cedar and not turn gray as it weathers, the company says.

Some companies are touting heat-treated wood, which uses heat and steam to remove sugar from the lumber, thus helping slow its decay. It has been out for a few years now, but Dick Gauthier, vice president of marketing for Universal Forest Products, suspects it won't be the ultimate answer. "It's sort of a false promise," he says. "[Heat-treated] is really easy to sell over a desk because when you show a sample of modified wood, it's beautiful. Few knots, no wane, it's coated. But it behaves like pressure-treated lumber does when the elements hit it. It starts to take on the characteristics of other wood products—it'll split, warp, turn gray. What you have is a product you paid two to three times as much for and the actual outcome is not that much different from pressure-treated lumber."



AZEK's new planter box

Gauthier is more excited about acetylation, a new take on a decades-old process that is said to give quick-growing plantation softwoods the strength and endurance of tropical hardwoods at far less than the price of, say, Ipe. Accoya, a brand of acetylated wood manufactured by Accys Technologies, carries a 50-year above-ground and 25-year below-ground warranty against rot and decay. Accys recently began touting research from a study in New Zealand that found Accoya withstood rot and decay better than four hardwoods and CCA (chromated copper arsenate) pressure-treated wood.

Universal Forest Products is trying out acetylated wood made by Accoya and is looking at similar products.

Price vs. Value The problem here is cost. Accoya gets its timber from New Zealand and applies the acetylation process in the Netherlands, so by the time the wood arrives on these shores it's taken quite a long trip. The result is that Accoya products can cost as much as PVC. Costs likely won't drop until harvesting and processing occurs in North America.

"We're believers in the technology," Gauthier says. "It's a matter of finding the right product with the right timing. We think that is a much better process than the modified woods."

Others aren't so sure acetylated wood will hold up, particularly in the humid, wet South.

If any prediction about this market can be said to be just about sure to take place, it's the continued carping between wood and non-wood people over the other's products.

"So many people have taken on composites and found they weren't the Holy Grail," Gauthier says. "I'm not talking about when it breaks down, or claims because of quality. I'm talking about the fact that, after a few years, it looks old and tired like any other product. When wood looks old, it takes on a patina. When plastic gets old, it looks tired."

Meanwhile, AZEK's Michael Gori notes that millions of wood decks are coming due for a replacement. "That's a tremendous conversion opportunity," he says. "In the premium [decking] space there are attributes that you can see." And his company, like many others, is betting consumers will be willing to pay a little more for that.

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