

# NEWS RELEASE



**For Immediate Release**

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## **US Demand for Construction Chemicals to Exceed \$12 Billion in 2018**

**US demand for construction chemicals used in on-site applications is projected to grow 8.2 percent per year through 2018 to \$12.1 billion.** Gains will be primarily driven by double-digit increases in building construction expenditures, supported by healthy economic growth and an improved consumer financial outlook. Increased economic activity and greater government investment in the aging infrastructure of the US will also support healthy consumption of construction chemicals in nonbuilding applications. While overall growth will be underpinned by the strong increases in construction spending, the product mix will also continue to shift toward new, higher value formulations and technologies as the market adapts to environmental regulations and more stringent building codes. These and other trends are presented in ***Construction Chemicals***, a new study from **The Freedonia Group, Inc.**, a Cleveland-based industry market research firm.

**“Following several years of recovery, a fully healed US housing market will lead to a jump in new residential construction activity,”** notes analyst **Nick Cunningham**. Nonresidential building construction activity is also expected to increase rapidly through 2018. Economic growth will support a rebound in both the industrial and office and commercial sectors. Greater economic activity will also require increased investment in infrastructure, both public and private, particularly for the US’ aging transportation network. This will lead to healthy growth in nonbuilding construction chemicals demand, especially for cement and asphalt additives and coatings. Growing demand for chemical additives and coatings will also result from the increasing use of new concrete technologies that offer superior performance and ease of placement, such as high performance concrete and self-consolidating concrete.

**Higher value formulations will continue to gain share in many product segments in response to both environmental and performance concerns.** Volatile organic compound (VOC) regulations have been enacted at both the federal and state level. This trend will be further intensified by consumer preferences for low odor and easy cleanup water-based products. The transition toward better performing, longer lasting products will boost the value of the construction chemicals market going forward, though the decreased replacement frequency and volume of chemicals required will serve as a check on further growth.

<b>US ON-SITE CONSTRUCTION CHEMICALS DEMAND (million dollars)</b>					
Item	2008	2013	2018	% Annual Growth	
				2008-2013	2013-2018
Construction Chemicals Demand	<u>7390</u>	<u>8145</u>	<u>12070</u>	2.0	8.2
Protective Coatings & Sealers	2460	3040	3900	4.3	5.1
Caulks & Adhesives	2030	2170	3320	1.3	8.9
Cement & Asphalt Additives	1495	1665	2830	2.2	11.2
Grouts & Mortars	580	475	800	-3.9	11.0
Polymer Flooring	450	440	615	-0.4	6.9
Sprayed Polyurethane Foam	150	155	275	0.7	12.2
Other	225	200	330	-2.3	10.5

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**Construction Chemicals** (published 01/2015, 275 pages) is available for \$5200 from The Freedonia Group, Inc. For further details or to arrange an interview with the analyst, please contact Corinne Gangloff by phone 440.684.9600 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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