

Metal roofing: staking its claim for reroofing

Metal roofing systems are not new. In fact, builders have used metal on roofs for centuries. What is new is the manufacturers' marketing strategies. An increasing number of metal roofing products are being sold and installed through independent contractors.

"Typically," John Stover, spokesperson for the Metal Building Manufacturers Association (MBMA), told *Roofing Spec*, "metal systems have been sold through metal dealers/contractors who are trained by the manufacturers in the sales and erection of the companies' products."

"During the past two years," Stover continued, "some manufacturers are trying to get independent contractors who are BUR-oriented to sell their systems."

Fighting for independents

Two of the companies marketing their products to independents are Armco Atlantic, Inc., and American Buildings Co. According to Dan Wortenberg, vice president of Armco, the company began its marketing push to the roofing contractor in 1981. Until then, systems were traditionally sold through metal system builders. At the time of the push, Armco believed that designers, owners and contractors had experienced enough significant problems with BUR and single-ply systems that they would see metal as a better solution.

Armco also wanted to tap a lucrative market. "The potential of roofing and reroofing is absolutely enormous," Wortenberg said. He added that metal is "ideally suited for reroofing."

Armco actively seeks some contractors while others are brought into the program after they respond to Armco advertisements. Wortenberg estimates that nearly 100 contractors presently participate in the company's metal roofing program.

**Roofing
contractors
taking
a shine
to metal**

by **Samuel S. Shrago**

Armco's contractors attend a four-day, technique-oriented program at Armco's training school, Wortenberg explained. At the school, in-depth sessions on estimating, figuring costs and most importantly, erecting metal systems are offered. If a contractor can't show that he can competently install a metal system by the end of the course, he is not allowed to participate in the program. "So far everything has been smooth," Wortenberg said.

The company's metal roofing business is gliding along so nicely that Wortenberg said Armco is looking at a 40 percent sales increase for 1985. In 1984, the company saw a 25 percent increase, he said.

The majority of contractors involved with American Buildings' network have worked with metal in the past, Burt Shell, sales manager for American's retrofit division, said. However, these contractors have been involved with conventional metal applications; American's objective is to introduce the contractors to metal's new applications, especially in retrofit and pre-formed systems, Shell explained.

American also trains its contractors. The education program includes both an in-house seminar that teaches the contractors about estimating, pricing and evaluating structures, and a field program where installation and craftsmanship skills are taught. One craft that is emphasized during the training program is the use of metal around flashings. This procedure is particularly tricky, Shell explained, so contractors must be drilled on the proper technique.

New buildings will be built in 1986 although reroofing will build its own — Ryan

According to Shell, 5 percent of the jobs installed by contractors involved in last year's network were metal retrofit. This year the company expects retrofit jobs to account for 20 to 25 percent of its contractors' business, Shell said.

Most of American's products are being installed on education facilities and commercial structures such as shopping centers. Many of the projects involve adding substructural systems, Shell explained. American has strong concentrations of metal projects in the Northeast industrial regions, and metal building is progressing well in some Southern regions such as Florida and Texas, Shell said.

Butler uses its own network

Butler Manufacturing Co., one of the nation's largest metal building manufacturers, has its own network of 750 certified contractors, said Chris Ryan, account executive for Valentine-Radford, Inc., the public relations firm that works with Butler. "If I had to guess, I'd say that many of the contractors that compose the network are also BUR contractors, Ryan said. "A lot of reroof projects are on BUR roofs that have gone to pot."

Butler's share of 1984's entire commercial standing seam metal roof market was 21 percent, Ryan said. Metal shipments to reroofing projects consumed 80 percent of the company's roofing business, he added. According to Ryan, most of 1985's orders, thus far, are for industrial plants and schools.

Ryan said that Butler's best sales are in the Northeast and Midwest. The company divides its markets into seven regions. They include the Great Lakes, Northeast, Central, South, West, Southwest and Southeast. As of December 1984, Butler's orders from the Great Lakes region exceeded orders from other regions by an overwhelming margin. The next largest number of orders came from the Northeast followed by the South, Central, Southwest, Southeast and the West. Although Butler's third largest region was the South, the company claims that it has no strong sales effort there.

Metal roofing has a solid future, according to Ryan, although sales may not rise as dramatically as they have in the past two years. Ryan believes the tax reforms proposed by the Reagan administration may put a damper on at least a part of the market. "New building will be lighter in 1986, although reroofing will hold its own," Ryan predicted. "The tax reform may hurt the depreciation of new buildings but there is still a tax credit on buildings that are 20 years or older."

Frank T. Smith of Ettwein Construction, Inc., Lehigh Valley, Pa., is one of Butler's contractors. He has been in the metal roofing business for eight years and uses the Butler system almost exclusively, he said. Although he does other types of roofing, "80 percent of my business is metal roofing," Smith said. Breaking down his business into building types, Smith estimated that "a third is industrial, a third commercial and a third hotel." A lot of metal is used for BUR replacement, he added.

Smith said that metal roofing "is a system that doesn't fail. Once you know the system it's hard to screw it up." Smith also believes that metal manufacturers have approached the market in a professional manner and that the products are detailed well. Ryan agrees with Smith that metal's durability is its major advantage. "Metal roofs are guaranteed 20 years against leakage and they don't need a lot of maintenance, either," he explained.

Alumax predicts industry slowdown

Unlike the other manufacturers that *Roofing Spec* spoke to, Alumax/Howmet sees its sales tapering off in the coming year. Bill Young, the company's marketing services manager, said, "We're starting to see a slowdown, but that is something the entire industry is experiencing." Young attributes the slowdown to Reagan's new tax package.

Alumax manufactures both a standing seam metal product and a metal shingle. Young said that about 80 percent of the company's business is standing seam and the remainder is shingle.

Alumax sells an equal number of its metal shake shingles to commercial and residential markets. Young explained that the shingle is finding its niche because it is fire-resistant and that the angle at which the shingles are installed can be varied to direct the flow of water down the roof.

Young agreed with other manufacturers' representatives that the metal industry is capturing a larger share of the retrofit and re-roofing markets. He also said that metal roofing is being used more frequently on larger projects such as hotels.

Hard facts

Manufacturers' opinions of metal's market potential may be skewed by the companies' vested interest in seeing that market grow. There are, however, some hard statistics available that can give contractors an objective view of metal's future.

According to MBMA's latest six-month forecast, projected steel shipments for the second six months of 1985 is 672,174 tons. The overall projected total for 1985 is 1,226,948 tons. This would mean a 7.5 percent increase over 1984. "These steel figures represent materials for the entire metal building system used in construction projects, including the structural framing system, roof system and sidewalls," MBMA's Stover said. The majority of these metal shipments, Stover added, will go to commercial buildings such as medium-sized shopping centers, free-standing retail stores and manufacturing facilities.

MBMA has added a retrofit forecast to its statistics "in recognition of the growing use and market acceptability of industry products and services for modernizing old industrial, commercial and community buildings," Stover said. The Association predicts that 1985 sales of metal roofing systems for retrofit roofing projects will be \$97,526,875. Sales of metal sidewalls for retrofit wall projects will total \$25,800,250 in 1985.

U.S. Steel profiles roofing market

Another study, by the United States Steel Corp. (USS), also provides an objective picture of the industry. The report, titled *Standing Seam Metal Roofing: A Market Profile of a Growth Product Line*, includes a third-quarter 1983/1984 research com-

parison and a survey of 1984 non-residential potentials, both provided by the Dodge/SCAN division of McGraw-Hill Information Systems Co.

According to Bob Rowe, USS' manager of sheet products for the metal buildings industry, the study began three years ago when standing seam roof systems began to be popular. The report is based on the Dodge/SCAN information, which categorizes construction projects in the United States based on project data that Dodge receives from individual contractors on a voluntary basis. USS' report covers third-quarter statistics from 1983 and 1984.

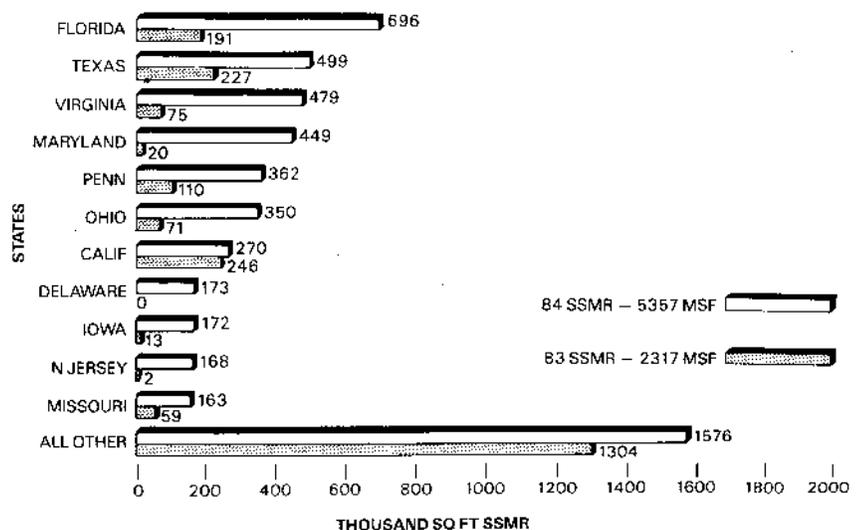
Rowe emphasized that the report should be read in context. Dodge's statistics are not comprehensive; they don't usually include small projects or even all large projects. But even with these limitations the report may prove useful to contractors attempting to assess the metal market.

According to the report, standing seam metal roofing was installed most frequently in Florida. In 1984, 969,000 square feet of standing seam metal roofing was used in that state, compared with 191,000 square feet used in 1983. Texas contractors reported the next most frequent use of metal, installing 499,000 square feet of metal systems in 1984. They reported installing 227,000 square feet in 1983.

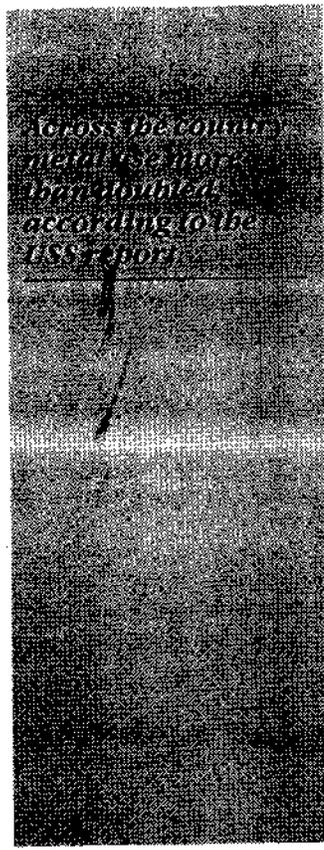
Metal use grew between 1983 and 1984 in several other states as well, although none came near to Florida's dramatic increase, according to the USS report. The accompanying chart details the top states' metal use.

MBMA predicts that 1985 sales for metal retrofit roofing projects will be \$97,526,875.

STANDING SEAM METAL ROOFING
TOP STATES IN 1984
3RD QTR. 83 - 84 COMPARISON



Source: Scan Research 3rd. Qtr. 1984



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The report further states that standing seam metal roofs appeared most frequently on education buildings. A reported 1,288,000 square feet of standing metal seam roofing was used on these facilities. Other structures contractors reported using metal on were (in descending order of frequency): public, office, leisure, commercial, transportation, medical, religious, industrial, hotel/dormitory, utility, apartment and bank buildings.

Other statistics in the USS report help give detail to the metal roofing picture. The report says that, according to Dodge/SCAN figures, the proportion of metal reroofing projects rose between 1983 and 1984. In 1983, 5 percent of all standing seam metal roof projects reported to Dodge were for reroof projects. In 1984, this figure rose to 16 percent.

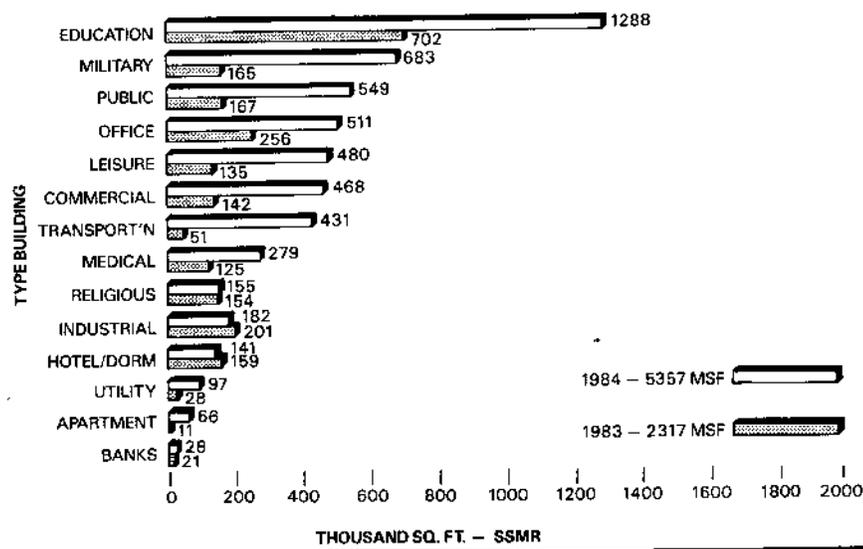
The report also examines the base metal coatings used on metal roofing. According to the report, galvanized steel was used

most often, appearing on 3,170,000 square feet of standing seam metal roofing. Galvalume was used on 680,000 square feet, the report states. In both 1983 and 1984, 24-gauge metal was used most often, according to the report. Approximately 3,445,000 square feet of 24-gauge metal was used in 1984 and 1,162,000 square feet of 24-gauge metal was used in 1983.

Metal could be new market for some

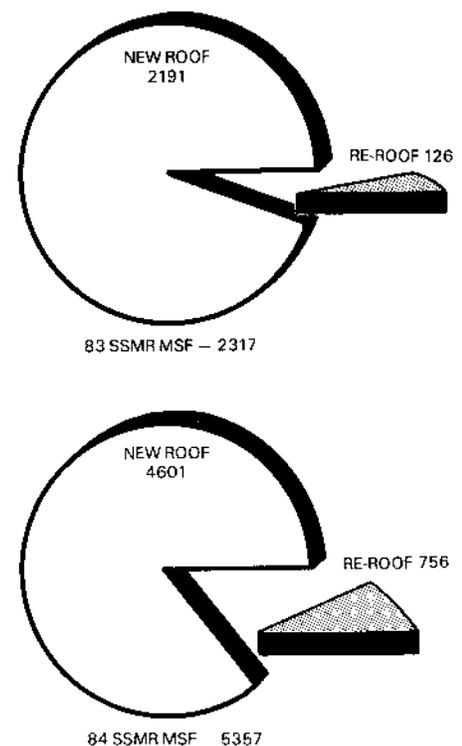
One thing all the various reports and opinions seem to indicate is that metal roofing will continue to capture a larger portion of the roofing business. But this needn't represent a threat to traditional contractors. With companies such as Armeo and American Buildings seeking independents to sell and install their wares, roofing contractors have the opportunity to tap this rapidly increasing market. It's an idea that more and more independent contractors seem to be taking a shine to.

STANDING SEAM METAL ROOFING
GROWTH BY BUILDING TYPE
3RD QTR. 83 - 84 COMPARISON



Source: Scan Research - 3rd. Qtr. 1984

STANDING SEAM METAL ROOFING
GROWTH BY TYPE ROOF CONSTRUCTION
3RD QTR. 83 - 84 COMPARISON



Source: Scan Research - 3rd. Qtr. 1984