

# The Vinyl Answer

*Vinyl siding may be losing market share to fiber-cement options, but efforts are being made to change that*

By Tess Witter

**W**hen it comes to exterior cladding options, what are the reasons behind the choices remodelers make? Is it cost, homeowner preference, design options, or something else entirely?

Vinyl siding has lost traction in the exterior cladding market every year since 2007, according to a March 2014 report from Freedonia, an Cleveland-based market research firm. While vinyl siding is still the top choice across the U.S. and Canada, its market share fell from 39 percent in 2003 to 27 percent by 2013.

Although vinyl is losing share to competing materials, specifically fiber cement siding, the anticipated rebound in construction post-recession will drive growth in this market. Forecasters are predicting the demand for siding in the U.S. to increase 7.1 percent annually to 103.5 million squares by 2018, valued at \$12.1 billion.

In an effort to look more closely at the vinyl

segment, we asked a number of remodelers what they are seeing in their markets.

## Cost Considerations

Installed, the cost of vinyl siding is about \$100 less per square than fiber cement, according the RSMean's 2014 Residential Cost Data report. Yet the remodelers we spoke with noted, time and again, that cost isn't the most important factor in the exterior choices they present to their clients. Instead, they rely on scope of work and consumer preference.

"Everyone's got a budget, but I also look at their



personality, the condition of the existing house, and their long-term plans for residing in their home,” says Neil Parsons of Design Build Pros, in Red Bank, N.J.

Parsons’ approach is to present the homeowner with three design packages: modest, robust, and wow. “Normally, on the modest and robust packages, unless the home is in bad shape, we’ll show a design matching the existing exterior, which is typically vinyl siding. In the wow package, we show a full-exterior makeover, which includes an upgraded material such as fiber cement.”

From there, he says, homeowners mix and match from the three packages until they get the design elements they want.

Others note that although budget comes into play, homeowners are often willing to come in at a higher price point to get a more upscale appearance and to improve the saleability of their house. In addition, there is a shift in who can afford to remodel. Financing is still difficult to obtain, with 80 percent of homeowners paying for their projects in cash, according to the 2014 Houzz & Home Survey.

“Post-recession, the ideal customer for remodeling has shifted to the upper-middle to upper class,” Parsons notes. “This group, in general, turns their nose up at vinyl siding because they see it as a low-entry product.”

This is a perception that the vinyl siding industry will need to change if it wants its product to be seen as a popular option in the higher-end market.

### Awareness of Exterior Options

The emergence of other exterior products, such as fiber-cement siding, brick and stone veneer, and more durable exterior paint, have all undoubtedly played a role in decreasing vinyl siding’s sizeable lead as the top exterior choice. Also playing a role is marketing by manufacturers directly to homeowners, especially through online channels.

“Cement board siding, mainly HardiePlank, has grown in top-of-mind awareness for homeowners,” Parsons says, due to the manufacturer’s strong Internet presence. “Homeowners have access to more information [via the Internet], whereas before they got their information only from contractors.”

With the wide range of ideas available through home improvement television shows and social media platforms, homeowners can research products and familiarize themselves with the remodeling process.

“From initial research to the start of construction, homeowners spend six months to a year planning for big-ticket renovation projects including ... complete home remodels (9.7 months) and



COURTESY OF GETTUM ASSOCIATES

## SIDING BY THE NUMBERS

Although vinyl may be losing share, the overall siding market is expected to grow as construction and remodeling activity continues to rebound. Here are some projections.

### SIDING OVERALL

**2013 DEMAND:** 73.5 million squares

**2018 PROJECTED:** 103.5 million squares

40.8 percent growth

**VINYL 2013:** 20.1 million squares

**VINYL 2018 (PROJECTED):** 25.8 million squares

28.4 percent growth

**FIBER CEMENT 2013:** 13.8 million squares

**FIBER CEMENT 2018 (PROJECTED):** 20.5 million squares

48.6 percent growth

Experts predict that stucco will keep its spot in third place with estimated growth of 8.2 percent annually. Wood siding should see a smaller rise (4.5 percent) through 2018, and over the next few years is expected to lose its No. 4 spot to brick.

SOURCE: PLASTICS NEWS

\*A SQUARE COVERS 100 SQUARE FEET, OR A 10-FOOT-BY-10-FOOT AREA

kitchen remodels/additions (8.3 months),” according to the Houzz & Home Survey. By the time homeowners contact a contractor, they usually have a clear idea of what they want.

Concurrent with that trend, fiber-cement siding has seen its market share rise in the U.S. during the past decade as professionals as well as consumers have become more familiar with the performance and visual appeal of the material, notes the Freedonia Group.



*One challenge faced by the vinyl siding industry in repositioning its product is that vinyl siding is often associated with inexpensive or lower-end housing materials.*

This is consistent with what remodelers are reporting.

“What we’re seeing in Pittsburgh is that there is more of an interest in composite siding,” says Dan Meade of Prime 1 Builders. “Homeowners tell me they want a realistic wood look to their siding, and they don’t feel vinyl siding provides that aesthetically.”

Adrian Toms of Indianapolis-based Gettum Associates agrees. “Fiber cement has been a real booming product,” he says. “Homeowners are requesting this type of siding, mainly due to its appearance.”

One of the big draws for homeowners when it comes to fiber cement versus vinyl is flexibility of design. If a client wants his house to stand out from everyone else’s on the street, he often selects this option. “If they put cement board siding on and paint it one color, and five years from now they want their house to be a different color, they can get it repainted. You can’t do that with vinyl,” says Craig Deimler of Deimler & Sons Construction, in Harrisburg, Pa.

In fact, some believe that one reason consumers are pushing away from vinyl siding is because of the strong command that vinyl had on the new-housing market for decades. To that end, most of the inquiries Meade receives are from homeowners who currently have vinyl and want something different. “They want to stand out from the ‘vinyl village’—where the entire neighborhood is sided with three or four shades,” he says.

The other notable issue is public perception.

“Vinyl siding is associated with inexpensive or lower-end housing materials, and homeowners want a more true representation of wood siding,” Meade adds.

### Wide Selection of Products

Recognizing that market share has decreased, the Vinyl Siding Institute (VSI), the industry’s trade association, is taking steps to try to change the public’s perception of the product.

VSI’s goal is to communicate the quality and variety of vinyl siding, says Kate Offringa, the association’s president. As evident on the VSI website ([vinylsiding.org](http://vinylsiding.org)), the vinyl industry is dedicated to addressing the misconceptions head-on. A wealth of information for homeowners is available, including white papers, webinars, and photos. For instance, “The Truth About Vinyl Siding and Fiber Cement Siding” brochure includes side-by-side comparisons of vinyl and fiber cement for durability, beauty, maintenance, installation, environmental impact, value, and warranty.

Another proactive move by the organization is to sponsor certification programs for installers and products. To date, more than 2,700 installers are certified by an independent, third-party administrator, and more than 98 percent of the vinyl siding manufactured in the U.S. each year is certified—covering more than 800 products and more than 400 colors, VSI reports.

Contractors are noticing this shift. “There is a huge difference in colors that are available today,” Toms says. “I remember back in the mid-’90s I would have a color swatch that had about 12 choices. Now I have a swatch that’s 3 inches thick.” A larger selection of vinyl siding and trim options is also being produced that addresses the unique customization and architectural detail that homeowners crave.

“Designing Style: A Guide to Designing With Today’s Vinyl Siding” is another VSI-published resource to help homeowners and contractors alike visualize what’s possible with today’s vinyl products. The guide uses photographs and illustrations to showcase nine home designs, with an overview of suggested vinyl siding profiles, colors, architectural trim, and accessories available to achieve the look depicted. Horizontal and vertical siding at various widths, shakes, shingles, and scallops, decorative front-door surrounds, and crown molding are just some of the products available.

So, what’s going to drive exterior selections for remodeling projects in the future? Better finishes and greater perceived value. “People are moving away from huge houses toward smaller ones with better finishes,” Deimler says. He believes that for vinyl to compete, it needs to come into the market showcasing a look that can be considered a better finish.

Meade agrees. “People are investing more money in their homes, and with that, they are also trying to achieve the biggest value in the projects they are doing.” Thus, the bottom line, Meade concedes, is: “Perceived value is just as important.” **PR**

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