Construction • 23816

Roofing Contractors in the US

Raise the roof: Robust demand for re-roofing fuels industry growth

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About

IBISWorld specializes in industry research with coverage on thousands of global industries. Our **comprehensive data and in-depth analysis** help businesses of all types gain quick and actionable insights on industries around the world. Busy professionals can spend less time researching and preparing for meetings, and more time focused on making strategic business decisions

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Standard Report

About This Industry

Definition

Operators in the roofing contractor industry install roofing and skylights and perform treatments on roofs (e.g., coating, painting, spraying). Work performed includes new work, additions, alterations, maintenance and repairs.

Codes

2022	23816-Roofing Contractors
2022	238160-Roofing Contractors
2022	238170-Siding Contractors
2017	23816-Roofing Contractors
2017	238160-Roofing Contractors
2017	238170-Siding Contractors

What's Included

- Single-ply roofing
- Metal roofing
- Low slope asphalt
- Steep slope asphalt

Companies

- CentiMark Corporation
- Tecta America Corp.

Related Industries

Domestic industries

Competitors

- Drywall & Insulation Installers in the US
- Glass & Glazing Contractors in the US

Complementors

- Masonry in the US
- Concrete Contractors in the US
- Steel Framing in the US
- Plumbers in the US

International industries

- Roofing Contractors in Canada
- Roofing Services in Australia
- Concreting, Bricklaying and Roofing Services in New Zealand
- Roofing Activities in the UK
- Building Construction in China

Related Terms

SHINGLE

A thin oblong piece of material, usually wood, slate or asphalt, used in overlapping rows to cover the roof or sides of a building.

SIDING

Products for surfacing or cladding the exterior walls of buildings, such as timber, vinyl sheeting or shingles.

LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN

An environmental building certificate program that was established under the US Green Building Council and certifies buildings that meet energy-efficiency and green requirements.

BUILDING ENVELOPE

A physical separator between the conditioned and unconditioned environment of a building.

Additional Resources

- National Roofing Contractors Association
- Roofing Contractor
- Professional Roofing
- Metal Roofing Alliance
- US Census Bureau
- US Bureau of Labor Statistics

At a Glance

Revenue	$99.8bn	'20-'25	↑ 6.0 %
		'25-'30	↑ 2.2 %
Employees	308k	'20-'25	↑ 2.8 %
		'25-'30	↑ 2.6 %
Businesses	106k	'20-'25	↑ 2.9 %
		'25-'30	↑ 3.1 %
Profit	$6.9bn	'20-'25	↓ 5.7 %
Profit Margin	6.9%	'20-'25	↓ 5.5 pp
Wages	$18.4bn	'20-'25	↑ 4.0 %
		'25-'30	↑ 2.5 %

Five-year growth rates display historic and forecast CAGRs

Major Players

Company	Revenue	Market Share
CentiMark Corporation	$0	0.0%
Tecta America Corp.	$0	0.0%
Other Companies	$99.8bn	100.0%

Products and Services

Item	Revenue	Market Share
Asphalt roofing	$40.6bn	40.7%
Single-ply roofing	$27.0bn	27.1%
Sheet metal roofing	$11.6bn	11.6%
Other	$20.6bn	20.6%

Key External Drivers

Key External Drivers	Impact
Value of private nonresidential construction	Positive
Private spending on home improvements	Positive
Value of residential construction	Positive
Per capita disposable income	Positive
Housing starts	Positive
Trade-weighted index	Negative

Key Takeaways

Performance

- Extreme weather events have significantly increased demand for roof repairs and replacements across the US. In response, roofing contractors have seen a revenue boost despite supply chain constraints and rising material costs because of the heightened demand.
- A surge in mergers and acquisitions has redefined the competitive landscape of the industry. Contractors, particularly smaller entities, must adapt by focusing on operational efficiency, scalability and leveraging technology or niche specialization to maintain relevance in the increasingly consolidated market.

Products and Markets

- Demand in the residential roofing market is primarily driven by re-roofing. The aging housing stock and increasing interest in greener, energy-efficient roofing solutions are significant factors driving this segment.
- Asphalt roofing remains the industry frontrunner, while single-ply roofing dominates the commercial sector. The former is popular for its affordability and versatility, while the latter is preferred for its flexibility and durability.

SWOT

Strengths	Low Imports
	High Profit vs. Sector Average
	Low Customer Class Concentration
	Low Product/Service Concentration
	Low Capital Requirements
Weaknesses	Low & Steady Barriers to Entry
	Low & Steady Level of Assistance
	High Competition
	Low Revenue per Employee
Opportunities	High Revenue Growth (2025-2030)
	Per capita disposable income
	High Revenue Growth (2020-2025)
Threats	Low Revenue Growth (2005-2025)
	Low Outlier Growth
	Low Performance Drivers
	Housing starts

Industry Structure

Characteristic	Level	Trend
Concentration	Low	
Barriers To Entry	Low	Steady
Regulation and Policy	Moderate	Increasing
Life Cycle	Mature	
Revenue Volatility	Moderate	
Assistance	Low	Steady
Competition	High	Steady
Innovation	Low	

Executive Summary

Raise the roof: Robust demand for re-roofing fuels industry growth

Over the past five years, the US roofing contractors industry has been defined by an interplay of demand drivers and operational pressures. Extreme weather events, including a record number of billion-dollar disasters fueled by tornadoes and hurricanes, have driven robust demand for roofing repairs and replacements across residential and commercial markets. The industry has also benefited from strong re-roofing demand tied to an aging housing stock, with roughly 80% of activity now coming from renovations and upgrades. Nonresidential construction spending provided another tailwind, as government infrastructure investment boosted commercial projects. As a result, revenue has been expanding at a CAGR of 6.0% over the past five years and is expected to reach $99.8 billion in 2025, when revenue will rise by an estimated 1.9%.

A significant trend shaping the industry has been the wave of consolidation and the drive toward operational scale. Mergers and acquisitions surged over 25% in 2024, with private equity and strategic buyers reshaping the competitive landscape. Larger contractors expanded their market reach, streamlining operations and improving access to high-demand materials. Concurrently, small, independent contractors faced mounting competition and margin pressure. Despite healthy industry revenue, profitability has remained vulnerable amid rising material costs, persistent labor shortages and competitive pricing, particularly for commercial projects. The industry's average profit margin has declined significantly, falling from 12.4% in 2020 to 6.9% currently, and is projected to slip marginally to 5.8% by 2030.

Looking ahead, the industry faces a landscape marked by both opportunity and challenge. Demand for residential roofing upgrades is expected to remain strong, driven by homeowners' preference for renovations over new purchases and a growing demand for durable, energy-efficient materials. However, ongoing labor shortages and stricter regulatory requirements will continue to put upward pressure on costs, compelling contractors to invest in workforce development, technology adoption and supplier relationships to maintain competitiveness. Over the next five years, revenue is forecast to rise at a CAGR of 2.2%, reaching $111.4 billion in 2030, though profitability will likely remain constrained by elevated input costs and intensified market competition. Adaptability, operational excellence and specialization will be critical for contractors aiming to thrive in this industry.

Performance

Key Takeaways

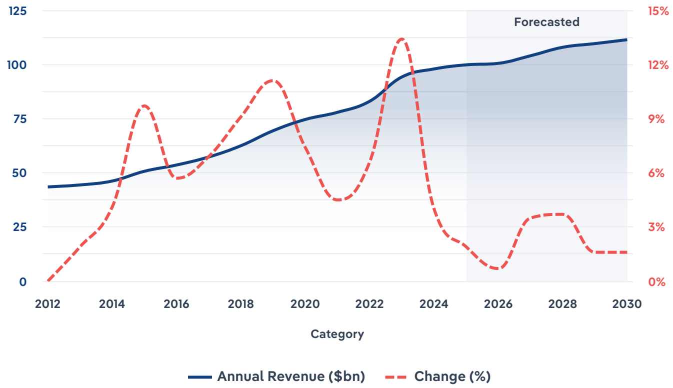
Extreme weather events have significantly increased demand for roof repairs and replacements across the US. In response, roofing contractors have seen a revenue boost despite supply chain constraints and rising material costs because of the heightened demand.

A surge in mergers and acquisitions has redefined the competitive landscape of the industry. Contractors, particularly smaller entities, must adapt by focusing on operational efficiency, scalability and leveraging technology or niche specialization to maintain relevance in the increasingly consolidated market.

Performance Snapshot

Revenue

Total value ($) and annual change from 2012 – 2030. Includes 5-year outlook.



IBISWorld Source: IBISWorld

Revenue

$99.8bn

'20-'25 ↑ 6.0 %

'25-'30 ↑ 2.2 %

2025 Revenue Growth

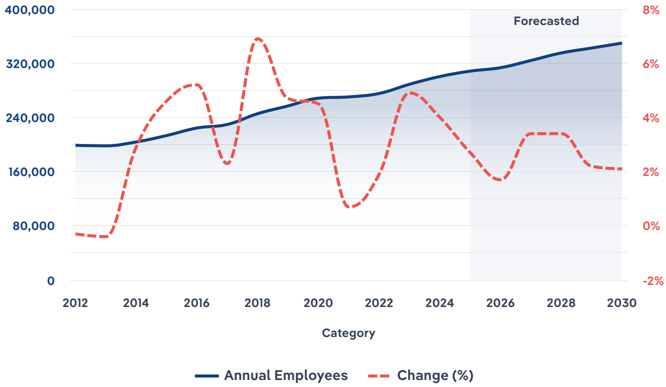
1.9 % Increasing

Revenue Volatility

Moderate

Employees

Total number of employees and annual change from 2012 – 2030. Includes 5-year outlook.



IBISWorld

Source: IBISWorld

Employees

308k

'20-'25 ↑ 2.8 %

'25-'30 ↑ 2.6 %

Employees per Business

3

'20-'25 ↓ 0.1 %

'25-'30 ↓ 0.5 %

Revenue per Employee

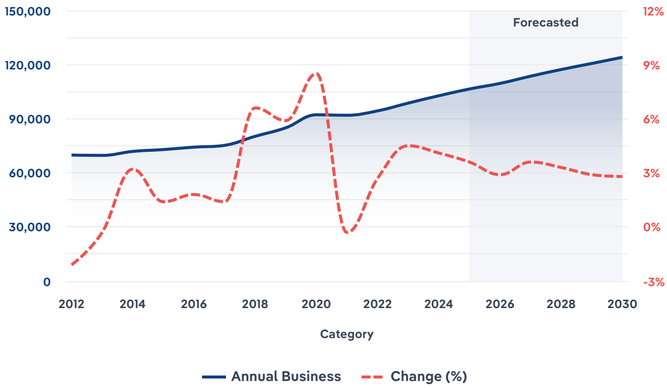
$324k

'20-'25 ↑ 3.1 %

'25-'30 ↓ 0.3 %

Business

Total number of businesses and annual change from 2012 – 2030. Includes 5-year outlook.



IBISWorld

Source: IBISWorld

Businesses

106k

'20-'25 ↑ 2.9 %

'25-'30 ↑ 3.1 %

Employees per Business

3

'20-'25 ↓ 0.1 %

'25-'30 ↓ 0.5 %

Revenue per Business

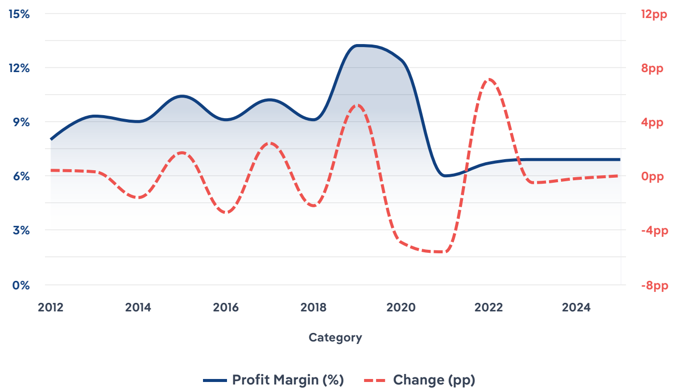
$937.3k

'20-'25 ↑ 3.0 %

'25-'30 ↓ 0.9 %

Profit Margin

Total profit margin (%) and annual change from 2012 – 2030



Total Profit

$6.9bn '20-'25 ↓ 5.7 %

Profit Margin

6.9% '20-'25 ↓ 5.5 pp

Profit per Business

$64,670

IBISWorld

Source: IBISWorld

Current Performance

↑ 2020-25 Revenue CAGR +6.0%

What's driving current industry performance?

A rise in extreme weather events lifts demand for roof repairs

- In 2024 and 2025, the US faced one of its most extreme years for weather and climate disasters, according to data from the National Oceanic and Atmospheric Association (NOAA). 27 incidents caused losses exceeding $1.0 billion, making it the second-highest annual count of billion-dollar disasters. The year 2024 marked one of the most active tornado seasons since 2011, with a confirmed total of 1,882 tornadoes. The Atlantic hurricane season also significantly contributed to the climate turmoil of the past two years. The season was notably intense, with 18 named storms, out of which 11 escalated into full-fledged hurricanes and five further developed into major hurricanes.
- These extreme conditions caused widespread roof destruction across residential and commercial properties, increasing demand for emergency repairs and replacements. According to Roofing Contractor, roof damage costs have surged, with residential repairs ranging from $5,000 to $20,000 and commercial projects exceeding $100,000 in some cases.
- This surge in severe weather events has created challenges and opportunities for roofing contractors. On the one hand, the increased demand for services has boosted revenues in the industry. However, supply chain constraints and rising material costs have complicated operations. Due to high demand, contractors faced delays in securing advanced materials, such as impact-resistant shingles.
- US roofing contractors can use rising extreme weather as both a risk signal and a growth opportunity by positioning themselves as resilience experts. Companies find success in implementing impact-resistant and climate-resilient systems, offering pre- and post-storm inspections and educating customers on preventive upgrades and insurance benefits. Real-time, weather-triggered marketing and rapid post-storm response can capture urgent demand while building long-term trust.

Merger and acquisition activity intensifies

- The surge in mergers and acquisitions (M&A) activity within the roofing contractor industry has reshaped the competitive landscape. Through the current year, acquisitions of roofing contractors increased by over 25.0%, with 134 businesses purchased compared to 106 in 2023. Private equity firms and strategic buyers drive this consolidation, leveraging significant capital reserves to acquire businesses with strong operational foundations. Notable deals include Tecta America's acquisition of Alpine Roofing and Eskola Roofing's expansion across 11 states through multiple acquisitions. The aging housing stock, demand for infrastructure maintenance and the appeal of scalable roofing businesses to investors fuel this trend.
- Consolidation allows larger contractors to expand their geographic reach, streamline operations and access new markets. However, smaller contractors face increased competition from these larger entities, diluting their market share. Integrating acquired companies requires significant effort to align operations, branding and technology platforms. For contractors not involved in acquisitions, navigating this rapidly changing landscape demands innovation and differentiation to remain competitive.
- Roofing contractors must adapt by focusing on operational excellence and scalability to attract potential buyers or compete effectively

against consolidated firms. Investing in technology, such as SaaS solutions like JobNimbus or ServiceTitan, can enhance efficiency and customer experience. Smaller contractors should explore partnerships or niche specialization to maintain relevance in a market dominated by more prominent players.

An aging housing stock fuels demand for re-roofing

- According to Roofing Contractor, re-roofing drives 80.0% of the roofing industry's demand. This strengthening prevalence of re-roofing demand is primarily because of aging infrastructure. The median age of single-family homes in the US is approximately 40 years, per the latest available data from the 2022 American Community Survey.
- With the median age of owner-occupied homes reaching 40 years, many roofs are nearing or exceeding their expected lifespans. Older roofing materials, such as three-tab shingles, are increasingly prone to damage from wear and severe weather. This prompts homeowners to seek repairs or replacements. The limited availability of move-in-ready homes has led homeowners to invest in maintaining and upgrading their existing properties, including roof repairs, to improve functionality and value.
- This trend has created significant opportunities for industry contractors, as re-roofing projects are often non-discretionary and require immediate attention. Contractors specializing in impact-resistant materials and energy-efficient solutions, like cool roofs or solar-integrated systems, are particularly well-positioned to benefit.
- Roofing contractors must adapt by offering tailored solutions for aging roofs, such as preventative maintenance programs and durable replacements. Educating homeowners about the risks of delaying repairs, such as water damage and reduced energy efficiency, can also help drive timely action and therefore industry revenue.

Strengthening non-residential construction spending elevates demand

- According to the American Institute of Architects, construction spending for nonresidential buildings, including commercial, industrial and institutional facilities, climbed by nearly 20.0% in 2023 and by another 6.0% in 2024. Demand from the commercial market for roofing contractors is expected to contract through the current year, driven by economic uncertainty and geopolitical events. However, government infrastructure initiatives still boosted demand for roofing services in commercial construction projects.
- The gain in commercial demand has reshaped contractor priorities. Companies specializing in large-scale re-roofing and sustainable solutions benefit from consistent project pipelines. However, challenges specific to the commercial market have intensified, including labor shortages that delay project timelines and reduce operational capacity. Contractors face rising competition in bidding wars, where lowball pricing pressures profit.
- To thrive in the commercial market, roofing contractors must focus on scaling operations to handle high-volume re-roofing projects efficiently. Investing in workforce development programs to address labor shortages is crucial, as is leveraging technology, such as AI, for faster inspections and more precise project execution. Contractors should also enhance their expertise in sustainable roofing materials to meet growing demand from environmentally conscious businesses.

Volatility

Moderate

What influences industry volatility?

Weather-driven demand and seasonal variability

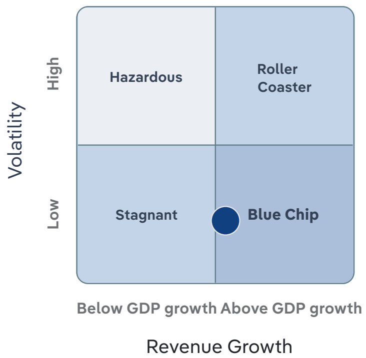
- The roofing industry is highly dependent on weather patterns, as severe storms, hurricanes and other extreme weather events drive demand for roof repairs and replacements. For example, storm-related damage accounts for 80.0% of roofing projects, with demand spiking after hailstorms or hurricanes.
- This reliance on weather creates some revenue volatility. Mild seasons with fewer storms can reduce demand, while extreme winters or rainy periods can delay construction schedules, disrupting cashflow. Roofing is a seasonal business, with peak activity in warmer months. Contractors must navigate these fluctuations by diversifying their service offerings, including maintenance and inspections, during slower periods. Additionally, investing in marketing during high-demand seasons will help stabilize revenue streams and maintain consistent operations.
- In contrast, the broader construction sector benefits from more stable, long-term project cycles, such as infrastructure development and commercial construction, which are less influenced by short-term environmental factors.

Changing input prices influence volatility

- The cost of raw materials like asphalt shingles, metal roofing and insulation plays a critical role in revenue volatility for roofing contractors. Global supply chain disruptions, geopolitical tensions and tariffs on imported materials often drive price fluctuations. For example, recent shifts in sourcing from China to countries like Vietnam and India have increased costs for many contractors.
- Supply chain delays further exacerbate project timelines, creating financial strain. To mitigate these challenges, contractors are increasingly diversifying suppliers, negotiating bulk discounts and adopting inventory management systems to better control costs and reduce revenue unpredictability.

Blue Chip

Industry volatility vs. revenue growth (2020-2025 CAGR)



IBISWorld

Source: IBISWorld

Key Success Factors

How do successful businesses overcome volatility?

Develop a strong reputation

A strong reputation helps roofing contractors secure repeat business and referrals, providing a steady stream of projects even during economic downturns.

Develop a loyal customer base

Repeat customers are crucial for success in the roofing industry. A successful contractor will maintain a positive, professional or casual relationship with downstream customers to secure re-roofing revenue streams, even during harsh economic times.

Outlook

↑ 2025-30 Revenue CAGR +2.2%

What's driving the industry outlook?

Demand from residential renovations will remain robust

- Residential renovation is expected to experience steady growth over the next five years as homeowners increasingly prioritize improving their existing spaces rather than moving. This trend is driven by several factors, including rising home prices, which make purchasing new homes less affordable, and a growing preference for personalization.
- This trend has significant implications for roofing contractors by driving demand for roof replacement, repair and upgrades. Homeowners are more willing to invest in durable materials like metal or energy-efficient options like cool roofs to align with broader sustainability and longevity goals. The aging housing stock in the US requires frequent updates, positioning roofing contractors as essential to the renovation market.
- Contractors should capitalize on this growth by diversifying their offerings to include sustainable and energy-efficient materials that appeal to homeowners with these preferences. Investing in workforce training will be crucial for meeting increased demand while maintaining high-quality standards. Businesses should also strengthen supplier relationships to ensure access to high-demand materials at competitive prices.

Labor challenges will persist requiring proactive strategies like upskilling

- The roofing industry will continue to grapple with persistent labor shortages driven by an aging workforce and a lack of younger, skilled professionals entering the trade. According to the Bureau of Labor Statistics, employment for roofers is projected to climb 6.0% from 2023 to 2033, but the job's physically demanding and hazardous nature has made recruitment difficult. Stricter immigration policies may further reduce the labor pool, exacerbating shortages.
- According to Roofing Contractor's 2025 State of the Roofing Industry Report, 61.0% of commercial roofing contractors cited a lack of qualified workers as an issue. These labor challenges will impact the industry by increasing costs, extending project timelines and reducing competition. Contractors face higher wages and higher costs for providing safety equipment and training to retain workers. The shortage of skilled labor limits contractors' ability to take on new projects or expand operations, potentially stalling growth in both residential and commercial sectors. Delays caused by understaffing can also erode customer satisfaction and strain contractor-client relationships.
- To address these challenges, roofing contractors must adopt proactive strategies, including offering competitive wages alongside robust training programs to attract younger workers and upskill existing employees. Contractors will also use new technologies like AI-powered CRMs or inventory management tools to improve efficiency and reduce reliance on manual labor.

Demand for metal roofing will strengthen

- Metal roofing is expected to jump in popularity over the next five years because of its durability, energy efficiency and sustainability. Metal roofs are highly resistant to extreme weather conditions, including hail, wind, snow and fire, making them an attractive choice for homeowners in areas prone to severe weather events.
- Metal roofing reflects sunlight and reduces heat absorption, lowering cooling costs, which aligns with the increasing demand for energy-efficient options. Its eco-friendly nature, often made from recycled materials and fully recyclable at the end of its lifespan, also appeals to environmentally conscious consumers. With a lifespan of 40–80 years, metal roofs also offer long-term value compared to traditional asphalt shingles, which typically last only 20 years.
- The growing popularity of metal roofing has significant implications for shifting demand the industry. Contractors will see increased demand for metal roofing installations, particularly in residential markets where adoption is accelerating. Technological advancements, such as energy-efficient coatings and compatibility with solar systems, make metal roofs more versatile, driving increased consumer interest.

- To capitalize on this trend, roofing contractors should invest in training programs to specialize in metal roof installation and maintenance. They should also establish relationships with reliable suppliers to manage costs and ensure access to innovative products. Marketing efforts should emphasize the long-term value and sustainability benefits of metal roofing to appeal to eco-conscious homeowners.

Smart technologies will be vital to streamline operations

- Smart technologies will revolutionize the roofing industry by integrating advanced systems, such as IoT sensors, drones and AI-powered analytics, into roofing solutions. These technologies enable real-time monitoring of roof conditions, including temperature, moisture levels and structural integrity, allowing for early detection of issues like leaks or damage. According to Beacon Roofing Supply, leaks fuel 40.0% of re-roofing demand. Drones will increasingly be used for inspections, providing high-resolution images that eliminate the need for manual assessments. These advancements improve performance, durability and operational efficiency while reducing maintenance costs and extending roof lifespans.
- By leveraging these innovations, contractors can offer homeowners and businesses more efficient and cost-effective services. In this case, IoT-enabled systems enable contractors to monitor roofs remotely, reducing the need for frequent on-site inspections and allowing for proactive maintenance. Drones also improve safety by minimizing the need for workers to access hazardous areas, while AI-powered tools streamline operations such as estimating costs and identifying repair needs.
- Roofing contractors should prioritize integrating smart technologies into their operations to stay ahead in this rapidly shifting industry. This includes investing in the listed technologies to avoid falling behind larger companies and industry trends. These tools will become integral to a contractor's ability to offer competitive real-time monitoring, safer inspections, accurate cost estimation and more precise predictive maintenance.

Life Cycle Mature

Why is the industry mature?

Contribution to GDP

The roofing contractors industry's contribution to GDP is consistent and significant, suggesting that it's a mature industry. It maintains steady growth, responds to construction needs (both residential and commercial) and employs a large workforce. This stability and predictability are hallmarks of a mature industry.

Market Saturation

The high level of market saturation in the industry is also evidence of its maturity. Numerous established contractors occupy the space, indicating a stable market with limited scope for new, unique entrants. This level of saturation is typical of a mature industry.

Innovation

In the roofing contractors industry, innovation is more geared towards improving efficiency and safety practices rather than reinventing products or services. This signifies that the industry is mature, as the core offerings have been established and refined over time, leaving room only for incremental innovation.

Consolidation

The level of consolidation in the roofing contractors industry, reflected in its numerous mergers and acquisitions, marks it as a mature industry. Such consolidation typically occurs when growth slows, and larger businesses aim to increase market share and operational efficiencies by joining forces.

Technology & Systems

The industry's reliance on advanced technologies and systems for functions such as estimating, scheduling and project management indicates a mature market. The ability to seamlessly integrate and innovate with these technologies demonstrates a developed, organized and efficient operational model, a marker of a mature industry.

Life Cycle

Indication of the industry's stage in its life cycle compared to similar industries

*Growth is based on change in share of economy combined with change in establishment numbers

IBISWorld

Source: IBISWorld

Products and Markets

Key Takeaways

Demand in the residential roofing market is primarily driven by re-roofing. The aging housing stock and increasing interest in greener, energy-efficient roofing solutions are significant factors driving this segment.

Asphalt roofing remains the industry frontrunner, while single-ply roofing dominates the commercial sector. The former is popular for its affordability and versatility, while the latter is preferred for its flexibility and durability.

Largest Market
$40.6bn Asphalt roofing

Product Innovation
Low

Products and Services

How are the industry's products and services performing?

Asphalt roofing dominates the industry

- Asphalt roofing is a dominant product line in the industry, as it primarily encompasses asphalt shingles and related systems. Asphalt shingles are comprised of a base mat (fiberglass or organic), asphalt coating for waterproofing and surface granules for UV protection and aesthetics. This product segment includes three main types: three-tab shingles (affordable and lightweight), architectural shingles (durable with a dimensional appearance) and premium shingles (high-performance with advanced features).
- Demand for asphalt shingles is driven primarily by reroofing of aging housing stock and steady residential renovation activity. Their relative affordability, ease of installation and wide design options keep them the default choice for most homeowners. As a result, the segment maintains a dominant share of the roofing market. New single-family construction and growing weather-resilient shingle offerings further support long-term demand. The availability of various colors and styles makes them adaptable to different architectural designs.
- For roofing contractors, steep-slope asphalt shingles are more popular than low-slope shingles. Steep-slope roofs, defined as having a width-to-length ratio (pitch) greater than 4:12, are favored for their ability to efficiently shed water, snow and debris. This reduces the risk of leaks and structural damage. In contrast, low-slope roofs, with a pitch between 2:12 and 4:12, require special installation techniques, such as double underlayment layers. This ensures proper water drainage and durability. While asphalt shingles can be used on low-slope roofs under strict conditions, they are less common because of increased risks of water pooling and warranty limitations.

Commercial contractors depend on single-ply roofing

- Single-ply roofing is a commercial roofing system consisting of a single layer of synthetic polymer membranes designed for low-slope roofs, typically with pitches less than 3:12. These membranes are flexible, lightweight and durable, making them ideal for commercial applications.
- According to Roofing Contractor's 2025 State of the Roofing Industry report, single-ply accounts for an average of 43.0% of sales revenue for commercial contractors, with 88.0% of commercial contractors offering the product. Single-ply systems offer several advantages, including fewer seams (reducing leak risks), chemical resistance and adaptability to various roof shapes. With proper maintenance, these systems can last 25–40 years.
- Demand is primarily driven by the commercial reroofing of aging low-slope buildings and steady renovation activity. Building codes and energy regulations encourage reflective, "cool roof" TPO and PVC systems, while owners value quick and lightweight installations that reduce labor costs. Their durability, long service life and strong warranties further support ongoing adoption.

Other products fill niche demand

- Other services include treating roofs with coatings, installing slate and concrete tile roofs and installing skylights. Concrete tiles are popular in the Southwest region, as they excel at counteracting heat. Slate roofs are popular in the Northeast region since they offer extreme durability, tolerating snowstorms and keeping their integrity for 50 years.
- Slate roofs are popular for historical restoration and high-end residential and commercial projects. Roof coatings, particularly energy-efficient and sustainable options like cool roofs and reflective coatings, are in high demand because of their ability to extend roof lifespan, reduce energy costs and comply with environmental regulations.
- According to the 2025 Roofing Contractor State of the Roofing Industry report, only 31.0% of residential contractors and 25.0% of commercial contractors are involved with solar.

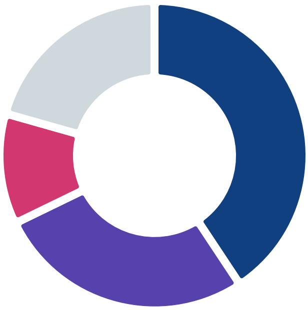
Extreme weather events bolster demand for sheet metal roofing

- Sheet metal roofing is a durable, versatile and weather-resistant roofing solution made from materials such as aluminum, copper, stainless steel or galvanized steel. It is widely used in residential and commercial applications because of its longevity, energy efficiency and aesthetic appeal.

- With a strong focus on re-roofing projects driven by the increasing frequency of climate-related disasters, homeowners are increasingly choosing metal roofs for their durability, energy efficiency and sustainability. They can withstand extreme weather conditions like hurricanes, hail and wildfires.

Products & Services Segmentation

Industry revenue in 2025 broken down by key product and service lines.



- Asphalt roofing ($40.6bn) 40.7%
- Single-ply roofing ($27.0bn) 27.1%
- Sheet metal roofing ($11.6bn) 11.6%
- Other ($20.6bn) 20.6%

IBISWorld — Source: IBISWorld

What are innovations in industry products and services? Low

Sustainable roofing materials are gaining traction

- Sustainable roofing materials are reshaping the roofing industry by focusing on eco-friendly solutions that balance environmental responsibility with performance and aesthetics. Metal roofing has emerged as a popular choice because of its recyclability, durability and ability to reflect heat, making it energy-efficient and long-lasting. Cool roofs, designed with reflective coatings or light-colored materials, help reduce heat absorption, lowering energy consumption and making buildings more comfortable.
- Solar roofs are another innovative option, integrating energy-generating photovoltaic panels directly into the roof structure, combining functionality with sustainability. Green roofs, which feature vegetation layers, improve insulation, manage stormwater and improve air quality. According to the Roofing Contractor 2025 State of the Roofing Industry report, solar roofing accounted for 1.0-2.0% of total annual revenue for the 31.0% of residential roofers involved with solar.

☆ Key Success Factors

What products or services do successful businesses offer?

Align cost-effective delivery with client needs

Since contractors compete locally for business, cost-effectiveness is crucial for success. Consumers are constantly on the lookout for the best price.

Comply with required product standards

Contractors must use sturdy equipment when servicing downstream markets, and all materials used on a job must meet minimum safety and structural requirements.

Major Markets

What's influencing demand from the industry's markets?

Existing nonresidential construction projects are contractors largest market

- The existing nonresidential building construction market refers to repairing, maintaining and improving structures designed for purposes other than habitation. Nonresidential buildings include commercial properties like office buildings, retail stores, hotels, industrial facilities and institutional buildings like schools, hospitals and government offices.
- Roofing contractors serve this market by addressing the unique requirements of nonresidential roofs, which often involve larger-scale projects than residential roofing. These roofs may require specialized materials and designs to accommodate heavy machinery, energy efficiency standards or regulatory compliance.

Re-roofing needs fuel demand in the existing residential building market

- The existing residential building construction market refers to repairing, maintaining and replacing roofs on already-built residential properties, including single-family homes, multi-family units and apartments. This market is driven primarily by re-roofing needs, which account for over 80.0% of industry demand, as homeowners address aging roofs or damage caused by severe weather conditions.
- Demand in this segment is bolstered by factors like the aging housing stock, with many roofs reaching the end of their lifespan. Rising homeowner interest in energy-efficient and sustainable roofing solutions has further expanded this market.

Government investments bolster demand from new nonresidential building construction

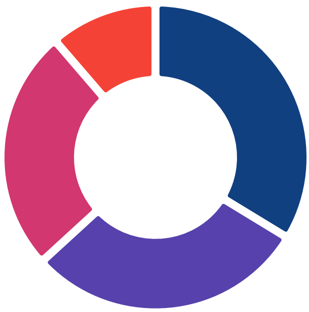
- The new nonresidential building construction market refers to roofing services for newly constructed commercial, industrial and institutional buildings. This segment includes projects such as office buildings, retail spaces, warehouses, hospitals, schools and government facilities. Economic growth, urbanization and infrastructure development initiatives influence demand in this market.
- Key drivers include government investments like the Bipartisan Infrastructure Law, which allocates significant funding for new construction projects. Rapid industrialization and the expansion of sectors such as healthcare and education contribute to increased demand for roofing systems tailored to large-scale structures. Innovations such as modular construction techniques and sustainable roofing materials further shape this market by improving efficiency and meeting environmental standards. According to the American Institute of Architects, construction spending for nonresidential buildings rose 6.0% in 2024 and is anticipated to gain 2.2% in 2025.

A drop in housing starts hampers demand from new residential construction

- The new residential building construction market refers to the installation of roofing systems on newly built residential properties, including single-family homes, townhouses and multi-family units. This market is driven by housing starts, urbanization and population growth, which create demand for durable and aesthetically appealing roofing solutions.
- According to the National Association of Home Builders, total housing starts for 2024 were 1.36 million, which represents a 3.9% drop from 2023. The Association also found that multifamily starts ended 2024 down 25.0% from 2023.

Major Markets Segmentation

Industry revenue in 2025 broken down by key markets



- Existing nonresidential building construction ($33.6bn) 33.7%
- Existing residential building construction ($29.4bn) 29.5%
- New nonresidential building construction ($25.4bn) 25.5%
- New residential construction ($11.3bn) 11.3%

IBISWorld

Source: IBISWorld

International Trade

Some industries don't directly import or export goods. See reports at the manufacturing level for international trade data on relevant products.

Geographic Breakdown

Key Takeaways

The Southeast US has a high concentration of roofing contractors because of extreme weather conditions, necessitating frequent repair and replacement. Population growth and a thriving housing market in states like Florida significantly boost demand for roofing services.

In the Great Lakes region, demand for roofing contractors is influenced by local economic factors, an aging housing stock and severe weather conditions. With its old housing stock, Detroit offers particular potential for re-roofing and new roof installations.

Business Locations

State	Estab. Units	Estab. %	Revenue $m	Revenue %	Wages $m	Wages %	Employment Units	Employment %	Population %
Texas	8,857	8.3	7,787.5	7.8	1,336.6	7.2	22,286	7.2	9.3
California	11,923	11.2	7,608.6	7.6	2,275.1	12.3	35,994	11.7	11.5
Florida	8,228	7.7	6,738.5	6.8	1,581.6	8.6	34,363	11.1	7.0
Pennsylvania	3,502	3.3	3,773.0	3.8	933.3	5.1	14,496	4.7	3.8
Washington	4,255	4.0	2,572.3	2.6	720.0	3.9	11,182	3.6	2.3
Ohio	3,687	3.4	3,355.8	3.4	684.4	3.7	11,657	3.8	3.5
Illinois	4,142	3.9	3,162.2	3.2	694.7	3.8	8,763	2.8	3.7
New York	3,248	3.0	2,127.2	2.1	749.8	4.1	9,913	3.2	5.8
Colorado	3,812	3.6	2,378.1	2.4	453.0	2.5	8,031	2.6	1.8
North Carolina	3,429	3.2	2,396.4	2.4	441.6	2.4	8,836	2.9	3.3
Arizona	2,205	2.1	2,125.6	2.1	489.1	2.7	9,866	3.2	2.2
Georgia	3,244	3.0	2,335.3	2.3	380.8	2.1	7,055	2.3	3.3
Virginia	2,318	2.2	1,427.4	1.4	320.4	1.7	5,995	1.9	2.6
Oregon	2,178	2.0	1,120.1	1.1	336.7	1.8	7,070	2.3	1.2
Massachusetts	1,882	1.8	1,663.8	1.7	416.2	2.3	4,522	1.5	2.1
Michigan	1,865	1.7	1,844.1	1.8	413.8	2.2	5,804	1.9	3.0
Indiana	2,134	2.0	1,810.5	1.8	363.1	2.0	6,770	2.2	2.0
Minnesota	2,115	2.0	1,718.8	1.7	388.9	2.1	4,882	1.6	1.7
Missouri	1,949	1.8	1,717.6	1.7	299.4	1.6	5,922	1.9	1.8
Maryland	1,462	1.4	1,569.9	1.6	343.1	1.9	5,524	1.8	1.8
Wisconsin	1,944	1.8	1,230.7	1.2	283.0	1.5	4,708	1.5	1.7
Tennessee	1,729	1.6	1,516.6	1.5	303.9	1.6	5,645	1.8	2.1
New Jersey	1,524	1.4	1,537.9	1.5	327.9	1.8	4,402	1.4	2.8
Utah	1,477	1.4	1,012.7	1.0	217.4	1.2	5,069	1.6	1.0
Oklahoma	1,717	1.6	916.7	0.9	121.7	0.7	3,131	1.0	1.2
Kansas	1,245	1.2	1,013.5	1.0	144.3	0.8	3,160	1.0	0.9

State	Estab. Units	Estab. %	Revenue $m	Revenue %	Wages $m	Wages %	Employment Units	Employment %	Population %
Nevada	451	0.4	759.3	0.8	144.5	0.8	3,472	1.1	1.0
Idaho	1,371	1.3	606.0	0.6	91.5	0.5	2,669	0.9	0.6
South Carolina	1,153	1.1	867.5	0.9	122.2	0.7	2,956	1.0	1.6
Connecticut	694	0.6	509.0	0.5	137.9	0.7	1,663	0.5	1.1
Iowa	1,133	1.1	807.1	0.8	117.1	0.6	2,468	0.8	1.0
Louisiana	1,163	1.1	732.2	0.7	103.0	0.6	2,650	0.9	1.3
Nebraska	1,160	1.1	626.8	0.6	89.2	0.5	2,105	0.7	0.6
Alabama	1,133	1.1	757.5	0.8	91.8	0.5	2,373	0.8	1.5
Kentucky	913	0.9	612.3	0.6	106.3	0.6	2,576	0.8	1.3
Arkansas	952	0.9	691.4	0.7	99.1	0.5	2,458	0.8	0.9
New Mexico	867	0.8	376.1	0.4	63.0	0.3	2,137	0.7	0.6
Montana	653	0.6	187.7	0.2	26.6	0.1	782	0.3	0.3
Hawaii	398	0.4	311.4	0.3	70.4	0.4	1,662	0.5	0.4
Mississippi	413	0.4	317.9	0.3	42.3	0.2	1,460	0.5	0.9
Maine	481	0.5	220.4	0.2	41.1	0.2	1,037	0.3	0.4
Delaware	286	0.3	256.3	0.3	61.0	0.3	1,229	0.4	0.3
South Dakota	418	0.4	212.7	0.2	22.0	0.1	638	0.2	0.3
New Hampshire	319	0.3	242.3	0.2	47.0	0.3	802	0.3	0.4
Alaska	281	0.3	161.2	0.2	46.4	0.3	545	0.2	0.2
West Virginia	375	0.4	213.9	0.2	28.4	0.2	864	0.3	0.5
Wyoming	366	0.3	132.0	0.1	22.7	0.1	689	0.2	0.2
Vermont	339	0.3	83.1	0.1	16.1	0.1	422	0.1	0.2
Rhode Island	278	0.3	131.8	0.1	20.6	0.1	420	0.1	0.3
North Dakota	268	0.3	114.1	0.1	19.4	0.1	454	0.1	0.2

You can access and download additional years of data, including district-level data, at my.ibisworld.com.

Where are industry businesses located?

Extreme weather events benefit contractors in the Southeast

- Roofing contractors are concentrated in the southeastern US because of the region's extreme weather conditions, including hurricanes, intense heat and heavy rainfall. These events accelerate roof wear and replacement needs. Population growth, high housing starts and high business starts in states like Florida further drive demand for roofing services.
- Asphalt shingles dominate the residential market because of their affordability and ease of installation, while spray polyurethane materials are gaining popularity for residential and commercial projects. The Southeast also sees strong demand for durable roofing options like metal and EPDM membranes, which cater to resilience against harsh weather conditions.

A diverse climate in the West supports many niches

- Roofing contractors are drawn to the western US because of its diverse climate and growing demand for both residential and commercial roofing. The region's extreme weather, ranging from heavy snow in mountainous areas to intense heat in deserts, necessitates durable roofing solutions like TPO membranes, metal roofing and clay tiles.
- Solar panel integration is increasingly popular in sunny areas like the West. According to a study by Instant Roofer, which analyzed

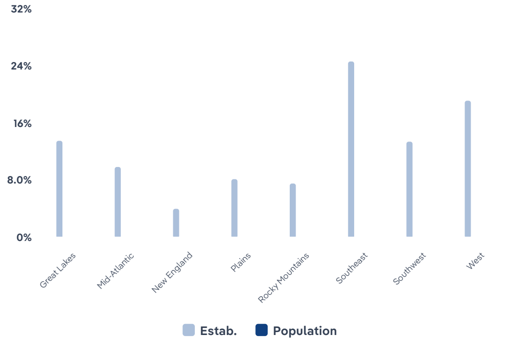
American Housing Survey data, California's metropolitan areas are particularly impacted by leaks, with Riverside experiencing leaks in 6.6% of its households, Los Angeles at 6.0% and San Francisco at 5.7%.

An older housing stock heightens re-roofing demand in the Great Lakes

- The local economy in the Great Lakes region significantly influences demand for roofing services because of its industrial base, population density and weather-driven needs. As a manufacturing hub, the region supports steady commercial construction and maintenance, driving demand for durable roofing materials like metal and EPDM membranes.
- Harsh winters and storm damage necessitate frequent repairs and replacements, sustaining demand across both segments. Public infrastructure investments also contribute to roofing needs, particularly for government and institutional buildings. Detroit, a major city in the region, has one of the oldest housing stocks in the US, heightening demand for re-roofing and new roofs because of cumulative wear and tear.

Rocky Mountains has the largest spread of businesses compared to its population

Share of Estab. (%) vs. share of population (%)



Source: IBISWorld

Key Success Factors

How do businesses use location to their advantage?

Attract local support

The contracting industry is highly fragmented, consisting primarily of nonemployers. These contractors must build a brand name, integrate into their community and offer region-specific services to build rapport with residents and businesses.

Ensure accessibility to consumers and end-users

A contractor must have ready access to a given market. This may include focusing business in specific communities with higher demand, ranging from areas with a higher concentration of extreme weather events to those with a higher average age of buildings.

Competitive Forces

Key Takeaways

Fragmentation is high among roofing contractors. Regional differences offer opportunities for smaller contractors to carve out a niche and specialize, but also increase local competition among smaller businesses.

Differentiating in the crowded roofing contractor market is a crucial hurdle for new entrants. Unique marketing strategies, superior craftsmanship and exceptional customer service can help businesses stand out among competitors.

Concentration	Competition	Barriers to Entry
Low	High Steady	Low Steady
Substitutes	**Buyer Power**	**Supplier Power**
Low Steady	Moderate Steady	Moderate Steady

Concentration Low

What impacts the industry's market share concentration?

Consolidation activity is climbing

- The Roofing Contractors industry is experiencing significant consolidation, with major companies expanding their market share through acquisitions and facility investments. For instance, CertainTeed and GAF have invested heavily in manufacturing facilities to stabilize supply chains and strengthen production capacity.
- These developments allow larger companies to dominate the market, benefiting from economies of scale and streamlined logistics. Smaller contractors face challenges competing with these giants as partnerships with manufacturers and distributors increasingly favor more prominent contractors. This consolidation impacts market share concentration by reducing the influence of smaller businesses while bolstering the dominance of established businesses.

Regional demand and climate vary

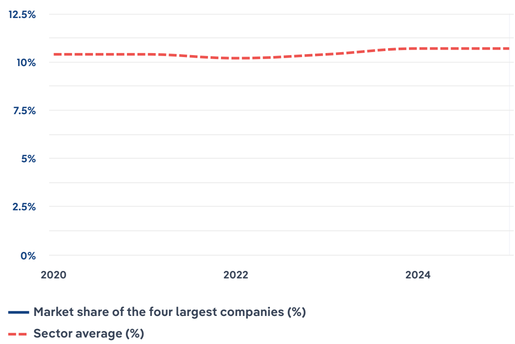
- Regional economic conditions and weather patterns influence market share concentration. Roofing demand is higher in regions prone to severe weather, such as the Southeast and Southwest, where storm-related repairs drive growth.
- Contractors in these areas can capture larger market shares by focusing on impact-resistant materials and timely repair services. Conversely, the Midwest and Northeast growth remains moderate, leading to less concentrated market activity. Strategic positioning in high-demand regions offers contractors a competitive edge, enabling them to capitalize on localized opportunities while addressing diverse customer needs.

Material cost and supply chain challenges

- Rising material costs and supply chain disruptions significantly impact the roofing industry's market share concentration. Tariffs on imported materials have increased price volatility, forcing contractors to diversify sourcing strategies. Larger companies with robust supplier networks are better equipped to manage these challenges, maintaining profitability despite cost pressures.
- Smaller contractors often struggle to adapt, reducing competitiveness and market share loss. The growing preference for energy-efficient materials benefits companies investing in innovative solutions, creating a divide between contractors that can afford such investments and those that cannot.

Market Share Concentration

Combined market share of the four largest companies in this industry



IBISWorld Source: IBISWorld

Key Success Factors

How do successful businesses handle concentration?

Generate repeat customers

Building a loyal customer base is a crucial success factor in a concentrated market. By providing excellent service and creating positive experiences, contractors can encourage repeat business, bolstering their reliability and stability in a competitive field.

Concentrate on core business

By delegating specialized tasks, such as material sourcing or compliance management, contractors can allocate resources to their strengths, such as quality workmanship and client relationships. This targeted approach helps them maintain competitiveness and adapt to market fluctuations.

Barriers to Entry Low Steady

What challenges do potential industry entrants face?

Legal

- Potential roofing contractor industry entrants face significant legal challenges, including strict worker classification rules under evolving Department of Labor regulations. These rules determine whether workers are independent contractors or employees, and misclassification risks costly penalties. Compliance with OSHA safety standards and liability for subcontractor errors complicate operations, requiring robust risk management.

Start-Up Costs

- Initial capital outlays are low and are limited to power tools and equipment, tile elevators, scaffolding and harnessing equipment and transportation. Sheet metal contractors incur higher entry costs associated with the purchase of sheet metal turning, bending and cutting equipment.

Differentiation

- Potential entrants into the roofing contractor industry face differentiation challenges because of intense competition in a fragmented market. Standing out requires innovative strategies such as superior craftsmanship, competitive pricing or exceptional customer service. Leveraging proof stacking, case studies and unique marketing campaigns is essential to build trust and attract clients in a crowded field.

Labor Expenses

- Potential roof contractor industry entrants face labor expense challenges driven by skilled labor shortages, rising wages because of inflation and regional wage disparities. Complex roofing projects and high-demand urban areas inflate costs. Managing these expenses requires strategic hiring, training investments and competitive pricing to maintain profitability amid increasing labor market pressures.

Key Success Factors

How can potential entrants overcome barriers to entry?

Ensure proper licensing

Having the proper licenses is essential for US roofing contractors. It demonstrates their legitimacy, boosts customer trust and is a legal requirement for operating in many states. It's a non-negotiable factor in their business success.

Ensure ready access to investment funding

Access to investment funding allows roofing contractors to quickly acquire necessary resources, scale operations and invest in new technologies. This financial flexibility is crucial for overcoming initial entry barriers and sustaining growth.

Substitutes Low Steady

What are substitutes for industry services?

Do-it-yourself

- DIY roofing is a substitute for the Roofing Contractors industry primarily by offering cost savings and project flexibility. Homeowners can avoid labor costs and control the timeline and materials, making it an attractive option for small-scale repairs or maintenance.
- However, DIY roofing often lacks the expertise, safety measures and warranties professionals provide, increasing risks of improper installation, future repairs or accidents. While it appeals to budget-conscious individuals, the complexity and hazards of roofing tasks mean DIY is generally limited to minor repairs, leaving major projects better suited for professional contractors.

Key Success Factors

How do successful businesses compete with substitutes?

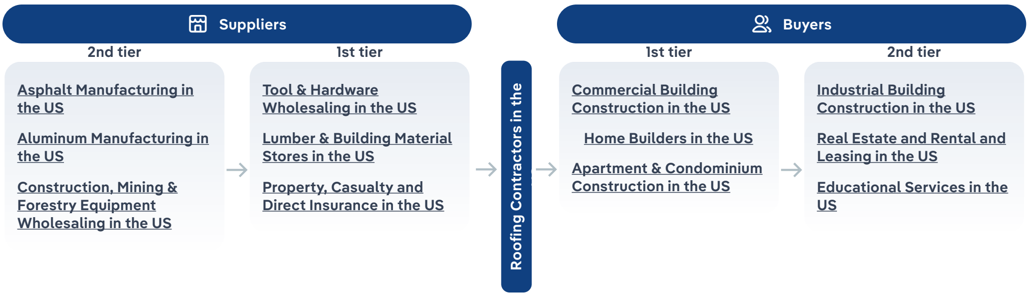
Develop a skilled labor force

Maintaining a skilled and knowledgeable workforce is a significant selling point for contractors. A professional workforce sets a contractor apart from their peers.

Change or diversify markets

While established customers are essential for maintaining revenue, contractors need to strengthen their downstream markets through exemplary craftsmanship and word-of-mouth.

Buyer & Supplier Power



IBISWorld Source: IBISWorld

What power do buyers and suppliers have over the industry?

Moderate Steady

Buyers: Ability to compare prices, quality and other factors

- Buyers can wield considerable power over roofing contractors by easily comparing prices, quality and service offerings. This transparency allows buyers to drive competition, encouraging contractors to offer better terms, strengthen service quality and provide more competitive pricing to secure business.
- Access to comprehensive information enables buyers to make informed decisions, opting for contractors who offer the best value. This knowledge incentivizes contractors to maintain high standards and innovation to attract discerning buyers, prioritizing quality and efficiency over cost.

Moderate Steady

Suppliers: Strong distribution network

- A robust distribution network allows suppliers to reliably deliver materials to roofing contractors in diverse locations, ensuring timely availability and reducing downtime. This reliability creates dependence, giving suppliers leverage to set terms because of their superior logistical capabilities.
- Roofing contractors prefer suppliers with established networks for consistent supply and coverage. This preference creates a high switching cost for contractors, granting suppliers the power to influence prices and conditions as competitors struggle to match the reach and efficiency of existing networks.

Key Success Factors

How do successful businesses manage buyer & supplier power?

Develop strong working relationships with subcontractors

Strong relationships with subcontractors ensure reliable and high-quality work, which helps maintain project timelines and costs. This reliability reduces dependency on any single supplier or subcontractor, balancing power dynamics.

Establish long-term working relationships with raw material suppliers

Building strong, long-term relationships with suppliers ensures a reliable supply of materials at stable prices, reducing vulnerability to market fluctuations and supplier leverage.

Companies

Key Takeaways

The industry does not have major companies but small, regional operations. The largest contractors hold less than 5.0% market share and favor commercial contracts over residential services.

Major Players

Company	Revenue	Market Share
CentiMark Corporation	$0	0.0%
Tecta America Corp.	$0	0.0%
Other Companies	$99.8bn	100.0%

Market Share

Industry Market Share by Company

Industry-specific company revenue as a share of total industry revenue

IBISWorld

Source: IBISWorld

Companies

Company	Market Share (%) 2025	Revenue ($m) 2025	Profit ($m) 2025	Profit Margin (%) 2025
CentiMark Corporation	N/A	N/A	N/A	N/A
Tecta America Corp.	N/A	N/A	N/A	N/A

CentiMark Corporation

Company Details

Industry Specific Revenue (2025)	N/A
Industry Profit (2025)	N/A
Company Employees (2025)	3,500
Market Share (2025)	N/A

Description

CentiMark is a private company with an estimated 3,500 employees. In the US, the company has a notable market share in at least one industry: Roofing Contractors, where they account for an estimated 0.0% of total industry revenue and are considered an Incumbent because they display strong market share, but lower profit and revenue growth than some of their peers.

Brands & Trading Names

- CentiMark Corporation

Company's Industry Revenue, Market Share, and Profit Margin Over Time

Year	Market Share (%)	Revenue ($m)	Profit ($m)	Profit Margin (%)
2025	N/A	N/A	N/A	N/A

Tecta America Corp.

Company Details

Industry Specific Revenue (2025)	N/A
Industry Profit (2025)	N/A
Company Employees (2025)	4,400
Market Share (2025)	N/A

Description

Tecta America is a private company headquartered in Colorado with an estimated 4,400 employees. In the US, the company has a notable market share in at least one industry: Roofing Contractors, where they account for an estimated 0.0% of total industry revenue and are considered a Rising Star because they display lower market share, but displaying stronger profit and revenue growth than some of their peers.

Brands & Trading Names

- Tecta America

Company's Industry Revenue, Market Share, and Profit Margin Over Time

Year	Market Share (%)	Revenue ($m)	Profit ($m)	Profit Margin (%)
2025	N/A	N/A	N/A	N/A

You can view and download more company details on my.ibisworld.com.

External Environment

Key Takeaways

Residential construction and home improvements directly correlate with demand for roofing contractors. Contractors can leverage periods of increased spend in these areas to boost their services and strengthen potential earnings.

Dependence on per capita disposable income can represent opportunities and challenges for roofing contractors. A surge in disposable income may strengthen demand for roofing services, but contractors must remain adaptable to economic changes.

Regulation & Policy
Moderate Increasing

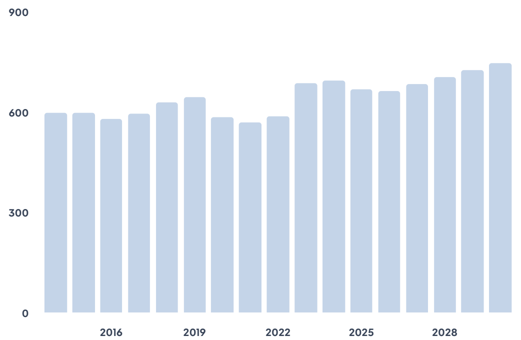
Assistance
Low Steady

External Drivers

What demographic and macroeconomic factors impact the industry?

Value of private nonresidential construction

$ billion

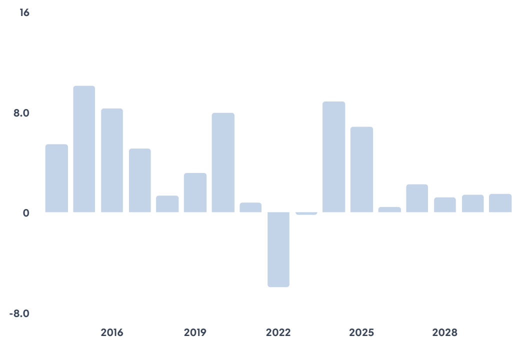


IBISWorld Source: IBISWorld

Private nonresidential construction, encompassing expenditures on roofing for commercial structures like office buildings, hospitals and factories, tends to develop more slowly than residential construction and the broader economy because of extended build timelines. This delay can impact roofing contractors by limiting immediate demand in the nonresidential sector, encouraging them to diversify into residential projects or other time-sensitive opportunities to maintain a steady workflow.

Private spending on home improvements

Growth

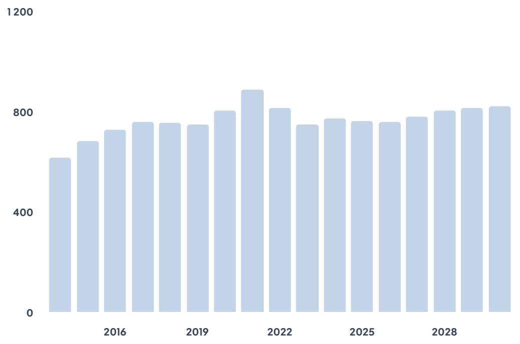


IBISWorld Source: IBISWorld

Private spending on home improvements significantly impacts roofing contractors. Increased spending often leads to more roofing projects, boosting demand for contractor services. When homeowners invest in property upgrades, roofing often emerges as a priority because of its essential role in property maintenance and value enhancement. Fluctuations in home improvement expenditures directly impact contractors' workload and revenue opportunities.

Value of residential construction

$ billion

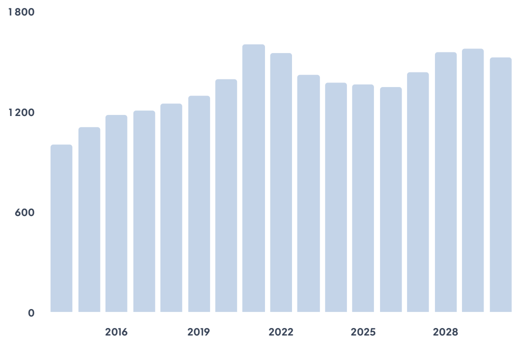


IBISWorld Source: IBISWorld

Residential construction spending plays a crucial role in roofing contractors' revenue growth. As spending increases, demand for roofing services tends to climb, potentially boosting contractors' earnings. Conversely, a drop in construction spending may reduce demand for roofing projects. Roofing contractors closely monitor residential construction trends to align their strategies and resources with anticipated market needs.

Housing starts

Thousands

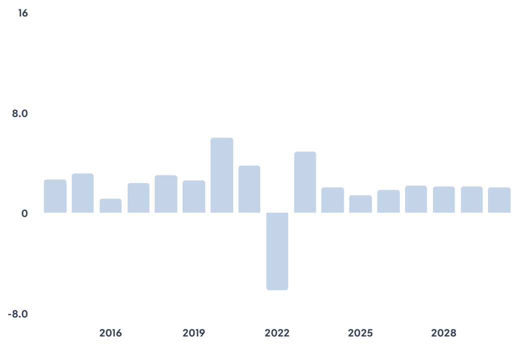


IBISWorld Source: IBISWorld

Housing starts significantly impact roofing contractors' revenue, as increased residential construction boosts demand for their services. When the economy is strong, housing starts typically climb, driving business for roofers. Conversely, higher interest rates and inflation dampen housing starts, leading consumers to favor repairing existing homes rather than building new ones. A drop in housing starts poses a potential threat to the industry.

Per capita disposable income

Growth



IBISWorld Source: IBISWorld

Per capita disposable income significantly impacts roofing contractors, directly influencing consumer spending on home improvement projects. Higher disposable income boosts individuals' ability to invest in enhancements, including roofing. When consumers have more money available after essential expenses, they're more likely to allocate funds for home upgrades. A climb in per capita disposable income represents a potential opportunity for the industry.

The trade-weighted index (TWI) significantly impacts roofing contractors by influencing material costs and competitiveness. When the TWI increases, the dollar's buying power typically strengthens, potentially reducing the cost of imported materials. However, a stronger dollar can also make roofing services less competitive internationally, potentially affecting demand. Contractors must navigate fluctuating material expenses and market dynamics tied to exchange rate fluctuations.

Regulation & Policy

Moderate Increasing

What regulations impact the industry?

OSHA Fall Protection Standards

The Occupational Safety and Health Administration (OSHA) mandates fall protection systems for roofers to prevent injuries and fatalities, as falls are the leading cause of accidents in the industry. Roofers must use guardrails, safety net or personal fall arrest systems (PFAS), depending on the type of roof. Equipment must be inspected regularly, and workers must receive proper training. These regulations ensure safer working conditions but increase compliance costs for contractors through equipment investment and training programs. Upcoming changes include stricter enforcement campaigns in 2025 to reduce violations, emphasizing proactive safety measures.

International Building Code (IBC)

The International Building Code (IBC), developed by the International Code Council, governs commercial roofing standards in the US, focusing on structural integrity, fire resistance and material performance. For example, roofs must meet specific load requirements to withstand snow, wind and equipment weight. Fire-resistant materials are also mandated to minimize fire spread risks. These regulations ensure safety and durability but require contractors to stay updated on code revisions and invest in compliant materials.

OSHA Silica Exposure Rule

OSHA's silica exposure rule limits the permissible exposure level (PEL) for respirable crystalline silica to 50 micrograms per cubic meter of air over an 8-hour period. This regulation affects roofing contractors using materials like concrete or asphalt that release silica dust during cutting or grinding. Compliance requires monitoring air quality, using protective equipment and implementing engineering controls. While these measures enhance worker safety, they increase operational costs for contractors.

Assistance Low Steady

What assistance is available to this industry?

Government
The Weatherization Assistance Program (WAP)

The Weatherization Assistance Program (WAP), managed by the US Department of Energy, provides free energy efficiency upgrades to low-income households, benefiting approximately 35,000 homes annually. WAP reduces energy costs and enhances home safety and comfort by addressing issues such as insulation, air sealing and heating system repairs. This program alleviates financial burdens for vulnerable populations and stimulates local economies by employing contractors for weatherization projects. For roofing contractors, WAP presents opportunities to secure contracts for roof repairs and insulation installations, contributing to job creation and community revitalization. For Program Year 2025, the Weatherization Assistance Program (WAP) has updated its guidelines to align with recent federal priorities and inflation adjustments.

Government
The USDA Rural Repair and Rehabilitation Grants

The USDA Rural Repair and Rehabilitation Grants, part of the Section 504 Home Repair Program, assist very low-income rural homeowners, particularly seniors 62 or older, in addressing health and safety hazards. This includes repairing or replacing leaking roofs. The program funds essential structural improvements that strengthen home longevity and livability. For roofing contractors, these grants create a steady demand for services in underserved rural areas, offering opportunities to work on federally funded projects that improve housing conditions while fostering economic development in rural communities. The Section 504 Repair Grants program faces significant funding reductions in FY2025, dropping from $25.0 million in FY2024 to $12.0 million. This drop may limit the scope of essential home repairs, including roof replacements, for very low-income rural homeowners.

Non-government
National Roofing Contractors Association (NRCA)

The National Roofing Contractors Association (NRCA), founded in 1886, represents all segments of the roofing sector, including contractors, manufacturers, distributors, architects and government agencies. NRCA provides members access to technical resources, education programs, certifications and advocacy efforts. Its initiatives include promoting energy-efficient practices, advancing workforce training standards and lobbying for favorable tax policies such as immediately expensing nonresidential roof improvements under Section 179. Through its advocacy in Washington, DC, NRCA has protected roofing as an essential business and supported legislation like the Energy Savings and Industrial Competitiveness Act. These efforts increase the industry's professional image, improve safety standards and create opportunities for roofing contractors to thrive in a competitive market.

Financial Benchmarks

Key Takeaways

Wages are a significant part of expenditure because of skilled labor requirements. However, optimizing workflows and productivity measures has decreased labor costs despite increases in wages.

Demand for re-roofing, contributing to 80.0% of market demand, has kept profit high. Even amid economic fluctuations, contractors can rely on this service for steady revenue and profitability.

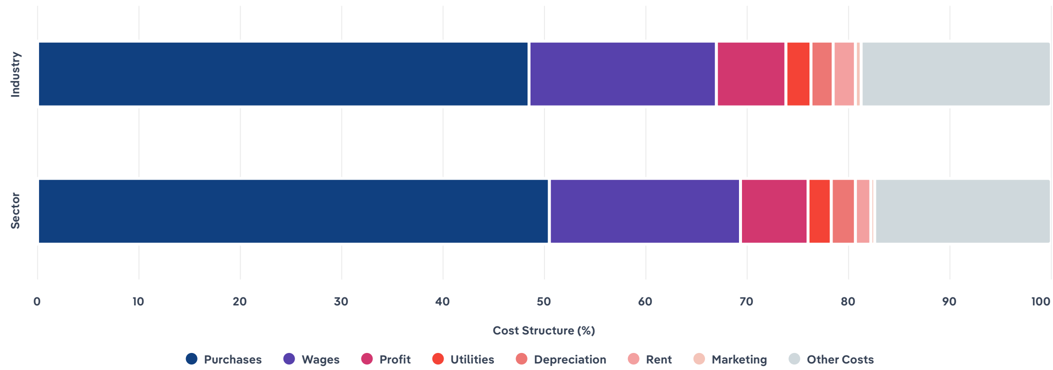
Profit Margin
6.9 % Higher than sector

Average Wage
$59,842 Lower than sector

Largest Cost
Purchases 48.5% of Revenue

Cost Structure Benchmarks

Average operating costs by industry and sector as a share (%) of revenue 2025



IBISWorld

Source: IBISWorld

Cost Structure Benchmarks

Operating costs	Industry (%)	Sector (%)
Purchases	48.5	50.55
Contracted labor	18.3	-
Other	81.7	-
Wages	18.5	18.83
Production Wages	63.8	-
Other	36.2	-
Profit	6.9	6.71
Utilities	2.4	2.24
Depreciation	2.2	2.39

Operating costs	Industry (%)	Sector (%)
Rent	2.2	1.53
Machinery and equipment	55.8	-
Land, Building and Structure	44.2	-
Other	0	-
Marketing	0.6	0.33
Other Costs	18.7	17.43
Taxes	3	-
Repair and Maintenance	2.6	-
IT services and related spend	0.6	-
Insurance	3.2	-
Research and Development	2.4	-
Professional Services	3.2	-
Temporary employees	4	-
Waste Management	1	-
Telecommunications	2.2	-
Other	77.8	-

What trends impact industry costs?

Purchase costs have fallen slightly

- Purchase costs for roofing contractors include material inputs, such as roofing materials and sheet metal, as well as gasoline, computer software and hardware and payments to subcontractors. Principal materials include metal roofing, wood, shingles, asphalt and roof tiles and mortar materials, such as stone and brick. Additional consumables purchased by contractors include fasteners, adhesives and welding consumables.
- Roofing contractors have increasingly adopted technologies such as AI-powered software, drones for inspections and automated tools for estimating. These innovations help reduce material waste and improve operational efficiency, effectively lowering the proportional cost of materials relative to revenue since 2020.
- Roofing services, such as repairs and replacements, are often essential and recurring and they rely less on expensive materials and more on service delivery. This contrasts with other construction sectors that may involve large-scale projects requiring substantial material inputs like steel, concrete or heavy machinery. Purchases account for a smaller share of industry revenue than the broader construction sector.

Skilled workers boost wage costs

- Roofing contractors require skilled workers to take on projects, comprising a considerable share of revenue. Still, it should be noted that many roofing contractors are nonemployers and use subcontracted labor, with these costs falling under purchases.
- Persistent labor shortages in the construction sector have forced contractors to optimize workflows and maximize productivity with fewer workers. This has contributed to lower labor costs as a revenue share despite rising wages since 2020.
- Roofing projects typically involve lower material costs than large-scale construction projects, such as infrastructure or commercial buildings. As a result, labor costs make up a more significant portion of the total project expenses in the industry than in the broader construction sector.

Consistent demand for re-roofing elevates profit

- Non-discretionary re-roofing projects, driven by aging infrastructure and severe weather events, account for 80.0% of market demand. These essential services generate steady revenue streams, helping contractors maintain profitability even during economic fluctuations. Profit has climbed since 2020.
- Roofing businesses, especially smaller residential contractors, tend to have lower overhead costs than larger construction companies handling infrastructure or commercial projects. This allows them to retain a higher percentage of revenue as profit.

Manual labor and portable tools lower utility expenses

- Roofing contractors often complete projects without requiring significant on-site utility consumption, as much of their work relies on manual labor and portable tools. Roofing projects typically involve smaller-scale operations and less energy-intensive equipment than broader construction activities, such as large-scale infrastructure projects that rely on heavy machinery or extensive on-site power requirements.
- Roofing projects are also shorter in duration on average compared to large construction projects, such as building commercial structures or infrastructure. Utility costs have been stable since

2020.

Limited space needs dampen rent costs

- With most on-site roofing work, most businesses require only small office and storage spaces. The installation and repair of roofing is primarily labor-based and requires little machinery or heavy equipment, reducing rental costs for the industry. Sheet metal contractors, however, often rent large-scale fabricating machinery and, thus, incur somewhat higher rental costs than roofing contractors.
- Roofing companies typically generate less revenue per project than large-scale construction firms handling infrastructure or commercial developments. Fixed rent costs represent a more significant proportion of revenue for roofing contractors because of their smaller project scopes and revenue streams.

Minimal use of heavy equipment lowers depreciation expenses

- Depreciation costs are relatively low since this industry does not use a high amount of machinery and is not capital-intensive. Depreciation costs have remained stable as a share of industry revenue since 2020.
- Roofing projects typically require less heavy machinery and large-scale equipment than broader construction projects, such as infrastructure or commercial building construction. This reduces the amount of depreciable assets in the industry. Contractors primarily use smaller tools and equipment with shorter useful lives than heavy machinery in general construction. These assets depreciate faster but cost less to maintain, lowering ongoing depreciation costs as a revenue share.

Local and referral-based marketing lowers marketing costs

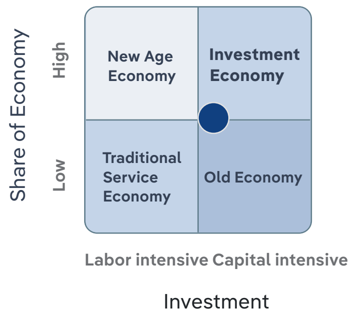
- Roofing contractors often depend on word-of-mouth referrals and local advertising, which are cost-effective compared to large-scale marketing campaigns. Strategies such as canvassing neighborhoods, referral programs and partnerships with local businesses minimize the need for expensive advertising. Marketing expenses have remained stable as a share of revenue since 2020.
- Roofing services are often driven by predictable seasonal demand. Examples include storm season in the fall and wildfire season, which starts in the summer. This reduces the need for continuous marketing efforts, as customers actively seek services during peak times.

Other costs have risen as a share of the cost structure through the current year

- Other costs have risen as a share of the industry's cost structure between 2020 and 2025 because construction and building-product companies are spending heavily on digital tools, automation and data analytics. These costs fall under IT spend and R&D expenses.
- At the same time, insurance premiums and risk-management expenses have increased due to inflation, tighter underwriting and higher perceived project and liability risks. Simultaneously, compliance, tax and professional advisory needs have added more overhead.

Investment Economy

Share of economy vs. Investment



IBISWorld Source: IBISWorld

Financial Ratios

Days' Receivables	Interest Coverage	Debt/Net Worth
43.1 Higher than sector	2.5 Higher than sector	3.6 Higher than sector

Earnings Ratios

Ratio	2019	2020	2021	2022	2023	3-Year	5-Year	10-Year
EBIT/Revenue	14.6	12.7	11.1	10.7	7.1	8.9	10.4	10.1
EBITDA/Revenue	18.3	16.4	14.7	13.8	10.0	11.9	13.7	13.5
Leverage Ratio	2.8	3.6	2.8	3.4	5.2	4.3	3.8	3.2

Industry Tax Structure

Ratio	2019	2020	2021	2022	2023	3-Year	5-Year	10-Year
Taxes Paid/Revenue	3.0	2.5	2.7	2.1	2.0	2.0	2.3	2.7

Income Statement

Ratio	2019	2020	2021	2022	2023	3-Year	5-Year	10-Year
Total Revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Business receipts	96.9	96.7	97.1	96.8	96.2	96.5	96.7	96.4
Cost of goods	60.2	62.7	60.5	64.3	65.9	65.1	63.4	61.5
Gross Profit	39.8	37.3	39.5	35.7	34.1	34.9	36.6	38.5
Expenses								
Salaries and wages	7.5	7.2	8.6	6.9	7.3	7.1	7.5	8.3
Advertising	1.7	1.5	1.5	1.1	1.1	1.1	1.3	1.5
Depreciation	2.7	2.2	2.6	2.2	2.0	2.1	2.3	2.5
Depletion	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Amortization	1.0	1.4	0.9	0.8	1.0	0.9	1.0	0.9
Rent paid	1.2	1.1	1.6	1.4	1.6	1.5	1.4	1.7
Repairs	0.6	0.7	0.6	0.9	1.0	1.0	0.8	0.6
Bad debts	0.1	0.1	0.2	0.1	0.3	0.2	0.2	0.8
Employee benefit programs	1.8	1.7	1.8	1.8	2.2	2.0	1.9	1.8
Compensation of officers	1.4	1.4	1.8	1.3	1.4	1.3	1.5	1.8
Taxes paid	3.0	2.5	2.7	2.1	2.0	2.0	2.3	2.7
Interest Income	0.6	0.3	0.7	0.8	0.7	0.8	0.6	0.9
Other Income								
Royalties	1.1	1.0	1.1	1.1	1.3	1.2	1.1	1.2
Rent Income	0.4	0.9	0.3	0.3	0.4	0.4	0.5	0.4
Net Income	8.8	7.9	5.8	6.1	2.2	4.2	5.5	4.7
Charitable contributions	0.1	0.2	0.1	0.2	0.3	0.2	0.2	0.1
Dividends	0.1	0.2	0.1	0.1	0.2	0.1	0.1	0.1
Interest paid	2.8	2.3	2.6	2.6	2.8	2.7	2.6	2.7
Net gain, noncapital assets	0.1	0.1	0.2	0.2	0.3	0.3	0.2	0.3
Net long-term capital gain less net short-term loss	0.5	0.4	0.3	0.4	0.4	0.4	0.4	0.3
Net loss, noncapital assets	0.0	0.0	0.2	0.3	0.4	0.3	0.2	0.3
Net short-term capital gain less net long-term loss	0.1	0.3	0.0	0.2	0.3	0.2	0.2	0.1
Other deductions	6.2	6.4	7.5	6.9	7.2	7.0	7.0	6.9
Other receipts	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Pension, profit-sharing, etc., plans	0.7	0.3	0.7	0.9	1.2	1.0	0.8	0.9

Balance Sheet

Ratio	2019	2020	2021	2022	2023	3-Year	5-Year	10-Year
Assets								
Cash and Equivalents	6.5	7.8	13.8	10.4	9.1	9.7	10.2	10.8
Notes and accounts receivable	38.4	16.3	31.6	27.2	22.5	24.8	24.4	30.9
Allowance for bad debts	2.3	0.4	0.2	0.9	0.9	0.9	0.6	1.4
Inventories	2.4	11.0	11.5	9.8	10.4	10.1	10.7	8.5
Other current assets	7.9	9.8	10.4	10.2	8.5	9.3	9.7	8.8
Other investments	3.5	16.1	3.2	9.7	14.9	12.3	11.0	7.2
Property, Plant and Equipment	27.0	13.9	24.1	22.4	22.6	22.5	20.7	28.8
Accumulated depreciation	20.1	6.7	10.1	13.5	13.7	13.6	11.0	17.6
Intangible assets (Amortizable)	15.7	16.3	12.9	11.4	12.1	11.8	13.2	11.1
Accumulated amortization	2.0	3.4	2.8	3.3	3.5	3.4	3.2	2.1
Other assets	13.7	12.8	2.5	6.5	6.5	6.5	7.1	5.3
Total assets	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Accounts payable	31.6	15.0	22.6	16.7	14.4	15.6	17.2	23.5
Liabilities and Net Worth								
Mort, notes, and bonds under 1 yr	2.3	2.6	8.5	7.9	8.0	8.0	6.8	5.5
Other current liabilities	9.8	18.0	22.7	19.6	17.0	18.3	19.3	14.8
Loans from shareholders	5.6	9.9	1.9	2.9	4.3	3.6	4.7	5.5
Mort, notes, bonds, 1 yr or more	10.7	12.9	5.7	15.4	17.1	16.2	12.8	12.8
Other liabilities	12.1	15.4	10.6	12.6	11.2	11.9	12.5	11.6
Total liabilities	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Capital stock	3.6	2.4	1.4	5.5	5.9	5.7	3.8	3.6
Additional paid-in capital	14.5	16.8	8.0	12.8	20.0	16.4	14.4	14.0
Retained earnings, appropriated	2.2	-0.5	-0.3	-0.9	-2.0	-1.4	-0.9	1.1
Retained earnings-unappropriated	12.8	8.7	30.6	16.3	12.8	14.5	17.1	12.9
Cost of treasury stock	5.2	1.2	11.8	8.8	8.7	8.8	7.6	5.4
Net worth	27.9	26.2	27.8	24.9	28.0	26.4	26.7	26.2
Accumulated depletion	1.4	0.6	0.4	1.3	1.2	1.3	0.9	1.0
Depletable assets	2.2	1.7	1.7	4.6	4.3	4.4	3.1	2.3
Government Obligations	2.3	0.1	0.2	1.8	1.7	1.8	1.0	0.8
Land	1.5	3.7	0.6	2.1	3.2	2.6	2.4	2.2
Loans to shareholders	2.7	1.1	0.3	1.2	1.3	1.2	1.0	2.9
Mortgage and real estate loans	2.0	0.3	0.0	0.6	1.0	0.8	0.5	2.0
Tax Exempt Securities	0.2	0.1	0.7	1.3	1.5	1.4	0.9	0.5

Liquidity Ratios

Ratio	2019	2020	2021	2022	2023	3-Year	5-Year	10-Year
Current Ratio	1.4	1.3	1.3	1.4	1.4	1.4	1.3	1.4
Quick Ratio	1.3	1.0	1.1	1.2	1.1	1.1	1.1	1.2
Sales/Receivables	5.0	10.4	7.6	7.8	8.5	8.1	8.5	8.8
Days' Receivables	73.0	35.2	48.2	47.1	43.1	45.1	43.4	45.7
Days' Inventory	7.7	38.0	29.1	26.3	30.3	28.3	30.9	21.3
Inventory Turnover	47.2	9.6	12.6	13.9	12.1	13.0	12.0	25.2
Payables Turnover	3.7	7.0	6.4	8.1	8.7	8.4	7.6	7.2
Days' Payables	99.7	52.0	57.0	44.9	41.9	43.4	49.0	56.7
Sales/Working Capital	11.4	16.4	16.1	11.8	12.1	12.0	14.1	13.9

Coverage Ratios

Ratio	2019	2020	2021	2022	2023	3-Year	5-Year	10-Year
Interest Coverage	5.2	5.5	4.3	4.2	2.5	3.3	4.1	3.9
Debt Service Coverage Ratio	15.2	10.7	4.1	3.7	2.4	3.0	5.2	7.5

Leverage Ratios

Ratio	2019	2020	2021	2022	2023	3-Year	5-Year	10-Year
Fixed Assets/Net Worth	2.5	1.8	1.9	2.4	2.2	2.3	2.0	2.5
Debt/Net Worth	3.6	3.8	3.6	4.0	3.6	3.8	3.7	3.8
Tangible Net Worth	27.9	26.2	27.8	24.9	28.0	26.4	26.7	26.2

Operating Ratios

Ratio	2019	2020	2021	2022	2023	3-Year	5-Year	10-Year
Return on Net Worth, %	100.4	81.7	95.8	90.6	48.2	69.4	79.1	93.9
Return on Assets, %	28.0	21.4	26.7	22.6	13.5	18.0	21.0	24.5
Sales/Total Assets	1.9	1.7	2.4	2.1	1.9	2.0	2.0	2.5
EBITDA/Revenue	18.3	16.4	14.7	13.8	10.0	11.9	13.7	13.5
EBIT/Revenue	14.6	12.7	11.1	10.7	7.1	8.9	10.4	10.1

Cash Flow & Debt Service Ratios (% of sales)

Ratio	2019	2020	2021	2022	2023	3-Year	5-Year	10-Year
Cash from Trading	40.6	29.2	44.5	37.1	32.6	34.8	35.8	38.4
Cash after Operations	27.6	21.3	30.5	24.9	20.2	22.5	24.2	25.0
Net Cash after Operations	24.6	15.2	31.2	24.6	20.5	22.6	22.9	23.3
Debt Service P&I Coverage	4.7	3.1	4.0	3.2	2.4	2.8	3.2	3.5
Interest Coverage (Operating Cash)	8.8	6.5	12.1	9.6	7.2	8.4	8.9	8.7

Key Ratios

Year	Revenue per Employee ($)	Revenue per Enterprise ($ Million)	Employees per Estab. (Units)	Employees per Enterprise (Units)	Average Wage ($)	Wages/ Revenue (%)	Estab. per Enterprise (Units)	IVA/ Revenue (%)
2005	193,539	0.7	3.4	3.4	48,890	25.3	1.0	1.0
2006	197,853	0.7	3.5	3.5	49,448	25.0	1.0	35.3
2007	198,634	0.7	3.4	3.4	49,116	24.7	1.0	35.2
2008	204,990	0.7	3.4	3.4	49,369	24.1	1.0	33.4
2009	201,521	0.6	3.0	3.0	47,272	23.5	1.0	32.0
2010	204,482	0.6	2.9	2.9	46,719	22.8	1.0	31.7
2011	218,216	0.6	2.8	2.8	48,560	22.3	1.0	31.7
2012	218,884	0.6	2.8	2.8	47,442	21.7	1.0	32.0
2013	224,031	0.6	2.8	2.8	48,958	21.9	1.0	33.7
2014	226,730	0.6	2.8	2.8	49,956	22.0	1.0	33.5
2015	237,726	0.7	2.9	2.9	52,811	22.2	1.0	35.1
2016	238,887	0.7	3.0	3.0	53,506	22.4	1.0	34.6
2017	249,549	0.8	3.0	3.1	56,355	22.6	1.0	35.0
2018	254,497	0.8	3.0	3.1	55,537	21.8	1.0	34.2
2019	270,086	0.8	3.0	3.0	56,953	21.1	1.0	37.0
2020	277,807	0.8	2.9	2.9	56,608	20.4	1.0	35.0
2021	288,257	0.8	2.9	2.9	56,758	19.7	1.0	26.9
2022	301,623	0.9	2.9	2.9	57,390	19.0	1.0	26.9
2023	325,904	1.0	2.9	2.9	59,921	18.4	1.0	27.6
2024	325,993	1.0	2.9	2.9	59,925	18.4	1.0	27.5
2025	323,722	0.9	2.9	2.9	59,842	18.5	1.0	27.5
2026	320,761	0.9	2.9	2.9	59,733	18.6	1.0	27.5
2027	321,051	0.9	2.8	2.9	59,744	18.6	1.0	27.4
2028	321,873	0.9	2.8	2.9	59,774	18.6	1.0	27.3
2029	320,220	0.9	2.8	2.8	59,713	18.6	1.0	27.4
2030	318,495	0.9	2.8	2.8	59,648	18.7	1.0	27.6
2031	317,706	0.9	2.8	2.8	59,619	18.8	1.0	27.6

Key Statistics

Industry Data

Values

Year	Revenue ($ Million)	IVA ($ Million)	Estab. (Units)	Enterprises (Units)	Employment (Units)	Wages ($ Million)
2005	45,364.1	N/A	68,578	68,431	234,392	11,459.4
2006	48,498.4	17,132.7	69,524	69,321	245,123	12,120.9
2007	48,115.2	16,921.8	71,888	71,646	242,231	11,897.4
2008	47,174.5	15,745.4	68,422	68,185	230,131	11,361.4
2009	41,748.1	13,353.8	68,872	68,648	207,165	9,793.1
2010	41,552.4	13,188.4	69,784	69,547	203,208	9,493.6
2011	43,498.1	13,772.4	71,613	71,376	199,335	9,679.7
2012	43,519.1	13,928.5	70,094	69,868	198,823	9,432.6
2013	44,367.6	14,952.2	69,910	69,684	198,042	9,695.8
2014	46,198.5	15,453.9	72,125	71,894	203,760	10,179.1
2015	50,685.8	17,774.7	73,159	72,918	213,211	11,259.9
2016	53,588.7	18,564.5	74,507	74,261	224,326	12,002.9
2017	57,289.5	20,069.6	75,528	75,264	229,572	12,937.6
2018	62,478.6	21,339.1	80,534	80,266	245,498	13,634.1
2019	69,392.2	25,689.8	85,246	84,994	256,926	14,632.8
2020	74,554.8	26,084.2	92,442	92,182	268,369	15,191.8
2021	77,904.8	20,983.7	92,225	91,929	270,262	15,339.7
2022	83,047.0	22,362.5	94,868	94,380	275,334	15,801.4
2023	94,155.2	26,002.7	99,182	98,674	288,905	17,311.5
2024	97,901.6	26,911.7	103,266	102,744	300,318	17,996.4
2025	99,803.1	27,485.0	106,919	106,485	308,299	18,449.3
2026	100,529.4	27,615.9	109,899	109,599	313,409	18,720.8
2027	104,042.2	28,471.1	113,890	113,589	324,068	19,361.0
2028	107,870.3	29,442.5	117,641	117,301	335,133	20,032.3
2029	109,641.5	30,072.4	120,912	120,653	342,394	20,445.3
2030	111,377.3	30,720.2	124,237	124,070	349,699	20,859.0
2031	113,788.7	31,371.6	127,752	127,642	358,157	21,352.9

Note

Figures are inflation adjusted to 2025

Industry Data

Annual Change

Year	Revenue %	IVA %	Estab. %	Enterprises %	Employment %	Wages %
2005	N/A	N/A	N/A	N/A	N/A	N/A
2006	6.9	N/A	1.4	1.3	4.6	5.8
2007	-0.8	-1.2	3.4	3.4	-1.2	-1.8
2008	-2.0	-7.0	-4.8	-4.8	-5.0	-4.5
2009	-11.5	-15.2	0.7	0.7	-10.0	-13.8
2010	-0.5	-1.2	1.3	1.3	-1.9	-3.1
2011	4.7	4.4	2.6	2.6	-1.9	2.0
2012	0.0	1.1	-2.1	-2.1	-0.3	-2.6
2013	1.9	7.4	-0.3	-0.3	-0.4	2.8
2014	4.1	3.4	3.2	3.2	2.9	5.0
2015	9.7	15.0	1.4	1.4	4.6	10.6
2016	5.7	4.4	1.8	1.8	5.2	6.6
2017	6.9	8.1	1.4	1.4	2.3	7.8
2018	9.1	6.3	6.6	6.6	6.9	5.4
2019	11.1	20.4	5.9	5.9	4.7	7.3
2020	7.4	1.5	8.4	8.5	4.5	3.8
2021	4.5	-19.6	-0.2	-0.3	0.7	1.0
2022	6.6	6.6	2.9	2.7	1.9	3.0
2023	13.4	16.3	4.5	4.5	4.9	9.6
2024	4.0	3.5	4.1	4.1	4.0	4.0
2025	1.9	2.1	3.5	3.6	2.7	2.5
2026	0.7	0.5	2.8	2.9	1.7	1.5
2027	3.5	3.1	3.6	3.6	3.4	3.4
2028	3.7	3.4	3.3	3.3	3.4	3.5
2029	1.6	2.1	2.8	2.9	2.2	2.1
2030	1.6	2.2	2.7	2.8	2.1	2.0
2031	2.2	2.1	2.8	2.9	2.4	2.4

Note

Figures are inflation adjusted to 2025

Key Success Factors

How do successful businesses overcome volatility?

Develop a strong reputation

A strong reputation helps roofing contractors secure repeat business and referrals, providing a steady stream of projects even during economic downturns.

Develop a loyal customer base

Repeat customers are crucial for success in the roofing industry. A successful contractor will maintain a positive, professional or casual relationship with downstream customers to secure re-roofing revenue streams, even during harsh economic times.

What products or services do successful businesses offer?

Align cost-effective delivery with client needs

Since contractors compete locally for business, cost-effectiveness is crucial for success. Consumers are constantly on the lookout for the best price.

Comply with required product standards

Contractors must use sturdy equipment when servicing downstream markets, and all materials used on a job must meet minimum safety and structural requirements.

How do businesses use location to their advantage?

Attract local support

The contracting industry is highly fragmented, consisting primarily of nonemployers. These contractors must build a brand name, integrate into their community and offer region-specific services to build rapport with residents and businesses.

Ensure accessibility to consumers and end-users

A contractor must have ready access to a given market. This may include focusing business in specific communities with higher demand, ranging from areas with a higher concentration of extreme weather events to those with a higher average age of buildings.

How do successful businesses handle concentration?

Generate repeat customers

Building a loyal customer base is a crucial success factor in a concentrated market. By providing excellent service and creating positive experiences, contractors can encourage repeat business, bolstering their reliability and stability in a competitive field.

Concentrate on core business

By delegating specialized tasks, such as material sourcing or compliance management, contractors can allocate resources to their strengths, such as quality workmanship and client relationships. This targeted approach helps them maintain competitiveness and adapt to market fluctuations.

How can potential entrants overcome barriers to entry?

Ensure proper licensing

Having the proper licenses is essential for US roofing contractors. It demonstrates their legitimacy, boosts customer trust and is a legal requirement for operating in many states. It's a non-negotiable factor in their business success.

Ensure ready access to investment funding

Access to investment funding allows roofing contractors to quickly acquire necessary resources, scale operations and invest in new technologies. This financial flexibility is crucial for overcoming initial entry barriers and sustaining growth.

How do successful businesses compete with substitutes?

Develop a skilled labor force

Maintaining a skilled and knowledgeable workforce is a significant selling point for contractors. A professional workforce sets a contractor apart from their peers.

Change or diversify markets

While established customers are essential for maintaining revenue, contractors need to strengthen their downstream markets through exemplary craftsmanship and word-of-mouth.

How do successful businesses manage buyer & supplier power?

Develop strong working relationships with subcontractors

Strong relationships with subcontractors ensure reliable and high-quality work, which helps maintain project timelines and costs. This reliability reduces dependency on any single supplier or subcontractor, balancing power dynamics.

Establish long-term working relationships with raw material suppliers

Building strong, long-term relationships with suppliers ensures a reliable supply of materials at stable prices, reducing vulnerability to market fluctuations and supplier leverage.

Call Prep Questions

Role Specific Questions

Sales & Marketing

Does your company primarily work with residential or nonresidential construction markets? Can you easily switch between these markets?

- Operators in the industry can switch between these markets, depending on the size of their operations. Most contractors are nonemployers that work mainly with homes, while bigger operators focus on larger contracts associated with commercial buildings.
- It is easy to switch between markets depending on the available workforce.

Are you solely focused on new work or do you participate in remodeling activities?

- Operators in the Roofing Contractors industry are focused on both new work and remodeling activities.

Strategy & Operations

How does your company compete for contracts with larger businesses? Do you ever find you lack the capacity to deliver on more-lucrative projects?

- Most large operators in the industry compete on the basis of quality, especially for lucrative contracts with large projects. These operators typically do not lack the capacity to deliver on more-lucrative projects.

What is the size of your staff? How does that compare to your competitors?

- Most operators are nonemployers or operators with few employees that work mainly with home alterations, while bigger operators focus on larger contracts with commercial buildings.

Technology

Have productivity issues ever kept you from winning lucrative contracts over larger competitors?

- Lucrative contracts are typically awarded to larger contractors that have the resources to complete a quality job in a specific time for the right price.

Investment in new technology is usually fairly low among builders and contractors. How much does your company invest in new equipment annually?

- Depreciation is very low in this industry, accounting for 1.0% of industry revenue annually.
- Investment in new equipment is low. If any heavy machinery has to be used, the equipment can be rented.

Compliance

Do you work with local or national trade associations to advance your company's interests?

- Some trade associations, such as the National Roofing Contractors Association, offer training courses for operators, as well as holding members to certain industry standards.

Have any regulatory expenses significantly impacted your company's profitability recently?

- Regulatory expenses have not significantly impacted company profitability, but industry participants are required to hold licenses to carry out business within certain states and territories.

Finance

How does your company's profit compare with your competitors'?

- Profit varies depending on the price of inputs and roofing demand. Smaller operators have lower profit margins, while larger contractors with multimillion-dollar contracts experience higher profit.

How many of your clients are return customers?

- Industry operators have a varied amount of return customers. For larger projects, a company may have a return customer since they specialize in that field.

External Impacts Questions

Yield on 10-year Treasury note

How will you mitigate the threat of an increasing yield on the 10-year Treasury note? How will this affect your own investments?

- The yield on a 10-year Treasury note acts as the baseline interest rate on loans from commercial banks.
- Low interest rates will help increase demand for new work as residential and nonresidential construction increases.

Private spending on home improvements

How will you take advantage of an increase in spending on home improvements? Do you offer a range of services for consumers of varying incomes?

- Home improvement spending experienced a boom-and-bust cycle similar to overall residential construction spending, although on a smaller scale.
- A range of services are offered depending on the size and nature of work.

Value of private nonresidential construction

How much of your company revenue comes from nonresidential projects? How can you bolster your relationships in this lucrative field?

- Private nonresidential spending, which includes spending on roofing for office buildings, hospitals and factories, typically lags behind residential construction and the general economy due to the long build times involved.

Internal Issues Questions

Having contacts within key markets

Are you currently in contact with major residential developers? How do you generate repeat business?

- It is important for contractors to establish close working relationships with major residential developers, building services management companies, and industry suppliers to generate repeat business.

Having a good reputation

How do you maintain a good reputation? Do you gain new customers through word-of-mouth recommendations?

- Much of the work in this market comes from referrals from satisfied clients, particularly building contractors.
- Finishing work on time with no complaints helps maintain a good reputation.

Ability to expand and curtail operations rapidly in line with market demand

Do you keep track of current trends in downstream demand? Do you provide services for varied downstream markets to reduce volatility?

- Successful contractors learn to read trends in downstream demand and judge the appropriate time to expand or contract activities (e.g. marketing effort and labor requirement) to meet changed demand conditions.

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