




The Future of the Roofing Industry: Trends, Challenges, and Opportunities



Roofing contractors are essential to the construction industry. They are responsible for installing, repairing, and maintaining roofs of homes and buildings. As the demand for new builds and infrastructure continues to grow in Canada, the roofing industry will expand. This industry report will explore the future of roofing contractors in Canada and examine the trends shaping the industry over the next five years.

The industry today | 3

Major players | 4

Industry outlook | 5

How to build a loyal customer base | 9

Be a top business in your industry | 10

State of the roofing contractors industry

According to IBIS research, the roofing contractors industry is projected to generate \$13.2 billion in revenue in 2023¹. This represents an annualized increase of 2.7% over the past five years. Industry profit was reported at \$1.1 billion, with a profit margin of 8.4%, reflecting a decrease of 0.4 percentage points over the same period.

The research indicates there are over 8,100 roofing businesses in Canada, with an annual growth of negative 0.6% from 2018 to 2023. The industry employed 27,305 workers, with an annual growth of 1.0% over the same period, and paid \$2.0 billion in wages, which increased at an annualized rate of 1.7%.

Table 1: Industry outlook 2023-2028¹

Key Factors	Description
Revenue Growth	Annualized growth of 0.5% to reach \$58.1 billion in 2028
Profit Margin	Slight shrink to 5.2% of revenue in 2028
Housing Market	Stunted growth due to pandemic effects
Demographics	Millennials returning to housing market as finances improve
Nonresidential Demand	Accelerating due to improved economic conditions and investment in nonresidential properties
Eco-friendly Roofing Solutions	Growing demand, diversification for existing contractors, new entrants
Market Saturation	Saturated market, but expanding with eco-friendly alternatives
Industry Life Cycle Stage	Mature
Contribution to gross domestic product (GDP)	IVA to rise an annualized 0.4% over 10 years
Technological Change & Innovation	Moderate, driven by environmentally friendly roofing products

Roofing contractors industry overview

The roofing contractors industry in Canada is highly fragmented and localized. Roofing contractors typically operate on a regional basis and compete with each other for projects. The industry is primarily driven by the residential market, which grew during the COVID-19 pandemic as millions of Americans moved into new homes.

Replacement services are responsible for 94% of the roofing projects in North America². The few larger contractors in the industry focus on long-term commercial contracts rather than one-off residential jobs. Commercial demand took a hit during the COVID-19 pandemic but has since recovered due to the resumption of economic activity in late 2021.

Key success factors in the industry include:

- + Having contacts within key markets
- + Having a good reputation
- + Ability to expand and contract operations rapidly in line with market demand
- + Ability to compete on tender

Profitability in the industry is expected to be at 8.4% of revenue in 2023¹. Wages account for 15.3% of industry revenue in 2023, and purchase costs, including materials and subcontractor payments, account for 65.2% of industry revenue in the same year.

(1) CANADA INDUSTRY (NAICS) REPORT 23816CA / CONSTRUCTION IN CANADA Roofing Contractors in Canada Report by: Matthew Buchko | January 2023
 (2) <https://roofinginsights.com/roofing-industry-statistics/>

Competition in the industry is high and steady, with companies primarily competing on price, reputation, portfolio of past work, and quality. Barriers to entry are low and steady, with licensing typically required for tiled and metal roofing work but no formal training or qualification needed. Initial capital outlays for starting a business in the industry are relatively low.

The industry's globalization is low and steady, with little to no foreign ownership of companies. The highly localized nature of the industry and the location-based nature of construction work mean that globalization is very low among contractor industries.

Major players in the Canadian roofing industry

The Canadian roofing contractors industry is characterized by a highly fragmented and competitive landscape, with numerous small and medium-sized players operating across various segments. Unlike the US market, there are no major players in the industry, as the top companies account for only a small percentage of total revenue.

Flynn Canada Ltd: Flynn Canada Ltd, established in 1978 in Winnipeg, MB, has become one of the country's largest trade contractors. It provides contracting services in institutional, commercial, and industrial construction markets. Flynn's industry-relevant roofing system services include new and built-up roofing, modified bitumen roofing, single-ply roofing, liquid-applied systems, and roof replacements. The company holds a 1.8% market share¹.

Atlas-Apex Roofing Inc: Founded in 1928 as a roofing contractor with facilities in Ontario, Atlas-Apex Roofing has expanded to become one of Canada's largest providers of roofing services. The company's project portfolio has broadened to encompass emergency roofing repairs, reroofing and restoration services, siding and sheet metal services, and waterproofing. Atlas-Apex Roofing boasts a 0.6% market share¹.

Bothwell-Accurate Co. Ltd: Founded in 1927 as RSC Bothwell and Associates, Bothwell-Accurate provides roofing and waterproofing services to its industrial, commercial, and institutional building clients in British Columbia and the Greater Toronto area. With over 300 workers, Bothwell-Accurate has completed over 60,000 projects and holds a 0.5% market share¹.

Nedlaw Roofing Limited: Established in 1988, Nedlaw Roofing is one of Ontario's largest roofing contractors, offering services to the industrial, institutional, and commercial industries. The company provides various services, including minor roof repair, maintenance programs, reroofing, and new roof installations. Nedlaw Roofing holds a 0.3% market share¹.

In the face of industry evolution and the growing prevalence of environmentally friendly products, companies that differentiate their offerings and capitalize on emerging market trends will likely experience growth and solidify their positions within the Canadian roofing industry.

Roofing industry outlook

The roofing industry is expected to experience slow growth in the coming years, with industry revenue projected to increase at an annualized rate of 1.4% to \$14.15 billion over the five years to 2028¹. This growth is due to increased investment in housing and commercial building, with the value of residential construction expected to grow at an annualized rate of 2.3% over the next five years.

As a result, roofing contractors are anticipated to increase employment, with the number of workers projected to grow at an annualized rate of 1.3% to 229,569 workers over the next five years.

Key factors shaping the industry's future include shifts in housing market dynamics, nonresidential demand, eco-friendly roofing solutions, industry life cycles, and technological advancements.

Table 3: Key industry characteristics¹

Key Factors	Description
Market Saturation	Saturated market with expansion due to eco-friendly alternatives
Innovation	Solar panels and eco-friendly technologies becoming more popular and affordable
Consolidation	Limited consolidation, larger contractors focused on commercial roofing
Technology & Systems	Moderate level of technology change driven by the rise of environmentally friendly roofing products
Industry Life Cycle	Mature stage, IVA expanded due to downstream demand, moderate technological change, products accepted by downstream markets

Industry life cycle

The roofing industry in Canada is in the mature stage of its life cycle. From 2023 to 2028, roofing contractors' overall contribution to the Canadian economy, measured as industry value added (IVA), is projected to grow at a faster pace than Canadian GDP¹. Over this period, the industry's revenue is expected to increase at a compound annual growth rate (CAGR) of 1.4% to \$14.1 billion, with a profit margin of 8.5% by 2028.

Market saturation and innovation

Although the roofing market is saturated, there is room for growth due to the rising popularity of energy-efficient building materials¹. The increased demand for eco-friendly alternatives is altering the industry's landscape and providing new opportunities for roofing contractors. Innovations in roofing technology, such as solar panels and green roofs, have become popular in the building market, offering significant growth opportunities for contractors.

Consolidation and technology

Consolidation in the roofing industry has been minimal and remained largely unchanged in recent years¹. The industry has experienced moderate technology changes, driven primarily by the rise of eco-friendly roofing products. Regulations like the Toronto Bylaw and the development of energy-saving roof coatings have fueled the growth of these products, which can be used on both new and existing roof systems to extend their lifespan and improve energy efficiency.

(1) CANADA INDUSTRY (NAICS) REPORT 23816CA / CONSTRUCTION IN CANADA Roofing Contractors in Canada Report by: Matthew Buchko | January 2023

Economic influence on roofing demand

Demand for roofing services is influenced by the health of the economy¹. As the Canadian GDP and per capita disposable income grow, consumers and businesses will increase spending on new construction and renovations. In contrast, during economic uncertainty, there is less investment in building activity as consumers and businesses focus on essential costs.

Green products and construction activity growth

The Canadian government has incentivized individuals, businesses, and developers to use sustainable designs and materials. At least 29 municipalities across Canada have Leadership in Energy and Environmental Design (LEED) programs in place³. As LEED certification gains traction and public sensitivity regarding environmental issues grows, sustainable building practices will influence properties' market value and enhance the growth of roofing services¹. The rising construction activity, housing starts, and increased nonresidential construction activity will expand the market for new roofs.

Roofing contractors in Canada can expect steady growth over the next five years, driven by the growing economy, demand for eco-friendly roofing solutions, and increasing construction activity¹. As the industry adapts to changing technologies and market trends, there will be opportunities for existing contractors to diversify and for new companies specializing in green solutions to enter the market.

Table 4: Advantages and disadvantages of eco-friendly roofing solutions⁴

Eco-friendly Roofing Solution	Advantages	Disadvantages
Green Roofs	<ul style="list-style-type: none"> Reduces urban heat island effect Improves air quality Reduces stormwater runoff 	<ul style="list-style-type: none"> High installation cost Requires additional structural support Maintenance and irrigation needs
Solar Roofs	<ul style="list-style-type: none"> Generates clean energy Reduces electricity bills 	<ul style="list-style-type: none"> High installation cost Requires unobstructed sunlight exposure Efficiency may be reduced by shading or debris
Cool Roofs	<ul style="list-style-type: none"> Reduces energy consumption Reduces urban heat island effect 	<ul style="list-style-type: none"> Limited color options Reduced solar reflectance over time Limited applicability in cold climates
Recycled Roofing Materials	<ul style="list-style-type: none"> Reduces waste and conserves resources Durable and long-lasting 	<ul style="list-style-type: none"> Limited availability High cost Limited color and style options

The roofing industry is poised to experience moderate growth in the coming years, driven by shifts in housing market dynamics, nonresidential demand, eco-friendly roofing solutions, and technological advancements. To succeed in this changing landscape, contractors must adapt to new market conditions, diversify their services, and stay up-to-date with emerging technologies and trends.

(1) CANADA INDUSTRY (NAICS) REPORT 23816CA / CONSTRUCTION IN CANADA Roofing Contractors in Canada Report by: Matthew Buchko | January 2023
 (3) U.S. Green Building Council. LEED in Motion: Canada
 (4) US Department of Energy. (2018). Sustainable Roofing Materials.

Strategies for roofing contractors to overcome challenges and seize opportunities

The roofing industry faces various challenges, such as labor shortages, increased competition, and fluctuating material costs. However, roofing contractors can overcome these obstacles by adopting effective strategies and capitalizing on the available opportunities. The following strategies can help roofing contractors navigate the industry's challenges and embrace new growth opportunities:

Invest in training and certification programs

With labor shortages being a significant concern in the industry, roofing contractors should invest in training and certification programs to attract, retain, and develop skilled workers. Contractors can enhance their workforce's skills, improve safety standards, and increase work quality through continuous professional development opportunities. This investment will ultimately lead to higher customer satisfaction and a better reputation in the market.

Market sustainable roofing solutions

As the demand for eco-friendly and energy-efficient buildings grows, roofing contractors can differentiate themselves by developing and marketing sustainable roofing solutions. Contractors can cater to environmentally conscious clients and gain a competitive edge by offering green roofing options like solar panels, cool roofs, or garden roofs. Eco-friendly products are becoming more cost-effective⁵, which will increase their use over the next five years. This provides more growth opportunities.

Use technology

Roofing contractors should use innovative solutions to improve their operations and efficiency. This includes software for project management and

estimation, drones for roof inspections, and integrating other cutting-edge technologies into their processes. Contractors who can streamline operations and provide more accurate, timely, and cost-effective services through technology will be more competitive in the market.

Focus on customer experience

Strong customer service is essential for success in the highly competitive roofing industry. Roofing contractors can differentiate themselves by emphasizing communication and keeping customers informed throughout the roofing process. Simple steps such as responding promptly to inquiries and complaints quickly, addressing concerns immediately, and ensuring customers have a positive experience during projects, can build a solid reputation and generate repeat business and referrals for contractors. By becoming [BBB Accredited](#), a roofing business can distinguish itself as an honest, trustworthy business that stands out from the rest by adhering to the [BBB Standards](#).

Build strategic partnerships

Roofing contractors can foster strategic partnerships with key stakeholders, such as residential developers, building services management companies, and industry suppliers. Establishing strong relationships with these partners can help generate repeat business and create a steady flow of new projects.

Adapt to market demands

Successful roofing contractors must learn to adapt to changing market demands, such as fluctuations in residential and commercial construction activities. By expanding or contracting their operations in line with market trends, contractors can better manage their resources and maintain profitability.

By implementing these strategies, roofing contractors can overcome the challenges facing the industry and seize new opportunities for growth and success.

(5) FLL (2020). Guidelines for the Planning, Construction, and Maintenance of Green Roofing.



Next steps for roofing contractors

Whether you are already taking advantage of industry trends, or you're feeling a little behind the curve, BBB can help your company stand out from the competition.

Differentiate your company from 90% of your competition

Standing out in a crowded marketplace isn't easy, but adding the [BBB Accredited Business Seal](#) to your advertising does just that! It tells everyone that you're committed to the [BBB Standards for Trust](#) to provide extraordinary customer care.

Your accreditation adds you to BBB's exclusive community of trustworthy businesses where over 140 million searches occur every year. Over 85% agree the halo effect of their BBB Accreditation has been a positive influence in their business growth.

Bridge the trust gap with customers

Whether a prospect is tech-savvy or tech-challenged, they can click through and see your company details from an independent third-party perspective. This results in instant credibility and trust using the dynamic BBB Accredited Business Seal. Offline, you can use the seal to raise awareness in ads, on

company vehicles, your storefront, or wherever you advertise.

Leverage BBB to attract the best employees

Great companies need good, dependable employees to handle increasing demands. And high-performing employees want to work for companies that have shown they're honest, dependable, and trustworthy. Wow! Employees are looking for the same things as your customers. There is an easy way to appeal to both of these critical stakeholders: the BBB Accredited Business Seal tells job hunters and customers that your business is one that does the right thing, one they can trust. When they see the seal in your ads on your website, they can be confident in signing an offer letter or a contract, thanks to your BBB Accreditation.

Build a better roofing company

BBB.org is full of resources to help you [start, manage, or expand your business](#). Use our industry hubs, branding assets, business resources, and customer resolution services to help you engage and keep your most valued stakeholders.

You can learn more about these BBB benefits, the BBB Accreditation process, and our complete library of business resources by contacting your [local BBB branch office](#) today.

How to build a loyal customer base

Create a Customer-First Mentality

With limited face-to-face interactions, it's important to step up your customer service game. Make time for your customers by maintaining transparency, communicating consistently, and answering questions.



Personalize Your Communication

A Segment survey found that 71 percent of consumers get frustrated by impersonal encounters by companies. Earn your customer loyalty by building and delivering an authentic, personalized experience.



Start a Community

With social media abundant, Entrepreneur recommends creating an online community that encourages customer engagement and user-generated content, such as final product photos taken and shared by customers.



Respond to Reviews and Complaints

Whether it's a one-star rant or a five-star cheer, it's up to the business to respond positively and openly. Choosing to answer each review promptly and kindly can increase trust in your brand.



Honor Promises

Whether there are supply issues, price quotes, or unforeseen mistakes, work to keep the line of communication open with customers. By honoring promises and operating with transparency, you're building trust.



**THE SIGN OF A
BETTER
BUSINESS***

What business owners like about BBB

- 1 Accredited Business **status on BBB.org**
- 2 Use of the **Accredited Business Seal**
- 3 BBB **Customer Reviews**
- 4 BBB **Dispute Resolution**



Be a Top Business in Your Industry

We asked businesses how BBB Accreditation impacts them. Here are their responses...

- 1 Accreditation increases the **credibility** of my business
- 2 Accreditation shows **integrity** in our business practices
- 3 Accreditation builds consumers **trust**
- 4 Accreditation increases my **visibility** as a reputable business
- 5 Accreditation shows **we care** about our customers



THE SIGN OF A BETTER BUSINESS

Business owners also said the BBB Accredited Business Seal shows they are...

- **reputable**
- **trustworthy**
- **honest**

Find out how BBB can help you.
Visit [BBB.org/get-accredited](https://www.bbb.org/get-accredited)



BBB INDUSTRY REPORT | CANADA

© 2023, International Association of Better Business Bureaus, Inc., separately incorporated
Better Business Bureau organizations in the US and Canada, and BBB Institute for
Marketplace Trust, Inc. All rights reserved. All rights reserved.