




BBB® INDUSTRY REPORT | U.S.

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



Roofing contractors are an essential part of 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 the United States, the roofing industry will expand. In this industry report, we will explore the future of roofing contractors in the U.S. and examine the trends that will shape the industry over the next five years.

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State of the roofing contractors industry

According to IBIS research, the roofing contractors industry is projected to generate \$56.7 billion in revenue in 2023¹. This represents an annualized decrease of 1.2% over the past five years. Industry profit was reported at \$3.0 billion, with a profit margin of 5.3%, reflecting a decrease of 1.2 percentage points over the same period.

The research reported there were 37,340 roofing businesses in the U.S., with an annual growth of 1.2% from 2018 to 2023. The industry employed 212,000 workers, with an annual growth of 1.2% over the same period, and paid \$14.3 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

The roofing industry is expected to experience slow growth in the coming years, with industry revenue projected to increase at an annualized rate of 0.5% to \$58.1 billion over the five years to 2028. 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 0.6% 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 0.8% to 220,989 workers over the next five years.

Roofing contractors industry overview

The roofing contractors industry in the U.S. 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 saw growth 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 5.3% of revenue in 2023¹. Wages account for 25.2% of industry revenue in 2023, and purchase costs, including materials and subcontractor payments, account for 43.9% of industry revenue in the same year.

(1) US INDUSTRY (NAICS) REPORT 23816 / CONSTRUCTION Roofing Contractors in the US Report by: Caleb Clark | 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 in the industry. 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 roofing industry

The roofing contractors industry is highly fragmented and competitive, with numerous small and large players operating across various segments. However, a few prominent companies stand out in terms of market share, revenue, and reputation.

Tecta America: As an incumbent in the industry, Tecta America has a strong presence with over 500 employees. With revenue of \$960.2 million and a market share of 1.7%, the company has managed to generate a profit of \$64.3 million¹.

CentiMark: Another incumbent in the market,

CentiMark employs over 500 staff members and has achieved revenue of \$777.7 million, holding a 1.4% market share¹. The company's profit stands at \$52.5 million.

Baker Roofing Company: With 500+ employees, Baker Roofing Company is an incumbent in the industry. The company has generated \$294.8 million in revenue, a 0.52% market share, and a profit of \$15.9 million¹.

Nations Roof: As an All Star company with over 500 employees, Nations Roof has earned \$185.1 million in revenue and a 0.33% market share¹. The company's profit is \$12.4 million, demonstrating its ability to provide roofing services across various segments. **Holland Roofing:** Holland Roofing, an incumbent in the industry, employs 100 to 499 workers. The company has generated \$97.7 million in revenue, a 0.17% market share, and a profit of \$6.5 million¹.

Other notable players in the industry include **Empire Roofing**, **Douglass Colony**, **Sutter Roofing**, **KPost Company**, and **Beldon Roofing Company**. These companies have established themselves as key players in their respective segments

As the industry evolves and environmentally friendly products become more prevalent, companies that can differentiate their offerings and capitalize on emerging market trends will continue to grow and strengthen their positions within the roofing industry.

Table 2: Top 10 roofing contractors in the U.S.¹

Competitors	Company Type	Employee Segment	Revenue (\$M)	Market Share (%)	Profit (\$M)
Tecta America	Incumbent	500+ Employees	960.2	1.7	64.3
CentiMark	Incumbent	500+ Employees	777.7	1.4	52.5
Baker Roofing Company	Incumbent	500+ Employees	294.8	0.52	15.9
Nations Roof	All Star	500+ Employees	185.1	0.33	12.4
Holland Roofing	Incumbent	100-499 Employees	97.7	0.17	6.5
Empire Roofing	All Star	500+ Employees	87.6	0.16	5.9
Douglass Colony	All Star	100-499 Employees	73.8	0.13	4.9
Sutter Roofing	All Star	100-499 Employees	64.5	0.11	11.9
KPost Company	Golden Goose	100-499 Employees	49.8	0.09	3.3
Beldon Roofing Company	Golden Goose	100-499 Employees	39.6	0.07	2.7

(1) US INDUSTRY (NAICS) REPORT 23816 / CONSTRUCTION Roofing Contractors in the US Report by: Caleb Clark | January 2023

Roofing industry outlook

The roofing industry is projected to grow at an annualized rate of 0.5% over the next five years, reaching \$58.1 billion in revenue in 2028¹. However, profit margins are expected to slightly decrease to 5.2% of revenue.

Key factors shaping the industry's future include shifts in housing market dynamics, nonresidential demand, eco-friendly roofing solutions, industry life cycle, 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 is considered to be in the mature stage of its life cycle. Over the 10 years to 2028, the industry's overall contribution to the U.S. economy, measured as industry value added (IVA), is expected to rise at an annualized rate of 0.4%¹. In comparison, U.S. GDP is projected to rise at an annualized rate of 1.5% over the same period.

Market saturation and innovation

The roofing market is saturated but expanding. Legacy services, such as corrugated metal, ceramic,

tile, or asphalt roof replacement and construction, are offered by all contractors. A burgeoning market for eco-friendly alternatives is beginning to alter the industry's landscape, allowing contractors to move in a more specialized direction.

The proliferation of solar panels and other cutting-edge eco-friendly technologies have found their way into the industry, becoming more affordable and commercially available to homeowners and businesses alike. The installation of solar panels has become an increasingly lucrative service for roofing contractors.

Consolidation and technology

There is little consolidation in the roofing industry, with larger contractors specializing in commercial roofing and having little incentive to acquire smaller roofers and independent contractors serving households.

The roofing industry experiences a moderate level of technology change, driven largely by the rise of environmentally friendly roofing products. Eco-friendly roofing products have grown more popular over the past five years³, including those that reduce energy consumption by reflecting heat and those that use solar power panels to generate electricity for structures.

As these technologies become more affordable and widely adopted, roofing contractors will need to adapt and expand their service offerings to stay competitive in the market.

(1) US INDUSTRY (NAICS) REPORT 23816 / CONSTRUCTION Roofing Contractors in the US Report by: Caleb Clark | January 2023
(3) Research and Markets US Green (Vegetative) Roofing Market 2022-2030 Report

Stunted housing market

The housing market is expected to recede as the effects of the pandemic continue to abate. Roofing contractors will likely shift focus from new home construction to maintenance and roof replacement. Climate change-induced natural disasters and extreme weather events will drive demand for roofing services in affected areas.

Demographics will also play a significant role in determining housing demand. While millennials currently prioritize homeownership less than previous generations⁴, their financial situation may change as the economy expands, leading them back to the housing market in greater numbers.

Nonresidential demand accelerates

Demand for roofing services in the commercial building market is expected to strengthen during the outlook period, reflecting improvements in economic conditions and increased investment in nonresidential property. Contractors with long-term maintenance and repair arrangements with property managers or developers will fare better than those focused solely on installation.

Sluggish growth is anticipated in the oversaturated industrial building market¹. Offshoring of manufacturing to countries with low labor costs will moderate growth in industrial facility construction and maintenance.

Greener pastures

Demand for eco-friendly and energy-efficient roofing solutions will drive existing contractors to diversify and new companies specializing in green solutions to

enter the market. Solar power and energy-conserving roofing are expected to become more common for smaller projects like single-family¹ housing.

As eco-friendly roofing gains momentum, contractors will have the opportunity to add greater value to contracts and differentiate their service offerings based on factors other than price or reputation. They will also be able to pass on the rising cost of these new materials to consumers.

Table 4: Advantages and disadvantages of eco-friendly roofing solutions⁵

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 will need to adapt to new market conditions, diversify their services, and stay up-to-date with emerging technologies and trends.

(1) US INDUSTRY (NAICS) REPORT 23816 / CONSTRUCTION Roofing Contractors in the US Report by: Caleb Clark | January 2023

(4) Retirement Reimagined Study (2023), Charles Schwab.

(5) 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, by adopting effective strategies, roofing contractors can overcome these obstacles and capitalize on the available opportunities. The following strategies can help roofing contractors navigate the industry's challenges and embrace new opportunities for growth:

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 overall 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. Offering green roofing options like solar panels, cool roofs, or garden roofs, contractors can cater to environmentally conscious clients and gain a competitive edge in the market. Eco-friendly products are becoming more cost-effective⁶, which will increase their use over the next five years. This provides more opportunities for growth.

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.

(6) 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
BUSINESSSM**

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**

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