



ROSETTA®

HARDSCAPES

Fredonia Report: *Where is the market headed?*

A semi-circular stone fire pit is the central focus in the foreground. The background shows a residential yard with a house, trees, and a patio area. The entire image is overlaid with a semi-transparent purple filter.

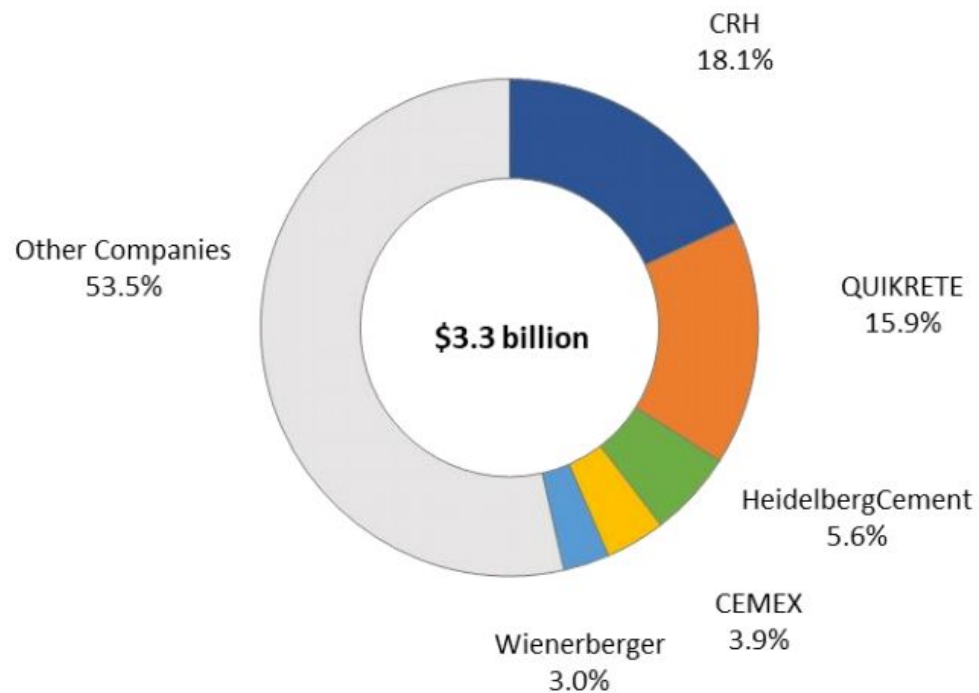
What is the Fredonia Report?



Market Share by
Company

489

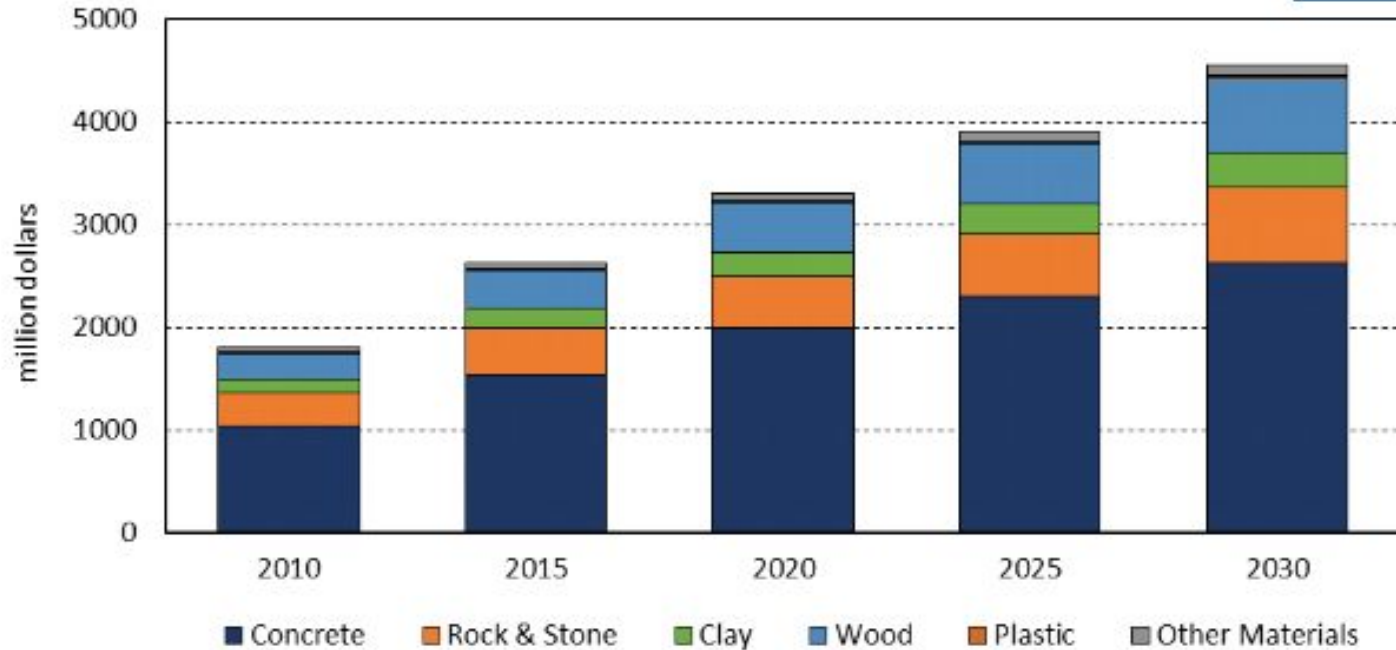
Figure 14-1 | US Hardscaping Market Share by Company, 2020 (billion dollars)



Source: The Freedonia Group


Hardscapes by Product

Freedonia



Pavers Grow 2.6% to \$1.5 Billion in 2025

- Consumers will look to higher end products including stamped concrete and those that mimic natural stone...Hmm
- Continue outdoor living upgrades
- Increase demand in permeable pavers




2.6%
GROWTH



Blocks Grow 3.5% to \$398 Million in 2025

- Natural stone will see largest growth
- Big push for easy installations
- Growth pushed by commercial and non building applications



▲
3.5%
GROWTH

Lumber Grows 4.2% to \$603 Million

- Driven mostly by raised garden beds and decking
- Competition
 - Concrete
 - Composites
- Government regulation and durability are problems
- How can we use Rosetta to take market share?



▲
4.2%
GROWTH

Redi Mix Grows 3.9% to \$375 Million


- Stamped concrete still great method of backyards and walkways
- Sales can be affected by
 - Drive for permeable applications
 - Availability



▲
3.9%
GROWTH

Natural Stone Veneer Grows 4.2% to \$220 Million

- Driven by outdoor living. Travertine governs a majority of sales
- Sales affected by
 - Faux Stone

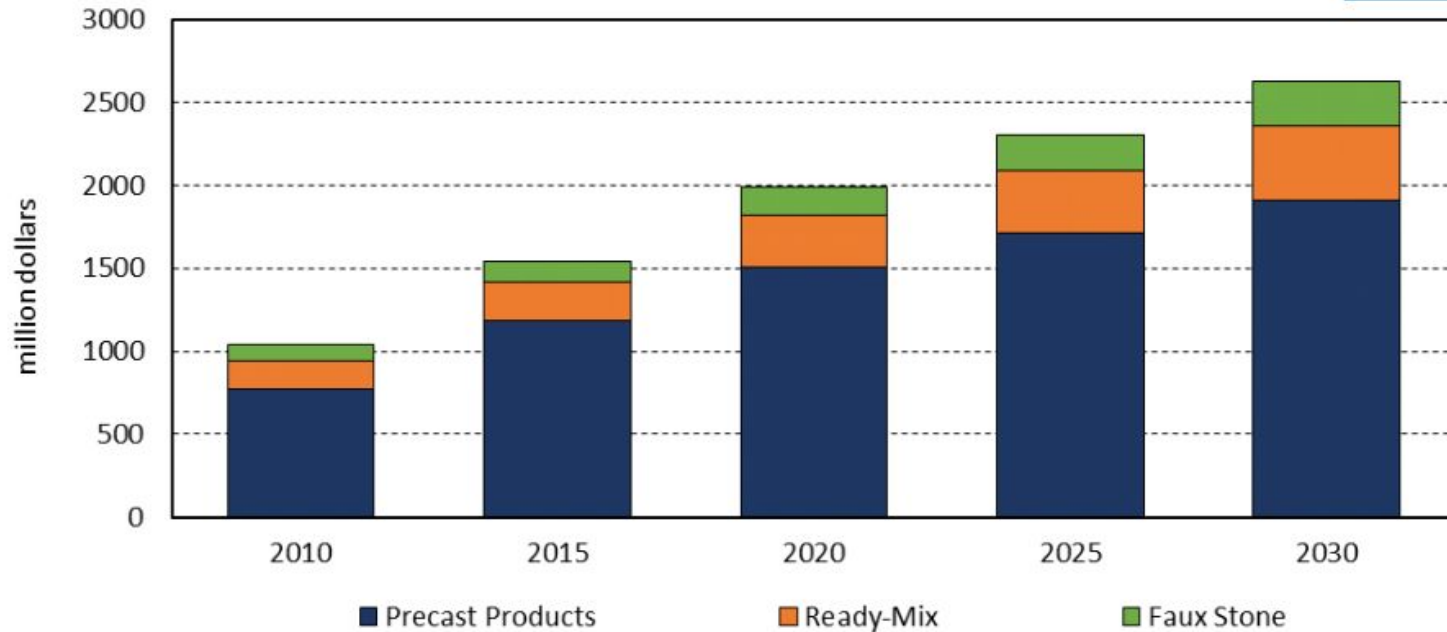


▲
4.2%
GROWTH

Hardscapes by Product

Figure 6-2 | Concrete Hardscaping Demand by Product, 2010 – 2030 (million dollars)

Freedonia



Areas of Market Focus

- Aging baby boomers who have more time and higher levels of income to invest in outdoor spaces
- Develop tools and resources for DIFM (Do-It-For-Me) construction
- New homeowners / new construction
- Lighting (compliment business)



Sustainability - No Longer a Buzzword

- Nearly 75% of consumers believe in a personal obligation to be environmentally friendly
- More than 50% believe companies should help consumers be environmentally friendly

What does this mean?

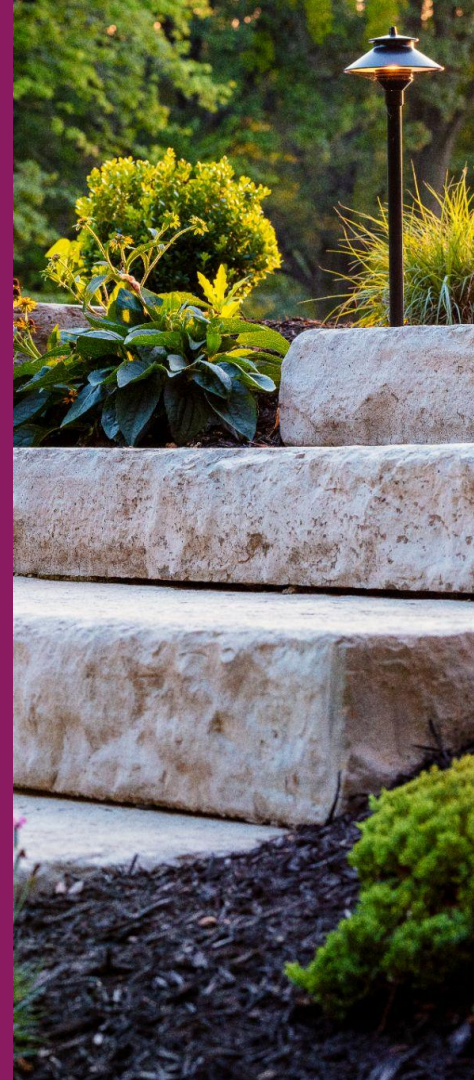
We need to think about ways to market environmentally friendly products and services



Sustainability - What Can We Do?

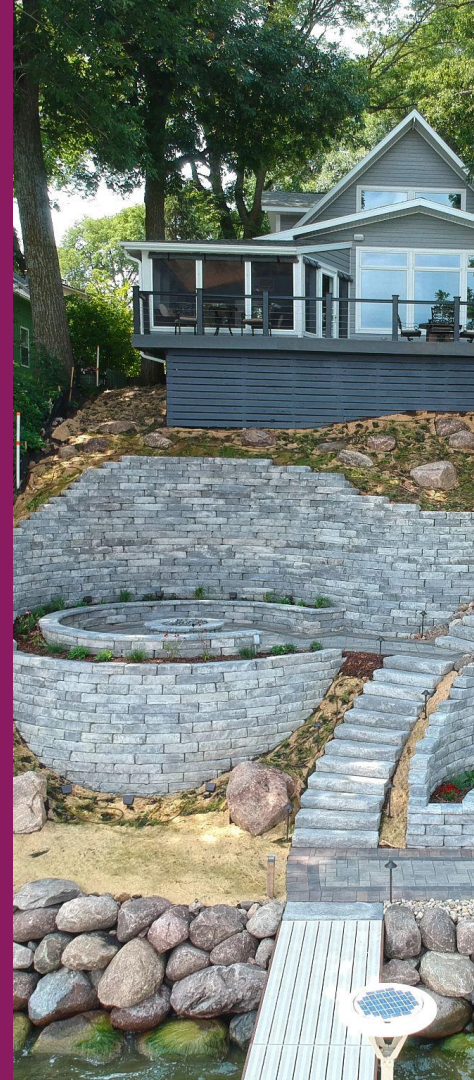
- Product side - permeable pavers - Old Mission
- Recycled material
- Power conservation
- Water conservation - recycle water
- Clean up programs
- Planting programs

STOP LETTING THE MEDIA TELL US WHO WE ARE



Outdoor Living Trends

- Consumers are continually looking for higher-end elements and more functionality
- Outdoor spaces are becoming more elaborate. Not just a grill top
- COVID era mentalities are continuing as outdoor living is viewed as a safe way to socialize
- Anticipate a growth in porcelain pavers and higher range or premium products
 - Wood look
 - Natural stone look
 - Larger format pavers

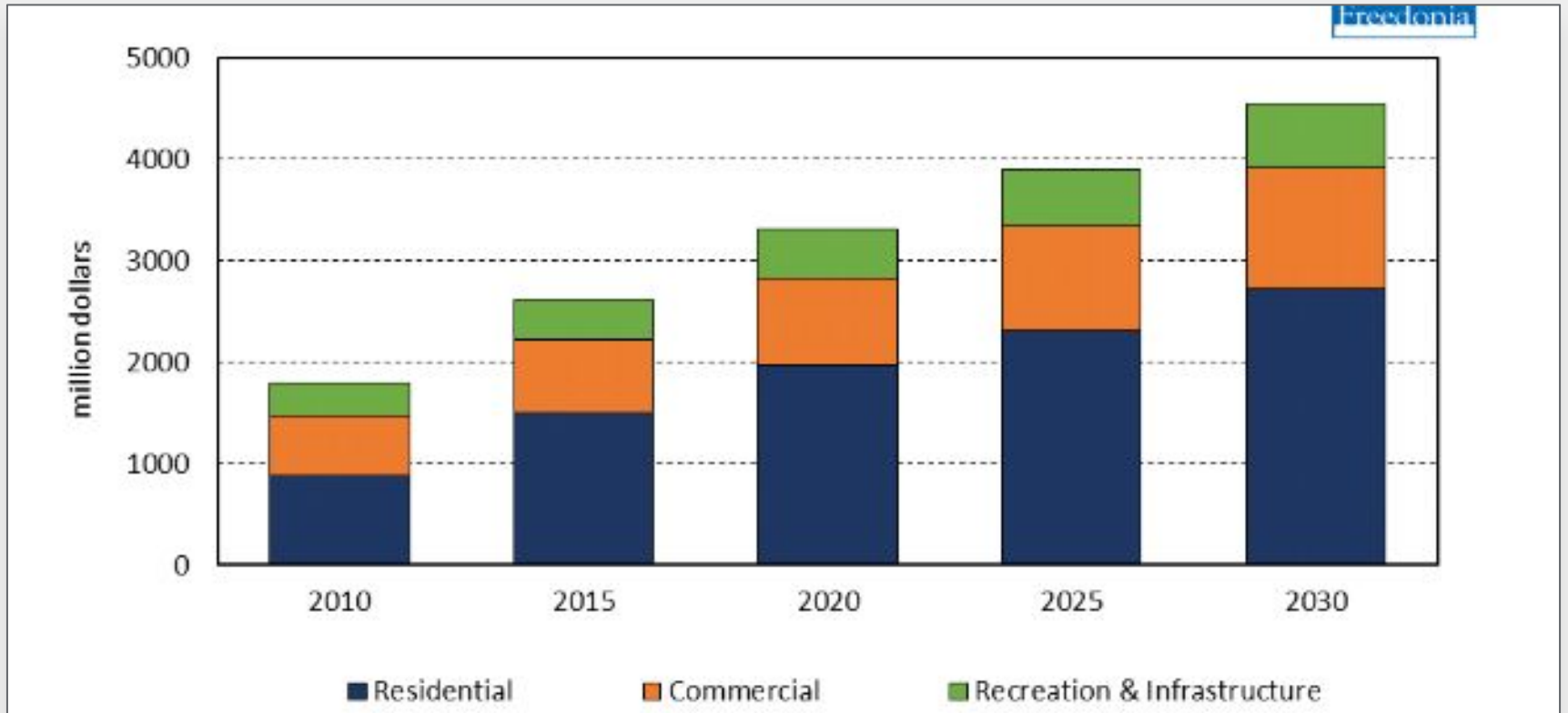



Xeriscaping

- Utilizing low-maintenance landscaping
 - particularly in drought prone areas
- Using slow growing plants and aggregates to replace conventional landscaping
- Low maintenance, low environmental impact
- How can we lean into this?



Hardscapes by Market



A person wearing dark pants and sneakers is standing on a green golf course. In the background, there is a stone wall made of large, stacked blocks. A golf club is visible, leaning against the wall. The scene is lit with soft, natural light, suggesting late afternoon or early morning. The overall mood is serene and focused.

Residential Market Analysis

Residential Market Grow 3.3% to \$2.3 Billion

- 59% of overall market share including...
 - Single family houses
 - Townhouses
 - Apartments
 - Manufactured homes



3.3%
GROWTH



Patios Account for 38% of Hardscapes

- Driven by outdoor dining
- Post COVID feelings
- New constructions
- Will face stiff competition for decks

▲
3.2%
GROWTH



Walkways Account for 24% of Hardscapes

- Outdoor enhancements
- Garden walks

▲
3.1%
GROWTH



Walls Account for 20% of Hardscapes

- Outdoor enhancements
- Garden walks
- Wood, concrete, and stone account for 89% of market share

▲
4.0%
GROWTH






Commercial Market Analysis

Commercial Market Grow 3.6% to \$1.0 Billion

- 26% of overall market share including:
 - Retail centers
 - Corporate headquarters
 - Apartments
 - Manufactured homes
- Overall growth includes...
 - Increased adoption of permeable pavers
 - More green spaces and rooftop gardens
 - Increase outdoor dining



▲
3.6%
GROWTH

Patios Account for \$367 Million of Hardscapes

- Concrete and brick will be largest competition

▲
3.5%
GROWTH



Walkways Account for \$229 Million of Hardscapes


- Outdoor enhancements
- Garden walks

▲
3.3%
GROWTH



Walls Grow 4.3% to \$222 Million

- Outdoor spaces to lead the growth



4.3%
GROWTH





Recreational &
Infrastructure Analysis

Recreational & Infrastructure Grow 2.9% to \$556 Million

- 15% of overall market share including:
 - Parks
 - Golf courses
 - Roadways and infrastructure
- Overall growth includes...
 - Gains in small green spaces and small parks
 - Expect decline in golf course projects
 - Budget short falls at municipal, state, and federal level will limit growth

▲
2.9%
GROWTH

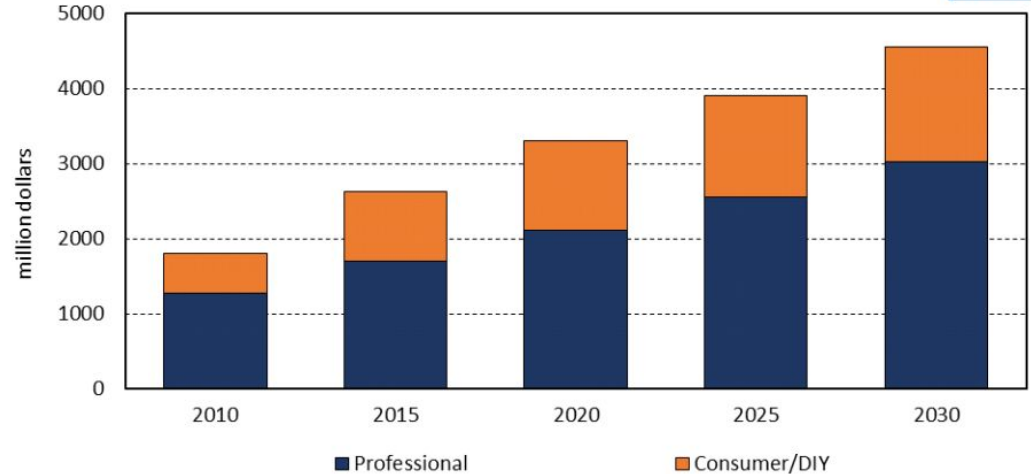


End Users

▲ **Professional**
64% of market
Growth 3.9% annually

▲ **DIY**
36% of market
Growth 2.3% annually

Figure 11-1 | Hardscaping Product Demand by End User, 2010 – 2030 (million dollars)



Regional Trends

▲ **Northeast**
3.3% Growth
\$649 Million in 2025

▲ **Midwest**
3.0% Growth
\$931 Million in 2025

▲ **South**
3.5% Growth
\$1.5 Billion in 2025

▲ **West**
3.4% Growth
\$812 Million in 2025

Table 12-1 | Hardscaping Product Demand by Region, 2010 – 2030 (million dollars)

Item	2010	2015	2020	2025	2030	% Compound Annual Growth	
						15-20	20-25
Hardscaping Product Demand	<u>1804</u>	<u>2622</u>	<u>3310</u>	<u>3900</u>	<u>4550</u>	4.8 %	3.3 %
Northeast	345	467	553	649	729	3.4 %	3.3 %
Midwest	482	669	803	931	1058	3.7 %	3.0 %
South	637	964	1268	1508	1813	5.6 %	3.5 %
West	340	522	686	812	950	5.6 %	3.4 %

Expect **3.3%** Growth through 2025

- Growth in professional grade projects
- Ongoing elevated spending in outdoor spaces (near term)
- Increase spending on public spaces
- Growing preferences for high value products
- Technological advances to make concrete look like stone

Expect the market to grow to \$3.9 billion by 2025

What Can We Take Away?

- Expect slow and steady growth
- What does your product offering look like?
 - Heartwood
 - Traverse Flagstone
 - Something Else???
- Are you staffed adequately?
 - DIY vs DIFM
- Does your sales staff need to be refocused?
 - Area of focus changes
- Don't Sleep on Sustainability

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Questions?

Thank You Sponsors!

