

## IN THIS ISSUE



### By the numbers

FCNews' annual Statistical Issue defines the flooring industry in 2014 in terms of dollars and units sold.

Carpet/Rugs .....	12
Resilient .....	14
Wood .....	18
Ceramic .....	22
Laminate .....	24

### Commercial

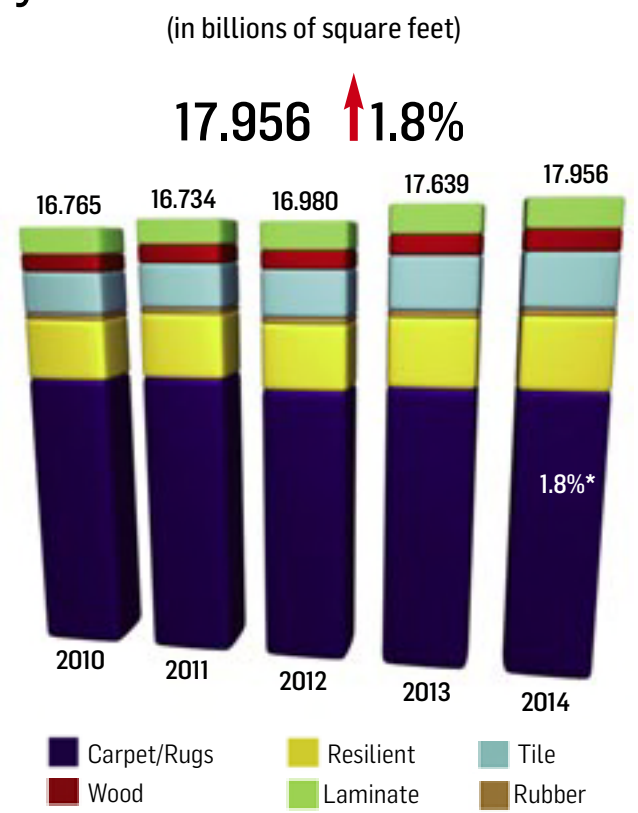
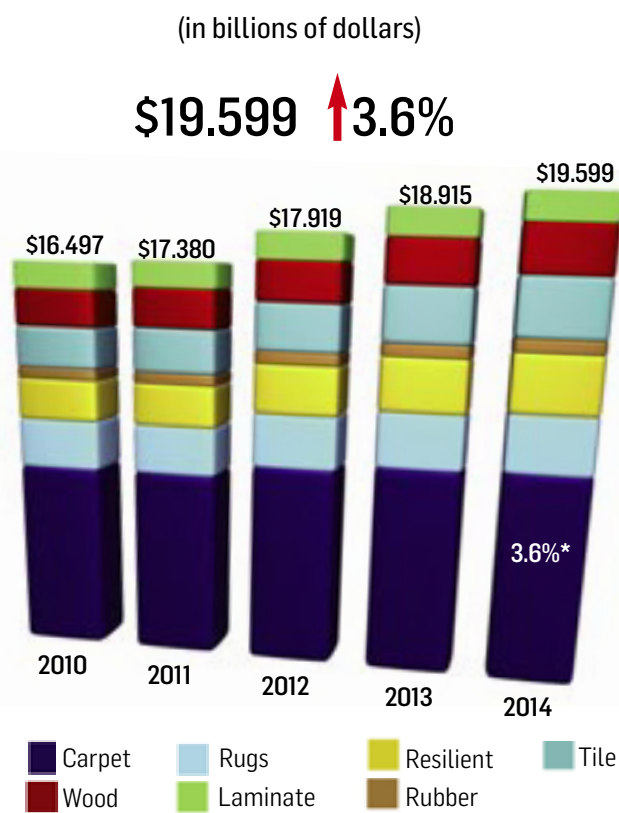
Carpet tile and LVT remain the stars of the show as both the specified contract and Main Street segments of commercial exhibited growth in 2014.

PAGE 26



# Scoring Flooring Industry Stats for 2014

## Total industry sales



\*Represents 2013-14 percentage change

While the flooring industry continues its recovery from the prolonged recession, the satisfying gains it posted in 2013 in value and volume slowed somewhat in 2014. A harsh winter that greatly hindered first quarter sales, coupled with inconsistent new home construction throughout the year (single-family housing starts were 11% lower than initially forecasted), left the industry with growth of 3.6% in dol-

lars and 1.8% in volume compared to the respective 5.5% and 3.8% growth in 2013.

When the dust settled, floor covering sales in 2014 totaled \$19.599 billion and 17.956 billion square feet. While these numbers are well off 2006 highs of \$24.715 billion and 26.36 billion square feet of flooring sold in the U.S., these figures represent the fifth consecutive year of dollar growth and third straight year of volume increases. On an even more positive note, the average price per square foot of all flooring was \$1.09 in 2014, up about two cents from 2013. The average selling price is also up significantly from 2009, when it was \$0.96.

To put things in further perspective, floor covering sales in 2014 were at its highest level since 2008's \$19.743 billion and were up 21.1% from 2009, when the industry bottomed out at \$16.189 billion.

The good news doesn't end there. More floor covering was sold last year in the U.S. than in any year since 2008. Unit growth is up 7.3% from 2011's low point.

*(Editor's note: FCNews does not include stone flooring in its aggregate total, nor does it include ceramic wall tile. In addition, rubber flooring numbers include sheet, tile, accessories and cove base. Some numbers from years past have been changed slightly to reflect updated information.)*

Also for the third consecutive year, every floor covering category showed growth in both dollars and units with the resilient category continuing to be the locomotive powering the industry. Within resilient, luxury vinyl tile has been the catalyst for this explosive increase.

In 2014, resilient posted the largest percentage gain of any flooring category, rising 8.4% to \$2.392 billion from \$2.206 bil-

lion in 2013. Since 2009, the category has increased a stunning 36.6% and is now at its dollar high point in recent history.

Resilient now accounts for 12.2% of the total flooring market in dollars and 15.1% in volume after a 3.8% rise in units to 2.69 billion square feet. In 2013 resilient held an 11.7% share, up from 11.3% in 2012 and 10.8% in 2008. Interestingly, its market share in volume has stayed around 15% for the last seven years. That suggests resilient's average price point increased by virtue of the migration from sheet to LVT.

FCNews research reveals how LVT is driving category growth. From nearly \$750 million in 2012 to \$948 million in 2013 and \$1.142 billion in 2014, LVT rose 52.3% in two years. It also carries with it a premium price tag as it comprises 47.7% of the category's dollars but only

Continued on page 8

## Resilient

Continued from page 17

the home, meaning it is no longer limited to spaces like kitchens, bathrooms and laundry rooms.

“It is not just such a surge; it is year after year after year of surging for the last five to seven years,” Natkin said. “LVT is absolutely spreading throughout the home. Anywhere that wood or laminate can go LVT can go as well. [With LVT] you alleviate some of the concerns around moisture.”

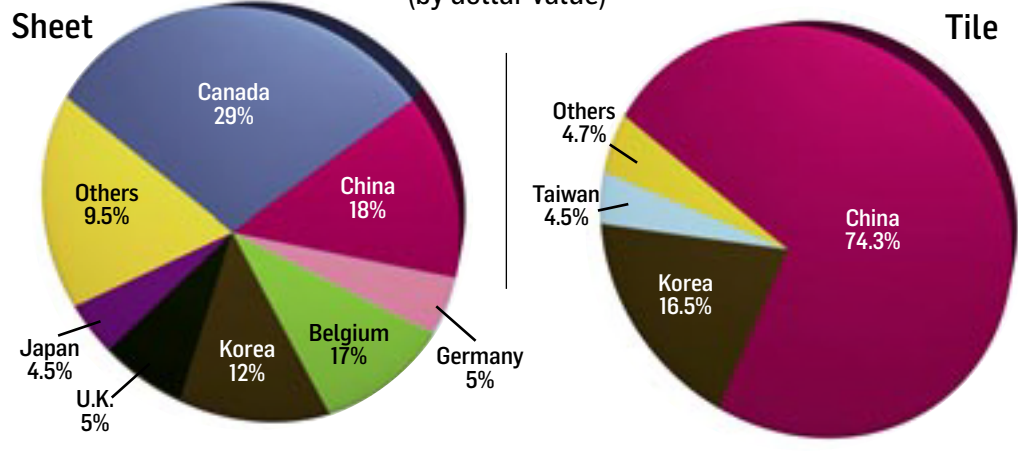
In terms of specific growth segments for LVT, Natkin said, “On the new home construction side, LVT is a lot easier to manage in small spaces vs. trying to lay a big piece of sheet vinyl. When you look at where the growth is in new homes it is primarily in multi-family, as LVT is quickly becoming a product of choice there.”

Train noted that the growth of LVT in multi-family applications stems from the changing market in that segment with the demographics moving into these environments. “There are a lot of 20- and 30-year-olds who aren’t investing into homes—many because of student debt—so they are living in the multi-family environment, and they want a more interesting look and feel within the units themselves. A lot of these multi-family spaces are creating more common areas and interior spaces where LVT fits in well. It is great for establishing a theme or mood. You see more of these theme-based settings.”

Emil Mellow, vice president of marketing at Karndean Designflooring, believes LVT is on

## Resilient imports by country of origin

(by dollar value)



get with natural product or the maintenance.”

Murfin also noted LVT’s growth in all channels as a signif-

icant factor in its market strength. “We’ve never seen this from a product before. There is growth for LVT in every channel:

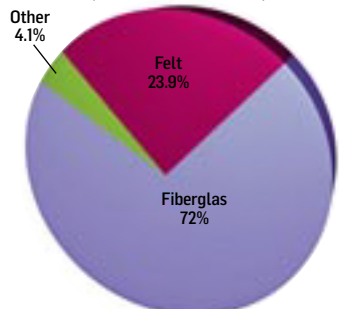
retail, DIY, property management, commercial—you name it. And it is at the expense of multiple categories as well. I think LVT

is taking share from commercial sheet, VCT, high-end residential sheet vinyl, laminate, ceramic tile and carpet.”

Overall, the market shows consumer preference shifting toward hard surface, according to Kurt Denman, executive vice president of marketing and sales for Congoleum. “Resilient is poised to capture a significant portion of that shift because it offers an incredible value through price and durability. The value is further enhanced by all of the great design options that are available and in a variety of constructions that can deliver exceptional performance without having to compromise on design.”

## Sheet construction

(in terms of dollars)



the upswing as laminate shows holes in its performance, particularly where moisture is involved. He also noted the “de-trending” of sheet vinyl. “It is really across the board: home building, multi-family and the whole commercial arena, which includes all segments in terms of retail, health care—particularly elderly facilities—and schools. It is perfect where you need a high performing flooring product. [They] hold up because of the wear layer, ease of installation and versatility, so you get an incredible look to the floor without the drawbacks you would