

A photograph of a modern, multi-story building with a glass and steel facade. The building is composed of several interconnected volumes, with large glass windows reflecting the sky and surrounding environment. The sky is bright with some clouds. In the foreground, there are some green plants and a lower section of the building with a textured, metallic-looking facade.

Glass and Glazing Quarterly Review

Fourth Quarter - 2021

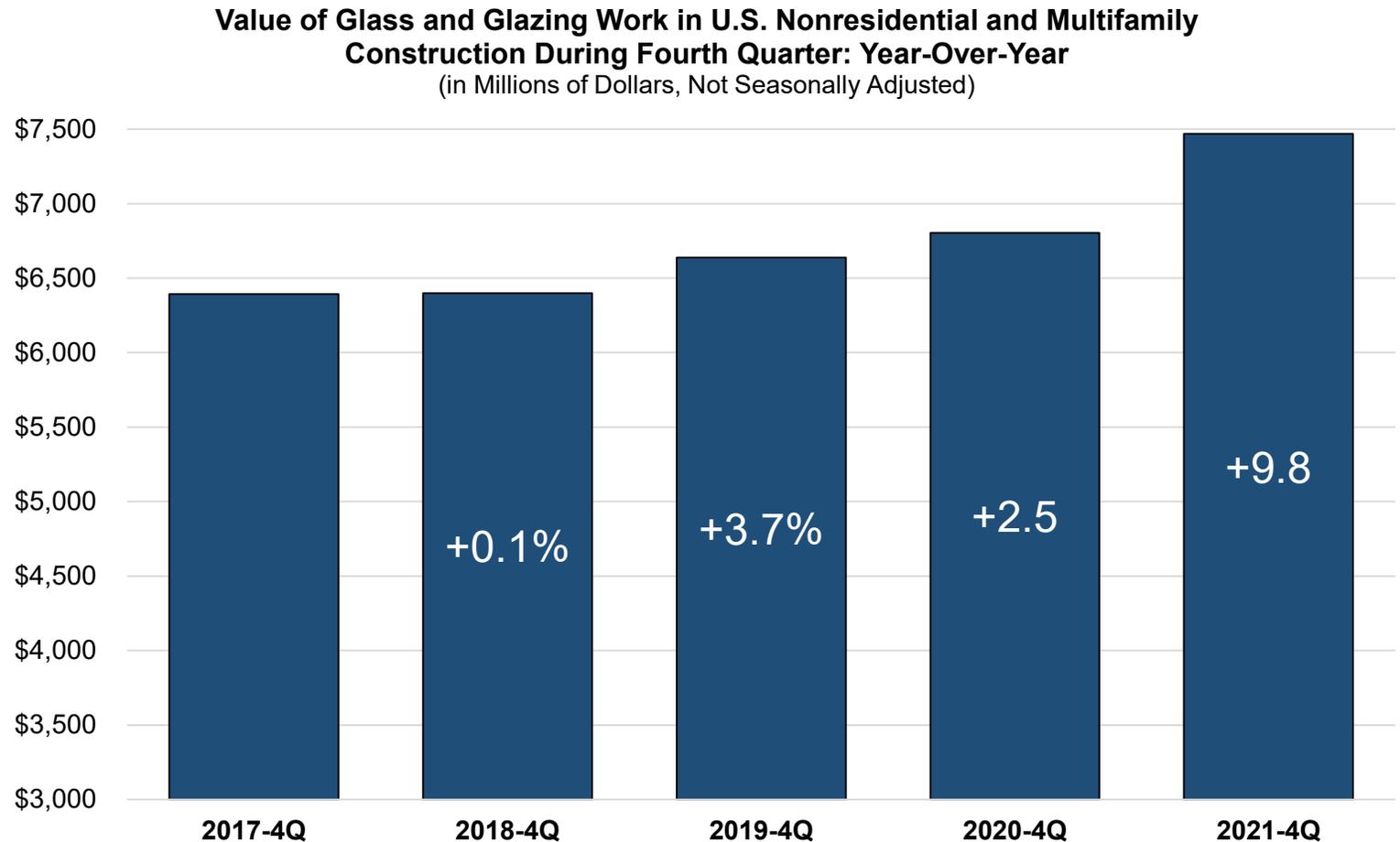


Architectural Glass and Glazing Activity Finishes Strong in 2021

The estimated value of spending in U.S. glass- and glazing-related construction, including work on nonresidential and multifamily projects, was up nearly 10% in the fourth quarter of 2021 compared to the same period a year ago.

This followed a moderate increase from the fourth quarter of 2019 to the same three-month period in 2020.

METHOD: Key Media & Research's (KMR) quarterly glass and glazing dollar value figures are calculated using proprietary models that take into account several secondary inputs, including publicly available data, and adjusted for estimated glass and glazing activity. This includes ongoing new construction and renovation activity during a given period, and accounts for materials, labor and other associated costs. Individual models designed by KMR are applied to 17 different construction subsectors, which are then aggregated into their respective categories (Nonresidential-Commercial, Nonresidential-Institutional, Multifamily).



SOURCE: KEY MEDIA & RESEARCH

Commercial Reverses to Positive Direction, Multifamily Still Spiking

- The commercial side of nonresidential glass and glazing jumped by nearly 8% in the fourth quarter compared to a year ago. Office construction and general commercial increased, while the hotel/lodging segment continued its decline.
- Institutional glass and glazing work declined over 2%, reversing the positive trend of the previous year. Healthcare building was up again, and the large educational sector saw another dip.
- Multifamily residential had a big quarter to finish 2021, with the value of work increasing by nearly a third compared to the last quarter of 2020.

Year-Over-Year % Change in Value of Glass and Glazing Activity in U.S. by Subsector

Glass and Glazing Sector	2019-4Q to 2020-4Q	2020-4Q to 2021-4Q
Commercial	-4.6%	+7.8%
Institutional	+6.0%	-2.5%
Multifamily	+10.2%	+30.1%

SOURCE: KEY MEDIA & RESEARCH

ANALYSIS: Commercial Rebounds While Institutional Remains Tepid

As anticipated, nonresidential architectural glass- and glazing-related construction bounced back in the final quarter of 2021 following several quarters of decline. This was led by a turnaround in commercial activity. At the same time, multifamily work remained on a steep incline, riding the wave of a multi-year double-digit-percentage expansion in overall residential construction.

- On the commercial side, year-over-year declines of the past few quarters had become less severe leading into the fourth quarter, and the inevitable reversal to a positive trend finally came to fruition. While hotel construction continues to struggle, the office and overall commercial subsectors pushed the commercial category forward.
- Institutional activity wasn't negatively effected by the pandemic to the same degree as commercial and has instead witnessed a more moderate decline that lagged the commercial downturn. The result of this is also a slower rebound. Educational building activity has reduced of late, and given that it is the largest subsector in glass-relevant institutional work, so has the overall institutional category. However, the healthcare segment has strengthened and is helping minimize the decrease in institutional as a whole.
- During the pandemic, residential construction went in an opposite direction of the overall economy and flourished while other industries floundered. This upward trend held through the end of 2021 in both multifamily and single-family construction, and most signs point to a continued strengthening of the residential sector in the year ahead.

Glazing contractor and suppliers alike are struggling with supply chain bottlenecks, inflation/pricing concerns and a skilled labor shortage. With that said, they collectively remain optimistic that demand will remain strong in 2022. We expect the commercial expansion to continue and for institutional to turn positive by the second half of the year.

- Nick St. Denis, Director of Research, Key Media & Research



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Key Media & Research offers research services across all segments of the glass industry and related markets. For inquiries, contact Nick St. Denis at nick@keymediaresearch.com, Debra Levy at deb@glass.com, or call 540/720-5584.



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