

Glass and Glazing Quarterly Review

Second Quarter – 2023

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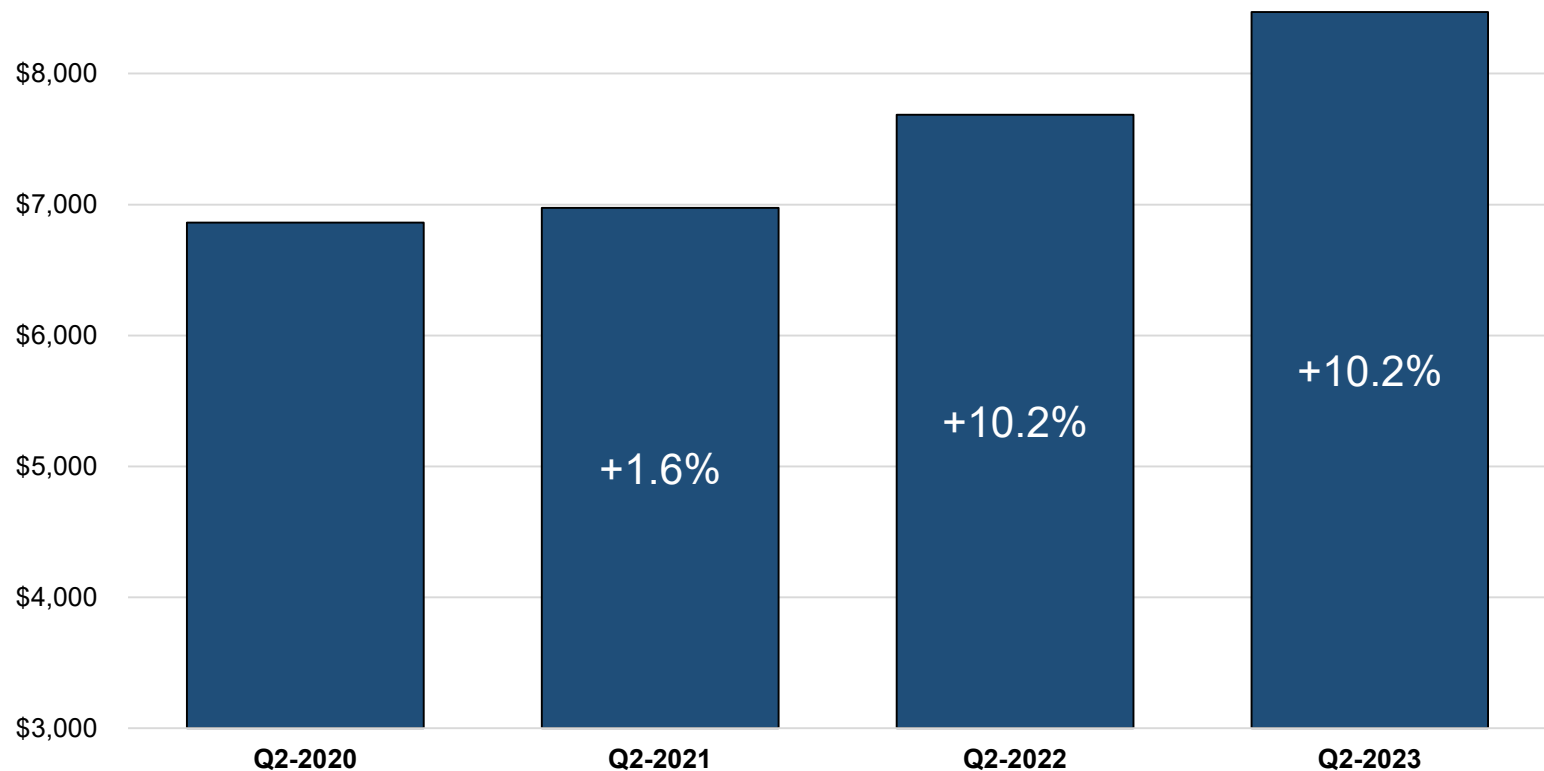
Architectural Glass and Glazing Continues Momentum through First Half of 2023

The estimated value of ongoing U.S. glass- and glazing-related construction, including work on nonresidential and multifamily projects, increased by 10% in the second quarter of 2023 from the same period a year ago.

This followed an identical increase from the second quarter of 2021 to the same period in 2022.

METHODOLOGY: 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 private and public data, and adjusted for estimated glass and glazing activity. This includes ongoing new construction and major 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).

Value of Glass and Glazing Work in U.S. Nonresidential and Multifamily Construction During Second Quarter: Year-Over-Year
(in Millions of Dollars, Not Seasonally Adjusted)



SOURCE: KEY MEDIA & RESEARCH

Each Primary Category Showing Strength in Second Quarter

- The commercial sector of nonresidential glass and glazing increased by 14% in the second quarter compared to a year ago, with upticks in office, hotel and other commercial construction.
- Institutional glass and glazing activity expanded by 9%, due to continued growth in healthcare building and educational-related construction.
- Multifamily* residential glass and glazing spending increased 6%, representing an inevitable slowdown after many quarters of massive progress.

**Only multifamily buildings with 20 units or more are included, as these structures are more likely to use commercial/architectural-type glazing systems.*

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

| Glass and Glazing Sector | Q2-2021 to Q2-2022 | Q2-2022 to Q2-2023 |
|--------------------------|--------------------|--------------------|
| Commercial | +12.2% | +13.5% |
| Institutional | +3.4% | +9.3% |
| Multifamily | +17.7% | +6.3% |

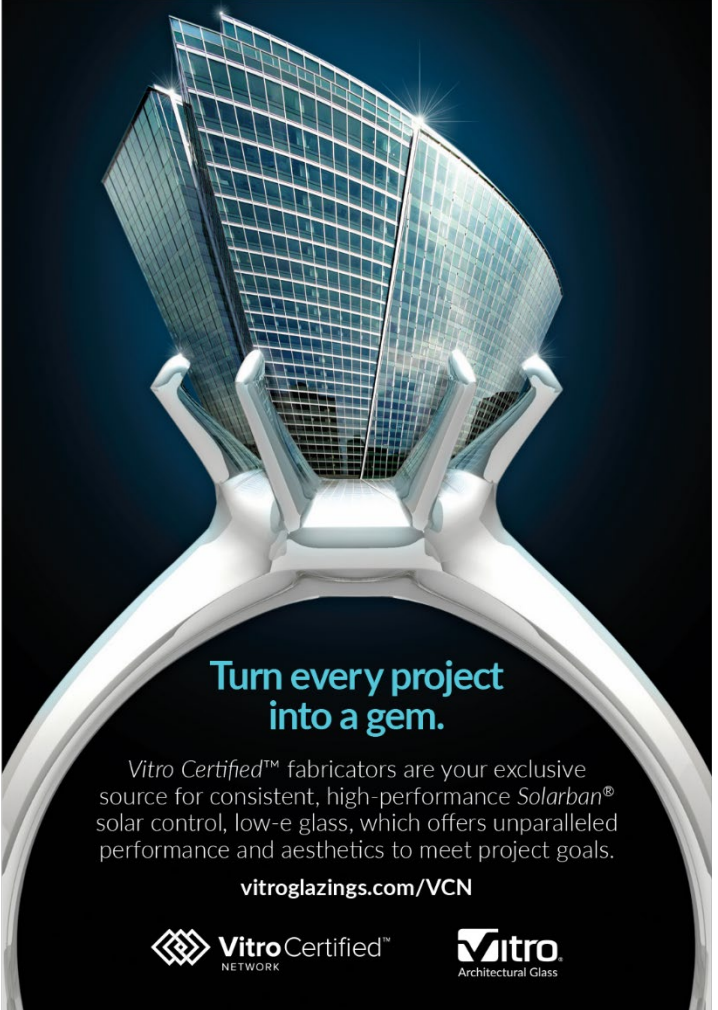
SOURCE: KEY MEDIA & RESEARCH

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A quarterly update from Nick St. Denis, Director of Research at Key Media & Research

ANALYSIS: Glass-Related Construction Expansion Continues Another Quarter



- Architectural glass- and glazing-related construction maintained its momentum at least for another quarter as the first half of 2023 closed. This is the seventh straight quarter that the value of industry-related activity has increased year-over-year.
- The glass and glazing construction spending figure is based on ongoing (put-in-place) construction and is represented in nominal terms. This means the year-over-year increases are partially driven by industry-related inflation and price/cost increases. That aside, volume of work and backlog among glazing contractors remain stable.
- Multifamily activity is finally showing signs of slower growth, which was inevitable after many quarters of huge year-over-year gains.
- Most of the important subcategories within the commercial and institutional segments are still expanding. Office activity is in the positive despite expectations that it will begin a decline at some point over the next year, and the hotel segment has plenty of room to grow recovering from the pandemic. Healthcare and educational building are driving gains in institutional, and that should continue next year—albeit to a lesser degree.
- KMR recently revised its 2023 forecast to reflect a higher rate of growth in 2023 (vs. 2022) than previously projected, due to a better-than-expected start to the year and improved pricing. 2024 is likely to be a much more modest year in terms of growth.



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ABOUT THE AUTHOR:

Nick St. Denis is the director of research for Key Media & Research (KMR), a leading information provider to the glass, fenestration and related industries. He previously served as an editor for several KMR publications. Nick has studied the market for the past decade and works regularly with industry businesses, conducting custom research projects for clients. He holds a master's degree in Survey Research and Data Analysis from the University of Connecticut, a bachelor's degree in journalism from the State University of New York at Plattsburgh, and has completed additional studies in economics and statistics.



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.



P.O. Box 569
Garrisonville, Virginia 22463
(540)720-5584

www.keymediaresearch.com

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