

# Market Entry Strategy in the US & Canada

## Phase I: Desk Research



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# 1. Introduction

## 1.1 Executive Summary



1. Market Sizing



2. Potential Customers



3. Competitors



4. Regulations & Safety

A faint background diagram on a dark blue background. It features a top row of three shapes: a square, a double-outlined rectangle, and a single-outlined rectangle, connected by right-pointing arrows. Below the square is a downward arrow pointing to a rectangle. Below the double-outlined rectangle is a downward arrow pointing to an oval. Below the single-outlined rectangle is a long downward arrow pointing to a circle. Additionally, there is a downward arrow from the rectangle to another rectangle, and from the oval to another oval.

## 2. Market Overview

## 2. Market Overview

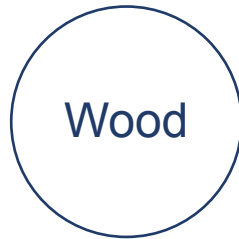
### 2.1.1 Market Demand Drivers

- The growing **construction industry** across the globe coupled with **rising population, rapid urbanization, and industrialization in emerging economies** is expected to drive market growth over the next eight years.\*
- The demand for **balconies**”” in the US and Canada is driven by several factors, including the
  - macroeconomic environment
  - demographics
  - residential construction starts
  - repair and remodel (R&R) expenditures
- Of the many factors influencing the demand for balconies materials, new residential housing starts and R&R activities are the primary drivers of demand.

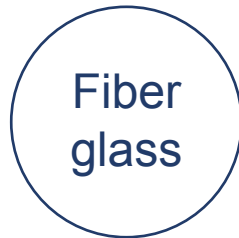
## 2. Market Overview

### 2.1.2 Future & Market Trends

The trends that Client potential customers focus on are mostly based on materials, and the result of using specific materials:



- Environmental Friendly
- Esthetically demanded
- Trendy and increasing demand in Canada and the US
- Durability and strength has been increased through the use of special glues



- Faster to produce
- Cheap
- Can be fastened to a building during any phase of construction

An additional trend was based on end-users usage of the balconies. The balconies need to be able to accommodate an Outdoor Kitchen or come with one.

## 2. Market Overview

### 2.2 Market Demand Outlook

In order to estimate balcony market size we have chosen to look at balconies for multifamily home (apartments), specifically multifamily homes to be constructed.

Millennials will continue to move into homeownership and multifamily demand will remain sufficient to absorb most. The National Multifamily Housing Council and the National Apartment Association estimated that, to meet structural demand, apartment developers would need to add an average of **325,000 new unit** completions annually between 2017 and 2030.

On pace to exceed that figure in 2017, 2018, and 2019, developers believe they are still releasing pent-up demand from the Great Recession years between 2009 and 2014, when production plummeted well below historical average starts of **344,000 units annually**.



## 2. Market Overview

### 2.3 U.S. Market

#### 2.3.1 Demand



**21%**

Of the homes in U.S. apartments



**67.35%**

Apartments have balconies

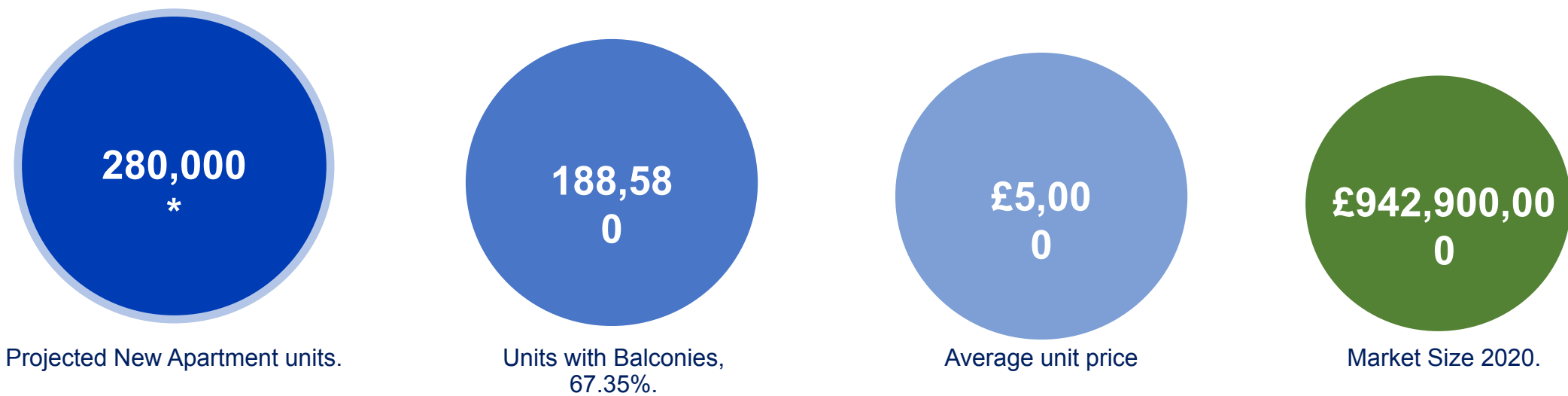
American Housing Survey (AHS) conducted a market survey where they found out that 67.35% of multifamily (apartments) complexes with 5 or more units have balconies.



# 2. Market Overview

## 2.3 U.S. Market

### 2.3.2 Overall Estimated Market Size 2020



Source: \*CBRE Multifamily.

# 2. Market Overview

## 2.3 U.S. Real Market

### 2.3.3 U.S. Real Estate Industry



**\$3.1 billion**

2018 market value at the net manufacturer level



**\$3.7 billion**

Market value at the net manufacturer level by 2021



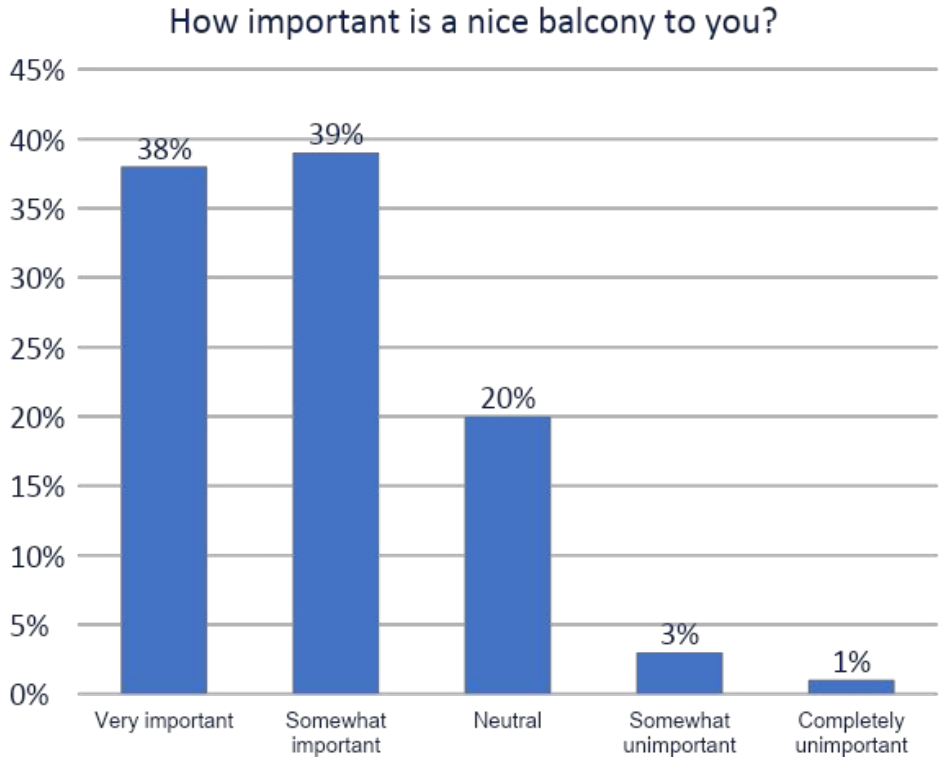
Forecasted to grow **6.5%** by volume and **6.25%** by value.

The industry that says it needs more than 4 million new units of rental apartments between now and 2030

# 2. Market Overview

## 2.3 U.S. Market

### 2.3.4 Importance of Balcony



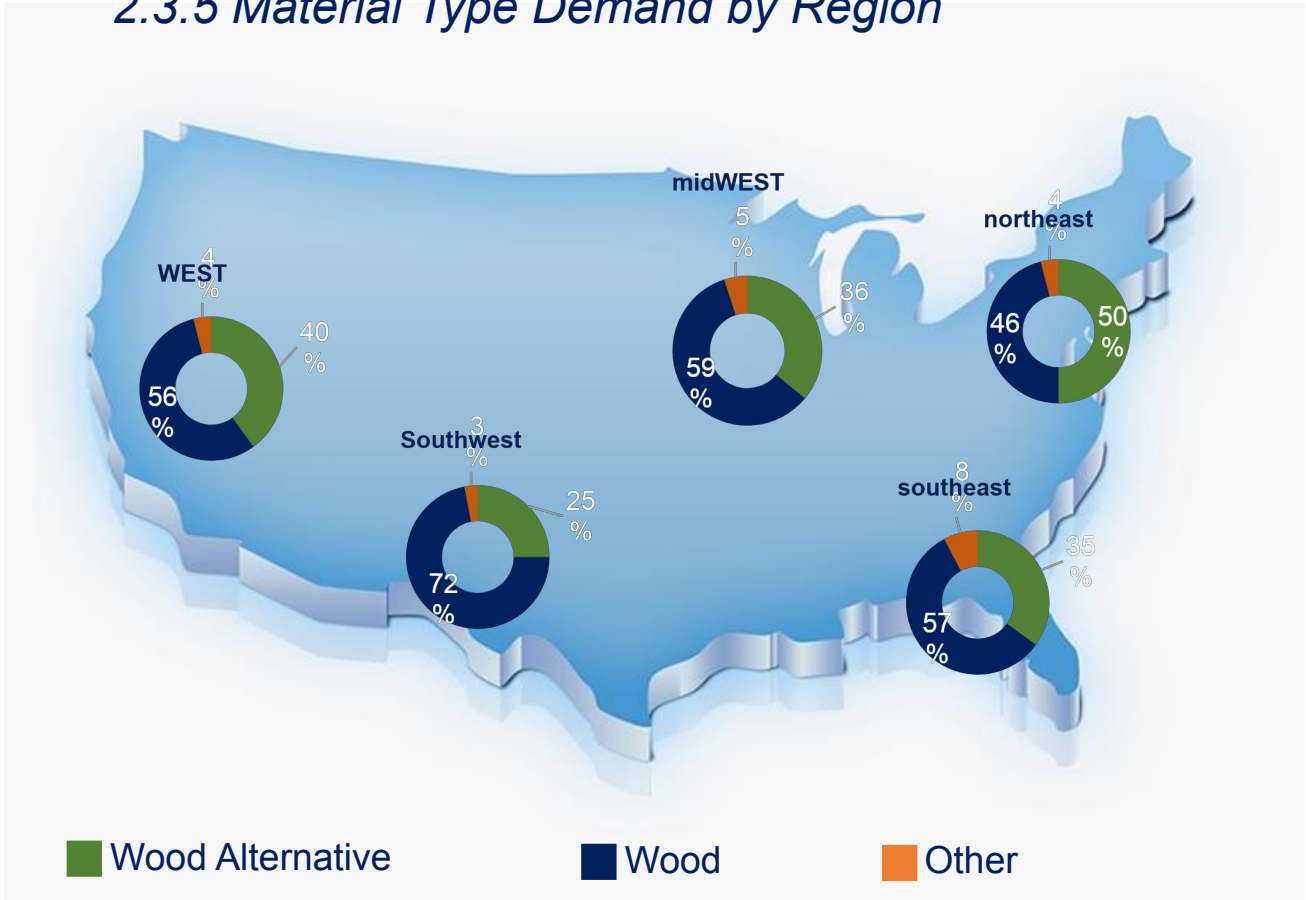
Statista shows the results of a survey conducted in the United States in 2017 on the importance of a nice balcony.

The result indicates that balcony is either very important or somewhat important

# 2. Market Overview

## 2.3 U.S. Market

### 2.3.5 Material Type Demand by Region

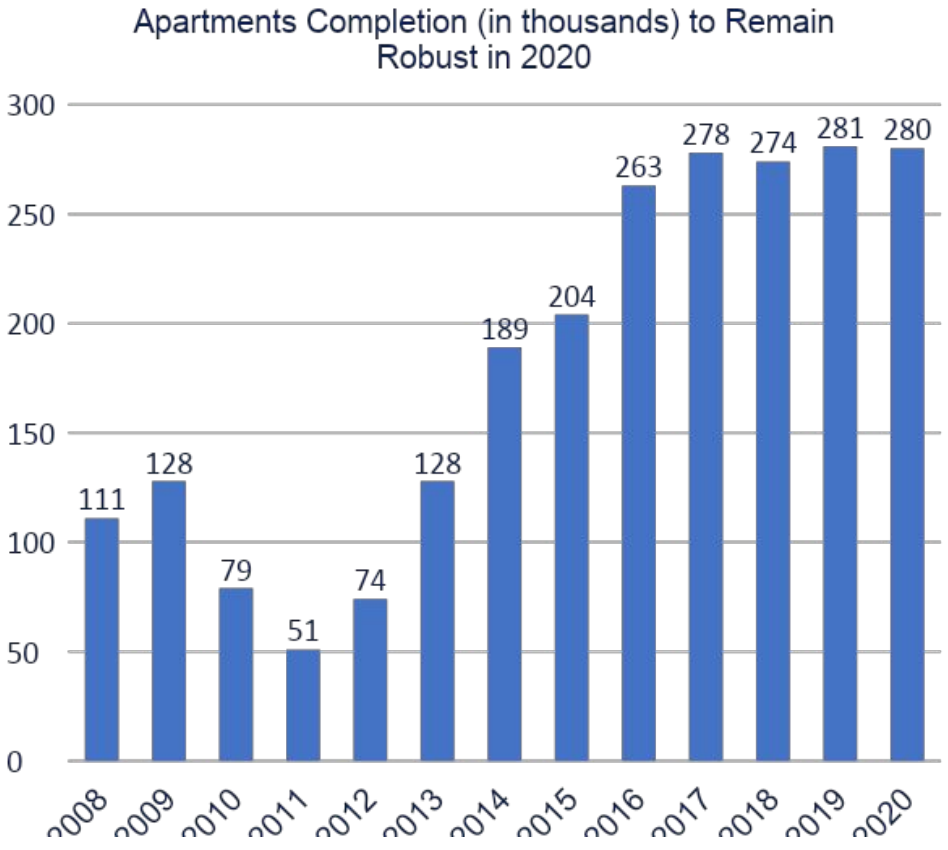


Wood and wood alternative deck have a major market share in the Deck Market, which means that aluminum balconies market share within the deck market is marginal.

# 2. Market Overview

## 2.3 U.S. Market

### 2.3.6 Historic Data



The 2020 U.S. Real Estate Market Outlook notes that permits and starts are likely to dip this year due to lower demand

240,000 units this year versus 300,000 last year and that there are so many properties under construction that completions are on target to come in at 280,000 new units, just 1,000 less than in 2019.

This growth is expected to continue the next years.

## 2. Market Overview

### 2.3 U.S. Market

#### 2.3.7 Estimated Market Size in Top 10 Cities

Market size in Top 10 cities with the most apartment units to complete in 2020.

Rank	Market	2019 Supply	2020 Supply	%Increase	Apartments with Balcony	Apartments with Balcony	Average Balcony Price	Market Size
1	Los Angeles	7610	17582	131%	67.35%	11841.477	£ 5,000.00	£ 59,207,385.00
2	Houston	7621	16092	111%	67.35%	10837.962	£ 5,000.00	£ 54,189,810.00
3	Washington, DC	8544	16291	91%	67.35%	10971.9885	£ 5,000.00	£ 54,859,942.50
4	Boston	5114	11212	119%	67.35%	7551.282	£ 5,000.00	£ 37,756,410.00
5	Atlanta	7174	13045	82%	67.35%	8785.8075	£ 5,000.00	£ 43,929,037.50
6	San Jose	2168	6769	212%	67.35%	4558.9215	£ 5,000.00	£ 22,794,607.50
7	Oakland	2937	7371	251%	67.35%	4964.3685	£ 5,000.00	£ 24,821,842.50
8	Phoenix	6981	11167	60%	67.35%	7520.9745	£ 5,000.00	£ 37,604,872.50
9	Fort Lauderdale	1857	5884	217%	67.35%	3962.874	£ 5,000.00	£ 19,814,370.00
10	Seattle	8754	12712	45%	67.35%	8561.532	£ 5,000.00	£ 42,807,660.00

## 2. Market Overview

### 2.3 U.S. Market

#### 2.3.8 Balcony Trends

- Growing construction industry across the globe coupled with rising population, rapid urbanization, and industrialization in emerging economies is expected to drive market growth over the next eight years.\*
- A bolt-on balcony system increases safety for occupants and fire fighters, nearly eliminates replacement costs, and greatly reduces install time.
- Installation of a bolt-on balcony is about **30% faster compared to a wood installation**. This aluminum system is also about **110% longer lasting than a wood balcony**
- It appears to that practically all condominium buildings, whether converted from commercial structures or upgrades of existing condos, have patios or balconies.
- A sustainable awareness is trending, which includes green balconies. To own a balcony for green gardening is now increasing in popularity among Urban citizens.



## 2. Market Overview

### 2.4 Canadian Market

#### 2.4.1 Demand



**50.8%**

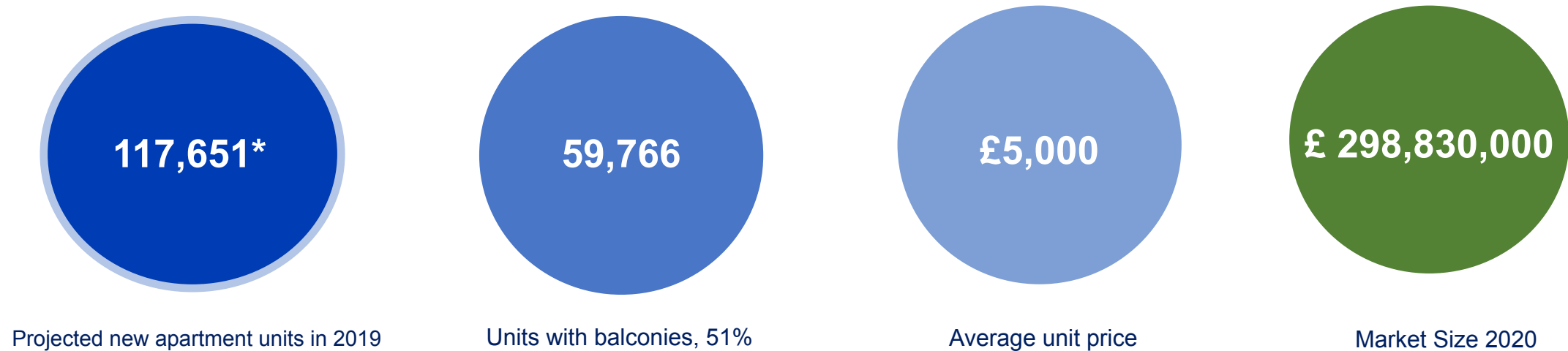
Apartments have balconies

*City of Vancouver launched a Laneway Housing Survey and found out that 50.8% have balcony. From the standpoint of forecasting future demand nationwide, it provides a certain minimal level of satisfaction. How-ever, we can use related data from the Abstract to develop guidelines to direct future demand.*

## 2. Market Overview

### 2.4 Canadian Market

#### 2.4.2 Overall Estimated Market Size



## 2. Market Overview

### 2.4 Canadian Market

#### 2.4.3 Estimated Market Size Top 10 Cities

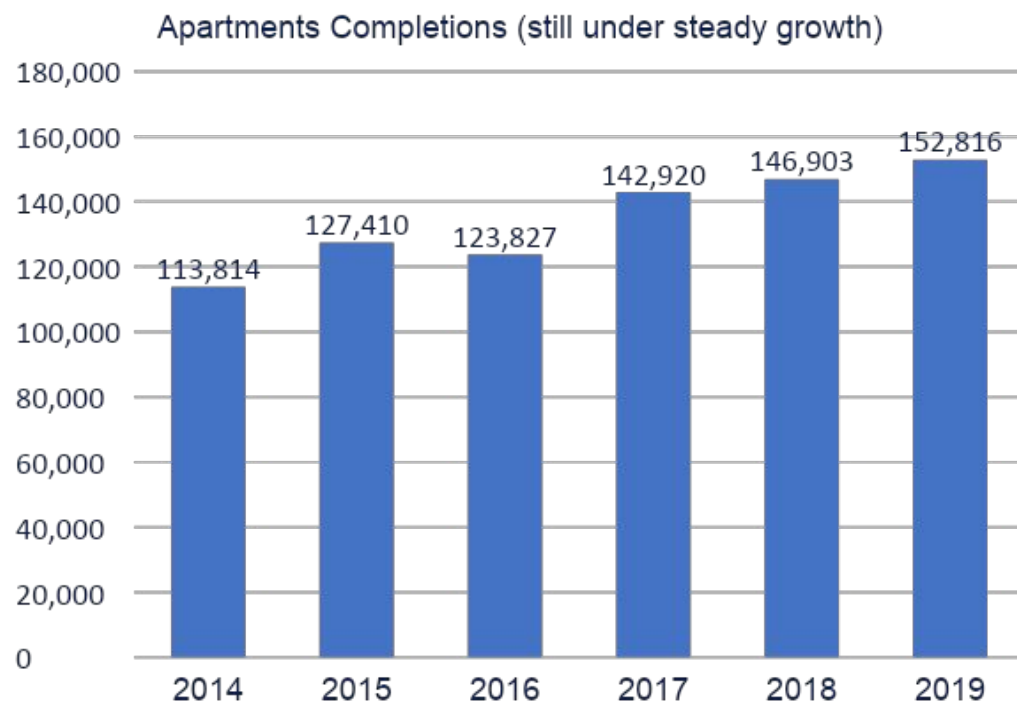
Market size in Top 10 cities with the most apartment units to complete in 2020.

Market	Population	Growth Rate from 2019	New Units 2019	Apartments with Balcony	Apartments with Balcony	Average Balcony Price	Market Size
Toronto	6,197,000	1%	21,843	51%	11,096	£ 5,000	£ 55,481,220
Ottawa-Gatineau	1,393,000	1%	2,328	51%	1,183	£ 5,000	£ 5,913,120
Halifax	431,479	2%	2,058	51%	1,045	£ 5,000	£ 5,227,320
Edmonton	1,461,000	2%	3,882	51%	1,972	£ 5,000	£ 9,860,280
Calgary	1,547,000	2%	5,383	51%	2,735	£ 5,000	£ 13,672,820
Montreal	4,221,000	1%	20,639	51%	10,485	£ 5,000	£ 52,423,060
Winnipeg	817,000	1%	2,679	51%	1,361	£ 5,000	£ 6,804,660
Vancouver	386,000	1%	21,321	51%	10,831	£ 5,000	£ 54,155,340
Quebec City	826,000	1%	4,840	51%	2,459	£ 5,000	£ 12,293,600
Kitchener-Cambridge-Waterloo	562,000	1%	3,439	51%	1,747	£ 5,000	£ 8,735,060

## 2. Market Overview

### 2.3 Canadian Market

#### 2.4.4 Historic Data



New construction of apartments have experienced a steady grow the last 5 years. The grow is expected to continue.

## 2. Market Overview

### 2.4 Canadian Market

#### 2.4.5 Balcony Trends

- The trend in housing starts was **210,915 units in January 2020**, compared to **212,212 units in December 2019**. This trend measure is a six-month moving average of the monthly seasonally adjusted annual rates (SAAR) of housing starts.
- The standalone monthly SAAR(Seasonally Adjusted Annual Rate) of housing starts for all areas in Canada was **210,069 units in February**, a decrease of **1.9% from 214,031 units in January**.
- The SAAR of urban starts also **decreased by 1.9% in February to 199,304 units**. Multiple urban starts **decreased by 6.1% to 146,072 units** in February while **single-detached urban starts increased by 11.9% to 53,232 units**.
- The national trend in housing starts declined in February, driven by lower-trending multi-unit starts.
- Single and multi-unit starts in Toronto both trended lower, while activity in Montréal declined due to lower-trending multi-unit starts. This offset a slight up-tick in Vancouver, which follows four consecutive declines in that CMA(Comparative Market Analysis).

## 2. Market Overview

### 2.6 Distribution Channel

The distribution channel depends on what the product is. Balconies are often pre-fabricated and attached during the construction.

Large contractors may get the balconies directly from the manufacturer (**one-step distribution**) or

- Through a distributor (**two-step**)
- Through a distributor and a trade contractor (**two-and-a-half step**)

Smaller contractors are ordering through a distributor and a local pro supply retailer (**three-step**).

A faint background diagram on a dark blue background. It features a flow of shapes: a square, a double-outlined rectangle, and a single-outlined rectangle in the top row; a rectangle, a triangle, and a tall rectangle in the middle row; and a rectangle, an oval, and a circle in the bottom row. Arrows indicate a flow from left to right in the top row, and from each shape in the top row down to its corresponding shape in the bottom row.

# 3. Potential Customers



# 3. Potential Customers

## 3.1 General Contractors & Subcontractor



### Multifamily General Contractors

#### General Contractors

A Multifamily General Contractor is a company that is responsible for the physical construction of a new multifamily (defined as five or more units) rental development, (including student housing, independent living and age-restricted housing).



### Facade Contractors

#### Subcontractor

A subcontractor is a company whom a general contractor hires to perform a specific task as part of an overall project. Façade Contractors work in architecture for exterior wall of a building, usually one with doors or windows. Often the word refers to a structure's front wall with an entrance.



3.2

# *General Contractors*

# 3. Potential Customers

## 3.2 General Contractors

### 3.2.1 U.S. Nationwide

Top 10 Nationwide Multifamily General Contractors in United States in 2019.

#1 Jacksonville, Florida



#6 Cleveland, Ohio



#2 Phoenix, Arizona



#7 Boston, Massachusetts



#3 Atlanta, Georgia



#8 Arlington, Virginia



#4 Rosemont, Illinois



#9 Irving, Texas



#5 Dallas, Texas



#10 Charleston, South Carolina



# 3. Potential Customers

## 3.2 General Contractors

### 3.2.2 U.S. Customer's Profile



SUMMIT CONTRACTING GROUP, INC.



**#1**

2019 Ranking

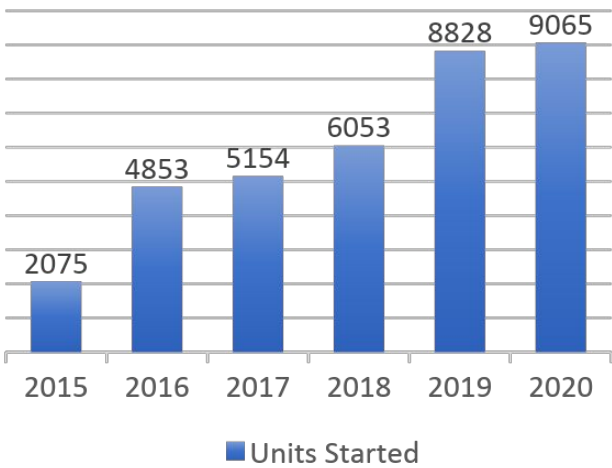


**National Multifamily  
General Contractor**

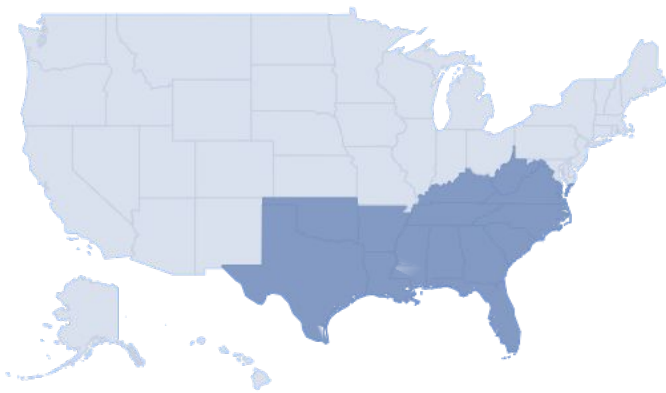


**Jacksonville, Florida**  
Headquarter

Historical Data



Regions of Operation



Summit Contracting Group is a leading National Multifamily General Contractor, with more than 350 multifamily projects completed. Molded by industry experience. Summit's projects represent over 100,000 completed multifamily units. An experienced management team combined with strong subcontractor relationships has given Summit the ability to provide their clients with successful projects throughout the nation.



# 3. Potential Customers

## 3.2 General Contractors

### 3.2.2 U.S. Customer's Profile



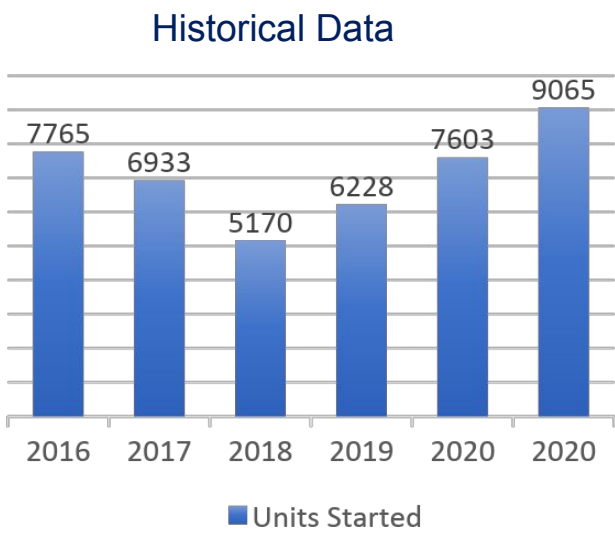
**#2**  
2019 Ranking



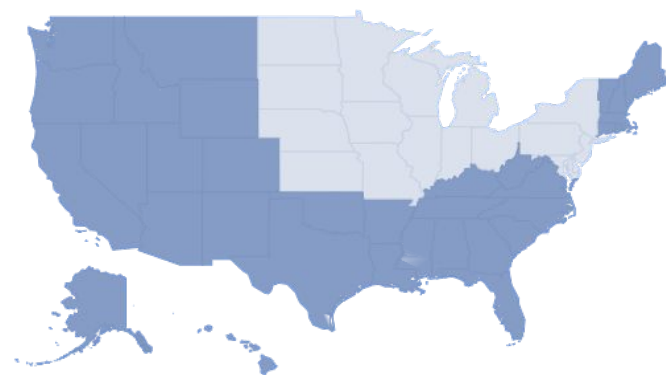
**Multifamily Contractor**  
Investment, Property Management



**Phoenix, Arizona**  
Headquarter



Regions of Operation



Since the company's inception, a powerful combination of the best architecture firms and an expanding roster of equity and debt partners have been involved in the development of more than 79,000 homes with a combined value of more than \$14.1 billion.

### 3. Potential Customers

### 3.2 General Contractors

### 3.2.2 U.S. Customer's Profile



### #3

2019 Ranking



## Multifamily Contractor

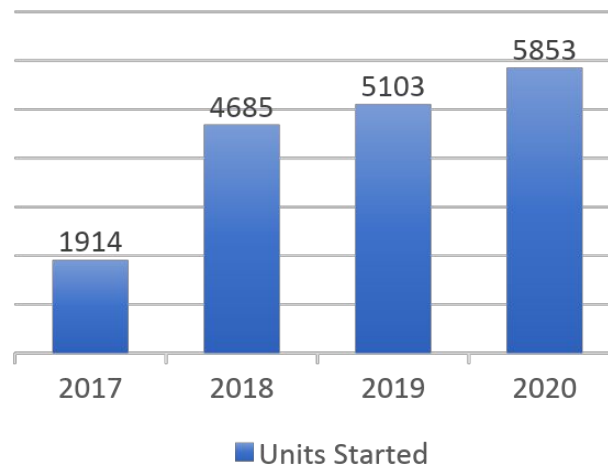
## Acquisitions, Property Management



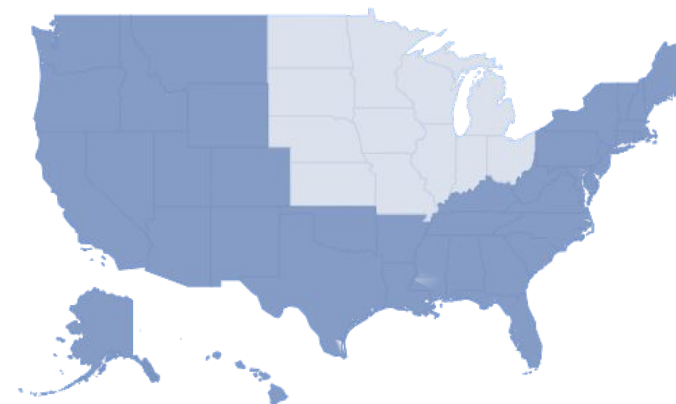
## Atlanta, Georgia

Headquarter

## Historical Data



## Regions of Operation



Since the company's inception, a powerful combination of the best architecture firms and an expanding roster of equity and debt partners have been involved in the development of more than 79,000 homes with a combined value of more than \$14.1 billion.

# 3. Potential Customers

## 3.2 General Contractors

### 3.2.2 U.S. Customer's Profile



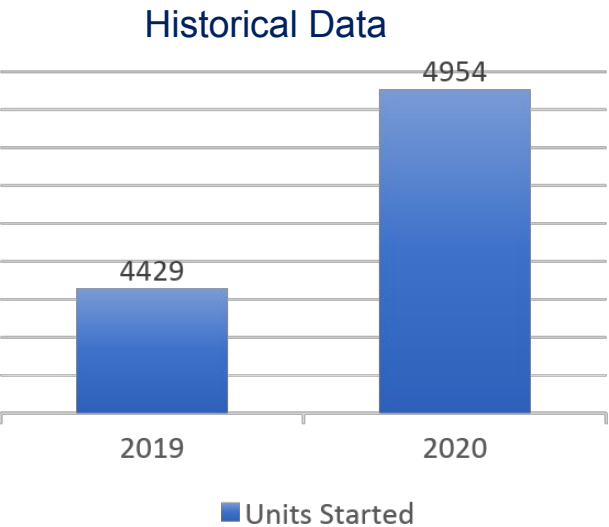
**#4**  
2019 Ranking



**National Contractor**  
Pre-Construction, Design/Build



**Rosemont, Illinois**  
Headquarter



McShane Construction Company is a leading national industrial, commercial and multi-family construction firm – but we are so much more. Our buildings are more than just bricks and mortar – they are our clients' visions turned into a reality.



# 3. Potential Customers

## 3.2 General Contractors

### 3.2.2 U.S. Customer's Profile



**#5**

2019 Ranking



**National Contractor**

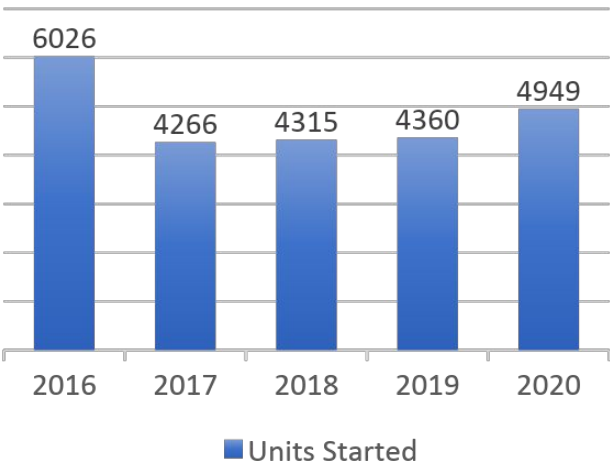
Acquire. Manage



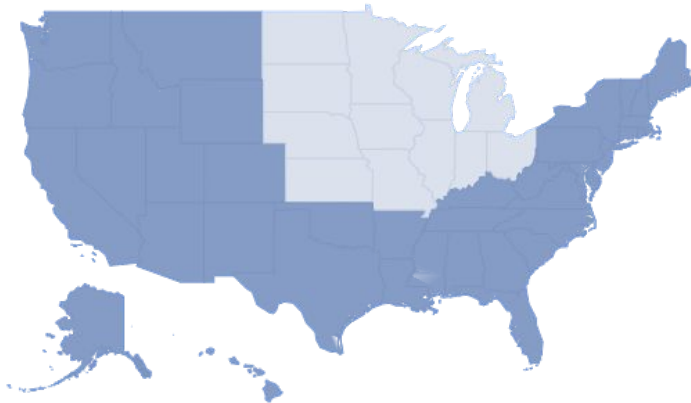
**Dallas, Texas**

Headquarter

Historical Data



Regions of Operation



Mill Creek Residential develops, builds, acquires and operates high-quality apartment communities in desirable locations, coast to coast.

# 3. Potential Customers

## 3.2 General Contractors

### 3.2.2 U.S. Customer's Profile



**#6**

2019 Ranking



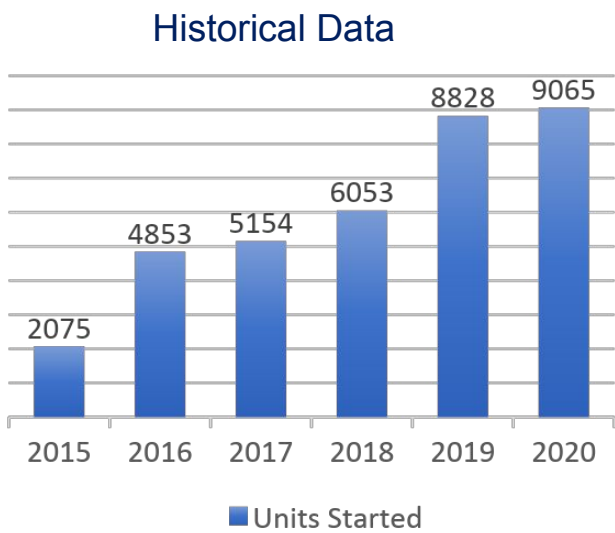
**National Contractor**

Property Management

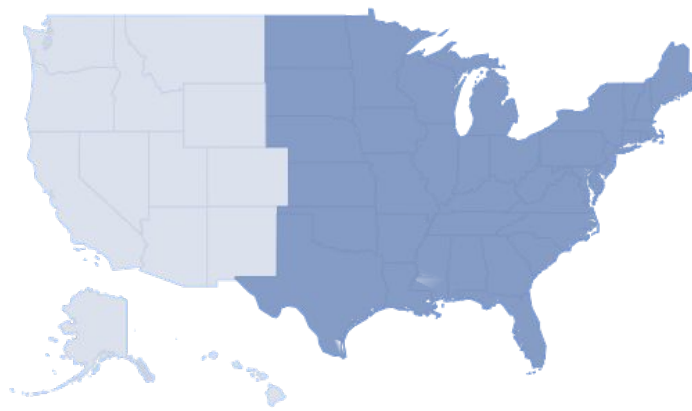


**Cleveland, Ohio**

Headquarter



Regions of Operation



The NRP Group is a vertically integrated developer, owner, builder, and manager of best-in-class multifamily housing

# 3. Potential Customers

## 3.2 General Contractors

### 3.2.2 U.S. Customer's Profile



**#7**

2019 Ranking



**National Contractor**

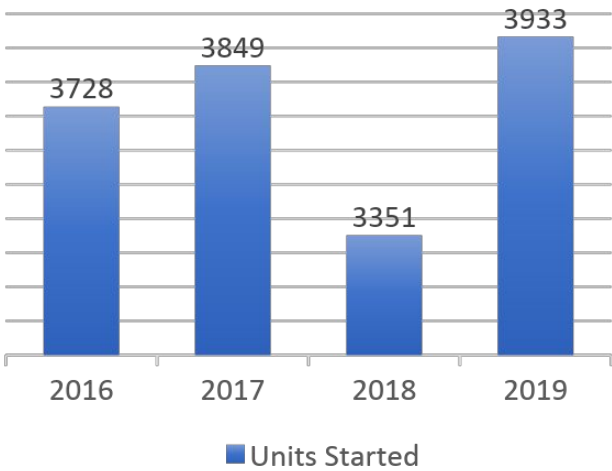
Manager, Development



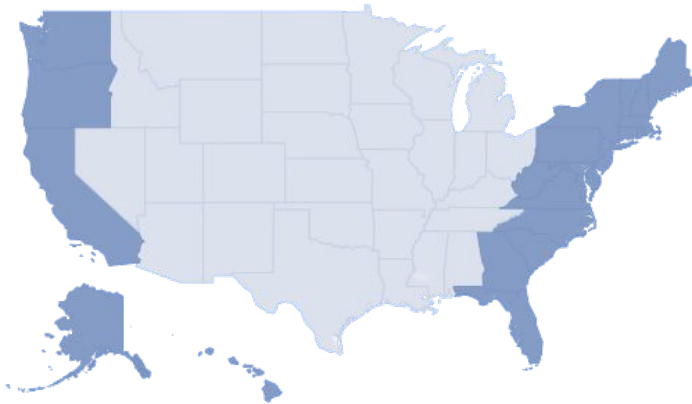
**Boston,  
Massachusetts**

Headquarter

Historical Data



Regions of Operation



Managing some of the most complex and exciting building construction projects in the country. Suffolk is also contracted for work in the aviation, commercial, education, healthcare, gaming and government secto

# 3. Potential Customers

## 3.2 General Contractors

### 3.2.2 U.S. Customer's Profile



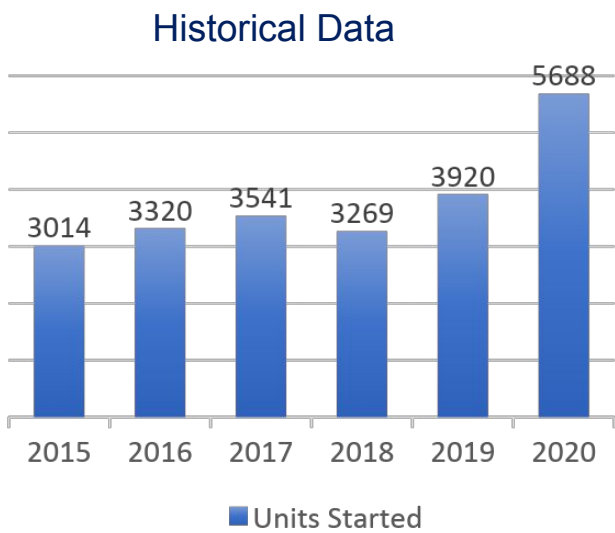
**#8**  
2019 Ranking



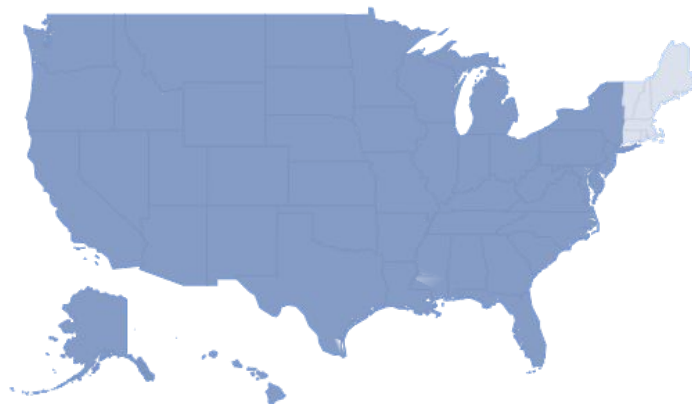
**National Contractor**  
Design/Build, Sustainable  
Design, Public/Private  
Partnerships



**Arlington, Virginia**  
Headquarter



Regions of Operation



Regardless of project type, CBG can provide professional services from concept through design, development, preconstruction, and construction for new and renovation projects. The CBG team's portfolio features more than 80,000 residential units and over 300 projects across the country.

# 3. Potential Customers

## 3.2 General Contractors

### 3.2.2 U.S. Customer's Profile



**#9**

2019 Ranking



**National Contractor**

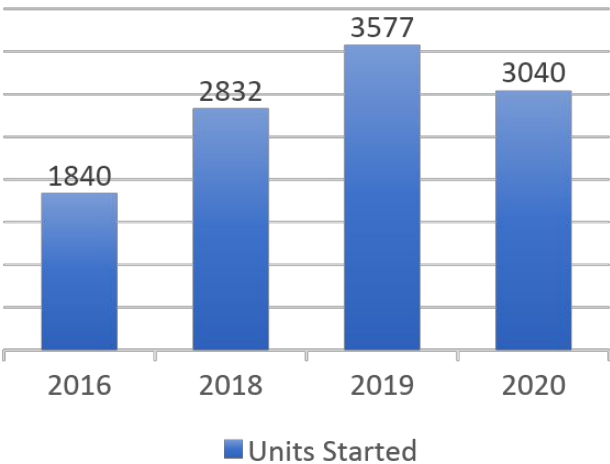
Investment Management



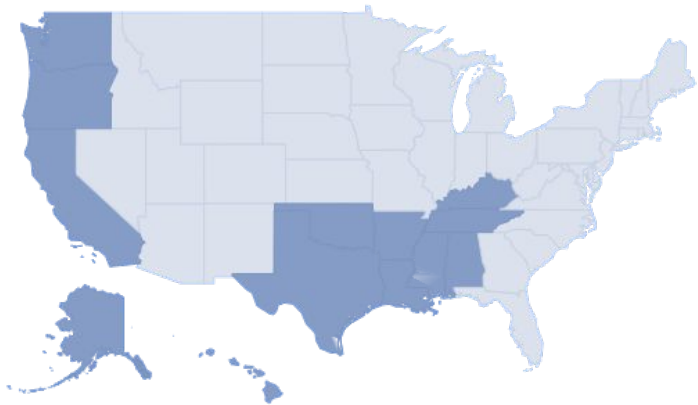
**Irving, Texas**

Headquarter

Historical Data



Regions of Operation



JPI stands as one of the most active privately held real estate companies in America. For over 30 years, they have been committed to both the development and investment management of Class A multifamily assets. They have depth of industry-specific experience that includes garden-style communities, mid- to high-density wrap and podium projects, student housing, and mixed-use high-rise developments.

# 3. Potential Customers

## 3.2 General Contractors

### 3.2.2 U.S. Customer's Profile



**#8**

2019 Ranking



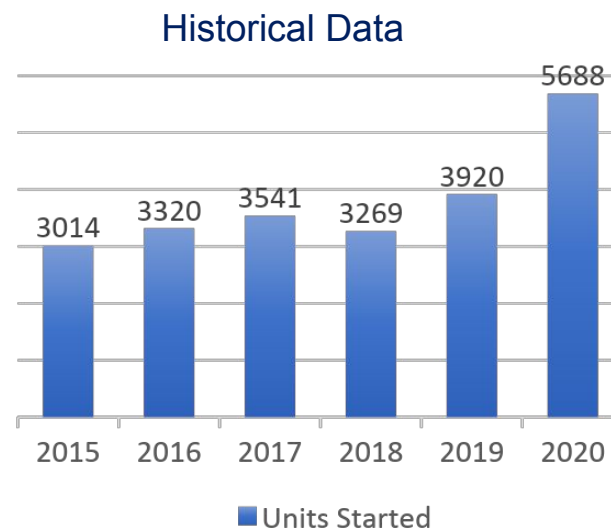
**National Contractor**

Real Estate

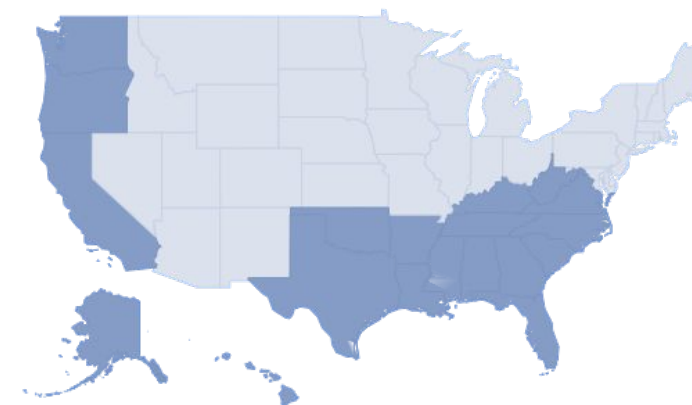


**Charleston, South Carolina**

Headquarter



Regions of Operation



Greystar research opportunities to target the appropriate product type, unit mix, and architectural design. They are in-house general contractors to construct high-quality communities that meet consumer demand. They drill down on the critical underwriting variables, and continually refine the investment model to ensure that their projects are properly planned and capitalized.

# 3. Potential Customers

## 3.2 General Contractors

### 3.2.3 U.S. Local General Contractors

In 2020, the U.S. is expected to see more apartment deliveries than at any point in the last three decades. Among the nation's 50 largest apartment markets, all but six will see more units complete this year than last. To understand the local market we have looked at 10 cities with the most drastic supply hike is expected in 2020.

#### U.S. Contractors 2020 in Top 10 Cities

MARKET RANK	MARKET	REGION	TOP CONTRACORS	CONTRACTOR RANK 2019
1	Los Angeles	West	AECOM	4
2	Houston	South	MCDERMOTT	9
3	Washington, DC	South	THE WHITING-TURNER CONTRACTING CO.	5
4	Boston	Northeast	SUFFOLK	23
5	Atlanta	South	HOLDER CONSTRUCTION CO.	26
6	San Jose	West	SWINERTON	20
7	Oakland	West	SWINERTON	20
8	Phoenix	West	CORE CONSTRUCTION GROUP	85
9	Fort Lauderdale	South	MANHATTAN CONSTRUCTION GROUP	58
10	Seattle	West	LEASE CRUTCHER LEWIS	117

# 3. Potential Customers

## 3.2 General Contractors

### 3.2.4 Canada Nationwide

#### Top 10 Nationwide General Contractors 2019 in Canada.

RANK 2019	General Contractors	CITY, STATE
1	PCL Construction Inc.	Edmonton, Canada
2	EllisDon Corporation	Mississauga, Canada
3	Aecon Group Inc.	Toronto, Canada
4	Ledcor Group of Companies	Vancouver, British Columbia
5	SNC-Lavalin Inc.	Montreal, Canada
6	Mattamy Homes Ltd.	Toronto, Ontario
7	Carillion Canada Inc.	Concord, Canada
8	Graham Group Ltd.	Calgary, Canada
9	Graham Bros. Construction Ltd.	Calgary, Canada
10	Kiewit Canada Corp	Edmonton, Canada





3.3

## *Subcontractors*











# 3. Potential Customers

## 3.3 Subcontractors

### 3.3.1 U.S. Nationwide

#### Top 10 U.S. Facade Contractors Nationwide in 2019

A strong economy, expected growth in business, along with new technologies and innovations, were all listed as positives by this ranking of the nation's top Façade contractor.

#1 Jacksonville, Florida	 SUMMIT CONTRACTING GROUP, INC.	#1 Jacksonville, Florida	
#2 Phoenix, Arizona	 <b>ALLIANCE</b> RESIDENTIAL COMPANY	#2 Phoenix, Arizona	
#3 Atlanta, Georgia	 <b>WOOD</b> PARTNERS	#3 Atlanta, Georgia	
#4 Rosemont, Illinois	 <b>McSHANE</b> CONSTRUCTION C O M P A N Y	#4 Rosemont, Illinois	
#5 Dallas, Texas	 <b>MILL CREEK</b> RESIDENTIAL	#5 Dallas, Texas	 <b>GREYSTAR</b> Redefining Excellence in Apartment Living.

# 3. Potential Customers

## 3.3 Subcontractors

### 3.3.2 Customer's Profile



**#1**  
2019 Ranking



**19**  
Years in Business



**\$460 Million**  
2018 Annual Sales



**7**  
Number of Location



**Italy & Windsor, Connecticut**  
Headquarter



**1600**  
Number of Employees

Permasteelisa Group is a worldwide leading Contractor in engineering, project management, manufacturing, and installation of architectural envelopes and interior systems. Headquartered in Italy with presence in many countries including North America.

# 3. Potential Customers

## 3.3 Subcontractors

### 3.3.2 Customer's Profile



**#2**  
2019 Ranking



**73**  
Years in Business



**\$333 Million**  
2018 Annual Sales



**15**  
Number of Location



**Eagan, Minnesota**  
Headquarter



**650**  
Number of Employees

Enclos' offers in any building program including innovative content in the form of advanced design, materials, systems or installation methods, and in programs incorporating BIM and LEED. Comprehensive design-assist and design-build services for high-performance building envelopes. Expert in the design, engineering, fabrication, assembly and erection of custom facade systems – dates to the very advent of curtainwall as building form.



# 3. Potential Customers

## 3.3 Subcontractors

### 3.3.2 Customer's Profile



**#3**

2019 Ranking



**63**

Years in Business



**\$290 Million**

2017 Annual Sales



**18**

Number of Location



**Bloomington, Minnesota**

Headquarter



**700**

Number of Employees

Harmon, Inc. is a curtain wall contractor that provides design and installation of facades for commercial buildings. They are a trusted partner in the country to manage building façade projects. They have earned this reputation by infusing national capabilities into talent-packed, local offices. We form partnerships with our clients and subcontractors – with over 90% becoming repeat customers.

# 3. Potential Customers

## 3.3 Subcontractors



### 3.3.2 Customer's Profile



**#4**  
2019 Ranking



**41**  
Years in Business



**\$270 Million**  
2018 Annual Sales



**3**  
Number of Location



**Fremont, California**  
Headquarter



**330**  
Number of Employees

Walters & Wolf is a West-Coast leader in premier cladding services including Curtain wall systems Glass, metal panels. They employ dedicated, consummate craftsmen, by producing impeccable work, by adopting innovative technologies, and by developing close relationships with our clients. They take direct responsibility for every phase of a project, from concept to completion

# 3. Potential Customers

## 3.3 Subcontractors

### 3.3.2 Customer's Profile



**#5**  
2019 Ranking



**93**  
Years in Business



**\$225 Million**  
2018 Annual Sales



**10**  
Number of Location



**Portland, Oregon**  
Headquarter



**800**  
Number of Employees

Benson Industries is a world leader in the design, engineering, fabrication and installation of custom curtainwall and façade systems. Benson Industries is committed to providing the global market unparalleled quality, design, engineering, supply, and installation of custom exterior cladding systems with professionalism and respect for colleagues and partners.

# 3. Potential Customers

## 3.3 Subcontractors

### 3.3.2 Customer's Profile



**#6**

2019 Ranking



**40**

Years in Business



**\$150 Million**

2018 Annual Sales



**1**

Number of Location



**Naunet, N.Y.**

Headquarter



**180**

Number of Employees

W&W Glass, LLC is the New York metropolitan area's largest architectural glass and metal contractor, specializing in Curtainwalls, Storefronts, Entrances, Ornamental Metal, Skylights, and Pilkington Planar structural glass systems. They the largest supplier of structural glass in North America.



# 3. Potential Customers

## 3.3 Subcontractors

### 3.3.2 Customer's Profile



**#7**  
2019 Ranking



**147**  
Years in Business



**\$165 Million**  
2018 Annual Sales



**66**  
Number of Location



**Memphis, Tennessee**  
Headquarter



**827**  
Number of Employees

With over 66 locations in 15 states, Binswanger is the largest full-service designer, retailer, and installer of architectural glass and aluminum products within the construction, residential, and automotive markets in the United States

# 3. Potential Customers

## 3.3 Subcontractors

### 3.3.2 Customer's Profile



**#8**

2019 Ranking



**35**

Years in Business



**\$145 Million**

2018 Annual Sales



**2**

Number of Location



**Miami, Florida**

Headquarter



**N/A**

Number of Employees

Giovanni Monti & Partners (GMP) has over 15 years of experience in the design and installation of various building enclosure systems, such as curtain and window walls. They specialize in innovative architecture and challenging building projects throughout the United States. They work with architects, general contractors and developers to design and install industry leading glass enclosures.

# 3. Potential Customers

## 3.3 Subcontractors



### 3.3.2 Customer's Profile



**#9**  
2019 Ranking



**59**  
Years in Business



**\$130 Million**  
2018 Annual Sales



**N/A**  
Number of Location



**Gary, Indiana**  
Headquarter



**N/A**  
Number of Employees

Crown Corr Inc. is an industry-leading subcontractor specializing in glass and aluminum curtain wall, metal panels and custom metal roofing building enclosure systems. Crown Corr is capable of designing and install all custom metal enclosure systems: Metal Wall Panels, Composites, Metal Roofing, Metal Plate, Louvers, and Sunshades

# 3. Potential Customers

## 3.3 Subcontractors

### 3.3.2 Customer's Profile



**#10**  
2019 Ranking



**50**  
Years in Business



**\$105 Million**  
2017 Annual Sales



**5**  
Number of Location



**Chandler, Arizona**  
Headquarter



**475**  
Number of Employees

Kovach is one of the nation's largest integrated designers, manufacturers, and installers of products for the commercial building envelope, with our footprint expanding across the country. Building upon our longstanding history in the southwest, the Kovach team continues to provide innovation and excellence from coast to coast.

# 3. Potential Customers

## 3.3 Subcontractors

### 3.3.3 U.S. Local

#### Top Facade Contractors In Top 10 Cities In United States

MARKET RANKING	MARKET	REGION	FACADE CONTRACTORS	Contractor City, State	RANK 2019
1	Los Angeles	West	GIROUX GLASS INC.	Los Angeles, California	15
2	Houston	South	HALEY-GREER INC.	Dallas, Texas	16
3	Washington, DC	South	TSI CORP.	Upper Marlboro, Maryland	13
4	Boston	Northeast	KARAS & KARAS GLASS CO. INC.	Boston, Massachusetts	9
5	Atlanta	South	INTEGRO BUILDING SYSTEMS	Opa-Locka, Florida	14
6	San Jose	West	ARCHITECTURAL GLASS & ALUMINUM	Livermore, California	6
7	Oakland	West	ARCHITECTURAL GLASS & ALUMINUM	Livermore, California	6
8	Phoenix	West	KOVACH BUILDING ENCLOSURES	Chandler, Arizona	8
9	Fort Lauderdale	South	CRAWFORD TRACEY CORP.	Deerfield, Florida	18
10	Seattle	West	BENSON INDUSTRIES	Portland, Oregon	2

# 3. Potential Customers

## 3.3 Subcontractors

### 3.3.4 Canada Nationwide

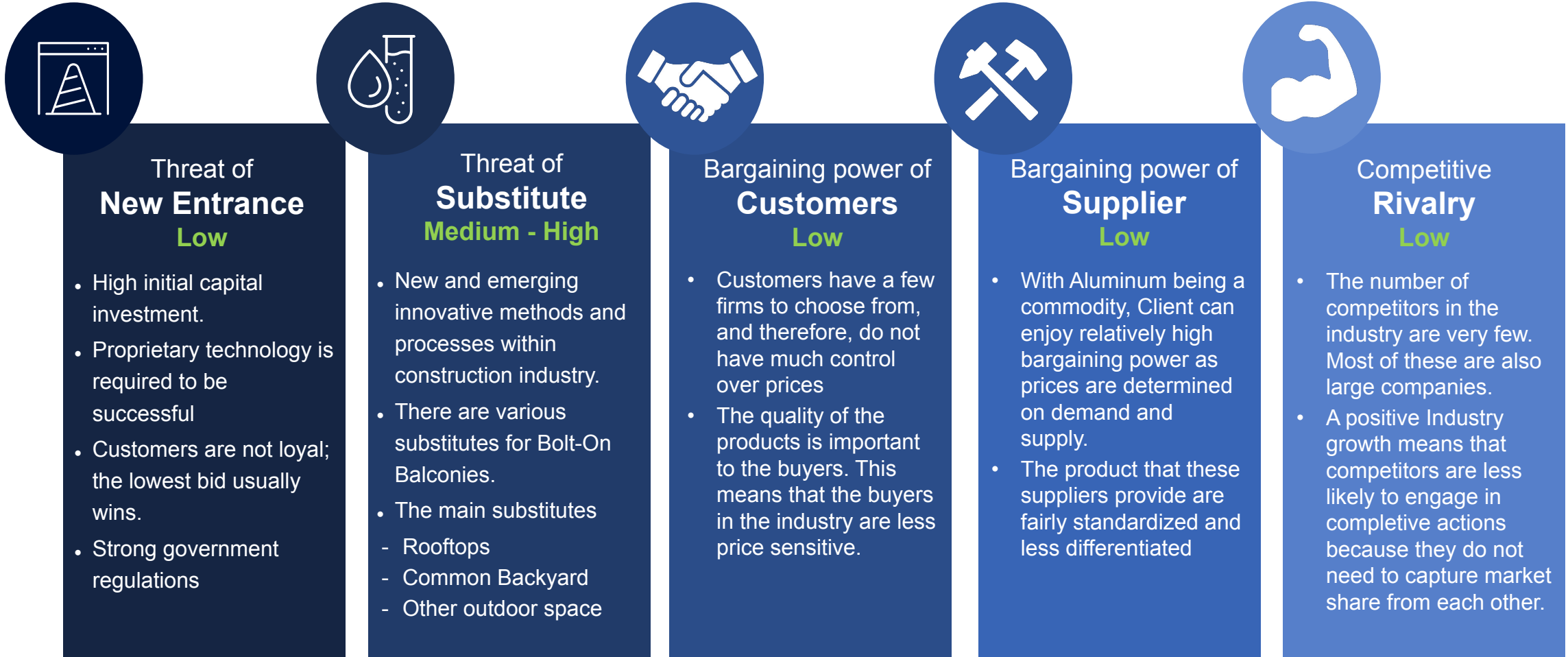
Toronto, Ontario		Surrey, British Columbia	
Montreal, Quebec		Windsor, Ontario	
Toronto, Ontario		Port Coquitlam, British Columbia	
Port Coquitlam, British Columbia		Toronto, Ontario	
Toronto, Ontario		Whistler, British Columbia	

A faint background diagram on a dark blue slide. It features a sequence of shapes and arrows. At the top, three horizontal arrows point from left to right, connecting a square, a double-bordered rectangle, and a single-bordered rectangle. Below these, three vertical arrows point downwards, connecting the square to a rectangle, the double-bordered rectangle to an oval, and the single-bordered rectangle to a circle. The central text '4. Competitive Analysis' is overlaid on the middle of these vertical arrows.

## 4. Competitive Analysis

## 4. Competitive Analysis

### 4.1 Overview Of The Competitive Landscape – Balcony Suppliers Market





# 4. Competitive Analysis

## 4.2 Competitors

Features	Deciron	Midwest Stairs & Iron	Schock	Trex Company, Inc	Wahoo Decks
Headquarter	Charlotte, North Carolina	Milwaukee, Wisconsin	Princeton, New Jersey Ottawa, Ontario	Winchester, Virginia	Dahlonega, Georgia
Services	<ul style="list-style-type: none"><li>- Balconies</li><li>- Deck Railings</li><li>- Faux Balconies</li></ul>	<ul style="list-style-type: none"><li>- Aluminium Bolt-on Balconies</li><li>- Steel Stairs</li><li>- Metal Railing Systems</li><li>- Miscellaneous Metals</li></ul>	<ul style="list-style-type: none"><li>- Balcony</li><li>- Canopy &amp; Beam</li><li>- Parapet &amp; Rooftop</li><li>- Slab Edge Products</li><li>- Reinforcement</li><li>- Wall</li></ul>	<ul style="list-style-type: none"><li>- Composite Decking</li><li>- Deck Railing</li><li>- Deck Framing &amp; Drainage</li><li>- Cladding</li></ul>	<ul style="list-style-type: none"><li>- Prefabricated Balcony System</li><li>- Aluminium Railing System</li><li>- Aluminium Decking</li><li>- Waterproof Deck System</li></ul>
Locations	<ul style="list-style-type: none"><li>- United States</li><li>- Canada</li><li>- Mexico</li></ul>	<ul style="list-style-type: none"><li>- United States</li><li>- Canada</li></ul>	<ul style="list-style-type: none"><li>- United States</li><li>- Canada</li><li>- Germany</li></ul>	<ul style="list-style-type: none"><li>- United States</li></ul>	<ul style="list-style-type: none"><li>- United States</li></ul>

A faint background diagram on a dark blue slide. It features a sequence of shapes and arrows. At the top, three horizontal arrows point right, each followed by a shape: a square, a double-outlined rectangle, and a single-outlined rectangle. From the square, a vertical arrow points down to a rectangle. From the double-outlined rectangle, a vertical arrow points down to an oval. From the single-outlined rectangle, a long vertical arrow points down to a circle. The text '5. Regulation & Safety' is centered in the middle of the slide.

## 5. Regulation & Safety

# 5. Regulations & Safety

## 5.1.1 Regulations

- Specific codes and regulations apply to balcony construction. Live loads and defection play a part in safety and design.
- Any building with more than two residential units must be inspected\*
- If the users of the structure are uncomfortable with a bouncing defecting floor, the structure has “failed” from a serviceability standpoint. Tough the balcony structure may be considered safe, ideally, safety shouldn’t be a question.
- A thicker aluminum choice versus wood can also serve to eliminate most balcony defections, as well as increase live load amounts. Any balcony rails built beyond the standard 200 lb. lateral load will feel sturdier.\*\*

# 5. Regulations & Safety

## 5.1.2 Regulations (2)

- The first inspection of exiting apartment building in California must be completed before January 1, 2025, and subsequent inspections are required every 6 years after January 1, 2025, or by or before January 1, 2031.
- Today, there must be no more than a 4-inch gap where previously, 6 inches was allowed.
- Annually, check the attachment of the railing. Grab the railing at the top and shake it vigorously. If there is any looseness, the railing should be more solidly attached for your safety.
- The height of the railing is recommended to be at least 36 to 42 inches. Lower than that does not provide a safe enclosure for adults or children.

# 5. Regulations & Safety

## 5.2 Safety

- Deck and balcony accidents are generally caused because of a problem with construction that compromises the structure and causes it to collapse.\*\*
- From 2001-2016, a study by Woeste and Bruce A. Barker showed that there were 239 major deck or balcony collapses reported through the news.
- Falls from heights comprised 4.8% of injuries treated at our trauma center during the eight-year study period with 98.5% admitted.
  - *Of patients admitted because of falls, 10.3% (55/532) were from a balcony.*
  - *Most of this group of patients was male and 19–29 years old (67%).*

# 5. Regulations & Safety

## 5.3 Importance of Regulation to Customers

When it comes to sustainability the only certification is LEED □ Leadership in Energy and Environmental Design

In the case of Client, the LEED certification is BD+C, may be necessary for the customer to purchase your products if they want to keep their own LEED certification on the project.

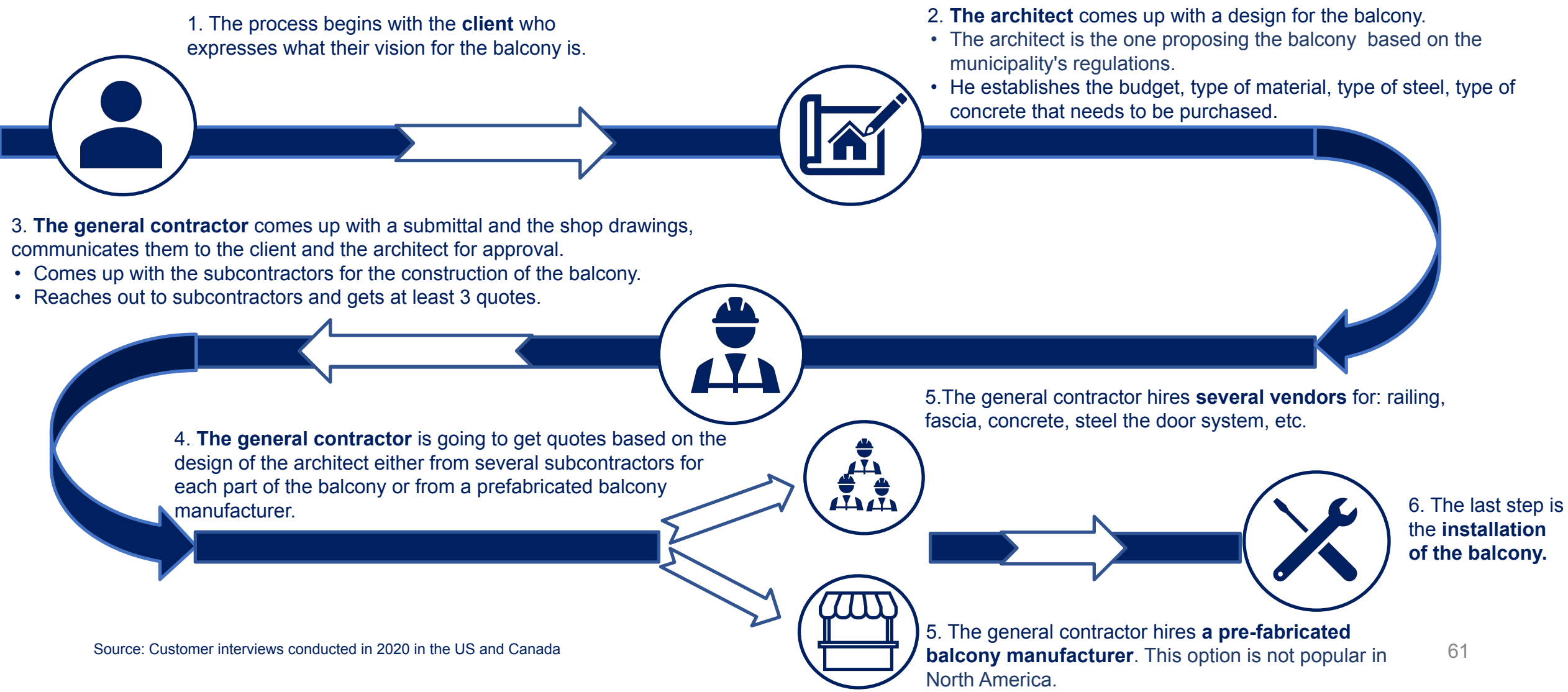
More details can be found here: <https://www.usgbc.org/credentials/certificates>



## 6. Process & Key Decision Makers

# 6. Process & Key Decision Makers

## 6.1 Process for a new construction project with balconies





# 6. Process & Key Decision Makers

## 6.2 Key Decision Makers on Balcony Systems/Materials

### 1st Tier

Most mentioned Key Decision Makers by customers



Architect / Client

The **Architect** has the highest influence on balcony systems as he is the one who develops the design specification and parameters for engineering based on the client vision.

### 2nd Tier

Second most mentioned Key Decision Makers by customers



The Main Contractor

### 3rd Tier

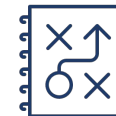
Third most mentioned Key Decision Makers by customers



The Property Management



The Asset Management



The Developer

### Other Key Decision Makers



The Installers



The Municipality



The Structural Engineer



The Zoning Experts



# 7. Information & Relationship

# 7. Information & Relationship

## 7.1.1 Customers' Search – Information and Point of Contact

**1st Tier**  
Most mentioned and preferred by customers



Tradeshows



Architects/Contractors

**2nd Tier**  
Most mentioned and preferred by customers



Professional Associations



Internet



Internal Supplier Lists & Referrals from Peers

**Other mentions**



Magazines



Direct Phone Calls



Social Media Groups  
(i.e. LinkedIn)

# 7. Information & Relationship

## 7.1.2 Customers' Search – Key Tradeshow, Associations & Magazines

Tradeshows	Associations	Professional Magazines
RailFX	The Blue Book Building and Construction Network	Duel
Associated Builders and Contractors Convention	Canadian Construction Association	Wallpaper
Montreal Home Expo	National American Deck And Railing Association (NADRA)	Building Design and Construction (BDC)
	American Sub-contractor Association	Canadian Architect
	Canadian Home Builders Association	DETAIL

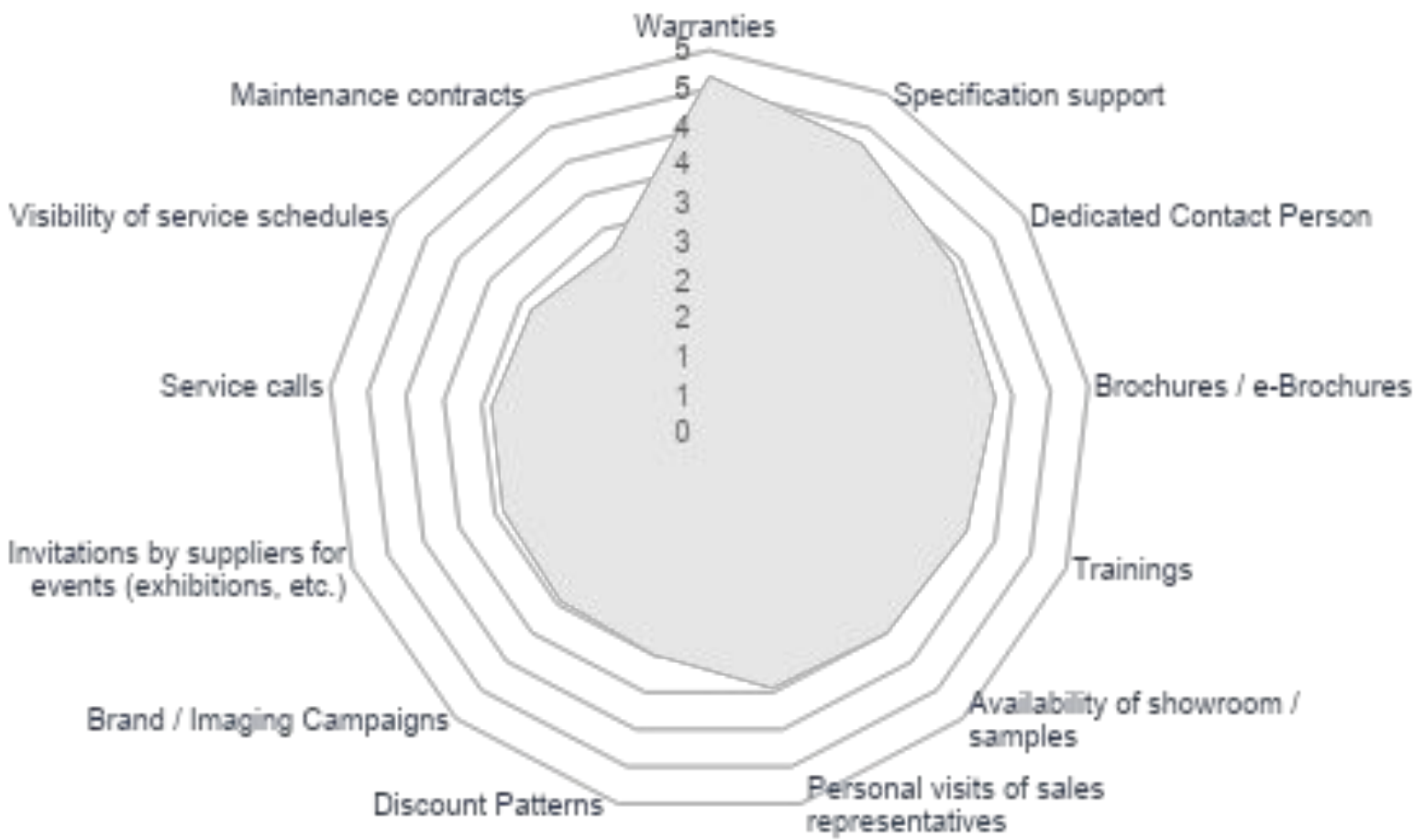
# 7. Information & Relationship

## 7.2 Customer relationship management

Most important criteria for customer relationship management of the balcony provider are:

- **Warranties**
- **Specification Support**
- **Dedicated Contact Person**

Visibility of Service Schedules and Maintenance contracts are rates as least important criteria



\*Scale 1-5, with 5 being most important

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## 8. Purchase Criteria

# 8. Purchase Criteria

## 8.1 A Price Sensitive Market

**1<sup>st</sup>** **Price** was mentioned by nearly all customers as the number one criteria in their decision-making

After price only 2 real criteria impacted the decision of picking a supplier



**Service** was often another key criteria into deciding of a supplier. Responsiveness, timing and being helpful were ranked very high by customers.



**Reputation** was considered as the 2<sup>nd</sup> factor after cost. In particular if it came in the form of a referral from a Peer or architect. The second aspect of reputation was the track record.

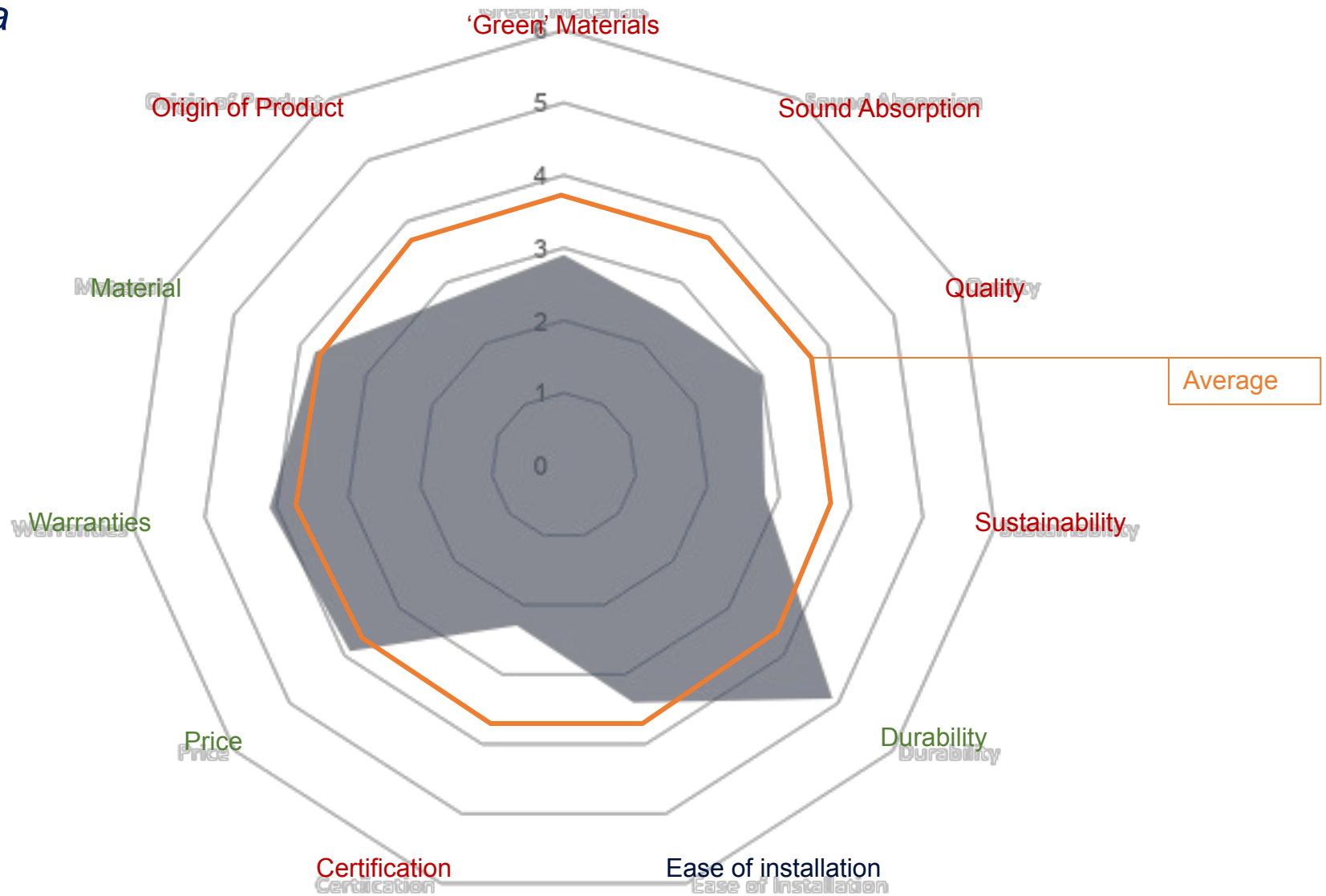
# 8. Purchase Criteria

## 8.2 Product Specific Criteria

While Sustainability, 'Green' Materials, Certification, Quality, Sound Absorption & Origin of Product fell under the average score.

Durability, Price, Overall Materials & Warranties score way above the average score.

☐ This is in line with the criteria customers use to evaluate the supplier as well



\*Scale 1-5, with 5 being most important

Source: Customer interviews conducted in 2020 in the US and Canada

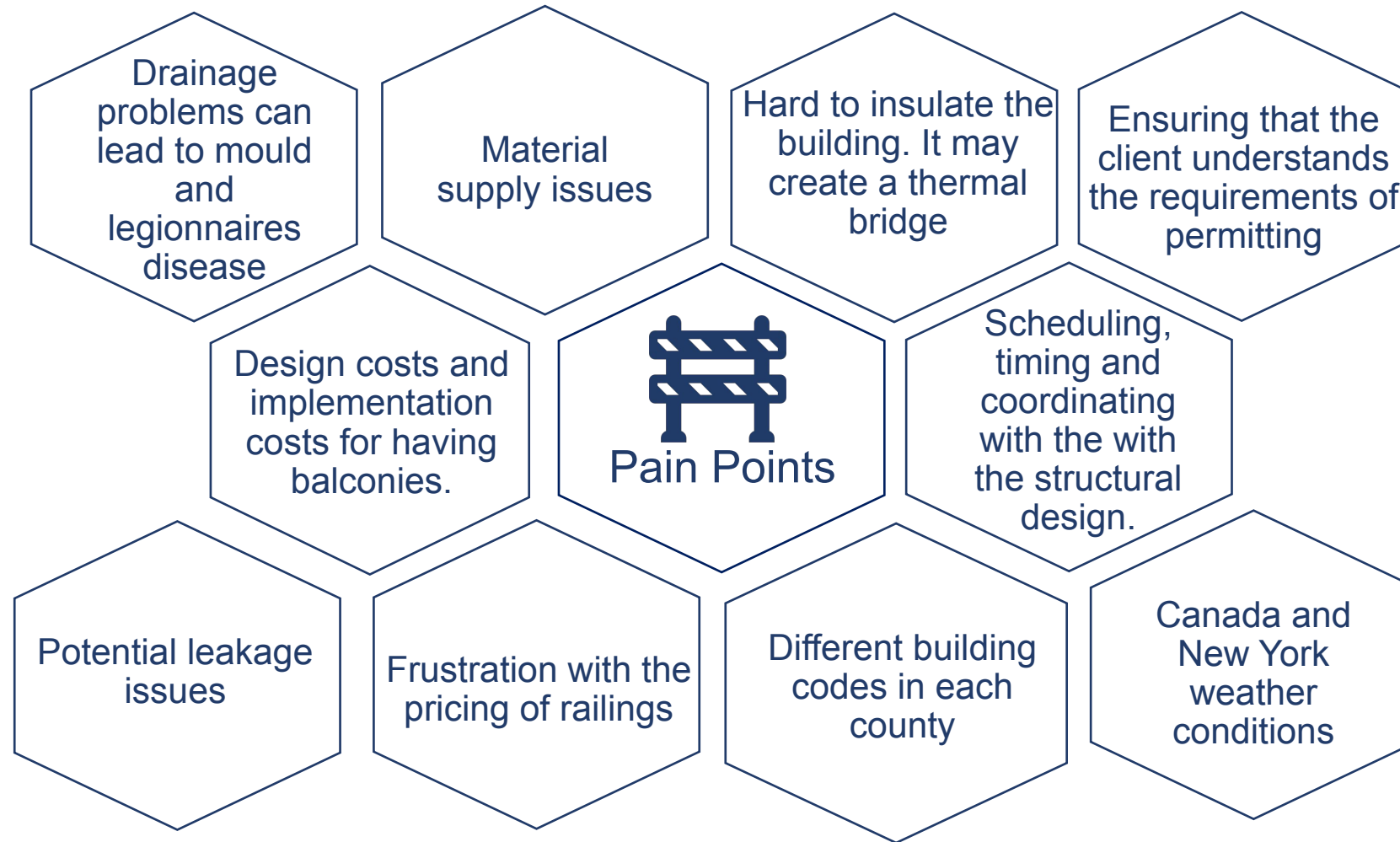


The background features a faint, light-blue diagram on a dark blue background. The diagram consists of several geometric shapes: a square, a double-bordered rectangle, a single-bordered rectangle, a horizontal rectangle, a vertical rectangle, an oval, and a circle. These shapes are interconnected by arrows: three horizontal arrows at the top pointing right, three vertical arrows pointing down, and one horizontal arrow pointing left. The text '9. Paint Points, Improvements & Advices' is centered over this diagram.

## 9. Paint Points, Improvements & Advices

# 9. Paint Points, Improvements & Advices

## 9.1 Biggest pain points on construction of balconies



# 9. Paint Points, Improvements & Advices

## 9.2 Improvements when constructing balconies



- ❑ **Increase in quality** goes a long way in terms of ease to sell, on a warranty you've a better product, thicker materials and more weatherproof - Cleber
- ❑ **Improvement in the drainage and the railing systems** - Daniel
- ❑ **The supplier needs to know the local building code** depending on where they're building - David
- ❑ It will be great to **have a solution that is waterproofed and adapt to our weather**. Specifically talking about Florida, we are in a very hot and humid weather - Eduardo
- ❑ **Prefabricated balconies are something that I welcome**. And obviously a price that's affordable. If I can save on labour and speed of installation and have a higher long-term quality, then that combination would be very attractive - Michael
- ❑ **Improvements in the connection of the balcony to the building** would be of interest - Mike



# 9. Paint Points, Improvements & Advices

## 9.3 Advices for a balcony manufacturer



- ❑ For places like Quebec with a lot of snow, **the materials should be durable** – Amitra
- ❑ **Get out in front of the contractors more.** There are no company advertises. If you would ask a general public person who makes balconies, they have no idea - Chris
- ❑ **Do a decent catalogue.** Do nice pictures printed properly - Cleber
- ❑ **Be responsive and find the architects and the designers and to try to work with them.** Visibility into the decision-making process – Daniel
- ❑ **Price is very critical. Sustainability in green certificates in US is not as important** as in Europe. Coming with something that is aesthetically pleasant and affordable. **The aesthetic appeal is really important** to get a new product accepted by this industry - Eduardo
- ❑ **Education**, you have to educate the potential customers about the product, that's key – Idan
- ❑ We would say to any manufacturer, **please call**. It works – Jay
- ❑ **Building up a local reputation is very important.** Working out relationships with new home builders and local contractors and determining the selling features.- Katelynn
- ❑ **Have details that they can help the architect incorporate into a set of drawings**, especially if it's a manufacturing system – Leonardo
- ❑ **Try to get as early as possible in front of the architect** - Michael



A faint background diagram on a dark blue slide. It features a top row of three shapes: a square, a double-bordered rectangle, and a single-bordered rectangle, connected by right-pointing arrows. Below the square is a downward arrow leading to a rectangle. Below the double-bordered rectangle is a downward arrow leading to an oval. Below the single-bordered rectangle is a downward arrow leading to a circle. A large downward arrow is also on the far right of the slide.

## 10. SIS Advice & Recommendations

## **10. SIS Advice & Recommendations**



# 11. Respondent Profiles

# 11. Respondent Profiles



## Approach:

To gather consumer/expert insights in North America regarding the construction process of balconies. 25 experts knowledgeable with construction industry have been invited in the research study.



## The geographic scope of work:

Methodology	Country	Nr. Of Experts
Expert Interviews	United States	15 Consumers/Experts
	Canada	10 Consumers/Experts



## Requirements for respondents:

- Must be involved in the construction and/or renovation of buildings
- Must be involved in the procurement or installation of balconies
- Must be involved with residential construction





PREPARED BY SIS  
INTERNATIONAL

—

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