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## Homeowners face rising roofing costs

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It's an expense homeowners must face eventually, however tight the household budget: roof replacement.

Those who find themselves needing new shingles this roofing season may be surprised to find prices rising even though the home-renovation market has slowed and petroleum costs less than it did last summer.

The price of asphalt shingles, which cover the vast majority of houses in the United States, rose 57.5 percent from March 2008 to this past March, according to the federal Bureau of Labor Statistics' Producer Price Index. This year, it went up 3.8 percent from February to March alone.

Soaring petroleum prices last summer accounted for much of the rise in asphalt shingle costs then. Asphalt is derived from crude oil.

But this year, there may be a surprising factor at play: Asphalt is most in demand for roadwork, and government attempts to revive the struggling economy include an infusion of money for roads.

Manufacturers said roofing-shingle prices rose in March "due to the shortage of asphalt, and asphalt, it's a little hard to come by. They're expecting a big rush on the asphalt because of the stimulus package and roadwork," said Bob Kersch, co-owner of Brothers Roofing Supply in New York City.

Last year's high petroleum prices are having a lingering impact on asphalt shingle prices, said James Baker, spokesman for the Asphalt Roofing Manufacturers Association.

"It takes time for things to readjust back down," he said. In addition, hurricanes, hail and other roof-damaging weather can drive demand for shingles up rapidly.

The bottom line is that homeowners shouldn't expect bargains on new roofs, even as home values and the overall demand for housing renovations have plummeted.

"We're not foreseeing any big price increases" in coming months, said Bill Good, executive vice president of the National Roofing Contractors Association. "But we're also not seeing any big price drops."

That is true across all roofing product lines, not just asphalt shingles, Good said. It is possible, though, that the federal economic stimulus package will pump up demand for road asphalt and lead to additional increases in asphalt shingle prices, he said.

Material and labor costs can vary widely, regionally and contractor to contractor, Good said. Though new-home construction is down dramatically, the roof replacement/repair market overall is fairly steady, he said.

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"What we're seeing is homeowners deferring as long as they can on a buying decision, which is certainly understandable in the economic environment today," Good said.

Kersch, in New York, said the reroofing business in his area is depressed.

"These guys are going to any lengths they can to get a job off the street," Kersch said. Roofers who used a specific brand of shingles all their lives are willing to use less expensive brands to try to cut costs, he said.

"I think there are a lot of people that are just not doing the work right now. Or they'll come and buy some roofing cement and do a patch and hope they can put it off a few more months or until the end of the season, or maybe until they get a better price," Kersch said. Homeowners on the brink of foreclosure have little incentive to put money into their roofs, he noted.

There is one bit of good news for homeowners, depending on what kind of shingles they choose. The federal government is offering a tax credit of up to \$1,500 through 2010 for certain energy-saving reflective asphalt shingles.

Here are recommendations from Good and others if you do need to have your roof replaced:

- Make sure the contractor has a license — if your state and local governments require one — and proof of insurance. You can also check with state or local regulators to find out if a contractor is licensed and insured. Many licensing agencies allow consumers to search for licensed contractors on their Web sites. Some states put court records online, allowing consumers to see whether a contractor has been sued. Check with local consumer protection agencies and groups to see if a contractor has faced complaints.

"You'd be amazed at how many companies should get knocked out just because they're not licensed and insured," Good said. If homeowners do nothing more than choose contractors based on that, "they probably will go a long way," he said.

- Make sure the contractor has a permanent place of business, one way to screen out "fly by night" roofers.
- Look at shingles in person before choosing a style and color, rather than relying on a roof manufacturers' Web site or a brochure. Color can look dramatically different on an actual shingle than it does in a picture.
- Get several estimates. Make sure they are in writing and cover everything.
- Get familiar with roofing terms so you'll know what contractors are talking about and won't be dazzled by marketing phrases such as "integrated roofing system." Sheathing, flashing, drip edge, fascia, felt and underlayment are among terms you will likely hear.
- Be sure to get a lien release from the contractor before you make your final payment. A lien release is a simple statement from the contractor that payment was received for the specific work performed, and that the contractor waives any right to a claim or lien against the homeowner. This protects the homeowner should the contractor fail to pay a third party, such as the roofing supplier.
- Be sure to get two warranties from the contractor: one for labor and another for the shingles.

#### **On the Net:**

Roofing tax credit: <http://www.energystar.gov/>

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National Roofing Contractors Association glossary: <http://www.nrca.net/consumer/fyi.aspx>

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