

Hycrete Growing Rapidly, Pounding Path to Profitability

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The construction industry is about as conservative as they come, but green building materials startup Hycrete has got building contractors giddy about its technology, a chemical that makes concrete waterproof. To take advantage of growing demand, the Carlstadt, N.J.-based startup, which raised \$15 million in a third round of venture funding last year, plans to open offices in two more U.S. states (Texas and Illinois) and is looking to expand into Eastern Europe and the Middle East. Hycrete currently operates in nine U.S. states and its products have been used in projects in Canada, the Caribbean, Mexico, India and Turkey. CEO David Rosenberg tells us that he expects revenue to grow between 50 and 100 percent this year and that the company will be profitable by 2011. In fact, Rosenberg said that if it weren't for these aggressive expansion plans, Hycrete would be profitable this year.

Hycrete, which was selected as a technology pioneer by the [World Economic Forum](#) in 2008, has developed a chemical that when added to concrete makes the popular building material waterproof. Traditionally, concrete walls that were underground — like parking structures — had to be protected from the surrounding soil with a plastic membrane so that water from the soil doesn't penetrate the material and cause damage. Adding the waterproof barrier is a costly and time-consuming process, however, one that can lead to lawsuits when not done properly. Hycrete says its admixture eliminates this step and can save between 20 and 60 percent on the installed price of a warranted membrane.

Hycrete is a play in the growing green building materials market, which NextGen Research estimates will grow about 5 percent per year globally to reach \$571 billion by 2013, up from about \$455 billion last year. While Hycrete's technology doesn't dramatically reduce the carbon emissions associated with making concrete — startups like Calera and CalStar Cement are tackling that issue more directly— it does eliminate the need for petroleum-based membranes, speed up the construction process, and make concrete buildings more durable.

For those reasons, Rosenberg said a building at Thomas Jefferson Law School in San Diego this week was awarded a point under the green building certification program LEED for using Hycrete's admixture, the first time the product on its own contributed a LEED point to a project. While contractors will be most interested in the technology because it saves time and money, green-minded architects should be drawn to Hycrete not only for its cost savings but because it will help them build LEED-certified buildings. But the construction industry is diffuse and regionally based, so Hycrete has a massive hill to climb in persuading building professionals of its technology if it wants to penetrate deep into this conservative market.

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