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Building and Home Improvement Products Distribution Republic of Ireland 2008-2012

New AMA report provides a major review of the Irish building products market

Strong growth in the construction sector has resulted in increased sales of building materials across the Republic and a 45% growth in the **builders merchants market** over the past five years to reach almost €3.7bn in 2007 and an increase of over 150% in the **DIY and home improvement market** over the same period to reach an estimated value of €1.1bn in 2007.

A brief summary of the report is included on the following pages.

Priced at £650, the report is currently available from AMA Research Ltd, Telephone 01242 235724 or e-mail at sales@amaresearch.com.

Editors Note:

Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

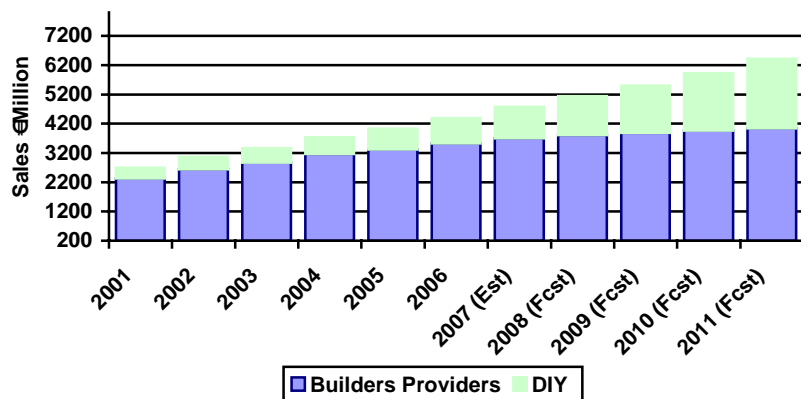
If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Andrew Hartley or Chris Moore on (01242) 235724.

Please include our web address and telephone number on any review printed, it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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Total Market Size for Building products in Ireland
2001-2011 (Builders Providers and DIY Outlets)



AMA Research has recently published the 5th Edition of the report "Building and Home Improvement Products Distribution in the Republic of Ireland". The report should be of particular interest to individuals and institutional investors, and provides a comprehensive and easy to use review of the rapidly evolving building materials sector.

The rapid growth of the Irish economy over the last 10 years has led to a boom in construction and house building. This strong growth in the construction sector has

resulted in increased sales of building materials across the Republic and a 45% growth in the **builders merchants market** over the past five years to reach almost €3.7bn in 2007 and an increase of over 150% in the **DIY and home improvement market** over the same period to reach an estimated value of €1.1bn in 2007.

The substantial increases in the value of construction output have largely reflected high levels of economic growth in the Irish Republic, with several key drivers including EU supported infrastructure projects, increases in new house-building, high levels of RMI and investment in civil engineering projects. In addition, in January 2007 the second **National Development Plan** was launched, with an estimated €184 billion to be invested for the period 2007-2013 and is expected to support public sector construction activity for the next 7 years.

Recent years have seen big increases in construction costs with **building materials prices** rising at a faster rate than labour costs. Much of this increase is due to a rise in raw materials costs, while **energy prices** are also increasing rapidly in 2007. As a result, the forecast for building materials inflation for the full year is 6%

2007 has seen the Irish construction market enter a new phase in its development and it is now widely believed that the **'boom time' for the sector is now at an end** and will be followed by a more sedate and sustained period of growth over the coming years. Rising consumer incomes and investment remain the drivers of growth, with funds from maturing SSIA accounts and the election in 2008 expected to underpin construction activity in the short term, while strong growth in employment and consumption will boost the demand for non-residential buildings. Perhaps most significantly, the key sector which has underpinned growth in the construction market in recent years – residential house building – has now peaked at around 93,000 completions in 2006. Volumes have been falling rapidly in late 2007, with forecasts for 2008 varying, but all indicating a reasonably substantial decline, at least in the short term.

Distribution of building and home improvement products in Ireland is dominated by the Grafton Group, following its acquisition of Heiton, with a strong position in both the builders merchants and DIY sectors. Other leading operators with expanding operations include Wolseley and B&Q, while Travis Perkins and Homebase are now also expanding their Irish DIY operations, which should result in a very competitive market over the next 5 years.

AMA Research's **"Building and Home Improvement Products Distribution – Republic of Ireland 2008-2012"** report is available in hard copy or electronic format for £650 and can be ordered online at www.amaresearch.co.uk or by calling 0871 3103450.