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Kitchen and Bathroom Distributors Market Report – UK 2011-2015 Analysis

New AMA report reviews the UK kitchen and bathroom distributors market

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

Priced at £665, the report is currently available from AMA Research Ltd,
Telephone 01242 235724 or e-mail at sales@amaresearch.co.uk.

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.**

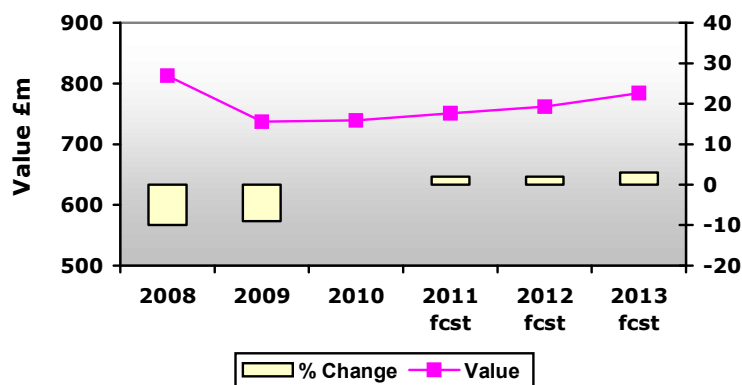
If you would like to receive an editorial review copy or would like to speak to the author of this report, please contact Keith Taylor or Chris Moore on (01242) 235724.

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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UK Kitchen and Bathroom Distributor Market and Forecasts – (£m DSP 2006 – 2015)



Between 2005 and 2007, the kitchen and bathroom distributor market experienced consistent growth supported by the buoyant housing market, a general shift towards more upmarket, higher value products, along with consumers undertaking large scale refurbishment projects in the kitchen and bathroom sectors. However, towards the end of 2007 the market growth began to slow, as fears over the 'credit crunch' started to take effect in the US, spreading to the UK, depressing consumer confidence. During 2008 and

2009 the economy went into recession, resulting in difficult trading conditions for companies within the kitchen and bathroom industry. The 'credit crunch' affected house building, domestic RMI and most high ticket, deferrable projects within construction or building in particular.

Activity in the housebuilding and housemoving sectors remained sluggish in 2010, although there was some evidence of a slight increase in home improvement activity with consumers opting to 'improve rather than move'. The market was estimated to be worth £739 million at distributors' selling prices at the end of 2010. Consumer and business confidence remains depressed and with falling disposable income levels and increasing unemployment, it seems likely that 2011 will be a difficult year.

The short to medium term outlook indicates only moderate growth at best. An upturn in housebuilding levels and an improvement in refurbishment activity may support underlying growth; however the level of activity remains historically low, influenced by high inflation pushing up the cost of living and a low level of house moving activity. There is therefore some prospect of growth in 2012 to 2015, though this is expected to be modest, at least initially.

A large proportion of the distributors' sales are bathroom products, with 39% of sales falling into this category. Kitchen furniture has a 29% share, whilst showers and kitchen appliances each account for 16% of the market. The 'don't move, improve' trend has supported the replacement bathroom sector somewhat, although the decline in the housebuilding sector has had a significant impact on the level of installations.

Sales to kitchen and bathroom specialists dominate the distributors' market, accounting for 40%. Builders' merchants are also a key customer accounting for 28% of the market. Other customers include DIY Outlets, other retailers such as department stores, electrical independent retailers and others including sub contractors and end users such as local authorities or housebuilders. Following the economic decline, there has been a greater emphasis on RMI activity rather than new build, with the kitchen and bathroom specialists and department stores faring better than the builders' merchants over the last two years.

Some of the DIY multiples reported growth in their sales of kitchens, bedrooms and bathrooms in 2010, although this was also supported by improved merchandising and product ranges, in addition to continuing to benefit from the withdrawal of MFI and more recently the failure of Moven in 2011.

"Kitchen and Bathroom Distributors Market Report – UK 2011 – 2015 Analysis" is available in hard copy or electronic format for £665 and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.