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Opportunities in Retail Construction and Refurbishment Market - UK 2011-2015

New AMA report provides a major review of construction and refurbishment in the UK Retail Market

"Despite the difficult climate in early 2011, retail demand is expected to slowly increase in 2011, which should herald a restart of many of the currently stalled projects. The first wave of major retail development is expected to commence on site in 2011-12, but a more substantial increase in retail construction is not expected before 2013, when output values are forecast to increase by around 7% to reach £5.9bn. Retail construction output values are not expected to reach levels seen in 2008 until at least 2015, when the market is expected to be worth just over £7bn."

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.com.

<u>Editors Note:</u>

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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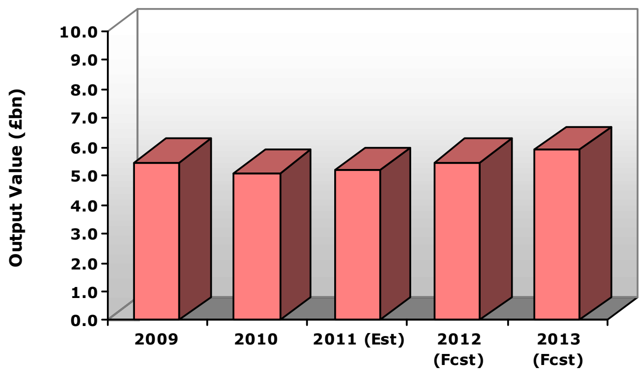
Opportunities in Retail and Refurbishment Construction Markets - UK 2011-2015

Retail Construction Work Contractors Output by Value 2009 - 2013 (£bn)



Although overall sales recovered in 2010, trading conditions for retailers in the UK have been mixed. During the recent downturn, many of the UK's planned retail developments were either delayed or cancelled by property companies. As a result, the UK shopping centre development pipeline is now substantially smaller. However, some retailers have taken advantage of the downturn to improve operations and increase market share, while rapid expansion by a number of the major grocery retailers has supported retail construction to some extent and provided a large share of new work output.

In early 2011, the retail sector was seeing some positive signs, with retailers announcing strong trading results for the Christmas period – though more recent signs are for a slowdown in consumer spending.

The growth of the UK **grocery convenience sector** continues to outpace mainstream grocery retailing, growing by 67% over the past 10 years and now worth £32.1bn per annum - around 21% of the UK grocery sector. The UK convenience sector will continue to outperform the grocery market and is projected to reach £42.6bn in 2015.

The UK **non-food retail market** was valued at an estimated £142.2bn in 2010, a slight increase of around 2% on the previous year. UK non-food retailing is dominated by large multiple store chains, who currently account for around three quarters of annual sales.

In 2010, contractors output from new **retail construction work** reached £5.1 billion and accounted for around 7.1% of new non-domestic work obtained by contractors in the UK. The retail construction pipeline has been cut back significantly and construction activity dropped sharply, as many developers put a stop on planned schemes.

Following a difficult period in 2008-10, retail looks likely to deliver some badly needed growth prospects in construction over the next year, and **supermarket projects are expected to lead the recovery in retail construction output** and will ensure that, as government funding fades away and other sectors remain depressed by lack of investment, retail construction will be up modestly on 2010 levels.

The major companies are also carrying out **large-scale store refit programmes,** in addition to the expansion of outlet numbers. Smaller-format stores by the large retailers are becoming more frequent, resulting in increased competition with smaller, independent retailers.

Despite the difficult climate in early 2011, retail spending is expected to slowly increase in 2011, which should herald a restart of some the currently stalled projects. The first wave of major retail development is expected to commence on site in 2011-12, but a more substantial increase in retail construction is not expected before 2013, when output values are forecast to increase by around 7% to reach £5.9bn. Retail construction output values are not expected to reach levels seen in 2008 until at least 2015, when the market is expected to be worth just over £7bn.

AMA Research's report "**Opportunities in Retail Construction and Refurbishment Market – UK 2011-2015**" 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.