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Timber Frame Housing Market – UK 2010-2014

New AMA report provides a major new review of the Timber Frame Housing Market

“The underlying driving factors for timber frame are cost comparisons with traditional methods, consumer acceptance in the private housebuilding sector, continuing strength in the self build market and budget pressures on the social housing market to maintain/increase output to help meet demands for affordable housing.”

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

Priced at £650, 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.**

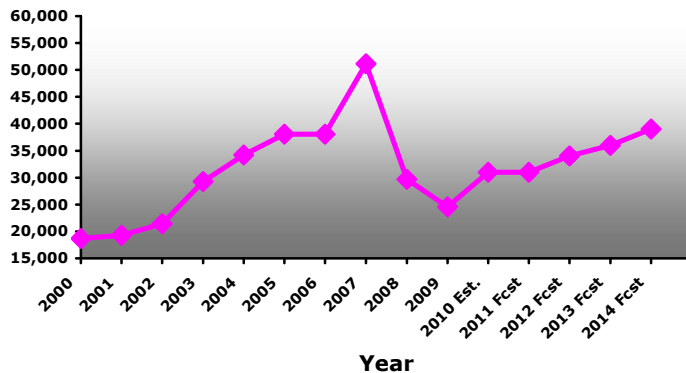
If you would like to receive an extended summary or would like to speak to an author of this report, please contact Chris Moore or Andrew Hartley on (01242) 235724.

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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Timber Frame Housing Starts – 2000-2014 by Volume



While housebuilding volumes had increased steadily up to 2007, demand for timber frame housing was growing strongly and outperforming the overall market. Volumes reached a peak of around 50,000 in 2007 but, with the housing downturn from 2008, it soon became clear that these volumes could not be sustained.

As a result, the volume housebuilders focused their 2008/09 effort on preserving cash through major cutbacks in land buying and introducing a variety of incentives to reduce their housing stock and work in progress. As a result, many reduced their new site developments which had a major effect on timber frame manufacturers.

We estimate that, in 2009, the number of **timber frame starts for residential housing in the UK was around 25,000**, which is still well up on levels a decade ago, but some 50% down on the 2007 peak.

However, mid-late 2009 saw some recovery in overall housing starts, with demand for timber frame also more buoyant in 2010, though indications are that this growth will not be sustained in the short-medium term with activity levels falling in H2. Our expectation, therefore, is that the market will be relatively flat in 2011 with timber frame housing starts at about the same as 2010 (31,000).

Timber frame has undoubtedly benefited in recent years from growth in apartment building and funding for affordable housing. Apartments now account for almost 50% of all new dwellings, but share has declined in 2009-10 for the first time in a decade, though is likely to recover in the medium term due to land shortages in Southern England.

England now is the dominant market for timber frame, accounting for almost 60% of timber frame dwellings, though Scotland remains a strong market proportionately.

The considerable underlying demand for housing, particularly in England, leads us to be reasonably optimistic in the medium term with our forecasts, but this is tempered by the recent announcements in the Comprehensive Spending Review relating to social housing funding. While the 'commitment' to increase housing supply by the new Coalition government is strong, the funding support will be considerably lower though initial targets of 150,000 social homes over the next 4 years is similar to recent output levels.

The underlying driving factors for timber frame are cost comparisons with traditional methods, consumer acceptance in the private housebuilding sector, continuing strength in the self build market and budget pressures on the social housing market to maintain/increase output to help meet demands for affordable housing. Competition from steel and concrete remains a key factor.

The supply structure for timber frame is relatively fragmented, split between panel system suppliers and kit suppliers. The short to medium term future for timber frame houses, although still optimistic, remains uncertain. This primarily reflects the high uncertainty still surrounding the housebuilding market in general in late 2010, but in the medium term should offer reasonable growth prospects.

AMA Research's report "**Timber Frame Housing Market – UK 2010-2014**" is available in hard copy or electronic format for £650 and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.