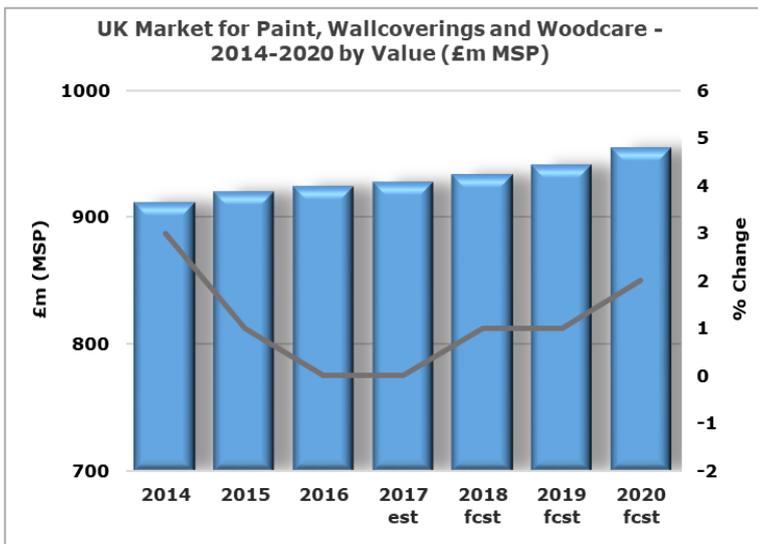




PRESS RELEASE

Residential RMI to underpin growth in the UK Paint, Wallcoverings and Woodcare market

February 2018 – Cheltenham, UK



The market for paint, wallcoverings and woodcare products was worth an estimated £925m in 2017. An upturn in the construction sector in 2014 stimulated demand for paint and wallcoverings and the market continued to grow to 2015, underpinned by positive developments in the domestic sector. However, the market has been relatively flat since 2016. Key drivers of demand are the housing market, consumer confidence, home improvement levels, design trends, non-residential construction activity and the weather in any given year.

Source: AMA Research Ltd/Trade Estimates

The paint and effects sector has grown by an estimated 8% from its low point in 2009, although has been relatively flat in recent years. Within this sector there has been a continued shift towards more water based paints, with acrylic eggshell, for example, representing a growth area. There has also been an increase in demand for value added products such as durable, stain resistant and easy-to-clean products, as well as more specialist paints, including light reflecting, textured finishes, anti-bacterial, low odour, fast drying, anti-slip floor paint and insulating paint.

In the wallcoverings sector, consumers appear to be increasingly confident in using bold designs. Larger designs with increased use of texture and digital prints are also popular - digital printing has enabled some revolutionary changes, with the availability of unlimited colour palettes and no restrictions on pattern size.

The woodcare product sector has experienced growth, benefiting from a range of factors including the impact of climate conditions & the weather, growth in key sectors such as fences, sheds, furniture & conservatories, increasing popularity of garden paint and the growing housing sector.

The DIY multiples channel accounts for the largest share of the market, with large ranges of branded and un-branded/own brand products available in the majority of outlets. However, trade centres have gained share benefiting from the growing trend to outsource decorating work to tradesmen, and the direct channel has benefited from growth in the non-domestic sector. Distribution routes are likely to be impacted by the structural changes currently occurring in the retail sector, with many distributors offering multi or omni-channel services, as well as the predicted growth in the 'click and collect' segment.

In terms of supply, the market is relatively concentrated and dominated by a small number of larger organisations. Imports remain a feature of the market, with the EU accounting for the majority share of imports, although the UK is a net exporter of paints.

Keith Taylor, Director of AMA Research commented:

"Market prospects in the paint and wallcoverings market remain positive, although only modest growth levels of 1-2% per year are forecast to 2022. Levels of residential RMI are forecast to increase, despite the economic uncertainty - not only are people improving their home instead of moving, but the trend to carry out improvements prior to placing properties on the market appears to be returning. The trend to 'get someone in' instead of doing it yourself is also expected to continue benefiting the market."

The '**Paint, Wallcoverings & Woodcare Market Report – UK 2018-2022**' report is published by AMA Research, a leading provider of market research and consultancy services with over 25 years' experience within the construction and home improvement markets. The report is available now and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.

Editors Note:

If you would like to receive more information on the report, or would like to speak to the author, then please contact Anna Eriksson on 01242 235724.

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

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