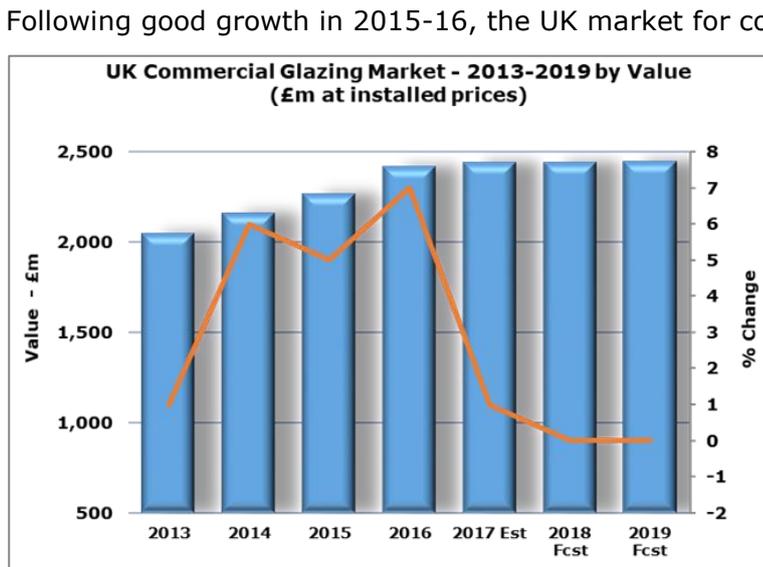




PRESS RELEASE

Growth decelerates in the commercial glazing market as commercial construction slows

February 2018 – Cheltenham, UK



Following good growth in 2015-16, the UK market for commercial glazing has been less buoyant in 2017 as the private commercial sector reacted to the climate of uncertainty surrounding the Brexit process. This resulted in only marginal growth, at best, for 2017. The commercial glazing sector is particularly reliant on the offices and retail sectors which have both seen reductions in new order values in 2016-17 as expansion and investment plans for some organisations have been deferred. Current forecasts indicate that the market is likely to flatten in 2018-19, followed by modest annual growth rates of around 2-3% to 2021.

Source: AMA Research Ltd/Trade Estimates

Within the commercial glazing market, the largest segment by value is commercial windows, with an estimated share of 56%, followed by curtain wall and ground floor treatments, while roof glazing accounts for the smallest share. The level of demand for ground floor treatments has been affected by structural changes within the retail sector towards online shopping and 'click and collect' services, whilst the trend for the grocery multiples to build 'express' type outlets has also affected the average value of contracts. In terms of frame materials, aluminium dominates but timber, PVCu, steel and composites all have reasonable shares and sector strengths.

Following the higher levels reached in 2016, the market is estimated to show marginal growth in 2017 with no real growth 2018-19. Trends follow those in key construction markets with office, retail and education construction forecast to weaken during this period.

Jane Tarver of AMA Research commented: "Commercial glazing suppliers will continue to derive gains from RMI particularly in those sectors showing lower annual growth in new construction work, such as education and healthcare. Increasing average prices are likely to be a characteristic of the market into the medium-term which will result in some value growth, but with the volume of commercial glazing opportunities likely to decline".

Key to the medium-term prospects for the commercial glazing market in the UK are the levels of business confidence and investment, which remain uncertain at present and will depend on the outcome of the Brexit negotiation process. In addition, the strength of the private commercial sector construction output will be key, with some regions benefitting from a strong pipeline of work, eg London and the South East, but with other regions likely to be less buoyant.

The issue of pricing will also be affected the performance of Sterling on the foreign exchange markets since the UK is a significant importer of some glazing systems, as well as being a key market for leading non-UK based contractors.

The '**Commercial Glazing Market Report – UK 2017-2021 Analysis**' 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 or Jane Tarver 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.

AMA Research Ltd
Montpellier House
Montpellier Drive
Cheltenham
Gloucestershire GL50 1TY

Tel: +44 (0)1242 235724

Fax: +44 (0)1242 262948

E-mail: annaeriksson@amaresearch.co.uk

Website: www.amaresearch.co.uk