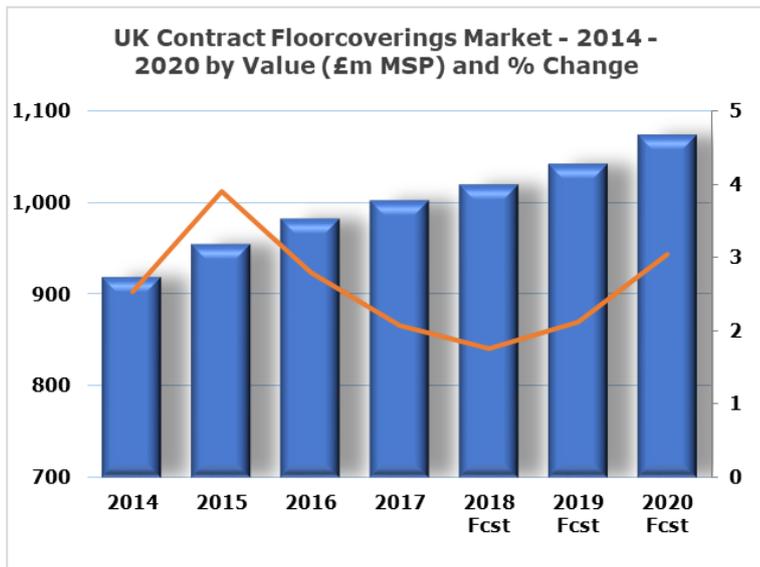


UK contract floorcoverings market worth in excess of £1bn

March 2018 – Cheltenham, UK



After achieving strong growth of 4% in 2015, growth rates in the contract floorcoverings market were slightly disappointing in 2016 and 2017. A number of factors had a negative impact on the market, including increasing inflation towards the end of the period and adverse currency movements as an indirect result of the Brexit vote, affecting imports. However, despite reduced growth rates, the value of the contract flooring market exceeded £1bn in 2017. The contract sector accounts for around half of the total floorcoverings market, and its share continues to increase.

Source: AMA Research Ltd/Trade Estimates

There has been only modest change to the product mix in this sector recent years. Carpet has decreased in share marginally, mainly reflecting a growth in vinyl flooring, which is now the second largest product group. The growth of vinyl has been underpinned by the increased specification of safety flooring and the more recent trend for luxury vinyl tiles to be installed in the retail and office sectors. The medium-term outlook is for similarly modest changes to the product mix, with carpet expected to continue to lose share marginally to vinyl products and floor tiles in the period to 2022.

UK manufacturers remain under pressure from imports, particularly from the larger overseas floorcoverings groups, who increasingly cover several types of floorcoverings products. However, going forward UK manufacturers should gain some competitive advantage from the increased cost of imported products, although that factor will increase the cost of any raw materials they import themselves.

Keith Taylor, Director of AMA Research commented: *"The contract floorcoverings market has changed significantly over the last decade. Following developments in the domestic sector, a wider range of flooring products are now included in specifications, demonstrated by a move away from carpet towards smooth flooring materials in recent years. One change has been the move to a more integrated use of different flooring materials within a single installation, possibly combining carpeting with a vinyl product, although the use of different types of vinyl has also increased, especially LVT."*

Going forward, the outlook for the overall floorcoverings market is generally optimistic, although forecasts have been lowered recently, mainly resulting from the uncertainty affecting the Brexit negotiations, and over the next five years, growth rates of 2-3% are forecast in the market. Positive factors impacting the market include opportunities for new build and RMI work in the health and education sectors.

The construction of HS2 should lead to greater demand for floorcoverings on concourses, restaurants and perhaps other establishments near the various stations. However, growth in the contract sector is expected to be adversely affected by the lack of growth in the overall construction sector in 2018 and slow growth in the following years, as a result of a decline in the private commercial construction sector.

The '**Contract Floorcoverings 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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