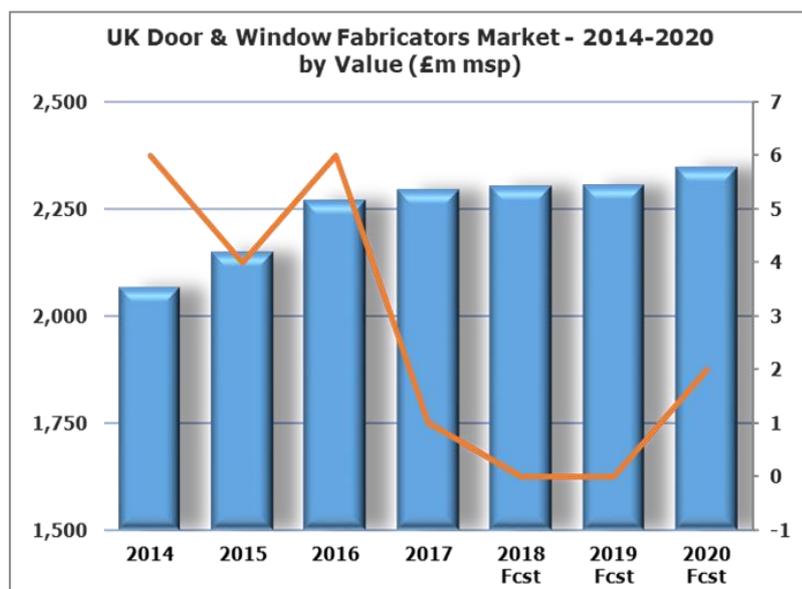


Tough market conditions in the UK door & window fabricators market

June 2018 – Cheltenham, UK



The UK door and window fabricators market put in a strong performance between 2013 and 2016 but appears to have flattened out in 2017. The key defining factors that continue to pervade the market include; market maturity, fragmentation, competition, cost-management, building legislation, 'green' building, tough market conditions and diversification. Competition between suppliers remains intensive particularly given the current challenging economic environment. Growth prospects therefore remain modest with only marginal growth at best forecast in the short term.

Source: AMA Research Ltd/Trade Estimates

The UK door and window fabricators market is driven by many factors, reflecting exposure to a number of markets, at times moving in different directions. These include private home improvement, public sector housing renovation, new housebuilding, commercial new build and refurbishment. Many door and window fabricators have responded to consumer market demand by broadening their range with alternative materials, styles and technical improvements to capture preferences which have included greater thermal and security features as well as triple glazing and increased colour options.

The commercial glazing market has experienced steady demand in recent years with office construction in particular a key driver of growth. However, continued over-capacity in the industry, especially in the PVCu sector, is resulting in intense competition for business mainly amongst the larger retail suppliers. The market for residential windows is largely driven by demand in the replacement sector. Value growth 2015-17 for residential windows was good as manufacturer, distributor and materials price increases were applied, however from H2 2017 both volume and value growth has slowed due to lower levels of demand.

The residential entrance doors sector has benefitted from sustained demand from the replacement sector, but increased competition has led to some squeezing of value growth. Following significant growth in 2016, the market for curtain walling has flattened in 2017 and H1 18 as demand from the commercial offices, in particular higher value glazed facades, has slowed.

The supply structure in the overall door and window market remains very fragmented, comprising a mix of vertically integrated retail glazing companies, PVCu trade fabricators and fabricator/installers, aluminium systems fabricator/installers, bespoke glazing contractors, composite door manufacturers, commercial glazing specialists, roof light manufacturers, steel window manufacturers and major joinery companies, as well as others.

There has been some corporate activity in the sector in recent years, along with major changes among the larger firms. In particular, the aluminium sector has experienced a period of consolidation.

Jane Tarver of AMA Research said:

"In 2018, the prospects for this industry in the short-medium term remain challenging with little or no growth forecast 2018-19 as the economy remains volatile with some uncertainty over short term prospects. Longer term the outlook is mildly optimistic with lower growth forecast than in previous years but for a return to average growth of around 2-3% towards the end of the forecast period."

Residential new work is forecast to provide opportunities within the window and door market but with RMI and residential replacement programmes likely to be somewhat depressed by lower consumer confidence levels and spending. The non-residential sector is facing additional challenges and is likely to see subdued growth in the commercial glazing sector, and decline in other sectors such as ground floor treatments. Medium term prospects for the commercial windows sector will be determined by the return of confidence in the private commercial construction sectors, particularly for offices.

Ultimately, the industry is mature and, in the longer term, heavily dependent on replacement demand in the residential sector, a market which into the medium-term will be influenced by aspects such as security, aesthetics, improved thermal performance/energy efficiency and product failure, which will remain the key reasons for replacing windows and doors.

The '**Door and Window Fabricators Market Report - UK 2018-2022**' report is available now and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.

Editors Note:

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