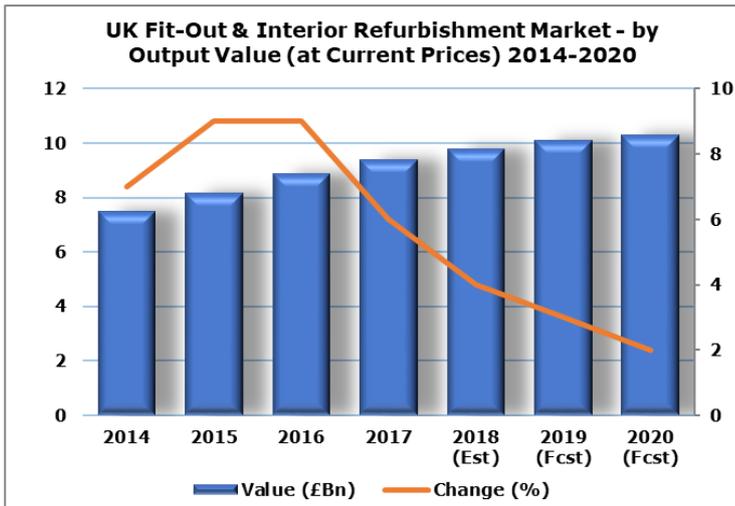




## PRESS RELEASE

### UK interior refurbishment & fit-out sector increased by 6% in 2017

June 2018 – Cheltenham, UK



The interior fit-out and refurbishment market - as defined in AMA Research's latest report on the sector - has increased by 34% since 2013, in value terms, and rose by 6% within the last year alone. However, annual growth levels are starting to slow, and more constrained growth is forecast, for reasons including the uncertain state of the UK economy, a deferral of major investment decisions, cuts to public sector budgets and a continued scaling back of large construction programmes.

Source: AMA Research Ltd/Trade Estimates

Fit out and interior refurbishment output has increased steadily in recent years, especially within sectors such as commercial offices, education and leisure & entertainment. For a variety of reasons, many private sector clients have chosen to commission interior refurbishment works rather than costlier and potentially more disruptive new build projects. Ongoing shortages of Grade A office space in many parts of the UK have also contributed towards much of the recent market growth.

In the public sector, reductions in capital spending programmes and the trend towards smaller but more suitable estate portfolios has led to increased interest in refurbishment in industries such as education and healthcare. Organisations such as NHS trusts and universities have tended to reassess and refresh their existing assets, rather than taking on more expensive new build projects.

*"In many end use sectors, demand for refurbishment services is also being led by changes in the way industries operate, such as a much greater emphasis upon technology-based learning in schools and universities, as well as rising expectations amongst students, which have led to significant improvements in many higher education institution facilities" said Fiona Watts of AMA Research. "Annual levels of growth of around 2-3% are forecast for the next few years."*

Commercial offices constitute the largest market for interior refurbishment and fit-out services, accounting for 27% of value in 2017. The shortage of Grade A office space has contributed to growth in retrofit refurbishment and remodelling of existing space, whilst considerations such as changing patterns of working and energy or sustainability concerns are also affecting ways in which offices are being designed.

Opportunities in the retail sector are expected to decline over the coming years. Store conversions and interior refurbishments remain important to many of the UK's leading retailers, however many are now rationalising their estates in the face of greater competition from online shopping channels.

Others with a high-street presence such as pubs, restaurants and betting shops also face similar challenges, although overall the leisure and entertainment sector is forecast to grow, driven by clients such as budget hotel and gym/fitness club operators.

Education represents the second largest sector for interior refurbishment in the UK. In the higher education sector, there are significant opportunities for fit-out and refurbishment work going forward, and investment in areas such as student accommodation and learning and recreational facilities continues to grow, as establishments bid to stand out from their rivals to attract students. At the same time, the healthcare sector share is expected to remain unchanged for the next few years, although looking further ahead, the predicted expansion of the care homes sector may assume increasing significance within the healthcare market.

The '**Interior Refurbishment and Fit-Out Market Report – UK 2018-2022**' report is available now and can be ordered online at [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or by calling 01242 235724.

### **Editors Note:**

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### **About AMA Research**

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