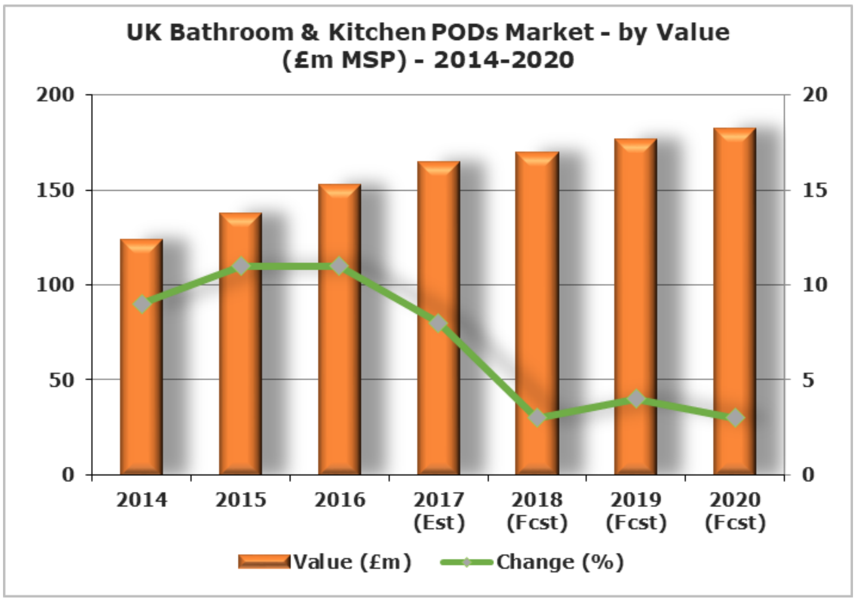
AMA RESEARCH

PRESS RELEASE

8% value growth in the UK bathroom and kitchen PODs sector

July 2018 – Cheltenham, UK



Source: AMA Research Ltd/Trade Estimates

The UK market for bathroom and kitchen PODs market was estimated to have grown by 4% in 2017, in terms of the volume of POD installations. The market also saw an 8% increase in value, which can partly be attributed to higher prices for steel and GRP resin being passed on. There has also been some growth in demand for higher specification PODs in the luxury apartment and upmarket hotel sectors, which has contributed towards value growth.

Overall demand for PODs has been driven by a combination of factors; including demand for design standardisation and fast-track construction; ongoing key skills shortages; growth in the number of sites where there is restricted space; and increasing demand in the main end-user markets. The key sectors where PODs are used are; purpose-built student accommodation (PBSA), hotels and apartment blocks. Between them, these three sectors account for over 80% of installations, while the remainder of the market is split between hospitals, care homes, MoD accommodation and custodial buildings.

The largest area of demand for bathroom and kitchen PODs is in purpose-built student accommodation in medium-high rise steel and concrete mainframe buildings. In the hotel industry, clients will often specify offsite building methods to achieve fast turnarounds to enable occupation as quick as possible, and for many of the major hotel brands, a need for high levels of standardisation in design is also important. In the apartments sector, there has been extensive use of bathroom and kitchen PODs on both social housing and luxury, high-rise developments.

By value, PODs manufactured from either glass reinforced plastic or composite (GRP) account for the largest share of the market, closely followed by steel frame, while concrete and other materials, such as timber, account for lower shares. GRP PODs are mostly used in PBSA and budget hotel rooms, while in higher specification developments concrete or steel PODs are typically preferred.

Kitchen PODs account for less than 10% of the market, the core application being multi-occupancy residences such as purpose-built student accommodation, holiday resorts, military barracks and apartment blocks. Other areas of application include permanent and temporary use at hospital sites and as temporary stand-alone modules for large-scale events.

Over the next five years, it is anticipated demand for PODs could grow steadily at a rate of 4-5% per year, there being reasonably strong construction pipelines in key end use sectors, although the uncertainty surrounding the Brexit negotiations may have some negative impact on demand. On the other hand, associated skills shortages may also lead to an increase in demand for offsite solutions and contribute towards growth in the PODs sector.

The urgent need for more affordable and rented housing in London and other major urban areas is expected to continue to drive demand for fast-build apartment blocks, while the hotel sector in London and other major cities should continue to provide impetus for growth in demand for bathroom PODs in the medium term, although a substantial proportion of schemes will be conversions.

Despite a high level of PBSA development in some cities, such as Leeds and Manchester, a relatively large proportion of student halls built in the 1960s/1970s are now reaching their end of life and in need of redevelopment. There also remains an ongoing shortage of high quality accommodation in many cities, suggesting there is still an urgent need for PBSA, and predicted strong future build levels in this sector should continue to drive demand for PODs.

The **'Bathroom and Kitchen PODs 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:

Please include our web address on any press release or article published, and it would also be appreciated if a copy of the review or a link could be forwarded to AMA Research. If you would like to receive more information on the report, or would like to speak to the editor, then please contact:

Anna Eriksson
AMA Research
t: +44 (0) 1242 235724
e: annaeriksson@amaresearch.co.uk

About AMA Research

AMA Research is a leading provider of market research and consultancy services with over 25 years' experience within the construction and home improvement markets. For more information, go to www.amaresearch.co.uk or follow us on Twitter @AMAResearch for all the latest building and construction market news.

Since 2017, AMA Research has been part of Barbour ABI, a leading provider of construction intelligence services. Barbour ABI is part of UBM, which in June 2018 combined with Informa PLC to become a leading B2B information services group and the largest B2B Events organiser in the world. To learn more and for the latest news and information, visit www.ubm.com and www.informa.com.