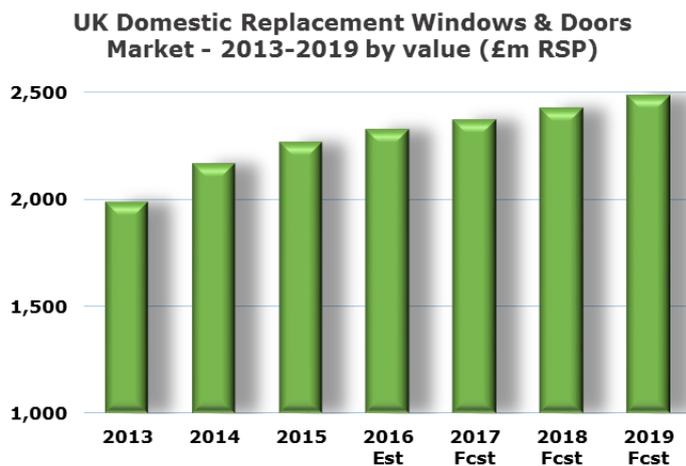




PRESS RELEASE

Modest growth for highly competitive UK replacement windows and doors market

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In 2016 the market for domestic replacement windows and doors was estimated to have grown by 3% in value terms. Following good growth in 2014, the market has reverted to lower growth rates in 2015-16, reflecting the mature state of the market and the high rates of household penetration of double glazing. Future growth in this market remains dependent on a positive housing market, but our forecasts for 2017 and beyond remain muted, with the uncertain economic situation a central factor.

In material terms, PVCu is dominant in the replacement windows market, with the direct sell route particularly strong. However, PVCu continues to face challenges in the entrance doors and patio doors sectors where composites and aluminium, particularly for bi-fold doors, continue to take share.

Volume sales of replacement windows have been in steady underlying decline for a number of years with key drivers now focussed on “re-replacements”. In terms of market trends, security, acoustic and thermal insulation properties as well as sustainability remain core themes in this market. In addition, in recent years companies have increasingly offered quality products with a wider choice of options – for example there is now a very wide range of frame colours available right across the market, something that was rare even a decade ago.

In the entrance door sector, the share of composites has grown and in 2016 is estimated to account for nearly one third of the market. This has been mainly at the expense of PVCu with timber still retaining largest share in terms of materials mix. Growth for replacement entrance doors has been higher than for replacement windows with key drivers including security issues, wear & tear from climate/regular use as well as the fact that replacing the front or back door represents a significantly smaller investment than would be needed for replacement windows.

The patio doors sector has been boosted by the recent trend for bi-folds as replacements for existing patio doors. In addition, patio doors (including bi-folds) have also benefitted from the home extension sector and the trend for increased daylighting.

Due to its maturity, the domestic replacement doors and windows market is characterised by a highly fragmented supply structure and fierce competition. This is particularly true of the PVCu fabricator/installer sector where margins are low. In broad terms, aluminium fabrication/installation companies appear to be doing well, though this is only in part due to the replacement market, as aluminium is used to a significant extent in commercial and new build flats, for example. However, aluminium fabrication/installation business offer higher margins than PVCu. Major restructuring has been seen in the replacement window and door sector in the last few years, with further rationalisation anticipated at all levels of the supply chain.

"The likely direction of future development of the UK domestic replacement doors and windows market remains unclear in the short-medium term, largely influenced by the uncertainty surrounding the UK economy, the housing market and the potential effects of Brexit" said Jane Tarver of AMA Research. *"However, our forecasts anticipate modest growth of around 2% per annum, which is likely to be driven by a basic underlying demand for second and third time replacements."*

A return to the volumes seen in the 1990s remains unlikely due to the high penetration level of double glazing and improved replacement products with longer life cycles. However, new legislation may encourage replacement of windows and doors to some extent, as increasingly stringent regulations for thermal efficiency and security continue to be introduced. Another key driver for 2nd and 3rd time replacement is likely to be aesthetics as householders opt for different colour and glazing options for windows and entrance doors in order to maintain an up to date look. In addition, emerging niche sectors are also likely to continue to offer opportunities – bi-fold doors have been a recent example as homeowners look to open-up access to their garden areas with large, flexible glazed areas.

The '**Domestic Replacement Door and Window Market Report – UK 2016-2020 Analysis**' report is published by AMA Research, a leading provider of market research and consultancy services 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:

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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. Thank you.

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