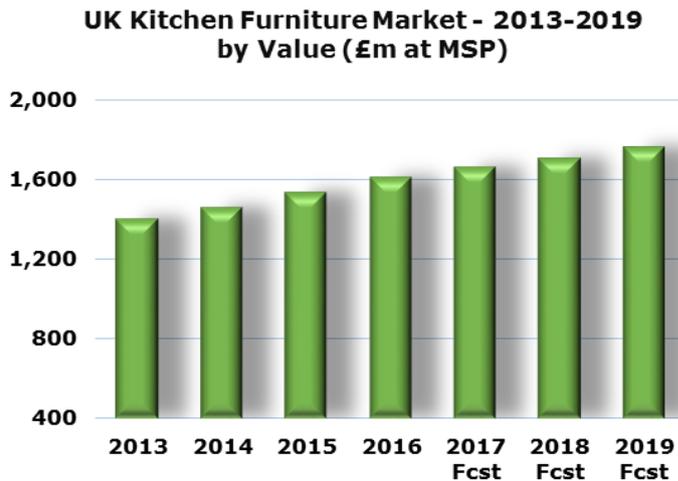




PRESS RELEASE

5% growth in the UK residential kitchen furniture market in 2016

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The UK domestic kitchen furniture market has grown steadily in recent years and particularly in 2015/2016 with value growth in the past two years reaching 5% per annum. There is also evidence of volume growth during this period. The kitchen furniture market is at the mature stage of its product lifecycle, with replacement sales accounting for almost 80% of sales, a share which had increased steadily in the past, but has remained stable in recent years.

The kitchen furniture market comprises furniture, worktops and sinks, and it is estimated that furniture accounts for almost 80% of the market in value terms. The shares have been static in recent years, although worktops had gained market share before the recession affected the market, driven by the trend towards higher value products in this sector. Rigid kitchens are now the norm, and are increasing their share of the market.

The blurring of the distinction between the kitchen and dining room is a major factor affecting this market, with less formality in the home and a move towards open plan living, facilitating socialising, entertaining and relaxing, as well as the normal cooking and washing up activities. This move away from a functional form has meant that accessory suppliers have had to develop added value, innovative storage solutions.

In terms of trends, curved cabinetry, soft-closing drawers, handle-less doors, open display shelving, sophisticated lighting and additional electrical appliances are increasing in popularity. High gloss finishes, stainless steel, frosted glass, wood and metallic finishes are all still popular, with combinations of materials frequently used to add interest, however, there are signs that softer finishes are growing in popularity.

An increasing number of manufacturers are offering units to suit the needs of elderly or infirm customers and this trend is likely to continue as the proportion of the UK population in older age groups increases. Multi-functional sinks are widely available, with a range of different features, such as strainer and draining bowls in varying depths, a variety of chopping boards and larger sinks, helping to underpin the value of the sinks market. In addition, technological developments in the tap sector, such as pull-out spray taps and water filtration systems, have also added value to the market, along with the growth in popularity of waste disposal units.

Forecasts for the next 2-3 years have been downgraded as a result of the 'Brexit' vote, which is likely to lead to slower growth in the UK economy, price increases for imported raw materials and less confidence amongst consumers.

"The domestic kitchen furniture market is forecast to show more moderate annual growth in the next few years of around 3%, before returning to stronger growth in 2020 and 2021" said Fiona Watts of AMA Research. "In the short-term margins are likely to be squeezed further, particularly by the increasing cost of imported raw materials, such as chipboard, as well as metal components, such as aluminium and steel, while energy costs have also started to rise again, although they have been subject to some volatility in recent years."

Higher levels of new build in both the private and public housing sectors are expected to support growth in the kitchen market, however, the high proportion of flats and smaller houses may impact on the average value of kitchen furniture installed in this sector. Whilst the use of kitchen pods in the domestic environment remains low at present, particularly in comparison to bathroom pods, off-site manufacturing of key construction components is increasing and this may support the wider use of kitchen pods in the social housing sector in the longer term and possibly in the flats and apartments sector. The sale of kitchens with installation included is also likely to continue to increase, since IKEA, B & Q, Wickes and Homebase are among the companies now promoting this service strongly.

The '**Domestic Kitchen Furniture Market Report – UK 2017-2021 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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