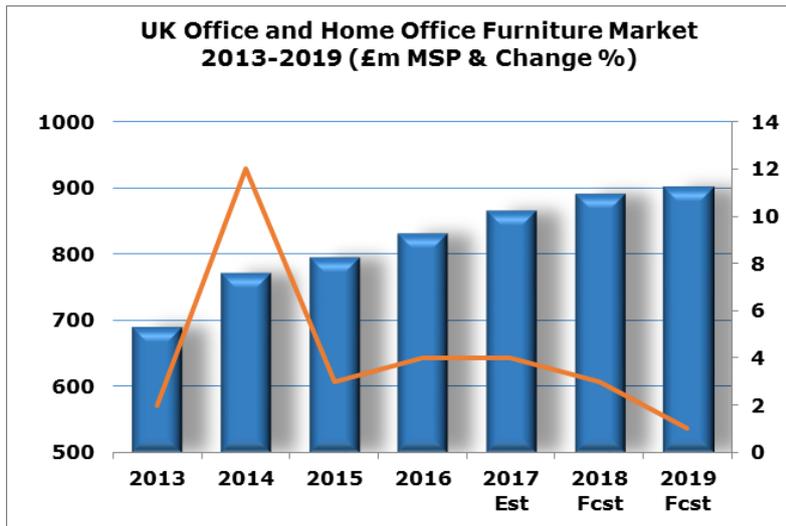


4% growth in the UK office and home office furniture market in 2016

July 2017 – Cheltenham, UK



The UK office and home office furniture market is estimated to have grown by 4% in 2016, with similar growth forecast for 2017. While the excess production capacity in the industry has mostly been absorbed, the market remains very competitive for all suppliers and market value remains below the peak year of 2001. Recent growth in the market has been largely the result of large scale office development or refurbishment and has benefited the fit-out specialists and larger dealers.

Business confidence has improved steadily as the economy has grown. The commercial new build sector is relatively buoyant, with new office construction increasing, albeit remaining well below the levels reached in the past. The most significant growth has taken place in the City and Greater London, with anecdotal evidence suggesting that regional centres are also increasingly attracting developers. However, forecasts for the next three years indicate a decline in the construction of offices due to Brexit related uncertainty and pressure on space.

The UK office furniture market has split into two broad categories, the corporate sector serviced by UK and overseas branded suppliers, either directly to end users or via fit-out specialists and furniture dealers and the SOHO sector supplied mainly from China and other low cost producing countries via mail order, the Internet and retail outlets.

A large proportion of home office furniture is supplied in flat pack form by specialist manufacturers and sold through outlets such as IKEA, Argos, Staples, and Tesco Direct. The home office has grown during the review period but is no longer increasing its share of the overall market.

Imports are significant in the office and home office furniture market and account for around a 35% share, with China as well as EU countries including Germany, Italy, France and Sweden important suppliers. The office furniture market remains fiercely competitive, with a large number of suppliers operating in the market, despite some high-profile casualties in the past.

The UK office furniture market is expected to show slowing growth until 2021, with annual growth rates of 3-4% from 2017 onwards, as a result of the uncertain outlook for the economy as a whole" said Fiona Watts at AMA Research. "Technology will continue to influence the market, with more companies adopting wireless, network stations and VoIP systems, and this is likely to stimulate demand in some sectors in the longer term."

Changes are likely in individual product groups. For example, demand for smaller desks will continue, reflecting technological developments and changing work practices, and some value will be added through the introduction of more accessories and a greater level of integration with other office products. The demand for wave desks and benching systems is expected to continue, reflecting a preference for open plan offices, and more adjustable height desks are also likely to be introduced to cater for stand-up/sit down arrangements.

The number of people working from home, either as self-employed or as employees, is likely to increase steadily in the medium term, as firms realise the benefits to be achieved from providing flexible working arrangements for their staff and this trend should continue to benefit the SOHO sector of the market. This sector is likely to continue to develop positively, with the choice offered by online suppliers and retailers increasing as more employees work from home, although wireless connectivity, laptops, and tablet usage is likely to impact on the demand for desks.

The '**Office and Home Office 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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