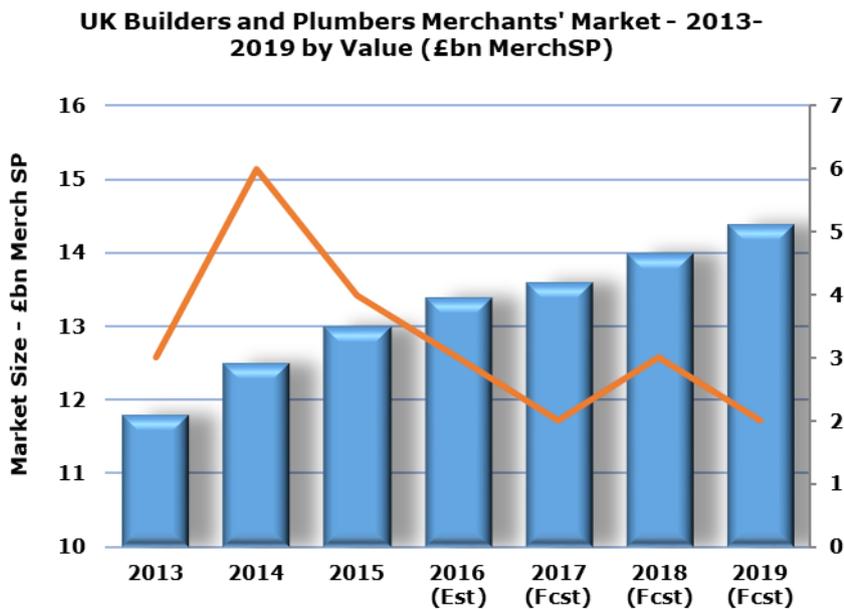




# PRESS RELEASE

## Prospects for the UK Builders and Plumbers Merchants market cautiously optimistic

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It is estimated that the UK builders and plumbers merchants' market will see growth of 2% in 2017, compared with 2016, in value terms. The end use sectors of the merchants' market have fared differently reflecting each sectors' construction performance. However, most end-use sectors have experienced growth since 2013 stimulating demand for merchants' products, with key sectors including housebuilding, offices, infrastructure, industrial and education.

The merchants remain an important distribution channel in the overall construction market. However, the merchants' market has undergone some significant structural changes, with many national operations consolidating and restructuring to streamline and enhance multi-channel offerings, and the regional sector has expanded branch networks. The market is currently dominated by a group of 5 organisations, that together account for an estimated 75% share of the market, by value.

Builders and plumbers merchants offer an extensive range of products, although traditional building materials dominate the product mix. Competition from other channels, particularly the internet and home improvement multiples, continues to impact on the market. However, merchants appear to have outperformed home improvement multiples in recent years and their expansion into e-commerce has offset some of the movement towards internet-only distributors.

The role played by buying groups continues to be important, particularly for regional and local merchants, as considerable benefits can be derived by membership. This sector has also undergone changes with some of the leading organisations merging in recent years.

*"Prospects for the merchants' market remain optimistic, although cautious, with confidence in the continued recovery of the UK economy positive but tempered by the uncertainty of the outcome of Brexit negotiations"* said Fiona Watts, Editor of AMA Research.

*"Drivers in the residential sector include under-investment in the housing stock in terms of new build requirements and the age of the current dwellings, which has stimulated expenditure on RMI activity, and the continued confidence in the new housebuilding sector in terms of starts, forward reservations, completions and average prices."*

The cost of fuel and energy as well as the volatility of the exchange rate of Sterling against both the US Dollar and the Euro are also likely to drive up prices, causing the market value to increase. Growth in the builders and plumber merchants market is likely to be moderate over the next 3-4 years, with growth rates of 2-3% per year forecast by AMA Research until 2021.

New opportunities may arise from the demand for greater sustainability in construction materials and materials with a low-carbon footprint. Investment in online and mobile websites - in terms of improvements to product offering, availability and ordering process, as well as overall customer service - may also contribute towards growth. It is likely that those companies that embrace online selling and service will see higher growth than those that stick with a more traditional approach.

The '**Builders and Plumbers Merchants Market Report – UK 2017-2021 Analysis**' is published by AMA Research, a leading provider of market research and consultancy services with over 25 years' experience within the construction and home improvement markets. The 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:**

If you would like to receive more information on the report, or would like to speak to the author, then please contact Anna Eriksson on 01242 235724.

Please include our web address and/or 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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