

## Interior Refurbishment and Fit-Out Market Report - UK 2018-2022

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### Introduction and Overview

The 7th edition of AMA Research's report on the **UK interior refurbishment and fit-out market** provides detailed insight including a review of important trends and influences in the industry. It reviews the UK market for interior refurbishment and fit out services, covering all non-domestic building applications from the perspective of prime fit-out and interior refurbishment contractors.



### Key content covered:

- Interior refurbishment and fit out market - size, structure, key trends and market prospects.
- Construction activity - review of current and future new build output in key end use sectors.
- End-use sectors - commercial offices, retail, education, healthcare and leisure & entertainment.
- Supply and distribution - review of leading contractors and trends within the supply sector.
- Market forecasts - overall and for key end use sectors up to 2022.

### Key areas of insight include:

- Key market trends - market size and recent trends and developments.
- Construction activity - shift from new build to refurbishment and upgrading of properties in offices, healthcare and education sectors etc.
- Review of key market sectors - commercial offices, retail, education, healthcare and leisure & entertainment sectors.
- Supply chain review - analysis of key contractors, as well as main procurement methods.
- Market prospects to 2022 - analysis of the key factors affecting future industry direction.
- Detailed market data and insight on the interior refurbishment and fit-out market by AMA Research, a leading UK provider of construction market intelligence.

### Some of the companies included:

8Build, Alan Nuttall Partnership, Beck Interiors, Byrne Group, BW Workplace Interiors, Clark Contracts, Collins Construction, Como Interiors, County Contractors, Fourfront Group, Gilbert-Ash, Harvey Shopfitters, Havelock Europa, Mac-Interiors, Maris

Interiors, Modus Workspace, Morris & Spottiswood, Oktra, Paragon, Parkeray, Simpson (York), Structure Tone UK, Styles & Wood Group, Tétris-blau, Wates Smartspace, Willmott Dixon Interiors (WDI).

## Market Overview

- UK Market size by value - data for 2013-2017, with forecasts for 2018-2022 period.
- Key market issues - public sector budgets, construction industry skills shortages, continued growth of e-commerce, greater use of BIM techniques, etc.
- Construction output - new build output for key market sectors and market prospects.
- End use market mix - for 2017 and 2022, covering offices, retail, education, healthcare and leisure/entertainment.

## Key End Use Sector Review

- Offices - demand for commercial offices within Central London market (e.g. City, West End, Docklands) and other leading UK cities, plus shortages of Grade A office space and changing workplace design.
- Retail - shift in emphasis from large-scale developments to smaller format stores, growth of multi-channel retailing due to rising penetration of online shopping (e.g. Click & Collect).
- Education - demand for upgrades and refurbishment from schools, colleges and universities, changing pupil and student numbers, impact of Government measures (e.g. Priority Building for Schools) and investments into student accommodation.
- Leisure/entertainment - levels of refurbishment taking place in hotels, pubs/clubs, restaurants, gyms and fitness clubs, cinemas and betting/gaming, as well as strong growth in demand from budget chains in the hotels and gyms/fitness clubs sectors.
- Healthcare - continued impact of Government legislation changing the shape of the UK healthcare industry, move towards provision of more locally-based services, rationalization of the NHS estate to release funds and likelihood of investment into the care homes sector to cope with the ageing population.

## Market Structure and Supply

- Overview of industry structure - market polarisation and fragmentation, participation by large national builders, leading contractors etc.
- Company profiles - split by turnover bands, providing information such as financial performance, merger and acquisition activity, recent new product innovations, etc.

## Report Summary

Given the broad interpretation of 'interior refurbishment', the market definition used for the purposes of this report primarily consists of main contractors typically managing the interior fit-out element of non-domestic new build/shell & core developments and full upgrades or refurbishment of existing non-domestic premises.

The interior fit-out and refurbishment market, as defined in this report, has increased by 34% since 2013 in value terms. However, annual growth levels are starting to slow with more constrained growth forecast, for reasons such as the uncertain state of the UK economy, the deferral of major investment decisions, cuts to public sector budgets and a continued scaling back of large construction programmes.

In many end use sectors, demand for refurbishment services is being led by changes in the way industries operate, e.g. a much greater emphasis upon technology-based learning in schools and universities, as well as rising expectations amongst students, which has led to significant improvements in many HEI facilities. Annual levels of growth of around 2-3% are forecast for the next few years.

From a supply perspective, the industry remains fragmented. There have been relatively few major entrants into the interior refurbishment and fit-out market in recent years, since much of the turnover generated from leading companies is from repeat business or long-term contracts and store roll-out programmes. However, an increasing number of large national contractors have diversified into or expanded their operations within the fit-out market.

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