

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

Published: 14/05/2018 / Number of Pages: 81 / Price: £845.00

### 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.

## List of Report Contents

### Contents Listing

- 1. INTRODUCTION 7
- 1.1 BACKGROUND 7
- 2. SUMMARY 9
- 2.1 BACKGROUND 9
- 2.2 MARKET PROSPECTS 10
- 3. ECONOMIC ENVIRONMENT 12
- 3.1 GDP 12
- 3.2 INFLATION & INTEREST RATES 13
- 3.3 UNEMPLOYMENT 14
- 3.4 HOUSEHOLD CONSUMPTION 15
- 3.5 HOUSING & CONSTRUCTION 15
- 3.6 STERLING 16
- 3.7 POPULATION PROFILE 16
- 3.8 CONCLUSIONS 17
- 4. OVERVIEW OF FIT-OUT & INTERIOR REFURBISHMENT MARKET 18
- 4.1 DEFINITION 18
- 4.2 MARKET SIZE & TRENDS 18
- 4.2.1 Market Background and Size 18
- 4.2.2 Market Prospects 20

4.2.3 End Use Sector Mix	21
4.2.4 Construction Output	22
4.3 OTHER MARKET INFLUENCES	24
4.3.1 Building Information Modelling	24
4.3.2 Shortages in Traditional Construction Skills	25
4.3.3 Growth in E Commerce	26
5. COMMERCIAL OFFICES	28
5.1 INTRODUCTION	28
5.2 MARKET SIZE, TRENDS AND FORECASTS	29
5.2.1 Overview of the UK Office Market	29
5.2.2 Market Size and Recent Trends	32
5.2.3 Market Prospects	33
6. RETAIL	36
6.1 INTRODUCTION	36
6.2 MARKET SIZE, RECENT TRENDS AND FORECASTS	36
6.2.1 Market Size and Recent Trends	36
6.2.2 Market Prospects	39
7. EDUCATION	40
7.1 INTRODUCTION	40
7.1.1. Schools	40
7.1.2 Higher Education Institutions	42
7.2 MARKET SIZE, TRENDS AND FORECASTS	43
7.2.1 Education Interior Refurbishment and Fit Out Market Size	43
7.2.2 Schools and Colleges	44
7.2.3 HEIs	46
8. HOTELS, FOODSERVICE & LEISURE	49

8.1 INTRODUCTION	49
8.2 MARKET SIZE, TRENDS AND FORECASTS	50
8.2.1 Market Size and Trends	50
8.2.2 Hotels and Similar Accommodation	51
8.2.3 Food and Drinks Service Industry	53
8.2.4 Health & Fitness Centres / Leisure Centres	56
8.2.5 Other	56
9. HEALTHCARE	58
9.1 INTRODUCTION	58
9.2 MARKET SIZE, TRENDS AND FORECASTS	59
10. PROCUREMENT	63
10.1 COMMERCIAL OFFICES	63
10.2 RETAIL	64
10.3 SCHOOLS AND COLLEGES	65
10.4 HIGHER EDUCATION	66
11. MARKET STRUCTURE & SUPPLY	69
11.1 OVERALL STRUCTURE	69
11.2 COMPANIES WITH A TOTAL TURNOVER OF £100M PLUS	69
11.3 COMPANIES WITH TOTAL £50 - 99M TURNOVERS	73
11.4 COMPANIES WITH TOTAL > £10 - 49M TURNOVER	76
11.5 MAJOR CONSTRUCTION COMPANIES WITH FIT-OUT DIVISIONS OR UNITS	80

## **Tables & Charts**

CHART 1: FIT-OUT & INTERIOR REFURBISHMENT MARKET SIZE AND FORECASTS BY OUTPUT VALUE (£ BILLION AT CURRENT PRICES) 2013 -2022 9

TABLE 2: GDP DATA - 2015-2017 - KEY CONSTITUENT ELEMENTS 12

CHART 3: INTEREST RATES AND INFLATION (CPI) FROM 2000-2022 14

CHART 4: PDI & SAVINGS RATIO AT CURRENT PRICES 2000-2022 15

TABLE 5: EXCHANGE RATE FLUCTUATIONS 2014-2020 - STERLING TO THE DOLLAR, AND THE EURO, SPOT RATES 16

TABLE 6: UK FIT OUT & INTERIOR REFURBISHMENT MARKET SIZE AND FORECASTS £M 2013 -2022 18

CHART 7: UK INTERIOR FIT-OUT & REFURBISHMENT MARKET BY END USE SECTOR (OFFICES, RETAIL, EDUCATION, HEALTHCARE, LEISURE ETC) BY VALUE 2017 & 2022 21

CHART 8: NON-HOUSING CONSTRUCTION NEW WORK OUTPUT IN KEY MARKETS BY VALUE (£MILLION AT CURRENT PRICES) 2013-2021 22

TABLE 9: UK CONSTRUCTION INDUSTRY BY PROFESSION, 2012-2022 (NUMBER OF WORKERS) 26

CHART 10: NUMBER OF OFFICES IN ENGLAND & WALES BY REGION, 2017 29

CHART 11: CENTRAL LONDON OFFICE MARKET - OFFICE TAKE UP (MILLION SQUARE FEET) FOR PERIOD Q1 2015-Q4 2017 30

CHART 12: CENTRAL LONDON OFFICE MARKET - OFFICE VACANCY RATES (%) FOR PERIOD Q1 2015-Q4 2017 31

CHART 13: OFFICES INTERIOR REFURBISHMENT AND FIT OUT BY VALUE (£ MILLION) 2012 -2022 32

TABLE 14: VALUE OF CONTRACTORS OUTPUT IN THE OFFICE SECTOR £M 2013-2021 33

CHART 15: CENTRAL LONDON OFFICE MARKET - OFFICE SPACE UNDER CONSTRUCTION (MILLION SQUARE FEET) FOR PERIOD Q4 2015-Q4 2017 34

CHART 16: RETAIL INTERIOR REFURBISHMENT AND FIT OUT BY VALUE (£ MILLION) 2012 -2022 36

CHART 17: RETAIL NEW WORK OUTPUT BY VALUE (£ BILLION AT CURRENT PRICES) 2013 -2021 37

TABLE 18: UK RETAIL VALUE SALES EXCL. AUTOMOTIVE & FUEL - NOT SEASONALLY ADJUSTED - 2013-2017 (£BN) 37

TABLE 19: UK EDUCATIONAL ESTABLISHMENTS BY NUMBERS AND HEADCOUNTS, 2017 40

TABLE 20: EDUCATION CONTRACTORS NEW WORK OUTPUT (£M) 2012-2021 43

CHART 21: EDUCATION INTERIOR REFURBISHMENT AND FIT OUT BY VALUE (£ MILLION) 2012 -2022 44

CHART 22: NUMBER OF STUDENT ENROLMENTS IN THE UK (MILLION STUDENTS) - 2012/2013-2016/2017 46

CHART 23: UK ENTERTAINMENT MARKET - SHARE OF REVENUE BY SECTOR - FOOD SERVICE, HOTELS, PUBS, HEALTH CLUBS ETC. 2017 49

CHART 24: LEISURE INTERIOR REFURBISHMENT AND FIT OUT BY VALUE (£ MILLION) 2012 -2022 50

CHART 25: LEISURE AND ENTERTAINMENT CONSTRUCTION NEW WORK OUTPUT BY VALUE (£ BILLION AT CURRENT PRICES) 2013 TO 2021 51

CHART 26: TURNOVER IN THE UK HOTEL SECTOR (£ BN AT CURRENT PRICES) 2013 TO 2021 52

TABLE 27: TOP UK FOODSERVICE GROUPS BY OUTLET NUMBERS 2017 54

CHART 28: HEALTHCARE INTERIOR REFURBISHMENT AND FIT OUT BY VALUE (£ MILLION) 2012 -2022 59

CHART 29: HEALTHCARE CONSTRUCTION NEW WORK OUTPUT BY VALUE (£ BILLION AT CURRENT PRICES) 2013 TO 2021 60

TABLE 30: MAIN PRIVATE LANDLORD-DEVELOPERS ESTATES SIZES AND SUB-REGIONS 63

TABLE 31: UK RETAIL INDUSTRY - INTERIOR REFURBISHMENT & FIT OUT CONTRACTORS 65

CHART 32: FIT-OUT & INTERIOR REFURBISHMENT CONTRACTORS MIX 2016/2017 69

The '**Interior Refurbishment and Fit-Out Market Report - UK 2018-2022**' costs £845+VAT (if applicable) for a PDF version.

Other formats are available - [click here](#) for a information about available report formats. All AMA reports are sold with a single user licence as standard. For more information about AMA licences [click here](#).

## About AMA Research

Established in 1989, AMA Research is widely recognised as the leading specialist provider of market research to the UK building and construction industries. AMA's research and analysis goes beyond the more commonly available range of statistical and company information to provide expert, informed commentary and in-depth market analysis, making the reports a valuable and relevant resource for understanding the UK's construction and associated markets.

We offer the following:

- **Consultancy and bespoke research projects**
- **Published research reports** - 150+ high quality, detailed research reviews covering a wide range of environmental, building and construction products.

Our extensive experience and in-house research database enables us to offer specialised and flexible bespoke research services, as well as giving excellent value for money. Our experienced in-house team of researchers are experts in their fields and adept in conducting original and relevant research for reports or bespoke projects, and key decision makers across the building and construction industries, both in the UK and abroad, frequently use our high-quality reports as their primary source of market data.

To find out more about AMA Research, visit: [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or call us on +44 1242 235724