Shopfitting Market Report - UK 2017-2021 Analysis

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Introduction and Overview

The 5th edition of the **'Shopfitting Market Report - UK 2017-2021 Analysis'** reviews the key trends and demand for shopfitting services across a number of sectors, detailed analysis of the leading shopfitting and refurbishment contractors, and an overview of key construction products and materials used in the shopfitting sector.

Key issues covered in the report:

- Detailed analysis of key trends and demand for shopfitting services across a number of end use sectors - retail, banks and building societies, retail garages, cinemas, museums and art galleries.
- Assessment of the supply structure and a detailed analysis of the leading shopfitting and refurbishment contractors in each sector, together with revenues and sector experience.
- Analysis of expansion / refurbishment activity / development plans by key end-use clients within the shopfitting sector, including grocery and non-grocery retail; museum & gallery; retailing banking and airport retail.
- Analysis of usage and trends for key product sectors in the shopfitting sector including HVAC, glazing, ceilings and partitions, floorcoverings, lighting, merchandising equipment etc.

Areas of particular interest include:

- Market performance in 2016-2017 - review of growth prospects and key market drivers to 2021 - greater focus on refit programmes compared with new build schemes.
- The market is being driven by leading retailers and supermarkets in particular, investing in existing portfolios through fit-out and improvement works rather than adding new space through new build.
- Analysis of key challenges facing UK shopfitters in the face of rapidly evolving retail and leisure trends - pace of convenience/discount store format roll-out programmes, changing consumer habits, shifts in fashion/retailer branding, technology, constrained capital budgets, impact of e-commerce.
- Analysis of the likely impact of Brexit on consumer confidence and retail spending. Retailers are seeing profit margins squeezed by higher import costs, whilst sectors such as hotel and leisure are likely to benefit from the weak pound.

- Shopfitting contractors are diversifying into other commercial and public construction sectors, such as leisure, museums, airports and retail banking, with many increasing the range of services offered.
- Detailed market data and insight on the shopfitting market by AMA Research, a leading UK provider of construction market intelligence.

Some of the companies included:

Alan Nuttall Partnership, Barlow Interiors, Barnwood Shopfitting, Beck Interiors, Bridgford Interiors, BWI Holdings, Caledonia Contracts, County Contractors, Edmonds, Ellmer & Chorus, Harvey Shopfitters, Havelock Europa, Hurst Group, ISG, Morris & Spottiswood, Newman Scott, Overbury, Portview, Powells Group, Simons Group, Simpson (York), Styles & Wood, Vinci, Vitra, Wates.

The Market

- Shopfitting market - analysis by value from 2012-2016, with forecasts to 2021, key characteristics of this market. Impact of the economy and construction on the structure of the market - market trends and major factors influencing market development; e.g. 2016 autumn statement/2016 budget, impact of Brexit, retail developments, e-commerce, technology, planning regulations, legislation, environmental considerations.
- Contractors output in the shopfitting sector - construction market overview, output values and forecasts 2012-2021 in the commercial, retail and entertainment sectors. Main procurement routes used in the shopfitting industry - framework agreements etc, along with the specification process.
- UK retail market - market overview, retail construction output 2012-2021, retail sales & consumer spending, key trends in retail shopfitting.
- Major retail development plans - key players, grocery/non-grocery/discounters/convenience/shopping centre sectors, summary of investment and expansion plans etc, capital spending, scheme details, developers etc.
- Entertainment sector - market overview, entertainment & leisure construction output 2012-2021, key trends, key players, development pipelines.
- Retail banking/building societies - major players, development plans.
- Museums and galleries - funding, major projects etc.
- Other sectors - retail motor and showroom industry, airports and airport retail - leading companies, expansion & development plans, shopfitting issues etc.

Products and Suppliers

- Product mix estimates - ceilings & partitions, lighting equipment, contract flooring, commercial glazing, heating, ventilating & air conditioning (HVAC), merchandising equipment, etc. Trends by product sector, sector sizes, shopfitting market etc.
- Other product sectors - merchandising units and equipment, wallcoverings, security equipment, CCTV, fire alarms, bathroom/kitchen fittings and furniture, electronic accessories and office furniture.
- Structure of the shopfitting industry - leading 25 shopfitting companies - shopfitting expertise/services, key retail/leisure clients, projects, revenues etc.
- Key smaller shopfitting companies - profiles, sector experience, key clients, revenues.

- Key shopfitting companies in the airport, museum and motor retail industry.

Future Prospects

- Forecast of market development - short & medium term prospects up to 2021.
- Key market drivers - re-branding, impact of technology, continued focus on refurbishment rather than new developments, key growth sectors etc.

Report Summary

The shopfitting market has increased by 4% in 2016, following steady growth in recent years. Market growth has been driven by leading retailers and supermarkets in particular investing in existing portfolios through fit-out and improvement works. Retailers, particularly the supermarket retailers are all committed to investing in their existing estates to improve and enhance format rather than securing new space. This includes the expansion into convenience, online and multi-channel formats, which are creating an increasing demand for refresh, refit and refurbishment projects.

A number of other key issues are affecting the retail sector including the Government's overhaul of the planning system affecting retail planning and development; the growing importance of sustainability and ethical retailing and the growth of technology, which is changing how shoppers, retailers and suppliers engage with one another. The pace of convenience/discount store format roll-out programmes, changing consumer habits, shifts in fashion, shrinking retailer budgets and the challenge of shopper expectations impacting on store design and space requirements, are all influencing the sector and providing opportunities for shopfitters.

The UK Shopfitting market is complex and highly fragmented, with a large number of suppliers undertaking a wide range of activities, though the sector has seen a relatively high level of consolidation in recent years. Going forward, it is expected that the rate of consolidation activity will slow, however competition continues to be high and companies are increasingly required to provide a wider number of services to their customers. Although smaller companies will continue to dominate the mix, they will continue to be vulnerable in a market that typically offers low margins and where large retailers will often prefer to deal with large suppliers.

In 2017, the value of the UK shopfitting market is forecast to rise by a further 2%, with growth in the short to medium term forecast at around 3-4% per year, reflecting the projected increase in refit programmes compared with new build schemes. The opportunities for shopfitting contractors are likely to come from the value and discount retailers and the grocery convenience sector, along with refits and re-branding programmes in the entertainment sector. Growth of in-store concessions - collaboration between retailers is also likely to continue to grow. In terms of regional opportunities, the London retail fit-out market remains buoyant.

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