

“one **industry**  
one **voice**”

# Builders Merchant Building Index



Monthly report for February 2017

CIM

MARKETING  
EXCELLENCE  
AWARDS 2017



FINALIST  
BEST USE OF DATA AND INSIGHT – LARGE

# Building the Industry & Building Brands from Knowledge



# Contents

Click links to visit pages:	Page
<a href="#">Introduction</a>	<a href="#">5</a>
<a href="#">Overview</a>	<a href="#">6</a>
<a href="#">BMBI Expert Panel</a>	<a href="#">7</a>
<b>Monthly data:</b>	
<a href="#">Monthly BMBI indices, by category</a>	<a href="#">8</a>
<a href="#">Monthly index chart, unadjusted and adjusted for trading day differences</a>	<a href="#">9</a>
<a href="#">February index chart, by category</a>	<a href="#">10</a>
<a href="#">Monthly year-on-year chart, unadjusted and adjusted for trading day differences</a>	<a href="#">11</a>
<a href="#">February year-on-year chart, by category</a>	<a href="#">12</a>
<a href="#">February year-on-year chart, by category, adjusted for trading day differences</a>	<a href="#">13</a>
<a href="#">February v January chart, by category</a>	<a href="#">14</a>
<b>Quarterly data</b>	
<a href="#">Quarterly BMBI indices, by category</a>	<a href="#">15</a>
<a href="#">Quarter 4 index chart, unadjusted and adjusted for trading day differences</a>	<a href="#">16</a>
<a href="#">Q4 index chart, by category</a>	<a href="#">17</a>
<a href="#">Quarterly indices, by categories</a>	<a href="#">18</a>
<a href="#">Quarter 4 year-on-year chart, unadjusted and adjusted for trading day differences</a>	<a href="#">19</a>
<a href="#">Quarter 4 year-on-year chart, by category</a>	<a href="#">20</a>
<a href="#">Quarter 4 v Quarter 3 chart, by category</a>	<a href="#">21</a>
<b>Full Year data:</b>	
<a href="#">Latest 12 months compared with previous 12 months chart, by category</a>	<a href="#">22</a>

Continued over the page...

Click links above and overleaf to visit pages.

The 'Contents' link below brings you back to this page.

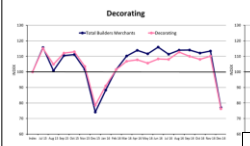
# Contents

## Continued

Click links to visit pages:	Page
<b>Monthly Category Charts:</b>	
<a href="#">Timber &amp; Joinery Products</a>	<a href="#">23</a>
<a href="#">Heavy Building Materials</a>	<a href="#">23</a>
<a href="#">Decorating</a>	<a href="#">24</a>
<a href="#">Tools</a>	<a href="#">24</a>
<a href="#">Workwear &amp; Safetywear</a>	<a href="#">25</a>
<a href="#">Ironmongery</a>	<a href="#">25</a>
<a href="#">Landscaping</a>	<a href="#">26</a>
<a href="#">Plumbing, Heating &amp; Electrical</a>	<a href="#">26</a>
<a href="#">Renewables &amp; Water Saving</a>	<a href="#">27</a>
<a href="#">Kitchens &amp; Bathrooms</a>	<a href="#">27</a>
<a href="#">Miscellaneous</a>	<a href="#">28</a>
<a href="#">Services</a>	<a href="#">28</a>
<a href="#">Methodology</a>	<a href="#">29 - 31</a>
<a href="#">Contacts</a>	<a href="#">32</a>

Quarterly reports contain additional analysis, macro-economic factors and expert comments. Click the images below to read or download the Q4 report.

### Quarterly Report Q4 2016

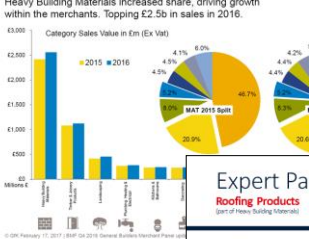


Monthly chart indexed on July 2014 = June 2015

### Macro factors impacting Merchants

### GfK Insights

#### Heavy Building Materials increased share, driving growth within the merchants. Topping £2.5b in sales in 2016.




Category Sales Value in £m (Ex VAT)

Category	2015	2016
Heavy Building Materials	4.1%	6.0%
Other	4.8%	4.2%
MAT 2015 Split	40.7%	5.9%
MAT 2016	20.0%	4.4%

### Consumer Confidence Barometer

How do you think prices will change in the next twelve months compared to now?



£ A16 M16 J16 J16 A16 M16 O16 N16 D16

### Expert Panel Roofing Products

Andy Williamson, Group Managing Director IKO Plc is BMBI's Expert for Roofing Products.

The final quarter of 2016 was in line with the rest of the year for roofing - inconsistent, but up on the same period of 2015. The industry went into 2016 with high expectations, but due to unexpected events such as Brexit, the US presidency, a fluctuating and higher rate, and the ensuing complications and consequences a number of projects were delayed in 2016, although this was largely unaffected in roofing, the single site market saw a critical swing to hot melt after years of strong growth.

The BMBI recently commented that house building has remained resilient, with some good regional growth outside London. TheRICS Q4 2016 Construction Market Survey saw expectations for workloads begin to ground following Brexit, after a continued rise around the time of the referendum. Both saw a reduction of good 2017 in roofing. This comes as firms are normally get in January and February mean there's usually lots of shed work to repair the damage done, so Q3 2017 should be up on Q4 2016.

There are still plenty of challenges, however. The RICS report also mentioned that skills shortages continue to be a key impediment to construction growth and with Article 50 to be triggered this year, this will become even more of an issue as EU workers foreign construction visas are more likely to be restricted.

Oil prices continue to rise - steel Chief Executive Ben van Bepkoer expects the point of peak global oil demand sometime in the 2030s - so we have to keep on going. We're also likely to see raw material rises and possibly new material shortages in some areas of roofing, which will affect prices, and therefore work.

One key issue for roofing is using torch-on products. We have seen too many fires caused by using a torch flame on a combustible substrate the example without being a representative expert here. This is a fire risk no matter how capable the roofer. Training can only help - but using the right products with the right applicants is even more important.

This year will bring its own challenges, and no doubt surprise us, but overall roofing should hold up well.

"The final quarter of 2016 was in line with the rest of the year for roofing - inconsistent, but up on the same period in 2015"

# Introduction

**John Newcomb, Managing Director BMF**



This Builders Merchant Building Index (BMBI) report contains data from GfK's ground-breaking Builders Merchants Panel, which analyses data from over 80% of generalist builders' merchants' sales throughout Great Britain. GfK's Builders Merchant Point of Sale Tracking Data is setting a new standard to give us a reliable market picture. Unlike data from sources based on estimates, or sales from suppliers to the supply chain, this up-to-date data is based on actual sales from merchants to builders and other trades.

Trend data in the BMBI is indexed on the 12 month period July 2014 to June 2015. The monthly series tracks what is happening in the market month by month and includes an in-depth review every quarter. This trend series gives our industry access to far more accurate and comprehensive data than that available to other construction sectors.

We recognise the importance of sharing this data. In this spirit, MRA Marketing produces the Builders Merchant Building Index to communicate to the wider market as the voice of the industry as well as the voice of individual Expert Brands: Crystal Direct, Keylite Roof Windows, Timbmet, Alumasc Water Management Solutions, Hanson Cement, IKO PLC, Keystone Lintels, Knauf Insulation, Encon Insulation, Ibstock and Heatrae Sadia, providing valuable commentary on market trends and influences.

Monthly reports include an Overview. Each quarter GfK's Ricky Coombes writes an Overview and Insights and I add a 'Merchants' View'.

GfK insights go deeper than the category sectors contained in this document. They can trace product group performance and track features that are relevant to you. GfK can also produce robust like-for-like market comparability tailored to the requirements of an individual business. As more merchants join to submit their monthly sales-out data the quality of this information can only become more extensive and rigorous. Merchants or suppliers who are interested in getting involved should contact Ricky Coombes at [Ricky.Coombes@gfk.com](mailto:Ricky.Coombes@gfk.com)

The BMBI website enables you to view indices from July 2015 and compare Landscaping with Heavy Building Materials, or Kitchens with Timber on our interactive charts. Download the latest report or previous reports, read the news or search through comments or blogs at [www.bmbi.co.uk](http://www.bmbi.co.uk). Follow us and the Experts [@theBMBI](https://twitter.com/theBMBI).

# Overview

## Positive start to 2017 continues – February sales up on last year when adjusted for trading days

### Year on Year

February sales were 1.1% down on February 2016 but average sales per day were 3.9% up when adjusted for a difference in trading days.

Six product categories saw marginal gains this February, including Tools (+1.8%) and Plumbing Heating & Electrical (+1.1%). Workwear & Safetywear (-3.6%), Decorating (-4.4%) and Services (-7.1%) saw the biggest declines.

### Month on Previous Month

February sales were up 6.1% on January (+11.4% adjusting for trading days). Despite February being wetter than January<sup>1</sup>, Landscaping was the top performer, up 23.5%. Other categories out-performing total merchants included Kitchens & Bathrooms (+12.3%) and Heavy Building Materials (+6.5%). Workwear & Safetywear was weakest (-6.2%), one of only two categories to sell less.

### Other periods

January and February sales combined were 2.8% ahead of the same two months last year. Tool sales were strongest (+5.0%). Timber & Joinery Products (+3.3%) and Heavy Building Materials (+3.1%) also did better than total merchants.

The three months December to February 2017 were 8.0% up on the same three months a year earlier (+4.4% adjusted for trading days). The rolling 12 months period, March 2016 to February 2017, was 4.5% up on the previous 12 months.

### Index

February's Builders Merchant Building Index was 100.5<sup>2</sup> (104.2 adjusted), up from 94.7 in January. Plumbing Heating & Electrical, influenced by seasonal factors, had the highest index (116.1). Other above average categories included Kitchens & Bathrooms (110.2), Ironmongery (109.4) and Tools (101.7).

For additional/deeper category insights and benchmarking please contact Ricky Coombes at GfK.

<sup>1</sup>Source: Met Office website. Monthly UK climate summaries.

<sup>2</sup>Indexed on monthly average, July 2014 – June 2015

Average sales per day were 3.9% up on February 2016 when adjusted for a difference in trading days.

# The Expert Panel

## Speaking for their markets



The Builders Merchant Building Index (BMBI) includes a growing panel of industry Experts. In each quarterly report they comment on the market, with a particular focus on the story behind the trends. Experts are leading brands, or brands aspiring to become leaders, who are the voice of their markets.

The Q4 2016 report, which includes commentary from our experts is available [here](#)

### Meet the Builders Merchant Building Index Experts:

**Steve Halford**, Group Managing Director, Crystal Direct is BMBI's Expert for PVCU Windows and Doors



**Andrew Simpson**, National Commercial Director Hanson Cement is BMBI's Expert for Cement and Aggregates



**Mike Beard**, Merchant Development Director, Encon Insulation is BMBI's Expert for Insulation Products - Distribution



**John Duffin**, Managing Director, Keylite Roof Windows is BMBI's Expert for Roof Windows



**Andy Williamson**, Group Managing Director IKO PLC is BMBI's Expert for Roofing Products



**Tony France**, Sales Director, Ibstock is BMBI's Expert for Bricks



**Nigel Cox**, Managing Director, Timbmet is BMBI's Expert for Timber & Panel Products



**Derrick McFarland**, Managing Director, Keystone Lintels is BMBI's Expert for Steel Lintels



**Paul Rivett**, Managing Director, Heatrae Sadia is BMBI's Expert for Water Heating



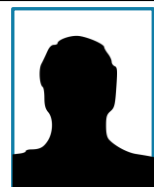
**Steve Durdant-Hollamby**, Managing Director, AWMS is BMBI's Expert for Civils, Metal Rainwater & Drainage



**John Sinfield**, Managing Director, Knauf Insulation is BMBI's Expert for Mineral Wool Insulation



Additional Experts will be joining the panel in 2017




# Monthly: Index and Categories

**February 2016\*** – **February 2017** (Indexed on monthly average, July 2014 – June 2015)

VALUE EX VAT £	Index	2016											2017	
		Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
<b>Total Builders Merchants</b>	<b>100</b>	<b>101.3</b>	<b>110</b>	<b>113.6</b>	<b>111.4</b>	<b>115.7</b>	<b>111.1</b>	<b>113.7</b>	<b>113.8</b>	<b>112.3</b>	<b>113.6</b>	<b>77.1</b>	<b>94.7</b>	<b>100.5</b>
Timber & Joinery Products	100	101.6	107.1	108.9	106	112.1	107.8	112.2	113.3	112.8	113.7	76.1	99.1	100.9
Heavy Building Materials	100	100.8	110.1	114.3	111.7	116.2	111.9	114.4	114.6	113.4	114.1	77	94	100.1
Decorating	100	101.3	106.6	107.5	105.4	108.1	107.8	112.5	109.8	108.3	110.4	76.3	92.8	97.0
Tools	100	99.7	104.1	106.9	99.8	104	101.5	102.4	104.6	106.5	111.3	74.8	97.6	101.7
Workwear & Safetywear	100	106.5	105.5	96.3	96.5	107.6	98.5	98.6	101	110.9	133.2	72.6	109.5	102.7
Ironmongery	100	108.9	113	112.8	110.9	112.8	111	115.8	119.8	118	119.9	84.6	107.5	109.4
Landscaping	100	88.9	115.7	137.7	144.2	144.7	132	129.2	119.9	110.2	97.2	62.4	71	87.7
Plumbing, Heating & Electrical	100	114.6	115.2	110.8	101.4	103.3	100.5	103.6	111.7	116	132.4	94	114.9	116.1
Renewables & Water Saving	100	71.8	72.5	67.1	64.8	75.5	63.7	63.1	72.8	61.2	73.4	42.4	68.1	76.2
Kitchens & Bathrooms	100	109	110.5	106.7	98	107.6	101.7	105.3	111.4	109.4	121.7	83.8	98.1	110.2
Miscellaneous	100	107.4	112.9	113.1	107.4	113.3	115.3	114.5	115.7	113.6	122.2	92.6	113.2	108.8
Services	100	102.3	114.6	111.3	116.7	116.1	115.5	115.2	111.1	108.3	107.1	81.3	87.8	95.0

\*Click the web link below to see the complete series of indices from July 2015.

 Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to February 2017



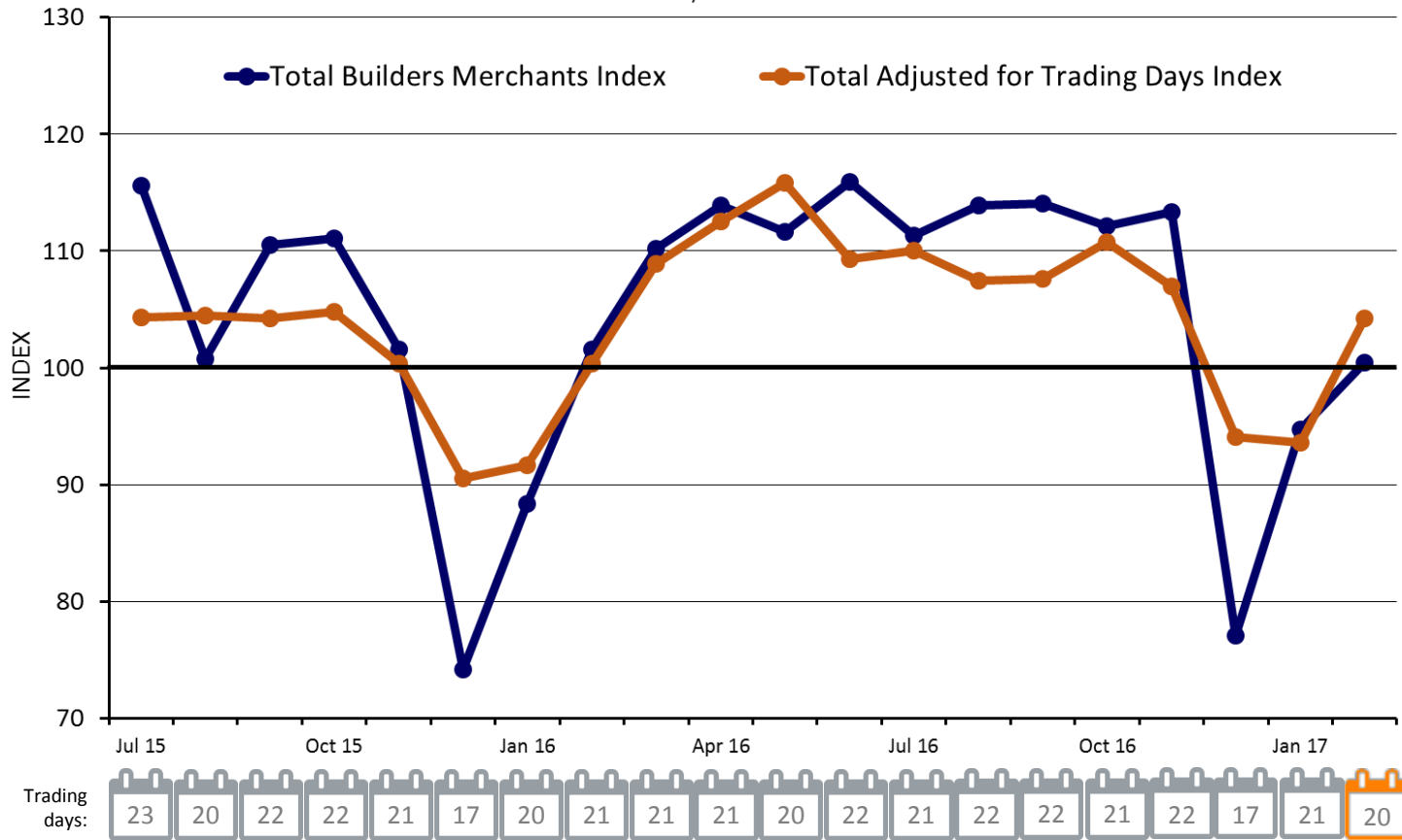
# Monthly Index

Adjusted for Trading Days



## Total Builders Merchants Index v Total Adjusted for Trading Days Index

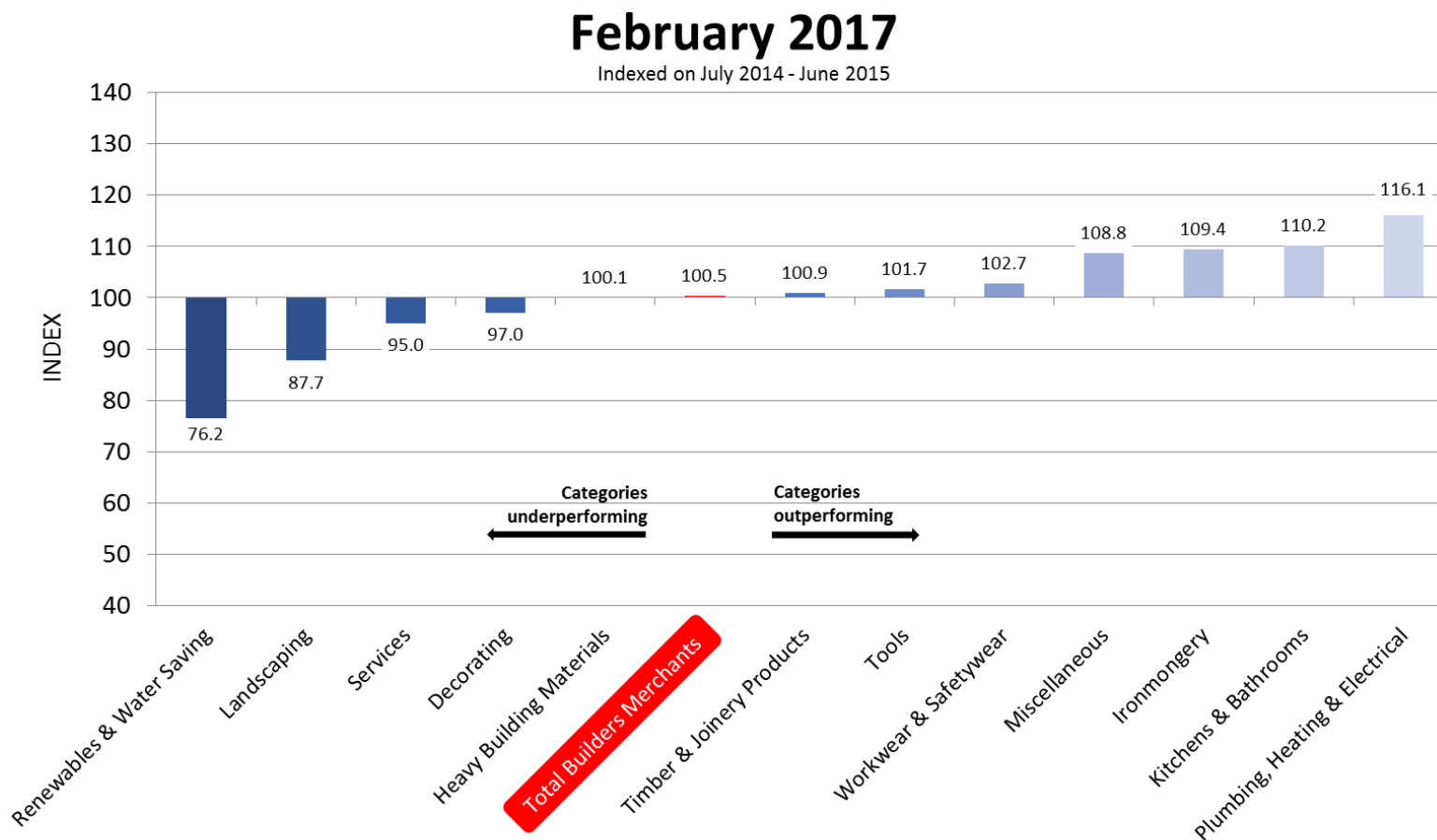
Indexed on July 2014 - June 2015



Source: GfK's Builders Merchants Total Category Report July 2015 to February 2017

# Monthly: Index and Categories

February 2017 index



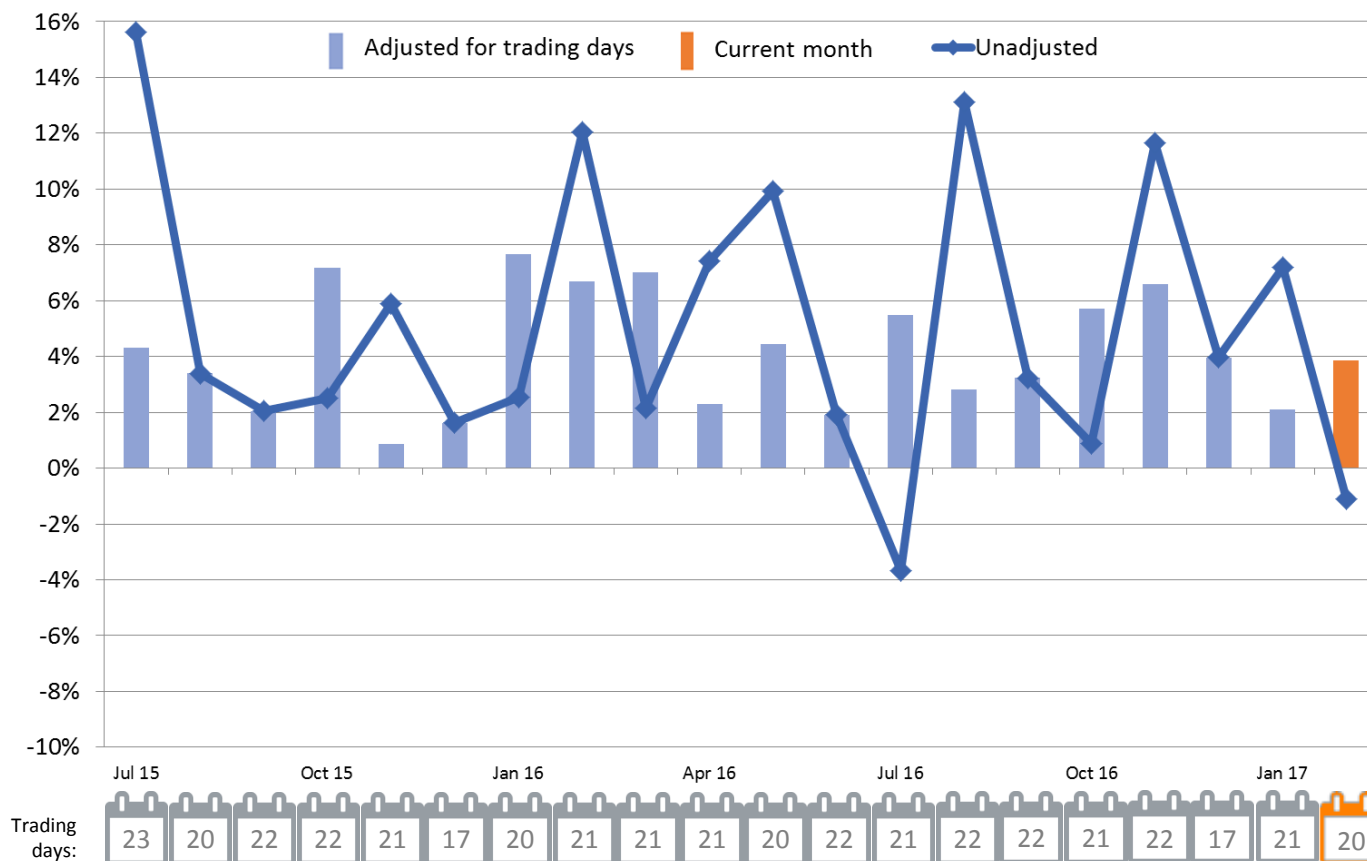
 Source: GfK's Builders Merchants Total Category Report July 2015 to February 2017

# Monthly Sales

Adjusted and Unadjusted for Trading Days



## Monthly: Year on Year

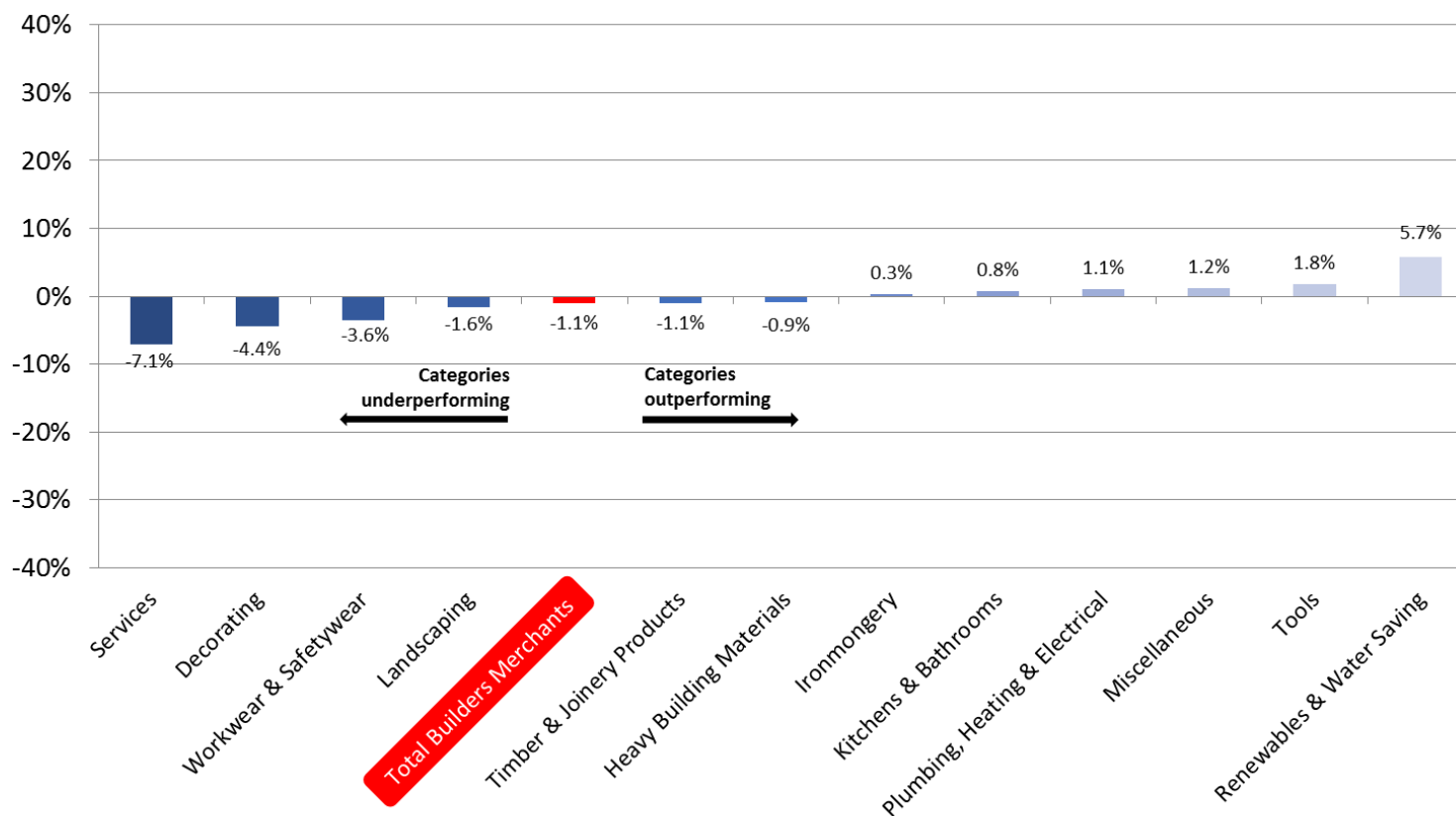


Source: GfK's Builders Merchants Total Category Report July 2015 to February 2017

# Monthly: this year v last year

February 2017 sales

## February 2017 v February 2016



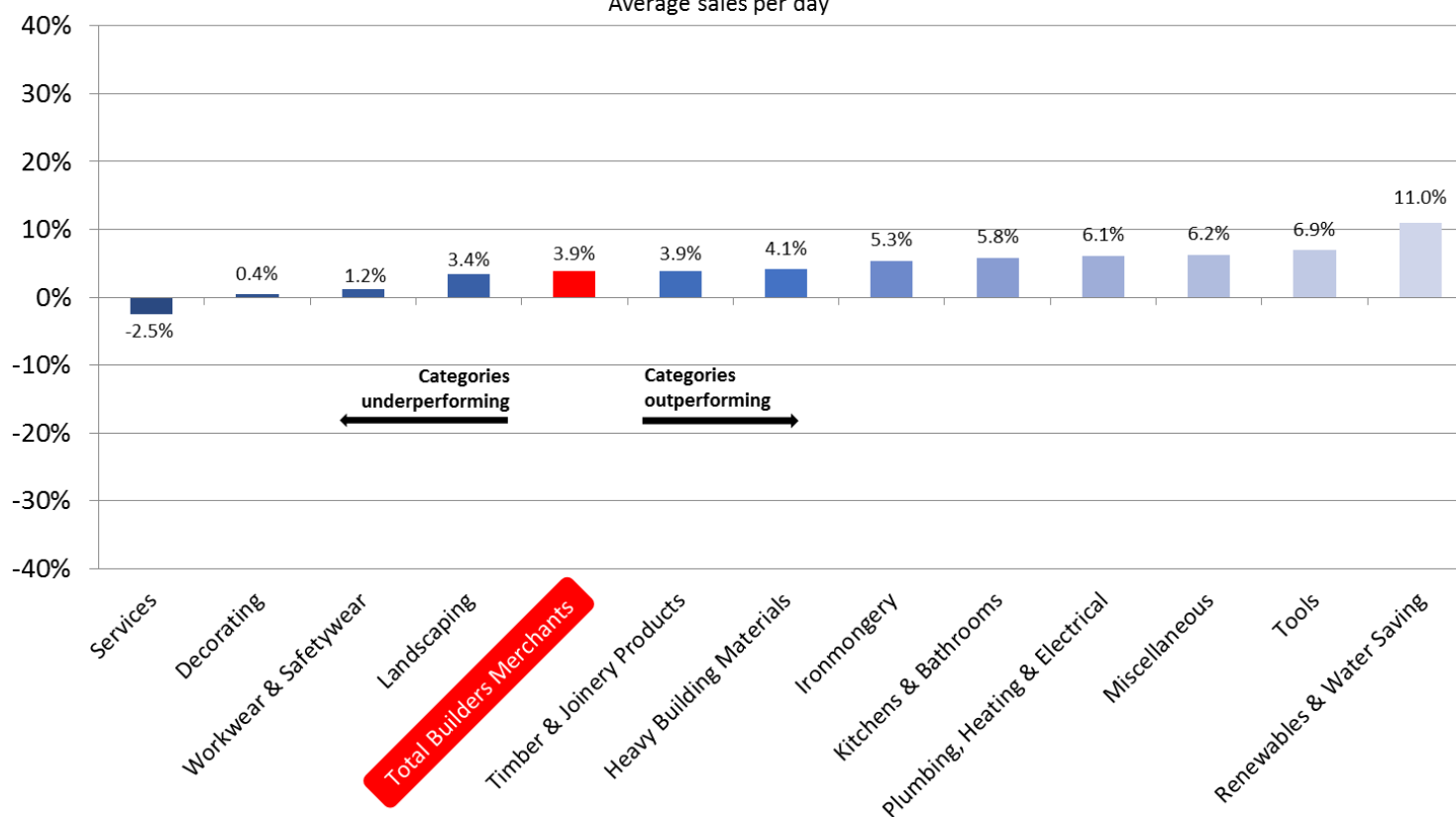
 Source: GfK's Builders Merchants Total Category Report July 2015 to February 2017

# Monthly: this year v last year

February 2017 average sales per day (ie. adjusted for trading days)

## February 2017 v February 2016

Average sales per day

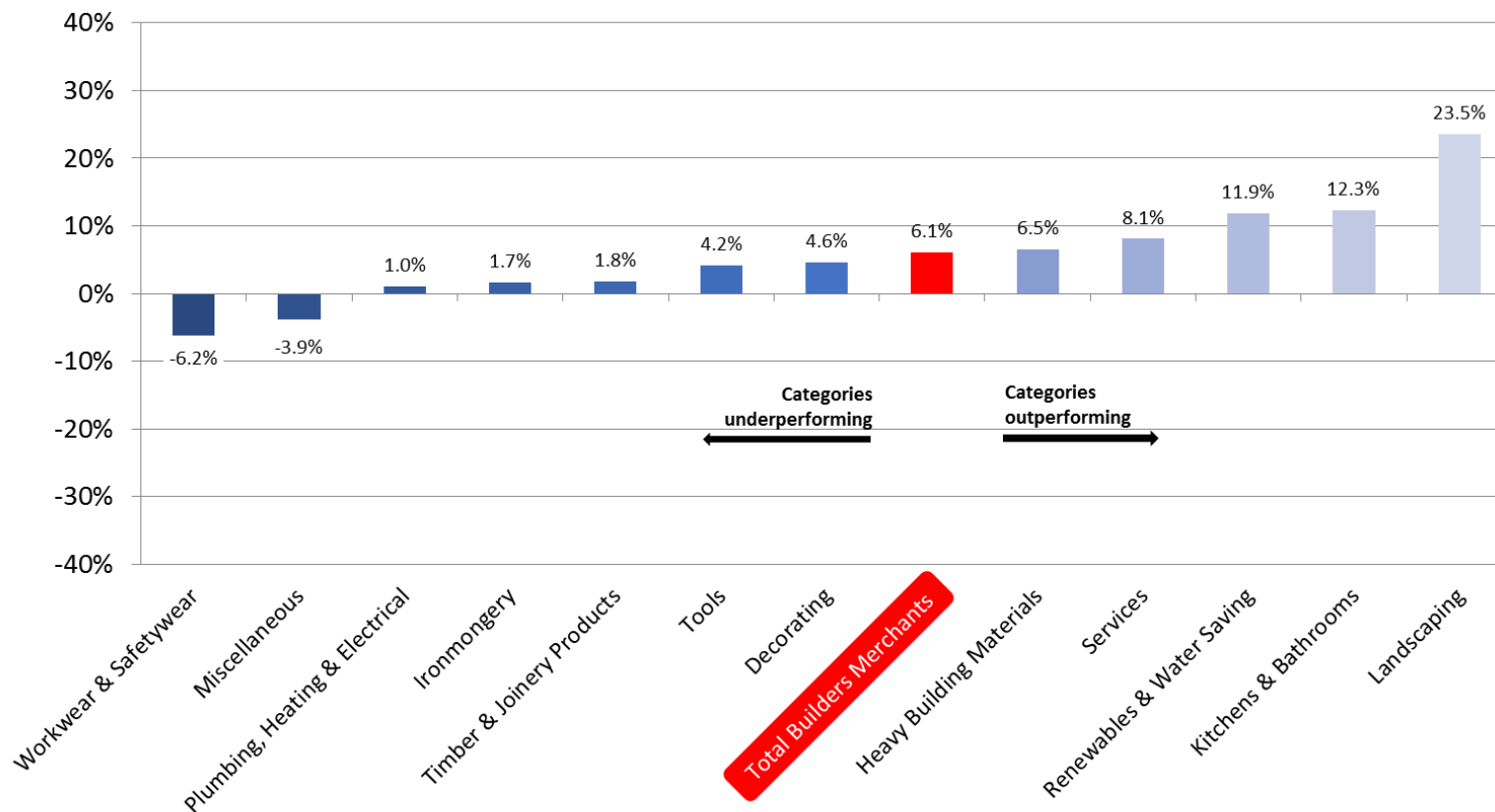


 Source: GfK's Builders Merchants Total Category Report July 2015 to February 2017

# Monthly: this month v last month

February 2017 sales

## February 2017 v January 2017



**GfK** Source: GfK's Builders Merchants Total Category Report July 2015 to February 2017

# Quarterly: Index and Categories

**Quarterly** (Indexed on July 2014 to June 2015)

VALUE EX VAT £	Index	Q3, 2015	Q4, 2015	Q1, 2016	Q2, 2016	Q3, 2016	Q4, 2016
<b>Total Builders Merchants</b>	<b>100</b>	<b>108.7</b>	<b>95.4</b>	<b>99.8</b>	<b>113.6</b>	<b>112.9</b>	<b>100.9</b>
Timber & Joinery Products	100	108.3	96.6	100.0	109.0	111.1	100.7
Heavy Building Materials	100	108.9	94.5	99.3	114.1	113.6	101.4
Decorating	100	110.4	98.1	99.6	107.0	110.0	98.2
Tools	100	102.5	95.1	97.8	103.5	102.8	97.3
Workwear & Safetywear	100	108.0	104.9	108.2	100.1	99.4	105.5
Ironmongery	100	109.1	101.6	107.5	112.2	115.5	107.4
Landscaping	100	115.9	81.3	89.9	142.2	127.0	89.8
Plumbing, Heating & Electrical	100	104.1	109.0	112.0	105.2	105.3	113.9
Renewables & Water Saving	100	82.5	90.5	74.1	69.1	66.5	59.0
Kitchens & Bathrooms	100	106.6	98.5	103.7	104.1	106.1	104.7
Miscellaneous	100	103.4	99.0	108.1	111.3	115.1	109.4
Services	100	107.9	99.0	101.0	114.7	113.9	98.9



Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to December 2016

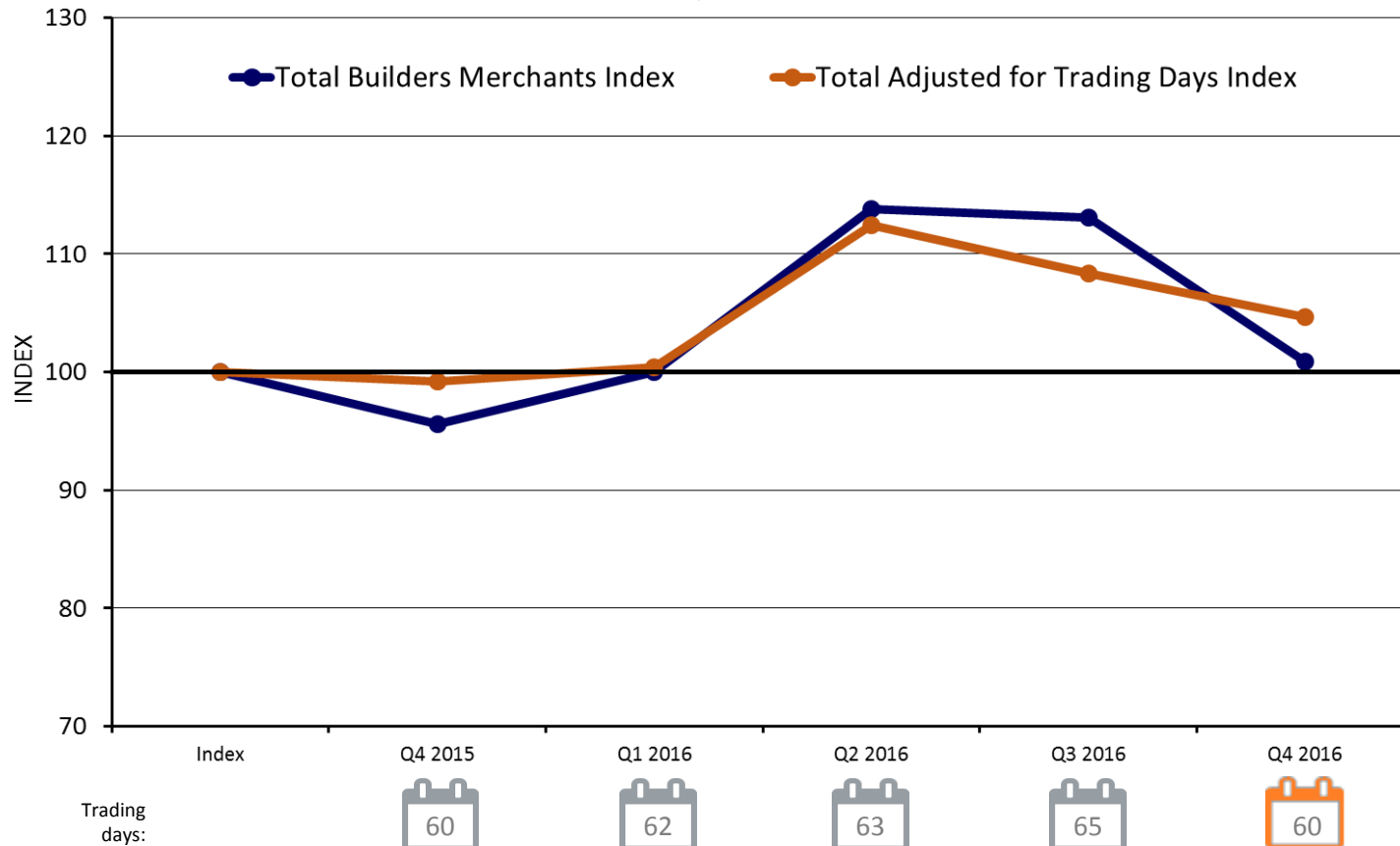
# Quarterly Index

Adjusted and Unadjusted for Trading Days



## Total Builders Merchants Index v Total Adjusted for Trading Days Index

Indexed on July 2014 - June 2015



 Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to December 2016

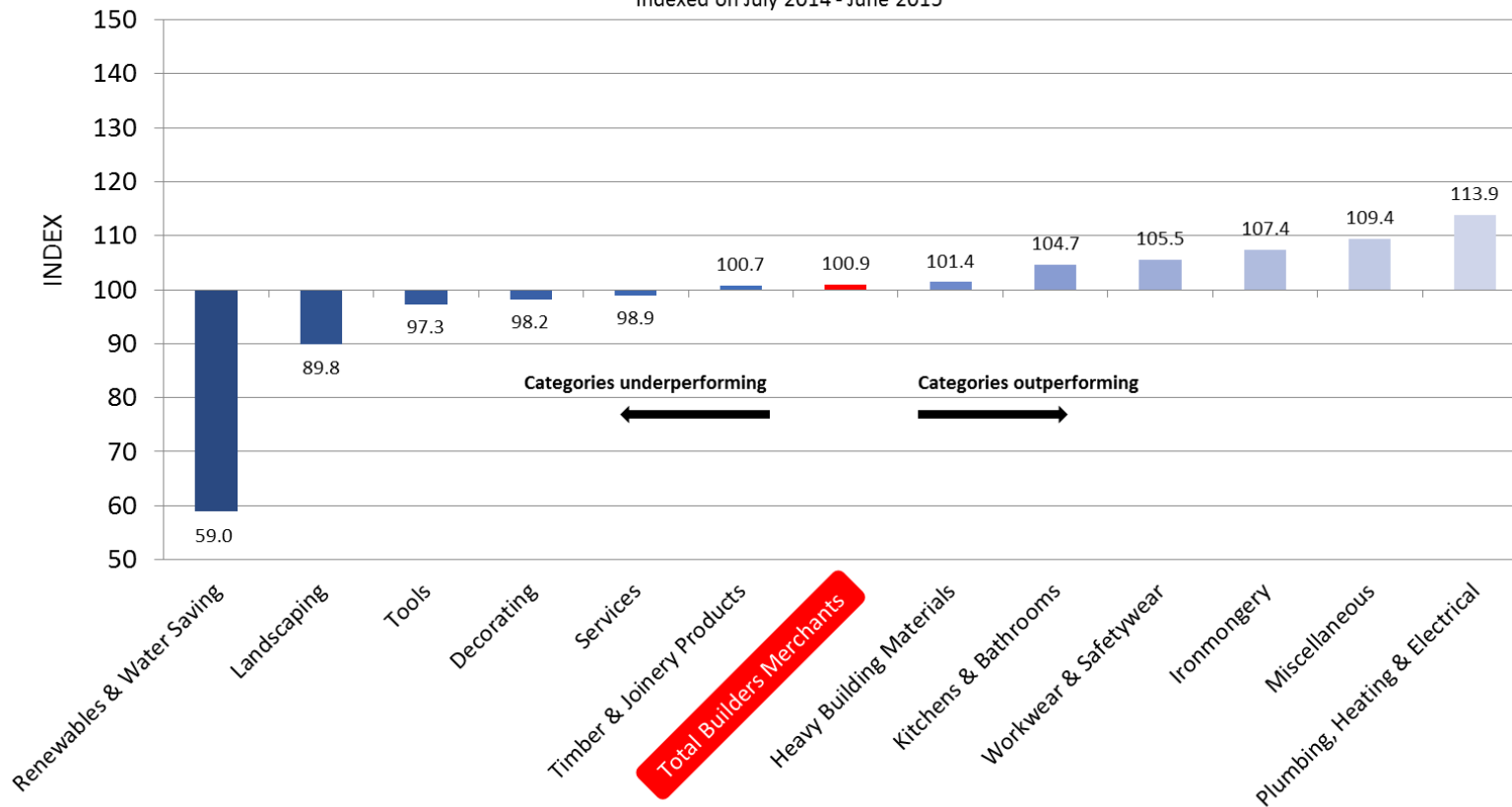


# Quarterly: Index and Categories

Q4 2016 index

## Quarter 4 2016

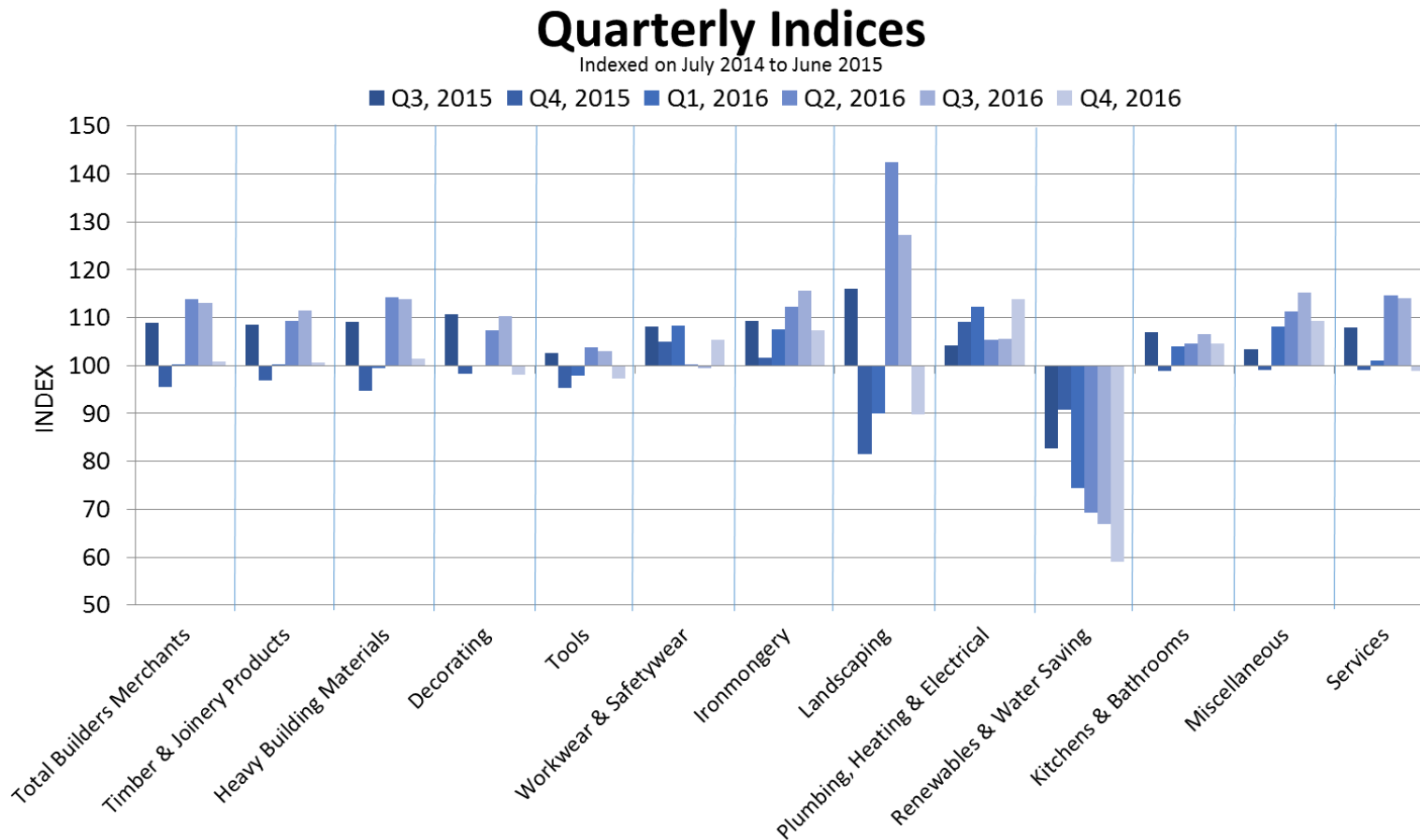
Indexed on July 2014 - June 2015



 Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to December 2016

# Quarterly: Indices and Categories

## Quarterly indices

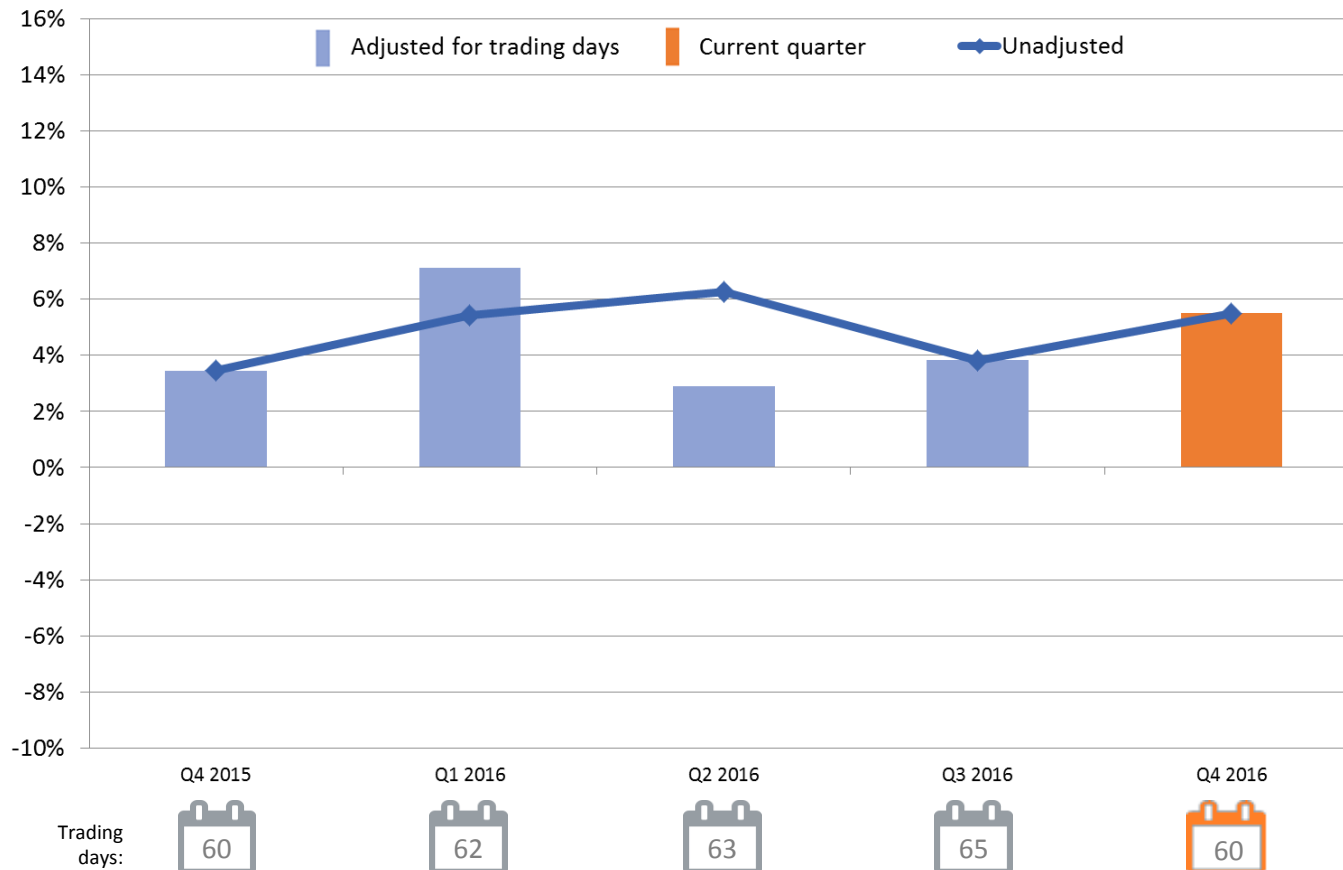


**GfK** Source: GfK's  
 Builders Merchants  
 Total Category Report  
 July 2015 to December 2016

# Quarterly Sales

Adjusted and Unadjusted for Trading Days

## Quarterly: Year on Year

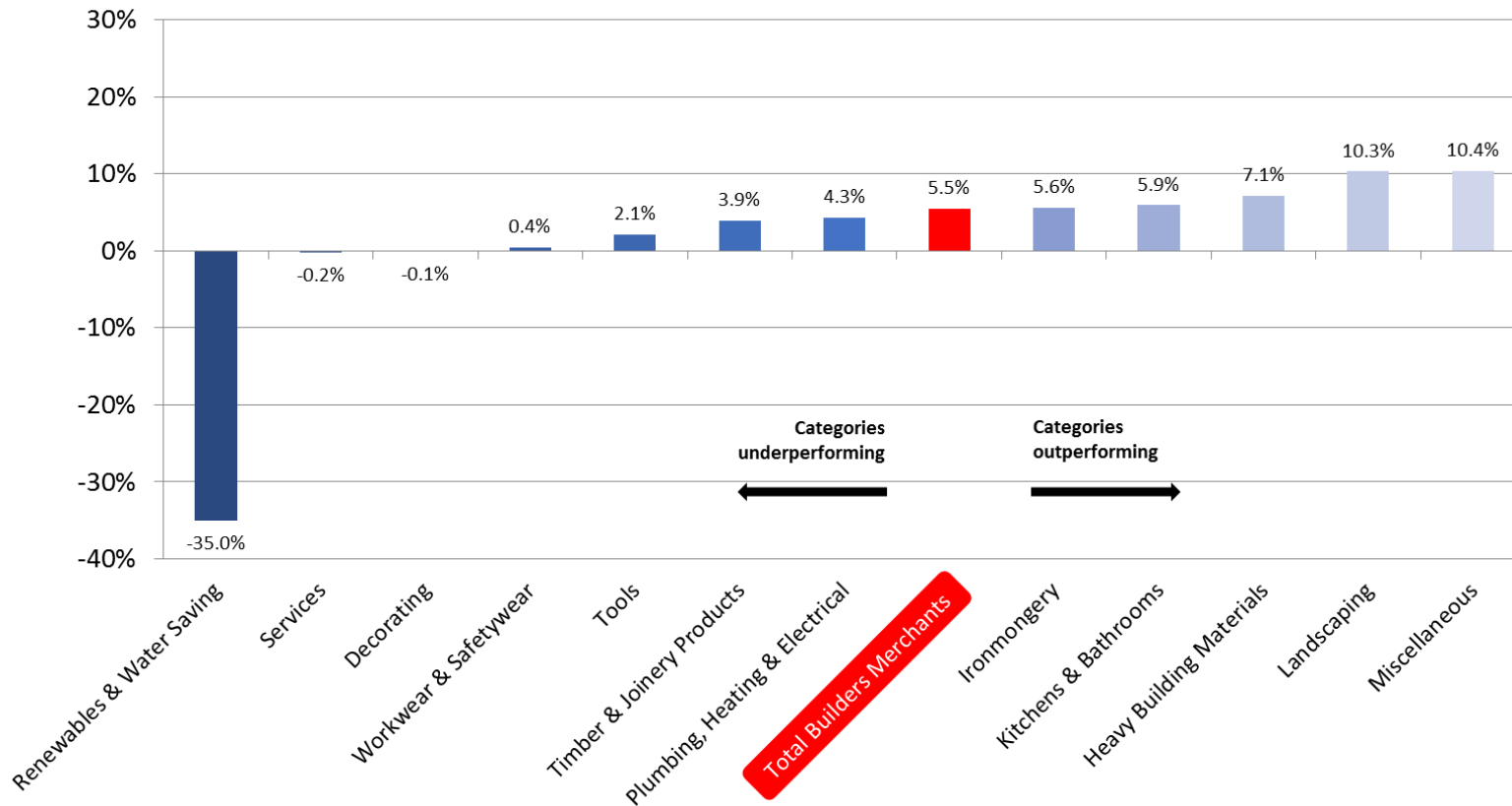


 Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to December 2016

# Quarterly: this year v last year

Q4 2016 sales

## Quarter 4 2016 v Quarter 4 2015

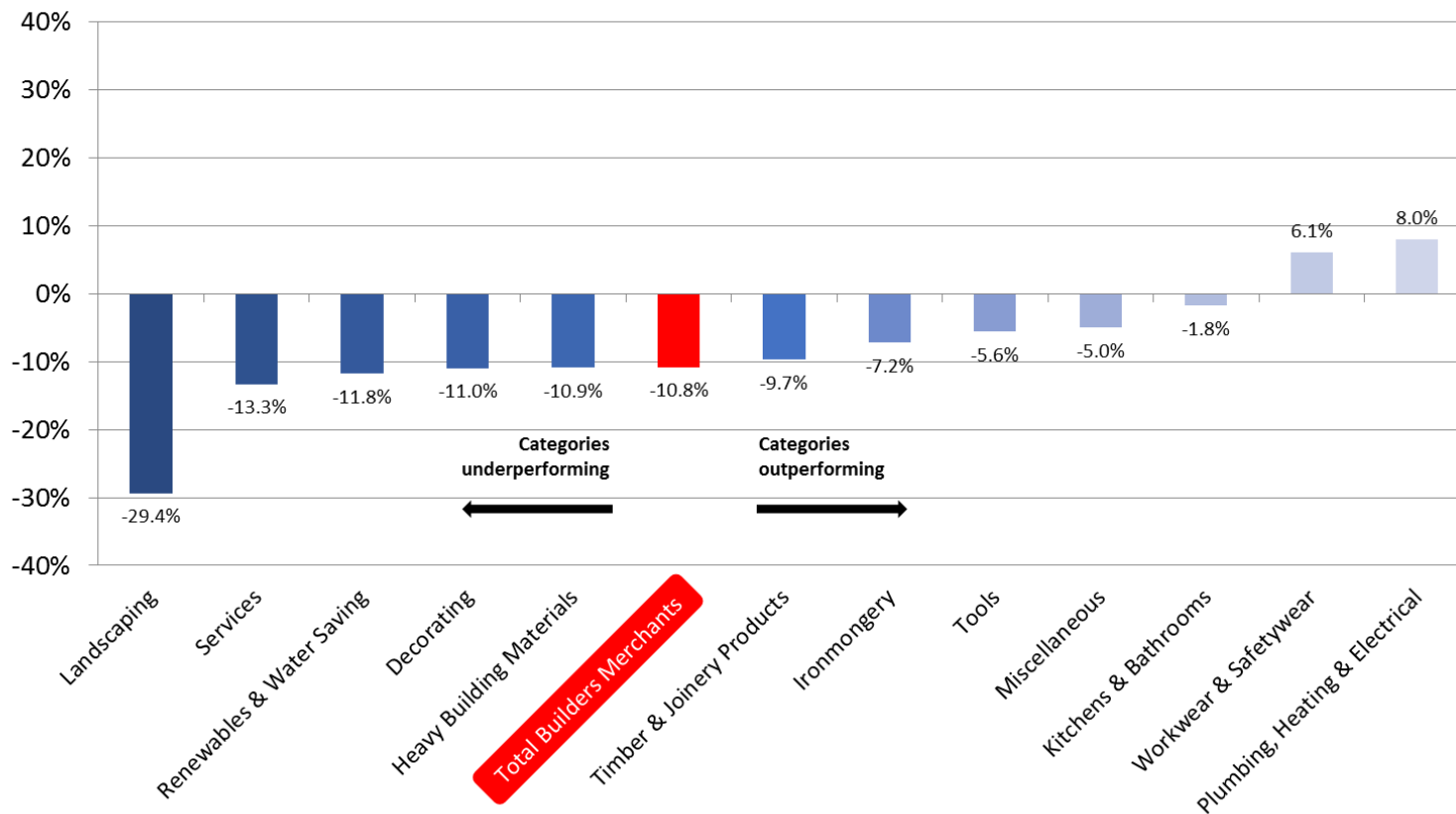


 Source: GfK's Builders Merchants Total Category Report July 2015 to December 2016

# Quarterly: quarter on quarter

Q4 2016 sales

## Quarter 4 2016 v Quarter 3 2016



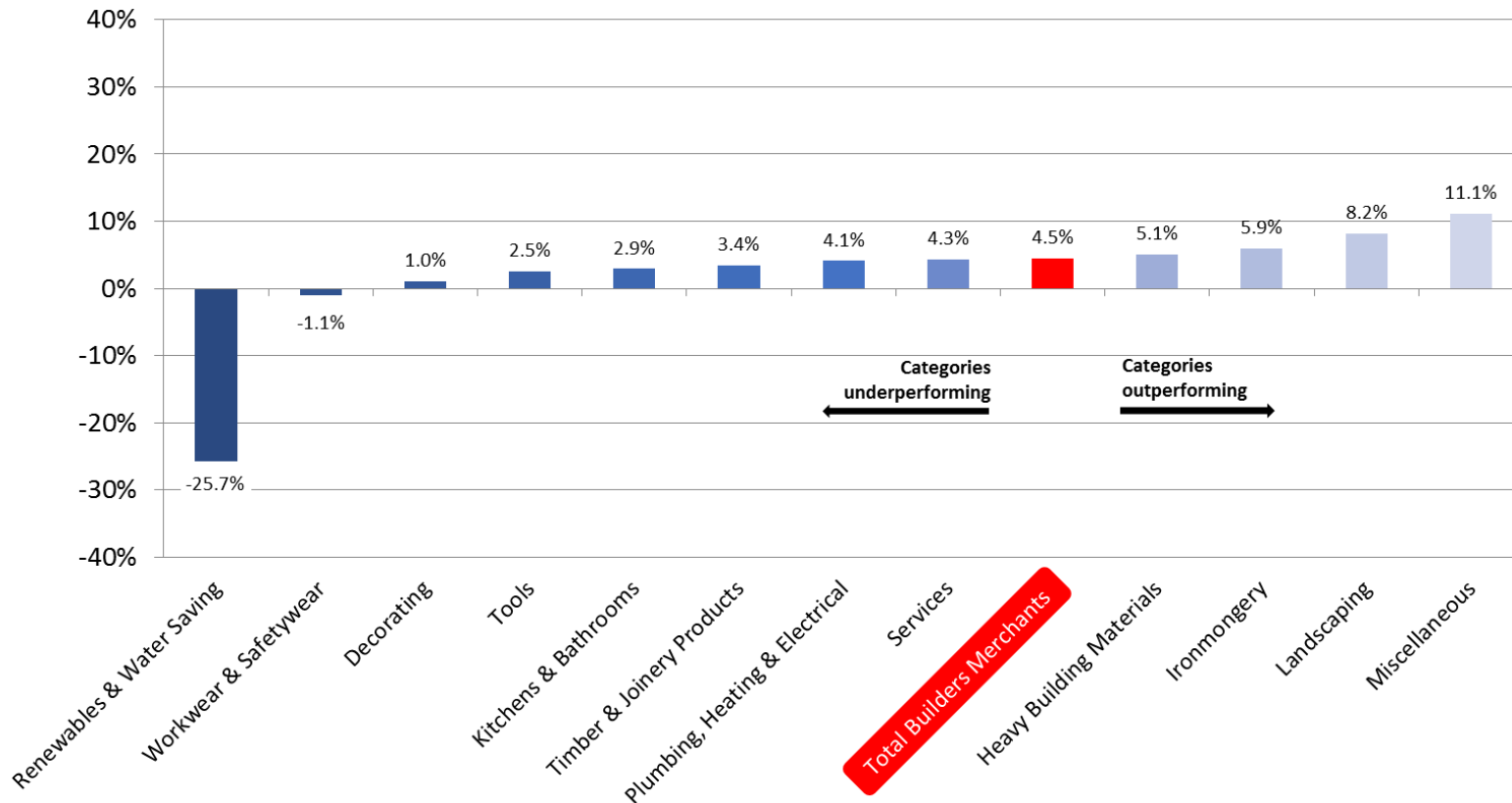
 Source: GfK's Builders Merchants Total Category Report July 2015 to December 2016

# Latest 12 months

Compared with previous 12 months



## 12 months Mar 16 to Feb 17 v 12 months Mar 15 to Feb 16

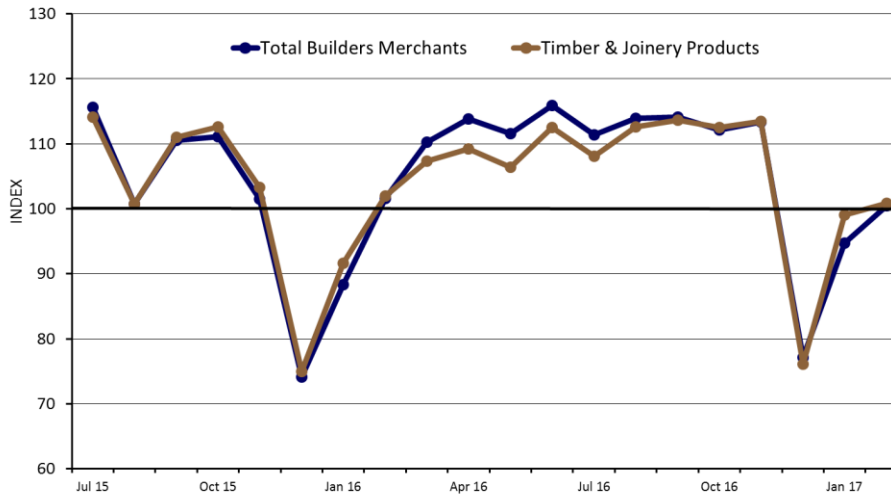


Source: GfK's Builders Merchants Total Category Report July 2015 to February 2017

# Monthly indices

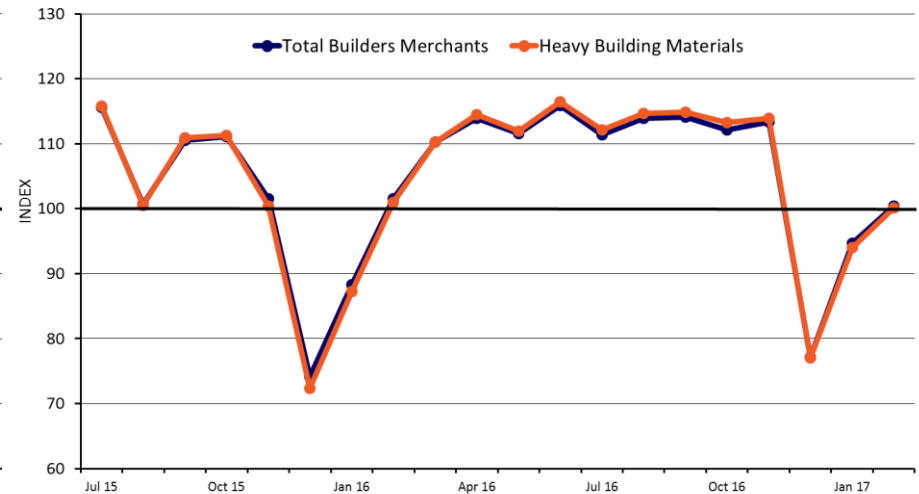
February 2017

## Timber & Joinery Products



Indexed on July 2014 – June 2015

## Heavy Building Materials



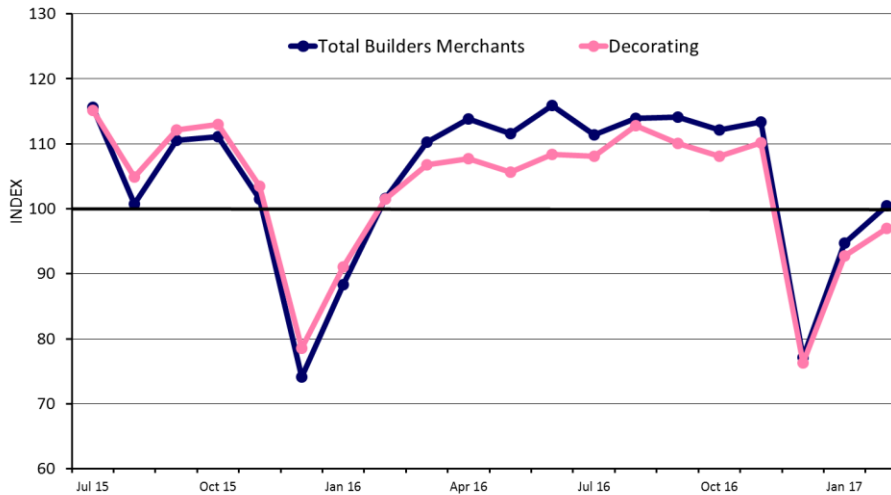
Indexed on July 2014 – June 2015

# Monthly indices

February 2017

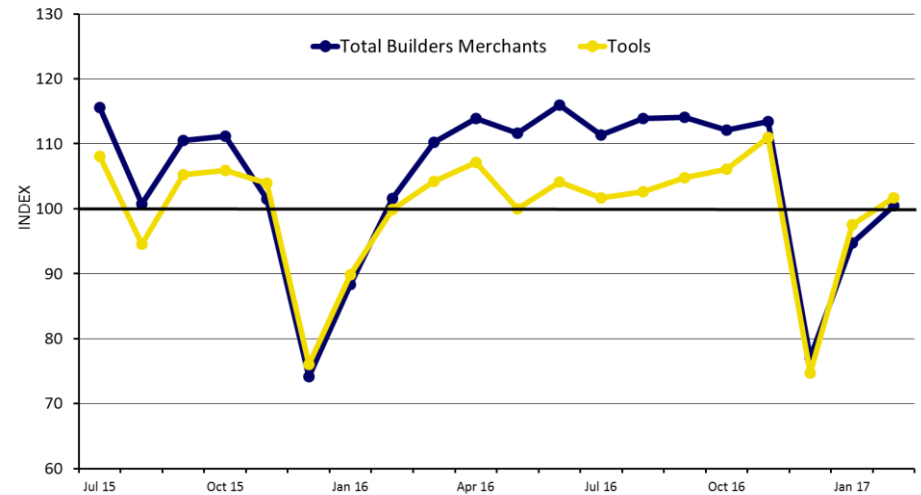


## Decorating




Indexed on July 2014 – June 2015

## Tools



Indexed on July 2014 – June 2015

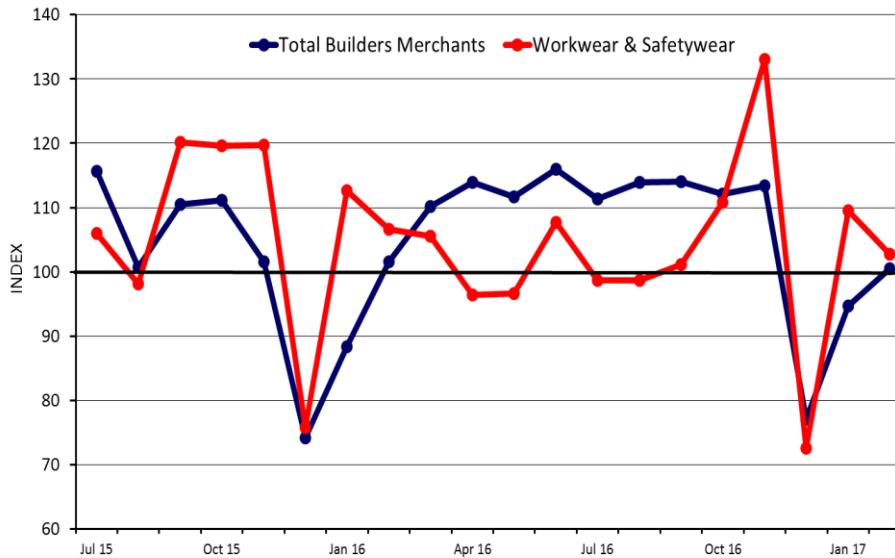

**Source: GfK's**  
 Builders Merchants  
 Total Category Report  
 July 2015 to February 2017



# Monthly indices

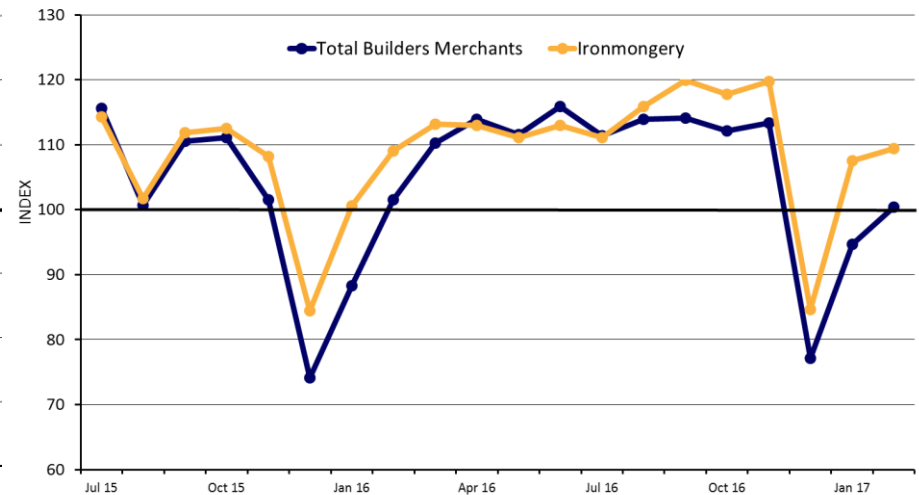
February 2017

## Workwear & Safetywear



Indexed on July 2014 – June 2015

## Ironmongery

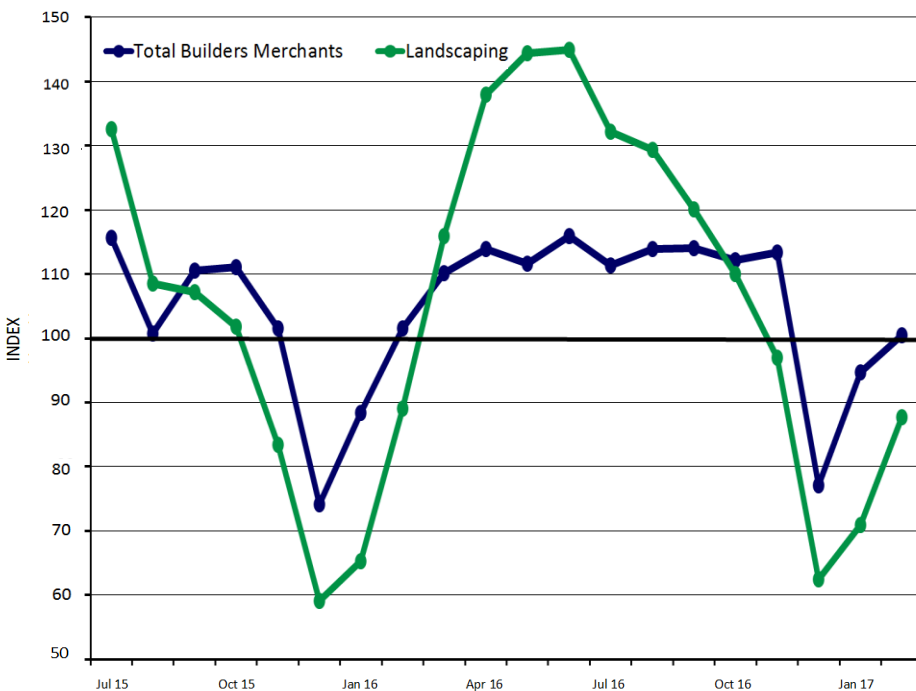


Indexed on July 2014 – June 2015

# Monthly indices

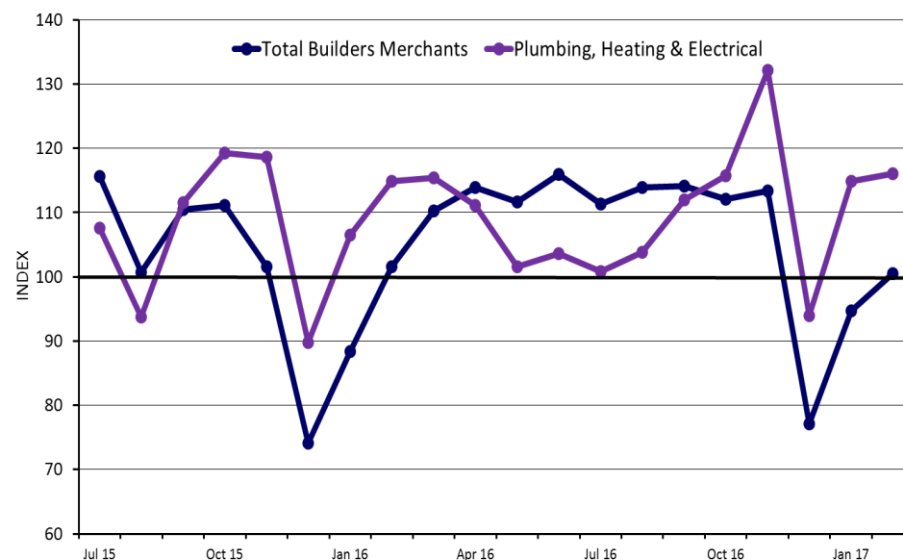
February 2017

## Landscaping



Indexed on July 2014 – June 2015

## Plumbing, Heating & Electrical



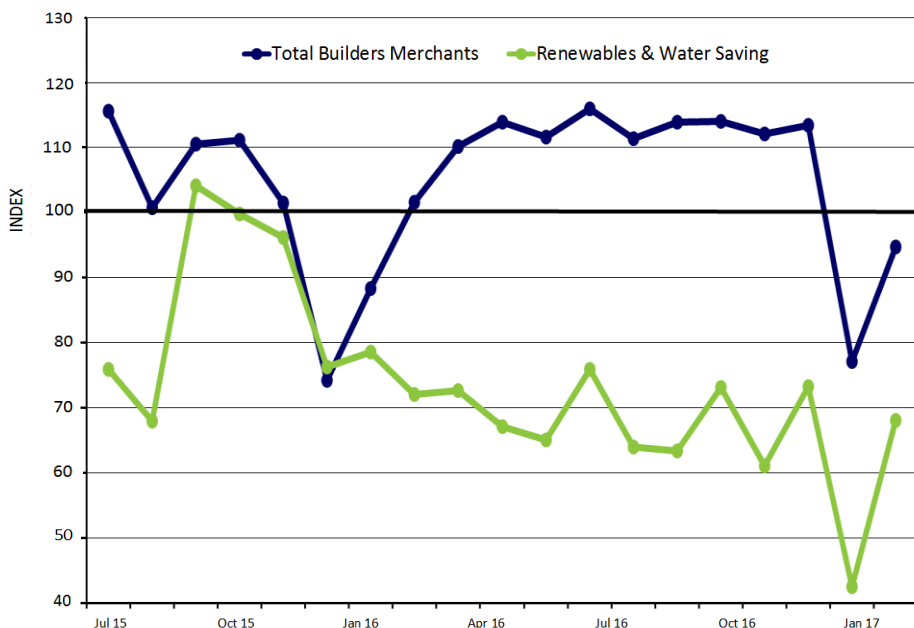
Indexed on July 2014 – June 2015

# Monthly indices

February 2017

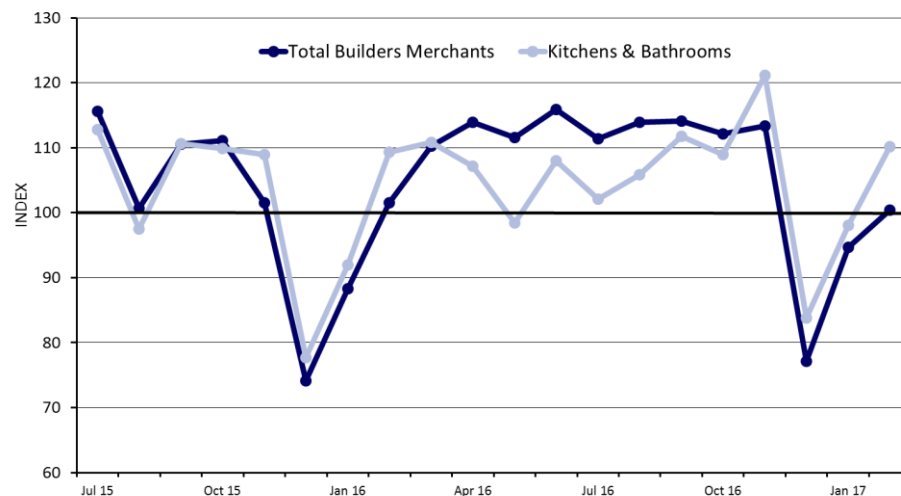


### Renewables & Water Saving



Indexed on July 2014 – June 2015

### Kitchens & Bathrooms



Indexed on July 2014 – June 2015

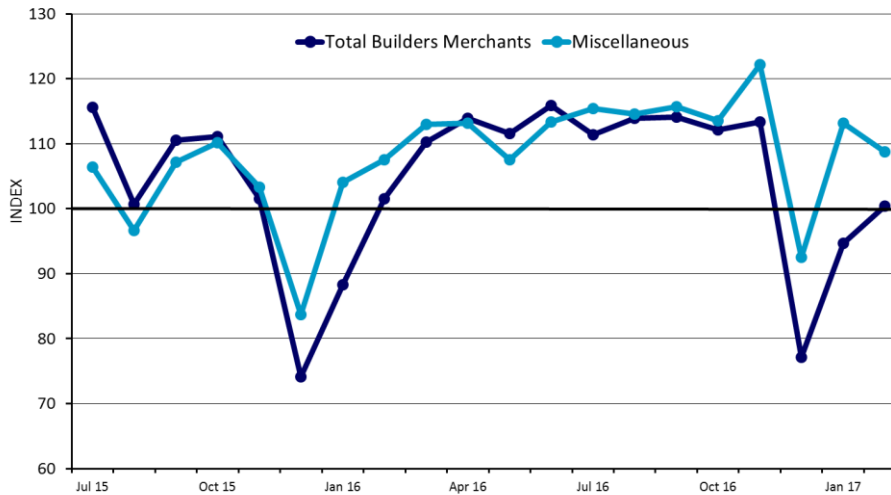
Source: GfK's Builders Merchants Total Category Report July 2015 to February 2017

# Monthly indices

February 2017

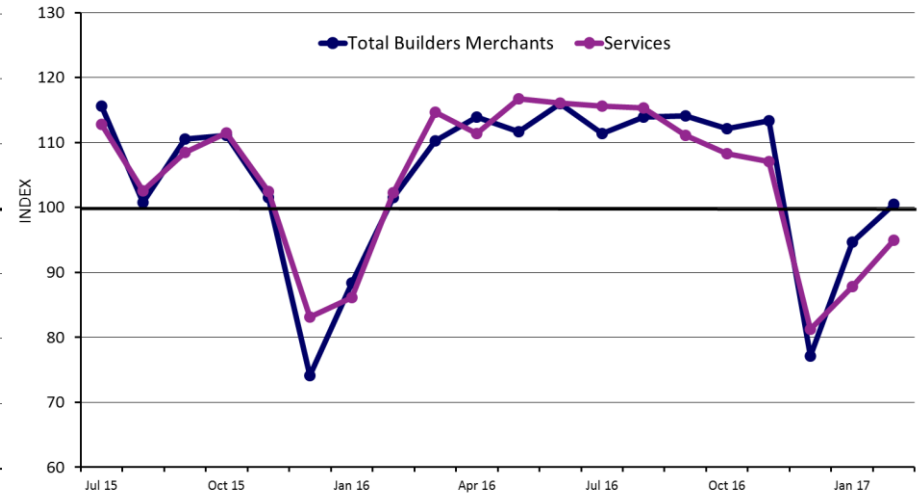


## Miscellaneous



Indexed on July 2014 – June 2015

## Services



Indexed on July 2014 – June 2015

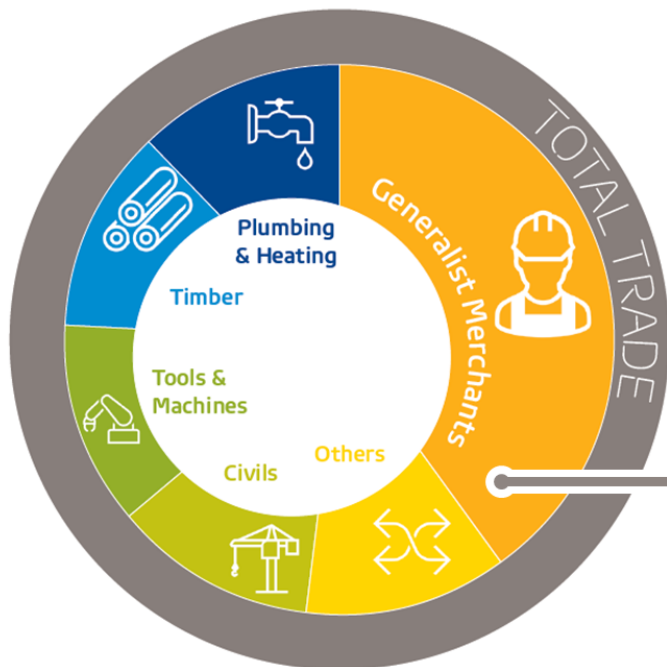
**GfK** Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to February 2017

# GfK's Panel

## Generalist Builders Merchant Panel (GBM's)



### The Multiple Generalist Builders Merchants Channel



#### Generalist Builders Merchants

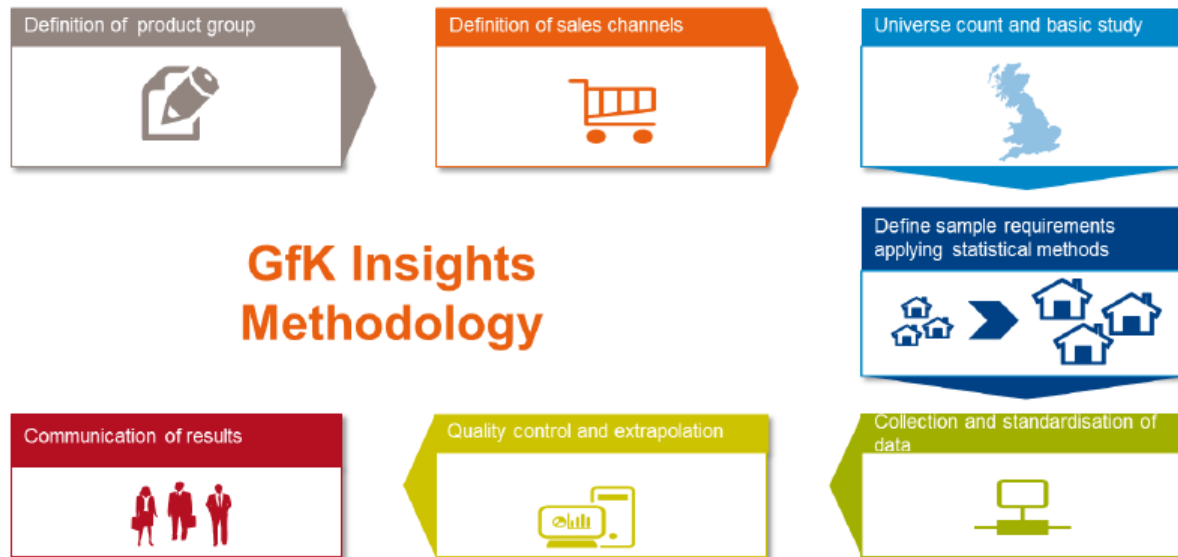
Builder Merchants handle an extended range of building materials and components (e.g. doors, windows, interior furnishing materials, insulation materials, tiles, cement, mortar, adhesives, sealants, nails, hardware products, pipes, ironware, paint) and generate their turnover with professional end users.

Multiple merchants are those defined as having more than 3 outlets or a turnover of greater than £3m p.a.

Examples include:



# GfK Insights Methodology



GfK collect live sales-out data from our panel of merchant partners.

We add value to that data through the application of each sold product's unique technical features. We compare like-for-like products and categories from like-for-like merchants and aggregate this within our reports.

Our international methodology is based on robust scientific principles and delivers continuous, reliable information that can be applied to your business requirements.

# GfK's Product Categories

Reports cover category headline values & in-depth, brand-level insights



## Headline values available

### Timber & Joinery Products

Timber  
Sheet Materials  
Cladding  
Flooring & Flooring Accessories  
Mouldings  
Stairs & Stairparts  
Window & Frames  
Doors/Door Frames

### Heavy Building Materials

Bricks Blocks & Damp Proofing  
Drainage/Civils/Guttering  
Lintels  
Cement/Aggregate/Cement Accs  
Concrete Mix/Products  
Plasters Plasterboards And Accessories  
Roofing Products  
Insulation  
Cement Mixers/Mixing Buckets Products  
Builders Metalwork  
Other Heavy Building Equipment/Material

### Decorating

Paint/Woodcare  
Paint Brushes Rollers & Pads  
Adhesives/Sealants/Fillers  
Tiles And Tiling Accessories  
Decoration Preparation & Decorating Sundries  
Wall Coverings

### Tools

Hand Tools  
Power Tools  
Power Tool Accessories  
Ladders & Access Equipment

### Workwear And Safetywear

Clothing  
Safety Equipment

### Ironmongery

Fixings And Fastenings  
Security  
Other Ironmongery

### Landscaping

Garden Walling/Paving  
Driveways/Block Paving/Kerbs  
Decorative Aggregates  
Fencing And Gates  
Decking  
Other Gardening Equipment

### Plumbing Heating & Electrical

Plumbing Equipment  
Boilers Tanks & Accessories  
Heating Equipment/Water Heaters/Temperature Control/Air Treatment  
Radiators And Accessories  
Electrical Equipment  
Lighting And Light Bulbs

### Renewables And Water Management

Water Saving  
Renewables & Ventilation

### Kitchens & Bathrooms

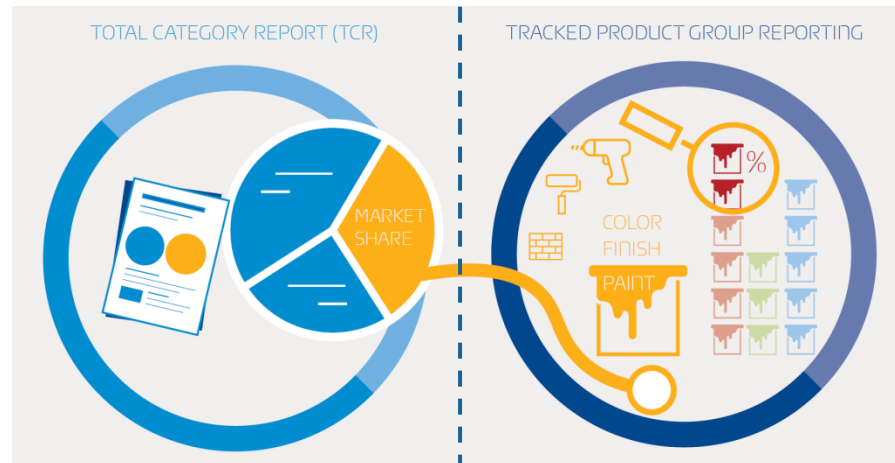
Bathroom (Including Showering)  
Fitted Kitchens  
Major Appliances

### Miscellaneous

Cleaning/Domestic/Personal  
Automotive  
Glass  
Other Furniture & Shelving  
Other Misc

### Services

Toolhire / Hire Services  
Other Services



## In-depth product group reporting

Monthly sales values, volumes, pricing analysis & distribution facts available by brand and key product features.

For insights on your product group please contact Pete Church at GfK ([pete.church@gfk.com](mailto:pete.church@gfk.com)).

### Available categories:

#### Heavyside

Bricks  
Insulation

#### Lightside

Emulsion Paints (incl. Masonry & Base)  
Trim Paints  
Primers/Undercoats  
Woodcare  
Adhesives  
Sealants  
Fillers/PU Foam  
Tile Fixing (Adhesives/Grout)

# Contact Us

For further information



**Ricky Coombes**

Channel Account Manager

[ricky.coombes@gfk.com](mailto:ricky.coombes@gfk.com)

+44 (0) 7810 633 119



**Richard Frankcom**

Senior Account Manager (Trade)

[richard.frankcom@gfk.com](mailto:richard.frankcom@gfk.com)

+44 (0) 20 7890 9543



**Ammar Qayyum**

BMF Industry Analyst

[ammar.qayyum@bmf.org.uk](mailto:ammar.qayyum@bmf.org.uk)

+44 (0) 2476 854987



**Lucia Di Stazio**

Managing Director

[lucia@mra-marketing.com](mailto:lucia@mra-marketing.com)

+44 (0) 1453 521621



**Mike Rigby**

CEO

[mike@mra-marketing.com](mailto:mike@mra-marketing.com)

+44 (0) 7785 367 716



**Peter Church**

Business Development Manager

[pete.church@gfk.com](mailto:pete.church@gfk.com)

tel +44 (0) 7342 056 050



**Tom Rigby**

Business Development Manager

[tom@mra-marketing.com](mailto:tom@mra-marketing.com)

+44 (0) 7392 081276