

“one **industry**
one **voice**”

Builders Merchant Building Index



Monthly report for January 2017

CIM

MARKETING
EXCELLENCE
AWARDS 2017



FINALIST
BEST USE OF DATA AND INSIGHT - LARGE

Building the Industry & Building Brands from Knowledge



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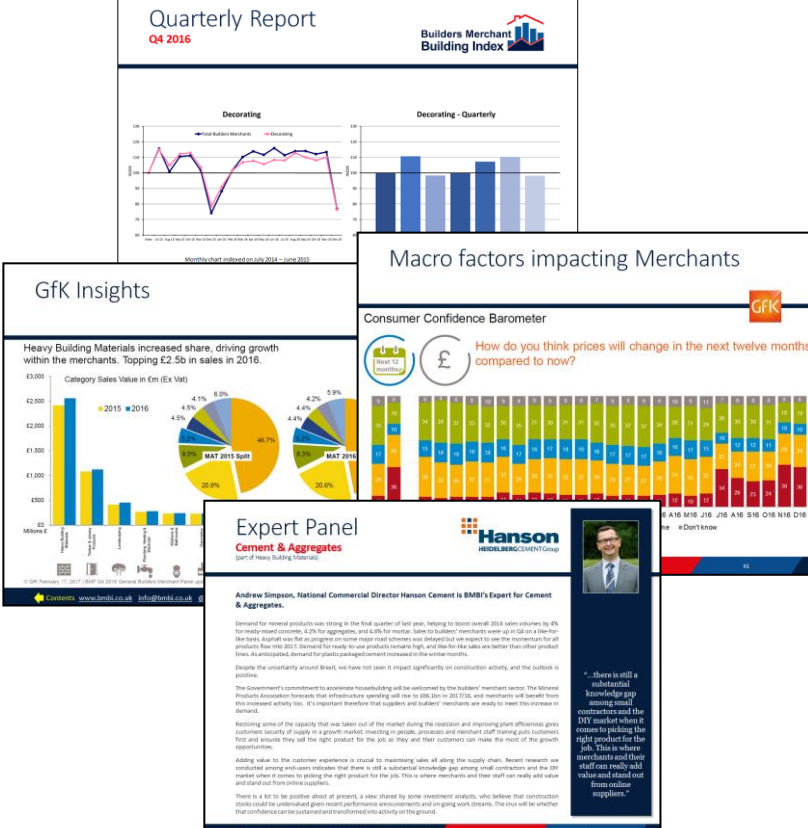
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Quarterly reports contain additional analysis, macro-economic factors and expert comments. Click the images below to read or download the Q4 report.



Quarterly Report Q4 2016
Builders Merchant Building Index

Decorating - Quarterly

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

Macro factors impacting Merchants

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

Expert Panel
Cement & Aggregates
Hanson HeidelbergCement Group

Andrew Simpson, National Commercial Director Hanson Cement is BMBI's Expert for Cement & Aggregates.

Demanded for several products was rising in the final quarter of last year, helping to boost overall 2016 sales volumes by 4% for ready-mixed concrete, 4.2% for aggregates, and 4.0% for mortar. Sales to builders' merchants were up in Q4 on a like-for-like basis. Against what has a program of some major cost increases seen elsewhere we expect to see the recovery for all products from this 2015. Demand for ready-to-use products remains high, and like-for-like sales are better than other product lines, as anticipated, demand for plastic packaging continued to rise over the months.

Despite the uncertainty around Brexit, we have not seen it impact significantly on construction activity, and the outlook is positive.

The Government's commitment to accelerate housebuilding will be welcomed by the builders' merchant sector. The Mineral Products Association forecasts that infrastructure spending will rise to £95.5bn in 2015/16, and merchants will benefit from this increased activity too. It's important therefore that suppliers and builders' merchants are ready to meet this increase in demand.

Restoring some of the capacity that was taken out of the market during the recession and improving plant efficiencies gives customers security of supply in a growth market. Investing in people, processes and merchant staff training puts customers first and ensures they get the right product for the job as they and their customers can make the most of the growth opportunities.

Adding value to the customer experience is crucial to maintaining sales all along the supply chain. Recent research we conducted among retail users indicates that there is still a substantial knowledge gap among retail contractors and the DIY market when it comes to picking the right product for the job. This is where merchants and their staff can really add value and stand out from other suppliers.

There is a lot to be positive about at present, a view shared by some investment analysts, who believe that construction stocks could be undervalued given recent performance announcements and on-going work streams. The crux will be whether that confidence can be sustained and reflected in the ground.

...there is still a substantial knowledge gap among small contractors and the DIY market when it comes to picking the right product for the job. This is where merchants and their staff can really add value and stand out from other suppliers.

Introduction

John Newcomb, Managing Director BMF



This Builders Merchant Building Index (BMFI) 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 BMFI 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.

The report includes an Overview from GfK's Ricky Coombes and each quarter 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

The BMFI 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. Follow us and the Experts [@theBMBI](https://twitter.com/theBMBI).

Overview and Insights

A drier climate and additional working day on last year contributed to a strong start to 2017.

Year-on-year

An additional trading day in January 2017 on January 2016 was a key driver for the 7.2% year on year sales value growth. When adjusting for trading days, growth was 2.1% year on year.

Although a little cooler, January was much drier compared to 2016¹ benefitting external projects and contributing to the stronger growth in Landscaping (+8.8%) and Heavy Building Materials (+7.7%). The growth in these two areas was driven by a strong performance in the following sub-categories: Bricks & Blocks, Lintels, Roofing Products, Insulation, Builders Metalwork, Garden Walling/Paving & Driveways/Block Paving/Kerbs. Four other categories also saw sales growth greater than the total channel, including Tools (+8.7%), Timber & Joinery (+8.2%) and Plumbing, Heating & Electrical (+7.9%).

Unsurprisingly, sales of Workwear & Safetywear did not benefit from this year's drier climate with sales values 2.8% down on a much wetter January 2016.

Month on previous month

Total sales value in January was up 22.8% on December 2016 but down 0.6% when adjusted for trading days (17 in December 2016 and 21 in January 2017).

Although Renewables & Water Management and Workwear & Safetywear make up less than 1% of all sales through the generalist merchants they saw the greatest month on month growth (+60.4% and +50.8% respectively). Timber & Joinery (+30.2%) was the biggest category to see growth ahead of the total channel.

Index

January's Builders Merchant Building Index was 94.7². Stronger categories this month included Plumbing, Heating & Electrical (114.9), Workwear & Safetywear (109.5) and Ironmongery (107.5).

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

¹Source: Met Office website. Monthly UK climate summaries.

²Indexed on monthly average, July 2014 – June 2015

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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



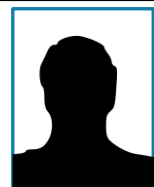
Steve Durdant-Hollamby, Managing Director, AWMS is BMBI's Expert for Civils, Metal Rainwater & Drainage



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

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

		2016												2017
VALUE EX VAT £	Index	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Total Builders Merchants	100	88.2	101.3	110	113.6	111.4	115.7	111.1	113.7	113.8	112.3	113.6	77.1	94.7
Timber & Joinery Products	100	91.3	101.6	107.1	108.9	106	112.1	107.8	112.2	113.3	112.8	113.7	76.1	99.1
Heavy Building Materials	100	87.1	100.8	110.1	114.3	111.7	116.2	111.9	114.4	114.6	113.4	114.1	77	94.0
Decorating	100	90.9	101.3	106.6	107.5	105.4	108.1	107.8	112.5	109.8	108.3	110.4	76.3	92.8
Tools	100	89.6	99.7	104.1	106.9	99.8	104	101.5	102.4	104.6	106.5	111.3	74.8	97.6
Workwear & Safetywear	100	112.6	106.5	105.5	96.3	96.5	107.6	98.5	98.6	101	110.9	133.2	72.6	109.5
Ironmongery	100	100.5	108.9	113	112.8	110.9	112.8	111	115.8	119.8	118	119.9	84.6	107.5
Landscaping	100	65.2	88.9	115.7	137.7	144.2	144.7	132	129.2	119.9	110.2	97.2	62.4	71.0
Plumbing, Heating & Electrical	100	106.3	114.6	115.2	110.8	101.4	103.3	100.5	103.6	111.7	116	132.4	94	114.9
Renewables & Water Saving	100	78.1	71.8	72.5	67.1	64.8	75.5	63.7	63.1	72.8	61.2	73.4	42.4	68.1
Kitchens & Bathrooms	100	91.6	109	110.5	106.7	98	107.6	101.7	105.3	111.4	109.4	121.7	83.8	98.1
Miscellaneous	100	104	107.4	112.9	113.1	107.4	113.3	115.3	114.5	115.7	113.6	122.2	92.6	113.2
Services	100	86.2	102.3	114.6	111.3	116.7	116.1	115.5	115.2	111.1	108.3	107.1	81.3	87.8

*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 January 2017

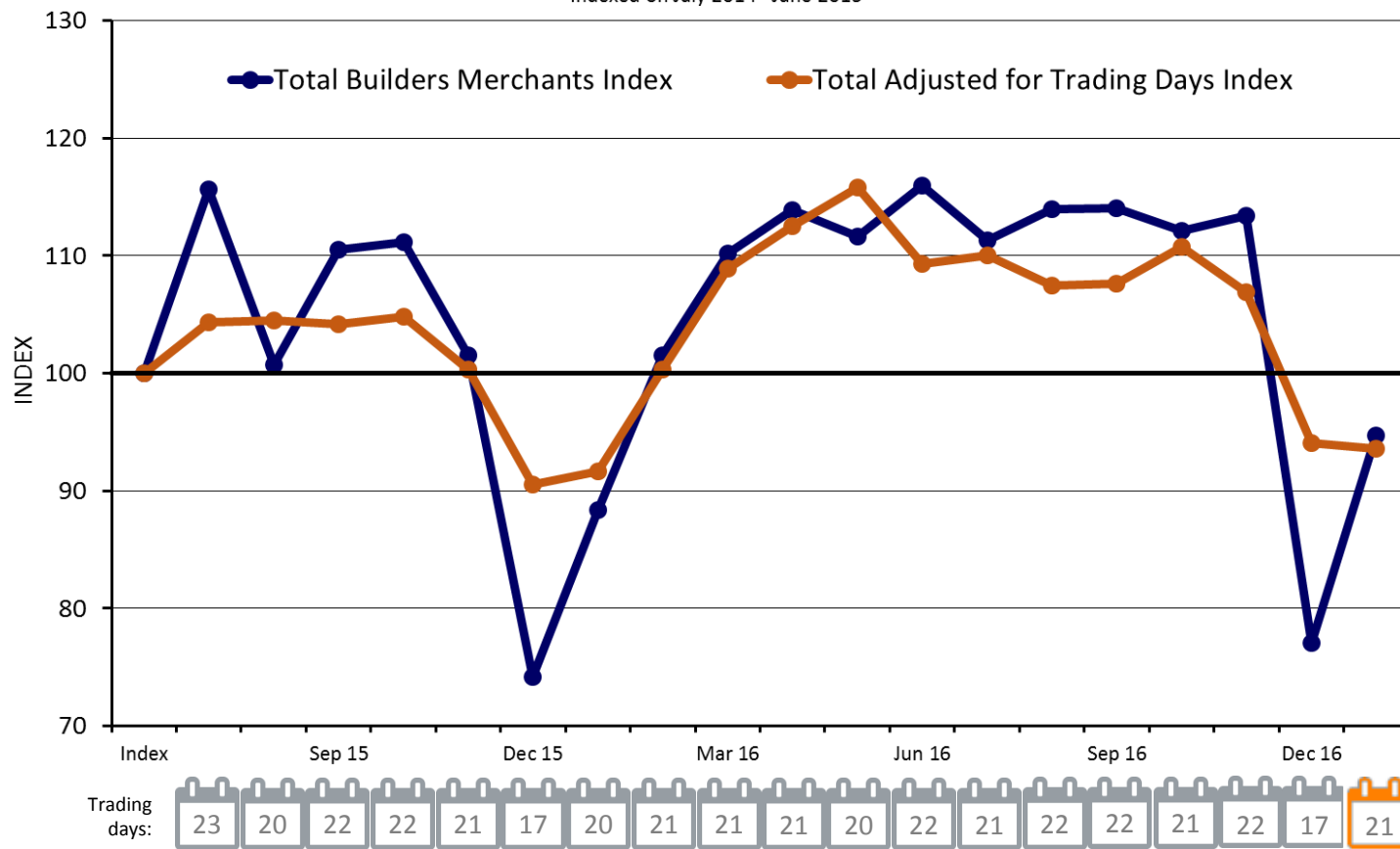
Monthly Index

Adjusted for Trading Days



Total Builders Merchants Index v Total Adjusted for Trading Days Index

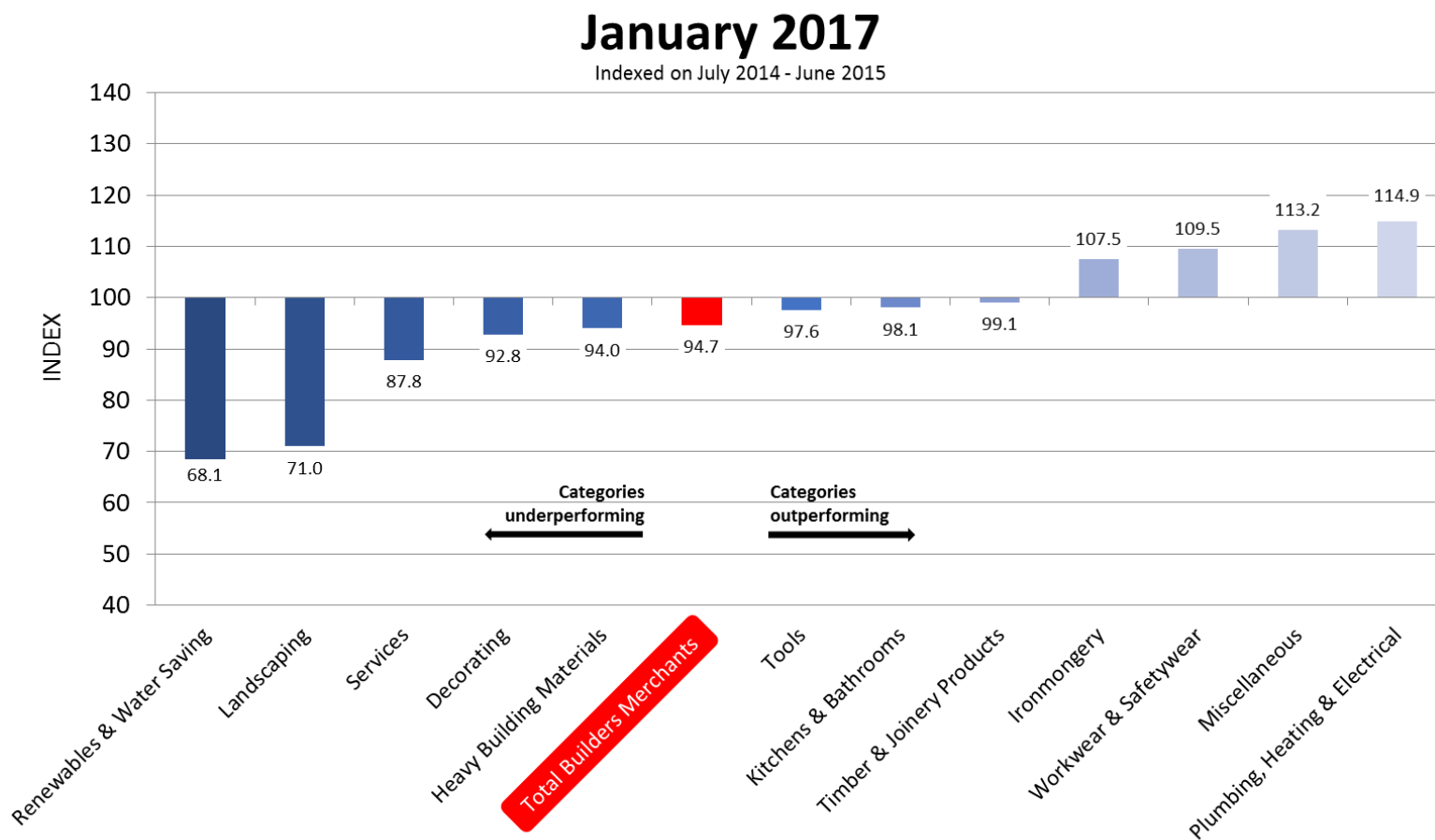
Indexed on July 2014 - June 2015



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

Monthly: Index and Categories

January 2017 index



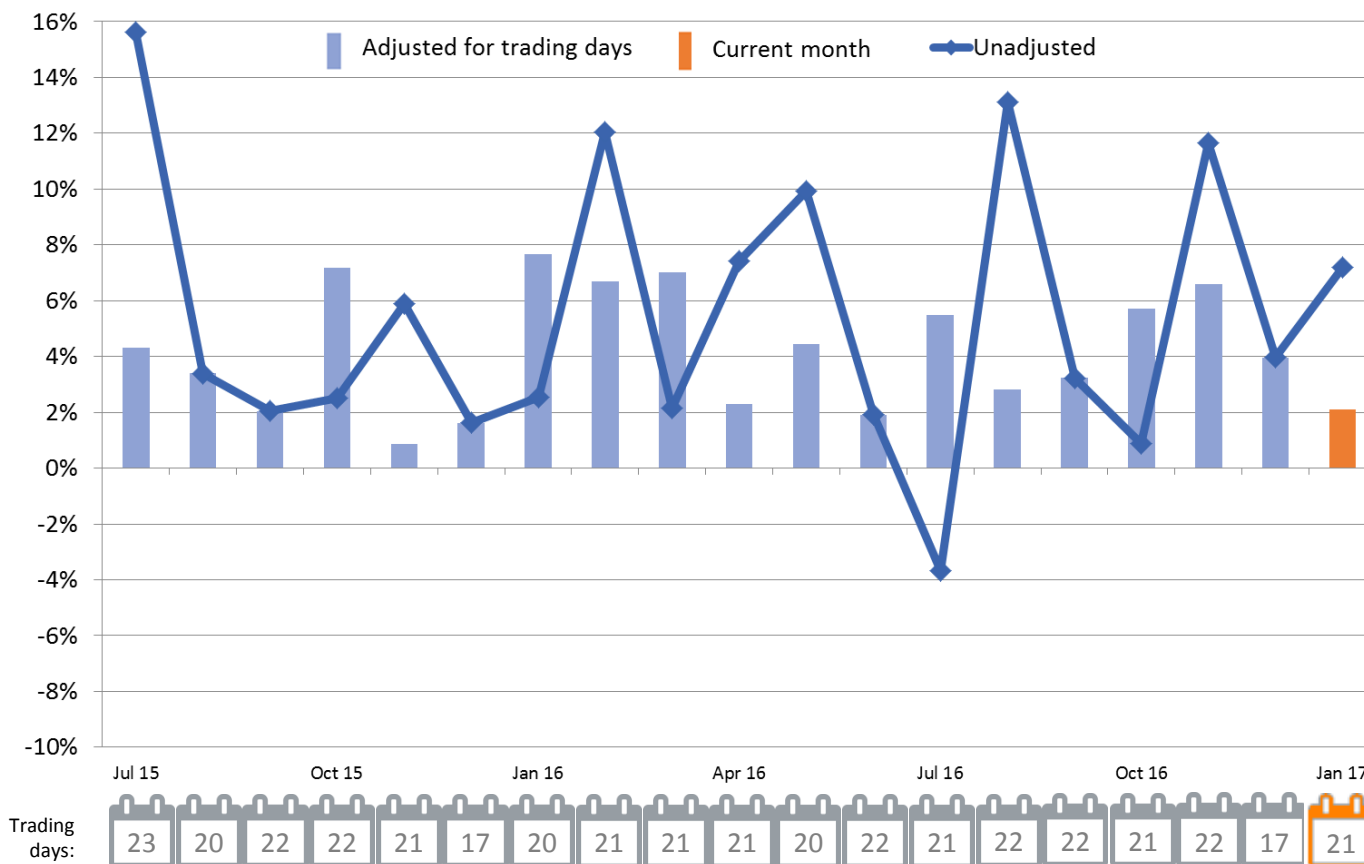
 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to January 2017

Monthly Sales

Adjusted and Unadjusted for Trading Days



Monthly: Year on Year

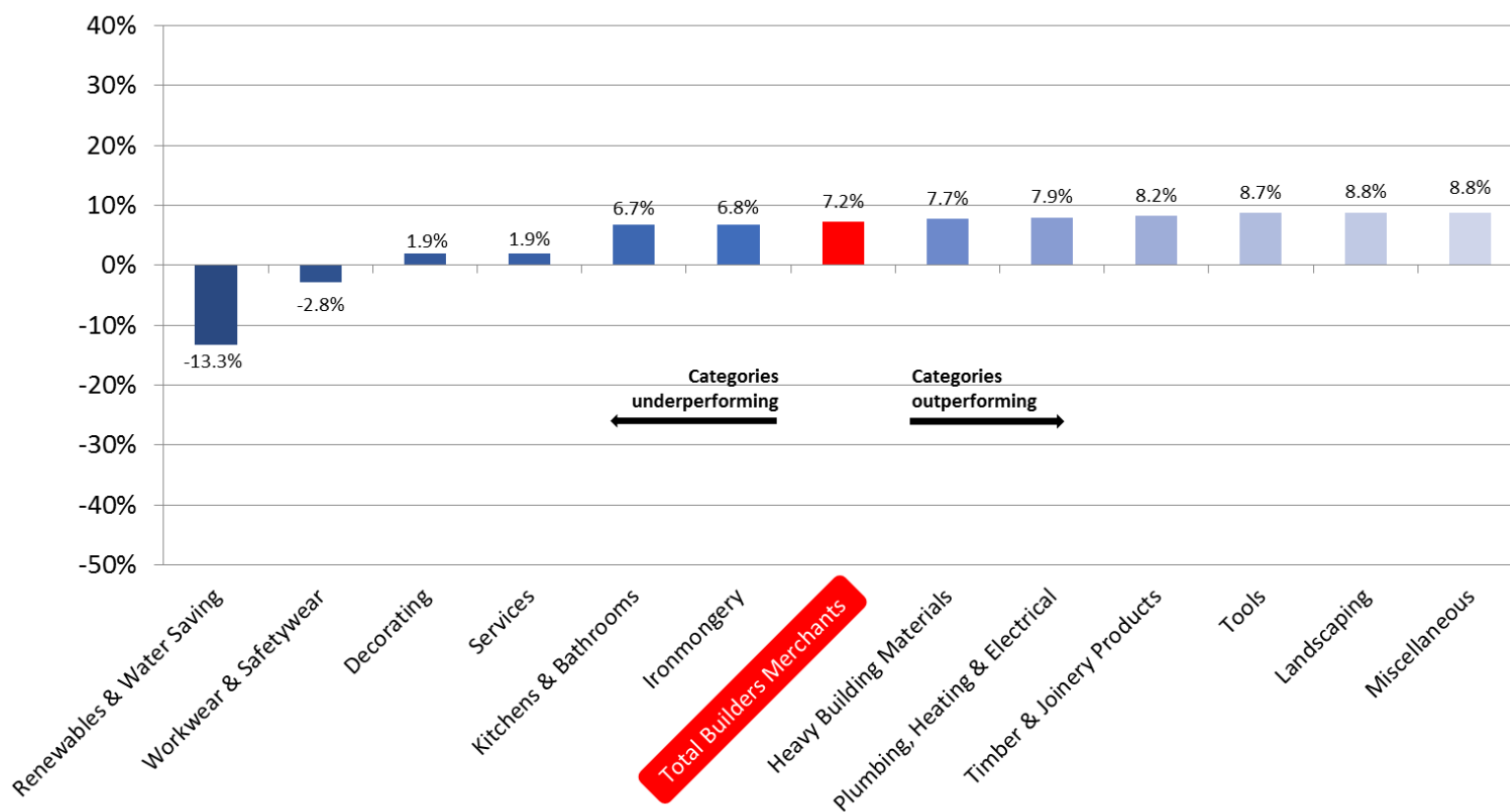


Source: GfK's Builders Merchants Total Category Report July 2015 to January 2017

Monthly: this year v last year

January 2017 sales

January 2017 v January 2016

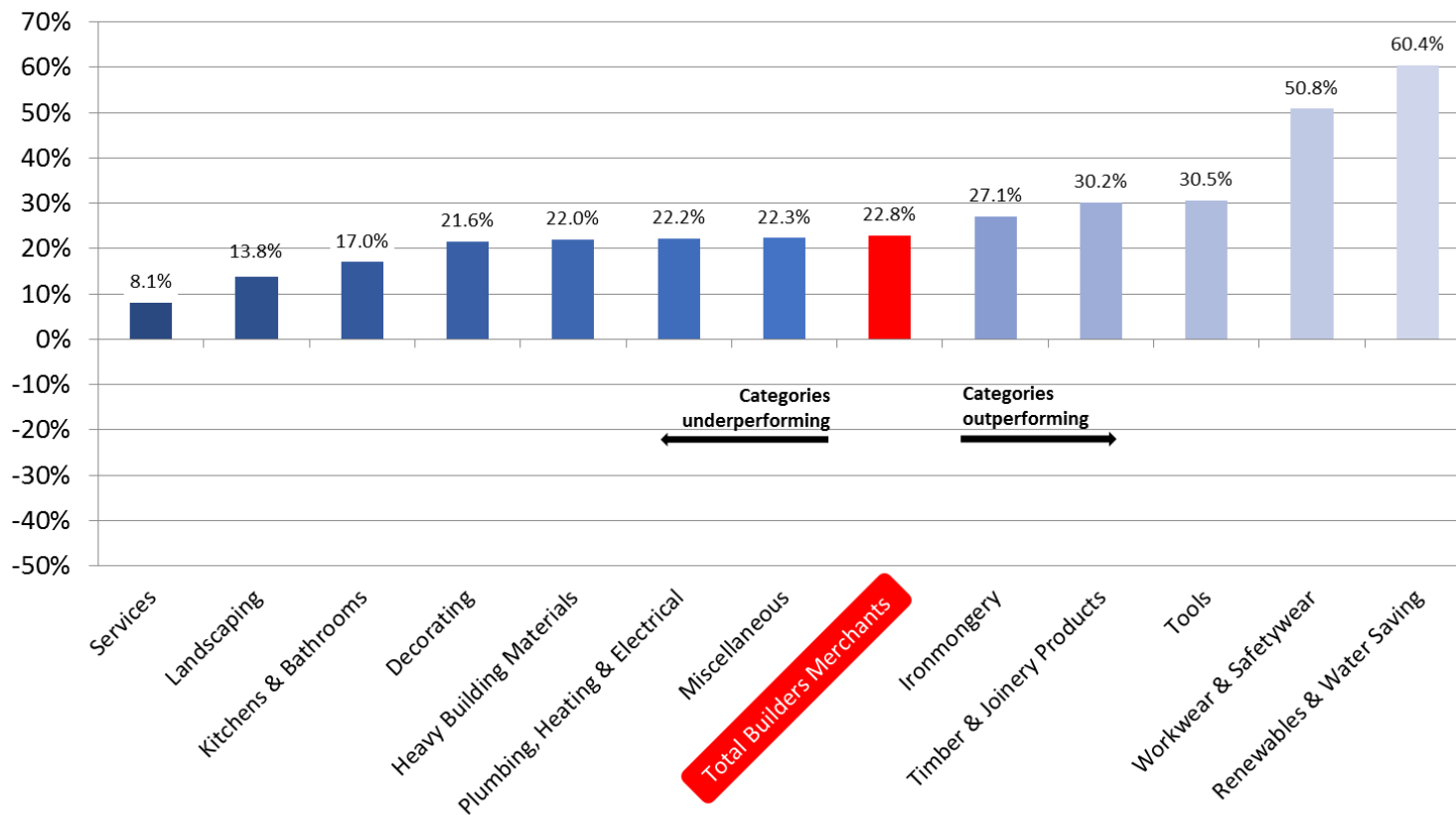


GfK Source: GfK's
Builders Merchants
Total Category Report
July 2015 to January 2017

Monthly: this month v last month

January 2017 sales

January 2017 v December 2016



 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to January 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
Total Builders Merchants	100	108.7	95.4	99.8	113.6	112.9	100.9
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

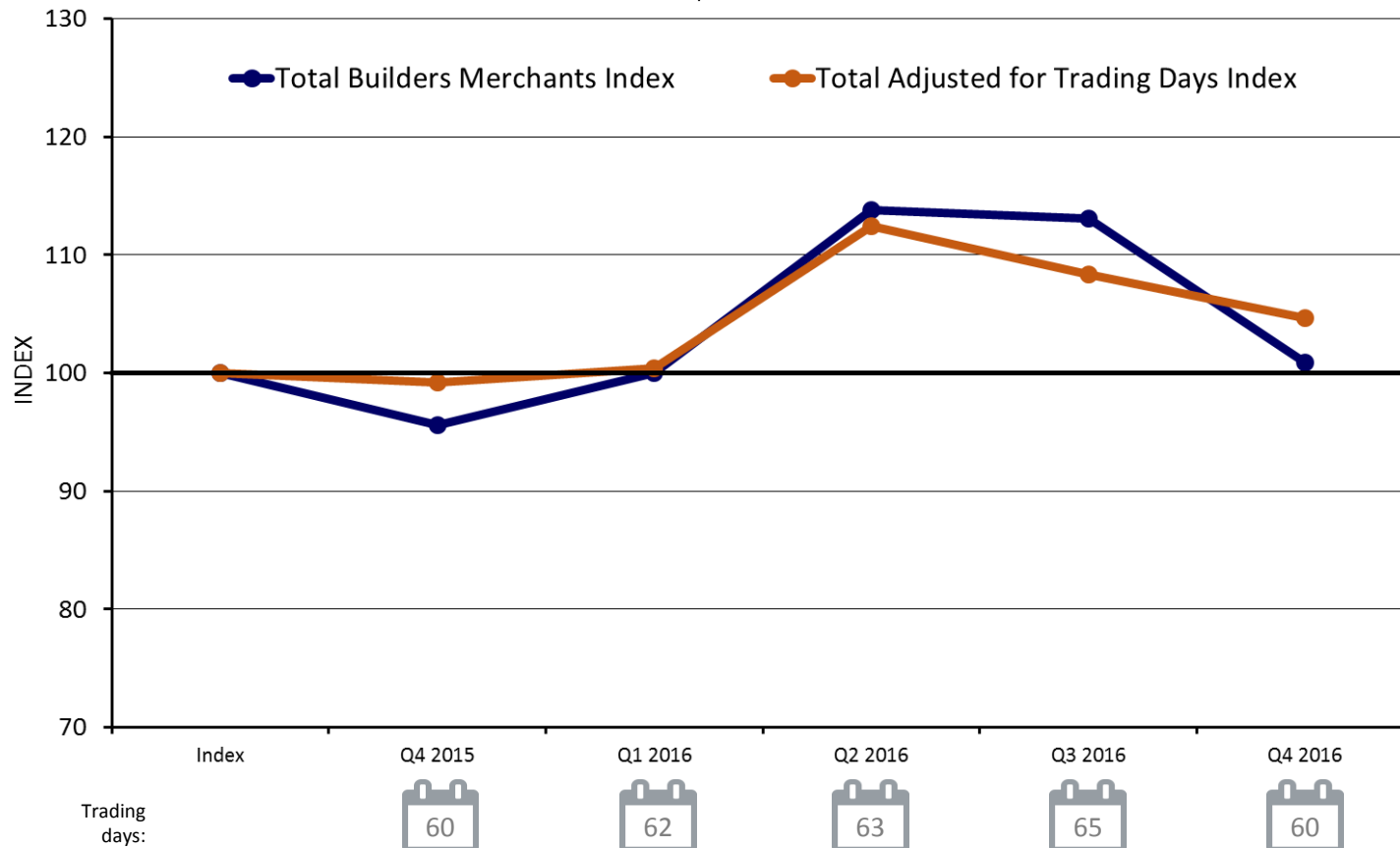
Quarterly Index

Adjusted and Unadjusted for Trading Days



Total Builders Merchants Index v Total Adjusted for Trading Days Index

Indexed on July 2014 - June 2015



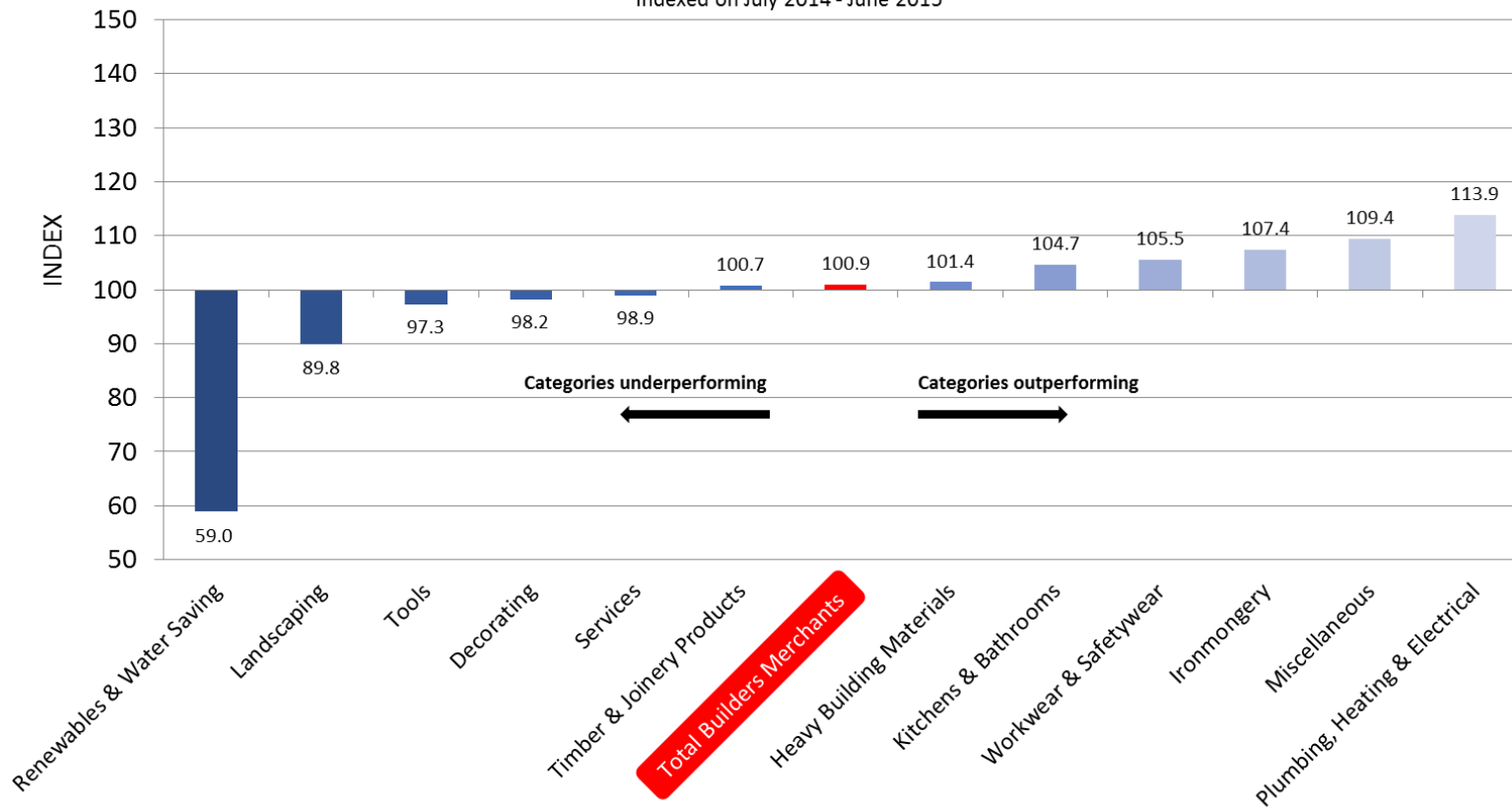
 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to December 2016

Quarterly: Index and Categories

Q4 2016 index

Quarter 4 2016

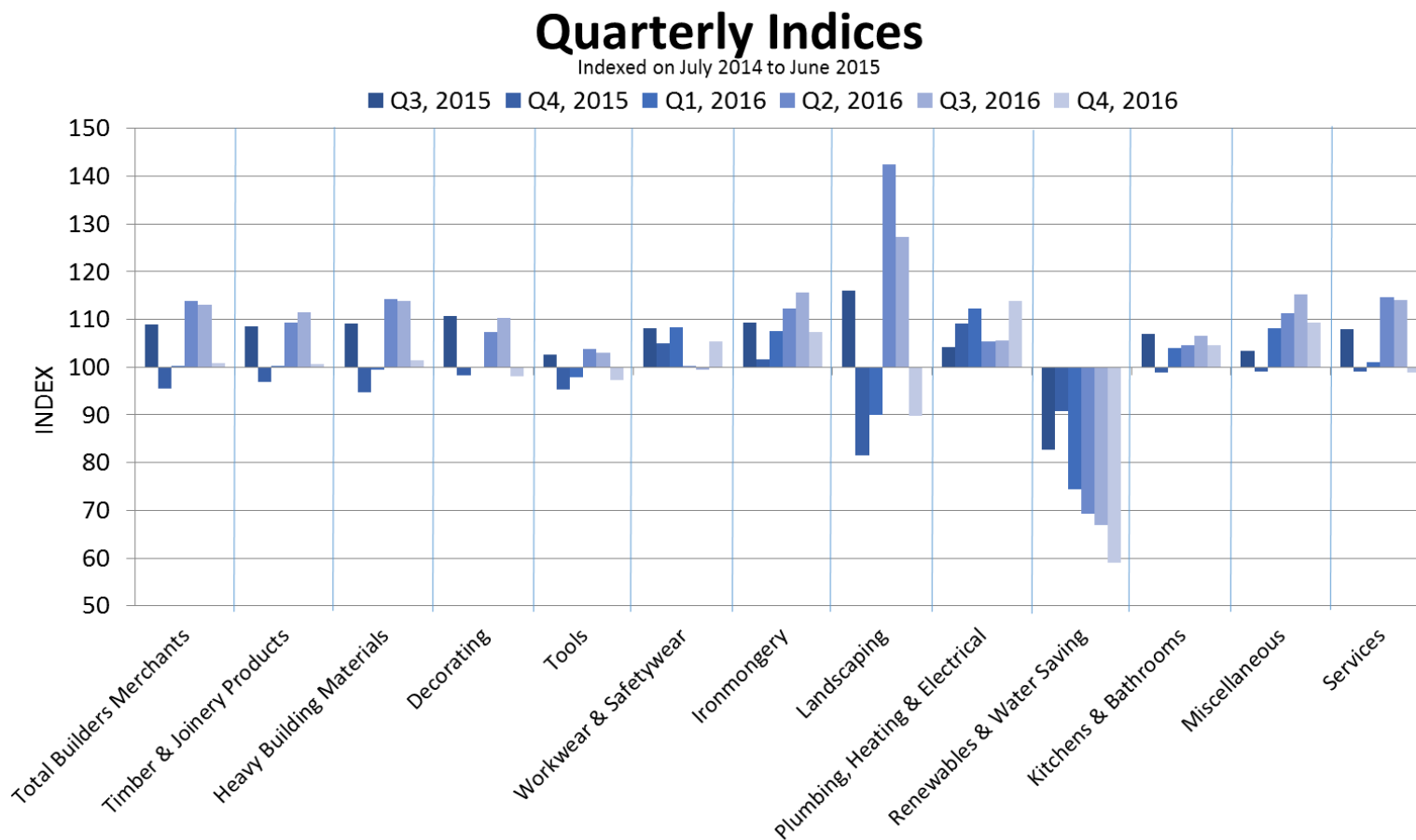
Indexed on July 2014 - June 2015



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

Quarterly: Indices and Categories

Quarterly indices

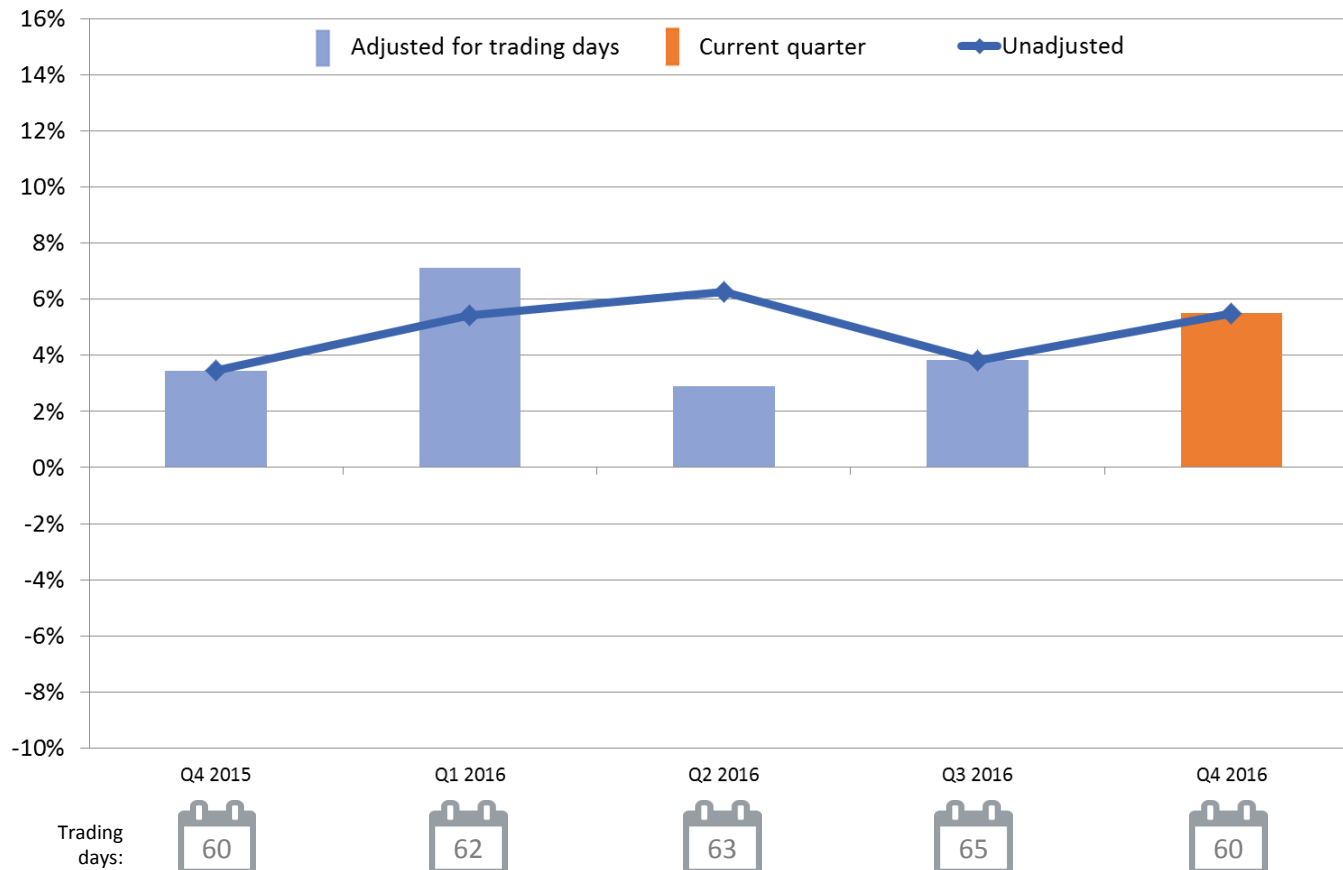


GfK Source: GfK's
 Builders Merchants
 Total Category Report
 July 2015 to December 2016

Quarterly Sales

Adjusted and Unadjusted for Trading Days

Quarterly: Year on Year

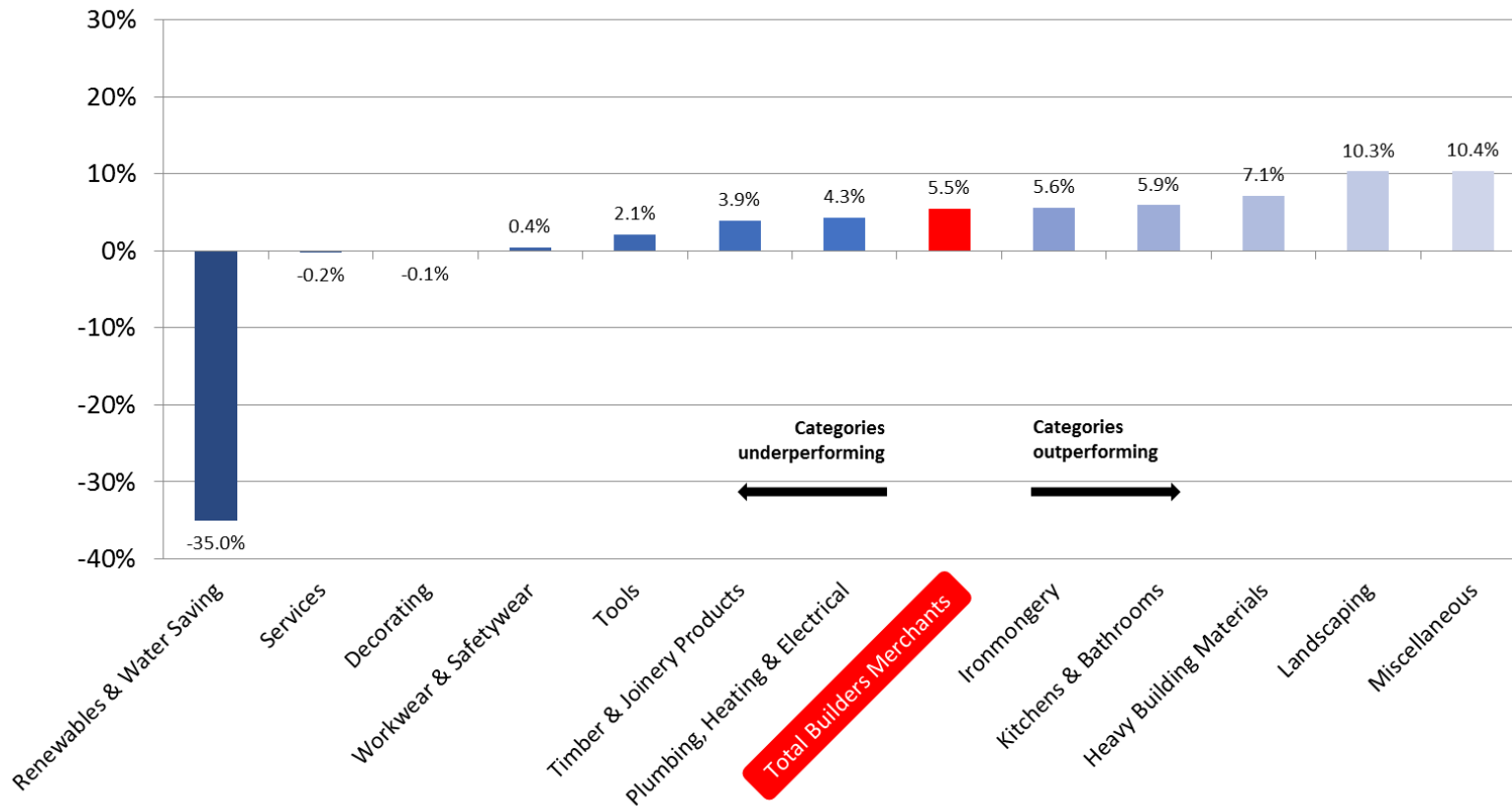


 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to December 2016

Quarterly: this year v last year

Q4 2016 sales

Quarter 4 2016 v Quarter 4 2015

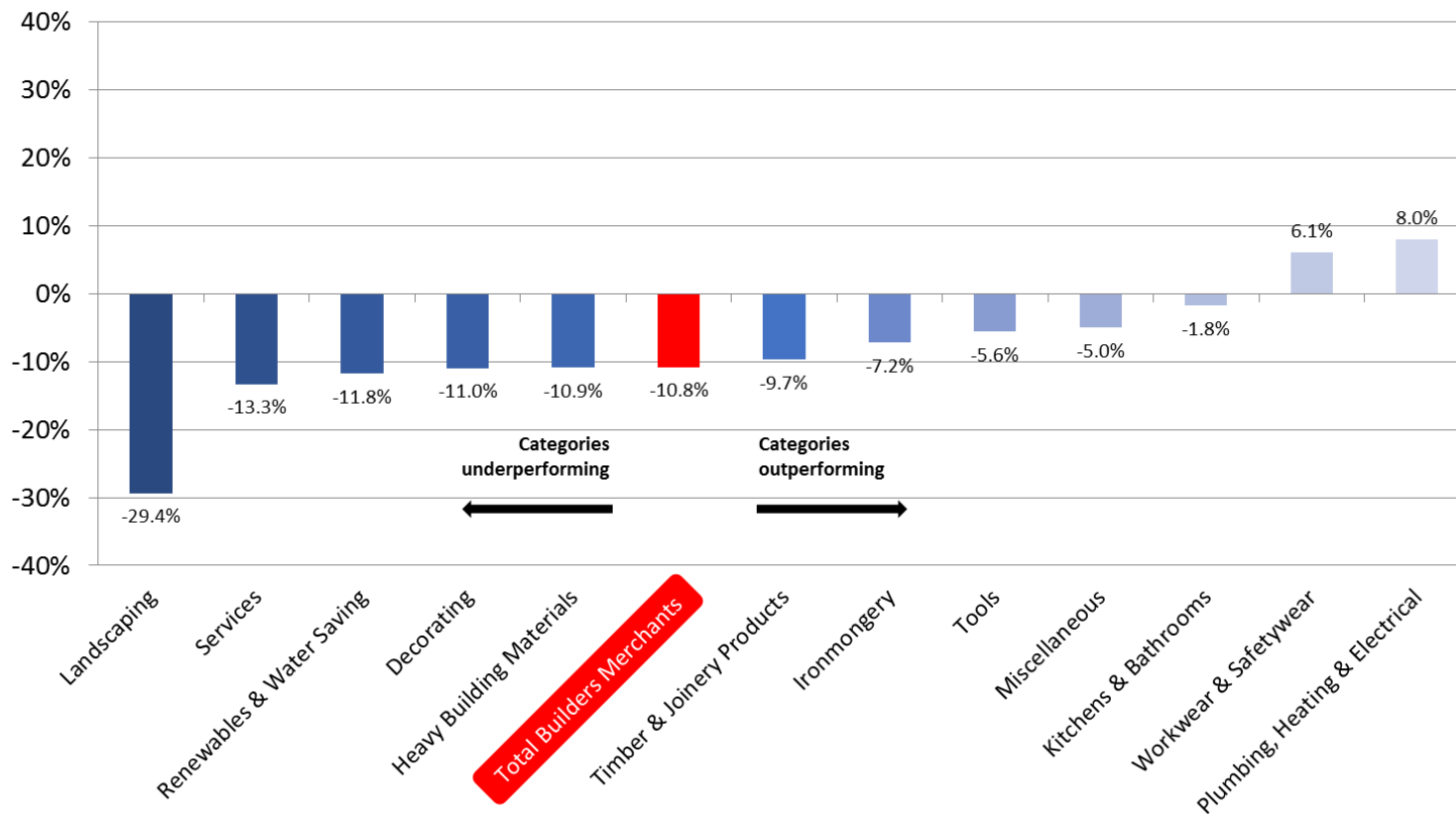


 Source: GfK's Builders Merchants Total Category Report July 2015 to December 2016

Quarterly: quarter on quarter

Q4 2016 sales

Quarter 4 2016 v Quarter 3 2016

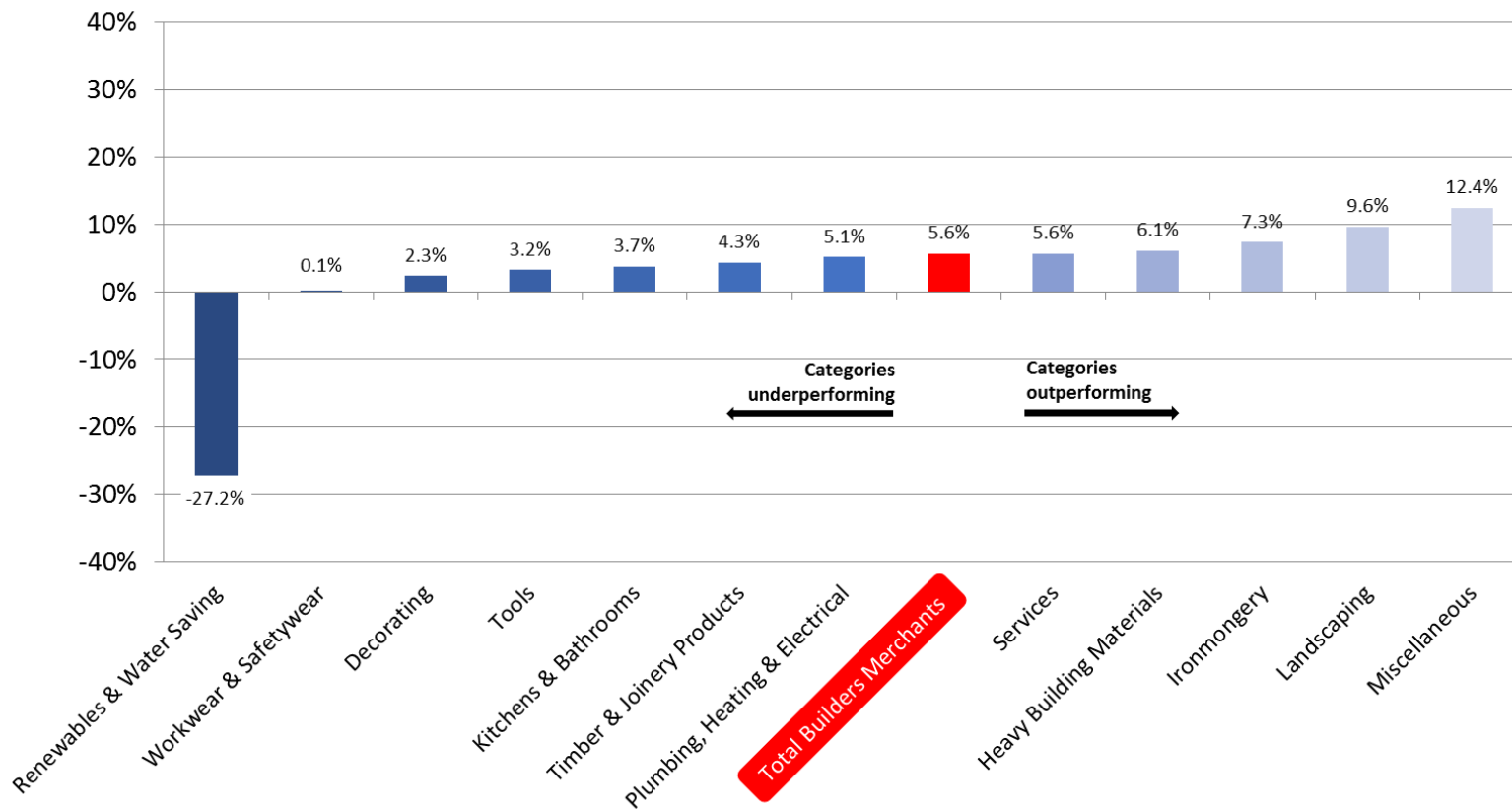



 Source: GfK's Builders Merchants Total Category Report July 2015 to December 2016

Latest 12 months

Compared with previous 12 months

12 months Feb 16 to Jan 17 v 12 months Feb 15 to Jan 16

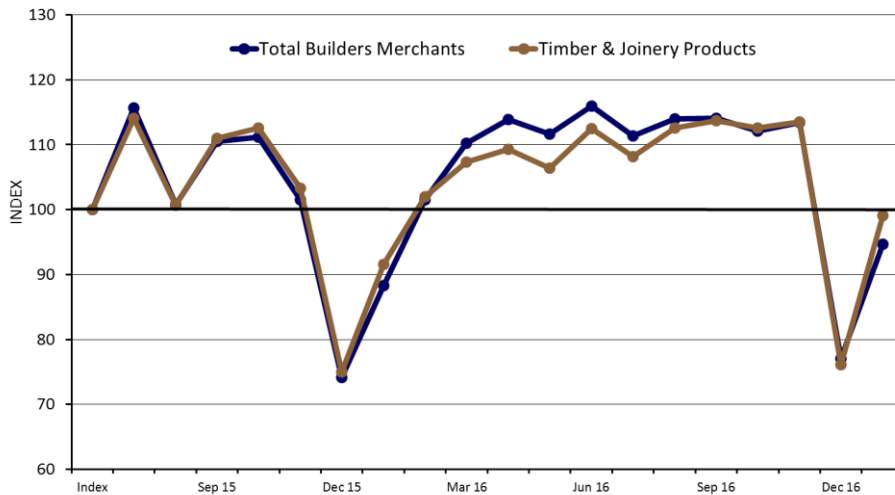


 Source: GfK's Builders Merchants Total Category Report July 2015 to January 2017

Monthly indices

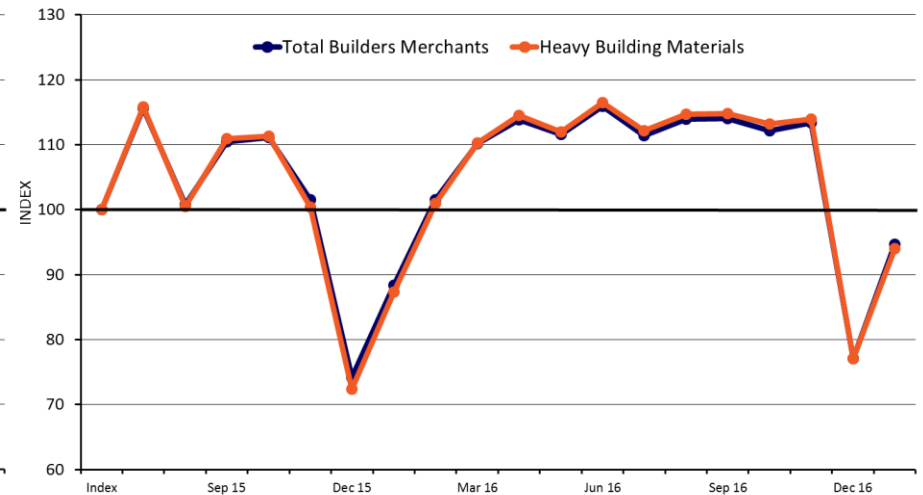
January 2017

Timber & Joinery Products



Indexed on July 2014 – June 2015

Heavy Building Materials



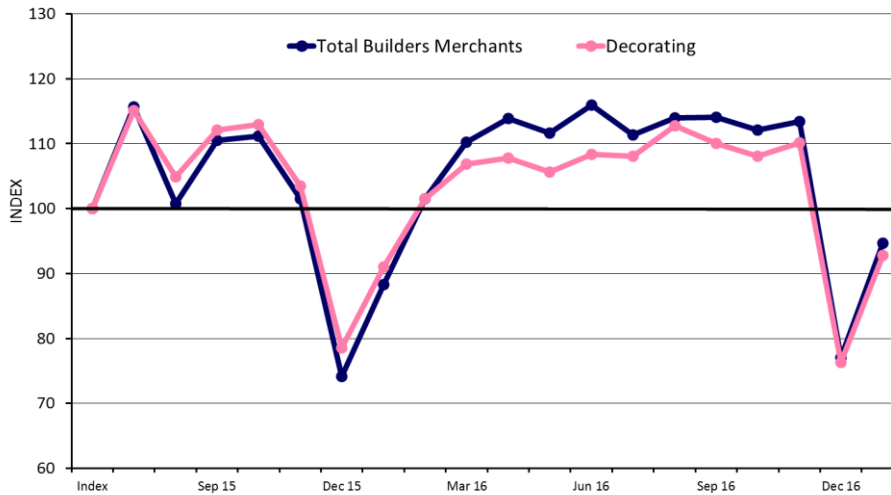
Indexed on July 2014 – June 2015

Monthly indices

January 2017

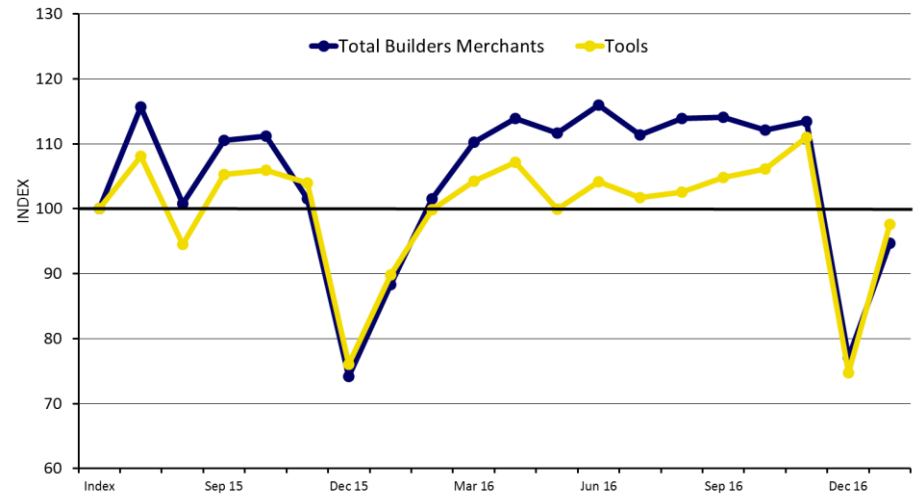


Decorating



Indexed on July 2014 – June 2015

Tools



Indexed on July 2014 – June 2015

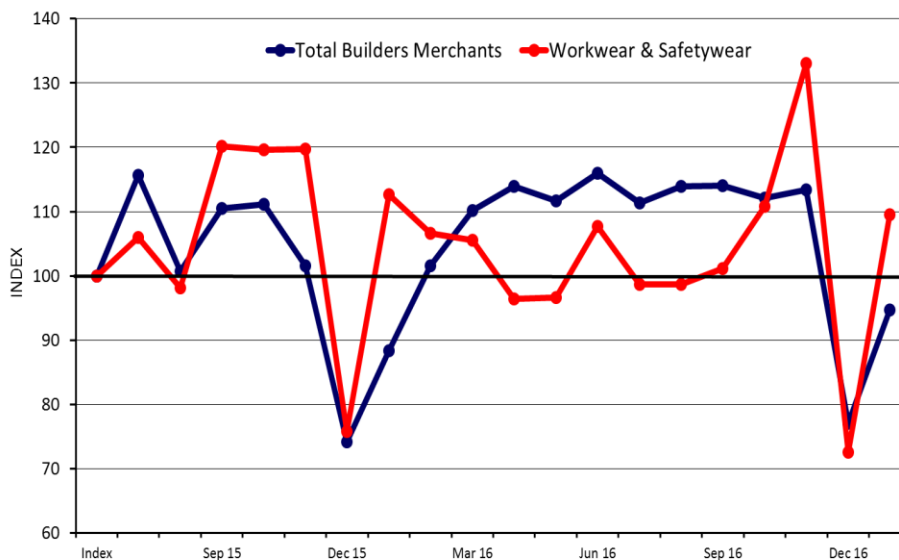
 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to January 2017

Monthly indices

January 2017

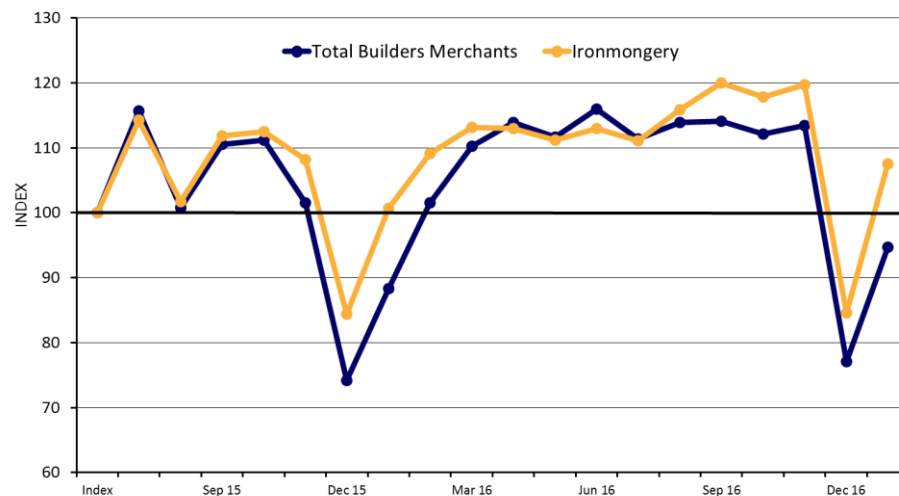


Workwear & Safetywear



Indexed on July 2014 – June 2015

Ironmongery



Indexed on July 2014 – June 2015

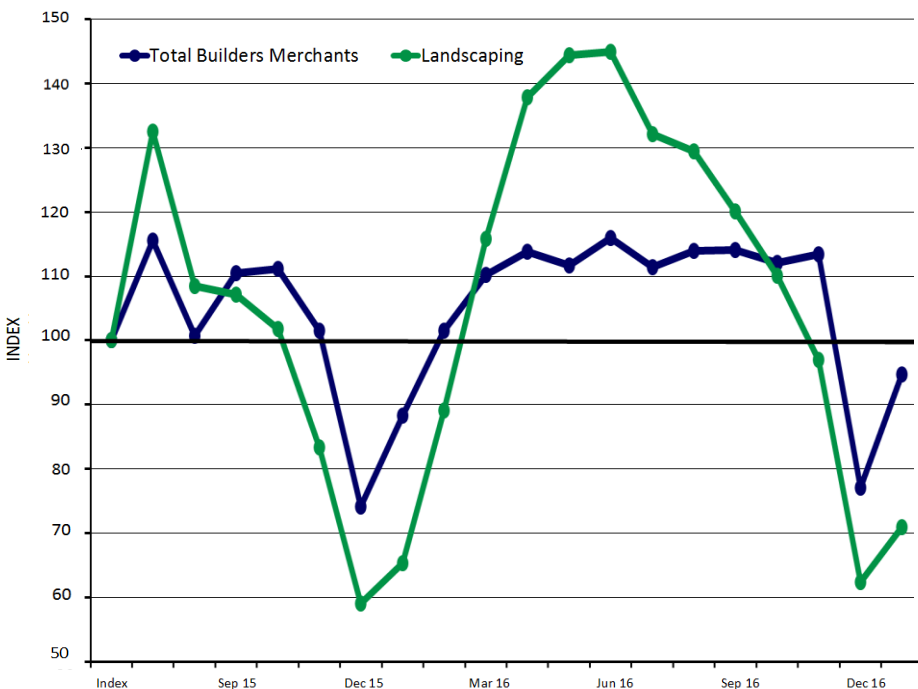
GfK Source: GfK's
Builders Merchants
Total Category Report
July 2015 to January 2017

Monthly indices

January 2017

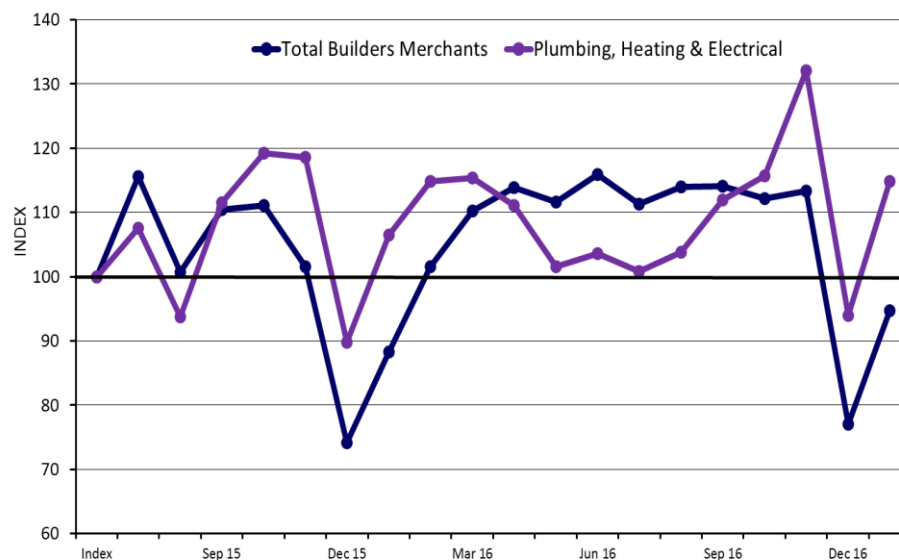


Landscaping



Indexed on July 2014 – June 2015

Plumbing, Heating & Electrical



Indexed on July 2014 – June 2015

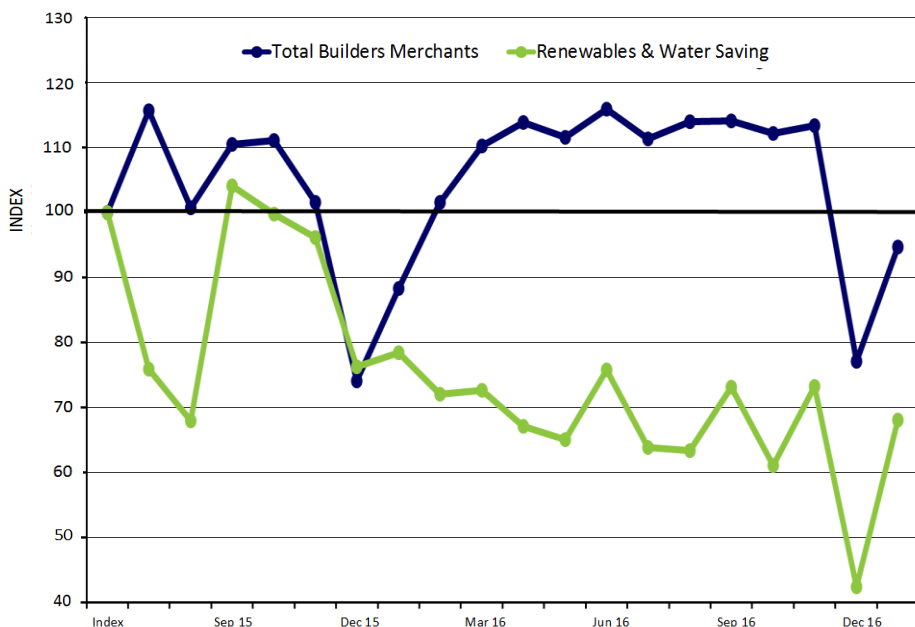

Source: GfK's
 Builders Merchants
 Total Category Report
 July 2015 to January 2017

Monthly indices

January 2017

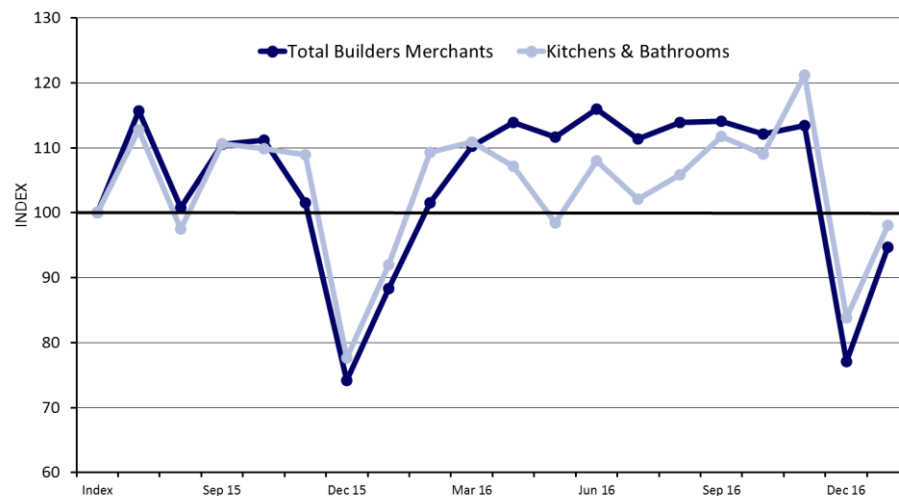


Renewables & Water Saving



Indexed on July 2014 – June 2015

Kitchens & Bathrooms



Indexed on July 2014 – June 2015

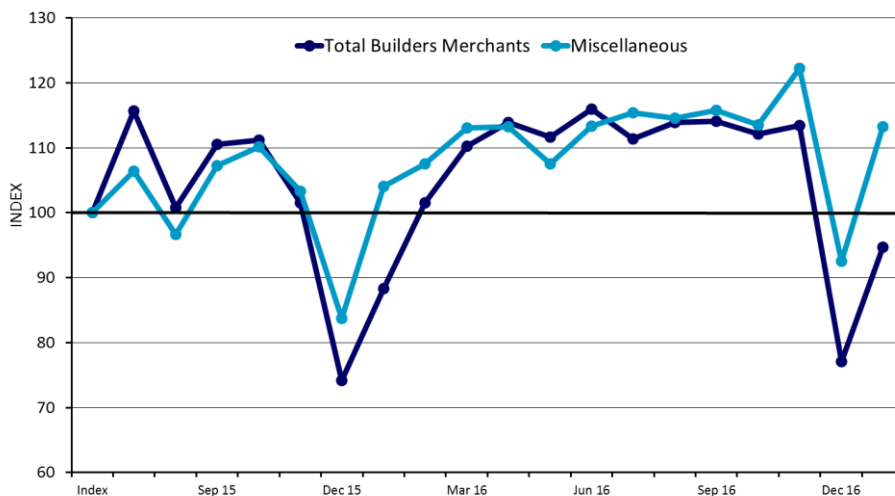
Source: GfK's Builders Merchants Total Category Report July 2015 to January 2017

Monthly indices

January 2017

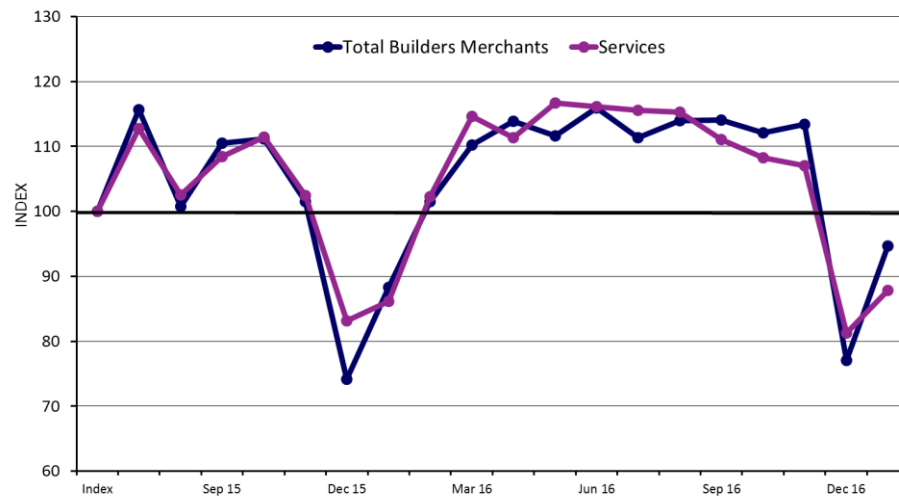


Miscellaneous



Indexed on July 2014 – June 2015

Services



Indexed on July 2014 – June 2015

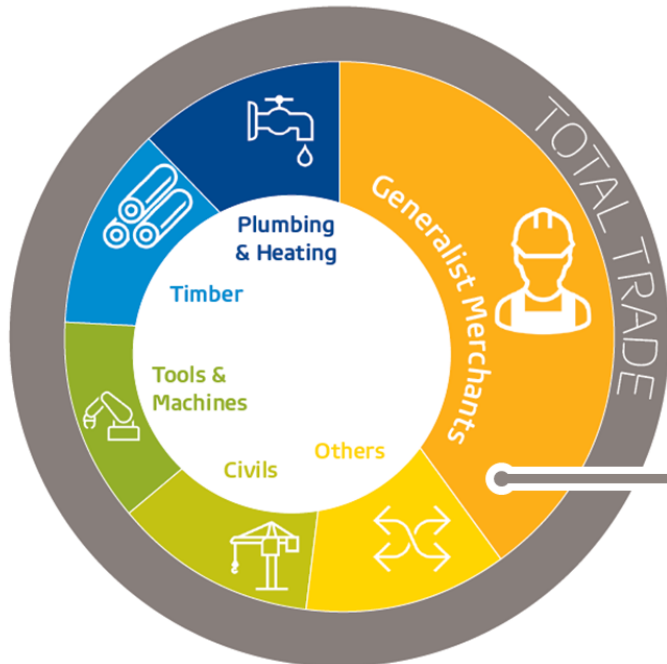
GfK Source: GfK's
Builders Merchants
Total Category Report
July 2015 to January 2017

GfK's Panel

Generalist Builders Merchant Panel (GBM's)



The Multiple Generalist Builders Merchants Channel



Generalist Builders Merchants

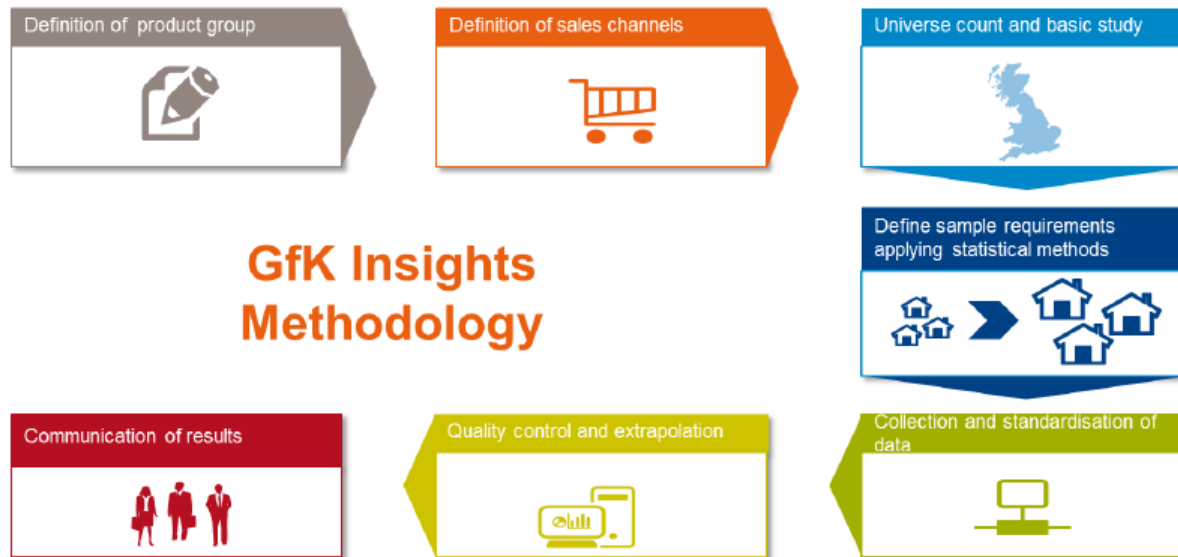
Builder Merchants handle an extended range of building materials and components (e.g. doors, windows, interior furnishing materials, insulation materials, tiles, cement, mortar, adhesives, sealants, nails, hardware products, pipes, ironware, paint) and generate their turnover with professional end users.

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

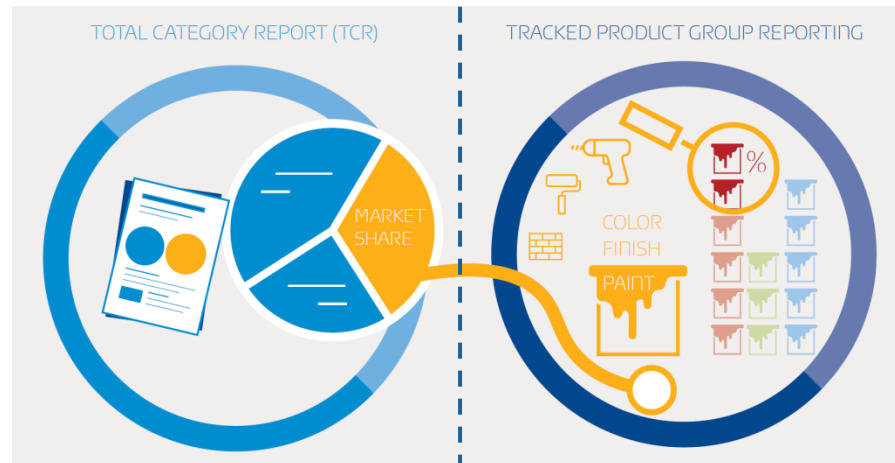
Bathroom (Including Showering)
Fitted Kitchens
Major Appliances

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).

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



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