

“one **industry**
one **voice**”

Builders Merchant Building Index



Monthly report for January 2018

Building the Industry & Building Brands from Knowledge



Contents - 1

Click links below to visit pages

Click links to visit pages:	Page
Introduction	5
Overview	6
BMBI Expert Panel	7-8
Monthly data:	
Monthly BMBI indices, by category	9
Monthly index chart, unadjusted and adjusted for trading day differences	10
November index chart, by category	11
Monthly year-on-year chart, unadjusted and adjusted for trading day differences	12
January year-on-year sales index chart, by category	13
January year-on-year average sales a day index chart, by category	14
January v December sales index chart, by category	15
January v December average sales a day index chart, by category	16
Quarterly data:	
Quarterly BMBI indices, by category	17
Quarter 4 index chart, unadjusted and adjusted for trading day differences	18
Quarter 4 index chart, by category	19
Quarter 4 average sales a day index chart, by category	20
Quarterly indices, by category	21
Quarter 4 year-on-year chart, unadjusted and adjusted for trading day differences	22
Quarter 4 year-on-year sales index chart, by category	23
Quarter 4 v Quarter 3 sales index chart, by category	24
Quarter 4 v Quarter 3 average sales a day index chart, by category	25

Continued over the page...

Click links above and overleaf to visit pages. The 'Contents' link below brings you back to this page.

Contents - 2

Continued: click links below to visit pages



Click links to visit pages:	Page
Full Year data:	
Latest 12 months compared with previous 12 months chart, by category	26
Latest 12 months average sales a day compared with previous 12 months chart, by category	27
Monthly Category Charts:	
Timber & Joinery Products	28
Heavy Building Materials	28
Decorating	29
Tools	29
Workwear & Safetywear	30
Ironmongery	30
Landscaping	31
Plumbing Heating & Electrical	31
Renewables & Water Saving	32
Kitchens & Bathrooms	32
Miscellaneous	33
Services	33
Methodology	34 - 36
Contacts	38

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

Monthly and Quarterly Indices
December 2017 and Q4 2017

Decorating - Quarterly

GfK Insights
Product group insights at feature by brand level are available. Enabling informed strategic and tactical decision making.

Macro factors impacting Merchants

Consumer Confidence Index

Expert Panel Paint
(part of Decorating)

Paul Roughan, Trade Merchants Sales Director Dulux Trade, is BMBI's Expert for Paint.

Quarter four delivered a mixed performance for decorative paint with December statistics showing a disappointing end to 2017. The retail market in particular was hit hard by weak consumer confidence and a downturn in housing transactions amongst other factors.

Focusing on Trade, the market performed better, finishing the year just short of 2% up over the previous year in terms of volume. However, it is still the weakest annual growth in the last five years.

By value, trade sales were up over 3%, however, this increase came from price rises from manufacturers rather than other market forces.

Overall the Trade paint market performance was influenced by many factors in 2017, especially exterior sales where the weather disrupted activity for part of the year. A far greater influence however has been a lack of confidence in the economy and rather gloomy figures on construction.

There are some positive takeaways though to offer the headlines both disposable income and O/N's Major Purchase Index are up a percentage, postnatal unemployment is at its lowest in 42 years. The market though is volatile and uncertain.

A number of interesting trends are occurring in the paint world. With the trade categories, the growth of water based coatings, independent solvent based coatings, their great uses for suppliers and their customers and a move from solvent, faster drying times and water equipment cleaning. It's also a strong sustainability message as there's less impact on the environment.

A proportion of the market often specifies a 'just good enough' base minimum rather than a higher performance product with additional customer benefits. So, it's reassuring that sales of durable, accessible emulsions are growing faster than standard emulsions. This is important as it adds value back into the market, giving merchants the chance to take up.

Along with volatility and uncertainty we're seeing important market shifts. Merchants that focus on service, value for money and brand accessibility will attract the generalist, small business and general contractors, who are the fastest growing part of the market.

"Q4 delivered a mixed performance for decorative paint. The retail market was hit hard by weak consumer confidence. Focusing on Trade, the market performed better, by value, trade sales were up over 3%. However, this increase came from price rises from manufacturers rather than other market forces."

Introduction



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 sets a gold standard in reliable market trends. 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.

BMBI trend data 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 the industry access to far more accurate and comprehensive insights than that available to other construction sectors.

MRA Marketing produces the Builders Merchant Building Index, a brand of the BMF, 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, Natural Paving Products, Heatrae Sadia and Dulux Trade, who provide valuable commentary on market trends and influences. Meet the BMBI Experts on page 7.

More data available

This BMBI report provides valuable top-level indices but there's considerably more data available. GfK insights go much deeper and include sales value data. GfK can quantify market values and drill down into contributing categories, tracing product group performance, to focus on aspects that are critical 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 acquiring data or getting involved should contact Richard Frankcom at richard.frankcom@gfk.com.

The BMBI website enables you to compare Landscaping trends with Heavy Building Materials, or Kitchens with Timber on our interactive charts.

Download current and past 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

A good start to 2018 for merchants

Year on Year

Total Builders' merchant value sales were up 8.4% in January 2018 compared with January last year, lifted by one additional trading day. Landscaping (+14.5%) was strongest, with Ironmongery (+12.0%), Plumbing Heating & Electrical (+10.7%) and Kitchens & Bathrooms (+10.3%) also doing well. Five categories grew more slowly, including Heavy Building Materials (+6.9%) the largest category, but all categories sold more this year.

Average sales a day in January, which takes into account the difference in trading days, were 3.4% higher than in January 2017.

Month on month

Comparing January (22 trading days) with December (16 trading days), the difference of 6 trading days makes January a 37.5% longer selling month. This explains why total merchant sales in January were 33.8% higher than in December. Ironmongery (+40.8%) and Timber & Joinery Products (+38.9%) were among six categories that did better.

Average sales a day in January were 2.7% lower than in December and most categories sold less. Ironmongery (+2.4%) and Timber & Joinery Products (+1.0%) did better.

Other periods

The latest three months (November 2017 to January 2018) were 5.5% up on the same three months a year ago, with an equal number of trading days. Ironmongery (+7.6%), Plumbing Heating & Electrical (+7.5%), Landscaping (+7.2%), Timber & Joinery Products (+6.6%) and Kitchens & Bathrooms (+6.5%) all did better.

The rolling 12 months February 2017 to January 2018 were 4.9% above the same period a year earlier (February 2016 to January 2017), with one less trading day. Average sales a day over the 12 months grew by 5.3%.

Index

January's BMBI index was 102.6, with one additional trading day. Seasonal category, Plumbing Heating & Electrical was top (127.2) followed by Ironmongery (120.4) and Workwear & Safetywear (117.2). Nine of the twelve categories exceeded 100.

Total Builders' merchant value sales were up 8.4% in January 2018 compared with January last year, helped by one additional trading day.

The Expert Panel

Speaking for their markets - 1



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 2017 report, which includes commentary from our experts is available [here](#)

Meet the Builders Merchant Building Index Experts:



Steve Halford
Group Managing Director
The Crystal Group



Expert for PVC-U Windows & Doors

[Read latest Comment: Q4 2017 Report](#)



Steve Durdant-Hollamby
Managing Director
Alumasc Water Management Systems



Expert for Civils, Metal Rainwater & Drainage

[Read latest Comment: Q4 2017 Report](#)



John Duffin
Managing Director
Keylite Roof Windows



Expert for Roof Windows

[Read latest Comment: Q4 2017 Report](#)



Andrew Simpson
National Commercial Director
Hanson Cement



Expert for Cement & Aggregates

[Read latest Comment: Q4 2017 Report](#)



Nigel Cox
Managing Director
Timbmet



Expert for Timber & Panel Products

[Read latest Comment: Q4 2017 Report](#)



Andy Williamson
Group Managing Director
IKO PLC



Expert for Roofing Products

[Read latest Comment: Q4 2017 Report](#)

The Expert Panel

Speaking for their markets - 2



Derrick McFarland
Managing Director
Keystone Lintels

Expert for Steel Lintels



[Read latest Comment: Q4 2017 Report](#)



Tony France
Sales Director
Ibstock

Expert for Bricks



[Read latest Comment: Q4 2017 Report](#)



John Sinfield
Managing Director
Knauf Insulation

Expert for Mineral Wool Insulation



[Read latest Comment: Q4 2017 Report](#)



Paul Rivett
Managing Director
Heatrae Sadia

Expert for Water Heating



[Read latest Comment: Q4 2017 Report](#)



Mike Beard
Merchant Development Director
Encon Insulation

Expert for Insulation Products - Distribution



[Read latest Comment: Q4 2017 Report](#)



Malcolm Gough
Group Sales & Marketing Director
Natural Paving Products

Expert for Natural Stone Landscaping Products, Vitrified Paving & Artificial Grass



[Read latest Comment: Q4 2017 Report](#)

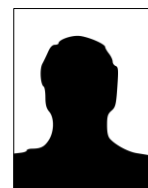


Paul Roughan
Trade Merchants Sales Director
Dulux Trade

Expert for Paint



[Read latest Comment: Q4 2017 Report](#)



Additional experts will be joining the panel in 2018

[Click here to find out more about the BMBI Experts and their sectors](#)

Monthly: Index and Categories

January 2017* – January 2018

(Indexed on monthly average, July 2014 – June 2015)



MONTHLY SALES VALUE INDEX	Index	2017												2018
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Total Builders Merchants	100	94.7	100.5	122.8	106.7	121.1	120.2	119.2	120.2	117.5	123.4	121.6	76.7	102.6
Timber & Joinery Products	100	99.1	100.9	121.2	102.9	117.1	116.7	116.3	117.3	116.9	124.4	122.1	77.8	108.0
Heavy Building Materials	100	94.0	100.1	123.0	106.9	122.5	121.2	120.6	121.6	119.4	125.8	122.8	75.2	100.5
Decorating	100	92.8	97.0	115.6	98.8	111.0	111.8	114.6	115.6	110.5	115.4	114.9	76.6	101.9
Tools	100	97.6	101.7	120.7	97.2	107.0	109.9	109.8	110.8	110.4	119.2	119.8	75.3	101.3
Workwear & Safetywear	100	109.5	102.7	114.1	85.1	101.4	99.4	95.2	96.2	107.0	112.9	131.0	86.1	117.2
Ironmongery	100	107.5	109.4	129.2	107.5	121.6	124.5	125.6	126.6	123.4	130.6	129.5	85.5	120.4
Landscaping	100	71.0	87.7	129.5	138.1	153.1	146.9	140.8	141.8	117.1	115.8	105.8	60.0	81.3
Plumbing, Heating & Electrical	100	114.9	116.1	128.7	98.3	109.7	110.0	106.6	107.6	120.3	128.9	141.9	97.4	127.2
Renewables & Water Saving	100	68.1	76.2	90.3	68.2	70.2	69.9	66.6	67.6	69.2	78.3	82.2	46.8	75.2
Kitchens & Bathrooms	100	98.1	110.2	123.6	99.3	111.3	118.3	113.7	114.7	114.5	120.2	128.6	85.9	108.2
Miscellaneous	100	113.2	108.8	124.4	103.4	120.5	113.7	117.2	118.2	119.8	118.4	125.3	90.7	114.4
Services	100	87.8	95.0	115.0	100.6	112.4	109.7	110.6	111.6	110.6	114.0	109.2	79.0	93.1

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

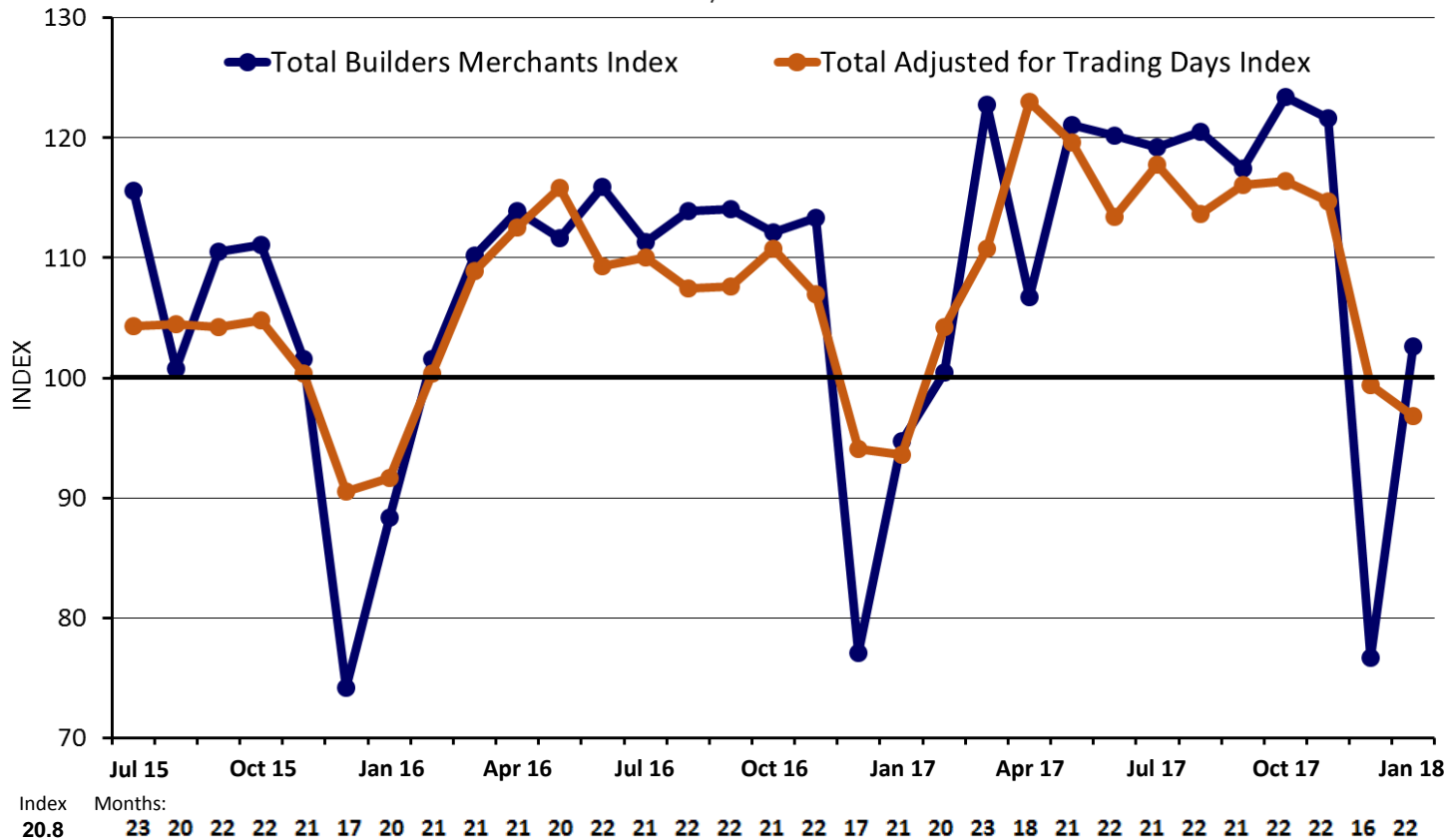
Source: GfK's
Builders Merchants
Total Category Report
July 2015 to January 2018

Monthly: Index

Adjusted and unadjusted for trading days

Total Builders Merchants Index v Total Adjusted for Trading Days Index

Indexed on July 2014 - June 2015



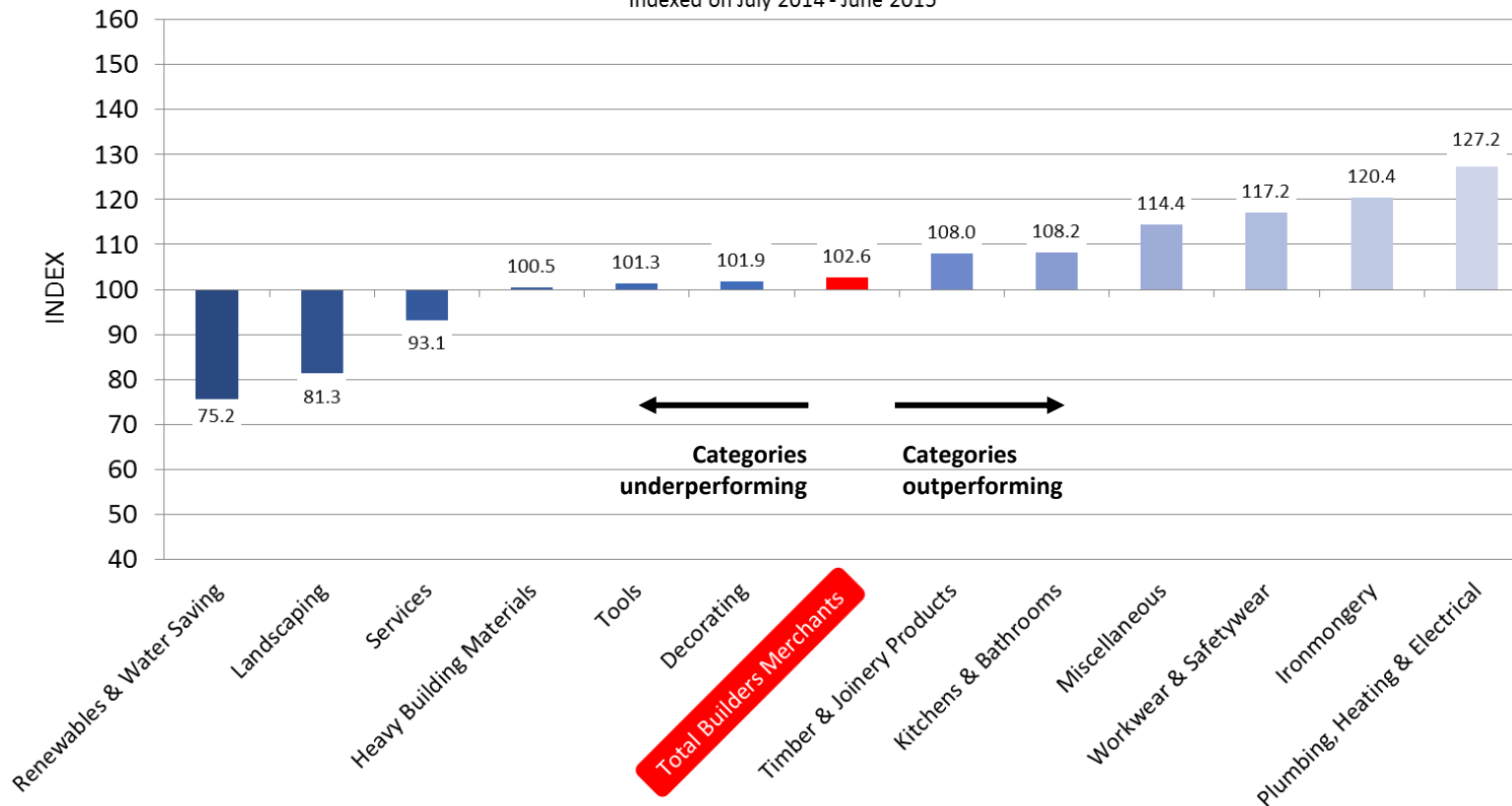
 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to January 2018

Monthly: Index and Categories

January 2018 index

January 2018 Index

Indexed on July 2014 - June 2015

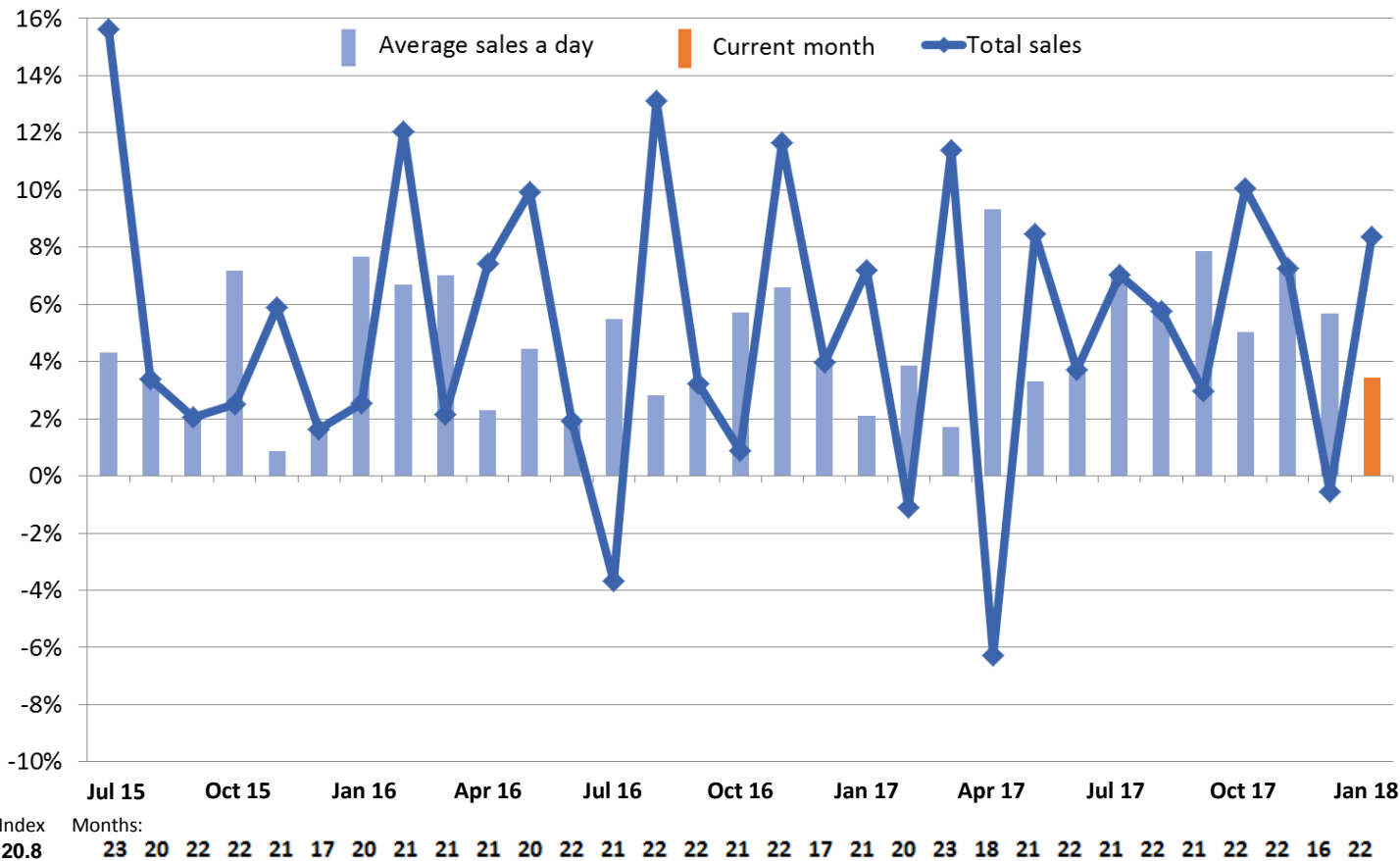


 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to January 2018

Monthly: Sales Indices

Adjusted and unadjusted for trading days

Monthly: Year on Year



Trading days:

Index 20.8

Months:

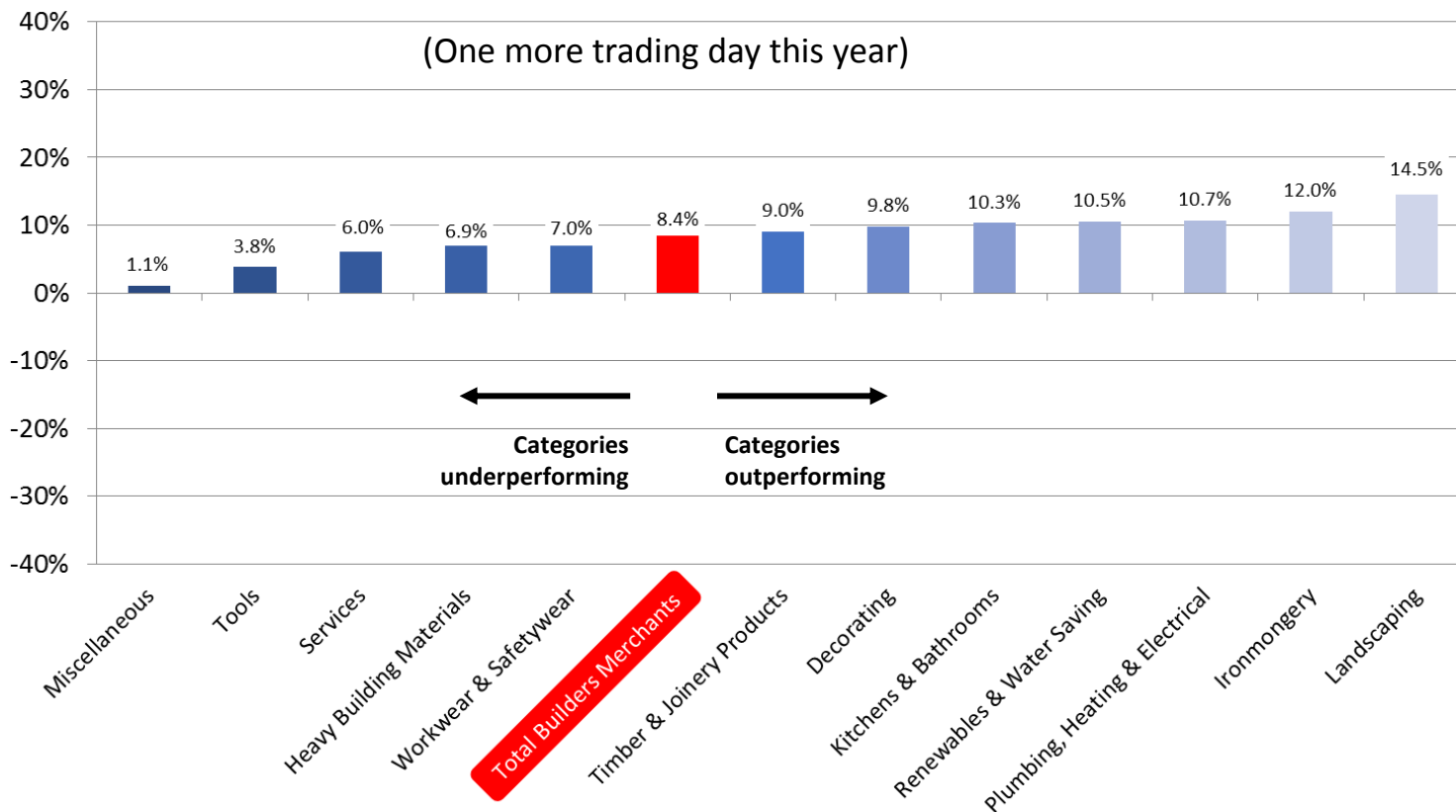
23 20 22 22 21 17 20 21 21 21 20 22 21 22 22 21 22 17 21 20 23 18 21 22 21 22 21 22 22 16 22

 Source: GfK's Builders Merchants Total Category Report July 2015 to January 2018

Monthly: This Year v Last Year

January 2018 sales indices

January 2018 index v January 2017 index

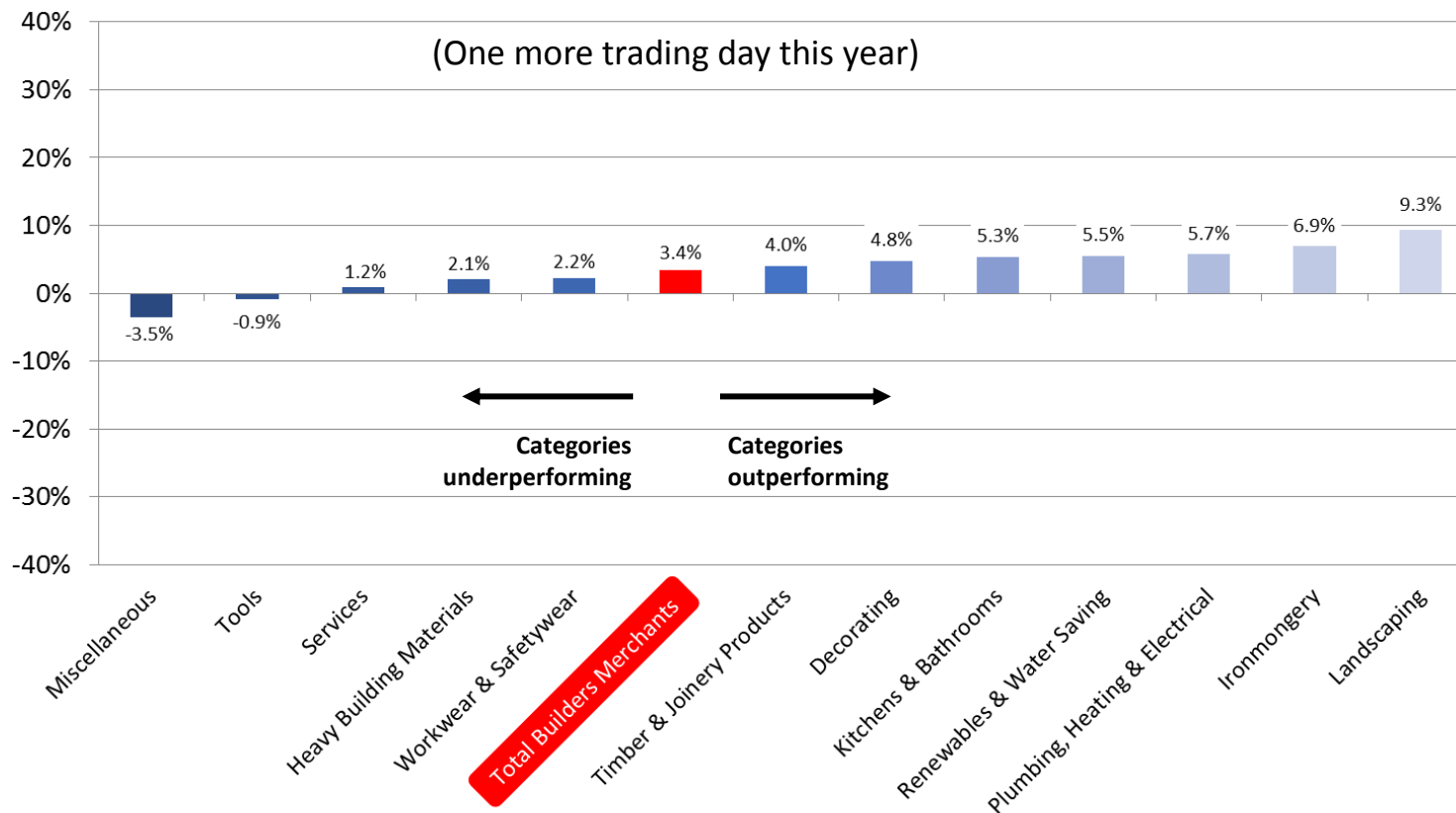


 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to January 2018

Monthly: This Year v Last Year

January 2018 average sales a day indices

January 2018 index v January 2017 index

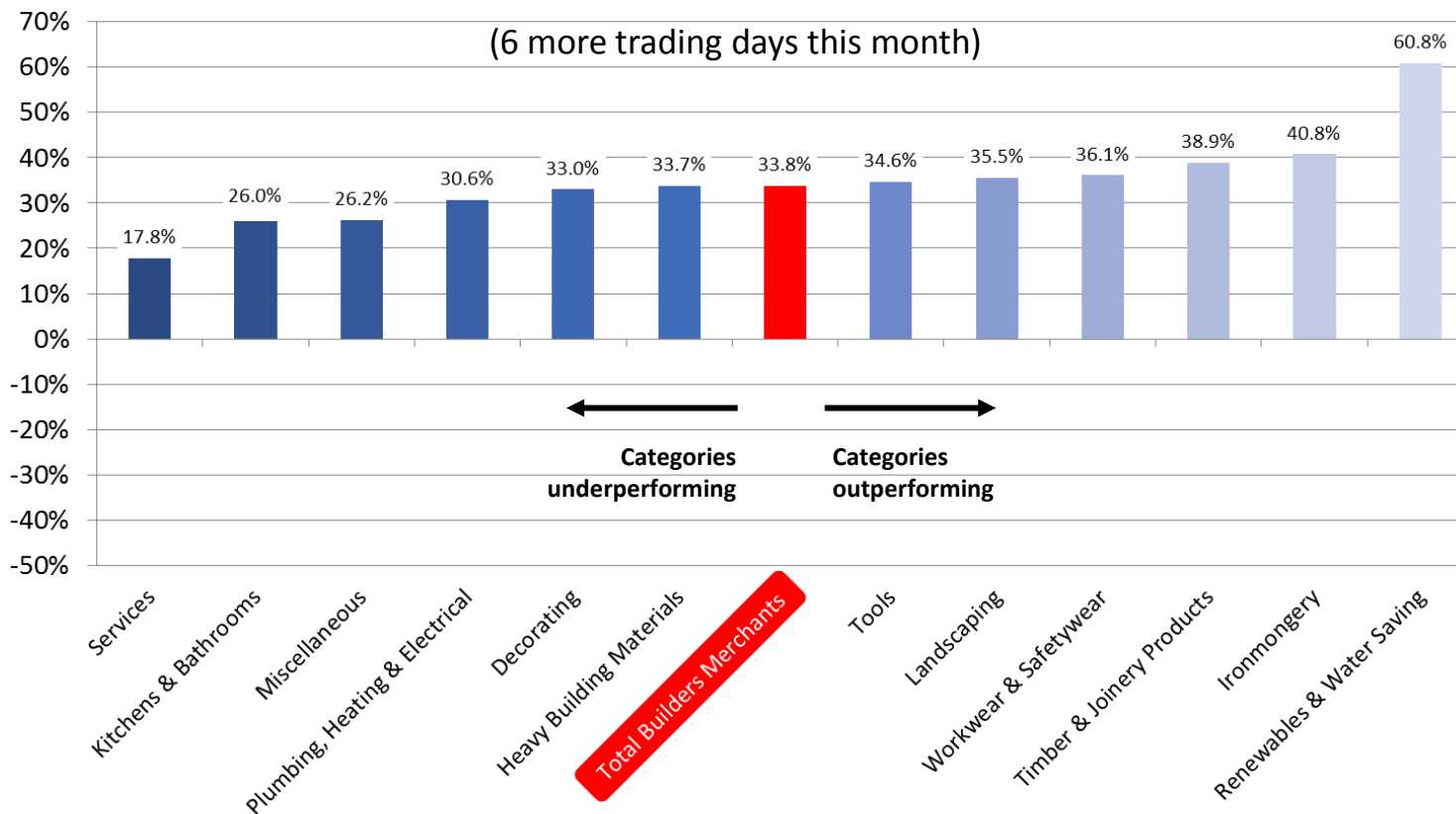


 Source: GfK's Builders Merchants Total Category Report July 2015 to January 2018

Monthly: This Month v Last Month

January 2018 sales indices

January 2018 index v December 2017 index

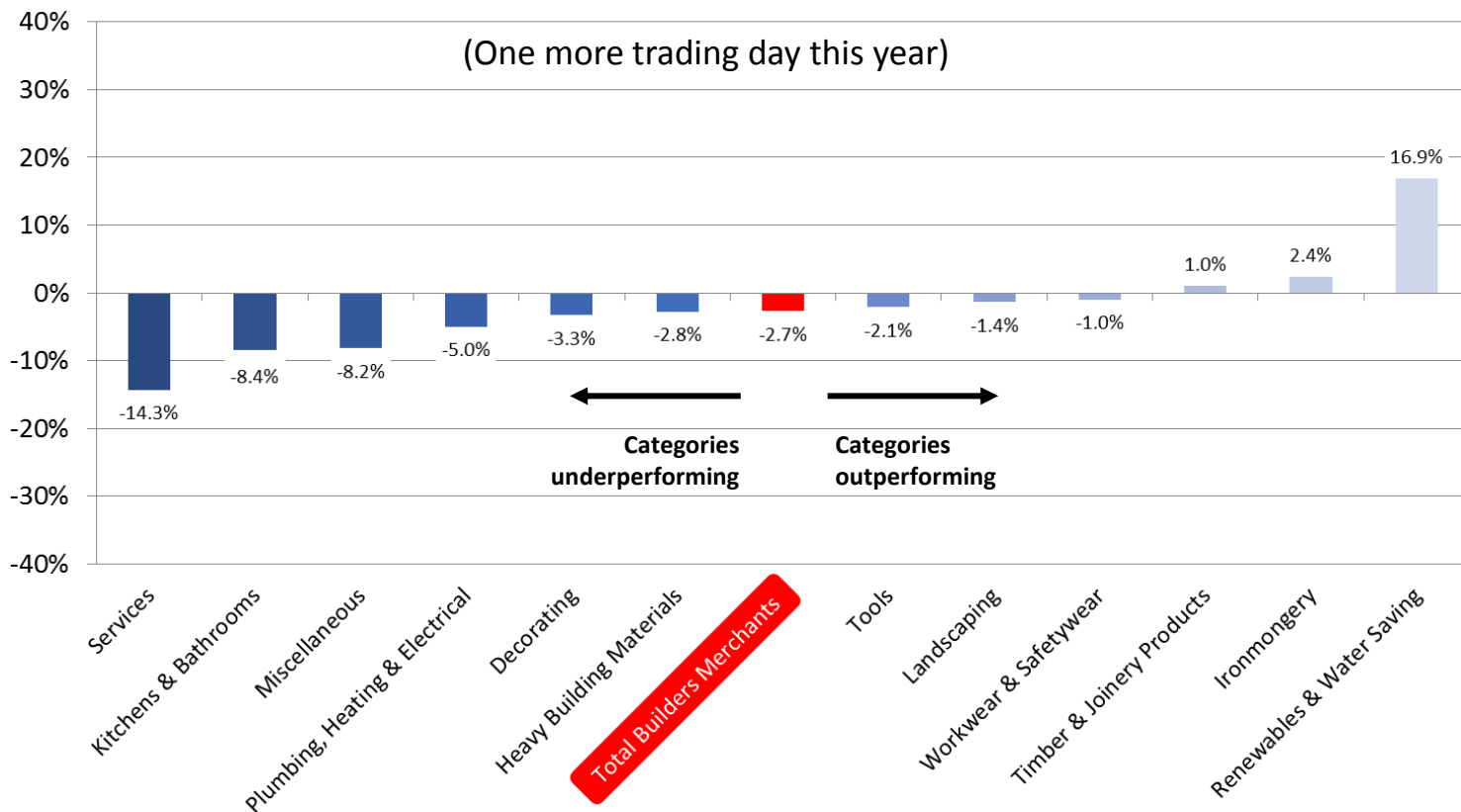


 Source: GfK's Builders Merchants Total Category Report July 2015 to January 2018

Monthly: This Month v Last Month

January 2018 average sales a day indices

January 2018 index v December 2017 index



 Source: GfK's Builders Merchants Total Category Report July 2015 to January 2018

Quarterly: Index and Categories

Quarter 4 2016* to Quarter 4 2017

(Indexed on July 2014 to June 2015)



QUARTERLY SALES VALUE INDEX	Index	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Total Builders Merchants	100	100.9	106.0	116.0	119.1	107.2
Timber & Joinery Products	100	100.7	107.1	112.3	117.1	108.1
Heavy Building Materials	100	101.4	105.7	116.9	120.7	107.9
Decorating	100	98.2	101.8	107.2	113.9	102.3
Tools	100	97.3	106.7	104.7	109.8	104.7
Workwear & Safetywear	100	105.5	108.8	95.3	100.9	110.0
Ironmongery	100	107.4	115.3	117.9	125.3	115.2
Landscaping	100	89.8	96.1	146.0	130.4	93.8
Plumbing, Heating & Electrical	100	113.9	119.9	106.0	113.4	122.7
Renewables & Water Saving	100	59.0	78.2	69.4	69.0	69.1
Kitchens & Bathrooms	100	104.7	110.6	109.6	115.2	111.6
Miscellaneous	100	109.4	115.5	112.5	120.5	111.4
Services	100	98.9	99.3	107.6	112.4	100.7

*Click the web link below to see the complete series of quarterly indices from September 2015.

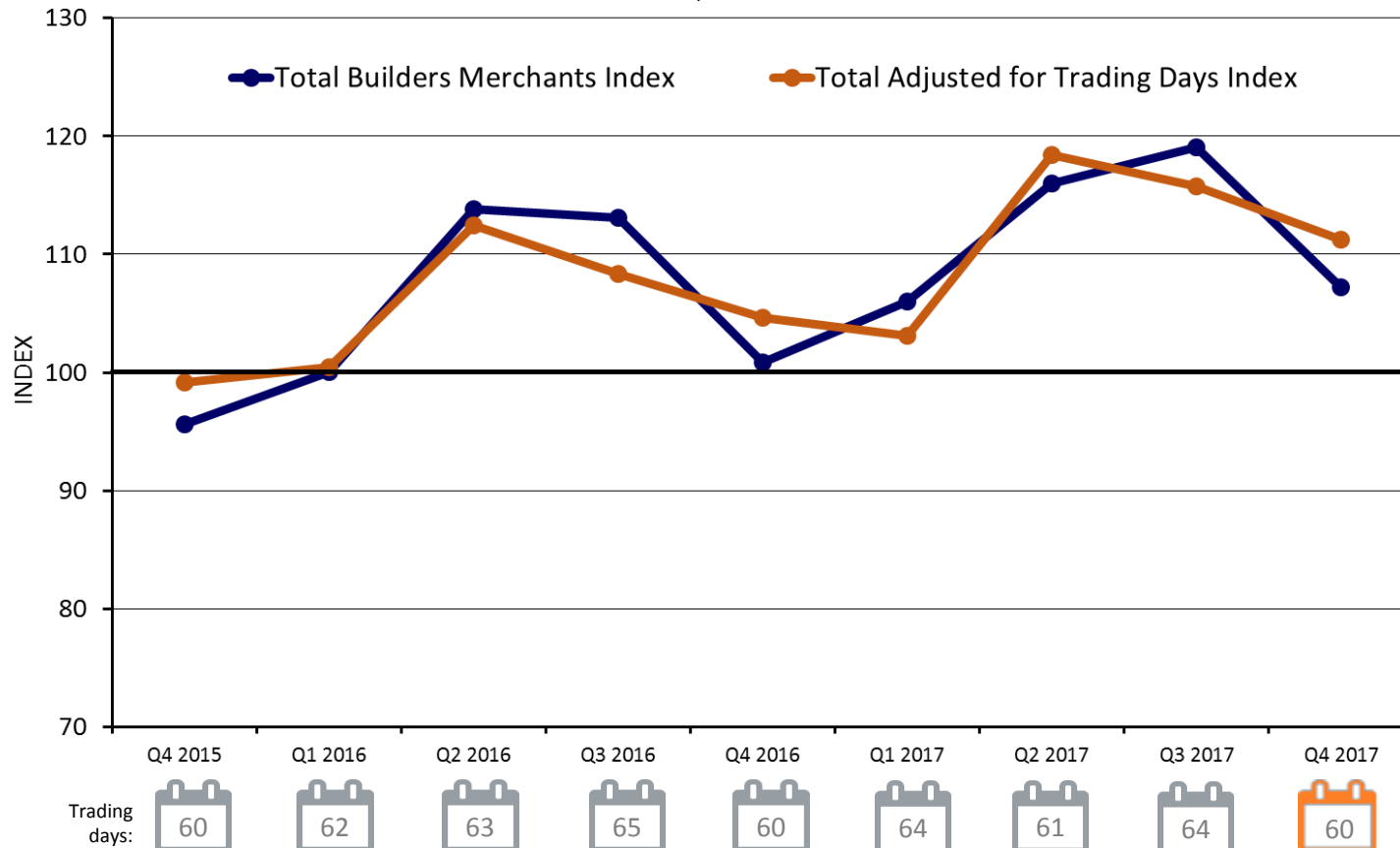
 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to December 2017

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 2017

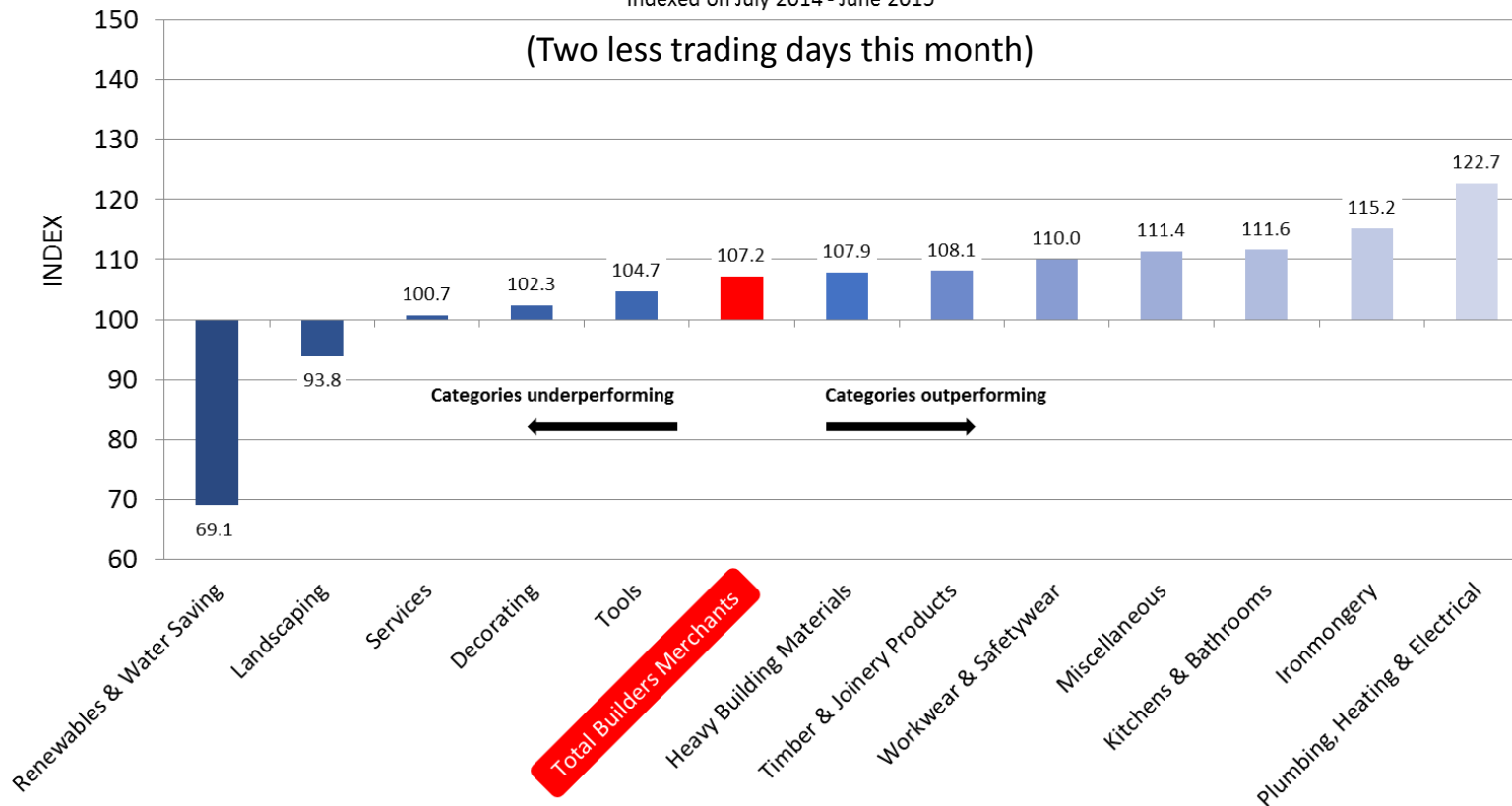
Quarterly: Index and Categories

Q4 2017 index

Quarter 4 2017

Indexed on July 2014 - June 2015

(Two less trading days this month)



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

Quarterly: Index and Categories

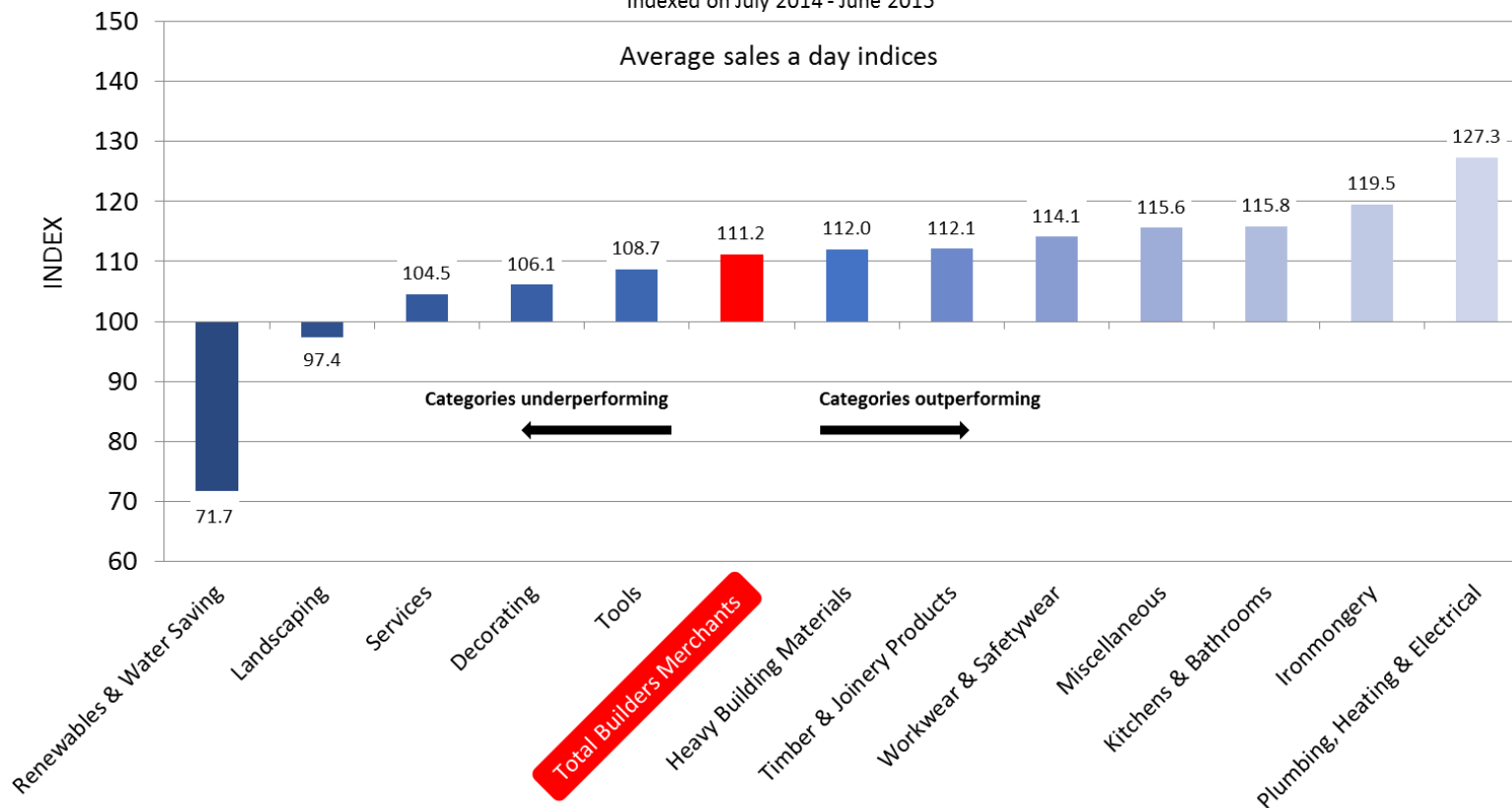
Q4 2017 index

average sales a day

Quarter 4 2017

Indexed on July 2014 - June 2015

Average sales a day indices



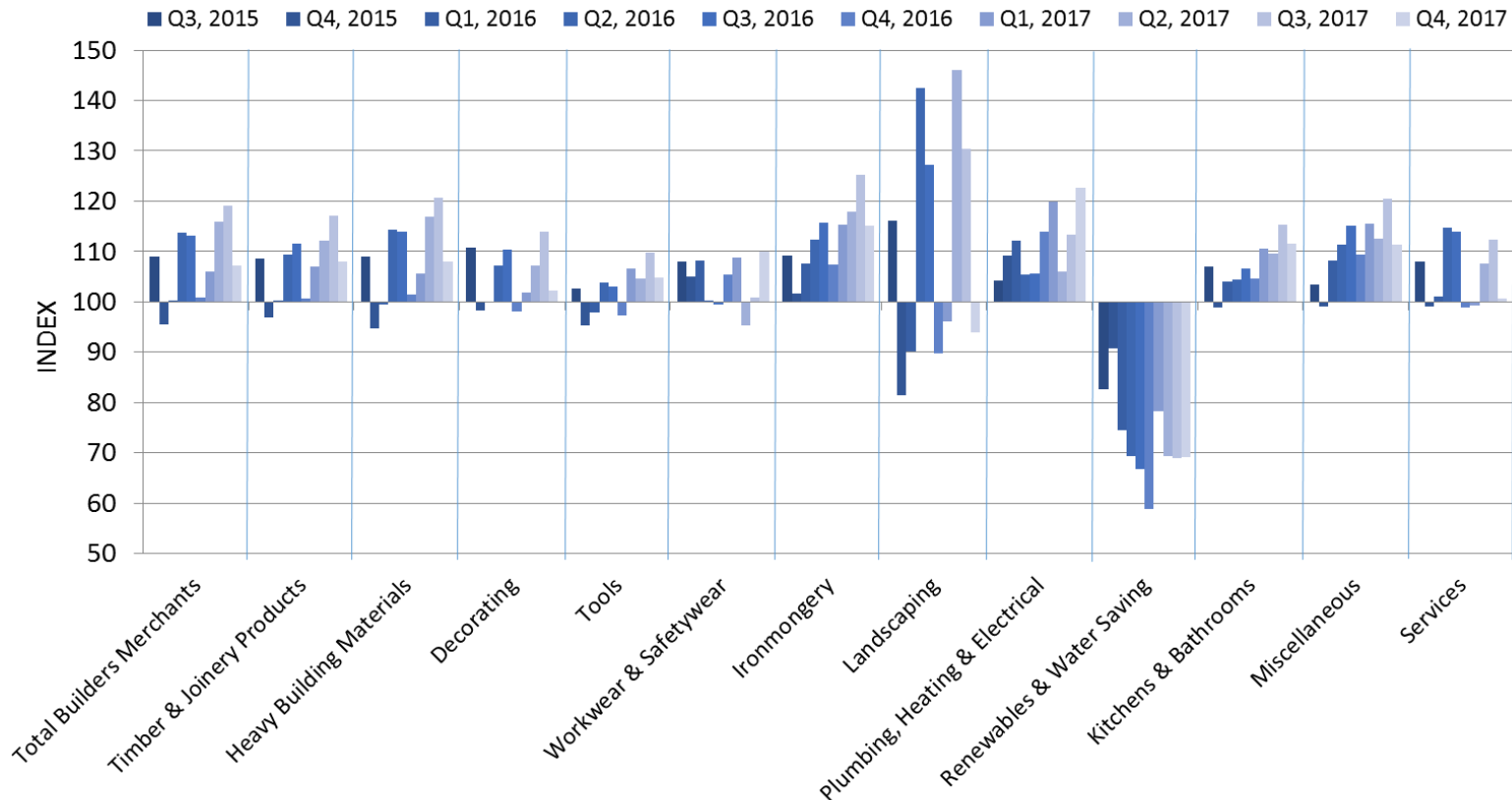
GfK Source: GfK's
Builders Merchants
Total Category Report
July 2015 to December 2017

Quarterly: Index and Categories

Quarterly indices

Quarterly Indices

Indexed on July 2014 to June 2015

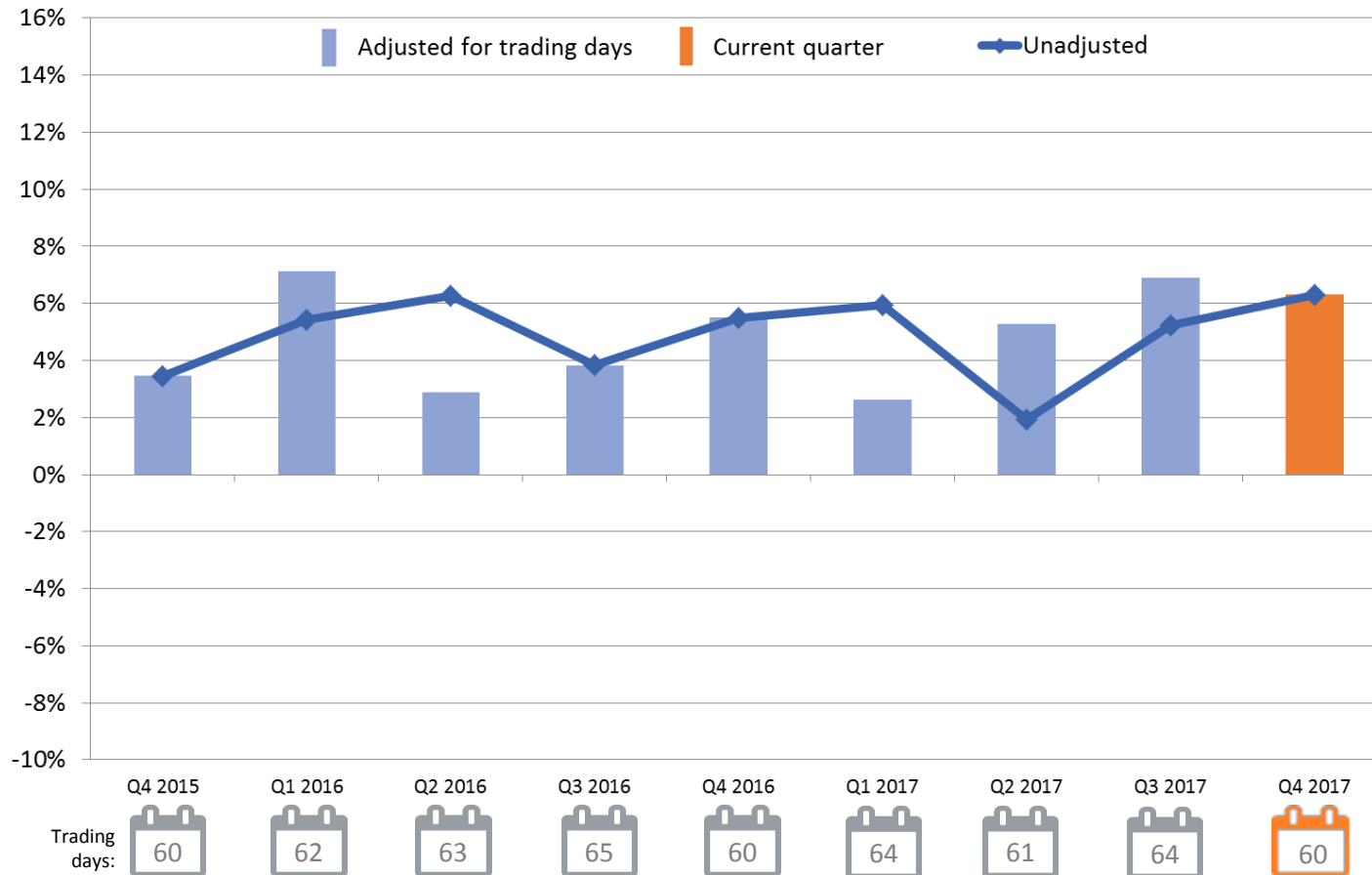


 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to December 2017

Quarterly: Sales Indices

Adjusted and unadjusted for trading days

Quarterly Indices: Year on Year

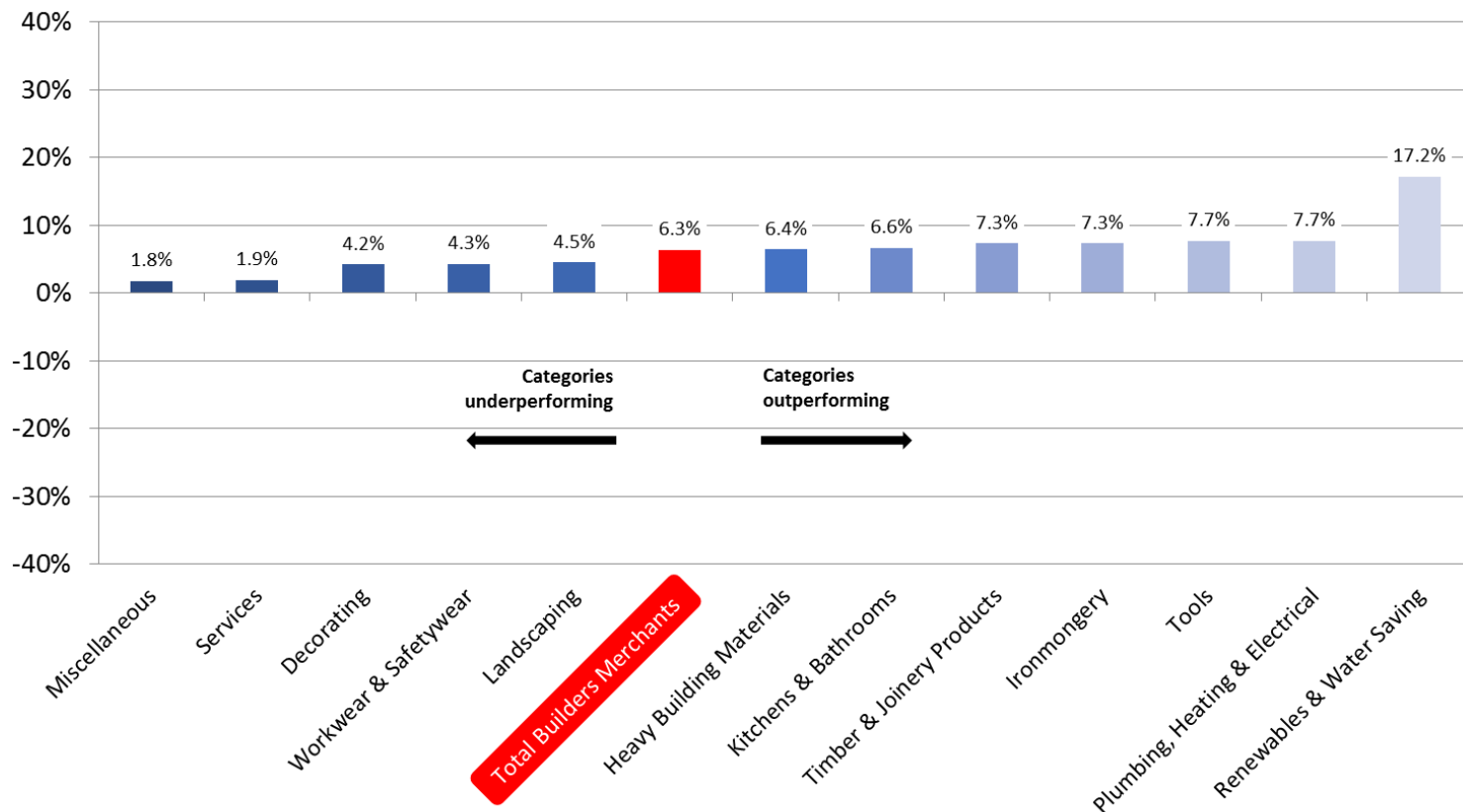


 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to December 2017

Quarterly: This Year v Last Year

Q4 2017 sales indices

Quarter 4 2017 index v Quarter 4 2016 index

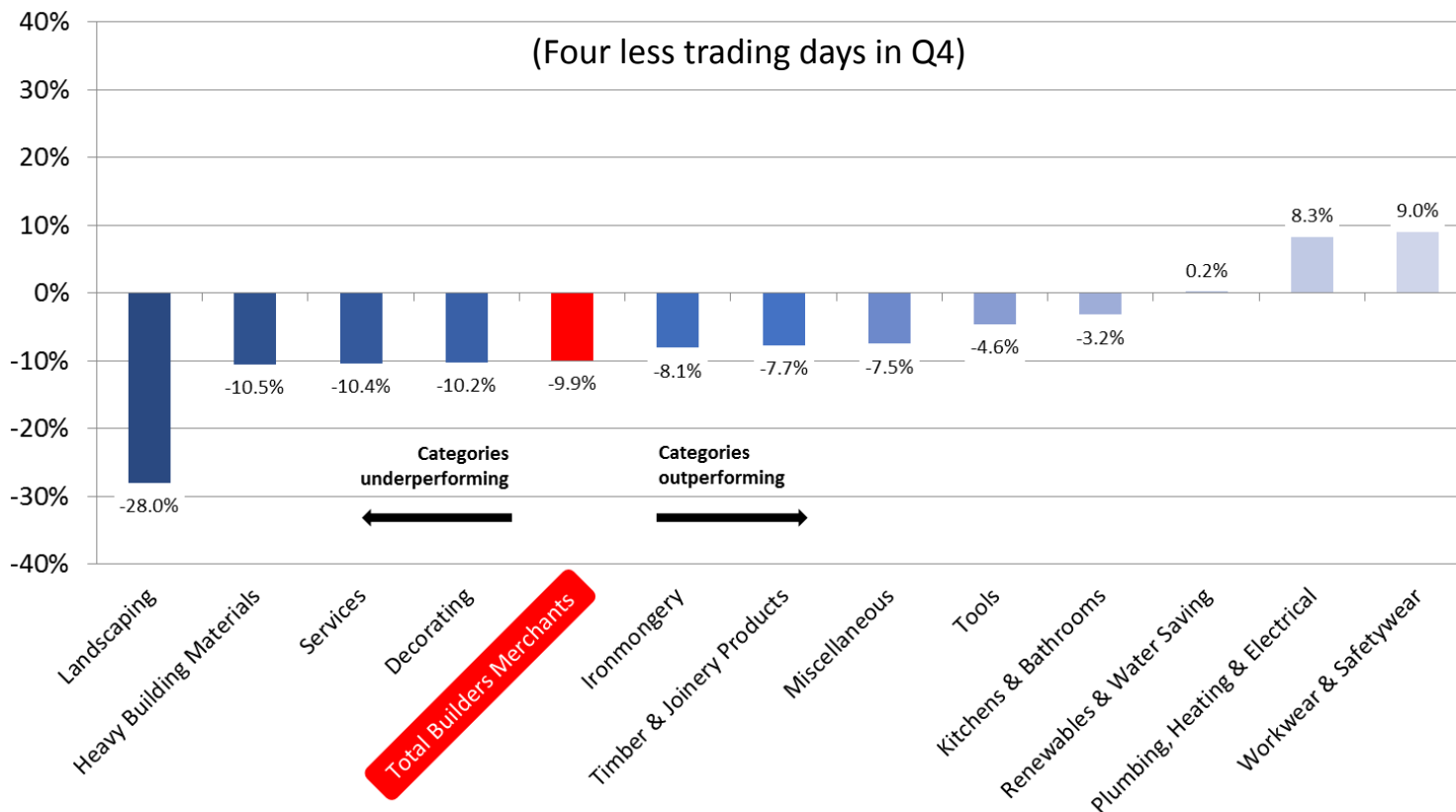


 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to December 2017

Quarterly: Quarter on Quarter

Q4 2017 sales indices

Quarter 4 2017 index v Quarter 3 2017 index

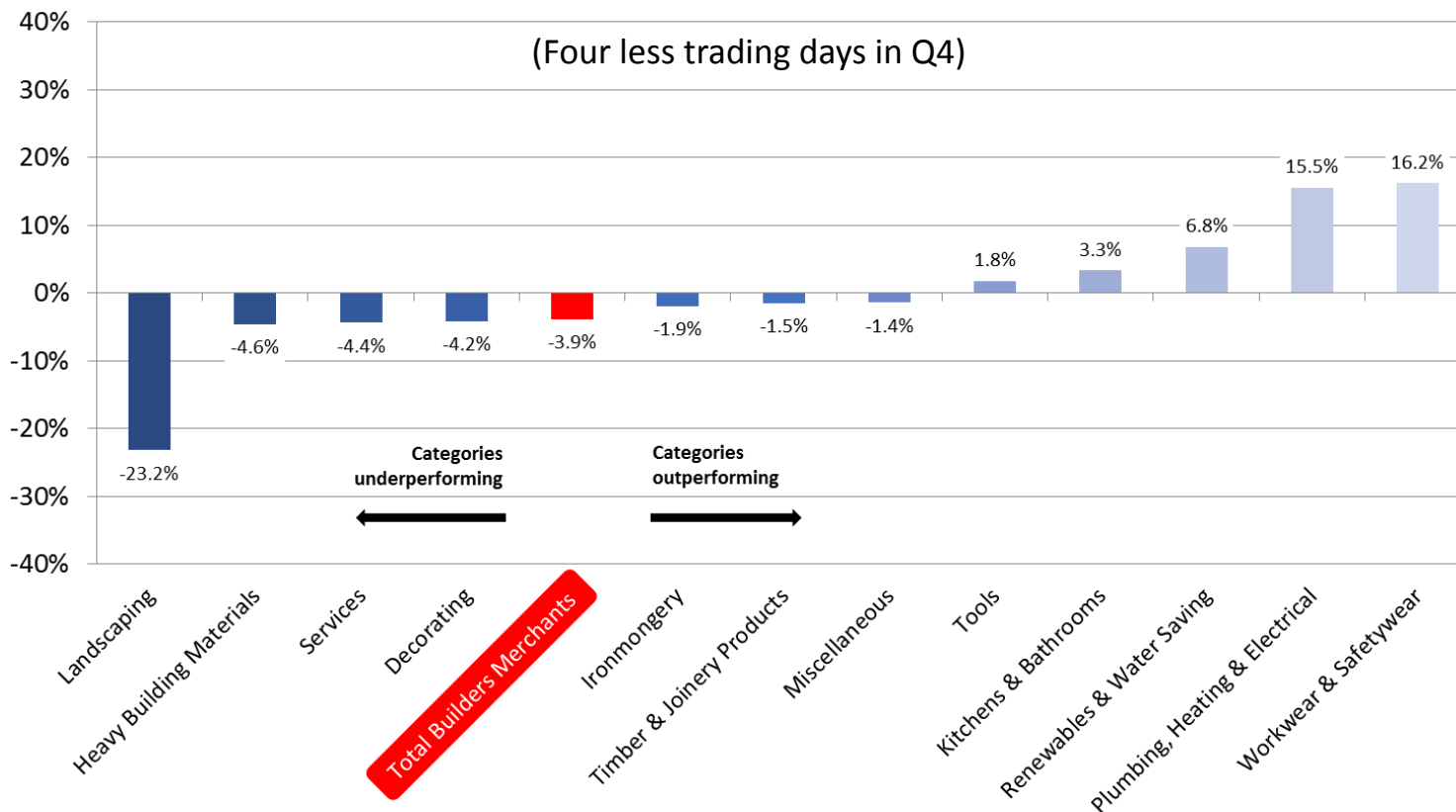


 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to December 2017

Quarterly: Quarter on Quarter

Q4 2017 average sales a day indices

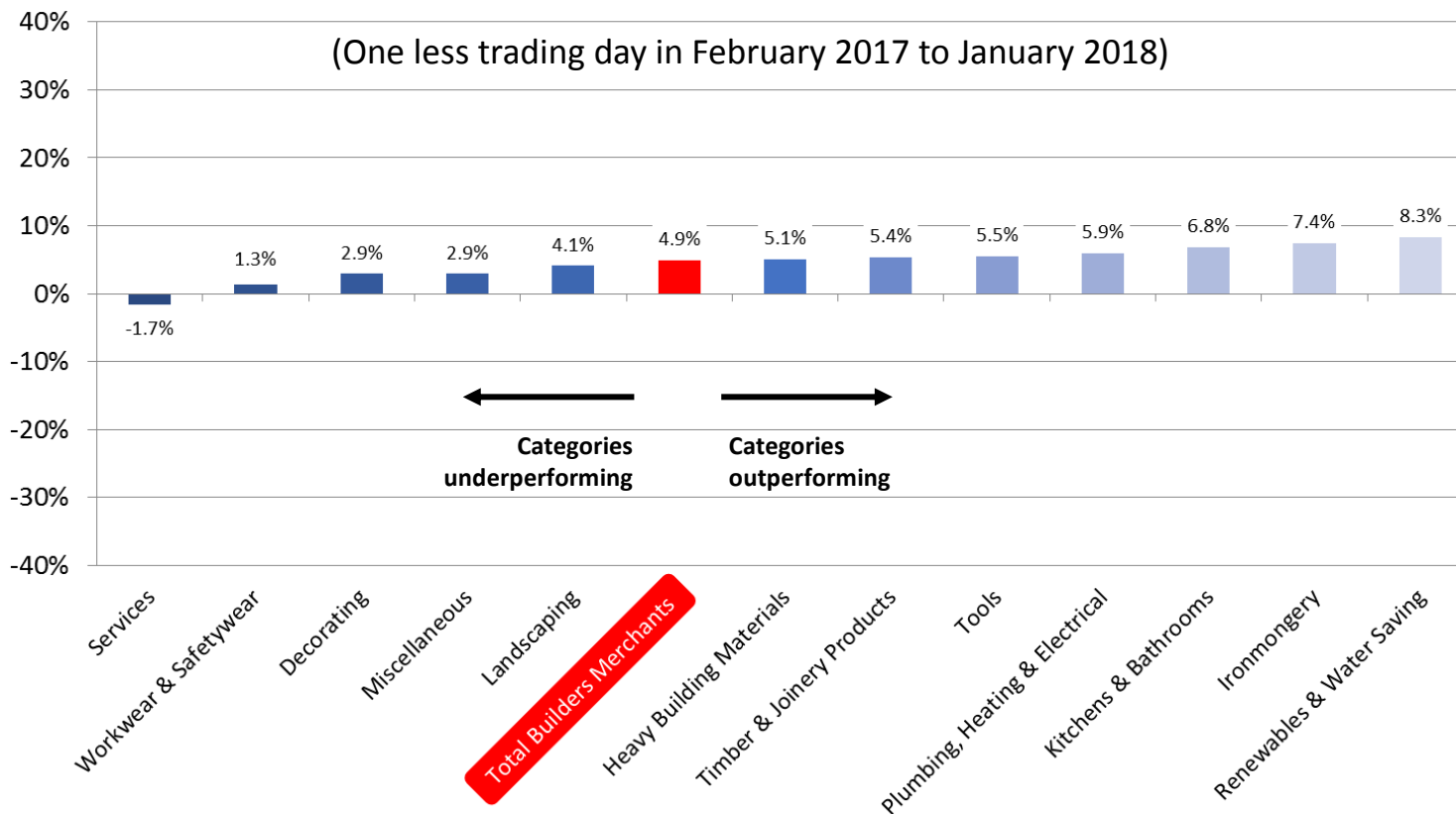
Quarter 4 2017 index v Quarter 3 2017 index



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

Last 12 Months: Year on Year

12 months Feb 17 to Jan 18 v 12 months Feb 16 to Jan 17

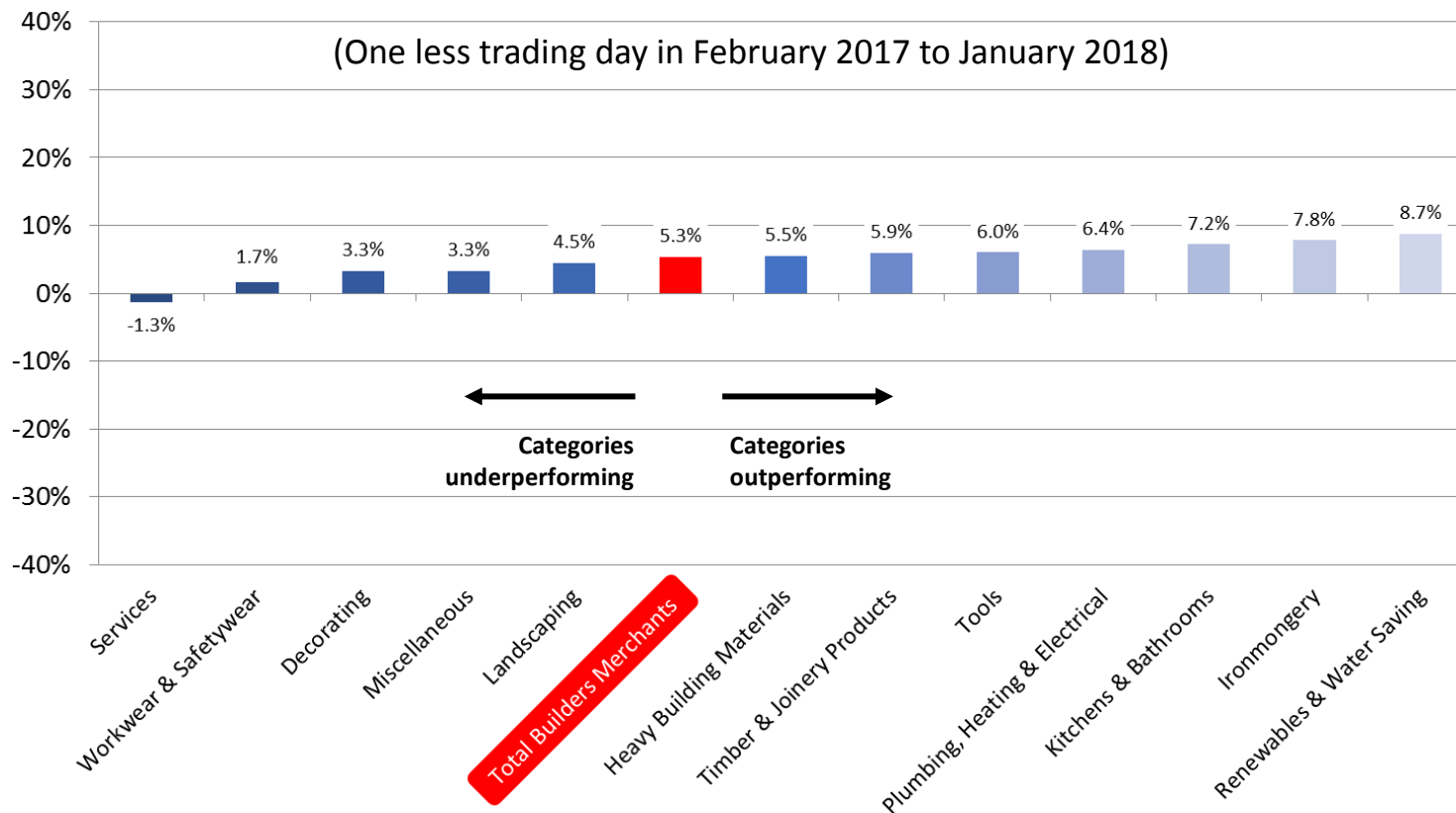


 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to January 2018

Last 12 Months: Year on Year

Average sales a day

12 months Feb 17 to Jan 18 v 12 months Feb 16 to Jan 17

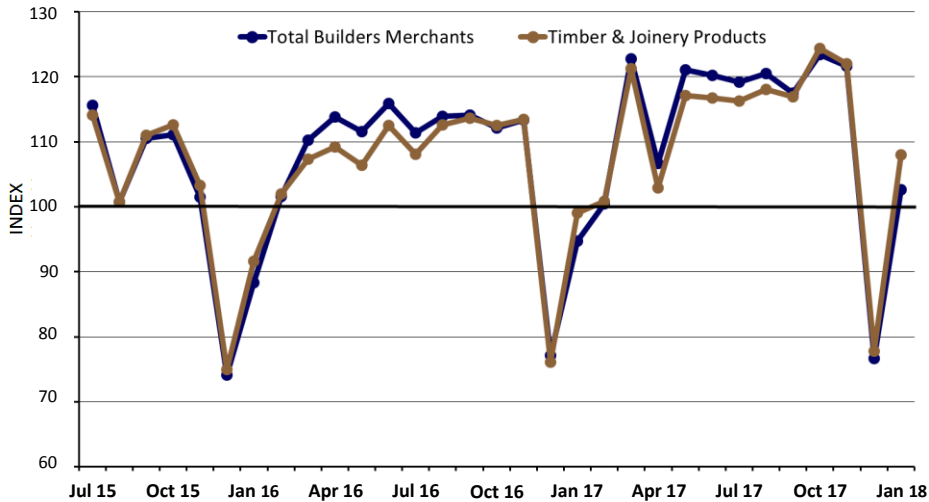


Source: GfK's
Builders Merchants
Total Category Report
July 2015 to January 2018

Monthly: Indices

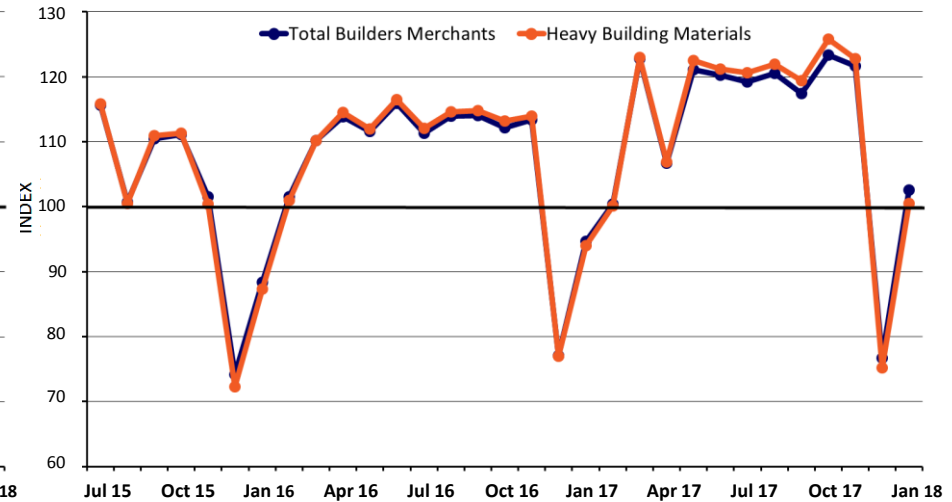
January 2018

Timber & Joinery Products



Indexed on July 2014 – June 2015

Heavy Building Materials



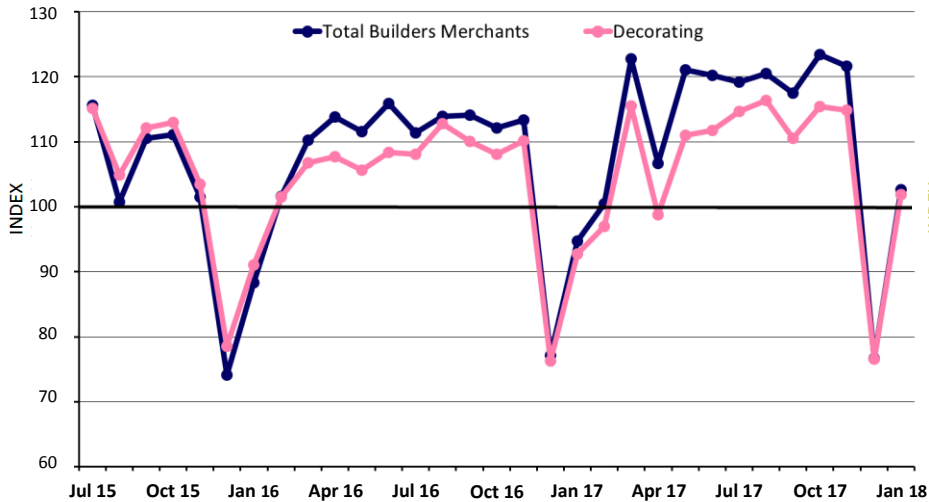
Indexed on July 2014 – June 2015

 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to January 2018

Monthly: Indices

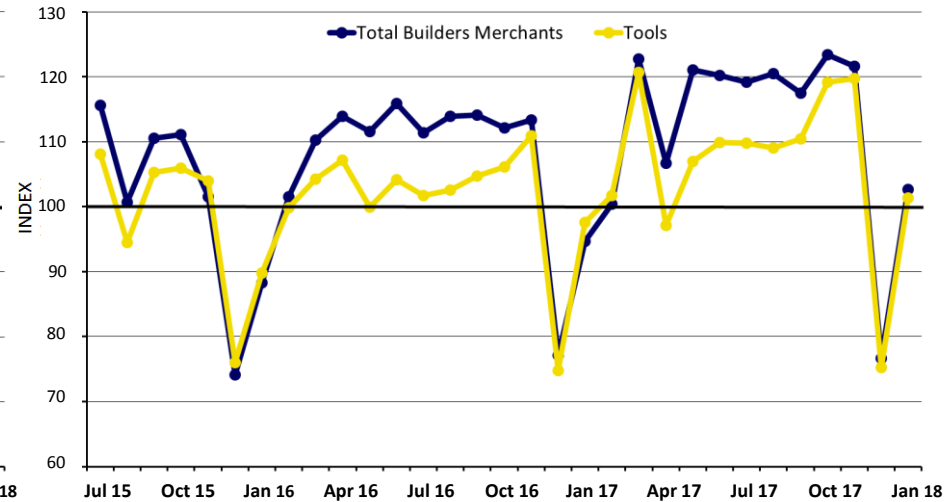
January 2018

Decorating



Indexed on July 2014 – June 2015

Tools



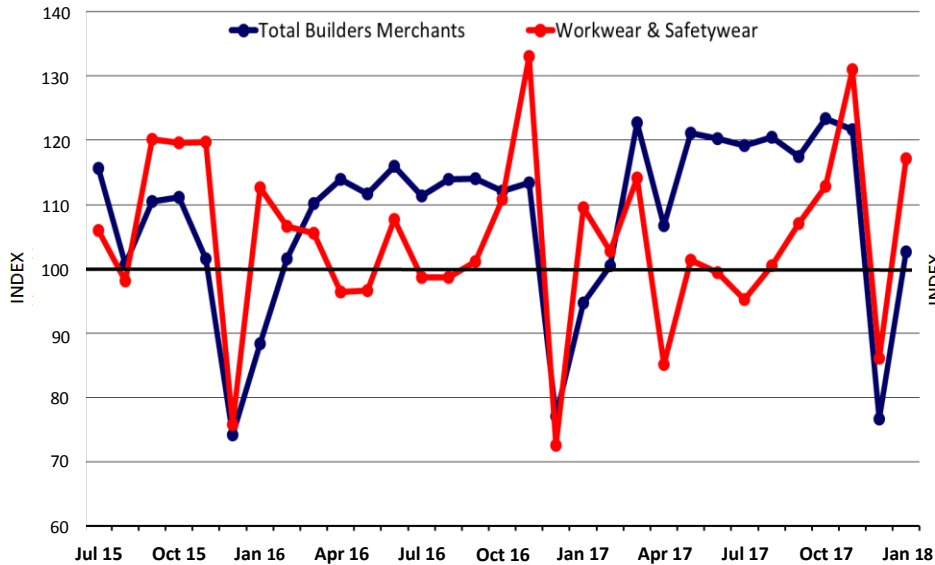
Indexed on July 2014 – June 2015

 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to January 2018

Monthly: Indices

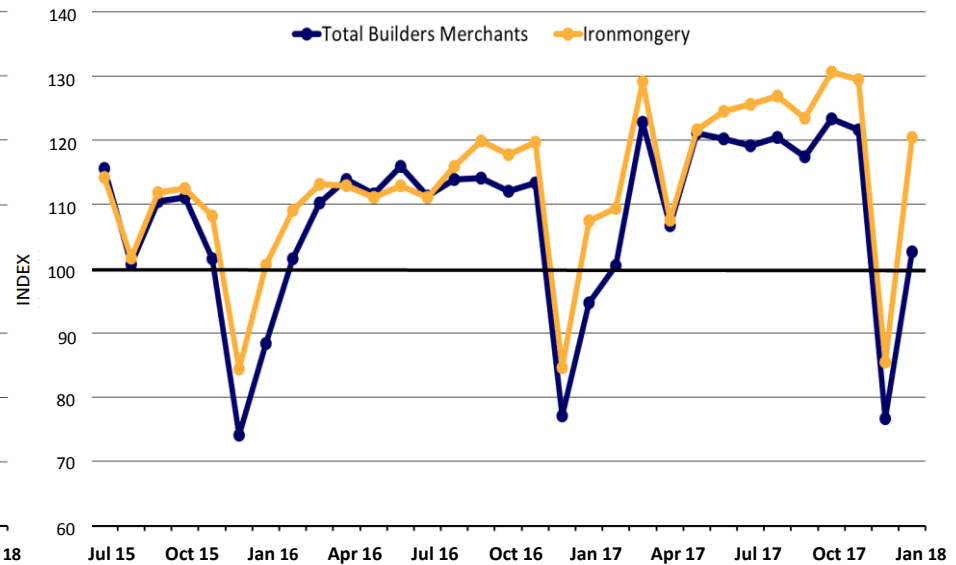
January 2018

Workwear & Safetywear




Indexed on July 2014 – June 2015

Ironmongery



Indexed on July 2014 – June 2015

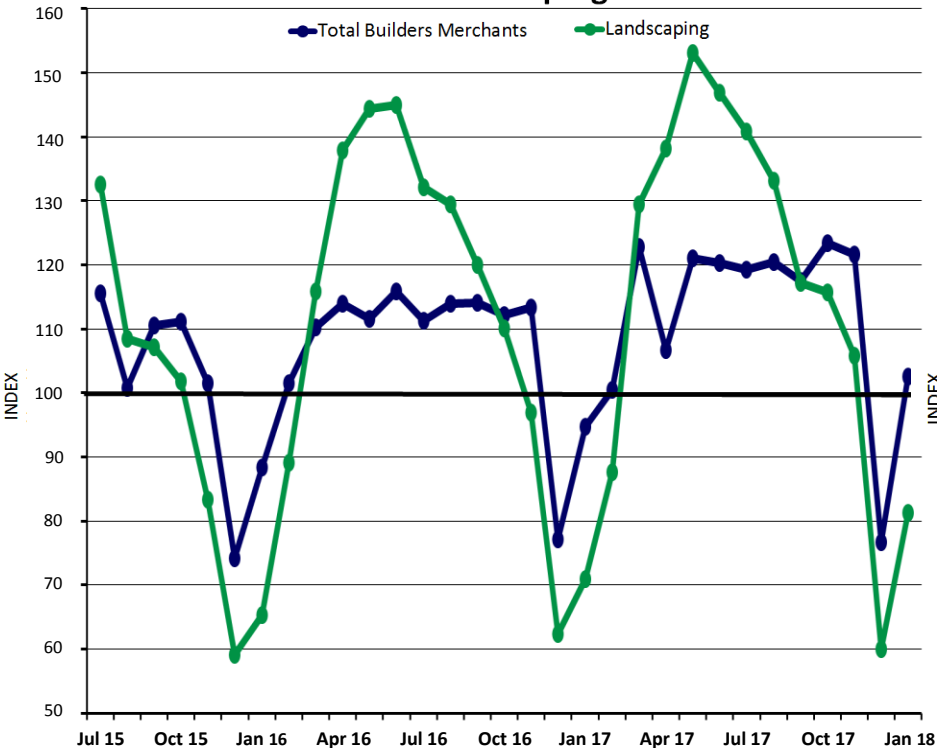
 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to January 2018

Monthly: Indices

January 2018

Landscaping

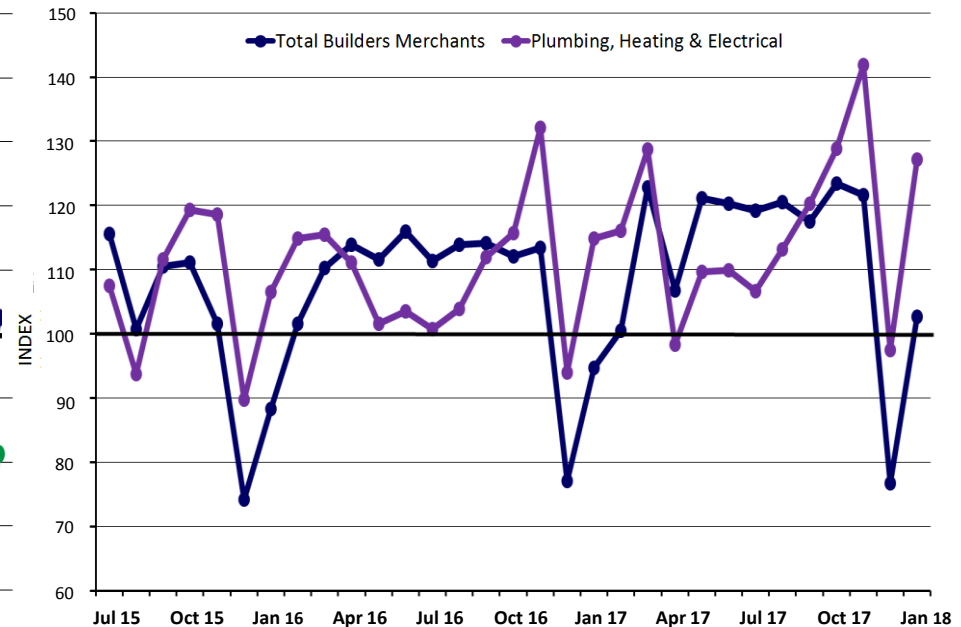
● Total Builders Merchants ● Landscaping



Indexed on July 2014 – June 2015

Plumbing, Heating & Electrical

● Total Builders Merchants ● Plumbing, Heating & Electrical



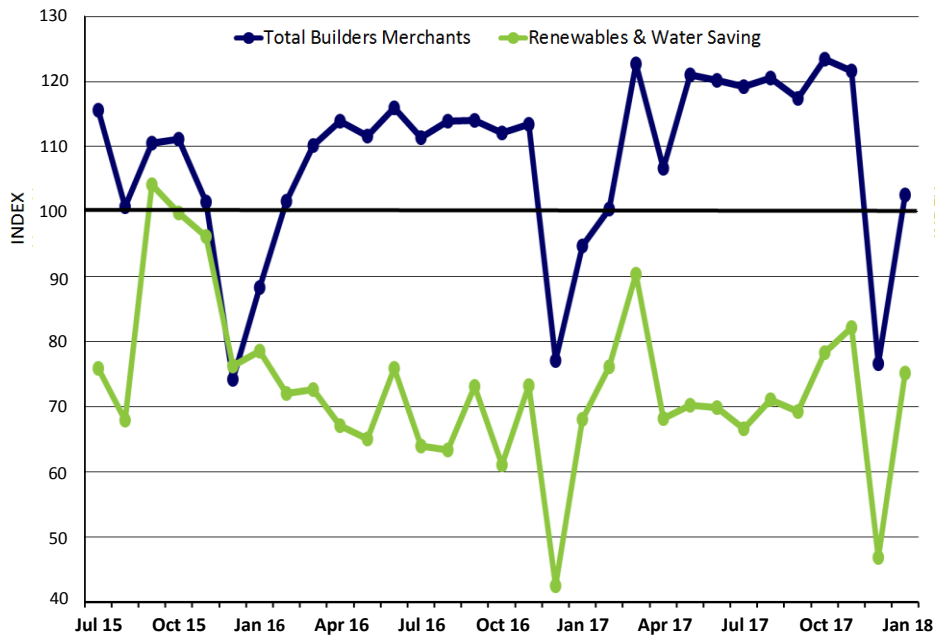
Indexed on July 2014 – June 2015

 Source: GfK's Builders Merchants Total Category Report July 2015 to January 2018

Monthly: Indices

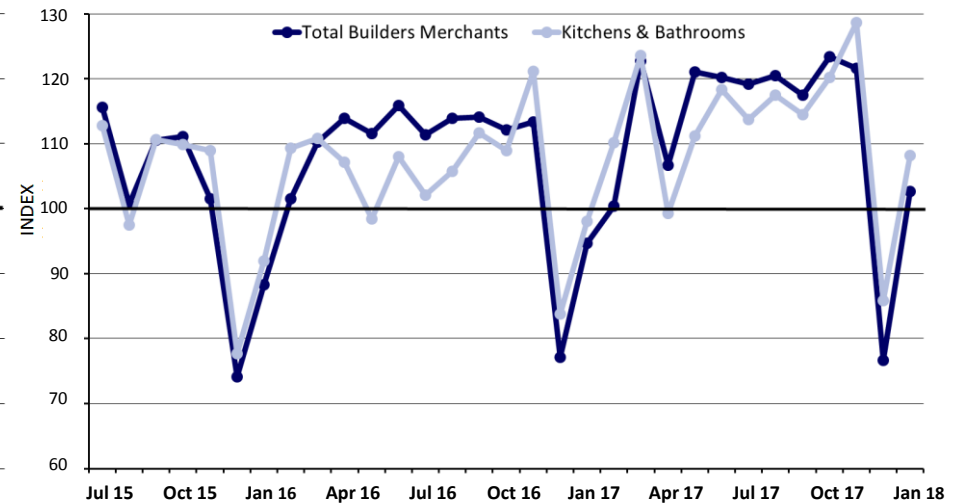
January 2018

Renewables & Water Saving



Indexed on July 2014 – June 2015

Kitchens & Bathrooms



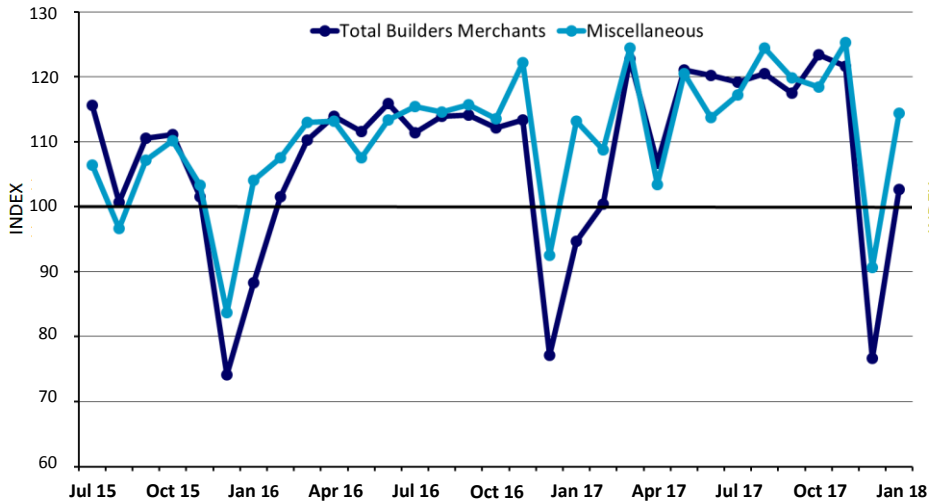
Indexed on July 2014 – June 2015

 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to January 2018

Monthly: Indices

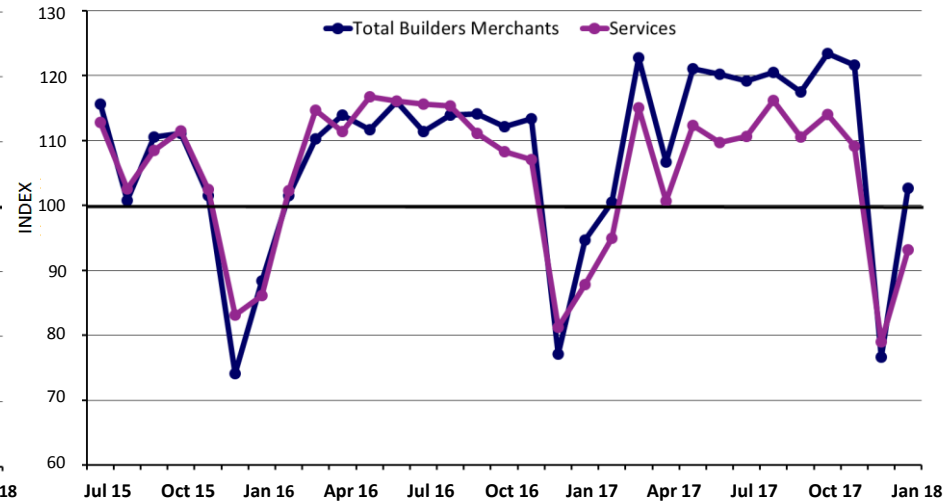
January 2018

Miscellaneous



Indexed on July 2014 – June 2015

Services



Indexed on July 2014 – June 2015

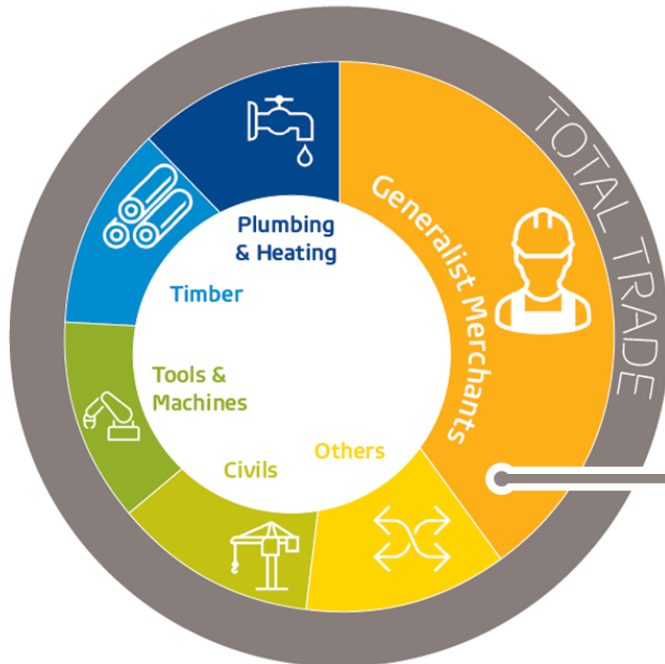
 Source: GfK's
Builders Merchants
Total Category Report
July 2015 to January 2018

GfK's Panel

Generalist Builders Merchant Panel (GBM's)



The Multiple Generalist Builders Merchants Channel



Generalist Builders Merchants

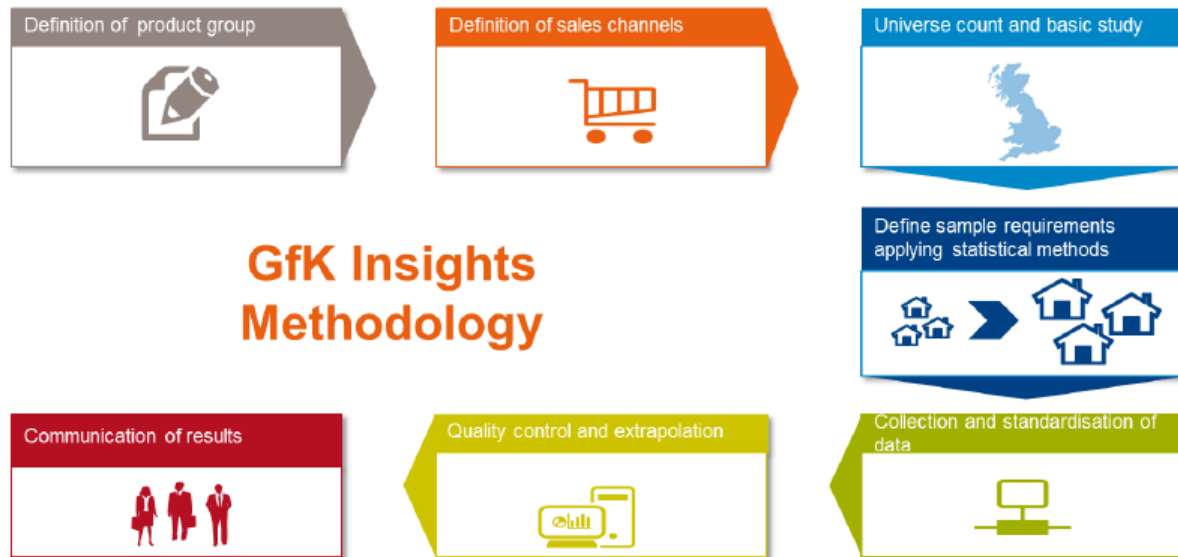
Builder Merchants handle an extended range of building materials and components (e.g. doors, windows, interior furnishing materials, insulation materials, tiles, cement, mortar, adhesives, sealants, nails, hardware products, pipes, ironware, paint) and generate their turnover with professional end users.

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

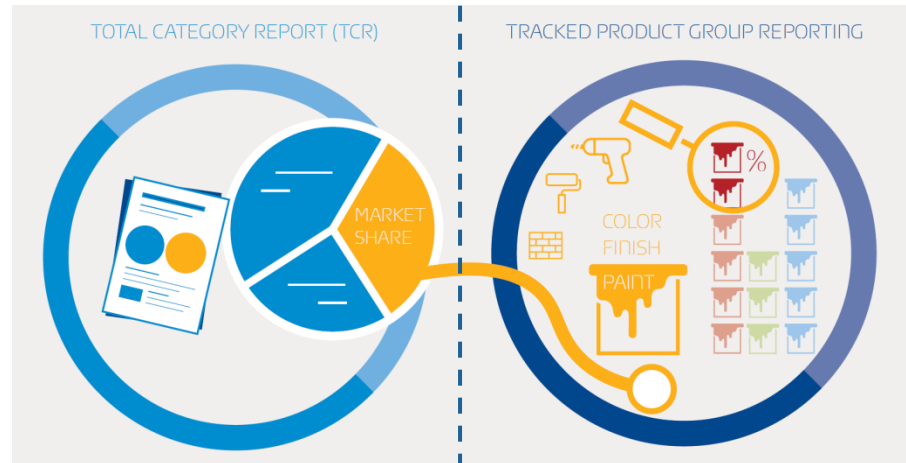
Bathroom (Including Showering)
Fitted Kitchens
Major Appliances

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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