

“building **excellence**  
in materials supply”

Including  
**Plumbing & Heating  
Merchant Index**  
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# Builders Merchant Building Index



**Quarter 2 2021**

(Published 23 August 2021)

# Building the Industry & Building Brands from Knowledge



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# Introduction:

## Builders Merchant Building Index



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 relatively small samples or 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. It's therefore a very good proxy for housing RMI.

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 Research 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: West Fraser (formerly known as Norbord), Pavestone UK Ltd, eCommonSense, British Gypsum, Wienerberger, Midland Lead, Polypipe, The Crystal Group, Keylite Roof Windows, Hanson Cement, Keystone Lintels, Knauf Insulation, Dulux Trade and Lakes. This month we welcome a new Expert to the panel: Mathew Whitehouse, Marketing Director at Bostik UK speaking for Adhesives and Sealants. Meet the Experts [here](#) and on pages 20 to 34 of this report.

### Recognition for BMBI

One of the aims of BMBI is to reach across and beyond construction. It's now syndicated to a growing number of trade magazines in different sectors on a regular basis. Outside the industry, economists, banks, consultancies, investment bodies and the big accountants regularly refer to it and BMBI is referenced alongside the Office for National Statistics (ONS) data in the Government Department for Business, Energy and Industrial Strategy (BEIS) monthly construction update. From time to time, news outlets, including the BBC contact BMBI Experts and MRA for commentary on the industry.

### 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.

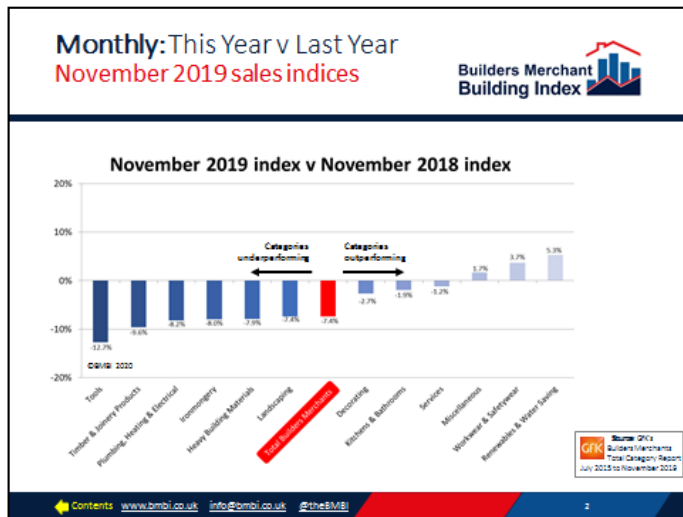
GfK can also produce robust like-for-like market comparability tailored to the requirements of an individual business. As more merchants join to submit their monthly sales-out data the quality of this information can only become more extensive and rigorous. Merchants or suppliers who are interested in acquiring data or getting involved should contact Emile van der Ryst at [emile.van-der-ryst@gfk.com](mailto:emile.van-der-ryst@gfk.com).

# Trading day differences explained

BMBI reports track changes in Merchants' performance over a variety of time periods. However, the number of trading days in a period can change how we judge relative performance. More trading days in a month could boost total sales, whereas the level of sales a day could be lower.

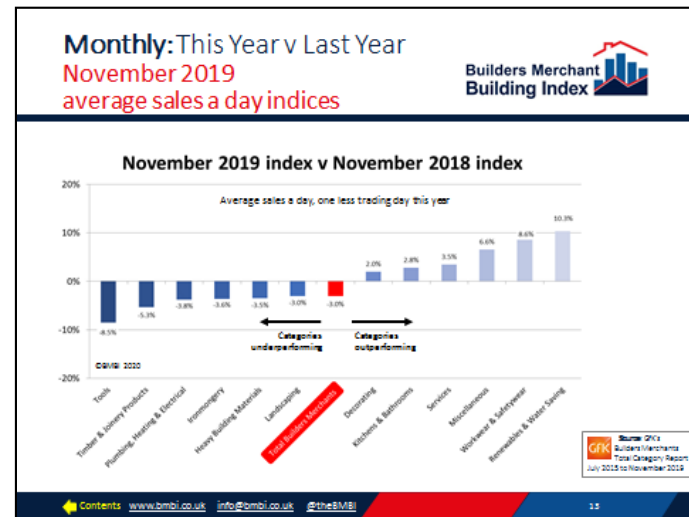
So, it's useful to also show average sales a day so we can compare apples with apples. Where trading days are different, we include two charts for the particular period under review:

## Direct comparison of sales indices:



The first of the two charts directly compares revenue in the two periods, regardless of the number of trading days. Total Builders Merchants sales (the red column) were 7.4% lower.

## Average sales a day indices comparison:



In the second chart, revenue has been divided by the number of trading days. In this example, revenue in November 2019 has been divided by 21 days, while revenue November 2018 by 22 days and the results compared, showing a 3.0% fall in Total Builders Merchants sales activity (the red column) stripped of trading day differences.

The charts provide two valid views of the same data. Direct comparisons (on the left) show what happened in absolute numbers – average sales a day (on the right) enables trading day differences to be set aside.

# Overview and Insights

Emile van der Ryst,

Senior Client Insight Manager - Trade, GfK



At the end of Q2 2020 the Builders' Merchant sector was coming to terms with the initial fallout of the global pandemic and had just started to re-open. Fast forward a year and this 'lost' quarter from last year has been replaced by Q2 2021, the best performing quarter on record. June set a new record for sales, while April and May were the third and fourth best performing respectively. Q2 figures were around 20% higher than the highest previous quarter, which was Q3 2020.

These astounding growth figures have resulted in a year to date growth of 49.2% against the first half of 2020, as well as growth of 13.5% when compared to the same timeframe for 2019. The well documented surge in house building and buying has naturally played a key role, while the stock shortages experienced across the UK hasn't slowed down market performance.

When reviewing category performance, the growth seen in 2021 can again be traced back to the performance of the core categories, as has been the case since the first lockdown. Heavy Building Materials are up 40.4% against the first half of 2020, while also up 6.8% against the same period of 2019. Timber & Joinery, driven by the surge in Timber spending, is up 74.0% and 28.9% respectively, with Landscaping up 58.6% against 2020 and 41.9% against 2019.

In June there were fewer subcategories to see record months, but some of the noteworthy ones included Blocks, Bricks, Insulation, Lintels, Sheet Materials and Timber. It's also worth mentioning that none of the smaller categories such as Decorating, Ironmongery and Tools saw record months in June.

The second half of the year will be fascinating to track. Forecasts made during 2021 are below the growth figures seen so far in 2021, but there's a natural expectation that the market will start slowing down due to a combination of factors. At the forefront of these are the shortage of HGV drivers, the end of the stamp duty holiday and continuing stock management challenges. It's therefore difficult to predict how the remainder of the year will play out, but I'm sure that most people in the Builders' Merchant sector would rather be challenged by too much business than too little.

“Q2 2021 was the best performing quarter on record. June set a new record for sales, while April and May were the third and fourth best performing respectively. Q2 figures were around 20% higher than the highest previous quarter, which was Q3 2020.”

# Merchants' View

John Newcomb, CEO BMF



Following on from a strong first quarter, high levels of construction activity were evident throughout the second quarter of 2021.

Provisional figures from the Office for National Statistics (ONS) show total construction output grew by 3.3% in Q2 compared with Q1 2021, with both new work (+3.9%) and RMI (+2.3%) increasing. Total construction new orders grew by 17.6% compared with Q1 2021, recovering to above its pre-pandemic level for the first time at +1.6% above the Q1 2020 level. In contrast to the strong performance over the quarter, the ONS reported monthly construction output falling by 1.3% in June compared with May, due to a decline in repair maintenance and improvement (RMI) of -4.2% offset by a small increase in new work at +0.5%. However, this is not reflected in the monthly sales figures reported within the BMBI.

Returning to quarterly performance, both the Federation of Master Builders (FMB) and the NHBC reported record levels in domestic RMI and new build home registrations during Q2.

FMB members, predominantly SME building firms, reported both current workloads and enquiries at their highest levels for a decade, with 71% of builders saying enquiries for future work were higher than in the previous quarter. The most notable increases in current work came from those working in RMI where 59% reported Q2 2021 workloads higher than in Q1.

NHBC data shows Q2 2021 as the strongest quarter for new build home warranty registrations since 2007. Quarterly registrations peaked at a 14 year high of 46,452 homes as house builders and developers respond to the strong demand for new homes.

While the outlook is largely positive, the FMB State of Trade highlighted concerns over delays in product supply, rising material prices and labour shortages. Ninety eight percent of FMB respondents reported materials costs had increased in Q2. With wages and salaries also increasing, 80% had raised their prices since Q1 with further increases in all three areas predicted in Q3.

Everyone reading this will be fully aware of the current disruption to the supply of building materials and consequential price rises. The indicators from merchants' key customer groups suggest that demand will continue at similar levels into Q3 and the onus is on merchants, manufacturers and suppliers to work closely with customers to plan and manage supply to keep projects on track.

“NHBC data shows Q2 2021 as the strongest quarter for new build home warranty registrations since 2007. Quarterly registrations peaked at a 14 year high of 46,452 homes as house builders and developers respond to the strong demand for new homes.”



# Quarterly: Index and Categories

Quarter 2 2020\* to Quarter 2 2021

(Indexed on July 2014 to June 2015)



QUARTERLY SALES VALUE INDEX	Index	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
<b>Total Builders Merchants</b>	<b>100</b>	<b>76.4</b>	<b>124.6</b>	<b>111.1</b>	<b>120.7</b>	<b>149.7</b>
Timber & Joinery Products	100	78.0	133.4	125.4	141.5	183.0
Heavy Building Materials	100	75.1	119.9	106.8	113.1	136.3
Decorating	100	56.3	108.5	99.5	101.1	112.2
Tools	100	41.0	94.4	90.7	99.6	103.0
Workwear & Safetywear	100	67.5	113.7	113.3	117.3	103.9
Ironmongery	100	65.0	123.2	112.6	119.3	133.8
Landscaping	100	138.8	175.5	112.1	141.5	237.5
Plumbing, Heating & Electrical	100	53.9	104.6	116.0	122.9	118.6
Renewables & Water Saving	100	31.5	66.4	62.6	70.3	77.2
Kitchens & Bathrooms	100	48.4	111.6	109.8	107.5	116.7
Miscellaneous	100	63.3	111.0	108.6	115.9	119.2
Services	100	72.8	115.9	107.3	110.4	127.9

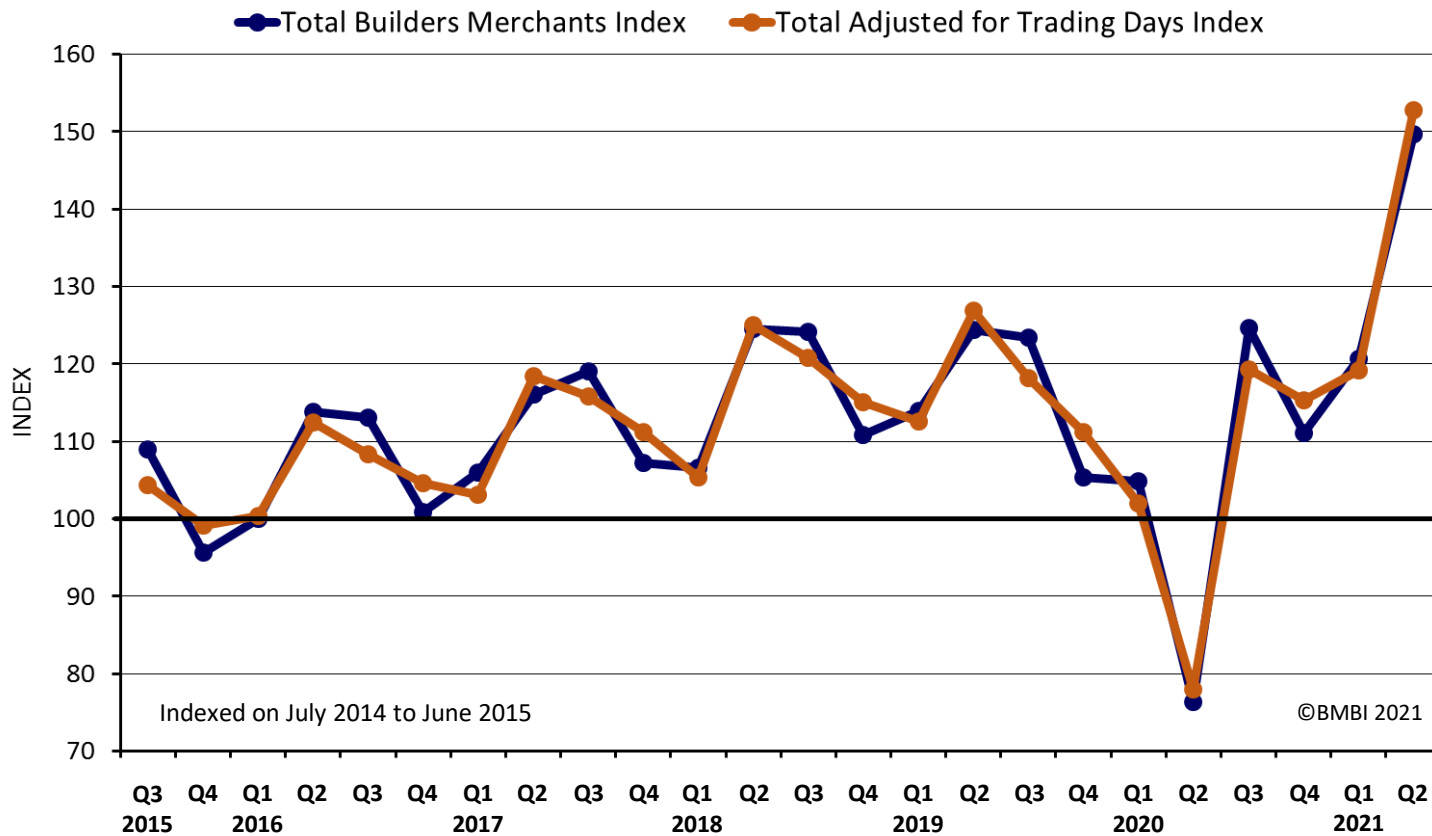
\*Click the web link below to see the complete series of quarterly indices from Q2, 2015.


**GfK** Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Quarterly: Index

Adjusted and unadjusted for trading days

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



 Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

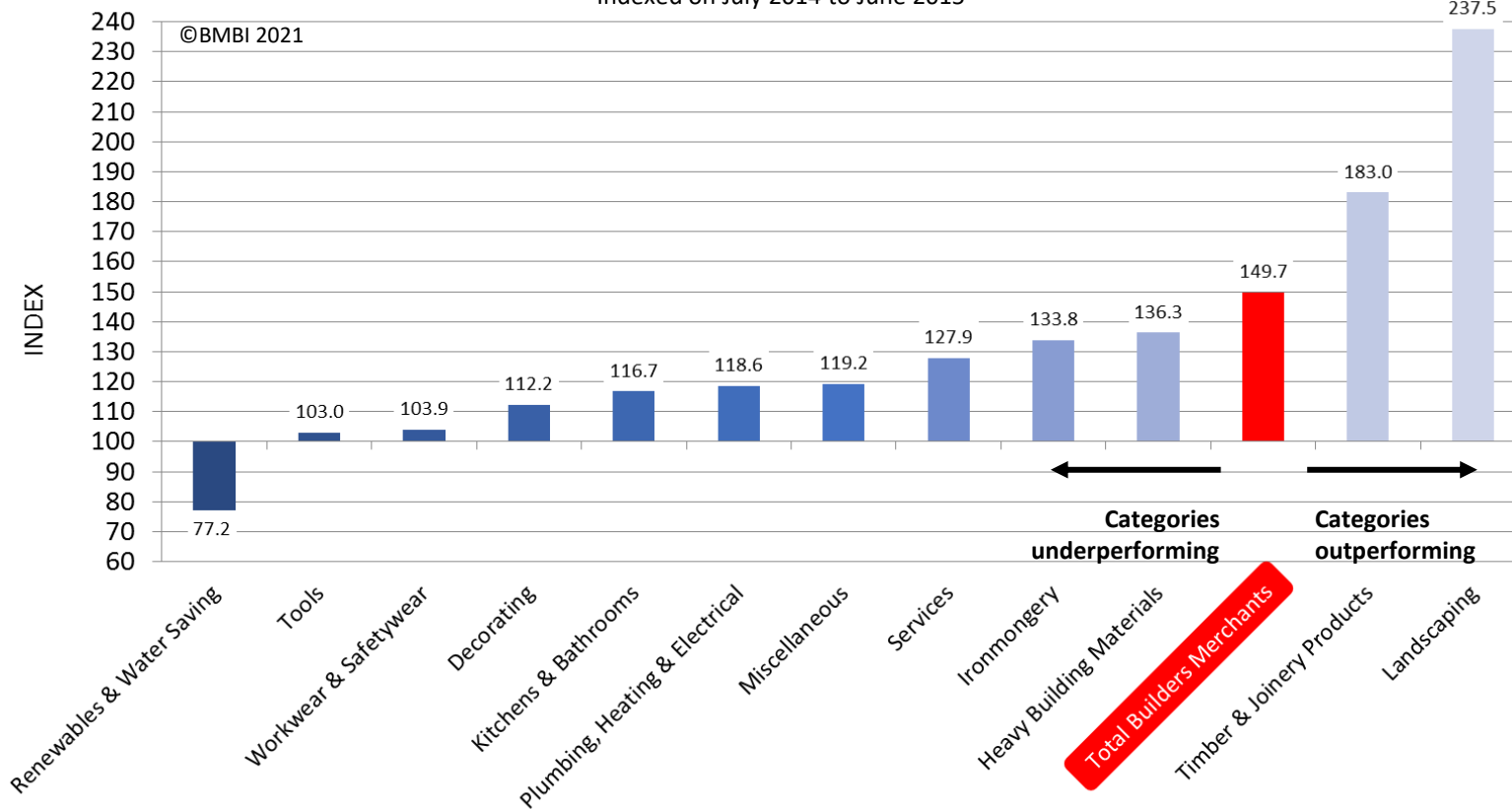
# Quarterly: Index and Categories

Q2 2021 index



## Quarter 2 2021

Indexed on July 2014 to June 2015



Source: GfK's Builders Merchants Total Category Report July 2015 to June 2021

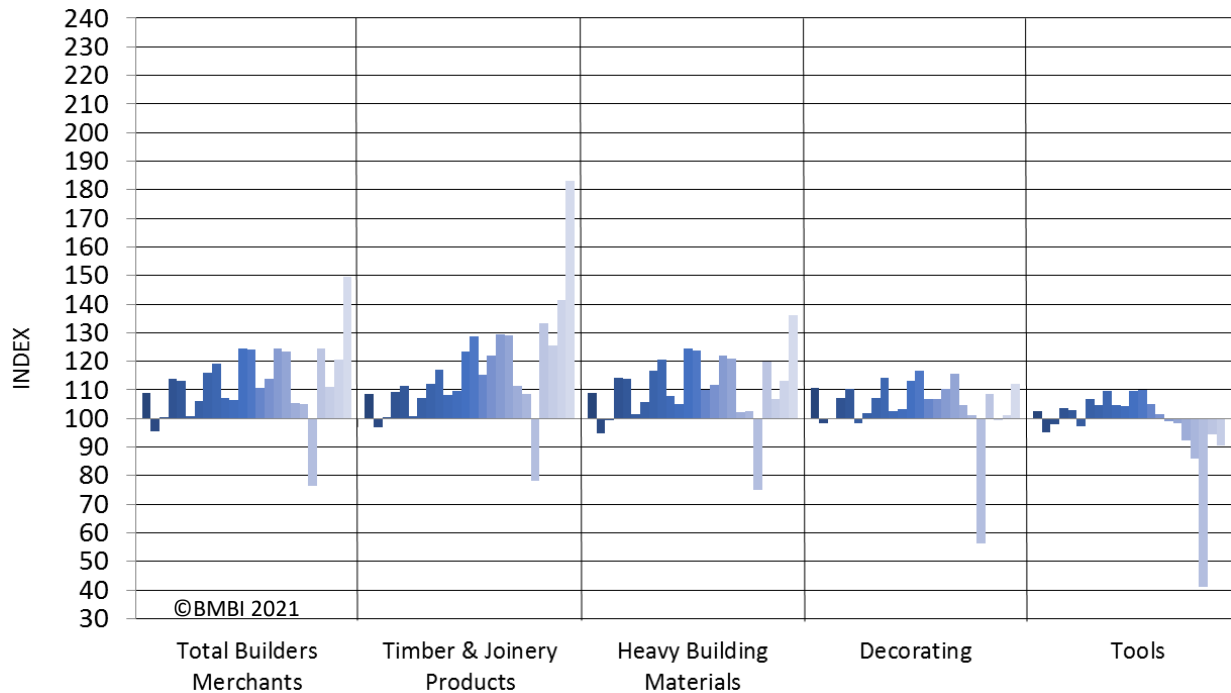
# Quarterly: Index and Categories - 1

Quarterly indices



## Quarterly Indices Q3 2015 to Q2 2021

- Q3, 2015
- Q4, 2015
- Q1, 2016
- Q2, 2016
- Q3, 2016
- Q4, 2016
- Q1, 2017
- Q2, 2017
- Q3, 2017
- Q4, 2017
- Q1, 2018
- Q2, 2018
- Q3, 2018
- Q4, 2018
- Q1, 2019
- Q2, 2019
- Q3, 2019
- Q4, 2019
- Q1 2020
- Q2 2020
- Q3 2020
- Q4 2020
- Q1 2021
- Q2 2021



Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

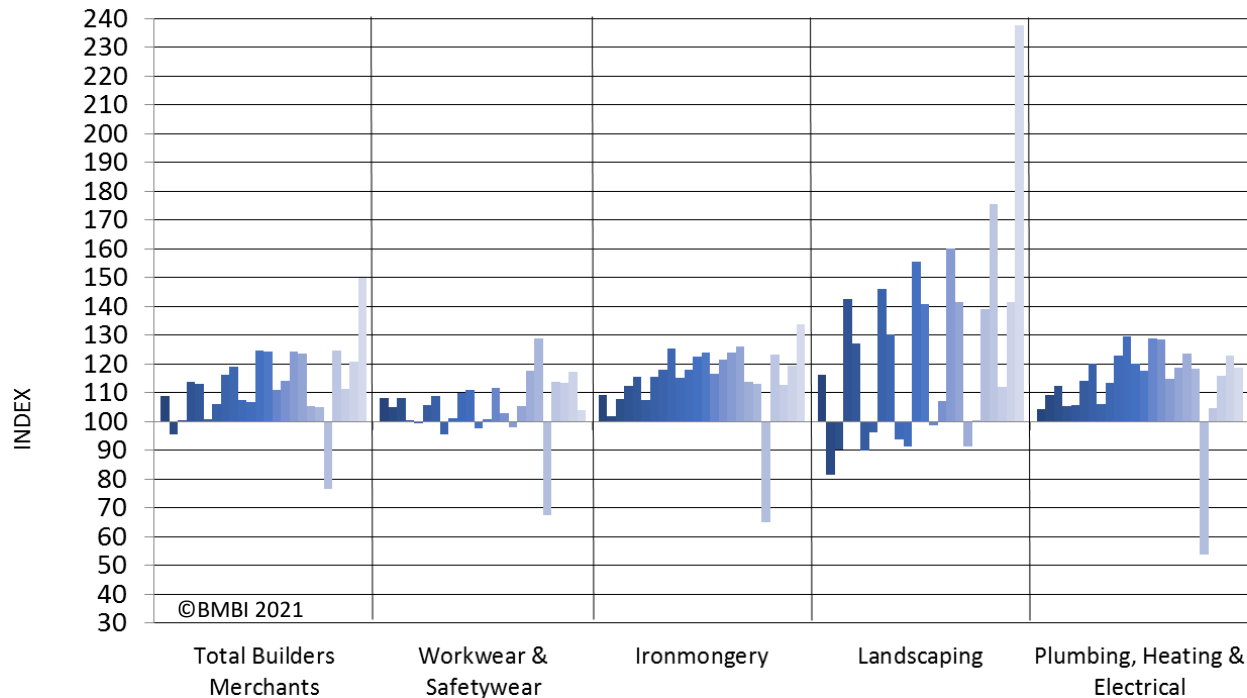
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Quarterly indices



- Q3, 2015
- Q4, 2015
- Q1, 2016
- Q2, 2016
- Q3, 2016
- Q4, 2016
- Q1, 2017
- Q2, 2017
- Q3, 2017
- Q4, 2017
- Q1, 2018
- Q2, 2018
- Q3, 2018
- Q4, 2018
- Q1, 2019
- Q2, 2019
- Q3, 2019
- Q4, 2019
- Q1 2020
- Q2 2020
- Q3 2020
- Q4 2020
- Q1 2021
- Q2 2021

## Quarterly Indices Q3 2015 to Q2 2021



Source: GfK's Builders Merchants Total Category Report July 2015 to June 2021

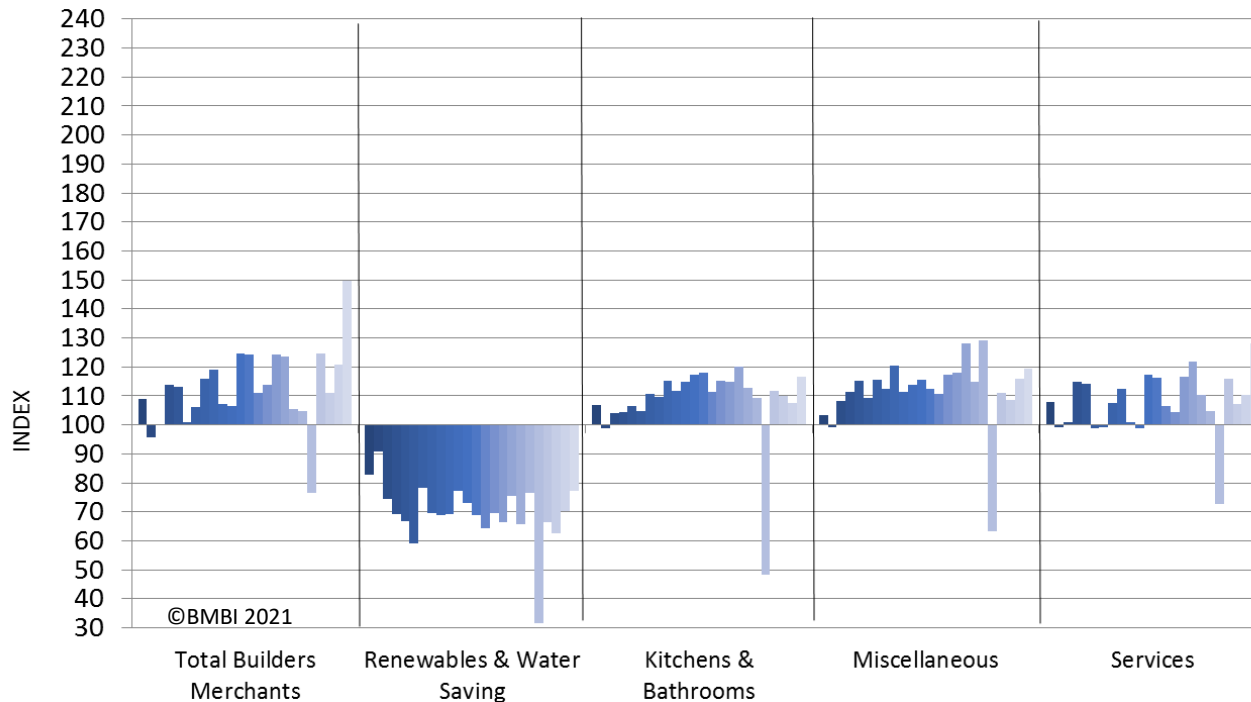
# Quarterly: Index and Categories - 3

Quarterly indices



## Quarterly Indices Q3 2015 to Q2 2021

- Q3, 2015
- Q4, 2015
- Q1, 2016
- Q2, 2016
- Q3, 2016
- Q4, 2016
- Q1, 2017
- Q2, 2017
- Q3, 2017
- Q4, 2017
- Q1, 2018
- Q2, 2018
- Q3, 2018
- Q4, 2018
- Q1, 2019
- Q2, 2019
- Q3, 2019
- Q4, 2019
- Q1 2020
- Q2 2020
- Q3 2020
- Q4 2020
- Q1 2021
- Q2 2021



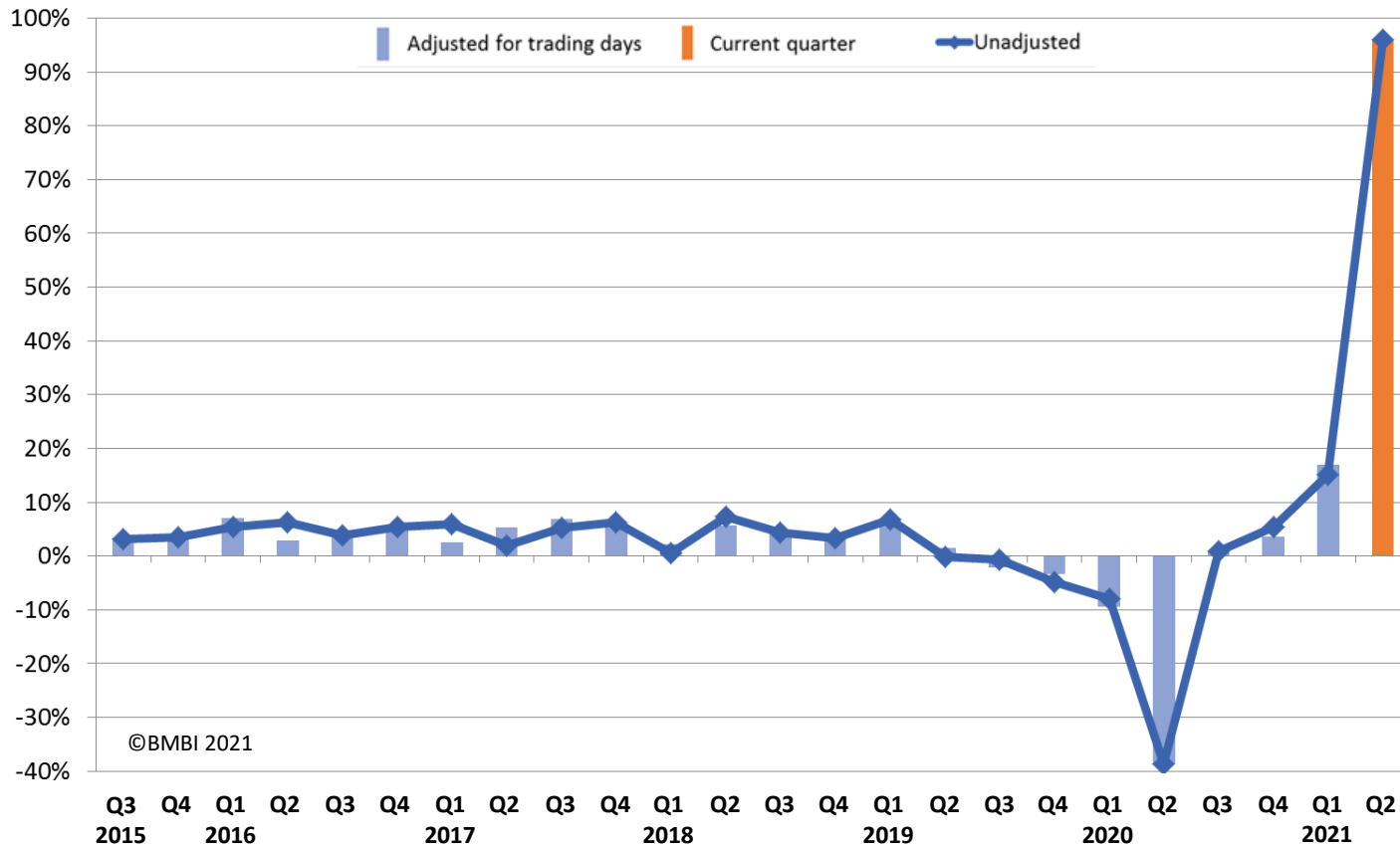
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**GfK** Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Quarterly: Sales Indices

Adjusted and unadjusted for trading days

## Quarterly Indices: Year on Year



©BMBI 2021

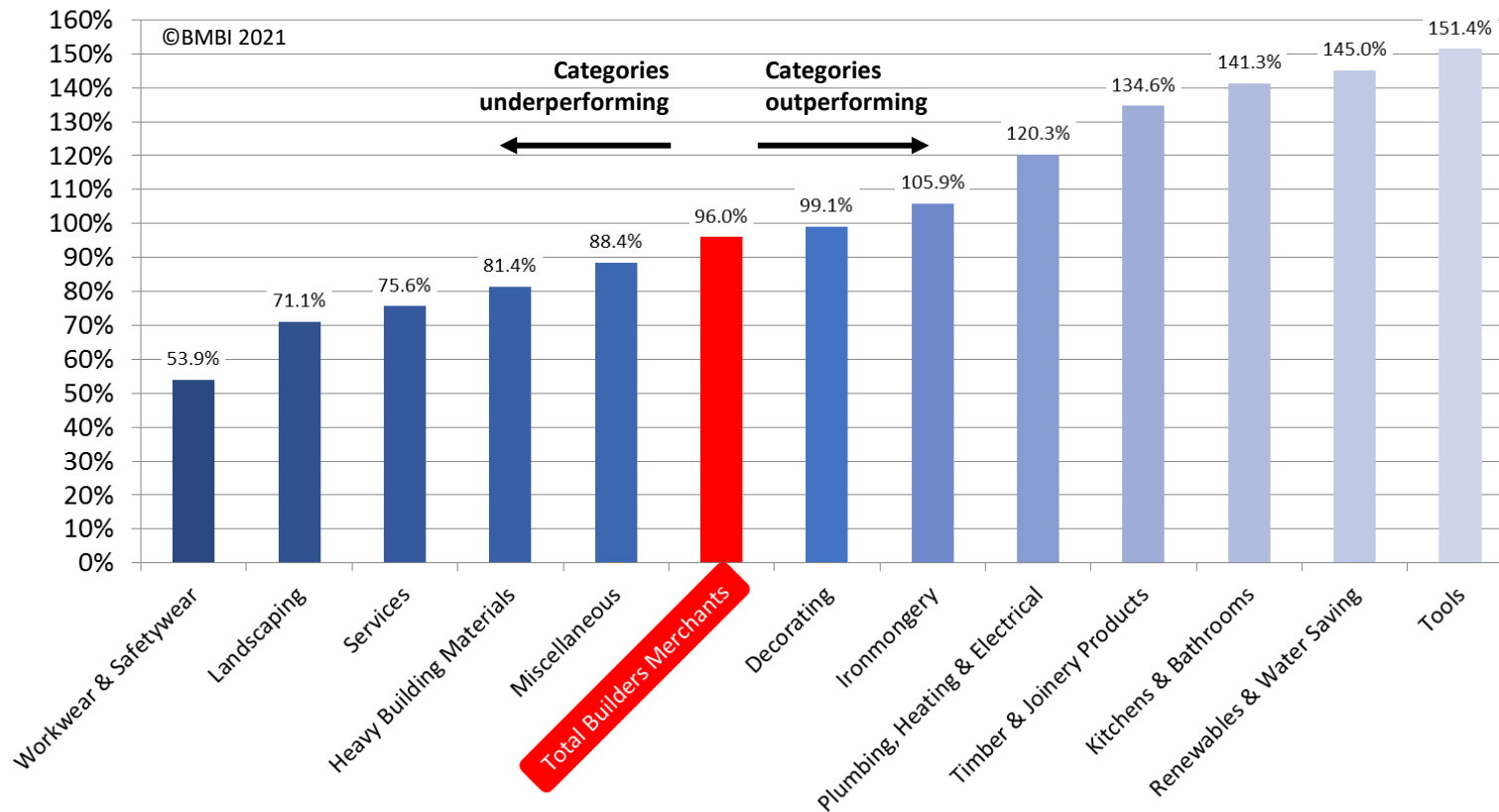
Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Quarterly: This Year v Last Year

Q2 2021 sales indices



## Quarter 2 2021 index v Quarter 2 2020 index



Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

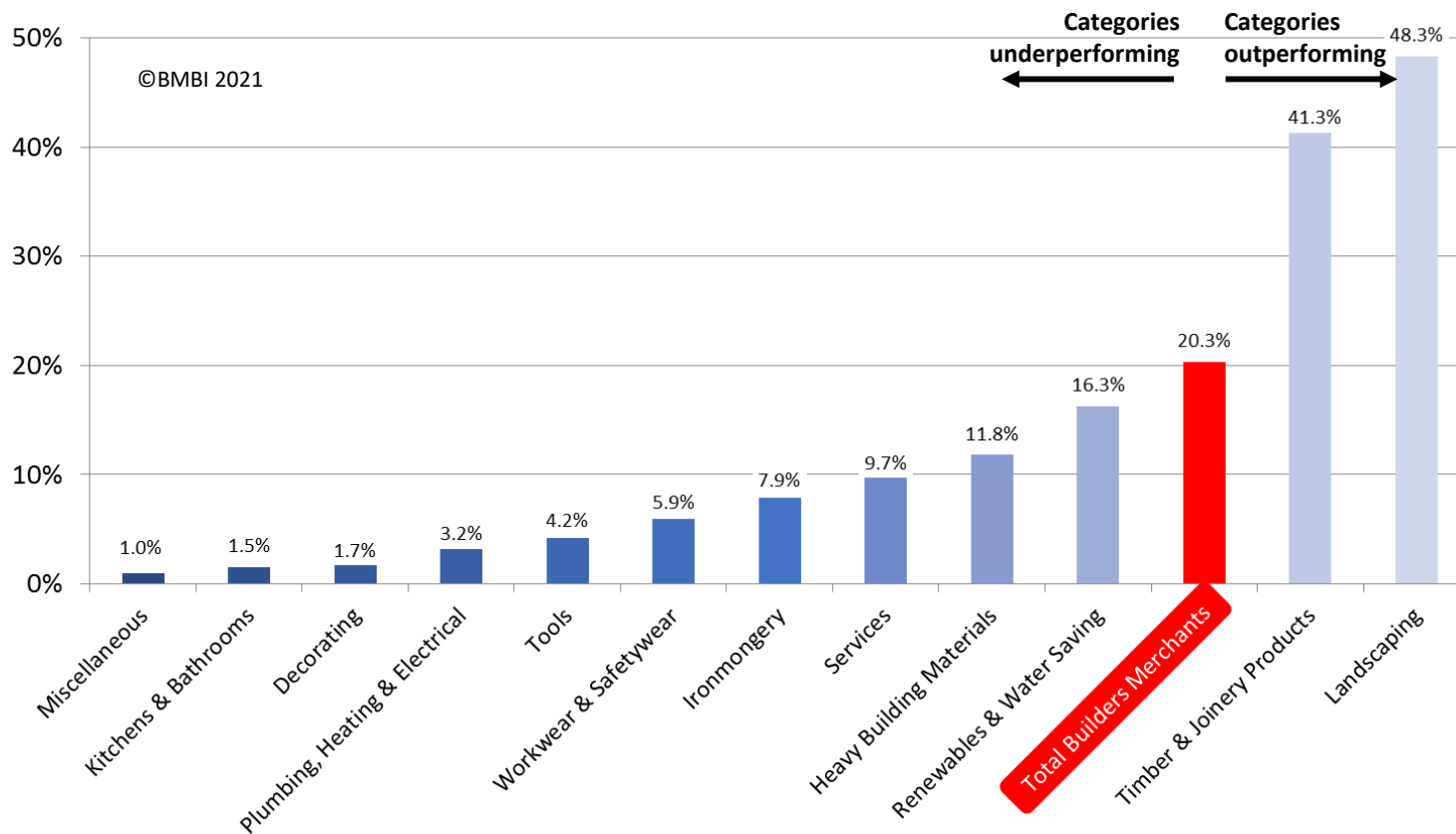


# Quarterly: This Year v 2019

Q2 2021 2-year sales indices



## 2-year comparison: Quarter 2 2021 v Quarter 2 2019



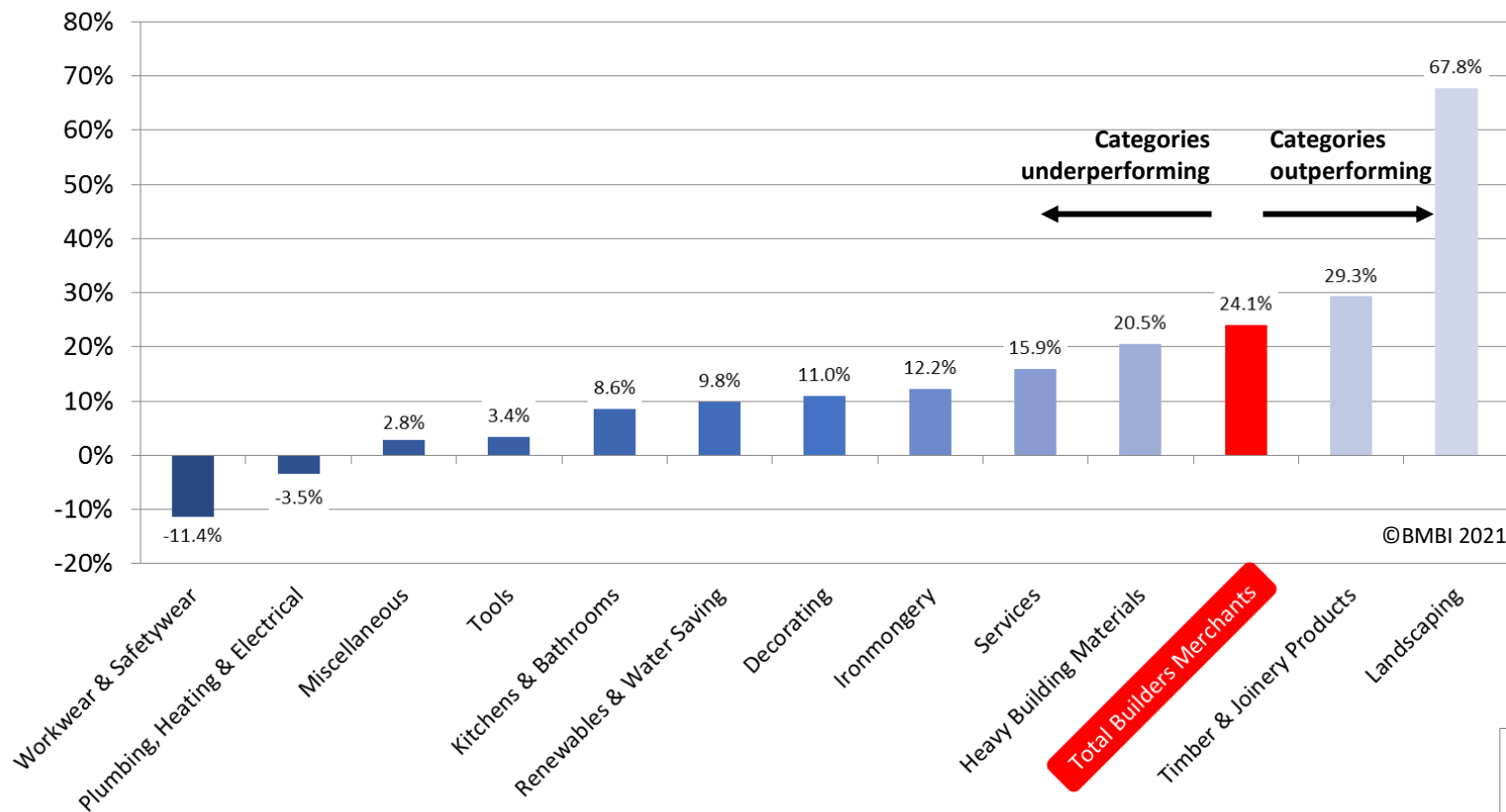
**GfK** Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Quarterly: Quarter on Quarter


Q2 2021 sales indices



## Quarter 2 2021 index v Quarter 1 2021 index



©BMBI 2021

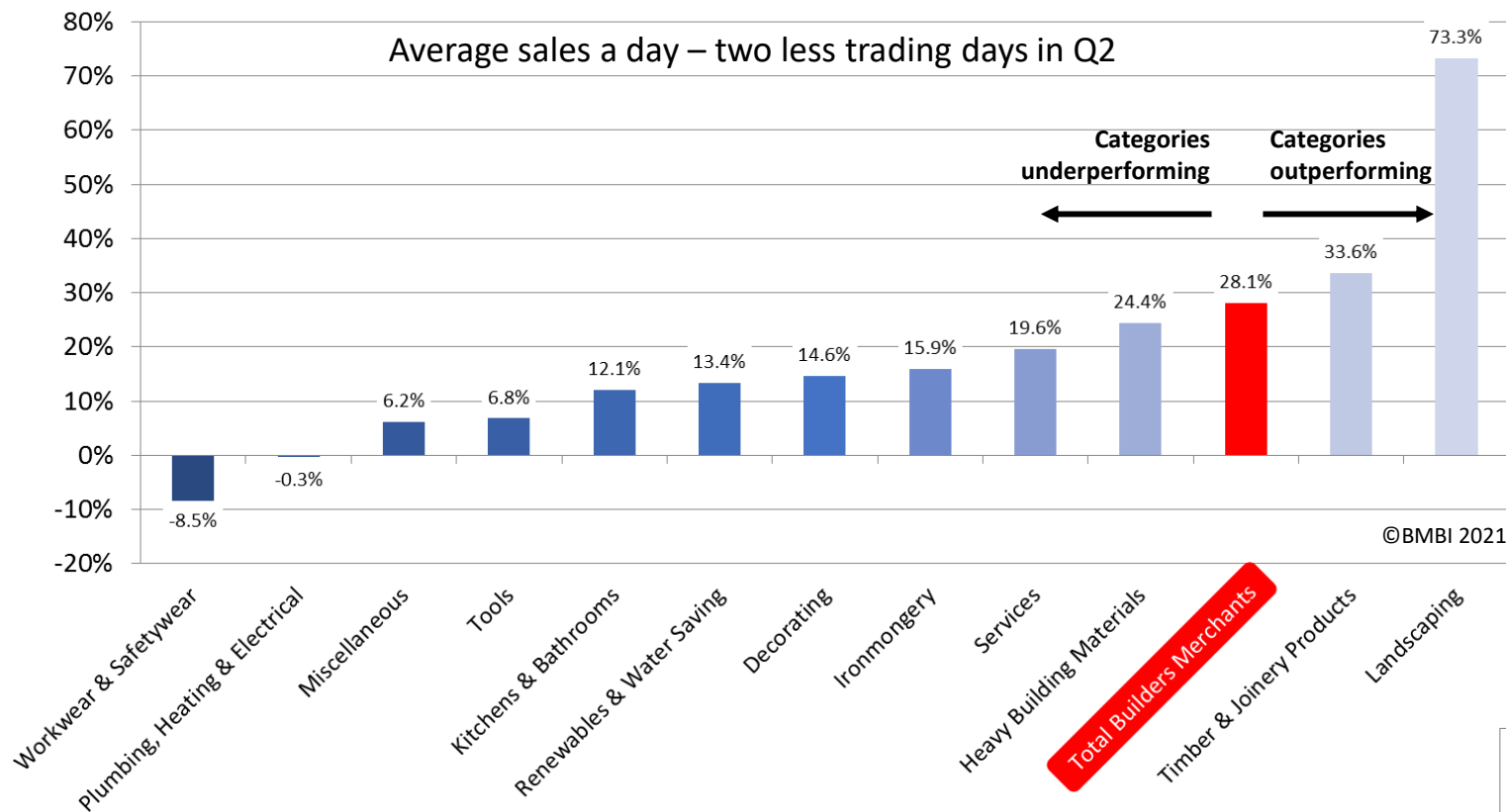
 Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Quarterly: Quarter on Quarter

Q2 2021 average sales a day indices



## Quarter 2 2021 index v Quarter 1 2021 index



Source: GfK's Builders Merchants Total Category Report July 2015 to June 2021

# Expert Panel

## Wood-Based Panels

(Part of Timber & Joinery Products)



### **Simon Woods, European Sales Marketing & Logistics Director West Fraser (formerly known as Norbord) is BMBI's Expert for Wood-Based Panels.**

As sales through UK Builders' Merchants continue to grow strongly across all timber products, the sector is challenged to supply the increased demand. With Covid restrictions being lifted and a worsening picture on the haulage front, the second half of 2021 could be more challenging than the first.

As recently reported, the UK has a 60,000 HGV driver shortage and this position is mirrored in mainland Europe too. With almost 50% of UK drivers currently over 50 years old, a backlog of 28,000 HGV tests and an estimated 12,000 EU drivers who have returned home due to Covid/Tax changes – our industry is facing the very real probability of goods not being delivered. As an industry, building products needs to review its processes to understand how we can move product around the country more efficiently – fewer drops (time stealers), maximised pack sizes (load utilisation) etc. We should consider a “think tank” exercise, with all interested parties represented.

Most timber products are in high demand and will be for the foreseeable future. One of the reasons for this increasing demand is the sustainability of wood and its positive contribution to reducing the climate crisis. Wood from managed forestry actually stores carbon as opposed to emitting it: as trees grow, they absorb CO<sub>2</sub> from the atmosphere. As a rule of thumb, a cubic metre of wood holds the equivalent of around a tonne of absorbed CO<sub>2</sub> (depending on the species of tree). As we use these trees and replant more, the removal of CO<sub>2</sub> continues, making timber products Carbon Neutral.

There is a strong move from many architects to dramatically increase their use of wood and return it to be the primary building material in construction. Not only does wood remove more CO<sub>2</sub> from the atmosphere than it adds through manufacture, but by replacing carbon-intensive materials such as concrete or steel it doubles its contribution to lowering CO<sub>2</sub>. As a sector, Builders' Merchants are also tasked with reducing their carbon footprint. Driving the use of wood-based products is a way to play a large part in the movement towards sustainable building and reduce the impact of the construction process on our increasingly fragile climate.

“Most timber products are in high demand and will be for the foreseeable future. One of the reasons for this increasing demand is the sustainability of wood and its positive contribution to reducing the climate crisis.”

# Expert Panel

## Natural Stone & Porcelain Paving

(Part of Landscaping)



### **Krystal Williams, Managing Director Pavestone UK Ltd, is BMBI's Expert for Natural Stone & Porcelain Paving.**

The market has slowed but it's still busy, although more manageably busy. Compared to the first quarter of 2021, the end of Q2 saw a noticeable drop in demand as the lifting of restrictions means homeowners can spend their money on going out and holidays again rather than on home improvements.

Most contractors are booked well into 2022, but fulfilling their orders is a challenge. There's a lot of uncertainty around product availability and cost. Shipping costs have risen to \$7,000 a container, and it's looking highly likely container rates will hit \$10,000 before the end of the year.

With space at a premium, the industry is having to rethink what gets imported. Each shipment has to be popular products or core lines – there's no room for specialist and niche items. Arrival times are hit and miss, but once containers get to the UK, port congestion and a lack of hauliers means it can take up to two weeks to get product offloaded and away to merchants. It used to take two days.

High demand is pushing up prices. We've seen prices rise every month since March, which makes it more difficult for contractors to quote for a job as the costs go up so frequently. To mitigate the problem, many contractors are pushing consumers to buy their own paving. This offers merchants the opportunity to highlight the features and benefits of different products and introduce premium options like porcelain, which can be cheaper than sandstone, and available.

Where the market goes next remains to be seen. Most likely is a slow down in demand, as material costs and availability problems put customers off committing to new projects.

With India maybe on the cusp of a third wave it's hard to know the impact on sandstone imports. There will always be a market for sandstone, but porcelain has shown itself a worthy alternative for both traditional and contemporary style paving.

“High demand is pushing up prices. We've seen prices rise every month since March, which makes it more difficult for contractors to quote for a job as the costs go up so frequently.”

# Expert Panel

## Adhesives & Sealants

(Part of Decorating)



### Mathew Whitehouse, Marketing Director at Bostik UK is BMBI's Expert for Adhesives and Sealants.

As we enter the second half of the year, the momentum in the industry shows no signs of slowing. Business confidence is high with the latest economic forecasts predicting that UK construction activity will surpass 2019 pre-Covid levels by early 2022, fuelled by greater public sector investment in education, health and infrastructure.

Unlike in Q1, we're now starting to see more activity taking place in branch, with merchants keen to discuss new merchandising and POS opportunities. Alongside this, many customers are continuing to work on improving their online presence, with requests for better imagery, videos and user-friendly descriptions becoming a regular occurrence. This is something Bostik welcomes, and it's fair to say the pandemic has been a wake-up call for those who have previously neglected their online activity.

While there are many reasons to be cheerful, there are still challenges ahead. The biggest challenge currently faced by most in the industry is security of supply. Raw material shortages, particularly those sourced from overseas, are limiting availability for some products and putting pressure on manufacturers' cost bases. To keep disruption to a minimum, it's vital that communication lines between supplier and distributor remain open, especially if there's any major changes in end user demand.

Although it's not something we're currently experiencing, a shortage of common construction materials - timber, plaster, steel etc. - could affect the viability of planned projects going ahead, which could have a knock on effect for manufacturers of light side products.

As we (hopefully) enter the post-Covid landscape, we need to remain agile in the face of an ever-changing regulatory framework that, until now, has lacked real guidance. New rules, such as UKCA marking brought about by Brexit require significant investment and resource to ensure packaging stocks are stable and customers remain compliant. Those who've taken early action will stand to benefit when the rules come into place.

**“The biggest challenge currently faced by most in the industry is security of supply. Raw material shortages, particularly those sourced from overseas, are limiting availability for some products and putting pressure on manufacturers' cost bases.”**

# Expert Panel

## Bricks & Roof Tiles

(Part of Heavy Building Materials)



### Kevin Tolson, Commercial Director Wienerberger UK is BMBI's Expert for Bricks & Roof Tiles.

Few in our sector could have predicted the rollercoaster ride that we've all been on since the first lockdown a year ago. However, as we enter the second half of 2021, the outlook continues to be a positive one.

Data from the Office for National Statistics showed that construction output in Great Britain fell 0.8% in May 2021, following a 0.7% decline in April. However, overall construction activity in June expanded at its fastest pace since June 1997.

Many manufacturers in the construction sector have seen high demand and are working with stakeholders up and down the supply chain to ensure that we maintain the positive momentum that has built up in recent months. RMI work continues to be a driver for growth. Research suggests that households have saved considerable sums during the pandemic and we're seeing them invest that back into their homes.

One of the biggest hurdles that all industries have had to manage is the shortage of heavy goods vehicle drivers. Based on a survey of its members, the Road Haulage Association estimates there is now a shortage of more than 100,000 drivers in the UK, out of a pre-pandemic total of about 600,000. Other trades are also suffering, with the new build market affected by the availability of bricklayers. As we emerge from lockdown, we are also having to contend with increased numbers of people being 'pinged' by the NHS Covid-19 app having to self-isolate. Although this is moderating, it all makes planning and consistency of performance more difficult. Nevertheless, it's a significant step forward from where we were in Q2 last year.

At Wienerberger we are always looking to the future. The extreme heatwaves and flooding that has been experienced in recent months in our global markets really highlight the importance of looking after our planet. It's been great to see so many within our sector start to take positive steps in the right direction. Momentum is only just beginning, but over time will no doubt bring significant change.

“One of the biggest hurdles that all industries have had to manage is the shortage of heavy goods vehicle drivers... the Road Haulage Association estimates there is now a shortage of more than 100,000 drivers in the UK.”

# Expert Panel

## Civils & Green Infrastructure

(Part of Heavy Building Materials)



### Steve Durdant-Hollamby, Managing Director Polypipe Civils is BMBI's Expert for Civils & Green Infrastructure.

Supply issues have dominated headlines across the quarter again, and with demand showing no sign of slowing, supply will continue to challenge businesses regardless of size and sector. Given such exceptional circumstances, Polypipe, along with other like-minded suppliers, is doing what it can to maximise output and provide customers with regular trading updates and delivery forecasts that are as accurate as possible.

Fluctuations in demand are nothing new. What is different now is that rather than being limited to a particular sector or sectors, we are seeing the whole industry light up. In normal times that's a nice challenge to have. Today, with COVID still imposing restrictions, with congestion at ports, and with global material and container shortages, it is extremely frustrating. Furthermore, with strong growth forecast well into next year, there will be no quick turnaround.

COVID still has the power to disrupt, so we remain vigilant as new variants continue to threaten. But it's good to see a gradual, albeit cautious return to conventional practices.

Globally, greater evidence is emerging about the impact of climate change. The UN's landmark climate report, published ahead of the COP26 summit in Glasgow later this year, states that all countries must produce tougher climate plans to limit the increase in global temperatures.

The Government's forthcoming Environment Bill is a generational shift in legislation targeted at protecting and improving the nation's ecology and resilience in the face of population growth and climate change. Currently in the House of Lords, the Bill's legally binding changes will impose specific regulation across a wide range of environmental management, from chemicals and air quality to, perhaps most critically, water. From now on, water companies will be required to publish plans to preserve water resources as well as their plans for improving overall drought and flood resilience.

Rethinking how we manage, use and reuse water will be at the heart of achieving our climate goals. The Bill should be a catalyst in driving a more creative, forward-thinking approach to construction with greater collaboration at the earliest stage in a project delivering maximum benefit to individuals and communities.

“Globally, greater evidence is emerging about the impact of climate change. The UN's landmark climate report, states that all countries must produce tougher climate plans to limit the increase in global temperatures.”



# Expert Panel

## Steel Lintels

(Part of Heavy Building Materials)



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

The house building sector plays a key role in supporting the economic recovery. However, as demand has increased, supply constraints are pushing up price inflation. House price rises, temporarily fuelled by stamp duty cuts, will see the speed of growth slow but stay strong. The imbalance of demand versus new properties coming to market will keep house prices high in the coming months. While positive, we should be concerned about escalating material and labour costs, which may have a huge impact on the continuation of planned projects.

Since last autumn, current steel shortages have severely restricted the volumes of steel lintels available to the market. Having said this, we can report that in Q2 2021 Keystone delivered volumes in line with those in the same period during 2019, although supply may not have been as smooth as it was before the pandemic. All businesses are having to manage stampeding demand, continuing risks of Covid-19, labour availability shortages, and staff deserving a well-earned staycation, or a trip to somewhere 'green'. Speaking for ourselves, Keystone has continued to enforce full Covid-19 precautions regardless of the government's guidance to ease restrictions.

We expect Q3 2021 to continue in the same vein as Q2. Availability of steel will still be on restricted supply, and allocation of finished goods and delivery will be on extended lead times and be at times quite bumpy! Prices will remain at historically high levels in the medium-term, and with other building materials having had further recent price increases, will steel prices rise again? Demand from heavy users of steel in the automotive sector is adding fuel to the fire.

On a very positive note, we can all focus on the sensible Fabric First approach which is championed by the Future Homes Standard. Innovation is one of Keystone's cornerstones and we are both excited and passionate about the de-carbonisation agenda.

“Since last autumn, current steel shortages have severely restricted the volumes of steel lintels available to the market. All businesses are having to manage stampeding demand, continuing risks of Covid-19, labour availability shortages, and staff deserving a well-earned staycation...”

# Expert Panel

## Drylining Systems

(Part of Heavy Building Materials)



### Stacey Temprell, Marketing Director British Gypsum is BMBI's Expert for Drylining Systems.

Our main focus throughout the second quarter was tackling the ongoing materials shortage that is currently consuming the construction industry. Raw materials have been growingly scarce and it's likely these challenges will continue over the coming months. This has had a profound impact on construction product availability and costs, causing order backlogs and driving cost increases.

With high levels of activity across the construction industry and suppliers struggling to meet demand, manufacturers and construction partners are finding it difficult to maintain their usual services to building clients.

British Gypsum has been no exception, and we have felt this strain across a number of our product ranges. For example, paper liner used in our Gyproc Plasterboard range has been in limited supply, and PIR insulation producers for one of our Gyproc Thermal Laminates are experiencing increasingly high prices for the raw materials required. The shortage of steel has also led to the depletion of buffer stock we typically keep in our supply chain, and steel supplies are likely to be difficult for some time.

To help, we have introduced an allocation system to ensure fair distribution of materials among our valued partner construction customers and manage the volume of product requirements. We continue to work hard on our mitigation strategy to increase supply levels, which includes securing material surety from some of our suppliers.

We hope that in quarter three these shortages will begin to stabilise, and materials will become more readily available across the industry. Until then, we will work closely with customers and supplier partners to obtain regular, accurate and transparent information throughout the supply chain to aid communication.

Despite current project delays, we're confident that the construction industry will continue to thrive and recover once stock begins to increase again. Throughout quarter three, we look forward to seeing growth in the construction sector despite the substantial challenges of the past year, and look forward to the positive legacy we will create by building great spaces to work, rest and play.

“Our main focus throughout the second quarter was tackling the ongoing materials shortage that is currently consuming the construction industry. Raw materials have been growingly scarce and it's likely these challenges will continue over the coming months.”

# Expert Panel

## Mineral Wool Insulation

(Part of Heavy Building Materials)



### Neil Hargreaves, Managing Director Knauf Insulation is BMBI's Expert for Mineral Wool Insulation.

Last quarter I wrote about market challenges in the face of soaring demand for construction materials. That demand is still sky-high, as evidenced by the latest BMBI figures, but the same figures show a levelling off compared with previous months. Industry forecasts suggest that's not because the economy has finished bouncing back. Rather, supply issues have become stronger headwinds.

Merchants face difficulties sourcing many materials, and unfortunately insulation isn't immune. The causes have been described as a perfect storm of disruption – with lockdowns, the Suez blockage and Brexit among them. Now we can add the UK's haulier shortage to the list of reasons we're experiencing some turbulence, even for materials where stocks remain abundant.

The problem is acute, with the Road Haulage Association estimating a current shortfall of 100,000 HGV drivers in the UK, combining a historic deficit with a more recent exodus from the industry. Government is taking action to deal with the backlog, including fast-tracking new driving licenses, but there are no quick fixes and we should anticipate continuing disruption for some time to come.

So what can be done to reduce the risk of sites shutting down? As ever, part of the answer lies in effective partnerships. Merchants, their suppliers and customers need to work together to make more efficient use of the HGV capacity that is available. Equal measures of collaboration, creativity and patience will be required to optimise ordering and delivery schedules, with close communication throughout.

At Knauf Insulation, we've further optimised the compression of a range of products, meaning we can fit 15% more product per roll and 25% more slabs per pallet on average, reducing the number of lorry movements we need. That won't be an option for every manufacturer, but it's a timely reminder that there's always more that can be done.

As the saying goes, it's an ill wind that blows no good. If haulage constraints result in more efficient use of distribution networks and fewer road miles, we'll cut construction's carbon emissions. A necessary, positive and permanent change for when the wind is at our backs once more.

“Merchants face difficulties sourcing many materials... The causes have been described as a perfect storm of disruption – with lockdowns, the Suez blockage and Brexit among them. Now we can add the UK's haulier shortage to the list of reasons we're experiencing some turbulence...”

# Expert Panel

## Cement & Aggregates

(Part of Heavy Building Materials)



### Andrew Simpson, Packed Products Director Hanson Cement is BMBI's Expert for Cement & Aggregates.

Strong demand from all market sectors - from home improvements right through to new build and infrastructure - is continuing to drive cement and aggregate sales growth in Q2. We don't expect any let up until Q1 2022 at least.

According to the Mineral Products Association (MPA), construction demand for mineral products rose sharply in Q2 with mortar sales rising at the fastest rate, up 21.2% on Q1. Asphalt volumes rose 4.5% to over 6 million tonnes – the second highest sales quarter since 2008. Demand for ready-mixed concrete also continued to recover, although volumes are behind 2019 averages.

Cement manufacturers have been producing as much product as in previous years, but bulk and bagged cement and some aggregates have been on allocation throughout Q2. This has ensured that available products are distributed fairly and equitably to customers, and added stability to the supply chain. Demand continues to outstrip supply, so there is significant pressure on suppliers. If forecasts hold true, we could be looking at a pinch in cement and aggregate supplies for the next three to four years.

Shortages of materials such as steel and timber makes things worse. We'll still be feeling the ripples of these shortages in six months as starts and completions of civils and groundwork projects are affected. Shortages should ease over the summer for products made in Britain. However, the MPA warns that for imported products like steel and timber, disruption and price inflation could last much longer as they effect the availability of packaging and pallets.

As a nation, we are too reliant on imports. With freight costs continuing to spiral, we need a stronger UK manufacturing base to gain control of the supply chain. That said, moving goods within the UK is also difficult as the availability of hauliers has become a national problem. We've lost 15,000 European drivers due to Brexit and 30,000 drivers due to Covid tests, which has intensified the shortages. It's a perfect storm of delays impacting projects that add significant unbudgeted costs as prices rise with extreme demand.

With construction's need for haulage and drivers pitted against record demand from supermarkets and online giants like Amazon who can pay more to maintain their supplies, it's a struggle to compete. Manufacturers and suppliers are at the mercy of hauliers, and the Government must intervene to help end the disruption.

“Demand continues to outstrip supply, so there is significant pressure on suppliers. If forecasts hold true, we could be looking at a pinch in cement and aggregate supplies for the next three to four years.”

# Expert Panel

## Lead

(Part of Heavy Building Materials)



### Lynn Street, Sales & Marketing Manager Midland Lead is BMBI's Expert for Lead.

The last few months have seen continued growth in the construction sector, but high demand is in stark contrast to staff shortages, logistics problems and price fluctuations.

Our industry is still in a transitional period and no company is unaffected. We've also yet to see the full impact of the widening gap between demand and supply, with staff shortages in manufacturing, construction and retail, and a lack of drivers in distribution companies.

Brexit was a huge disrupter in the distribution of raw materials and delivery of products, but that has now settled down as we have all got to grips with the additional legislation and paperwork. However, we are still reacting to unforeseen circumstances such as the ping-demic that recently affected workforces. Coupled with construction's well-documented skills shortage this is extremely testing.

It is reported that the UK needs an additional 100,000 drivers, and the whole supply chain is affected. We don't have a problem sourcing raw materials (lead), but our sector is moving towards its busiest quarter. Logistics companies, manufacturers, customers, and end-users all need to work closely together, and communicate effectively, to mitigate the challenges that we will be facing for some time to come.

Midland Lead's sales are also continuing to increase, and we expect we will have a good year no matter what is thrown at us. Many of our customers are in the same position. But housebuilders and main contractors are still trying to drive prices down when they know that material prices are rising, and deliveries are delayed.

There is little we can do in the short term about distribution problems, but we can keep customers updated, so they can update their customers. Short term the focus is on being agile and responsive, and working together to keep the supply chain moving. However, companies must keep looking at the long term and have a solid business strategy that keeps the future in focus.

“The last few months have seen continued growth in the construction sector, but high demand is in stark contrast to staff shortages, logistics problems and price fluctuations.”

# Expert Panel

## PVC-U Windows & Doors

(Part of Timber & Joinery Products)



No.1 for choice • No.1 for colour



### Kevin Morgan, Group Commercial Director The Crystal Group is BMBI's Expert for PVC-U Windows & Doors.

We are finally seeing what may be a plateau in the market but demand is high. Compared to 2019, window and doors sales are very strong. For example, Crystal's Q1 performance was 30% up compared to the same period in 2019, and Q2 was 21% up on Q2 2019. Conservatories, and windows and doors for outbuildings are very popular for extra living and working space at home.

The Q1 supply issues have eased and getting the materials we need is less of a concern. Steel (for locks and hardware) and door slabs are still causing headaches due to ongoing global shipping issues. Getting reliable delivery dates for them is particularly problematic. The upshot of high demand and tight supply for materials is that prices are increasing, and we've recently seen a significant double digit jump in the cost of profiles. Ultimately the end user will bear the brunt of the increases which may impact future sales.

Current lead times are four to six weeks, which is a manageable order book. It's an efficient model for doing business and we hope the industry will stick to it in future, rather than return to a race to the bottom to be cheaper and faster at the expense of quality.

To keep orders rolling, we are running production 18 hours a day and upskilling our twilight workforce, so they can manufacture during the night. Recruitment is difficult and there's a lot of churn industry-wide in the jobs market, making it tricky to recruit and retain the staff we need for the extra production.

Retail channels have been busy, but this past year feels like a missed opportunity for builders' merchants to capitalise on the boom in window sales. Historically, long and complex quote processes meant conversion rates from builder's enquiries to merchants were very low. By closing this gap, the Crystal Window Centre pilot programme, which puts a windows trade counter with specialist staff on branch premises, converts enquiries into sales so merchants profit directly from the uplift in demand.

We expect sales to slow in Q3, but for now it's all hands to the pump to get through the orders on the books in this most buoyant of years.

“The upshot of high demand and tight supply for materials is that prices are increasing, and we've recently seen a significant double digit jump in the cost of profiles. Ultimately the end user will bear the brunt of the increases which may impact future sales.”

# Expert Panel

## Paint

(Part of Decorating)



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

Q2 was really quite dynamic with manufacturing acquisitions alongside a number of merchant acquisitions. That instils some much-needed confidence into a market that, as in Q1, continued to feel the impact of extended product lead times, raw material and packaging shortages, on top of increased shipping and freight costs.

In addition to supply issues, there is a need for more skilled labour compounded by a large number of Eastern Europeans returning home after Brexit and lack of work during Covid lockdowns.

Trade paints demand is strong, however there is mixed feedback from paint appliers on their work pipeline. Some have many months, others a couple of weeks. In June, the ping-demic impacted appliers unable to enter clients' homes.

The ending of the stamp duty freeze helped drive house prices up by around 9% over the last 12 months according to several sources. A healthy housing market drives additional decorating work.

At the mid-year point, the Trade paint market is some 2m litres above 2019. This is below forecast but is likely due to supply constraints across the industry. However, volumes are significantly higher than this time last year when merchants and appliers were still trying to adapt to trading in a Covid world.

Q2 is the peak time for paint, particularly the exterior category, but the first six months show a significant slowdown. We don't believe this under-indexing against the overall market is weather driven as Q2 was broadly comparable versus last year. More likely it is jobs carried out in 2020 that have been brought forward.

Tinted paint is an important category in the Trade paint market. It accounts for 25% of Trade Market volume, but as much as 50% of value. In contrast, within the retail channel only 8% of volume comes from tinted paint. Colour accuracy to the colour chip is a really important factor for appliers. So, for merchants who have tinting machines, don't be afraid of colour. Be really familiar with what you can offer. Keep the tinting machines in good working order. If you showcase colour and drive new footfall into store, there are good margins to be had.

“Trade paints demand is strong, however there is mixed feedback from paint appliers on their work pipeline. Some have many months, others a couple of weeks. In June, the ping-demic impacted appliers unable to enter clients' homes.”

# Expert Panel

## Roof Windows

(Part of Timber & Joinery Products)



### **Jim Blanthorne Managing Director of Keylite Roof Windows is BMBI's Expert for Roof Windows.**

Anyone who hoped the challenges facing our sector would disappear during Q2 will have been disappointed. Throughout our industry, we continued to see strong demand with exceptional raw material supply issues.

Sales performance in the quarter was consistently high, ahead of last year for obvious reasons but also well ahead of forecast, driven by strong demand from new build and RMI. The clock was ticking on UK Government stimulus of the property market, prompting property transactions at their highest level since the 2008 financial crisis and extraordinary demand on the construction product sector. Early in the quarter, the Republic of Ireland ended the lockdown of all but essential construction activity allowing a welcome recovery in volumes from this market.

The healthy sales volume put yet more pressure on an already strained supply chain. The roof window category has a relatively long supply chain and exposure to a truly global marketplace. This brought challenges including Covid capacity reductions, shipping delays and commodities in high demand, such as timber and electronic chips, which were diverted to whichever market was willing to pay the highest price. None of the broad range of materials used in the manufacture of roof windows have been immune to supply disruption this year. Meanwhile, the substantial material cost inflation we referenced last quarter gathered pace putting an unsustainable squeeze on margins. Unfortunately, with supplier Summer shutdowns looming and consumer confidence remaining high, normality looks unlikely in the near term.

So, we hear of supply issues including product allocations and extended lead times. Here at Keylite, our operations and supply chain teams work incredibly hard to keep new stock arriving, using our relative agility to largely shelter customers from these measures. We continue with our 'invest in stock' strategy for raw materials and finished goods. This has enabled us to weather the disruption and continue growing. The significant investments we made in factory capacity in recent years have proved invaluable in reducing reaction time while also automating processes to ensure the highest levels of safety and quality.

We will continue investing in both stock and manufacturing capacity to support our customers in advance of what we expect to be a strong second half.

“The healthy sales volume put yet more pressure on an already strained supply chain. The roof window category has a relatively long supply chain and exposure to a truly global marketplace. This brought challenges including Covid capacity reductions, shipping delays and commodities in high demand...”



# Expert Panel

## Shower Enclosures & Showering

(Part of Kitchens & Bathrooms)



### Mick Evans, Operations Director Lakes is BMBI's Expert for Shower Enclosures & Showering.

Half-way through 2021, there are many reasons to be optimistic for internal trades.

Consumer research points to the home improvement trend gathering pace for internal trades. A report on [Insight DIY](#) suggests that two thirds of UK homeowners are planning home makeovers in the next year, with a new bathroom the top choice for 32%. People want more and better spaces in their homes and this is driving the RMI trend.

The Bank of England says households have accumulated £260bn in their savings accounts since the start of the pandemic. According to the research commissioned for Volkswagen Commercial Vehicles two thirds of homeowners are planning to spend up to £135bn of this next year on improving their home. Savings and intentions to spend are distributed unequally though as the pandemic has increased the divide between the Haves who are driving a growing market for premium products and high quality improvements, and the Have Nots, homeowners whose outgoings leave little room for such spending.

However, meeting strong demand for bathroom installations still comes with its challenges. According to the BIKBBI, almost half of installers (47%) have had to cancel jobs due to being pinged by the NHS Covid app. The August changes to self-isolation rules should put an end to the 'ping-demic' and those unexpected losses, as order books for the remainder of the year are looking healthy.

Shipping problems are still prevalent. A world economy synchronised by Covid is expanding, driving demand - and shortages - for home improvement and construction products worldwide. Components coming from China or the Far East are affected by port congestion at both ends of the journey, and by container shortages and increased freight prices. Delays and extra costs are likely to cast a shadow over the industry's recovery well into the Autumn.

With the re-introduction of stamp duty, more people are likely to choose to improve not move in the second half of the year. These customers will be researching online before they buy, so it's important to have a strong digital presence, and a personable showroom experience to ensure homeowners get the products they want.

“Two thirds of UK homeowners are planning home makeovers in the next year, with a new bathroom the top choice for 32%. People want more and better spaces in their homes and this is driving the RMI trend.”

# Expert Panel

## Website & Product Data Management Solutions



### Andy Scothern, Managing Director eCommonSense is BMBI's Expert for Website & Product Data Management Solutions.

As the country emerges from lockdown, builders' merchants face some difficult digital dynamics.

1. Building materials supply shortages are causing many to puzzle over how best to respond. A common strategy seems to be to reduce demand by limiting sales by prioritising certain customer groups (retail and DIY for example) over others. In many cases, website sales have been limited by removing certain products. Merchant staff then spend time trying to acquire more products and maximise supply.

Many have put the brakes on their online sales channel or postponed their move into eCommerce. Inevitably that leads to missed sales and lower profits. At best, existing customers will be less unhappy. At worst it's a short-term strategy with far-reaching consequences. Online sales channels offer the potential to increase sales and reduce the time to serve customers. This effectively frees up employee time to work on supply problems.

2. Similar to Amazon, ManoMano, the online building materials platform with a focus on DIY, decoration, and gardening materials, has raised €300 million to grow in the UK. How big a threat to merchants that is depends on how deeply they've embedded eCommerce and digitalisation in their businesses.

Merchants who are unable to sell online, or don't have a strong online offering will be unable to sell on ManoMano. As suppliers recognise how important online is becoming, it's reasonable to expect many to link with ManoMano and cut less effective non-digital merchants from their business plans. The market is booming, but merchants should not delay their online launches as this leaves them vulnerable to this emerging threat and opportunity.

3. Cyber-attacks are increasing. A recent hacking attack on one of our clients was identified as coming from Russia. Fortunately, our team was able to neutralise the threat, but merchants need appropriate security and a team that can identify and repel attacks.

This is worrying for merchants who don't invest appropriately in digitalisation, but a huge opportunity for those who do. When is the right time to digitalise your business? Answer: 20 years ago, but if you didn't start then, start immediately!

“ManoMano, the online building materials platform with a focus on DIY, decoration, and gardening materials, has raised €300 million to grow in the UK. How big a threat to merchants that is depends on how deeply they've embedded eCommerce and digitalisation in their businesses.”

# Monthly: Index and Categories

June 2020\* – June 2021

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



		2020							2021					
MONTHLY SALES VALUE INDEX	Index	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
<b>Total Builders Merchants</b>	<b>100</b>	<b>121.4</b>	<b>131.9</b>	<b>113.3</b>	<b>128.7</b>	<b>126.4</b>	<b>123.5</b>	<b>83.5</b>	<b>100.7</b>	<b>109.4</b>	<b>151.9</b>	<b>150.6</b>	<b>141.4</b>	<b>157.1</b>
Timber & Joinery Products	100	126.7	140.3	120.6	139.3	141.1	139.9	95.2	120.0	128.8	175.7	176.3	173.2	199.6
Heavy Building Materials	100	116.4	125.6	108.6	125.4	122.8	119.4	78.1	95.9	102.0	141.3	137.4	128.6	142.8
Decorating	100	94.4	112.4	100.1	113.1	111.7	110.5	76.2	85.8	95.7	121.7	113.2	106.5	116.7
Tools	100	79.3	99.0	85.8	98.5	101.0	100.0	70.9	84.4	93.7	120.8	110.7	98.2	100.2
Workwear & Safetywear	100	98.2	131.7	98.4	111.1	125.2	126.7	87.9	122.3	111.3	118.2	104.0	95.8	111.8
Ironmongery	100	108.8	128.7	113.6	127.3	127.3	122.9	87.8	103.1	111.5	143.1	137.4	127.0	137.0
Landscaping	100	223.7	208.2	157.2	161.0	135.6	122.8	78.0	90.1	111.9	222.5	257.0	220.5	235.1
Plumbing, Heating & Electrical	100	84.4	103.1	95.3	115.4	126.0	125.9	96.1	111.3	120.3	137.1	119.2	112.9	123.7
Renewables & Water Saving	100	55.1	69.3	58.2	71.9	67.2	70.3	50.4	62.6	62.3	85.9	78.8	72.7	80.1
Kitchens & Bathrooms	100	87.3	111.1	106.3	117.3	119.3	122.7	87.4	94.4	107.4	120.7	113.5	111.5	125.1
Miscellaneous	100	98.0	112.4	98.2	122.3	120.8	118.9	86.1	109.4	107.1	131.2	126.2	111.2	120.3
Services	100	105.9	119.4	109.2	119.2	117.5	115.4	89.0	93.5	103.3	134.5	128.8	123.5	131.4

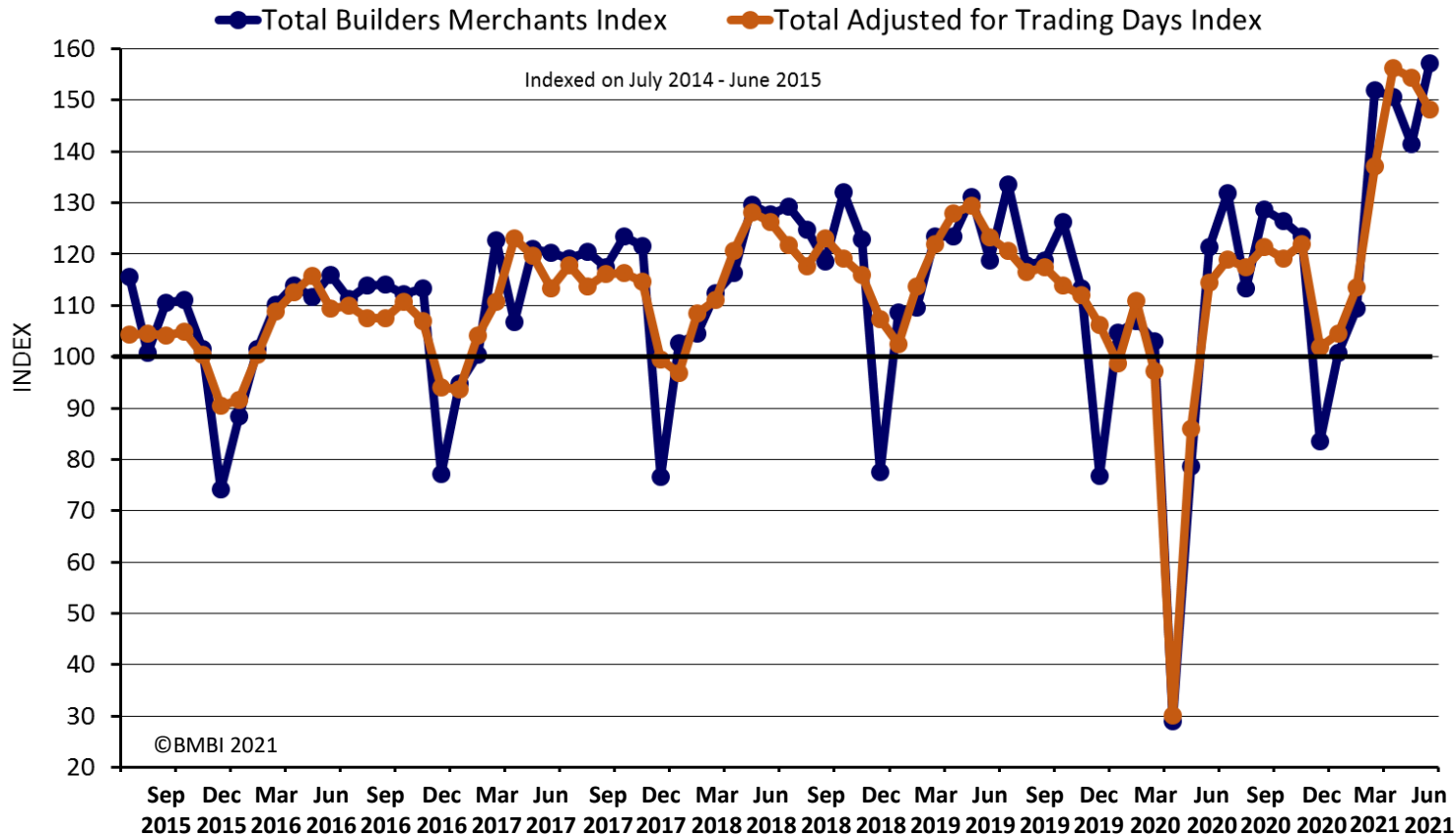
\*Click the web link below to see the complete series of indices from July 2015.

Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Monthly: Index

Adjusted and unadjusted for trading days

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



Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

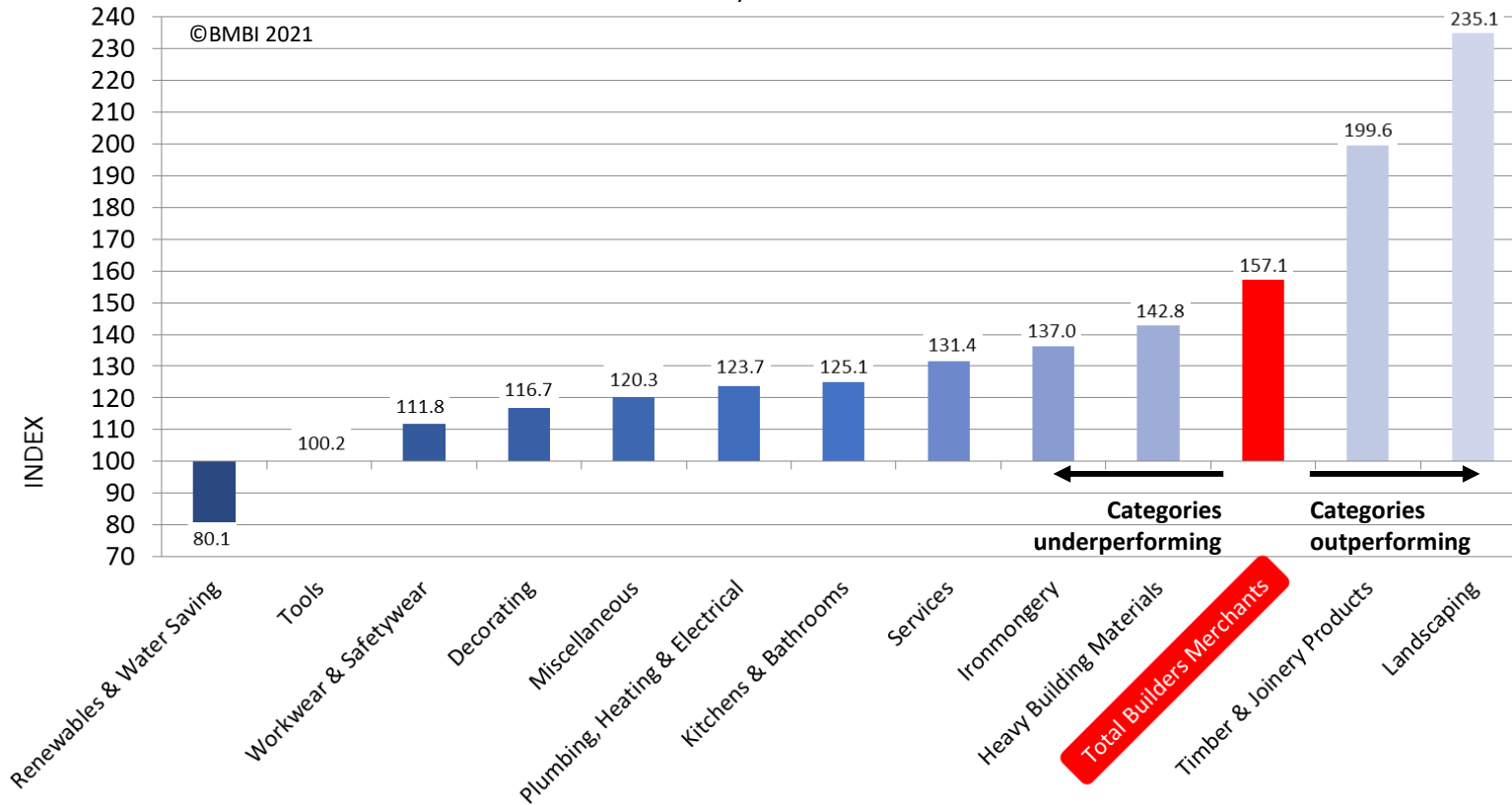
# Monthly: Index and Categories


June 2021 index



## June 2021 Index

Indexed on July 2014 to June 2015



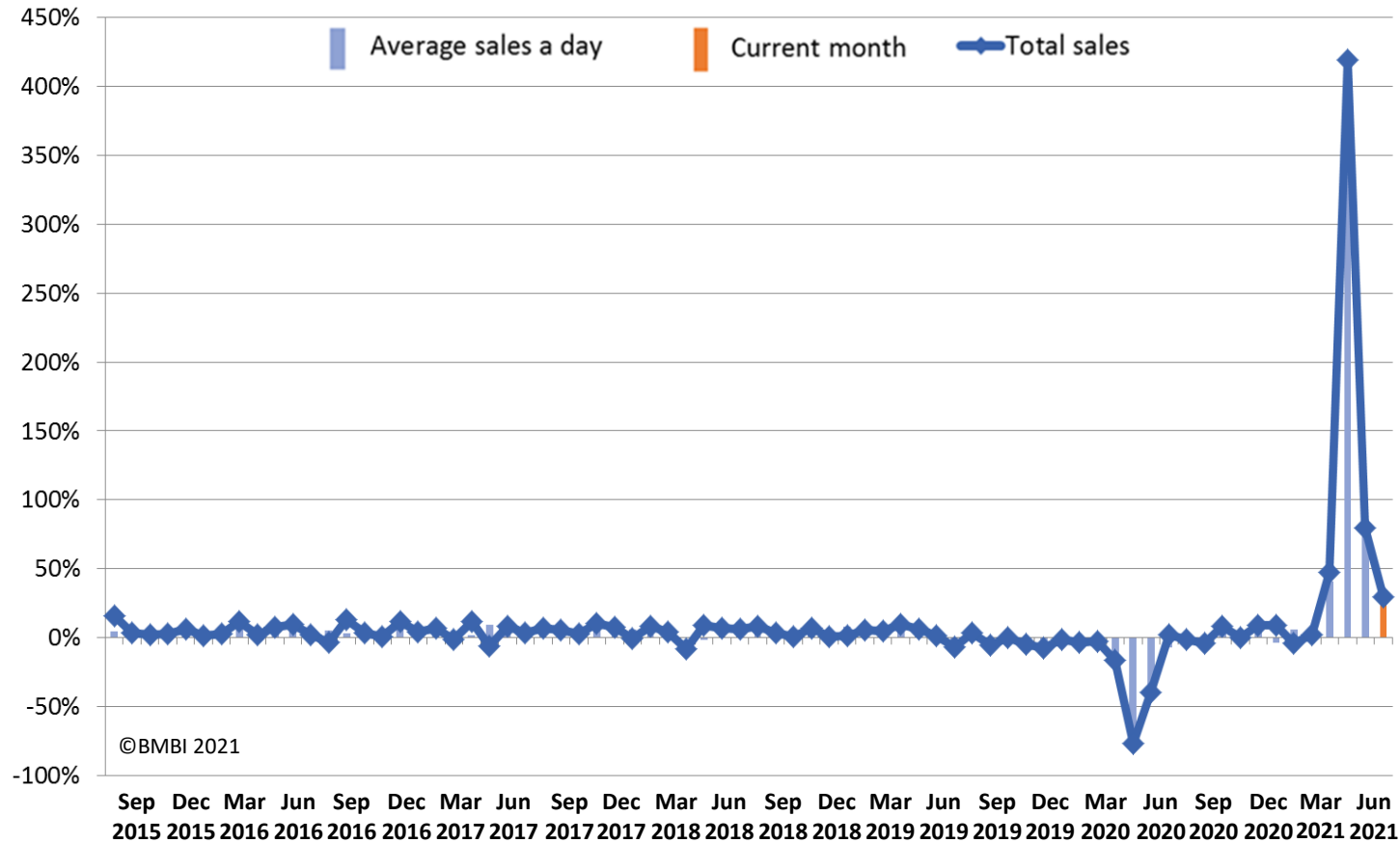
 Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Monthly: Sales Indices Year on Year

Adjusted and unadjusted for trading days



## Monthly: Year on Year



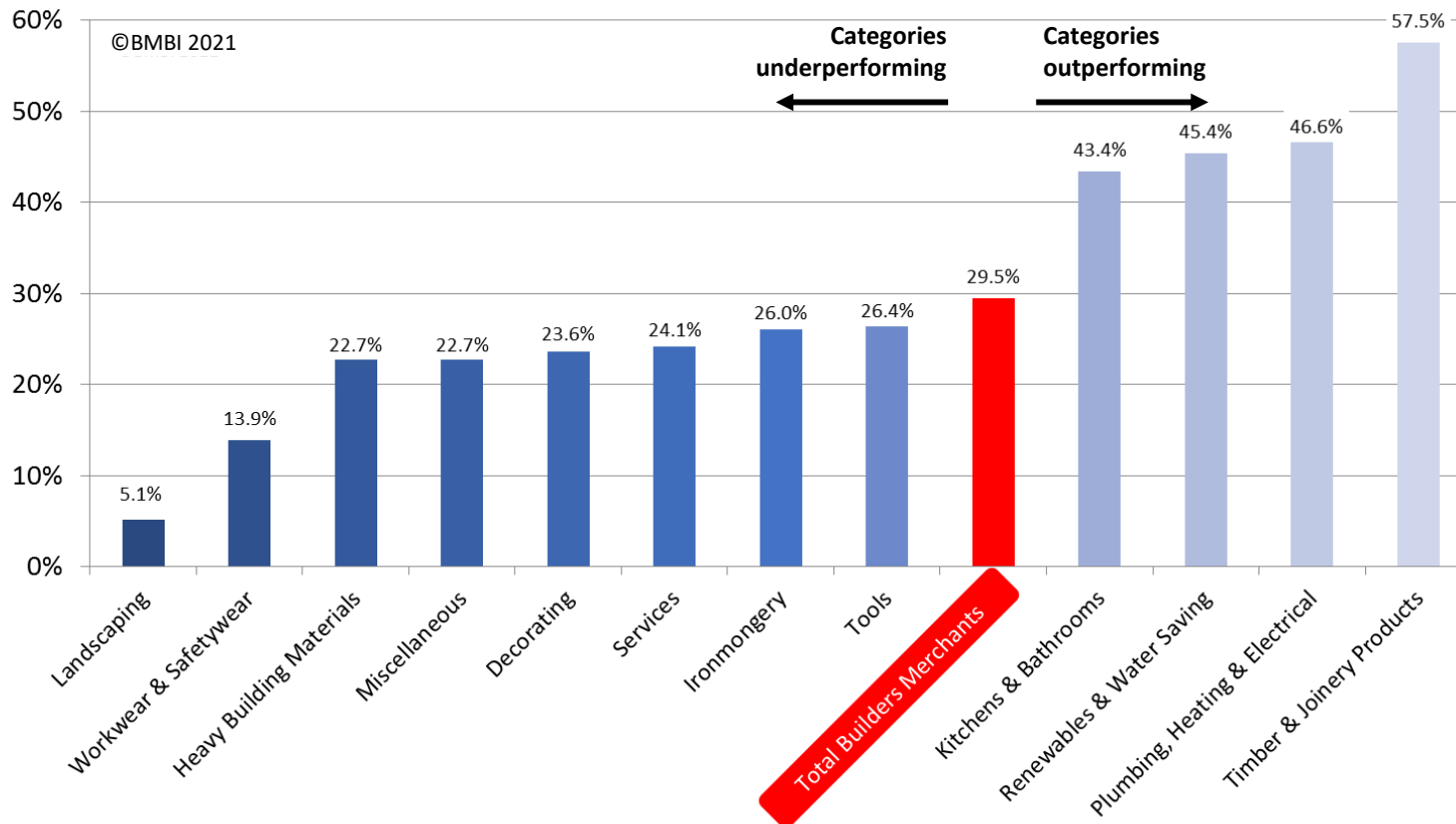
Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Monthly: This year v last year

June 2021 sales indices



## June 2021 index v June 2020 index



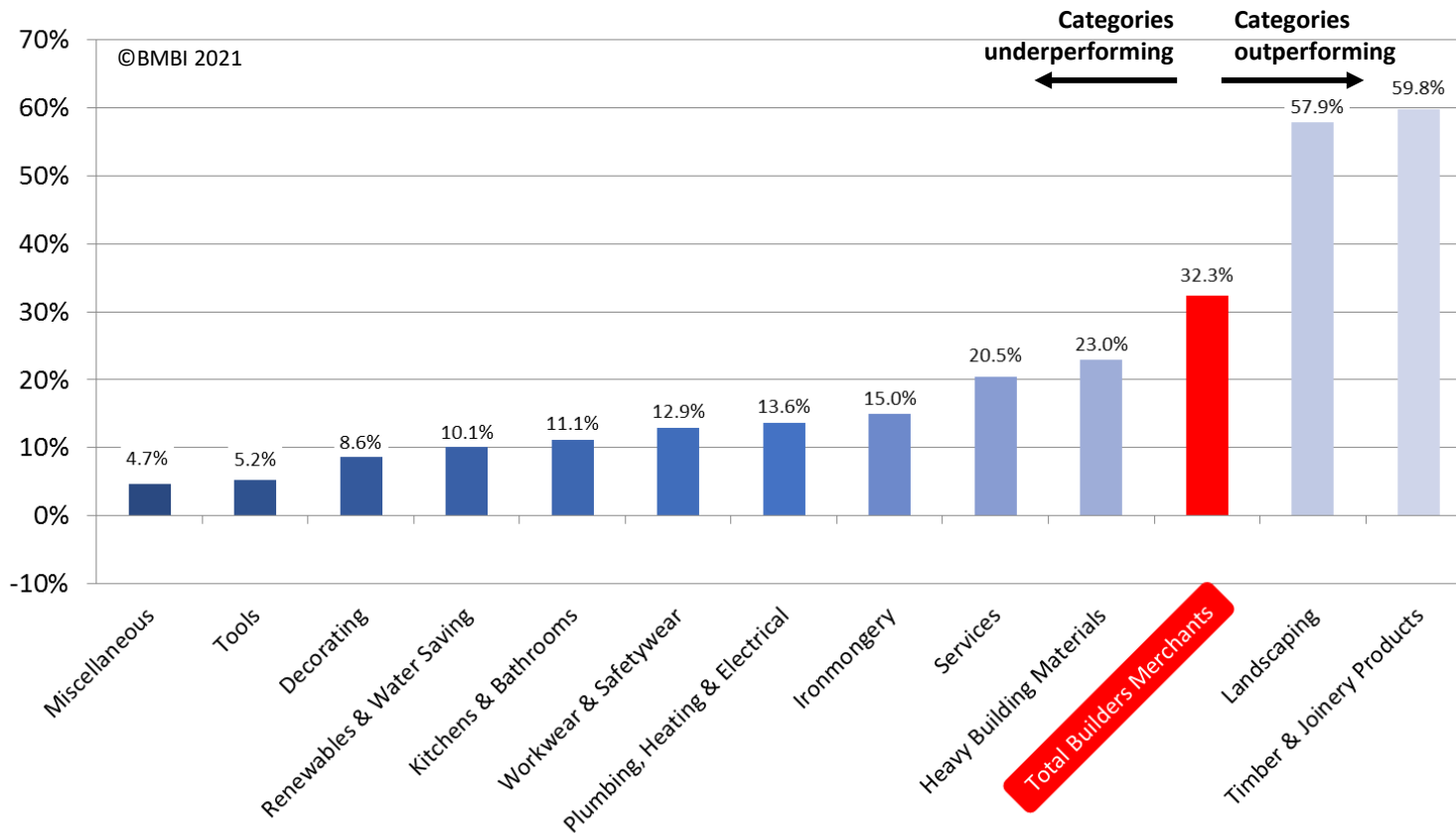
**GfK** Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Monthly: This year v 2019

June 2021 2-year sales indices



## 2-year comparison: June 2021 v June 2019



**GfK** Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

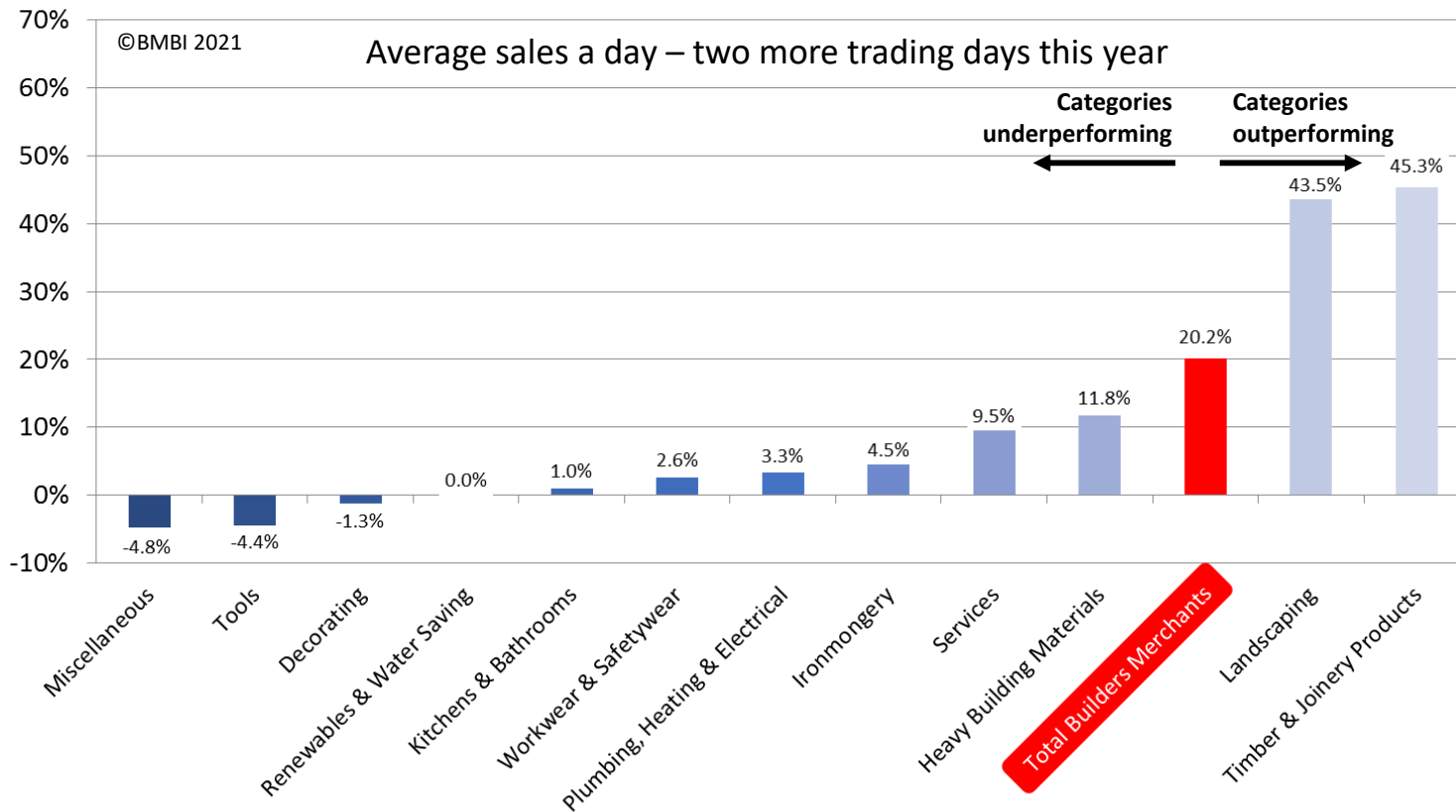


# Monthly: This year v 2019

## June 2021 2-year average sales a day indices



### 2-year comparison: June 2021 v June 2019



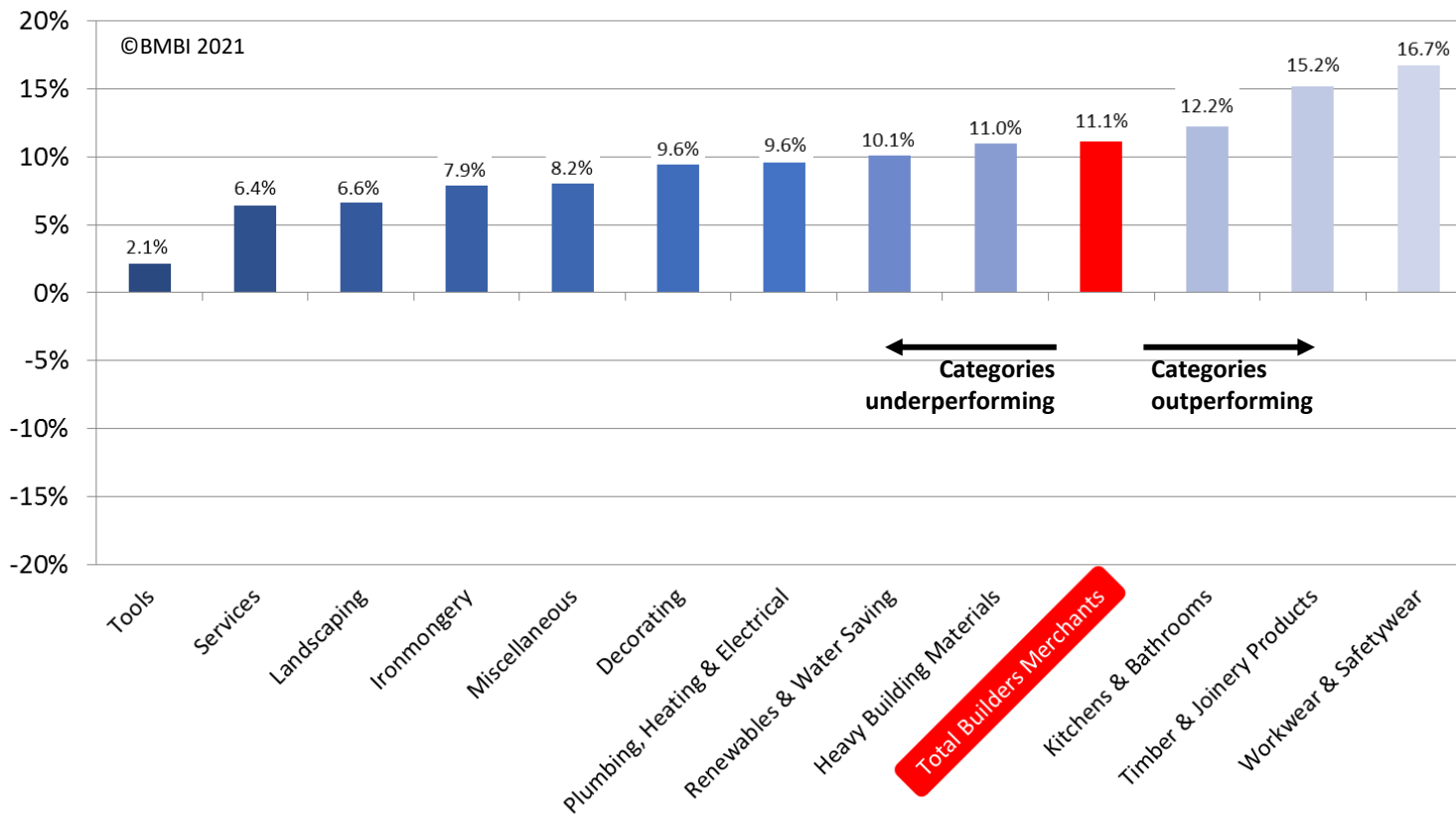
Source: GfK's Builders Merchants Total Category Report July 2015 to June 2021

# Monthly: This month v last month

June 2021 sales indices



## June 2021 Index v May 2021 Index



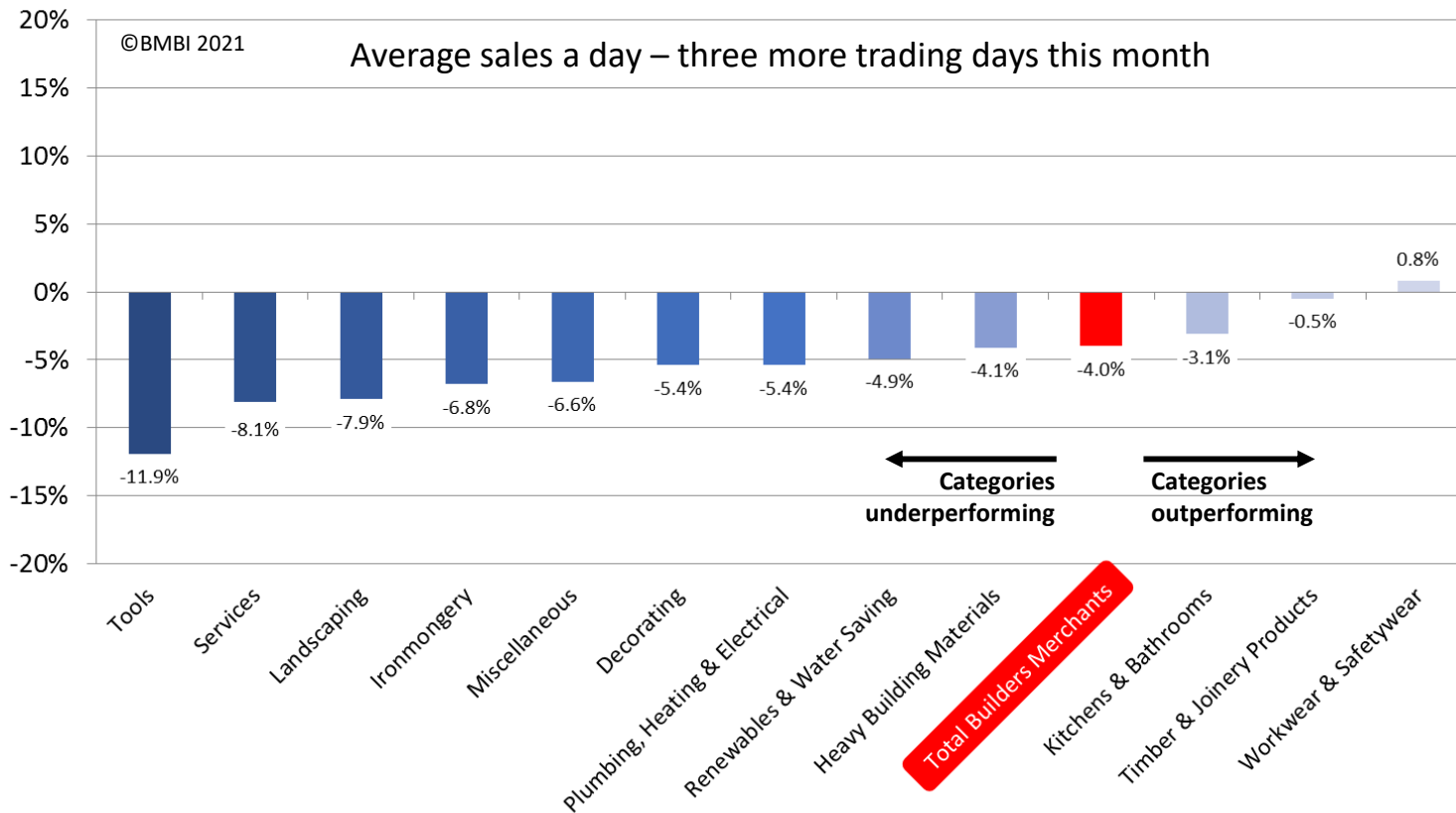
**GfK** Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Monthly: This month v last month

June 2021 average sales a day indices



## June 2021 Index v May 2021 Index



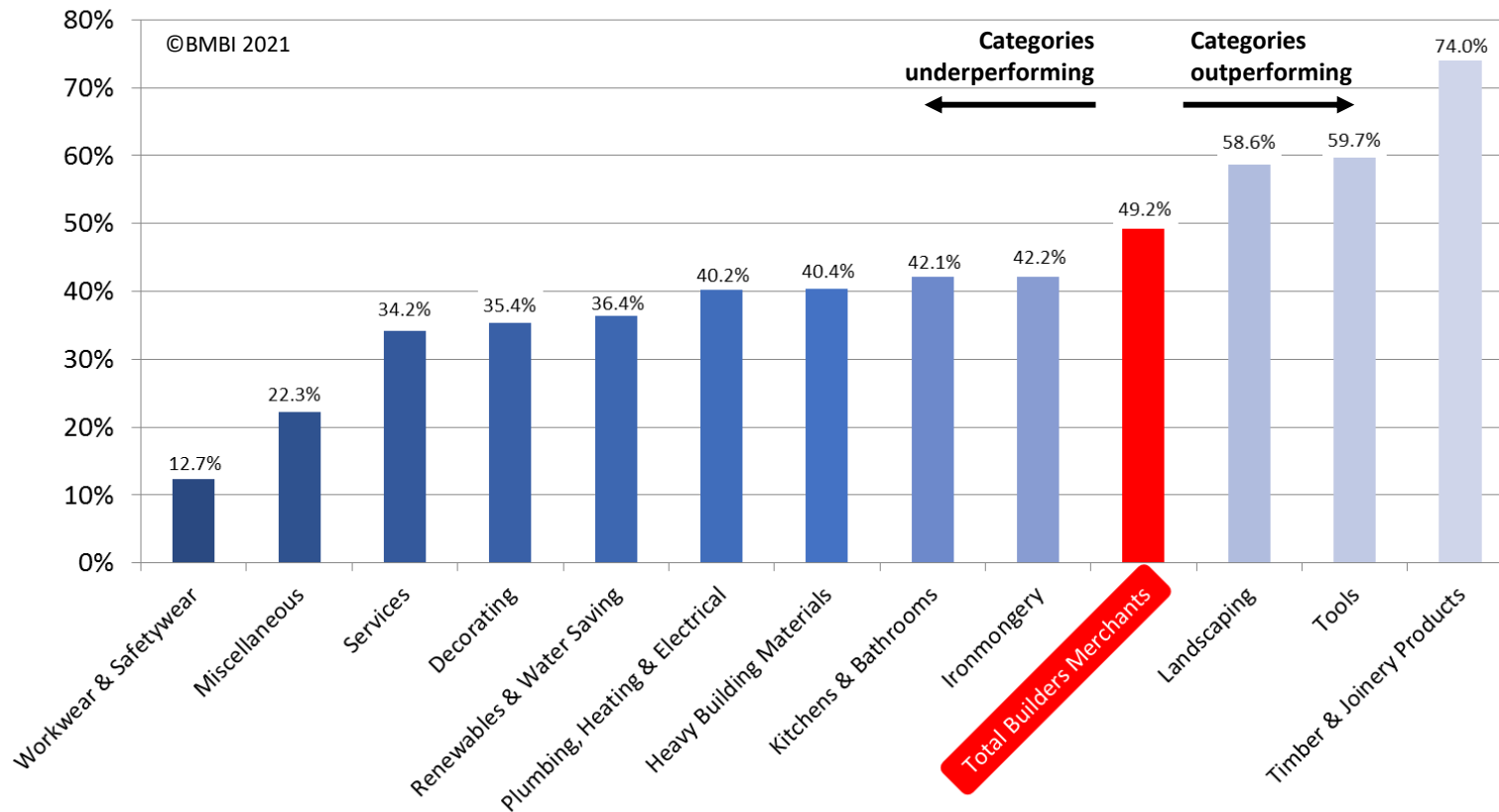
**GfK** Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Year to date: Year on Year

Last 6 months sales indices



## Year to date: Jan 21 to Jun 21 index v Jan 20 to Jun 20 index



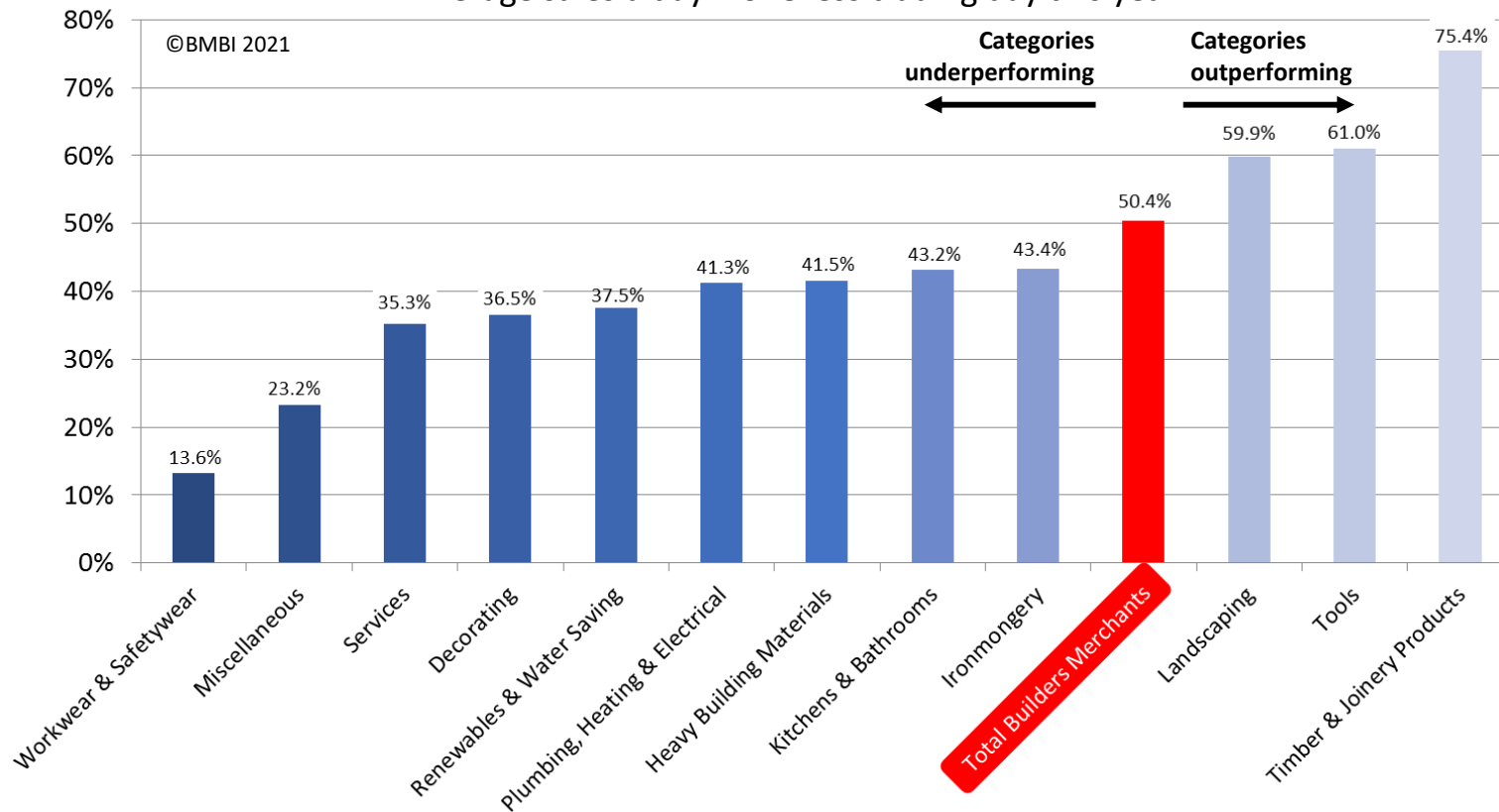
**GfK** Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Year to date: Year on Year

Last 6 months average sales a day indices

## Year to date: Jan 21 to Jun 21 index v Jan 20 to Jun 20 index

Average sales a day – one less trading day this year

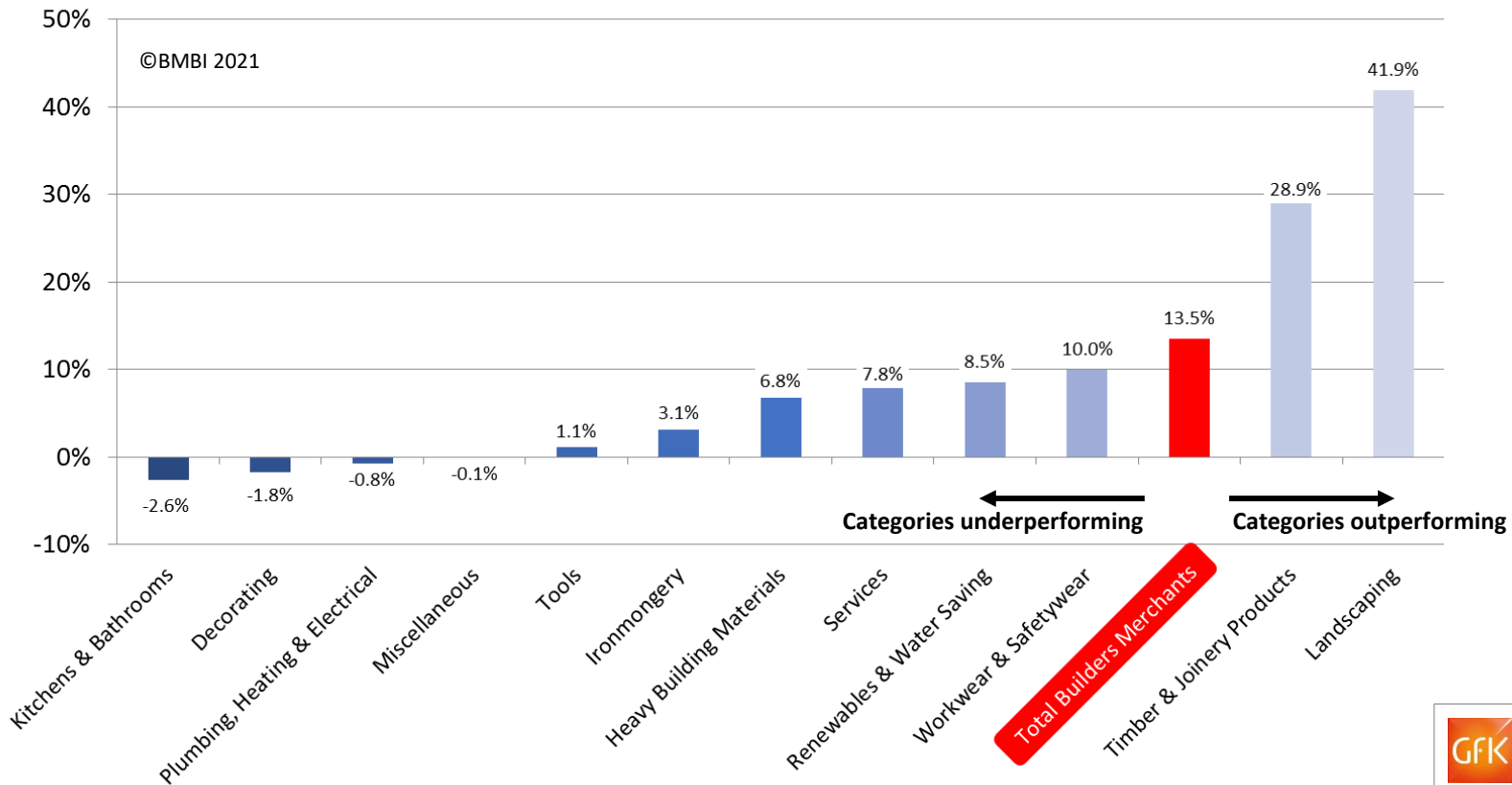


**GfK** Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Year to date: v 2019

Last 6 months 2-year sales indices

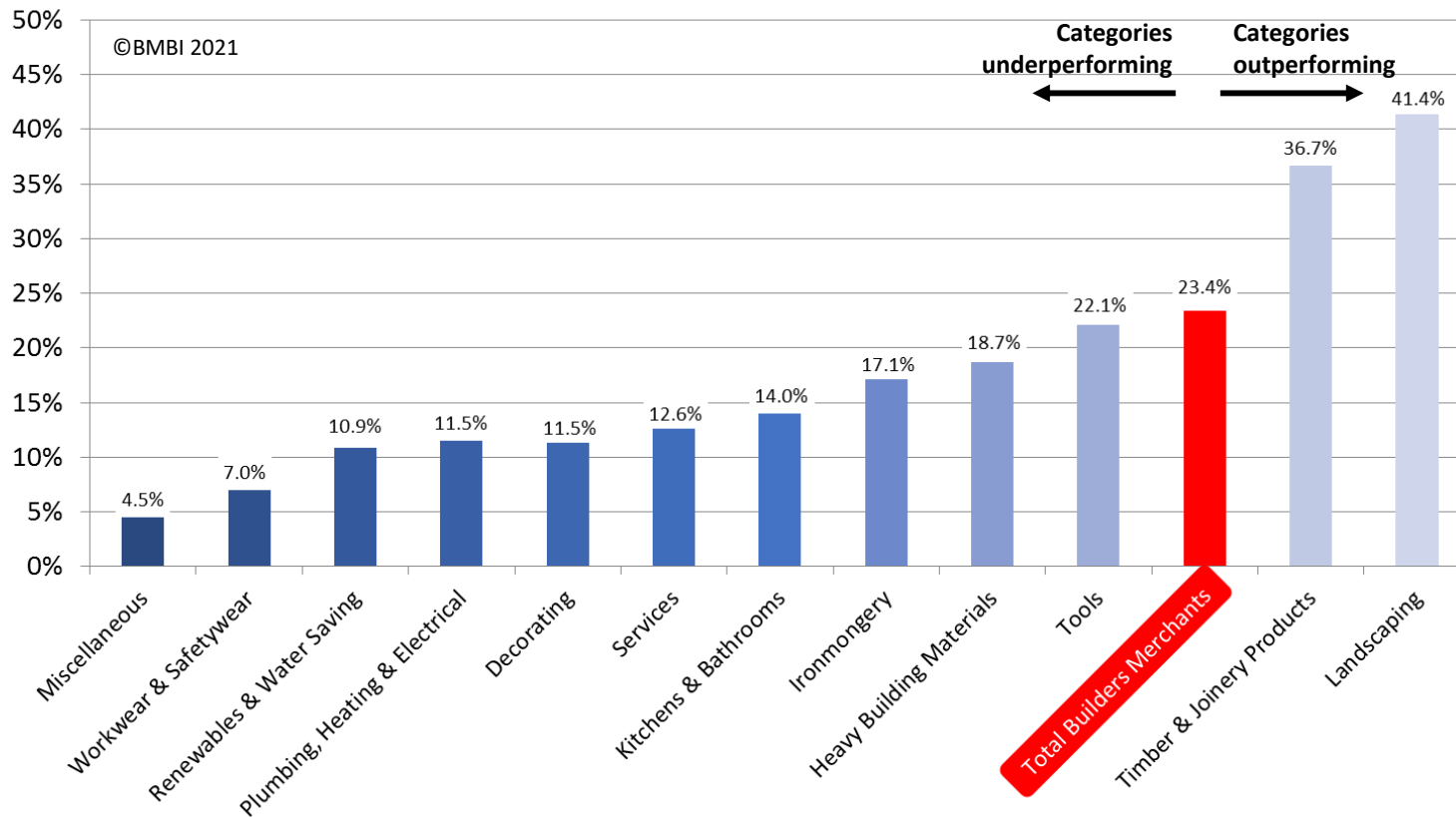
## 2-year comparison: Jan 21 to Jun 21 v Jan 19 to Jun 19




Source: GfK's Builders Merchants Total Category Report July 2015 to June 2021

# Last 12 Months: Year on Year

## 12 months Jul 20 to Jun 21 v 12 months Jul 19 to Jun 20



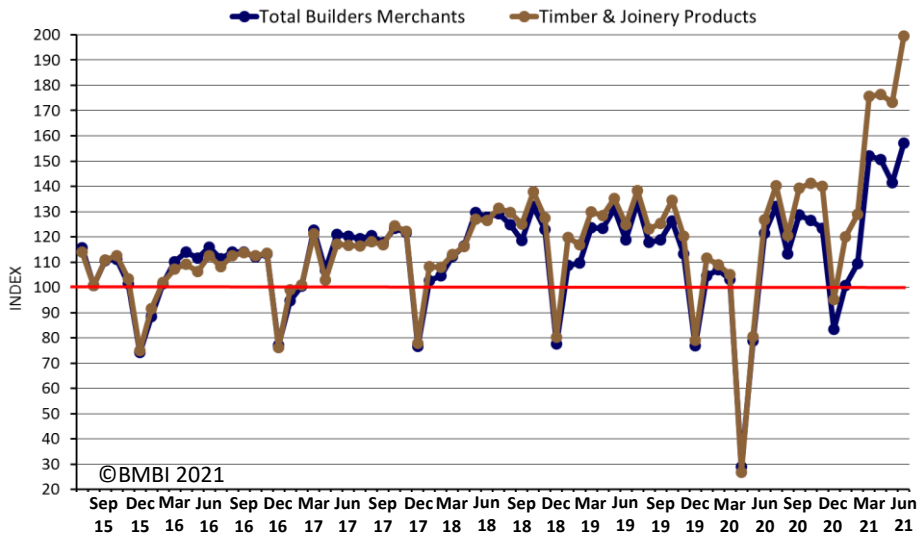
 Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Monthly and Quarterly Indices

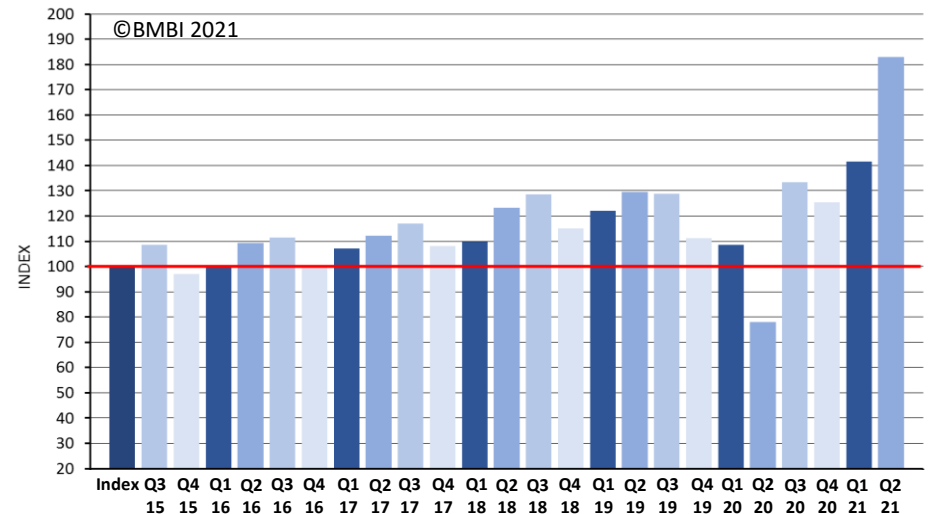
June 2021 and Q2 2021



## Timber & Joinery Products



## Timber & Joinery Products - Quarterly



Charts indexed on July 2014 – June 2015

Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021



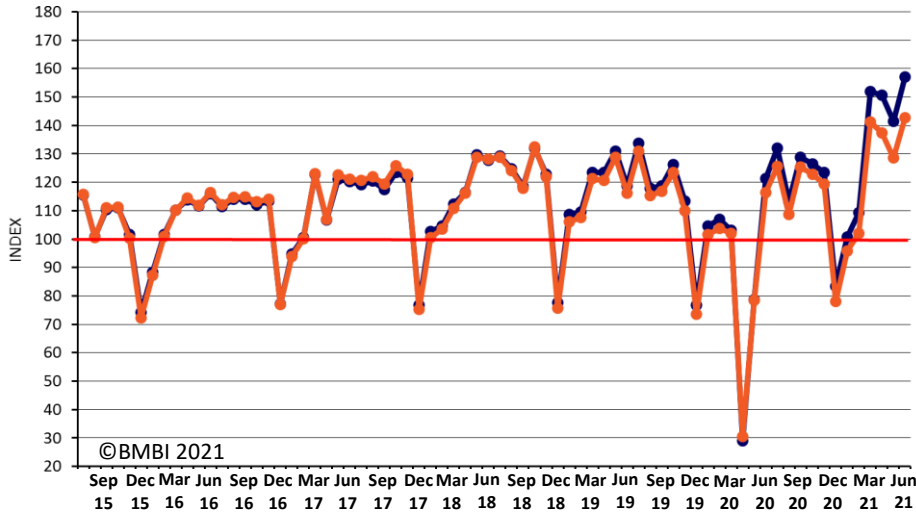
# Monthly and Quarterly Indices

June 2021 and Q2 2021

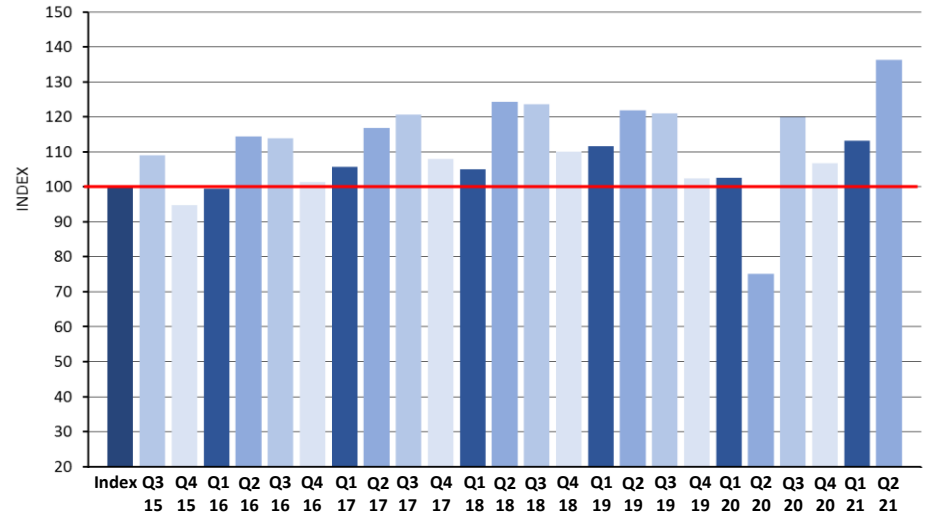


## Heavy Building Materials

● Total Builders Merchants ● Heavy Building Materials



## Heavy Building Materials - Quarterly



Charts indexed on July 2014 – June 2015

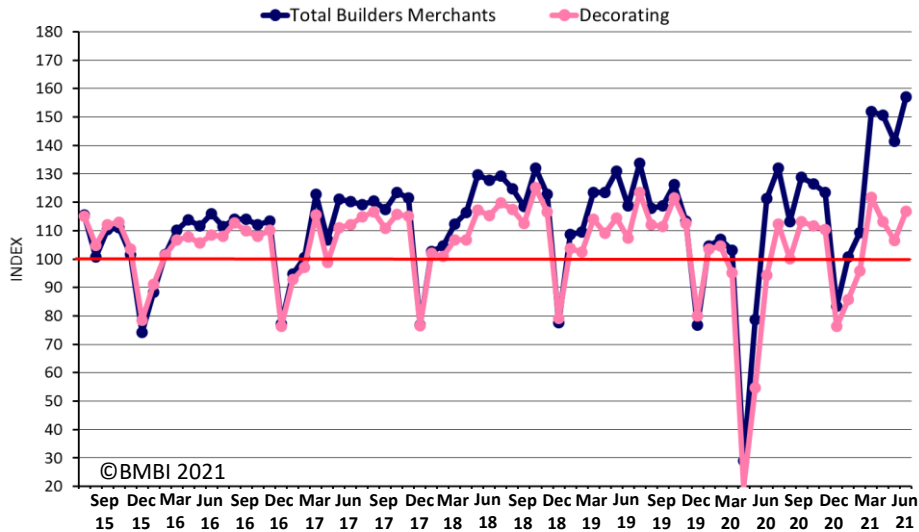
Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Monthly and Quarterly Indices

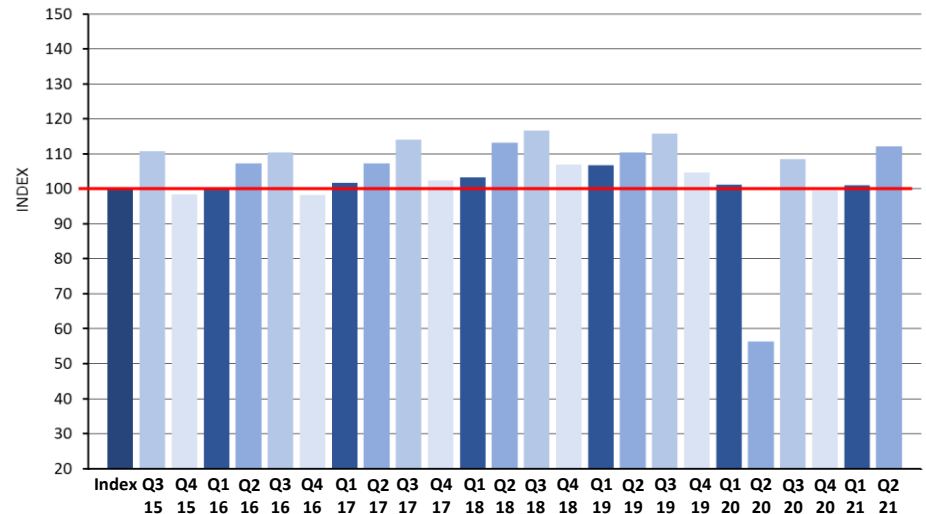
June 2021 and Q2 2021



## Decorating



## Decorating - Quarterly



Charts indexed on July 2014 – June 2015

Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

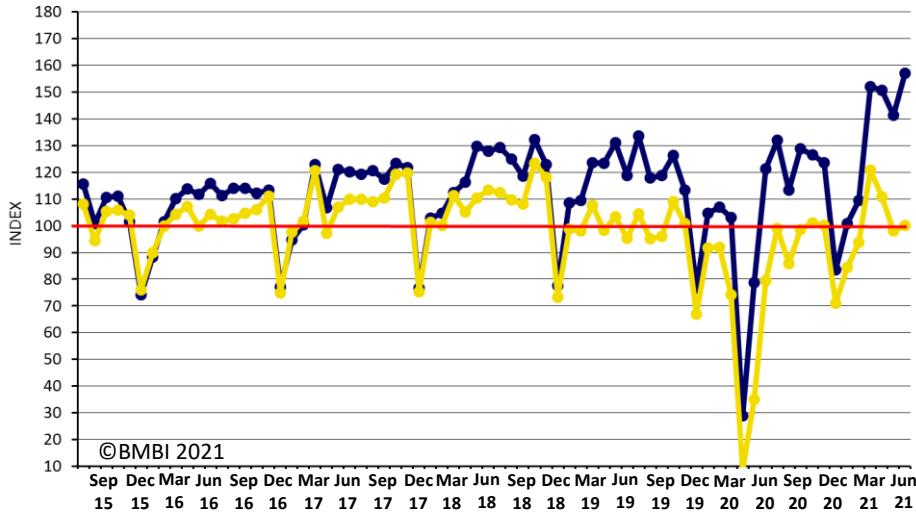
# Monthly and Quarterly Indices

June 2021 and Q2 2021

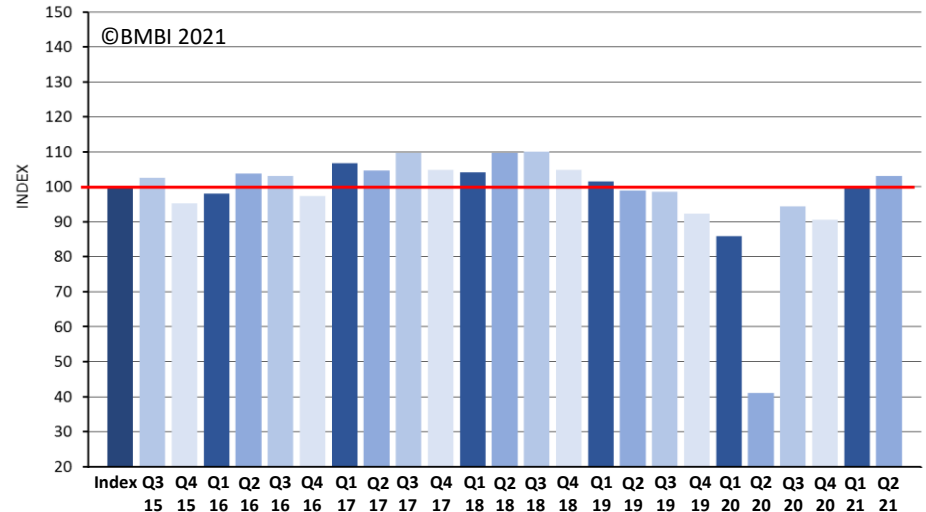


## Tools

◆ Total Builders Merchants ◆ Tools



## Tools - Quarterly



Charts indexed on July 2014 – June 2015

Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

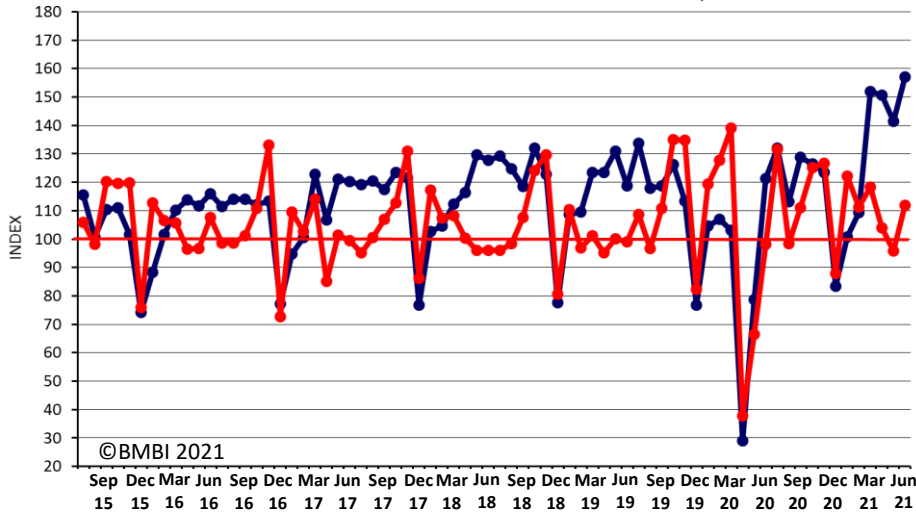
# Monthly and Quarterly Indices

June 2021 and Q2 2021

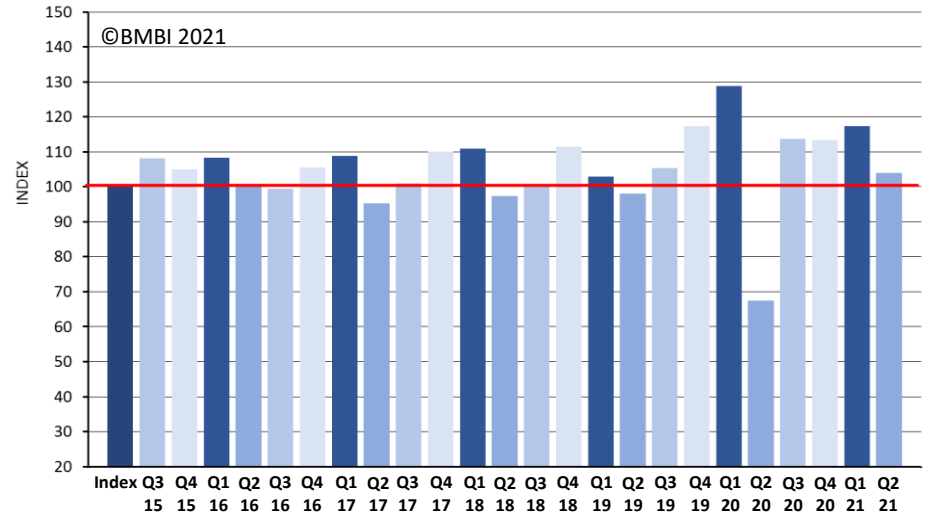


## Workwear & Safetywear

— Total Builders Merchants — Workwear & Safetywear



## Workwear & Safetywear - Quarterly



Charts indexed on July 2014 – June 2015

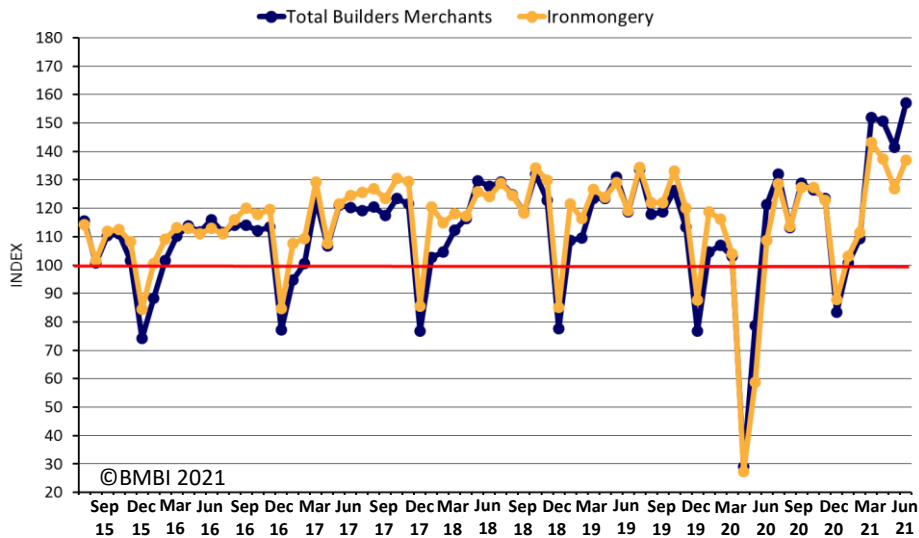
Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Monthly and Quarterly Indices

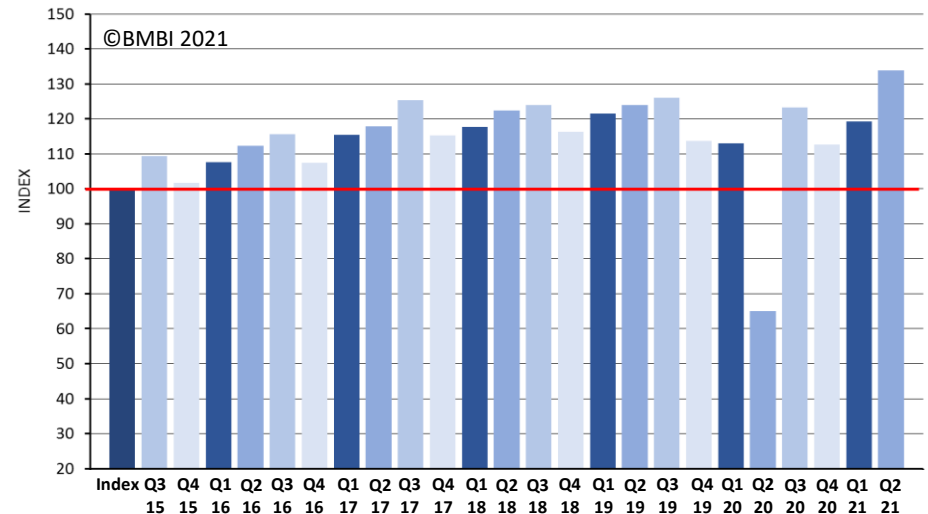
June 2021 and Q2 2021



## Ironmongery



## Ironmongery - Quarterly



Charts indexed on July 2014 – June 2015

Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

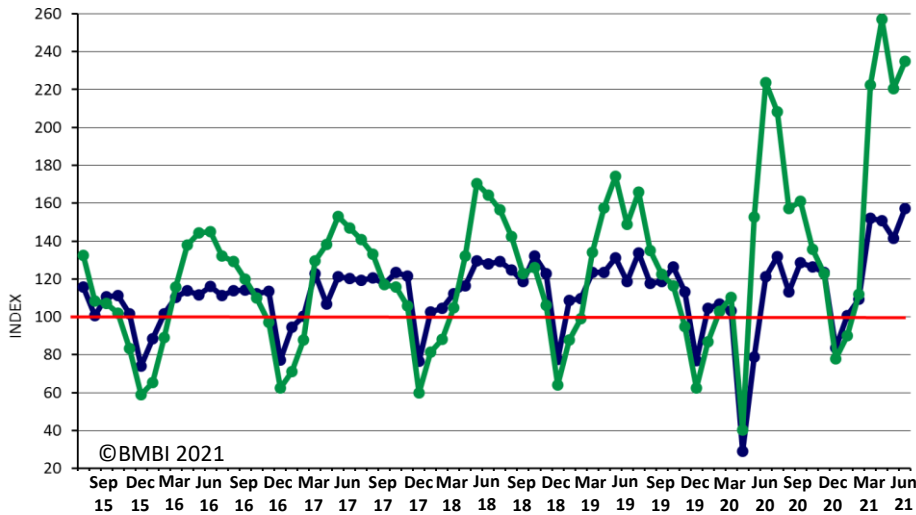
# Monthly and Quarterly Indices

June 2021 and Q2 2021

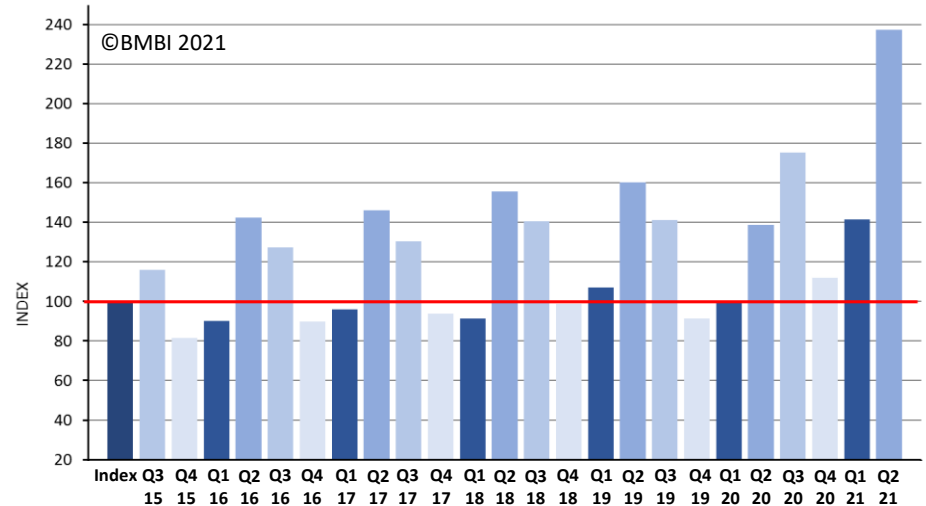


## Landscaping

◆ Total Builders Merchants    ◆ Landscaping



## Landscaping - Quarterly



Charts indexed on July 2014 – June 2015

Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

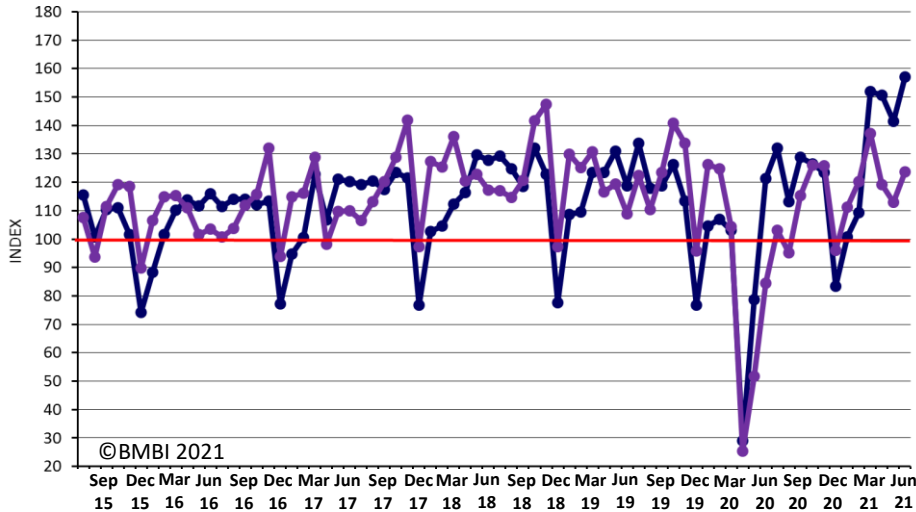
# Monthly and Quarterly Indices

June 2021 and Q2 2021

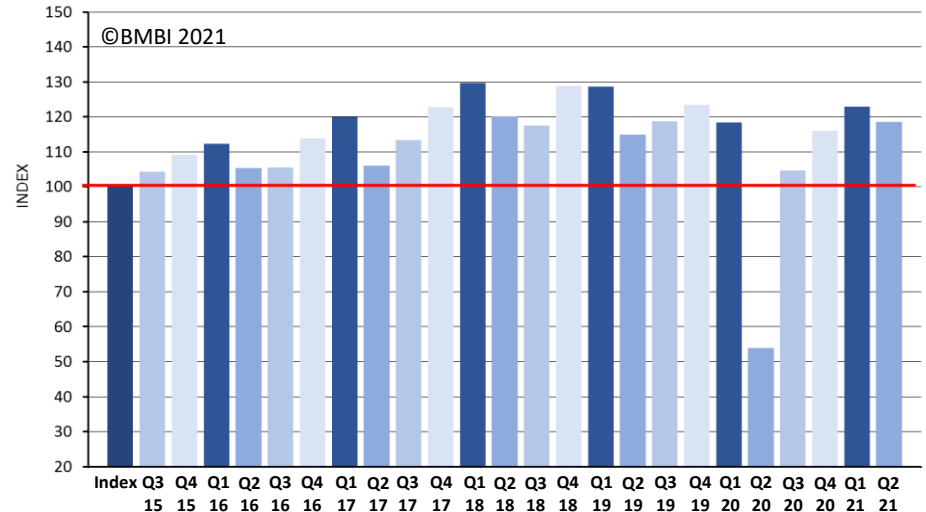


## Plumbing, Heating & Electrical

● Total Builders Merchants ● Plumbing, Heating & Electrical



## Plumbing, Heating & Electrical - Quarterly



Charts indexed on July 2014 – June 2015

Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

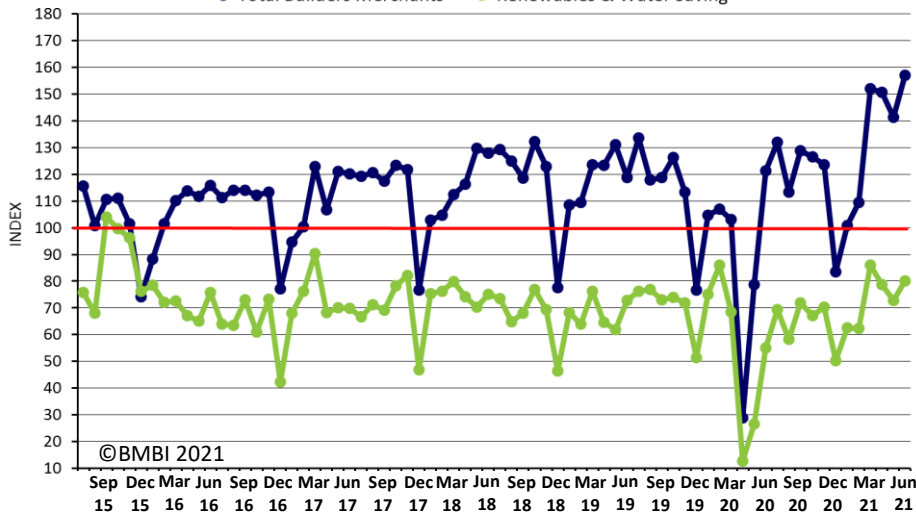
# Monthly and Quarterly Indices

June 2021 and Q2 2021

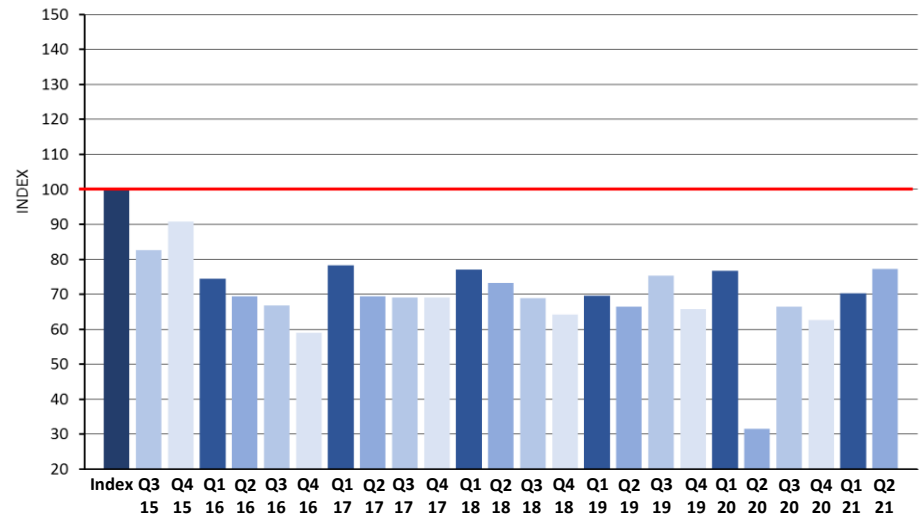


## Renewables & Water Saving

● Total Builders Merchants ● Renewables & Water Saving



## Renewables & Water Saving - Quarterly



Charts indexed on July 2014 – June 2015

Source: GfK's Builders Merchants Total Category Report July 2015 to June 2021



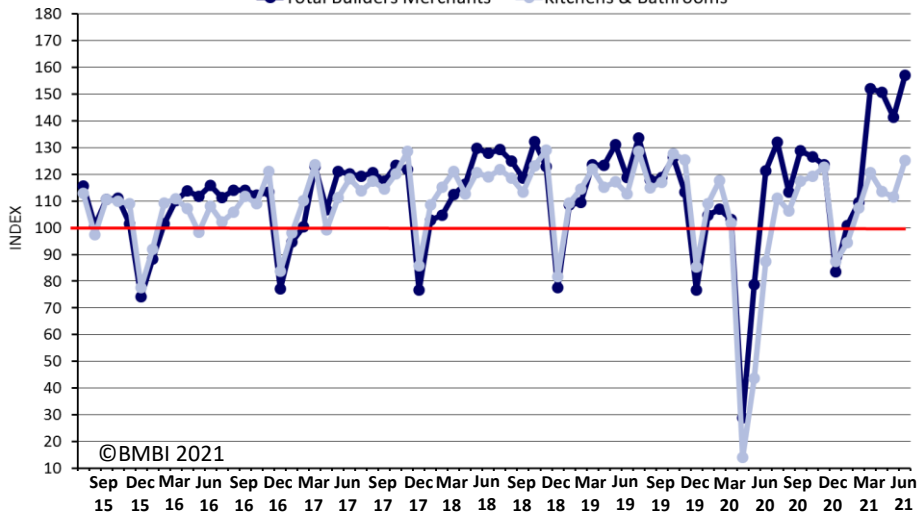
# Monthly and Quarterly Indices

June 2021 and Q2 2021

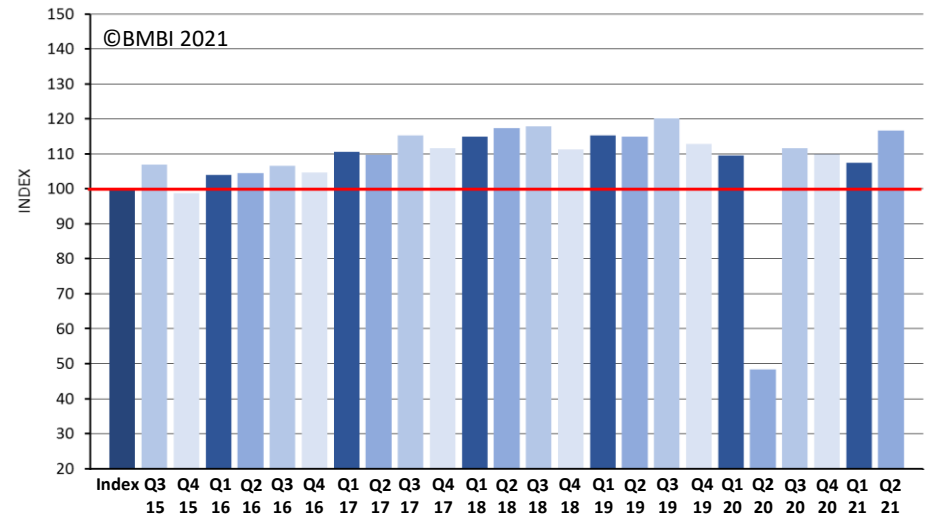


## Kitchens & Bathrooms

● Total Builders Merchants ● Kitchens & Bathrooms



## Kitchens & Bathrooms - Quarterly



Charts indexed on July 2014 – June 2015

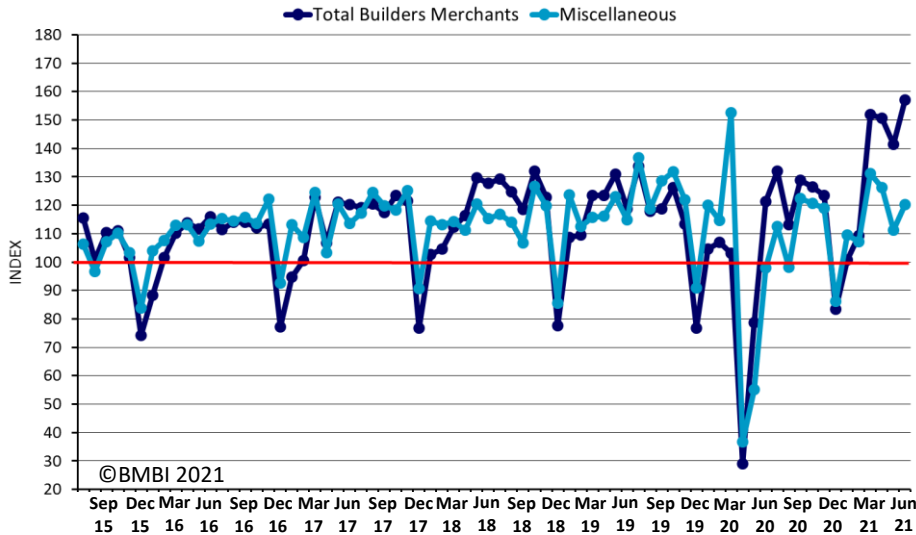
Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Monthly and Quarterly Indices

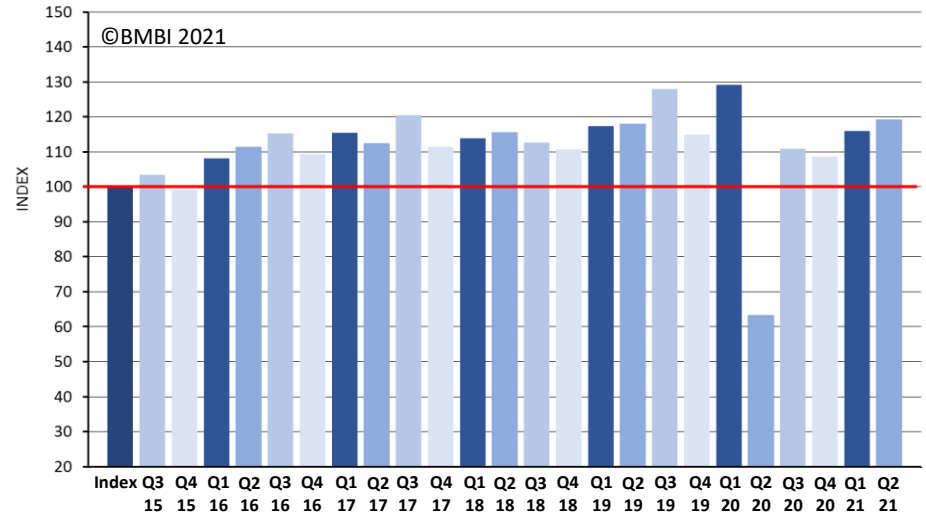
June 2021 and Q2 2021



## Miscellaneous



## Miscellaneous- Quarterly



Charts indexed on July 2014 – June 2015

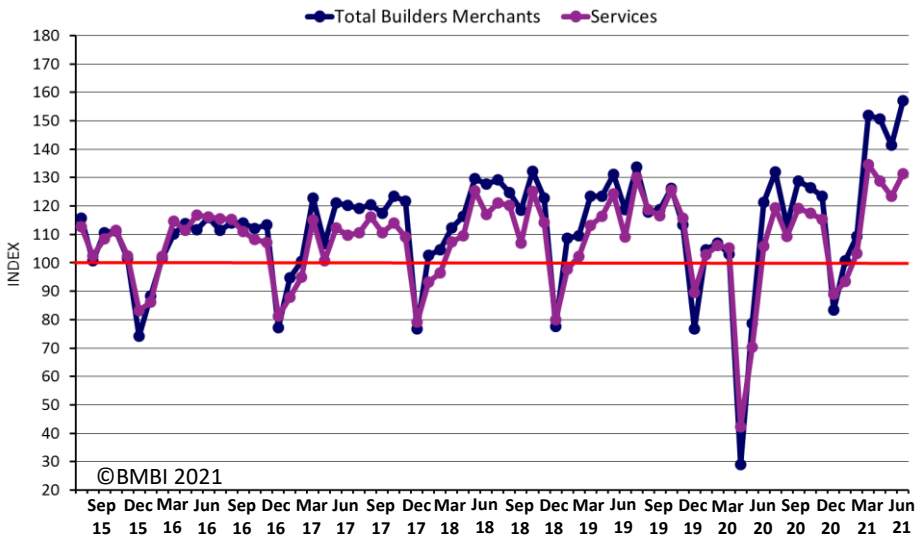
Source: GfK's Builders Merchants Total Category Report July 2015 to June 2021

# Monthly and Quarterly Indices

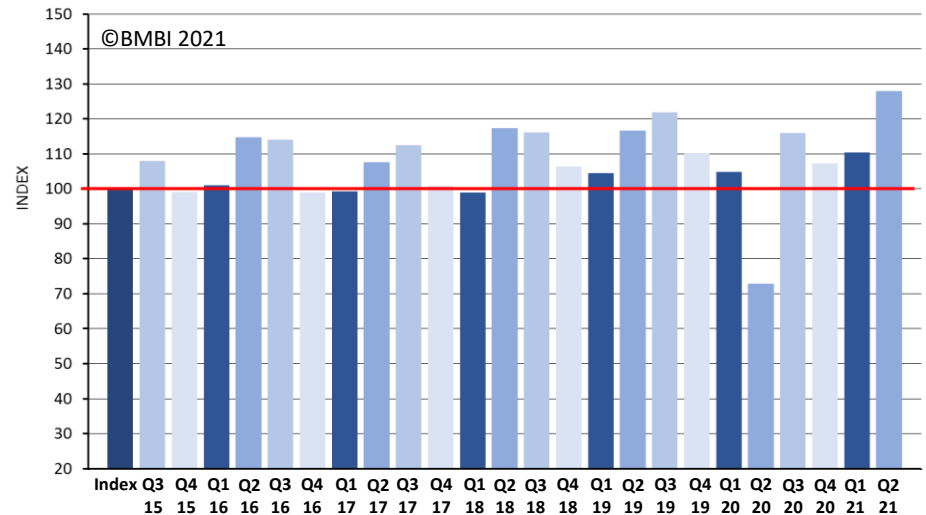
June 2021 and Q2 2021



## Services



## Services Quarterly



Charts indexed on July 2014 – June 2015

Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

# Trading Days



## Monthly

Index: 20.8

2015											
						Jul 22	Aug 20	Sep 22	Oct 22	Nov 21	Dec 17
2016											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
20	21	21	21	20	22	21	22	22	21	22	17
2017											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
21	20	23	18	21	22	21	22	21	22	22	16
2018											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
22	20	21	20	21	21	22	22	20	23	22	15
2019											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
22	20	21	20	21	20	23	21	21	23	21	15
2020											
Jan	Feb	Mar*	Apr*	May*	Jun	Jul	Aug	Sep	Oct	Nov	Dec
22	20	22	20	19	22	23	20	22	22	21	17
2021											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
20	20	23	20	19	22						

## Quarterly

Index: 62.3

2015			
		Q3	Q4
		64	60
2016			
Q1	Q2	Q3	Q4
62	63	65	60
2017			
Q1	Q2	Q3	Q4
64	61	64	60
2018			
Q1	Q2	Q3	Q4
63	62	64	60
2019			
Q1	Q2	Q3	Q4
63	61	65	59
2020			
Q1	Q2	Q3	Q4
64	61	65	60
2021			
Q1	Q2	Q3	Q4
63	61		

## Half Year

2015	
	H2
	124
2016	
H1	H2
125	125
2017	
H1	H2
125	124
2018	
H1	H2
125	124
2019	
H1	H2
124	124
2020	
H1	H2
125	125
2021	
H1	H2
124	

## Full Year

2016
250
2017
249
2018
249
2019
248
2020
250
2021

Source: GfK's  
Builders Merchants  
Total Category Report  
July 2015 to June 2021

\*Some merchants temporarily closed branches between March and May 2020 and this will have affected trading day comparisons.

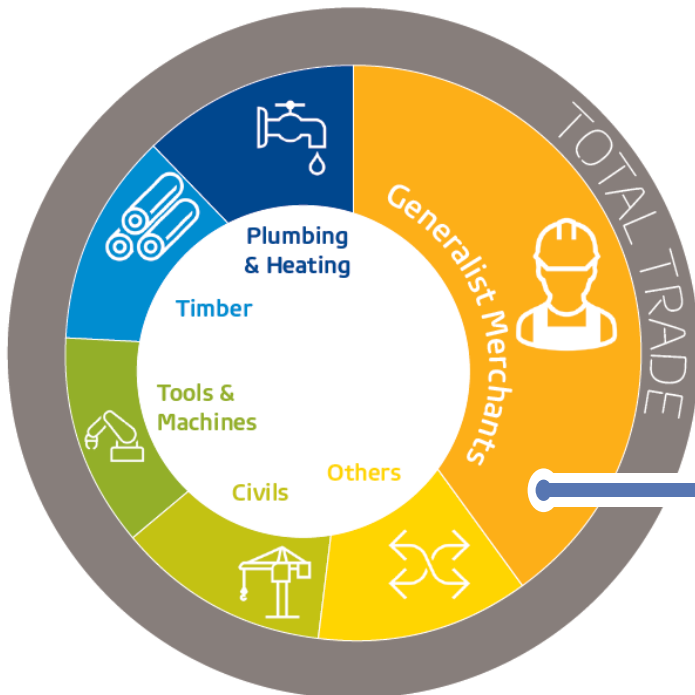
# GfK's Definition of Builders Merchant Panel



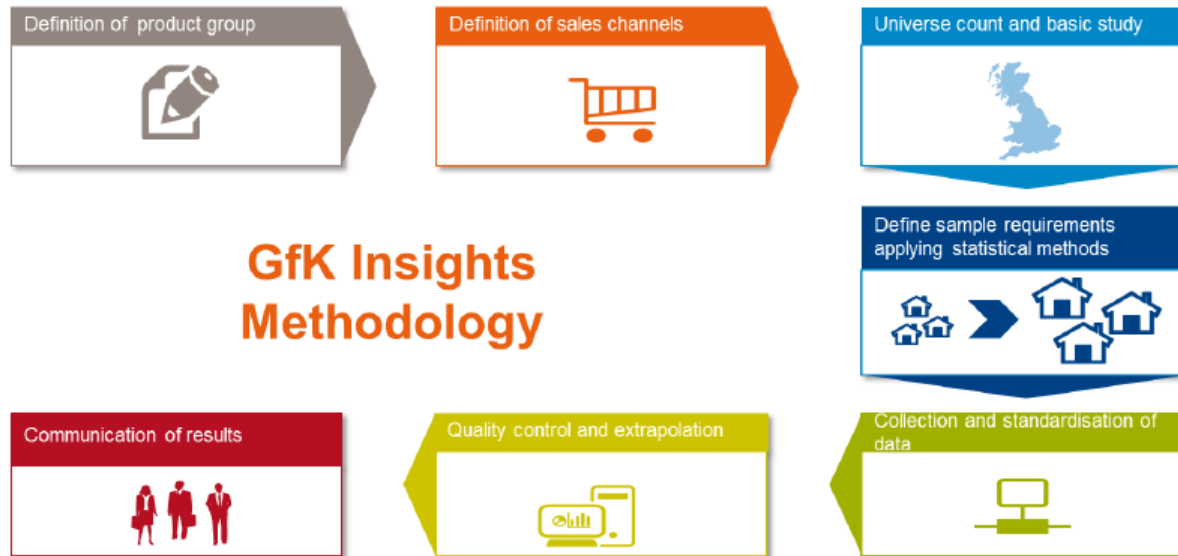
## Generalist Builders Merchants definition:

- 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. Only multiple merchants are considered; they are defined as having more than 3 outlets or a turnover of greater than £3m p.a.
- This excludes branches that generate all their sales from specialized areas such as Civils, Tiles and Tools. Estimated coverage of this channel sits at 82%.

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

### TOTAL CATEGORY REPORT (TCR)



### TRACKED PRODUCT GROUP REPORTING



## 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 Emile van der Ryst at GfK

[emile.van-der-ryst@gfk.com](mailto:emile.van-der-ryst@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)

# Macro factors impacting Merchants



## Bank interest rates

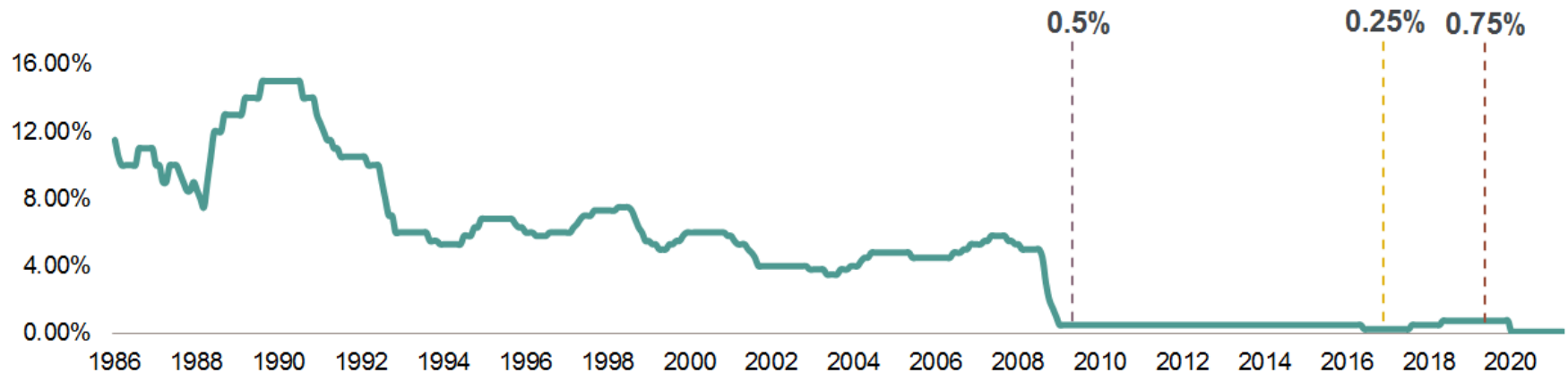
Set monthly by the MPC (Monetary Policy Committee)

▪ The base rate of interest is one of the tools used by the Bank of England to target price stability. Since 1997, when the Bank's Monetary Policy Committee gained autonomy, the rate has been between 7.5% and 0.25%.

▪ The economic crisis caused the Bank to drop rates to 0.5%, as the inflation pressure was considered less important than the stability of the economy.  
▪ The further reduction in August 2016 was designed to further promote growth and achieve the Bank's 2% inflation target.

▪ At its meeting on 4 August 2016, the Bank of England reduced the base rate from the previous historic low of 0.5% to a record-breaking 0.25%.

▪ The MPC voted unanimously to maintain Bank Rate at 0.1% in June 2021.  
▪ The Committee voted unanimously for the Bank of England to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £20 billion.



Source: Bank of England

© GfK 2020 | Consumer Confidence Barometer | June 2021



# Macro factors impacting Merchants

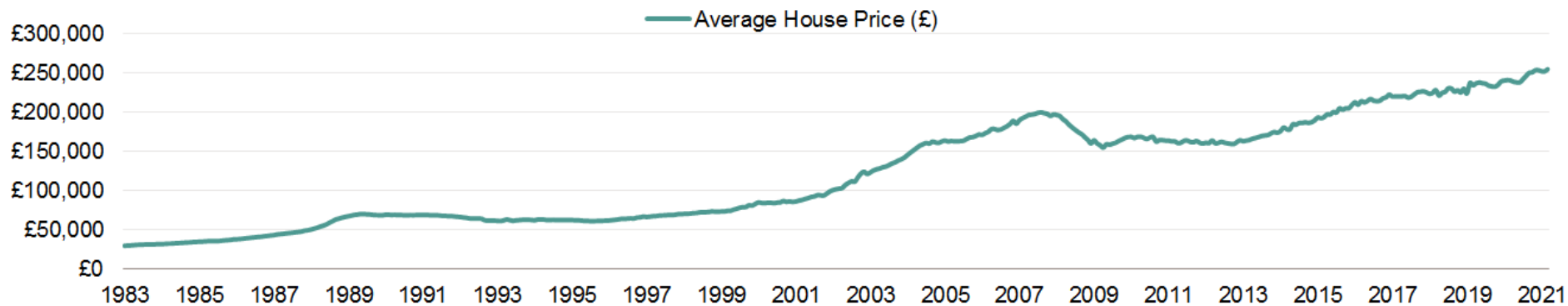


## Standardised average house prices

Average Price (year end)		
2010	£168,390	+3%
2015	£208,286	+10%
2016	£222,190	+7%
2017	£225,032	+1%
2018	£229,729	+2%
2019	£238,963	+2%
2020	£244,112	+2%

- House prices reached another record high in May, with the average property adding more than £3,000 (+1.3%) to its value in the last month alone.
- Annual growth surged to 9.5%, meaning the average UK home has increased in value by more than £22,000 over the past 12 months.

- At the end of May 2021, the average house price in the UK increased to £261,743 from £258,204 in April 2021.
- House prices in May were 9.5% higher than in the same month a year earlier.



Source: Halifax House Price Index

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# Macro factors impacting Merchants



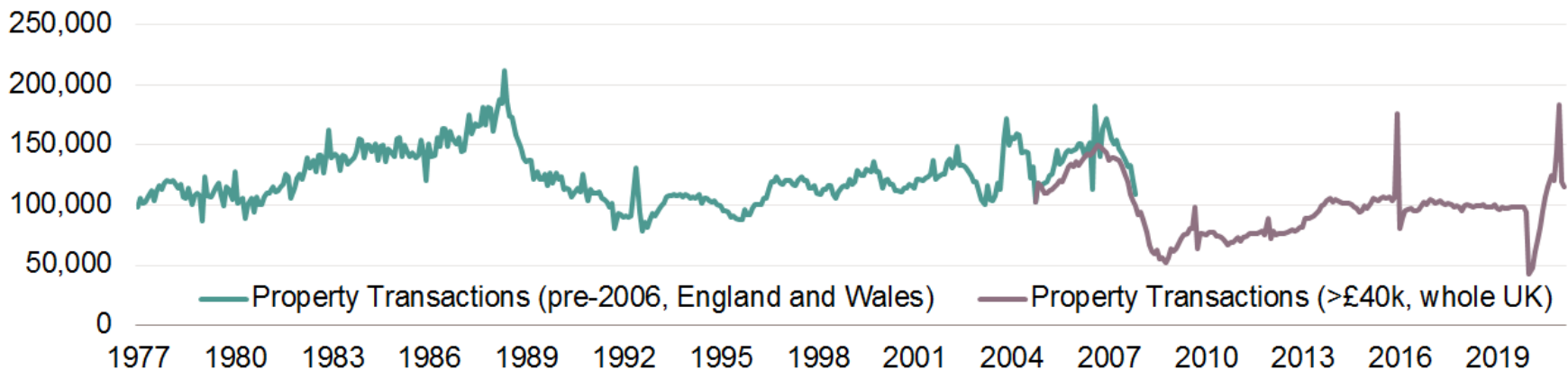
## Property transactions

Monthly transactions, residential, seasonally adjusted

Annual total	
2016	1,234,500
2017	1,223,400
2018	1,190,350
2019	1,171,520
2020	1,041,610

- Stamp duty was altered significantly on 1 December 2003.
- In April 2016, there were major changes to the amount of Stamp Duty property investors will have to pay when purchasing a second home or a buy to let property.

- The seasonally adjusted UK property transaction count for May 2021 was 114,940 residential and 10,900 non-residential transactions.
- The seasonally adjusted count of residential property transactions in May 2021 is 3.9% higher than April 2021 and 138.2% higher than May 2020.



Source: HM Revenue & Customs

© GfK 2020 | Consumer Confidence Barometer | June 2021

# Macro factors impacting Merchants



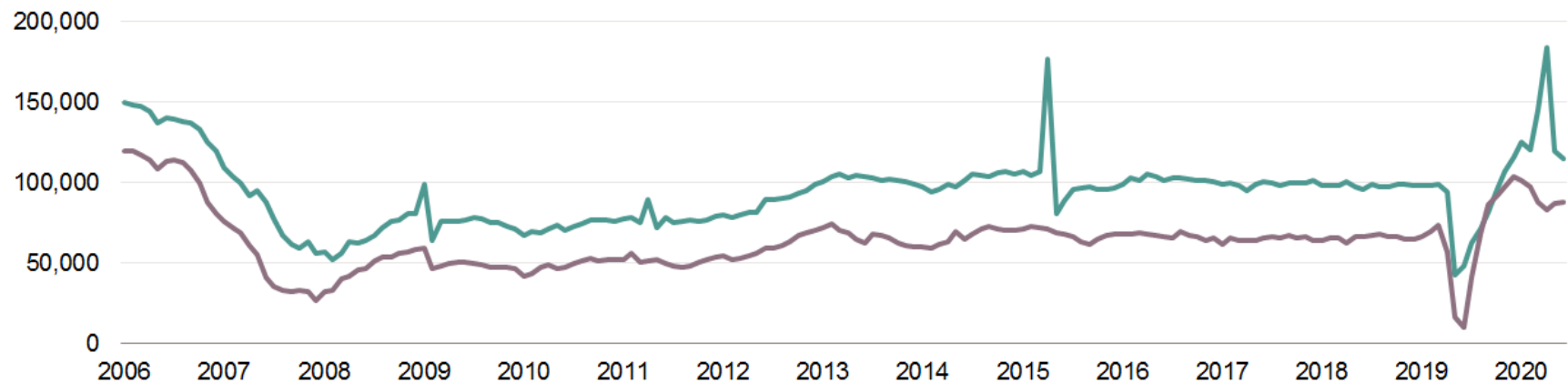
## Mortgage approvals and property transactions

Monthly residential transactions and mortgage approvals (seasonally adjusted)

▪ Mortgage approvals for house purchase refers to the firm offers of lenders to advance credit secured on specific dwellings to their customers.

▪ The number of loan approvals for house purchase in the United Kingdom rose to 87,545 in May 2021 - this represents a 0.7% increase from April 2021.

▪ The March/April 2016 peak and subsequent fall in property transactions, may be attributed to people rushing to beat the new stamp duty changes coming into force in April 2016.



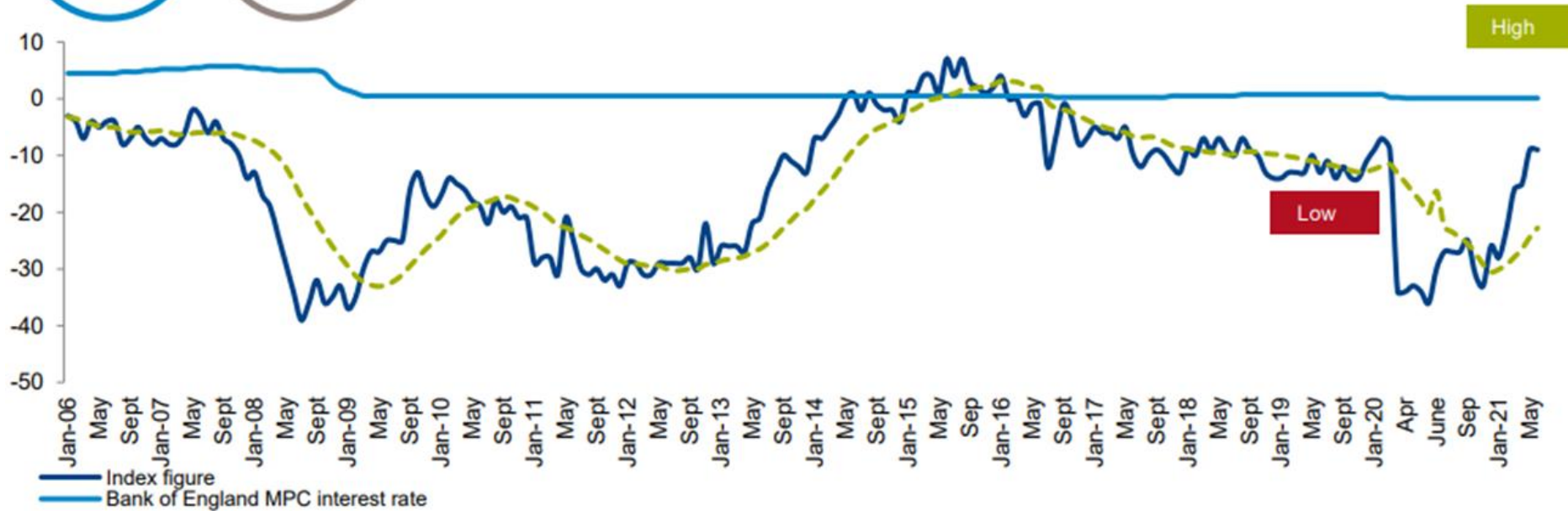
Source: HM Revenue & Customs — Property Transactions (>£40k, whole UK) — Approvals for mortgages for house purchase...

© GfK 2020 | Consumer Confidence Barometer | June 2021

# Macro factors impacting Merchants



## Consumer Confidence Index



The Index Score is calculated using the results of five questions (1,2,3,4, and 8). The mean score from each of these five questions is combined and the Index Score is the average.

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“building **excellence**  
in materials supply”

# Plumbing & Heating Merchant Index



**Quarter 2 2021**

(Published 23 August 2021)

A Builders Merchant Building Index Publication

# Introduction:

## Plumbing & Heating Merchant Index



This Plumbing & Heating Merchant Index (PHMI) report contains data from GfK's ground-breaking Plumbing & Heating Merchants Panel, which analyses data from over 80% of Plumbing & Heating merchants' sales throughout Great Britain, accounting for about £3bn. There is no overlap or double counting between PHMI and Builders Merchant Building Index (BMBI).

GfK's Plumbing & Heating Point of Sale Tracking Data is a gold standard in reliable market trends. Unlike data from sources based on relatively small samples or estimates, or sales from suppliers to the supply chain, this up-to-date data is based on actual sales from specialist plumbing & heating merchants. It is, in effect, the market.

PHMI trend data is indexed on the 12 months of 2019. Currently, data is available by total monthly value sales and the series tracks what is happening in the plumbing and heating market month by month. This trend series gives the industry access to far more accurate insights than has been available. MRA Research produces the Plumbing & Heating Merchant Index, a brand of the BMF, to provide reliable data, and a platform and voice for this important industry and for leading plumbing and heating brands to communicate to the wider market.

### PHMI Experts

Plumbing & Heating brands who are interested in becoming PHMI Experts, speaking for their markets and building their brands, should contact Ralph Sutcliffe: [Ralph@mra-research.co.uk](mailto:Ralph@mra-research.co.uk) or Tom Rigby: [Tom@mra-research.co.uk](mailto:Tom@mra-research.co.uk)

### More data available

This PHMI report provides valuable top-level indices but there's considerably more data available. GfK insights go much deeper and 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 produce like-for-like market comparability tailored to the requirements of an individual business. Merchants or suppliers who are interested in acquiring data or getting involved should contact Emile van der Ryst at [emile.van-der-ryst@gfk.com](mailto:emile.van-der-ryst@gfk.com).

## A positive second quarter compared to last year but minimal growth on Q2 2019

June 2021 plumbing and heating product sales, with data from over 80% of Plumbing & Heating merchants' sales, were up 35.2% on June 2020. (See [page 77](#)). However sales in June last year were hit by restrictions from Lockdown 1, making it difficult to assess how well the market has recovered. By also looking back two years, it is possible to compare sales against more normal trading conditions. Compared with June 2019, turnover in June 2021 was up 7.9%, helped by two more trading days this year. Average sales a day, which take trading day differences into account, were 1.9% lower than in June 2019 ([page 78](#)).

Value sales in June 2021 were 1.8% higher than in May 2021 ([page 80](#)), helped by three more trading days this month, but average sales a day in June were 12.1% lower compared with May.

Quarter 2 2021 sales were 93.5% higher than in Quarter 2 2020 ([page 74](#)) but this was against the almost total shutdown of the market in April 2020 and only gradual recovery in May and June. Looking back two years, sales in the second quarter of 2021 were 4.0% higher than the same period in 2019.

Sales in Quarter 2 were 6.7% lower than in Quarter 1 ([page 75](#)). However there were two less trading days in the most recent quarter and taking these into account, average sales a day were 3.7% lower than in Q1.

Focussing on the first six months of 2021, sales were up 36.3% compared to January to June 2020, with one less trading day this year. Average sales a day were 37.4% higher ([page 82](#)). Compared with the same period in 2019, sales in the first six months of 2021 were 3.8% higher, with no difference in trading days ([page 83](#)).

The rolling 12 months July 2020 to June 2021 were 14.0% up compared with July 2019 to June 2020 ([page 84](#)).

The PHMI Index for June 2021, which contrasts sales with the base period of January to December 2019, was 99.2, helped by one more trading day – see the table on [page 72](#) and the chart on [page 76](#). The table on [page 72](#) and chart on [page 73](#) show the PHMI Index for Quarter 2 2021 was almost identical, at 99.5, with one less trading day.

June 2021 plumbing and heating product sales, representing data from over 80% of Plumbing & Heating merchants' sales, were up 35.2% on June 2020.

# Indices: Monthly and quarterly

July 2020 to June 2021

(Indexed on January to December 2019)

<b>Jul 20</b>	<b>Aug 20</b>	<b>Sep 20</b>	<b>Three months</b>
88.3	85.9	103.0	92.4
<b>Oct 20</b>	<b>Nov 20</b>	<b>Dec 20</b>	<b>Three months</b>
115.2	111.1	83.9	103.4
<b>Jan 21</b>	<b>Feb 21</b>	<b>Mar 21</b>	<b>Three months</b>
99.4	102.4	118.2	106.6
<b>Apr 21</b>	<b>May 21</b>	<b>Jun 21</b>	<b>Three months</b>
101.8	97.4	99.2	99.5

Indices are a measure that express sales values relative to a fixed base, enabling rapid performance comparisons to be made. The Plumbing & Heating Merchant Index uses total sales in 2019 to create monthly and quarterly base periods. These represent average performance.

The figures above express how the periods compare with the 2019 base:

- If turnover was exactly the same, the Index would be 100.
- Values over 100 indicate higher turnover in that period. For example, March's index of 118.2 means turnover was 18.2% above the base period.
- Values below 100 indicate lower turnover in that period. June's Index of 99.2 means turnover was 0.8% lower than the base period.

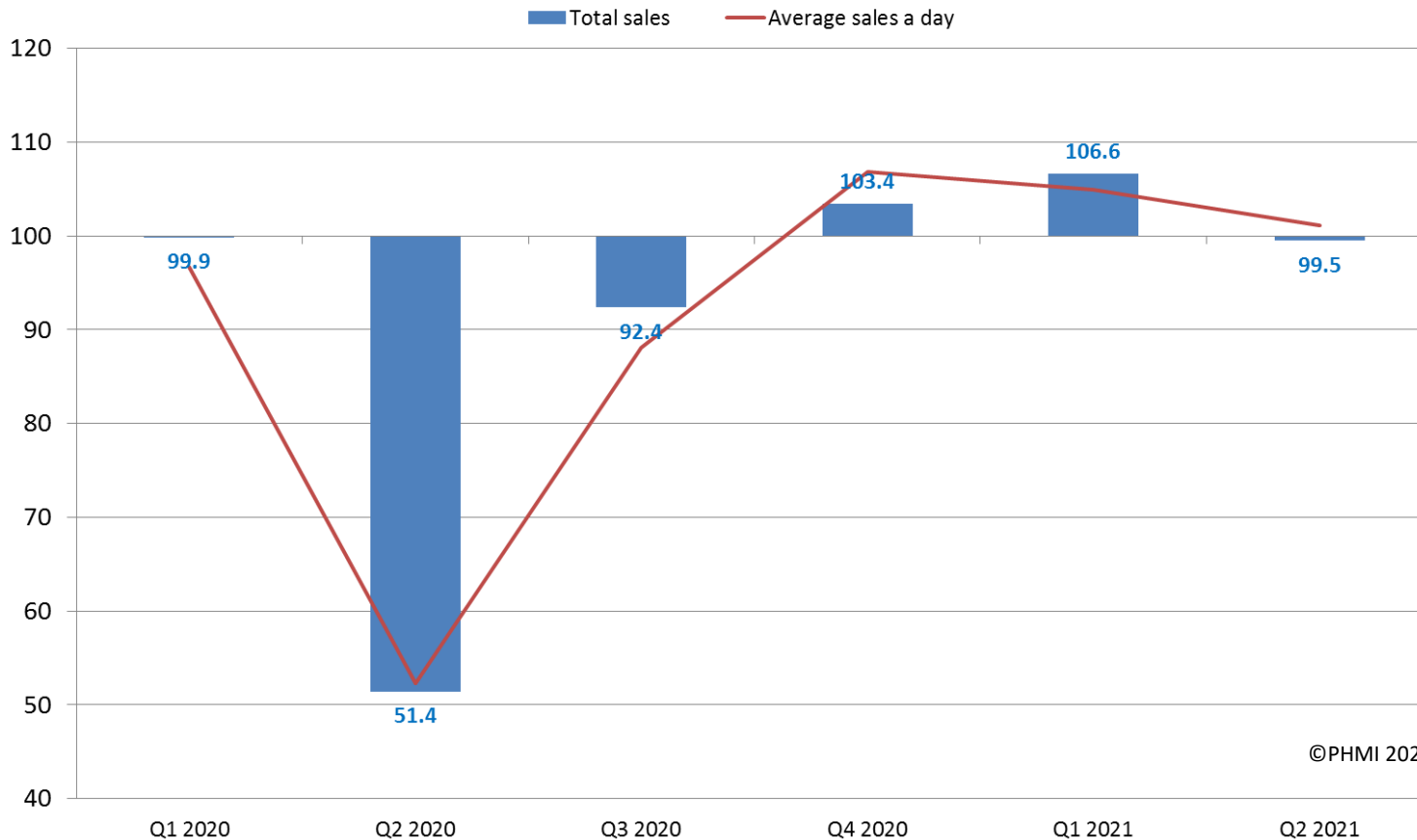
 Source: GfK's  
Plumbing & Heating  
Point of Sale Tracking  
Data, Jan 2019 to Jun 2021



# Quarterly: Index

Adjusted and unadjusted for trading days

## Indices: Q1 2020 to Q2 2021



Value figures  
shown for Total  
sales

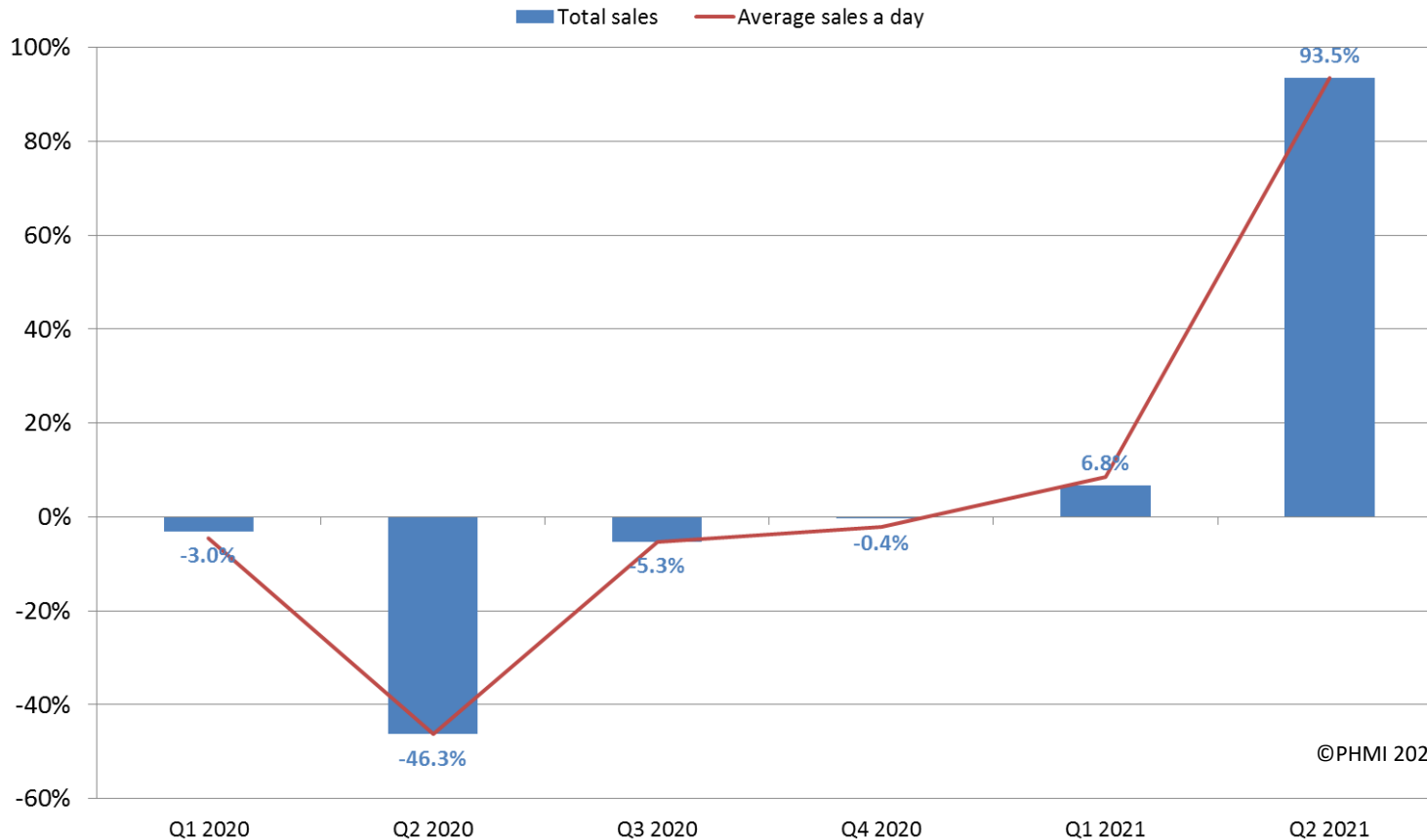
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 Source: GfK's  
Plumbing & Heating  
Point of Sale Tracking  
Data, Jan 2019 to Jun 2021

# Quarterly: Year on Year


Sales indices, adjusted and unadjusted for trading days\*

## Quarter: year on year



Value figures shown for Total sales

©PHMI 2021

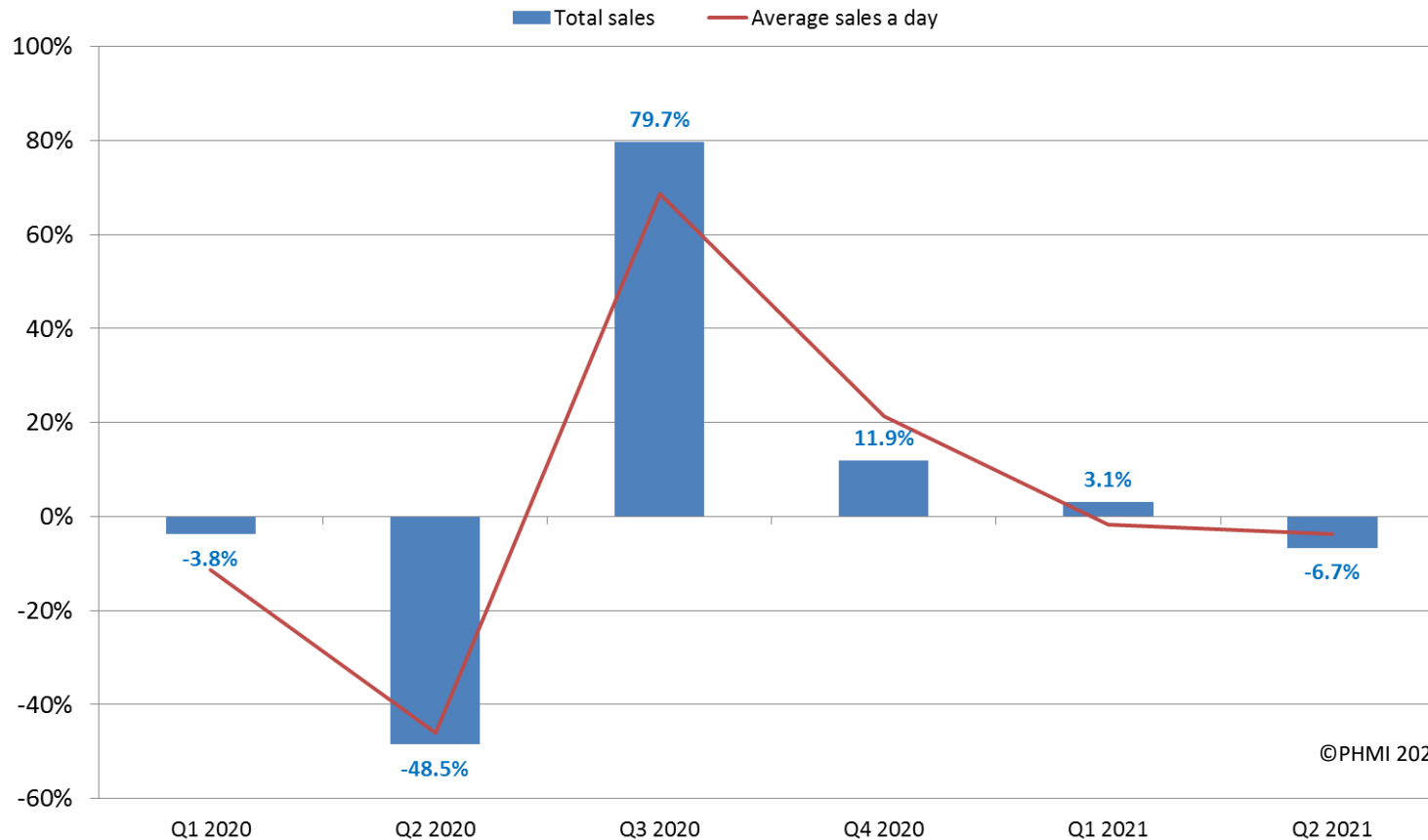
 Source: GfK's Plumbing & Heating Point of Sale Tracking Data, Jan 2019 to Jun 2021

\*Some merchants temporarily closed branches between March and May 2020 and this will have affected trading day comparisons.

# Quarterly: Quarter v previous quarter

Sales indices, adjusted and unadjusted  
for trading days\*

## Quarter v previous quarter



Value figures  
shown for Total  
sales

©PHMI 2021

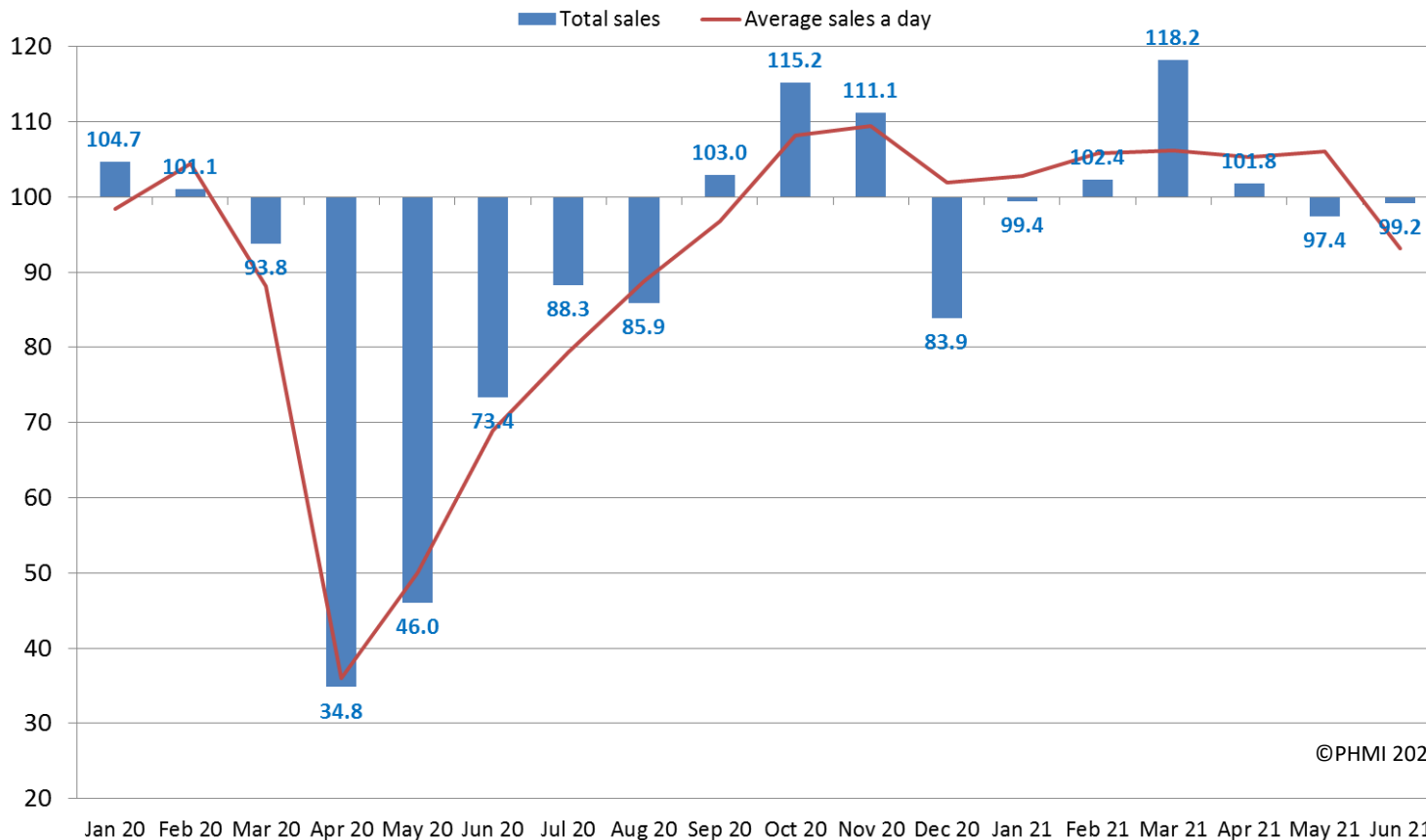
 Source: GfK's  
Plumbing & Heating  
Point of Sale Tracking  
Data, Jan 2019 to Jun 2021

\*Some merchants temporarily closed branches between March and May 2020 and this will have affected trading day comparisons.

# Monthly: Index

Adjusted and unadjusted for trading days\*

## Indices: January 2020 to June 2021



Value figures shown for Total sales

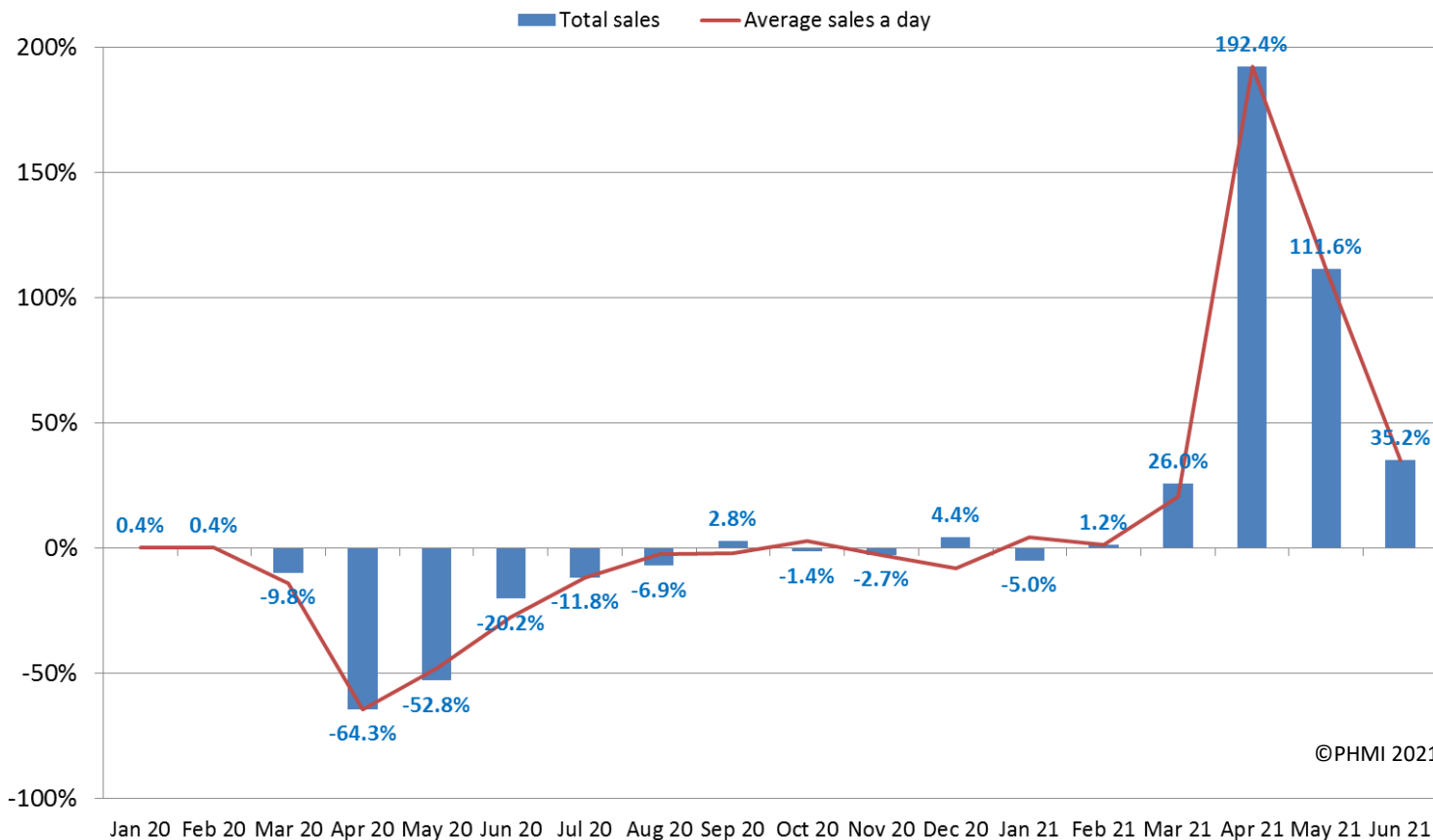
©PHMI 2021

 Source: GfK's Plumbing & Heating Point of Sale Tracking Data, Jan 2019 to Jun 2021

# Monthly: Year on year

Sales indices, adjusted and unadjusted for trading days\*

## Month: year on year



Value figures shown for Total sales

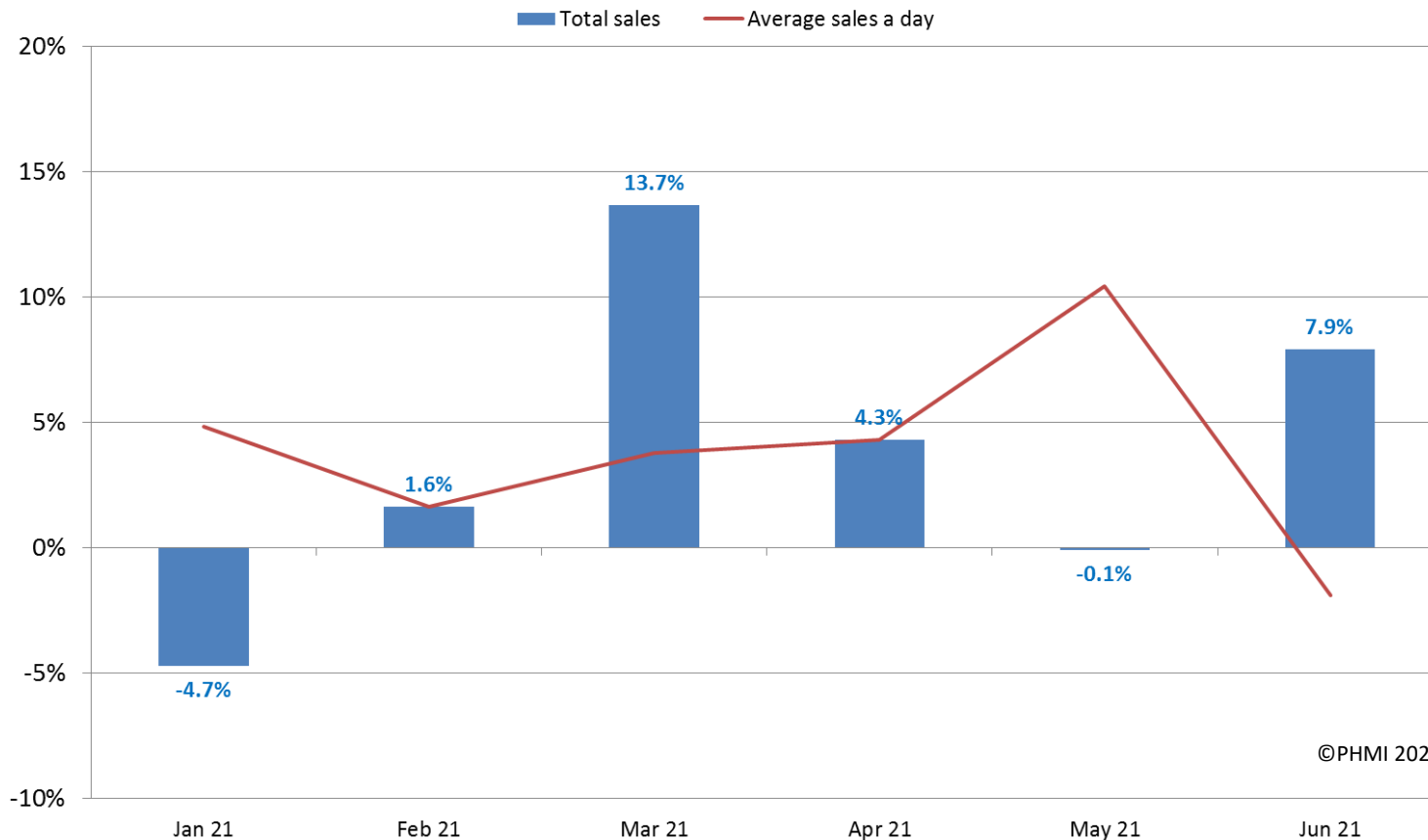
©PHMI 2021

 Source: GfK's Plumbing & Heating Point of Sale Tracking Data, Jan 2019 to Jun 2021

# Monthly: 2021 v 2019

Sales indices, adjusted and unadjusted  
for trading days

## Month: compared with 2019



Value figures  
shown for Total  
sales

©PHMI 2021

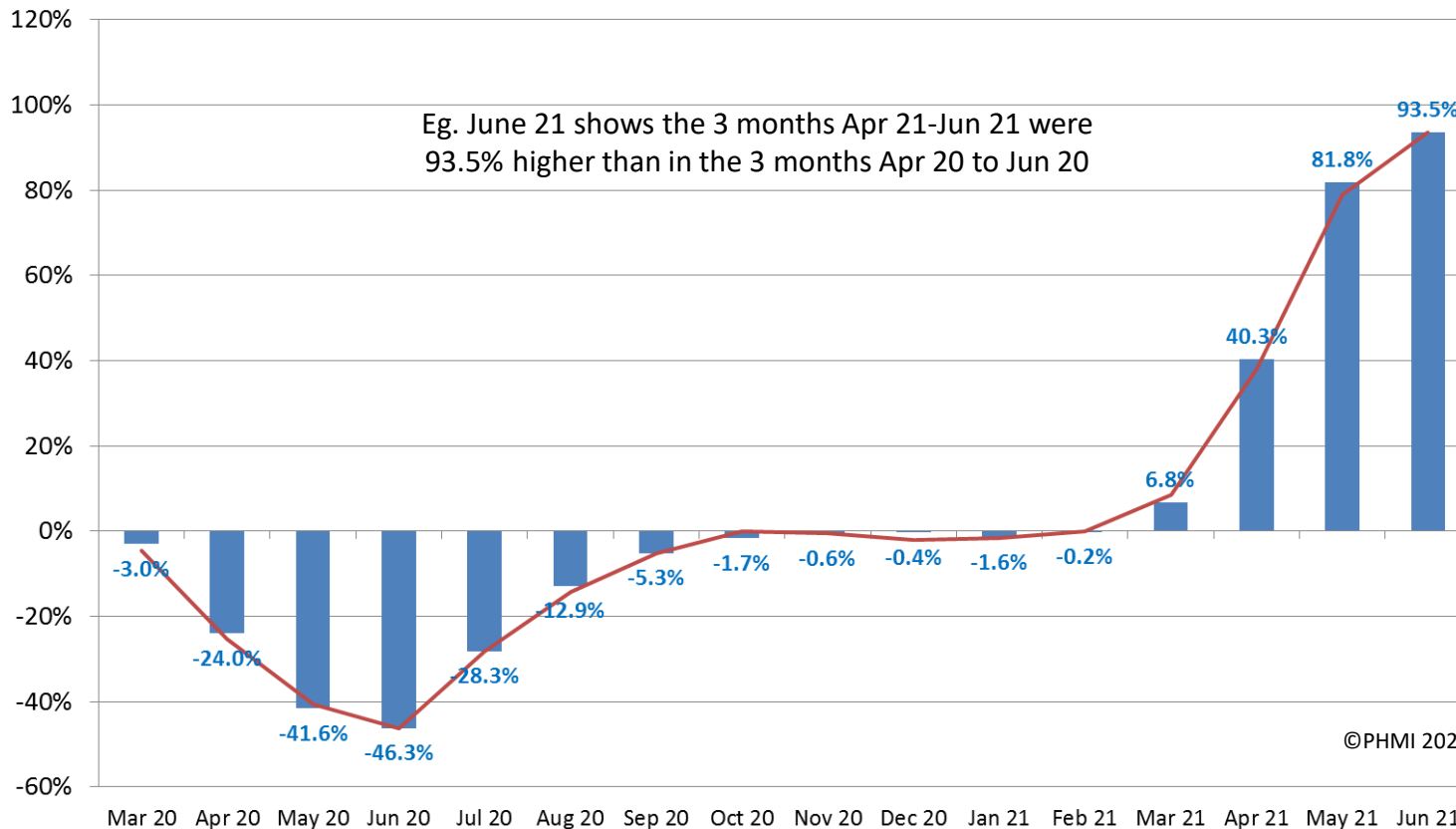
 Source: GfK's  
Plumbing & Heating  
Point of Sale Tracking  
Data, Jan 2019 to Jun 2021

# Rolling 3-months: Year on year

Sales indices, adjusted and unadjusted for trading days\*

## Rolling 3 months: year on year

■ Total sales    — Average sales a day



Value figures shown for Total sales

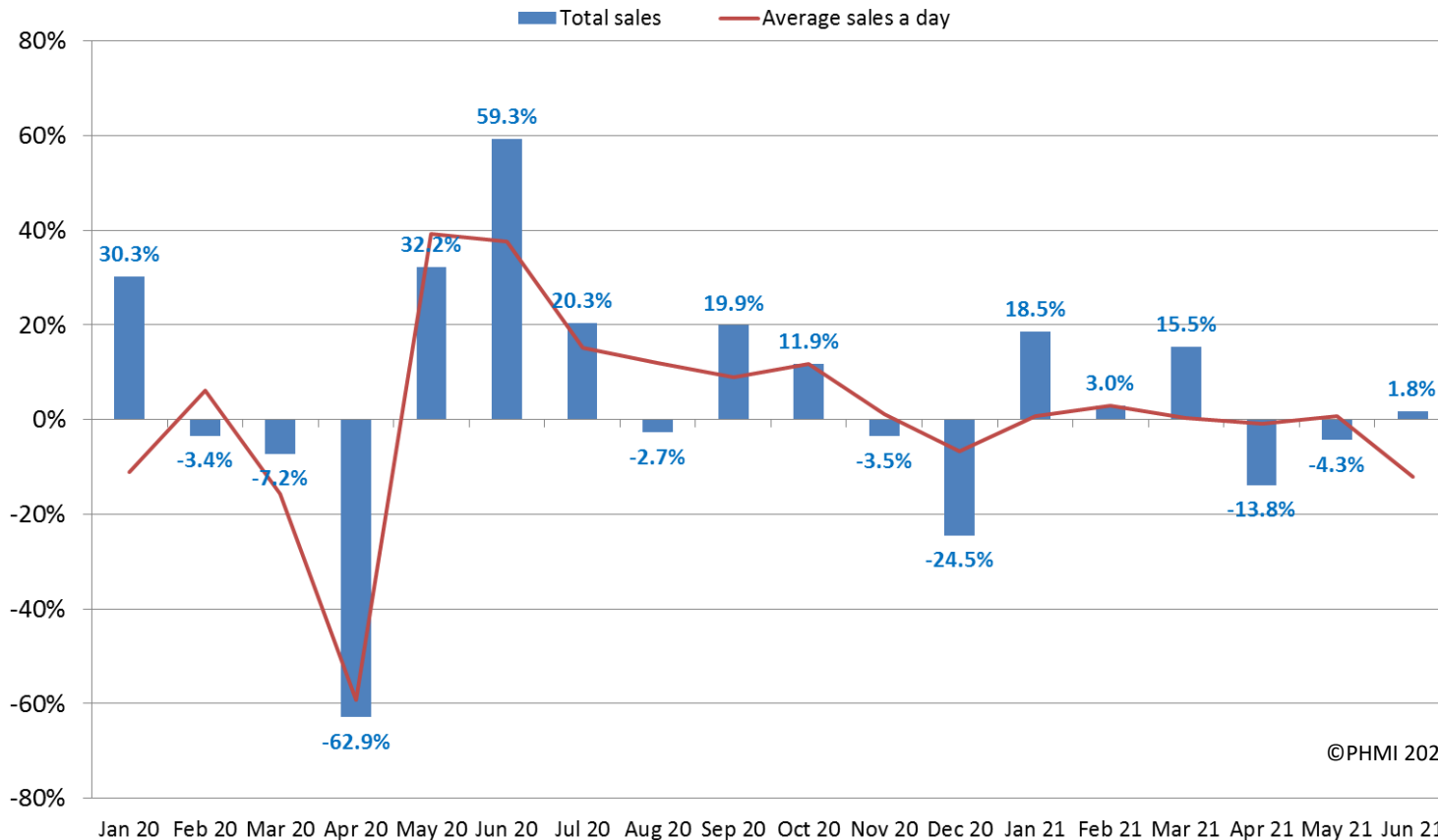
\*Some merchants temporarily closed branches between March and May 2020 and this will have affected trading day comparisons.

 Source: GfK's Plumbing & Heating Point of Sale Tracking Data, Jan 2019 to Jun 2021

# Monthly: Month v previous month

Sales indices, adjusted and unadjusted for trading days\*

## Month v previous month



Value figures shown for Total sales

©PHMI 2021

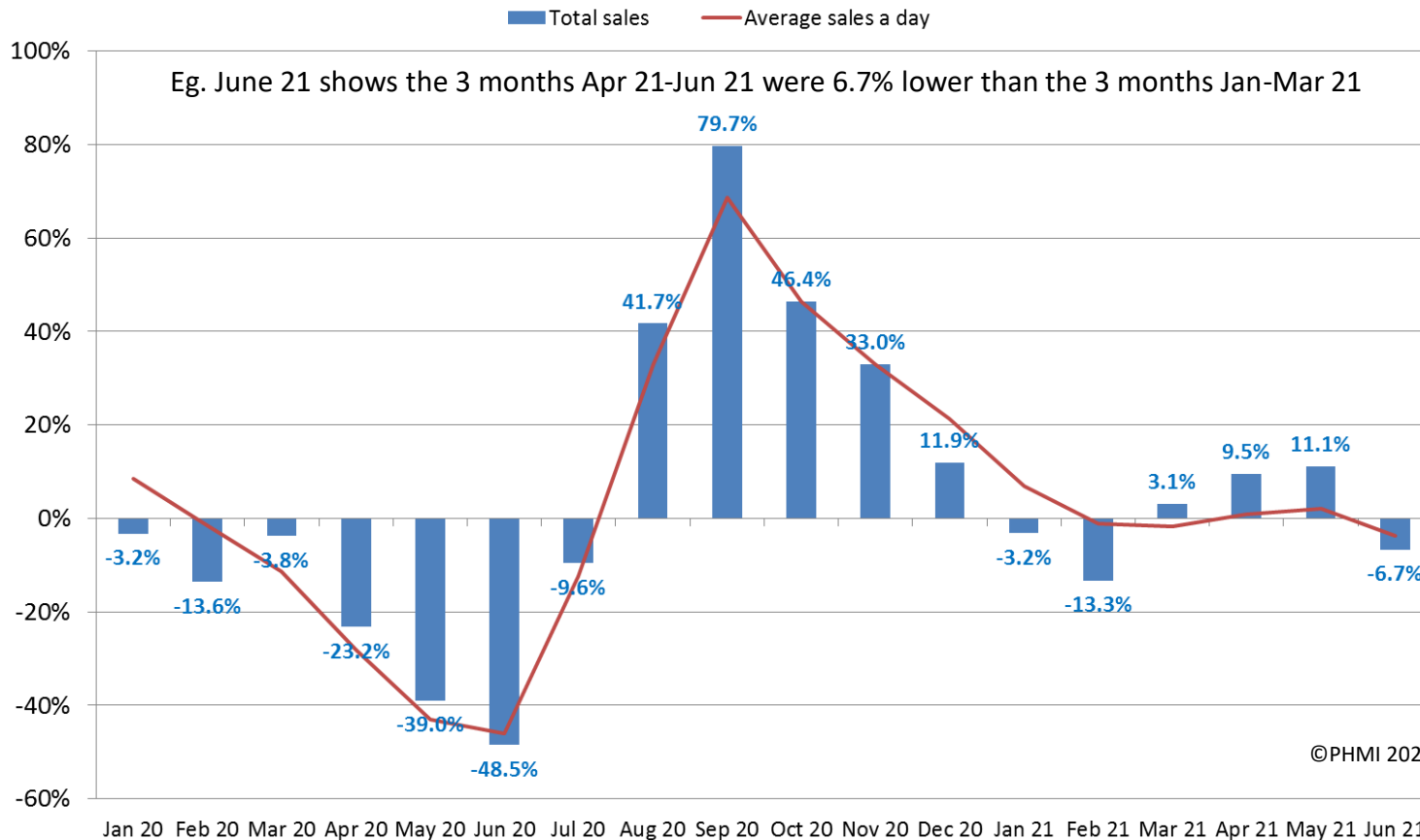
 Source: GfK's Plumbing & Heating Point of Sale Tracking Data, Jan 2019 to Jun 2021



# Rolling 3-months: v previous 3 months

Sales indices, adjusted and unadjusted for trading days\*

## Rolling 3 months v previous 3 months



Value figures shown for Total sales

\*Some merchants temporarily closed branches between March and May 2020 and this will have affected trading day comparisons.

 Source: GfK's Plumbing & Heating Point of Sale Tracking Data, Jan 2019 to Jun 2021

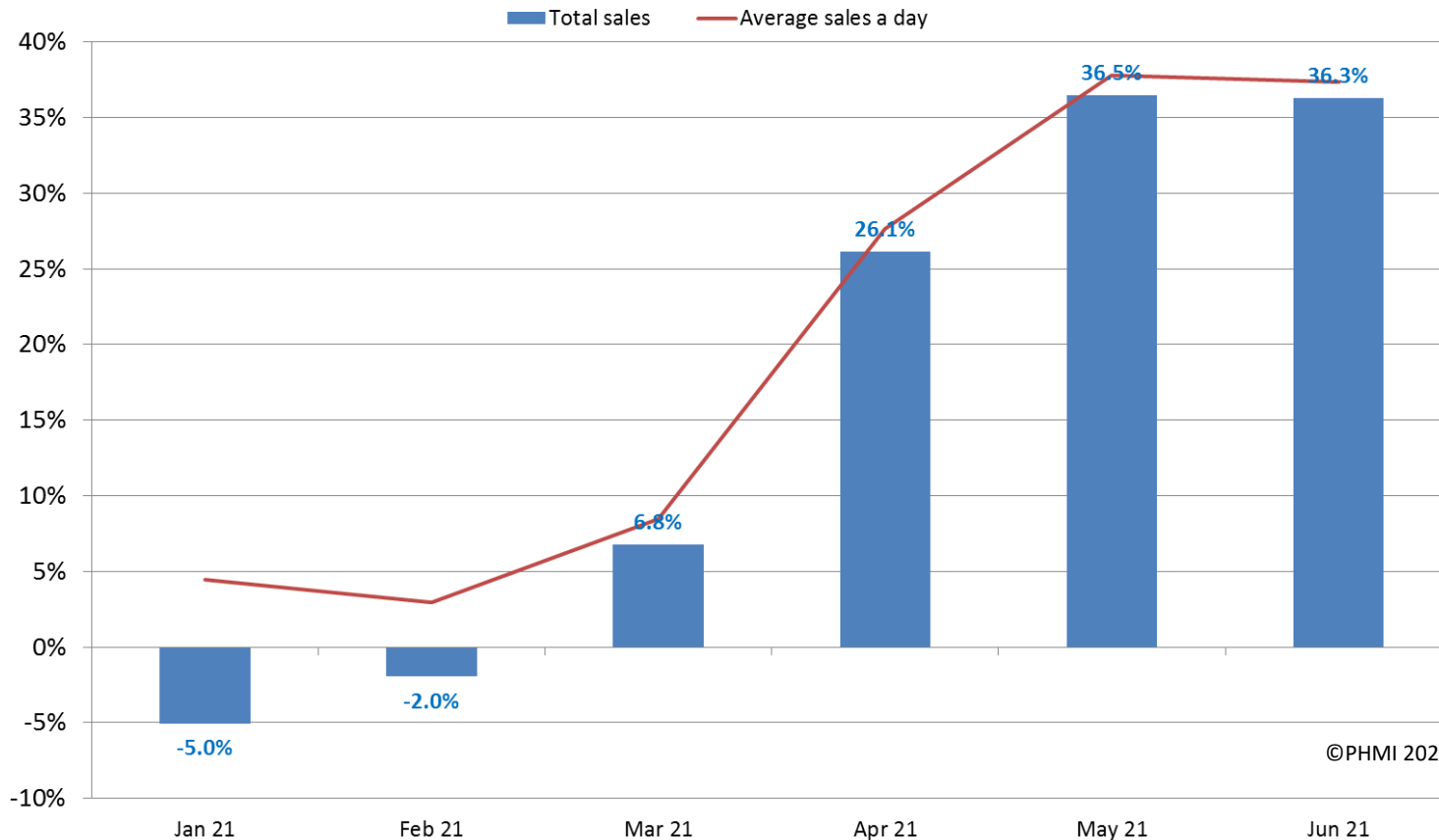
# Year To Date: Year on year

Last 6 months sales indices, adjusted and unadjusted for trading days\*

Plumbing & Heating Merchant Index



## Cumulative year to date: Jan 21 to Jun 21 v last year



Value figures shown for Total sales

©PHMI 2021

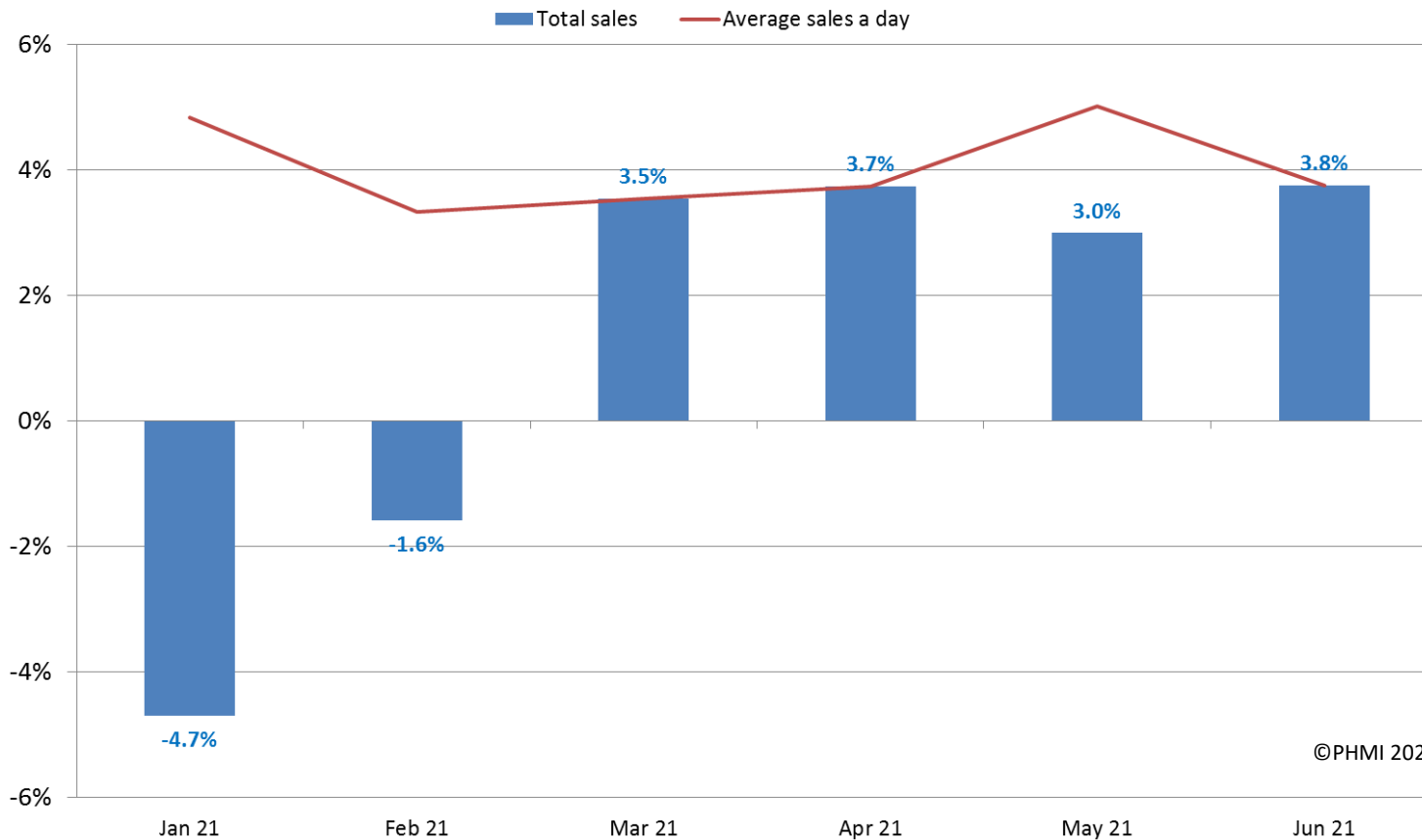
Source: GfK's Plumbing & Heating Point of Sale Tracking Data, Jan 2019 to Jun 2021

\*Some merchants temporarily closed branches between March and May 2020 and this will have affected trading day comparisons.

# Year To Date: 2021 v 2019

Sales indices, adjusted and unadjusted  
for trading days

## Cumulative year to date: 2-year comparison



Value figures  
shown for Total  
sales

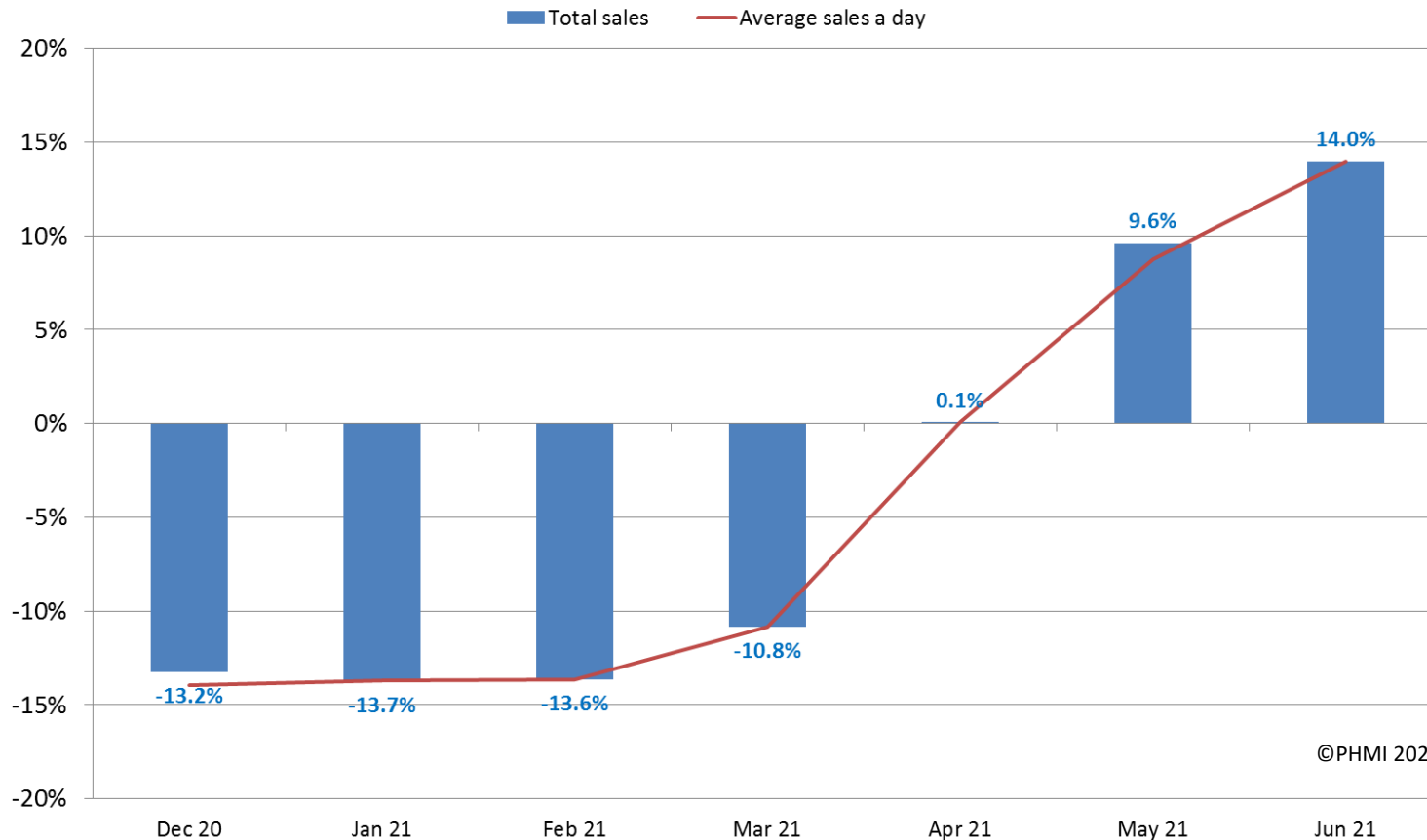
©PHMI 2021

 Source: GfK's  
Plumbing & Heating  
Point of Sale Tracking  
Data, Jan 2019 to Jun 2021

# Last 12 months: Year on year

Sales indices, adjusted and unadjusted  
for trading days\*


## Rolling 12 months v previous 12 months



Value figures  
shown for Total  
sales

©PHMI 2021

\*Some merchants temporarily closed branches between March and May 2020 and this will have affected trading day comparisons.

 Source: GfK's  
Plumbing & Heating  
Point of Sale Tracking  
Data, Jan 2019 to Jun 2021

# PHMI Trading Days

## Monthly

Index: 20.8

2020											
Jan	Feb	Mar*	Apr*	May*	Jun	Jul	Aug	Sep	Oct	Nov	Dec
22	20	22	20	19	22	23	20	22	22	21	17
2021											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
20	20	23	20	19	22						

## Quarterly

Index: 62.3

2020			
Q1	Q2	Q3	Q4
64	61	65	60
2021			
Q1	Q2	Q3	Q4
63	61		

## Half Year

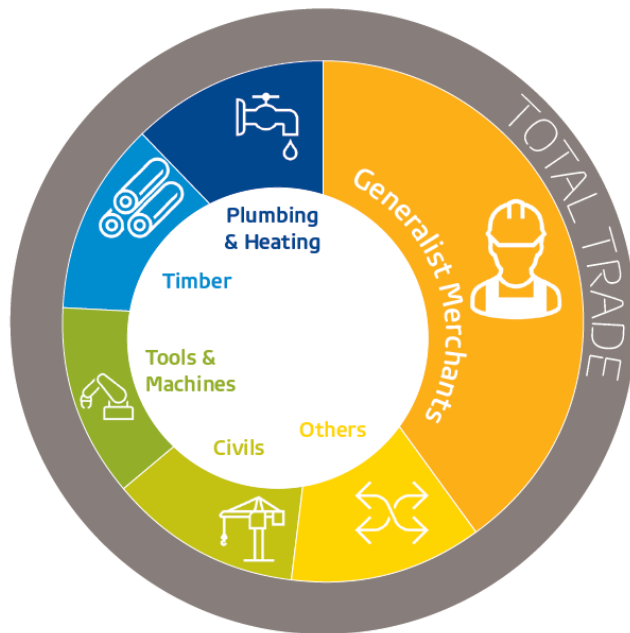
2020	
H1	H2
125	125
2021	
H1	H2
124	

## Full Year

2020
250
2021

\*Due to the Covid-19 pandemic, some merchants temporarily closed branches in the period March to May 2020, hence their trading days may have differed from the standard numbers shown above.

# Plumbing & Heating channel definition and merchants



## Plumbing Specialists

Plumbing & Hardware Specialists are small outlets handling nails, hardware products, pipes, ironware, paint, faucets, sanitary products, bathroom accessories, ceramic tiles and heating equipment such as boilers, radiators & heating controls.

Their main turnover is generated with product groups such as installation, paint & plumbing/hardware product groups (e.g. nails, saws, scissors, keys).

## Plumbing Merchants

Large outlets handling nails, hardware products, pipes, ironware, paint, faucets, sanitary products, bathroom accessories & kitchen, bathroom furniture, bath tubs and heating equipment such as boilers, radiators & heating controls. Compared with Plumbing Specialists they are bigger & generate a higher turnover.

Their main turnover is generated with bath/kitchen faucets, sanitary & complementary products, bathroom accessories, tiles and bath tubs and bathroom furniture.

Turnover is generated with professional end users (B2B) as well as private end users (B2C).

Merchant partners include:



Plumbing Trade Supplies



# Contacting PHMI

## PHMI Experts

Plumbing & Heating brands who are interested in becoming PHMI Experts and speaking for their markets and building their brands should contact Tom Rigby or Ralph Sutcliffe :



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## More data available

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“building **excellence**  
in materials supply”



## BMF Forecast Report



# BMF Forecast Report

## NEW: Autumn 2021 edition



### Builders Merchants Industry Forecast Report

The BMF will shortly be releasing the eighth edition of its Builders Merchants Industry Forecast, covering Autumn 2021 onwards.

While Builders Merchants Building Index (BMBI) data, which is provided by GfK and is based on actual sales category performance, has enabled users to see which products and regions are currently growing, the forecast report takes this one stage further to meet the industry's need for accurate forecasting.

The BMF forecast model incorporates several lead indicators to signal future events that will impact our markets.

Using BMBI data coupled with advanced modelling techniques the BMF has developed a channel-specific forecasting model to show what is likely to happen in the next 12 months, making it possible for merchants and suppliers to forecast their customers' requirements more accurately.

The report is updated on a quarterly basis, with the Autumn 2021 edition nearing completion. The forecast report can be downloaded by BMF members free of charge - once logged in – [here](#).

Non-members can purchase the report by contacting Sarup Ubhi on 024 7685 4994 or email: [sarup.ubhi@bmf.org.uk](mailto:sarup.ubhi@bmf.org.uk)



**Builders Merchants  
Industry Forecast**  
Autumn 2021

Year in Review  
Autumn Edition  
£250

The BMF. Building your people. Building your skills. Building your business. Building your voice. Building excellence.

# Contact us

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