

Excellence in building
materials supply

Builders Merchant Building Index



Executive Summary - Quarter 4 2024

(Published 04 March 2025)

Highlights

“Positivity around sentiment continues to grow, with this acting as a reference point for anticipated future growth.” - Emile van der Ryst, Key Account Manager – Trade & DIY – NiQ GfK. Read Emile’s full comment on page [11](#).

BMBI Report Q4 2024 Highlights

(unadjusted for trading days)

www.bmbi.co.uk

+3.0%



Fourth quarter v last year

Q4 2024 total value sales slightly down (-0.5%)
on Q4 2023

-0.5%



Fourth quarter v previous quarter

Q4 2024 total value sales down -13.9%
on Q3 2024

-13.9%



Latest month v last year

Dec 2024 total value sales up +3.0%
on Dec 2023



Latest 12 months v last year

Jan 2024 - Dec 2024 total value sales down -4.1%
on Jan 2023 - Dec 2023

-4.1%

“
Total value sales
in Quarter 4 were
slightly down
(-0.5%) on the same
quarter last year.
Total volume sales
were +2.3% up and
prices -2.7% down.”

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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 88% 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.

The monthly series tracks what is happening in the market month by month and includes an in-depth review every quarter. BMBI Index data is calculated on the 12 months base period January 2019 to December 2019. This trend series gives the industry access to far more accurate and comprehensive insights than that available to other construction sectors.

Executive Summary

Short of time and just want to read the headlines? Download an Executive Summary that provides a snapshot on value sales and trends from Britain's Builders' Merchants for Quarter 4 and December 2024 [here](#).

BMBI Expert Panel

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. **Meet the Experts and read their comments on pages 14 to 25 of this report or read their previous comments [here](#).**

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 and Trade** monthly construction update. **Download the latest update [here](#).**



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.vanderryst@nielseniq.com.

Latest quarter v last year

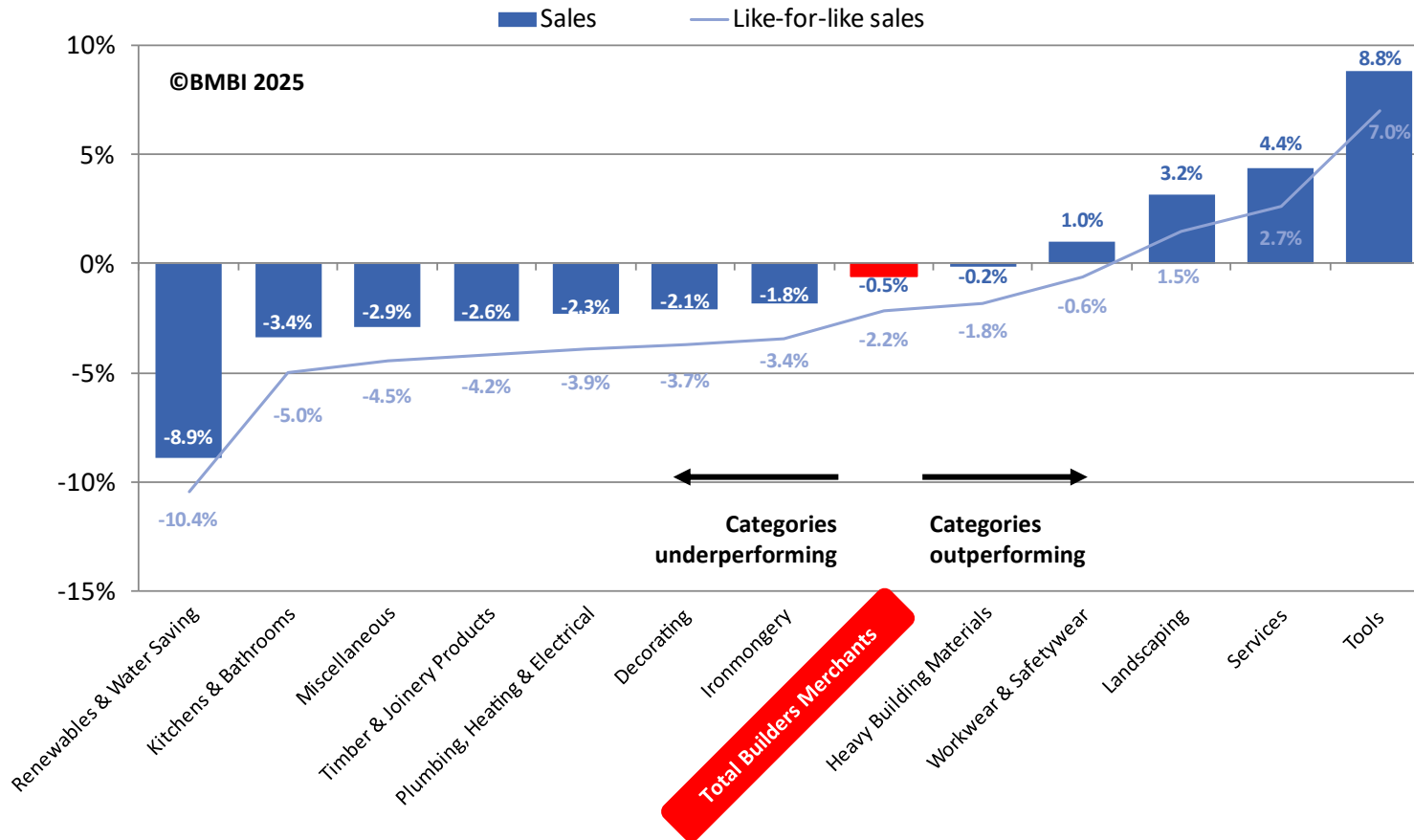
Value sales and like-for-like value sales % change

61 trading days this year v 60 trading days last year.

Like-for-like sales take trading day differences into account.



Quarter 4 2024 v Quarter 4 2023



Source: GfK's Builders Merchants Total Category Report: January 2019 to December 2024

Total value sales in Quarter 4 were slightly down (-0.5%) on the same quarter last year.

Total volume sales were +2.3% up and prices -2.7% down.

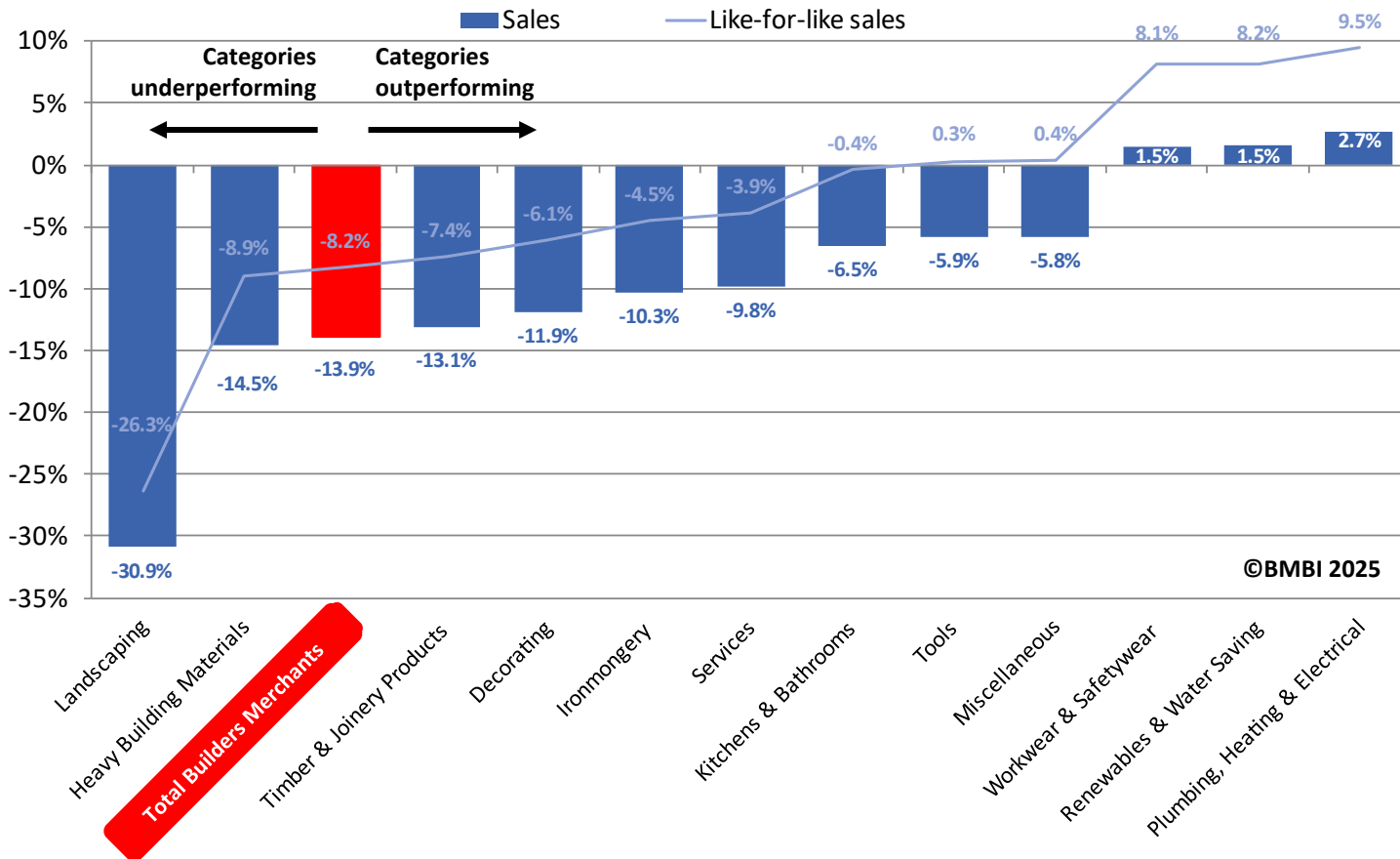
Latest quarter v previous quarter

Value sales and like-for-like value sales % change

61 trading days this quarter v 65 trading days last quarter.
Like-for-like sales take trading day differences into account.



Quarter 4 2024 v Quarter 3 2024



Source: GfK's Builders Merchants
Total Category Report: January
2019 to December 2024

Plumbing Heating & Electrical (+2.7%) grew most followed by Workwear & Safetywear and Renewables & Water Saving (+1.5%).

Seasonal category Landscaping (-30.9%) was the weakest categories.

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Latest 12 months v last year

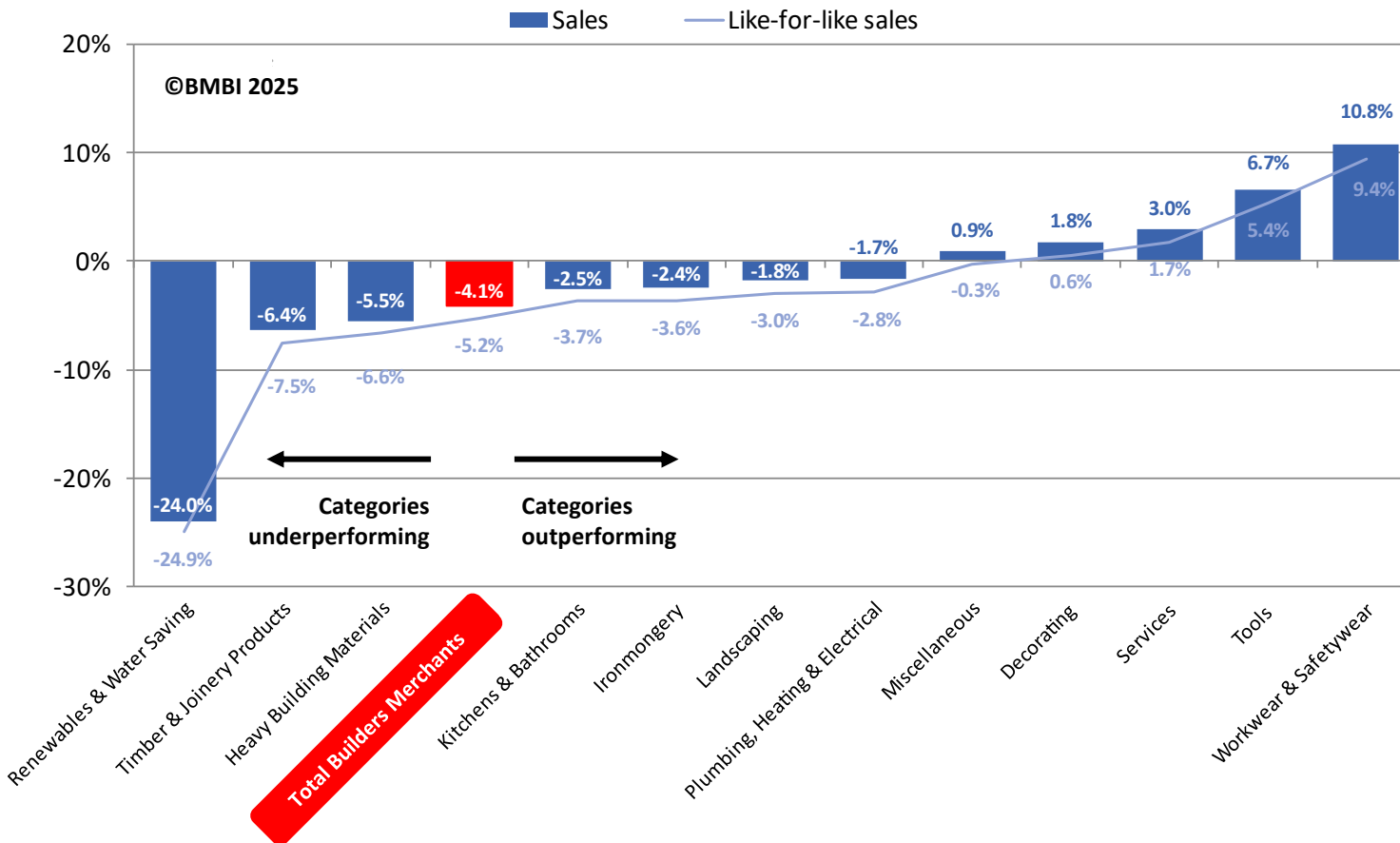
Value sales and like-for-like value sales % change

251 trading days this year v 248 trading days last year.

Like-for-like sales take trading day differences into account.



12 months Jan 24 to Dec 24 v 12 months Jan 23 to Dec 23



Source: GfK's Builders Merchants
Total Category Report: January
2019 to December 2024

Five of the twelve categories sold more, led by Workwear & Safetywear (+10.8%), Tools (+6.7%) and Services (+3.0%).

Renewables & Water Saving (-24.0%), Timber & Joinery Products (-6.4%) and Heavy Building Materials (-5.5%) were weakest.

Quarterly: Index and Categories

Value Index: Quarter 4 2022* to Quarter 4 2024

Indexed on January 2019 – December 2019



QUARTERLY SALES VALUE INDEX	Index	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024
Total Builders Merchants	100	109.8	115.5	124.8	122.9	103.6	107.4	117.6	119.6	103.0
Timber & Joinery Products	100	111.0	114.5	116.8	117.3	99.6	102.6	108.2	111.7	97.0
Heavy Building Materials	100	113.0	118.5	129.5	126.9	104.8	107.6	118.6	122.5	104.6
Decorating	100	105.6	114.0	117.9	122.0	113.0	117.0	122.1	125.5	110.6
Tools	100	98.6	108.0	105.5	106.8	99.8	108.9	115.1	115.4	108.6
Workwear & Safetywear	100	126.7	127.8	111.2	117.6	137.6	142.7	128.6	137.0	139.1
Ironmongery	100	96.8	107.9	109.7	111.0	100.4	104.2	105.9	109.9	98.5
Landscaping	100	95.5	104.5	155.6	133.5	89.1	102.3	146.6	133.0	92.0
Plumbing, Heating & Electrical	100	116.7	123.0	107.1	110.6	115.6	119.3	106.6	109.9	112.9
Renewables & Water Saving	100	135.6	166.8	163.1	165.9	131.2	122.6	116.7	117.7	119.5
Kitchens & Bathrooms	100	110.8	117.2	115.5	124.1	112.7	115.7	116.6	116.5	108.9
Miscellaneous	100	90.8	101.1	97.2	101.3	99.8	103.4	99.7	102.9	96.9
Services	100	105.2	105.7	112.5	116.9	104.7	105.4	117.0	121.2	109.3

*Click the web link below to see the complete series of quarterly indices from Q4, 2022.



Source: GfK's Builders Merchants
Total Category Report: January
2019 to December 2024

Quarterly: Index

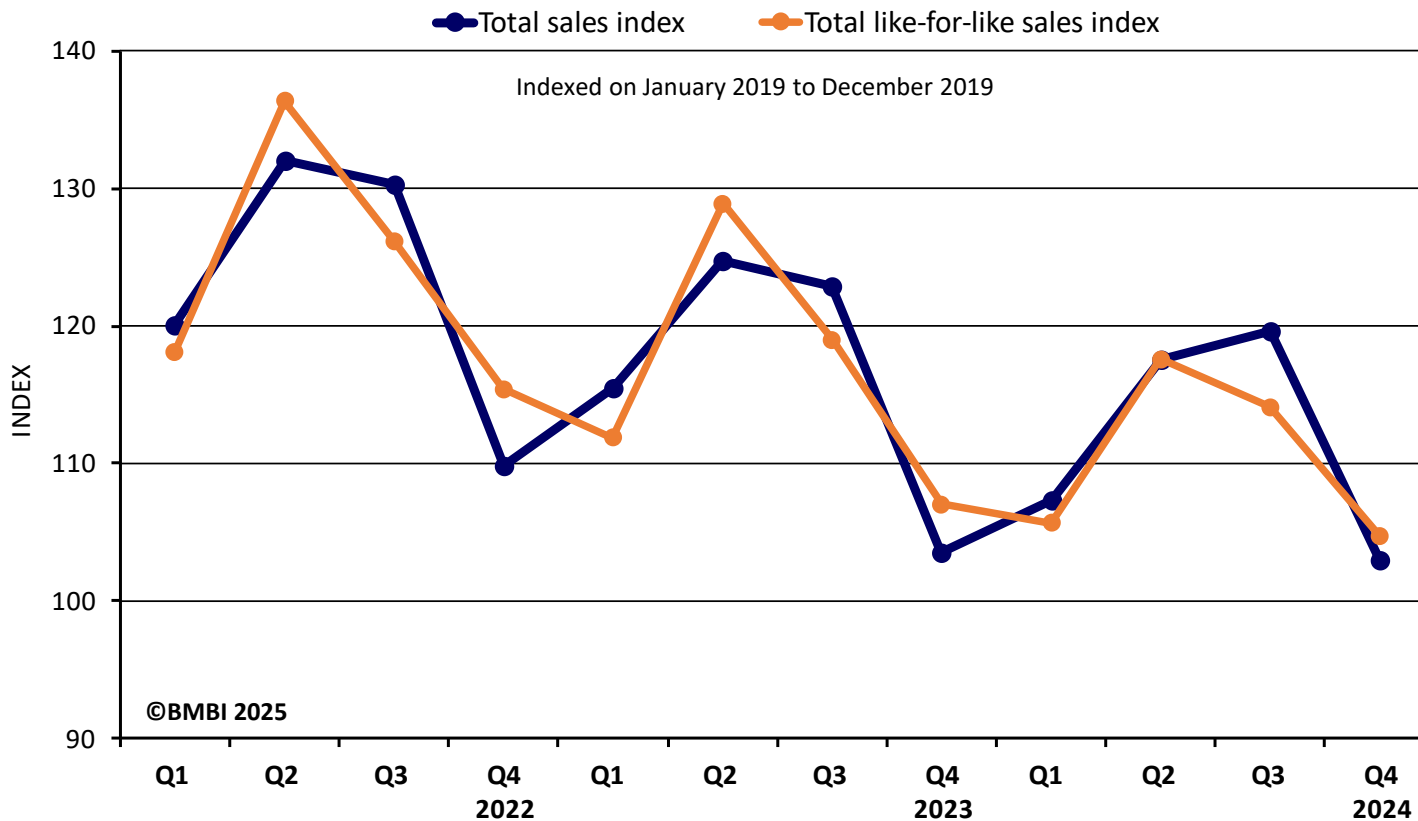
Value sales and like-for-like value sales index

61 trading days in the most recent period v 62 trading days in the Index base period.
Like-for-like sales take trading day differences into account.



Source: GfK's Builders Merchants
Total Category Report: January
2019 to December 2024

Total Builders Merchants sales index v like -for-like sales index



The Quarter 4 BMBI
Index was 103.0.

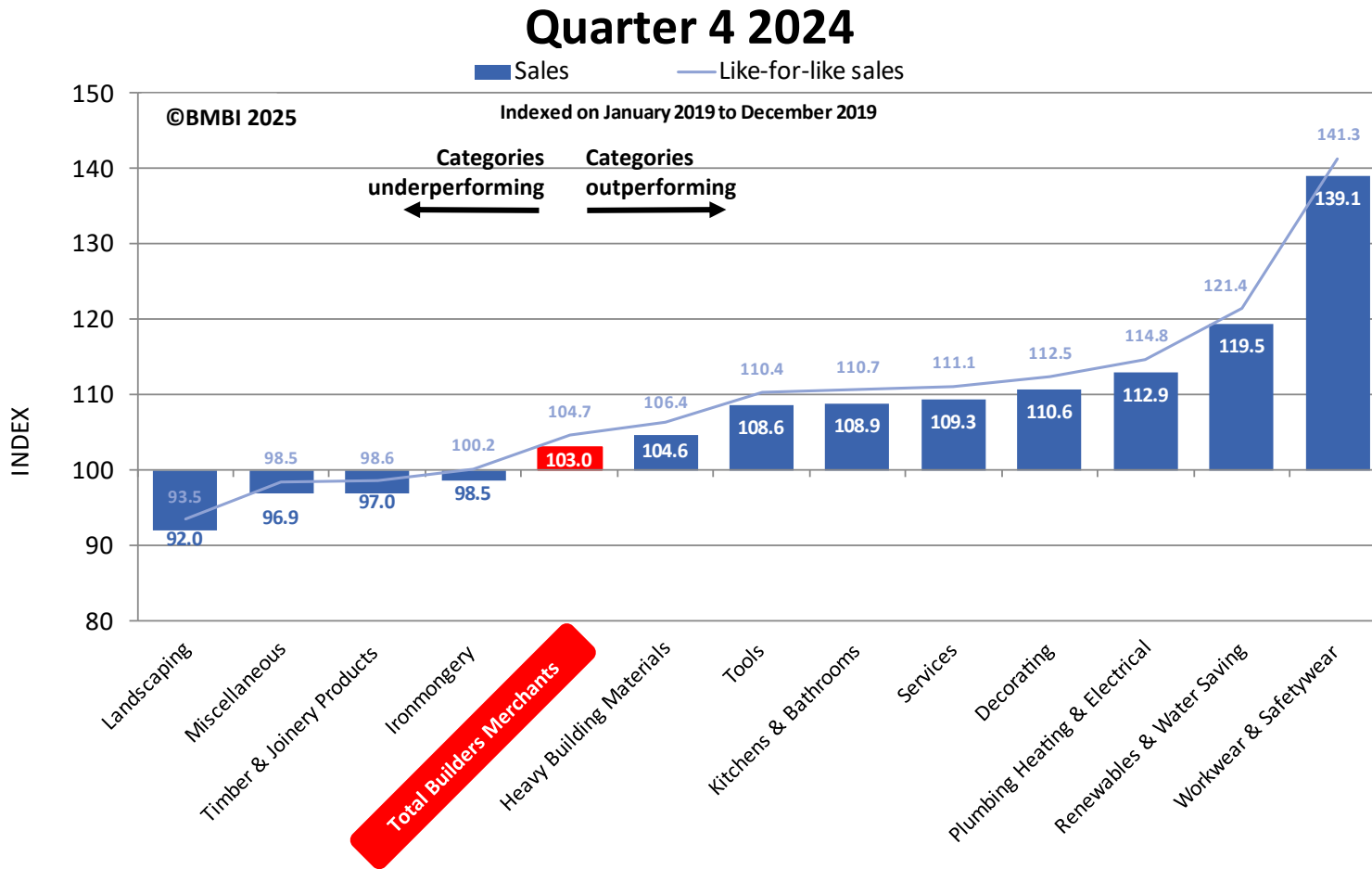
With one less trading
day in the most
recent period versus
the Index base
period, the like-for-
like value sales index
was 104.7.

Latest quarter: Index by category

Value sales and like-for-like value sales index

61 trading days in the most recent period v 62 trading days in the Index base period.

Like-for-like sales take trading day differences into account.



NIQ **GfK**
 Source: GfK's Builders Merchants
 Total Category Report: January
 2019 to December 2024

Workwear & Safetywear (139.1), Renewables & Water Saving (119.5) and Plumbing Heating & Electrical (112.9) were strongest.

Seasonal category Landscaping (92.0) indexed the least.

Overview and Insights - 1

Coverage and data audits

NIQ



As part of its ongoing drive to ensure the most accurate and relevant understanding of market coverage GfK conducts universe studies every couple of years.

These studies aim to understand the number of retailers / merchants and the branches they have in a defined universe - in this case the mainland Great Britain Builders Merchants channel.

The previous iteration of the BMBI used a universe study conducted in 2019, with coverage then estimated at 82% and revised up to 92% in the October 2023 report with the introduction of CMO, Huws Gray and JT Dove.

GfK has completed its latest universe study for the channel and now estimates coverage to sit at 88%.

For any queries around this, please reach out to Emile van der Ryst at emile.vanderryst@nielseniq.com

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Overview and Insights - 2

Emile van der Ryst,

Key Account Manager – Trade & DIY – NiQ GfK

NIQ



Despite another quarter of value decline and the well documented macroeconomic challenges of a potential recession and geopolitical tensions, there's clear evidence that the builders merchants sector turned a corner as 2024 came to a close. Positivity around sentiment continues to grow, with this acting as a reference point for anticipated future growth.

Value decline for Q4 stood at -0.5% against 2023 Q4, which is a noticeable improvement from the -7.0% seen in Q1 against 2023 Q1. The most positive indicator has been a return to volume growth, with Q4 up by 2.3% against last year. Price growth was negative for the first time in years, seeing a decline of -2.7% in the same time frame, influenced mostly by Bricks and Timber.

From a full year perspective 2024 has seen a value decline of -4.1% against 2023, while 2023 itself saw a decline of -5.2% against 2022. The shift in volume and pricing is again evident, with volume declining by -13.8% from 2022 and 2023, but improving to -4.3% from 2023 to 2024. Price growth sat at 10.0% from 2022 to 2023, but slowed down to a minimal increase of 0.2% from 2023 to 2024.

Focusing on the most recent quarter there were continued improvements for Heavy Building Materials and Timber & Joinery, with both now only decreasing by -0.2% and -2.6% in value respectively when compared to 2023 Q4. Landscaping returned to growth, increasing by 3.2%. There is however a contrasting trend where both Heavy Building Materials and Timber & Joinery saw volume growth and overall price declines and Landscaping saw the opposite.

An analysis of Heavy Building Materials shows strong quarterly value performances for the likes of Blocks, Plaster and Roofing Tiles, while Bricks and Blocks drive volume increases. Timber has been one of the best performing subcategories in Timber & Joinery, with Sheet Materials and to a lesser extent Mouldings both seeing more negative indicators. Fencing & Gates was the key driver behind the positive shift seen in Landscaping.

In the smaller categories Tools had quarterly value growth of 8.8%, driven by strong Hand Tools sales. There was also growth for Workwear and Safetywear, as well as Services, while Renewables & Water Management saw the largest value decline.

As always a new year brings with it a new set of opportunities and challenges. The most pressing of these will be the recent Autumn Budget and the anticipated changes coming into effect in April, which could derail any anticipated and hoped for growth in the second half of 2025.

Despite another quarter of value decline...

there's clear evidence that the builders' merchants sector turned a corner as 2024 came to a close.

Merchants' View

John Newcomb, CEO BMF



After two pretty tough years, are we now seeing the first glimmer of light on the horizon?

Although I remain cautious about overstating prospects for the coming year, there are one or two encouraging signs now emerging.

The latest Office for National Statistics (ONS) report estimates that overall construction output increased by +0.5% in the final quarter of 2024, compared with figures for the third quarter of the year. The result was driven by an increase in new work (+1.2%), with repair and maintenance falling by -0.4%. The increase in private house-building was particularly noticeable, up +24% in Q4 2024 over Q3 2024.

Taking the year overall, the ONS reports annual construction output in Great Britain increased by +0.4% in 2024 compared with 2023. Four of the nine sectors saw an increase in annual growth, with non-housing repair and maintenance and private housing repair and maintenance the largest positive contributors, growing by +8.5% and +7.0%, respectively. NHBC figures confirm an increase in housing starts in Q4 2024 over Q3 2024, with the top 10 builders experiencing a +15% quarter on quarter increase. However, the market remains more challenging for SME housebuilders. While NHBC figures show housing starts for larger housebuilders in 2024 at -4% below 2023 levels, starts for smaller firms were -35% below 2023.

With interest rates gradually coming down, consumer confidence is starting to improve. Could this herald a boost for new housing and home improvement projects? Whether this comes in the short or medium term, we need to be prepared.

The launch of our Building Materials Careers programme to attract new recruits and a diverse range of skills to our sector, coupled with the success of the BMF Apprenticeship Pledge, where nearly 100 member companies have committed to creating over 15,600 new apprenticeships by 2030, will help ensure that our sector has the skilled professionals in place to meet the demands of current and future projects.

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The Expert Panel

Speaking for their markets

The Builders Merchant Building Index (BMBI) includes a panel of industry Experts. In each quarterly report they comment on the market, with a particular focus on the story behind the trends.

Experts are leading brands, or brands aspiring to become leaders, who are the voice of their markets.

Scroll down to read their latest insights.



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.

2024 fizzled out with slow paving sales in the last quarter, but prospects for 2025 are already looking up as the pre-season gets off to a flying start.

What goes up, must come down, and after months of hikes, we finally saw a drop in container prices in Q4. With the ceasefire in Israel extending to the Houthi rebels, there is the possibility of a return to shipping lines through the Suez canal, so there may be further decreases in the coming months. This is always difficult to navigate as stock bought at the higher price point still needs to deliver a margin for suppliers and merchants.

Looking ahead, we are proud to be bringing clay paving products to the UK market in Q1 – a deal two years in the making! As well as superior aesthetics, the most notable selling point for clay is its durability; it has a 135-year lifecycle and the colour doesn't fade over time.

With just five years to go until the 2030 net zero targets need to be met, clay paving fares well from a sustainability point of view too. It's sourced from mainland Europe where the clay is dredged from lowland areas to prevent flooding so it has an environmental purpose. It has a lower carbon footprint to ship compared to Indian sandstone and porcelain, and it offers a lifetime of use so there's no need to replace it in 10 years as you might with products which wear over time.

Other products we are predicting will be big in 2025 are wall cladding, which add colour and texture to existing walls, and outdoor kitchens. Consider how branch displays might best showcase these trending products to upsell customers.

While we are seeing an upturn in sales as lower shipping prices and pre-season offers make it an optimal time for merchants to stock up, it's less clear whether this boost in sales is being driven by consumer demand. The latest NIQ GfK Consumer Confidence Index reveals a -5 point drop in consumer confidence in January, with all metrics recording a fall. Are we bucking the trend, or is a turnaround in fortunes ahead for RMI? Only time will tell.

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Expert Panel

Bricks & Roof Tiles

(Part of Heavy Building Materials)



Gonzalo Bunse, Director of Sales and Customer Experience, Wienerberger UK is BMBI's Expert for Bricks & Roof Tiles.

The final quarter of 2024 presented challenges for the UK construction and housebuilding sectors, but it also highlighted opportunities for growth and transformation. UK construction output data from the ONS shows a rise of +0.5% in Q4 2024 from Q3 2024, driven by a +1.2% increase in new work, despite a -0.4% drop in repair and maintenance. Over the year, construction output grew +0.4% from 2023, marking the fourth consecutive year of growth. This was largely due to an +8.5% increase in repair and maintenance, though new construction projects fell -5.3%. 2024 also saw a -7% decline in home completions (recorded by the NHBC), highlighting the need to tackle critical challenges and build a stronger industry. High borrowing costs and financial pressures tested developers but also inspired innovative solutions to sustain progress.

The Federation of Small Businesses (FSB) has stepped forward with a call for a dedicated Small Housebuilder Strategy, aiming to stabilise the market and support smaller developers. This presents a chance to empower businesses, especially with the government's £100 million boost for local authority development plans—a move that signals positive momentum. Clarifying policies on "grey belt" land and housing needs will further strengthen the industry's foundation and open new doors for development.

The Future Homes Standard (FHS) is a promising step toward a greener future, offering both challenges and opportunities. While awareness of the FHS among builders is still growing (fewer than 25% of builders are aware of FHS), this creates an opportunity to educate and upskill the workforce in low-carbon construction techniques, like solar roof and heat pump installation, and prepare for the government's 2035 gas boiler phase-out. Clear communication and guidance will be central to achieving these goals and embracing the benefits of sustainable construction. Broader industry issues, such as grid capacity limitations and labour shortages, also bring opportunities for innovation and collaboration. By investing in workforce training, expanding expertise in eco-friendly technologies, and educating homeowners, the construction sector can accelerate progress toward net-zero targets while creating new jobs and fostering public awareness of sustainable living.

Looking ahead, there's plenty of reason to feel optimistic. The Construction Products Association forecasts growth of 2.1% in 2025 and 4% in 2026, across the whole construction sector, fuelled by energy-efficiency projects and infrastructure development. By addressing current challenges, simplifying planning processes, and embracing the FHS, the industry is well-positioned to unlock long-term growth. Collaboration between policymakers, developers, and industry experts will be key to turning these opportunities into reality, ensuring a more sustainable and prosperous future for the UK construction sector.

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Expert Panel

Steel Lintels

(Part of Heavy Building Materials)



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

There were no big surprises in Q4 2024, as a steady but cautious steel lintels market recorded consistent overall tonnage, with the usual seasonal drop off in November and December that we expect to see at this time of year. Despite improved weekly sales per site, housebuilders are still grappling with slow site openings but perhaps the tide is finally beginning to turn. The latest provisional data published by the ONS suggests housing starts increased in the third quarter of 2024, up +10.9% on the previous quarter and +28.8% up on Q3 2023.

The increase in starts could be further kickstarted by reforms to the planning system to ease bottlenecks, which will give us the prospect of increased approvals and a much-needed pipeline of future projects.

If we are on the brink of a major uptick in housebuilding, as manufacturers we need to be ready to meet the demand for key products. To increase capacity and shore up reliability in the supply chain, continued investment in automation is essential to improve efficiency and adaptability.

Being prepared for it will also mean strengthening the partnerships manufacturers have with merchants. This can be achieved through better forecasting, stock planning, and supply chain collaboration to ensure the right stock is on the ground when customers need it. That's key to maintaining a competitive edge in a dynamic market.

Having the right products in stock also depends on external factors. The ongoing shift in cavity widths is necessitating careful stock management from both merchants and manufacturers to avoid mismatches in supply. While enquiry levels indicate work is available, volumes remain modest.

Then there's the long-anticipated Future Homes Standard, due to be unveiled this year following 2024's consultation. It will give homebuyers a clearer choice between choosing older properties or energy-efficient new builds. Buyers are increasingly prioritising environmental impact in their decision-making so the sustainability and eco-performance of products must be a high priority consideration for merchants too.

Falling mortgage rates offered some relief in Q4 for buyers and those looking to extend their homes. We'll have to wait and see if that is enough to drive up consumer confidence and spending in 2025 as inflationary pressures, driven by budgetary impacts, will likely push material costs higher.

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Expert Panel

Drylining Systems

(Part of Heavy Building Materials)



Gordon Parnell, Sales Director, British Gypsum, part of Saint-Gobain Interior Solutions, is BMBI's Expert for Drylining Systems.

The industry overall undoubtedly experienced a more challenging second half of the year than was originally anticipated, and British Gypsum experienced softer market conditions in the final quarter of 2024 as the mid-year trend across our principal sectors continued.

While there is increased optimism for the year ahead, it is widely acknowledged that it is unlikely the industry will see any noticeable levels of recovery until the second half of 2025. As ever there will be close eyes on the performance of the house building sector, which is unlikely to see a significant recovery until interest rates fall further and consumer confidence begins to return.

Despite not currently recovering as strongly as anticipated, the industry is delivering initiatives which aim to minimise waste, re-use materials, and tackle emissions to reduce environmental impact, which will remain a crucial area of focus across the supply chain. How we build directly impacts the sustainability of our built environment. To reduce embodied carbon, the industry demands building products that reduce emissions from the source. That means prioritising the use of low-carbon materials which includes maximising the use of recycled materials where possible.

As a key supplier to merchants in the industry, we're proud to be making our own contribution. We recently unveiled a first for our industry, with a UK-manufactured plasterboard made from 100% recycled gypsum. Solutions like this make it possible for the industry to prioritise sustainability while consistently delivering on quality and performance.

Of course, embodied carbon isn't exclusively related to the products used on site. It's also about how they get there, encouraging broader thinking when it comes to sourcing materials, prioritising those that are locally manufactured and responsibly transported. Here, initiatives such as The Pallet LOOP are revolutionising the industry's commitment to reusing distribution materials and removing waste from the supply chain to achieve a lower carbon future. In support of this, we have recently expanded the range of products that are delivered on re-usable LOOP pallets.

As the industry continues to adapt and evolve throughout 2025, we'll be ready to provide support through our proven product portfolio, equipping merchants and their customers with the solutions needed to create a stronger, more sustainable construction industry.

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Expert Panel

Mineral Wool Insulation

(Part of Heavy Building Materials)



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

2024 ended better than it began for construction. A modest recovery gradually gathered pace over the course of the year, and we begin 2025 with the expectation that the positive trend will continue, albeit at a slower pace than we would have previously expected.

The forecast is more optimistic for insulation specifically. With energy prices still volatile, good insulation that performs well will remain in demand for both new housing and retrofit.

Reasons for optimism then, but with a note of caution when we look at the global context. At the time of writing, the world is coming to terms with potential increases in trade barriers. New tariff regimes, including CBAM in Europe, will reshape global trade with inevitable knock-on effects on costs and availability. Construction products with an international supply chain could be affected.

Merchants can mitigate this risk by onshoring their supply chain. Wherever possible, stocking products made in the UK, using locally-sourced raw materials that are abundant and readily accessible, and therefore less susceptible to global trade disruption (whatever the cause).

Mineral wool insulation is a case in point. Taking our operations as an example; we make both rock and glass mineral wool at three manufacturing facilities in the UK. The primary raw ingredient for the latter is glass cullet, which is sourced locally via household recycling. As a result, mineral wool supply is less vulnerable to external factors.

In fact, the amount of mineral wool insulation made in the UK is increasing. We've just completed a capacity-boosting upgrade at our St Helens site to increase the supply of glass mineral wool, and last year we announced a new low-carbon rock mineral wool manufacturing facility that will add over 100,000 tonnes once operational.

'Made in the UK' has always been a mark of quality, as well as a proof point for sustainability. In these uncertain times, it may now also be a useful indicator of stable supply.

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Expert Panel

Cement & Aggregates

(Part of Heavy Building Materials)



Andrew Simpson, Packed Products Director at Heidelberg Materials, is BMBI's Expert for Cement & Aggregates

A difficult Q4 rounded off a tough, albeit stable, year of trading. However, the latest Q4 market figures, published by Mineral Products Association, show that a slow recovery could be on the cards. Quarter-on-quarter, ready-mixed concrete sales volumes were up +5.7% compared to Q3, primary construction aggregates increased +0.6%, and mortar volumes rose +2.4%. Mortar sales, heavily linked to housebuilding, rebounded to their highest level since Q3 2023.

The improvement in cement and aggregate sales can be attributed to a stronger end to 2024 for construction output. This trend could continue if the Government delivers on its promises to the industry. Green-lighting major infrastructure projects such as new runways for Heathrow, Gatwick and Luton airports, a 'Silicon Valley' corridor of development between Oxford and Cambridge and the redevelopment of Old Trafford could be big business for cement and aggregate suppliers, merchants and trades.

And this is all before the 1.5 million homes promise. Many people still have doubts about the feasibility of meeting the target in five years, and it was the subject of a lively BMBI debate in October last year.

For us, the biggest concern is around supply chain constraints. The last time we had a significant rise in volumes was just after COVID and within weeks the supply chain had crumbled. The UK only holds about a week's supply of cement and mortar, and runs at capacity most of the time. We can invest in ramping up production but first need to see a viable strategy addressing concerns around planning, skills shortages and supply chain management.

While we are taking the positives from the government's drive to build, we need to make sure it's sustainable. With only five years to 2030, this could be a pivotal year for more sustainable construction. We're already taking pre-orders of evoZero - the world's first carbon captured net-zero cement and will soon be announcing its official UK launch date.

For Heidelberg Materials, 2025 will be a pivotal year for our digital transformation plans. Digital tools and AI are helping us to optimise production, improve our business and automate our customer service to free up colleagues to deliver the personal touch. The future is digital!

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The future is digital!

Expert Panel

Fasteners and Fixings

(Part of Ironmongery)



Ian Doherty, Chief Executive of Hexstone, and the Owlett-Jaton brand, is BMBI's Expert for Fasteners & Fixings

Demand in the fastener and fixings sector has continued to follow the general trends across merchants, with soft demand driven by the sluggish levels of construction and RM&I activity. In spite of announcements by the Houthi rebels in Yemen on the back of the Israeli/Hamas ceasefire that they would not attack non-Israeli shipping, most container lines have decided to continue with the Cape of Good Hope route. With this supply chain stabilised, supplies continue to be stable both in terms of availability and pricing.

Following the election of Donald Trump in the US, the tariff situation is changing rapidly. At the time of writing, the impacts of US tariffs on the supply chain are yet to be fully understood. Increased tariffs on Chinese products may result in some shifting of production to other Far East sources, which, in turn, may affect sourcing for the UK. Given the extended supply chains for Far East sourced fasteners and fixings, we remain confident that these potential disruptions will not lead to major problems for UK supply.

Consultation is continuing on the introduction of a Carbon Border Adjustment Measure (CBAM) for the UK. This is currently planned for January 2027 and will levy a tax on imports of products with high embedded carbon content. In spite of lobbying to have downstream products, including fasteners and fixings excluded, as they do not form part of the Emissions Trading Scheme, it seems likely that they will be included and given that most are imported, it will result in higher prices in the UK. UK steel manufacturers are being very vocal in their support for these measures and are seeking as high levies as possible to be introduced even earlier.

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Expert Panel

Paint

(Part of Decorating)



Paul Edworthy, Commercial Lead: Builders Merchant Group; Dulux Trade is BMBI's Expert for Paint

The paint market in the fourth quarter of 2024 presented a mixed bag of performance indicators, reflecting the broader trends in the construction industry and consumer behaviour.

Trade paint ended the year with a -1.6% decline compared to 2023. This downturn was largely attributed to the continued low activity in new house builds, which has been a drag on the market for the past two years. The anticipation, however, is that activity will pick up in the second half of the year, with Glenigan data showing a one-third increase in planned housing project starts.

The masonry market stood out with a robust +7% year on year growth. However, this positive trend was offset by challenges in the emulsion market, particularly in quarter two, where reduced new house building led to a shortfall in volumes. As new build activities increase, the expectation is that the emulsion market will see corresponding improvements.

In contrast, premium product volumes continued to grow, outperforming the broader market. This segment remains resilient, driven by uses in RMI (Repair, Maintenance, and Improvement) projects in both commercial spaces like hotels and in domestic dwellings. This resilience underscores the ongoing consumer demand for higher-quality paint products, even in a challenging market environment.

Looking forward, there are promising signs for the paint market. A recent survey indicated that 75% of Brits plan to spruce up their homes in the new year. This positive sentiment towards home decoration is likely to have a halo effect on total trade paint demand. Additionally, the Construction Products Association (CPA) forecasts growth in the UK construction industry for 2025, which should further support the paint market's recovery.

In summary, while the paint market faced some headwinds in Q4 2024, the outlook for 2025 appears more optimistic, driven by anticipated increases in construction activities and positive consumer sentiment towards home decoration.

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Expert Panel

Roof Windows

(Part of Timber & Joinery Products)



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

Quarter four was a challenging end to a disappointing year which hit a seven-year low for house completions (excluding Covid). To stay agile in tough market conditions, a lot of merchants reduced stocks to release cash in line with trading volumes.

Despite the awful end to 2024, 2025 is off to a flyer. January sales of roof windows were well up on January last year in stark contrast to other market metrics. After a sudden loss of confidence in January, consumer confidence, measured by the NiQ GfK Consumer Confidence Index, recovered two points to -20 in February, encouraged by a cut in the Bank of England's interest rate in early February. But confidence is still down on the same time last year.

Downbeat consumers don't spend on new homes and renovation projects, and this is reflected in the Construction Products Association's downgraded growth forecast for 2025. Published in January, the CPA winter forecast puts private housing output as rising +6.0% this year, and private RMI increasing +3.0%. However, growth is predicted to come largely in the second half.

So, the improvement in roof window sales is bucking the trend and is particularly impressive given the wet weather and storms we've had already in 2025, which have reduced the number of workdays available for roofing contractors. Whatever the reasons behind the change in momentum, we are seeing a shift in merchant sentiment. The brakes are off and they are investing in stock.

We too are getting ready for market growth, when it comes. We are continuing to invest in our business and have bolstered our sales team with a second regional sales director and four sales graduates to support our area teams to drive builder and specification sales. Our OTIF is consistently above 99% so we are backing our sales drive with service excellence. We are continuing to look to future product delivery as well with investments in R&D, quality and automation.

Looking ahead, there are many unknowns. We need clarity on how the UK Government intends to meet the 1.5m homes target over the next five years. We're also watching to see what impact US tariff changes will have on global trade. It could be an eventful year.

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Expert Panel

Website & Product Data Management Solutions



Chris Fisher, Vice President of the EMEA lumber, building material and hardware (LBMH) division, at ECI Software Solutions is BMBI's Expert for Website & Product Data Management Solutions.

Embracing digital transformation is no longer optional but essential for survival and growth. One of the most powerful concepts reshaping the industry is the Endless Aisle — the ability to expand product availability beyond physical inventory by seamlessly integrating supplier catalogues into instore and online platforms. Stockouts, fluctuating demand, and unpredictable disruptions have become a new normal in the supply chain. Traditional inventory models force businesses to carry excess stock or risk losing sales due to limited availability. However, the Endless Aisle model allows merchants to list and sell a broader range of products without physically holding them in stock.

By leveraging real-time supplier integration, businesses can fulfil orders directly through vendors, ensuring consistent product availability and reducing dependency on single suppliers. This agility allows merchants to navigate supply chain shocks, optimise procurement and maintain uninterrupted service for customers. A historical concern in expanding product online is margin erosion. Merchants fear that introducing more SKUs to a wider audience may dilute profitability. However, the Endless Aisle enables stronger margin control by offering flexibility in pricing strategies. Instead of overstocking low-margin items, businesses can supplement high-margin products by offering non-stocked products via supplier catalogues. With modern eCommerce platforms and ERP-integrated solutions, merchants can dynamically compare vendor pricing, adjust markups, and pass fulfilment costs to suppliers, so margins remain healthy and competitive. Reducing deadstock and overstock minimises warehouse costs, freeing capital for higher-margin opportunities.

Being a one-stop shop increases customer lifetime value. Tradespeople and DIY customers prefer to consolidate purchases with suppliers who can meet their complete project needs. The Endless Aisle empowers merchants to expand their product mix — new categories, niche products, or specialty building materials. By integrating multiple catalogues, businesses can cater to wider customer needs, driving repeat business and larger order values. The rise of eCommerce, ERP integrations, and intelligent product data management makes implementing the Endless Aisle more seamless than ever. Platforms that support multi-supplier integrations, intelligent search, and automated inventory synchronisation allow merchants to offer extensive product catalogues without increasing operational complexity. The Endless Aisle isn't just a convenience; it's a competitive necessity in today's building materials supply chain. By digitally extending inventory, optimising fulfilment, and leveraging supplier partnerships, merchants can maximise profitability and customer retention. The Endless Aisle is a merchant growth engine.

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Expert Panel

Plumbing & Drainage



Charles Burns, Divisional Director at Brett Martin is BMBI's Expert for Plumbing & Drainage.

Quarter four was a mixed bag for Brett Martin Plumbing & Drainage with October and December better than forecast, but November, typically a very busy month for us, being unexpectedly quiet. The picture from our independent merchant customers was similarly mixed with an even split of customers reporting slightly more upbeat trading and others reporting a relatively flat or slight decrease in trading.

Merchants and products focused on the RMI market saw more positive trading compared to those focused on the new build residential market. It is unclear why RMI was slightly stronger than the Q3 trend, but with consumer sentiment remaining low we do not see this as a medium-term trend.

Mortgage rates saw a small uptick in October and November, and we believe this contributed to the gloomy trading conditions in the new build residential market, although we are seeing some green shoots of recovery in the residential new build market in early 2025. The recent announcement of a slight pick-up in inflation may hinder the much-needed interest rate cuts. We believe this alongside the slow start by the new Labour government and the price increases necessitated by the budget for employers NIC and minimum wage, will continue to be a drag on consumer and industry confidence into Q2 2025 at least.

The data for planning applications, house starts and completions remains challenging but conflicts with reporting from selected house builders, suggesting that regional differences remain. This is an indication of a market which remains fragile and in-need of some consistent, nationwide positivity to drive confidence in housing. Until consumer confidence returns, it is unlikely that any amount of Government targets will provide the kick start required.

As a privately owned business, Brett Martin continues to invest in the future and when the inevitable improvement in market arrives, we will ensure our customers are ready to take full advantage of the opportunity. We are continuing to expand our sales team, capacity and introduce new products. For example, we have recently released the Adopta range of Water Authority approved sewer pipe and fittings to target larger new build residential applications.

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Expert Panel

Heating & Cooling



Matt Williams, Managing Director Polypipe Building Products is BMBI's Expert for Heating & Cooling

Economic conditions in the last quarter of 2024 appeared to remain flat, and there was little respite with the incoming new UK government. Housing reflected that with an unremarkable end to the year.

But starting 2025, the chancellor of the exchequer has been making increasingly positive noises about growth, specifically around speeding up planning approvals for the development of new homes. The government is backing housing developments in key areas such as zones close to commuter transport hubs, with a view to providing housing that targets working families. These ideas will be formally presented in the new Planning and Infrastructure Bill this spring.

Coming out of 2024, we can reflect on a difficult year which, on the surface, may not have delivered particularly positive market conditions. However, there were many progressive actions being taken in the housing industry regarding heating and cooling. Most, if not all, major housing developers are now actively planning for their heating systems of the future, and planning for The Future Homes Standard. Twenty twenty-four was the year when UK housebuilders started deep diving into what heating solutions they may couple with Air Source Heat Pumps in new build homes, with several housing developers now potentially reviewing adoption of product solutions within their house designs.

Fundamentally changing a heating system which has been commonplace since the 1970's is a huge undertaking! It presents numerous challenges, but it also presents plentiful opportunities. At Polypipe, we are working in partnership with our customers to explore these improvements and efficiencies in the construction process as part of introducing innovative technologies.

We believe the only way a manufacturer of building products can guarantee long-term success for ourselves and for the wider delivery of sustainable homes, is to focus on value-added propositions for our customers rather than being labelled as just a product manufacturer. And to implement the necessary changes, the UK construction industry needs solutions to tomorrow's problems. It is essential as a UK manufacturer that we are progressive in our innovations, to ensure we are providing customer solutions for the sustainable homes of the future.

To learn more about Polypipe's Underfloor Heating offering, for example, visit www.polypipeufh.com

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Appendix

Trading Days

Monthly												Quarterly				Half Year		Full Year
Index: 20.7												Index: 62						
2022												2022				2022		2022
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Q1	Q2	Q3	Q4	H1	H2	246
20	20	23	19	21	20	21	22	21	21	22	16	63	60	64	59	123	123	
2023												2023				2023		2023
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Q1	Q2	Q3	Q4	H1	H2	248
21	20	23	18	20	22	21	22	21	22	22	16	64	60	64	60	124	124	
2024												2024				2024		2024
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Q1	Q2	Q3	Q4	H1	H2	251
22	21	20	21	21	20	23	21	21	23	21	17	63	62	65	61	125	126	

GfK's Definition of Builders Merchant Panel



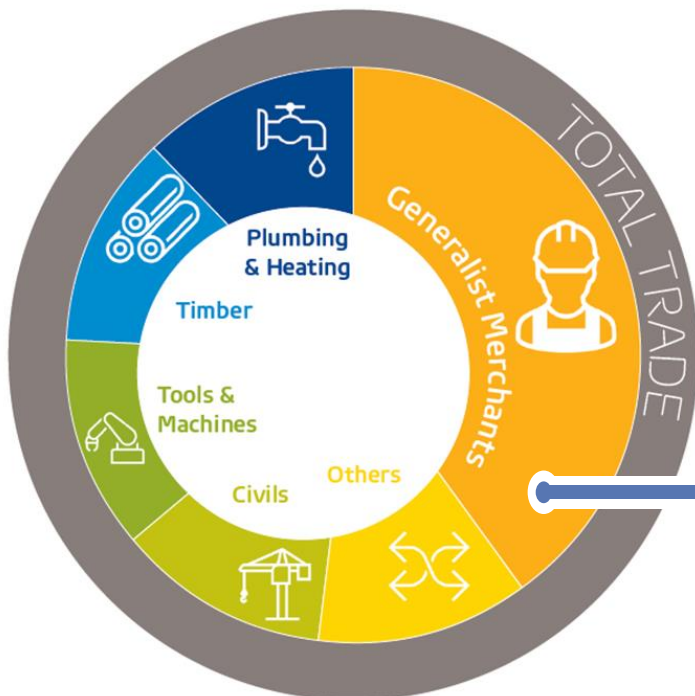
Generalist Builders Merchants definition:

- 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 88%.

Examples include:



INDEPENDENT BUILDERS MERCHANT GROUP



GfK's Product Categories

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

NIQ



Headline values available

Timber & Joinery Products

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

Heavy Building Materials

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

Decorating

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

Tools

Hand Tools
Power Tools
Power Tool Accessories
Ladders & Access Equipment

Workwear And Safetywear

Clothing
Safety Equipment

Ironmongery

Fixings And Fastenings
Security
Other Ironmongery

Landscaping

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

Plumbing Heating & Electrical

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

Renewables And Water Management

Water Saving
Renewables & Ventilation

Kitchens & Bathrooms

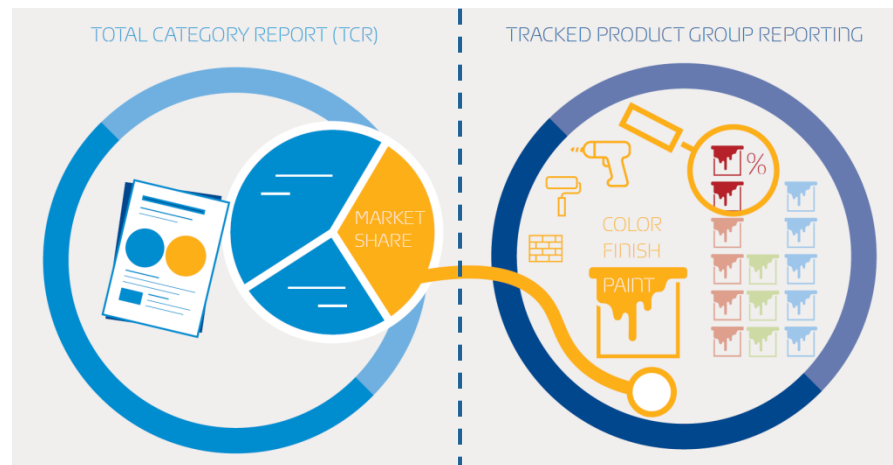
Bathroom (Including Showering)
Fitted Kitchens
Major Appliances

Miscellaneous

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

Services

Toolhire / Hire Services
Other Services



In-depth product group reporting

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

For insights on your product group please contact Emile van der Ryst at GfK

emile.vanderryst@nielseniq.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)

Building the Industry & Building Brands from Knowledge



Excellence in building materials supply



BMF (Builders Merchant Federation) Forecast Report

BMF Forecast Report

Winter 2024 Edition

Builders Merchants Industry Forecast Report

The latest forecast report of the BMF's Builders Merchants Industry Forecast, covering Winter 2024 onwards, is available.

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 forecast report and its previous editions can be downloaded by BMF members free of charge – once logged in – [here](#).

Non-members can purchase the report by contacting Thomas Lowe on 024 7685 4994 or email: thomas.lowe@bmf.org.uk



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