

Excellence in building
materials supply

Builders Merchant Building Index



Executive Summary - Quarter 2 2025

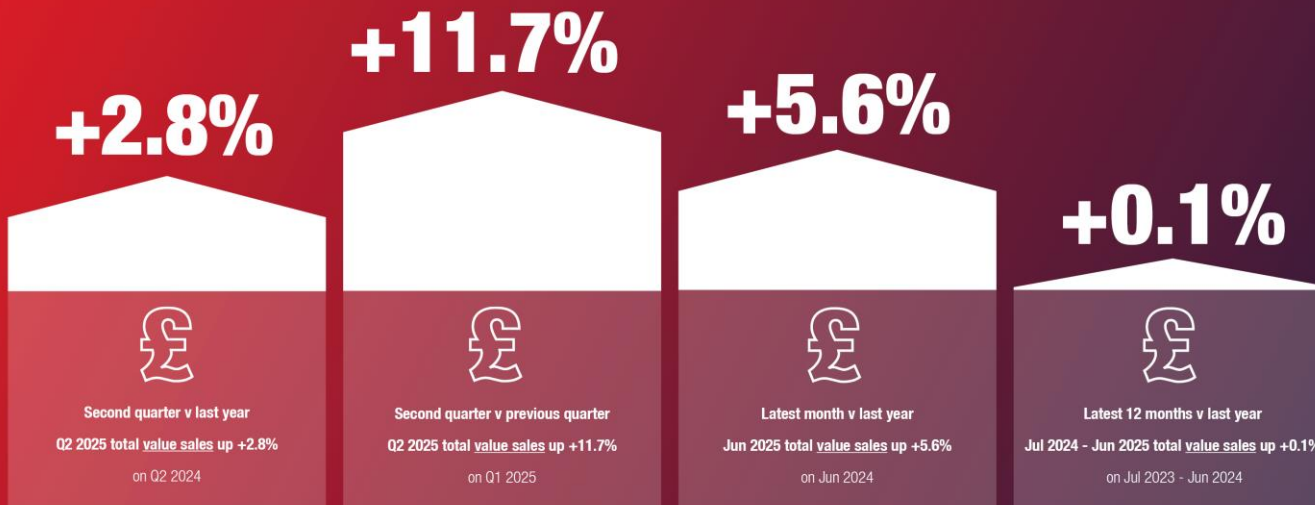
(Published 04 September 2025)

Highlights

BMBI Report Q2 2025 Highlights

(unadjusted for trading days)

www.bmbi.co.uk



“Total Builders Merchants value sales in Quarter 2 were up +2.8% on the same quarter last year. Volume sales were +4.0% up but prices -1.1% 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 2 and June 2025 [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 13 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

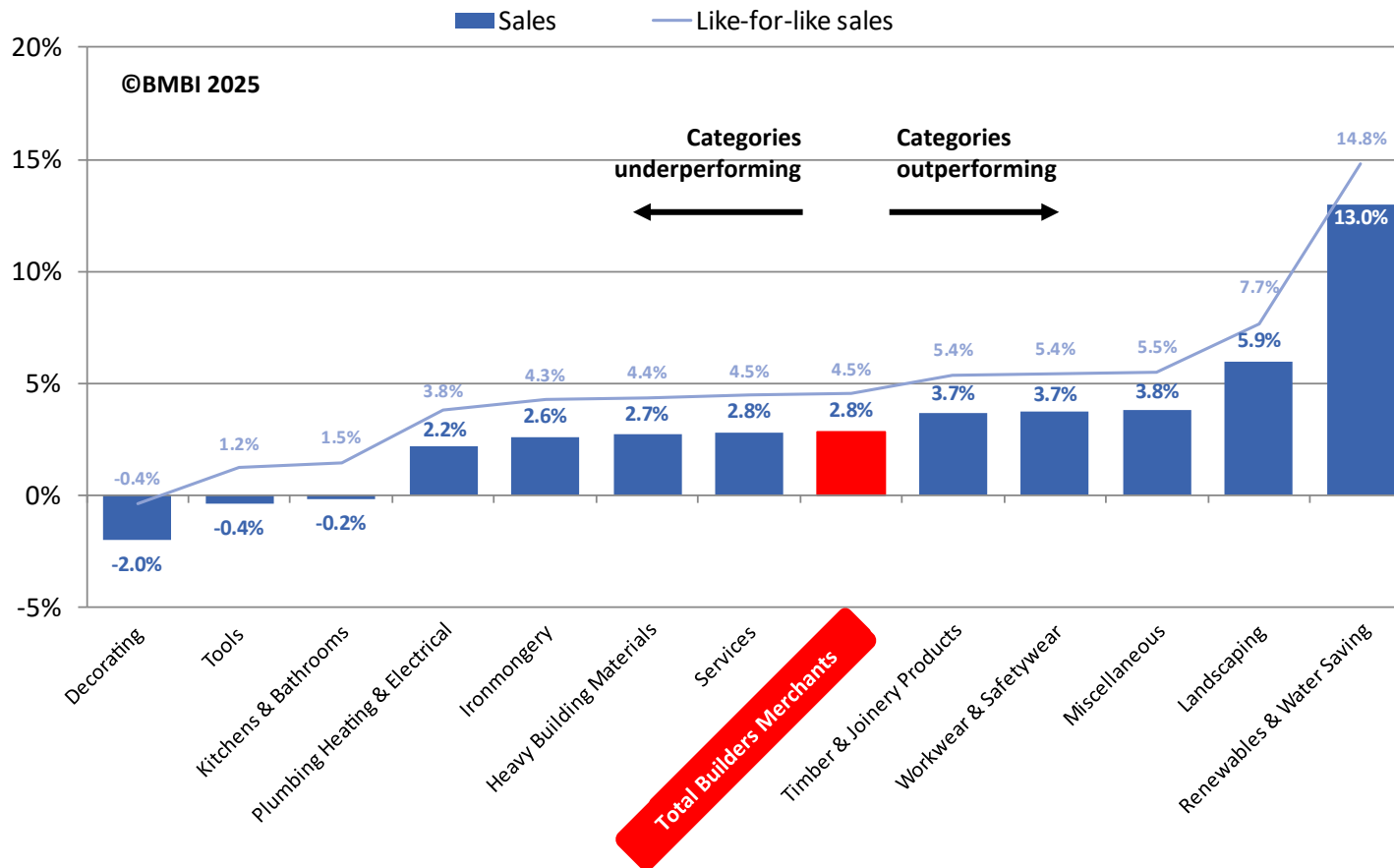
Value sales and like-for-like value sales % change

61 trading days this year v 62 trading days last year.

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



Quarter 2 2025 v Quarter 2 2024



NIQ **GfK**

Source: GfK's Builders Merchants
Total Category Report: January
2019 to June 2025

Total Builders Merchants value sales in Quarter 2 were up +2.8% on the same quarter last year. Volume sales were +4.0% up but prices -1.1% down.

Latest quarter v previous quarter

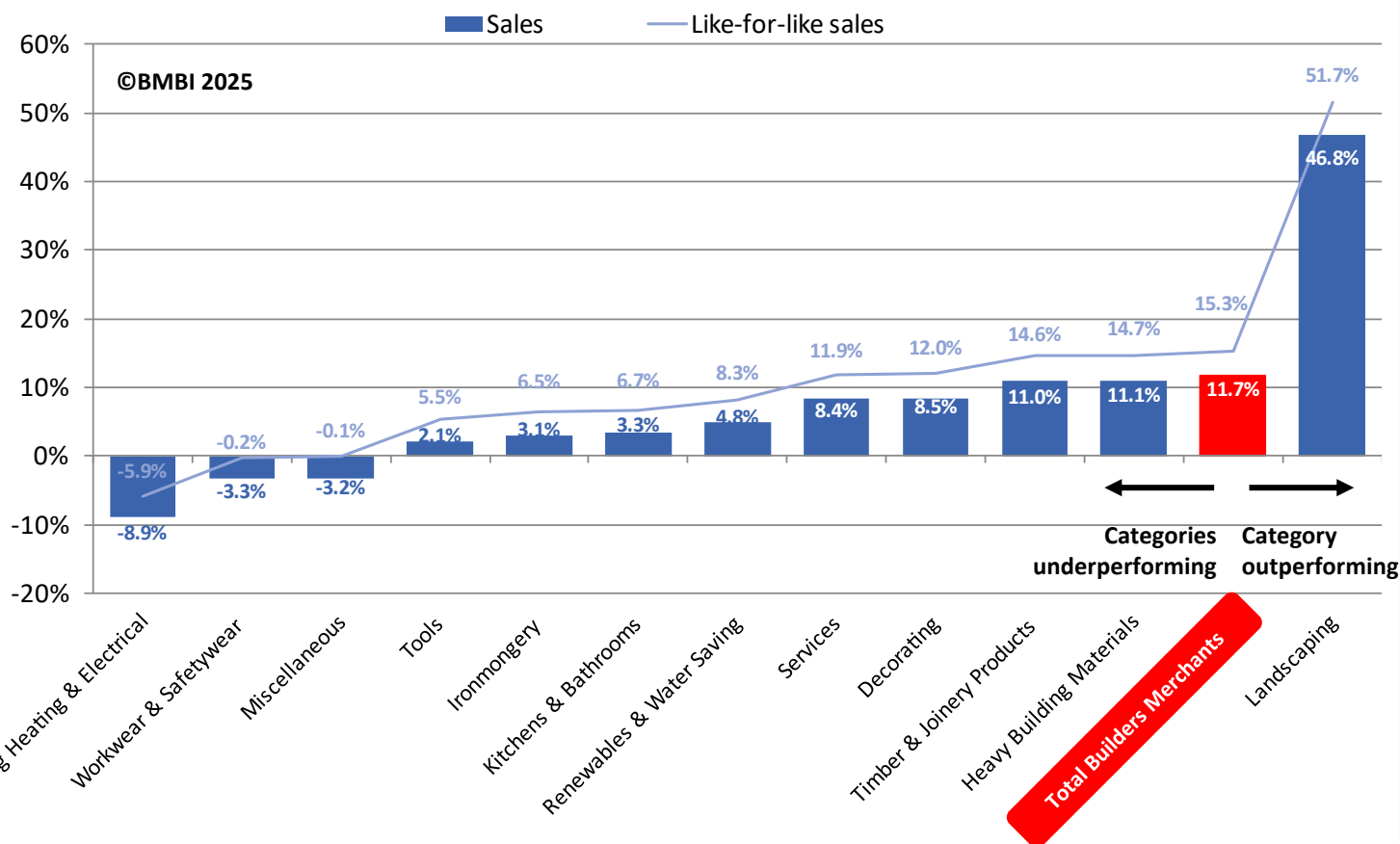
Value sales and like-for-like value sales % change

61 trading days this quarter v 63 trading days last quarter.

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



Quarter 2 2025 v Quarter 1 2025



NIQ GfK

Source: GfK's Builders Merchants
Total Category Report: January
2019 to June 2025

By value, nine of the twelve categories sold more, led by Seasonal category Landscaping (+46.8%).

Plumbing Heating & Electrical (-8.9%) was weakest.

Latest 12 months v last year

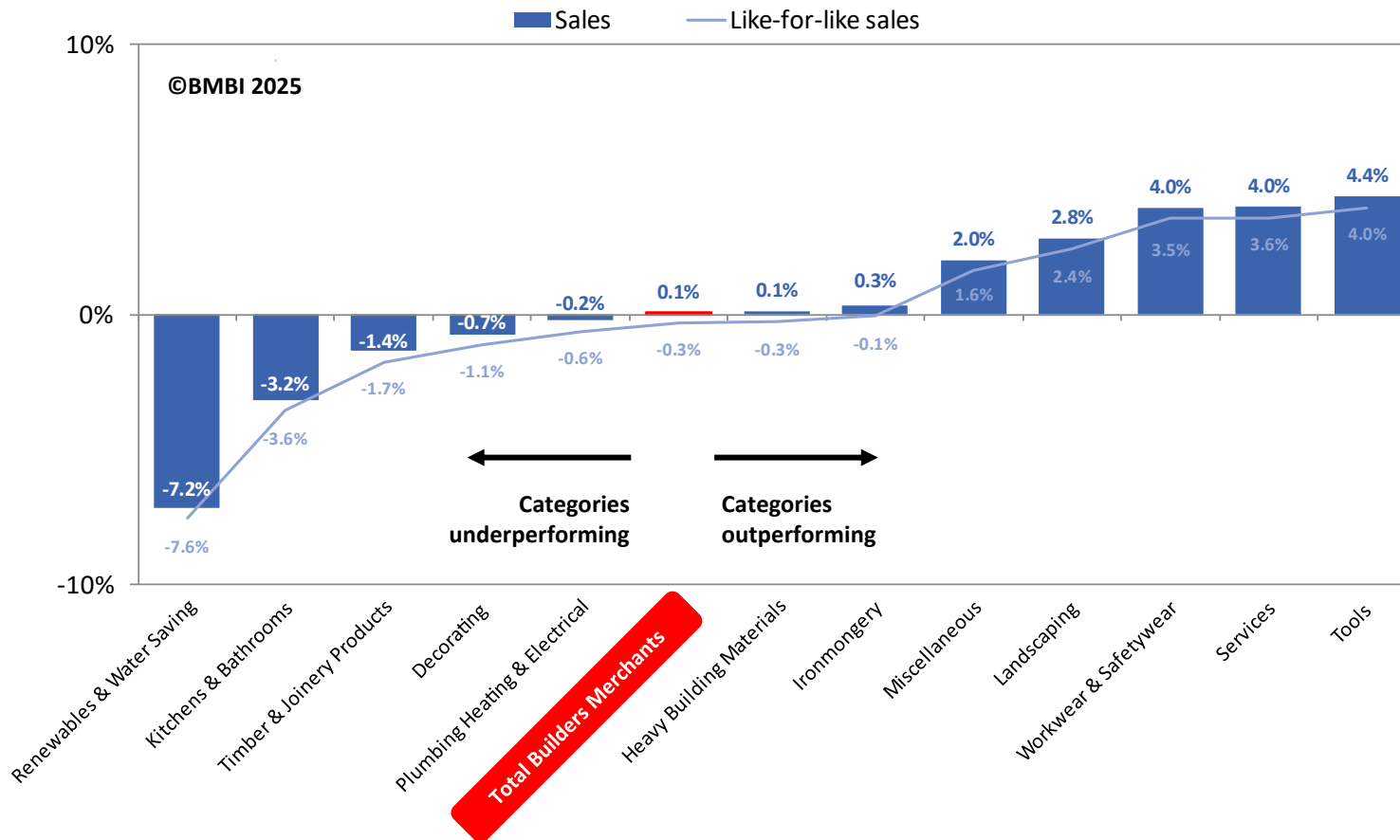
Value sales and like-for-like value sales % change

250 trading days this year v 249 trading days last year.

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



12 months Jul 24 to Jun 25 v 12 months Jul 23 to Jun 24



Source: GfK's Builders Merchants
Total Category Report: January
2019 to June 2025

By value, seven of the twelve categories sold more, led by Tools (+4.4%), Workwear & Safetywear (+4.0%), and Services (+4.0%).

Quarterly: Index and Categories

Value Index: Quarter 2 2023* to Quarter 2 2025

Indexed on January 2019 – December 2019



QUARTERLY SALES VALUE INDEX	Index	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Total Builders Merchants	100	124.8	122.9	103.6	107.4	117.6	119.6	103.0	108.3	120.9
Timber & Joinery Products	100	116.8	117.7	100.2	103.0	108.7	112.1	97.4	101.5	112.6
Heavy Building Materials	100	129.5	126.6	104.6	107.3	118.3	122.1	104.3	109.4	121.5
Decorating	100	117.9	127.4	116.2	120.2	129.1	132.0	114.2	116.6	126.5
Tools	100	105.5	108.4	101.4	110.0	116.0	116.4	109.9	113.2	115.6
Workwear & Safetywear	100	111.2	117.6	137.6	142.7	128.6	137.0	139.1	138.0	133.4
Ironmongery	100	109.7	111.5	100.8	104.9	106.7	110.6	99.1	106.2	109.5
Landscaping	100	155.6	131.0	87.6	100.7	143.5	130.1	90.3	103.5	152.0
Plumbing Heating & Electrical	100	107.1	110.6	115.5	119.2	106.5	109.8	112.9	119.4	108.8
Renewables & Water Saving	100	163.1	167.9	133.7	124.8	119.7	120.4	122.1	129.0	135.2
Kitchens & Bathrooms	100	115.5	124.4	113.1	116.0	116.8	116.7	109.2	112.9	116.6
Miscellaneous	100	97.2	99.5	97.5	102.3	98.9	101.5	95.9	106.1	102.7
Services	100	112.5	116.9	104.7	105.4	117.0	121.2	109.3	110.9	120.2

*Click the web link below to see the complete series of quarterly indices from Q2 2023.



Source: GfK's Builders Merchants
Total Category Report: January
2019 to June 2025

Quarterly: Index

Value sales and like-for-like value sales index

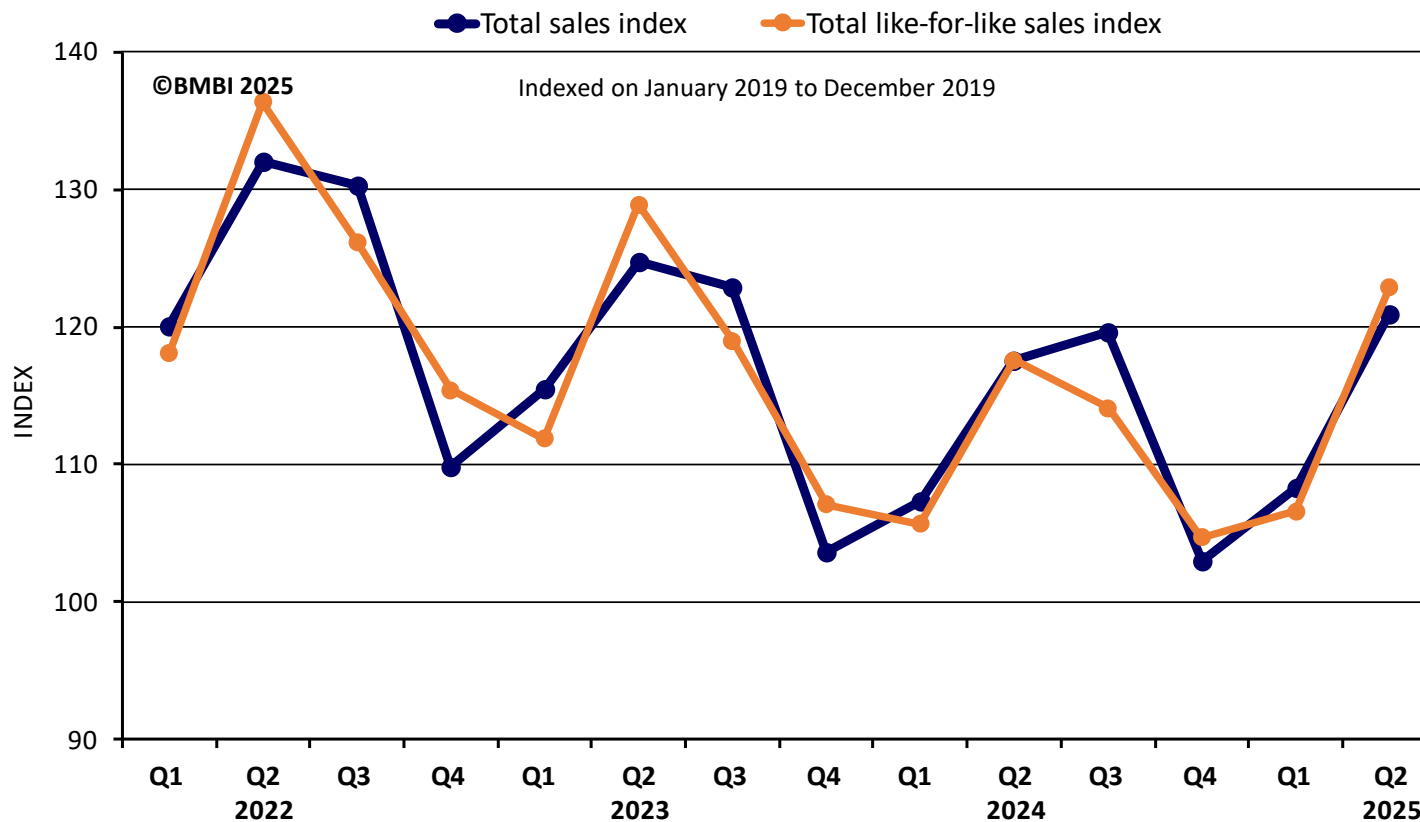
61 trading days in the most recent period v 62 trading days in the Index base period.

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



Source: GfK's Builders Merchants
Total Category Report: January
2019 to June 2025

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



The Quarter 2 BMBI
value Index was
120.9.

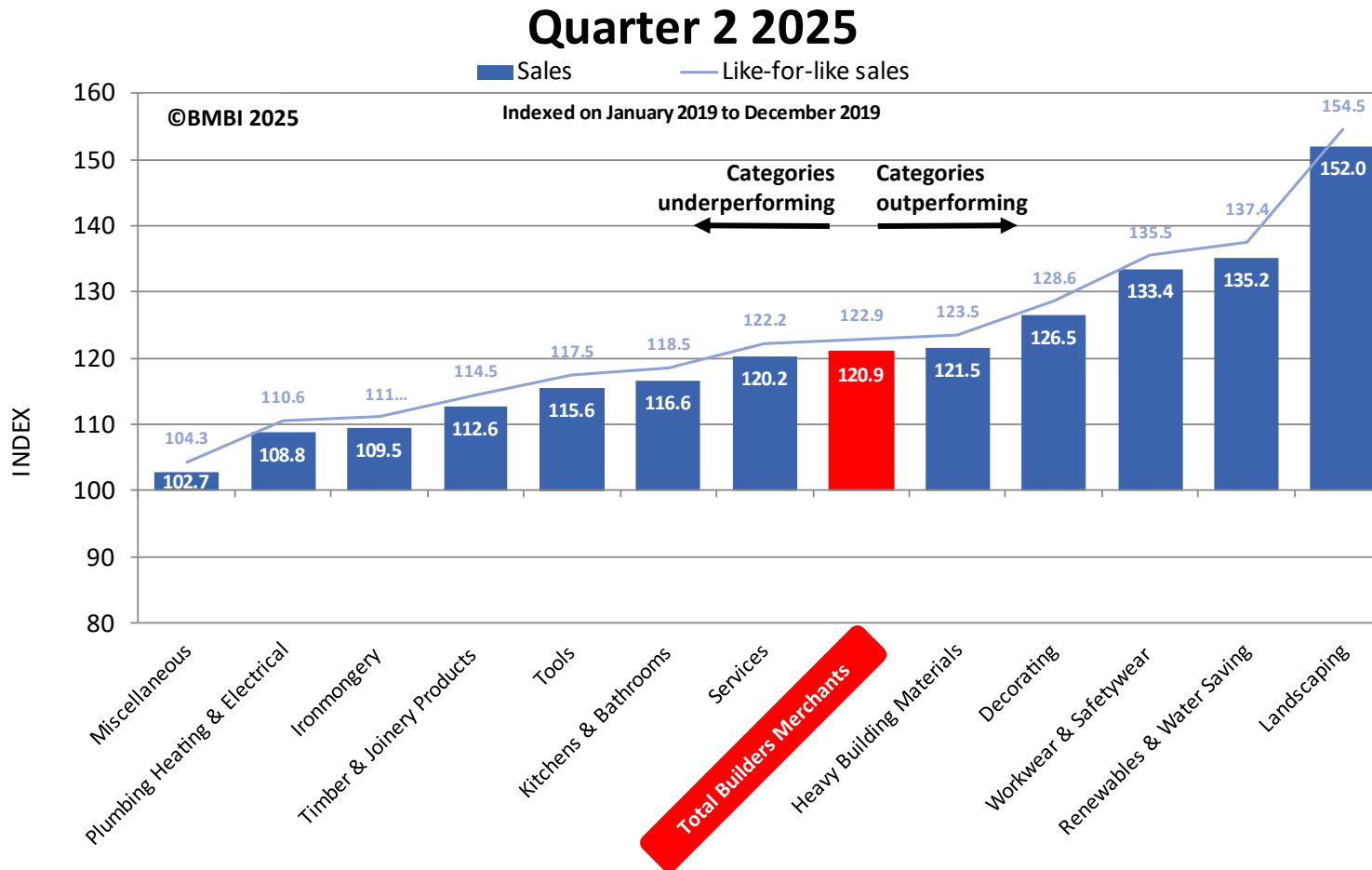
With one less trading
day in the most
recent period versus
the Index base
period, the like-for-
like value sales index
was 122.9.

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 June 2025

Seasonal category
Landscaping (152.0),
Renewables & Water
Saving (135.2) and
Workwear &
Safetywear (133.4)
were strongest.

Miscellaneous
(102.7) indexed
the least.

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

Emile van der Ryst,

Key Account Manager – Trade & DIY – NiQ GfK

NIQ



The second quarter of 2025 will likely be remembered for one word: tariffs. The announcement of Donald Trump's wide ranging tariffs on the 2nd of April added yet another layer of uncertainty and complexity in what is turning out to be a very challenging decade across the world. Builders Merchants won't be directly affected by tariffs as much, seeing that most products are sourced locally. It's the impact on both the UK and global economy, and how this feeds through to the construction industry, that will be of most concern.

Within this context recent performance has been promising, with Q2 overall value up by 2.8% against 2024 Q2 and achieved with one less trading day. This was the second consecutive quarter of growth followed by consistent declines over more than two years. Volume was the key driver, increasing by 4.0%, while average pricing was down by -1.1%. These two consecutive quarters of growth has resulted in value growth of 1.9% for the first half of the year.

Heavy Building Materials growth has been in line with overall market performance, increasing by 2.7% in value against 2024 Q2. Volumes were up by 4.2%, with average price declining by 1.4%. Looking at the underlying data, both bricks and aggregates, and to a lesser extent insulation achieved noticeable volume growth. Aggregates had the largest impact on the average price decline, with the other two playing less of a role.

Timber & Joinery value was up by 3.7% against 2024 Q2, with volume up by 5.3%. Average pricing was down by -1.5% against 2024 Q2. Timber & Joinery benefitted from strong timber volume performance, while the average pricing decline was influenced by sheet materials. Cladding, even though it's a noticeably smaller subcategory, stood out for strong volume performance in Q2.

Good weather conditions assisted Landscaping in being the second best performing category in Q2, with April and May generating the most value seen in the past two years. Value was up 5.9% against 2024 Q2 thanks to volume and average price growth of 4.8% and 1.1% respectively. Fencing & gates, as well as decking, stood out as the two best performing subcategories.

Renewables & Water Management was however the best performing category, seeing its value increase by 13.4% on the back of strong renewables & ventilation sales. Most of the other smaller categories saw growth, with only Decorating, Tools, and Kitchen & Bathrooms seeing value declines. These were down by -2.0%, -0.4% and -0.2% respectively.

The rest of the year brings uncertainty. While there has been cautious optimism around the sector, the reality and impact of economic pressures could erode expected growth for the remainder of 2025.

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Merchants' View

John Newcomb, CEO BMF



Many of us had high hopes that 2025 would signal the beginning of a significant recovery for the construction industry and building materials sector. Our optimism did not account for the ongoing impact of economic uncertainty, which continues to dampen confidence and hold back growth.

After two consecutive years of negative growth, any pessimism in the market is understandable. However, the latest figures for Q2 2025 – our own included – show some year-on-year growth, albeit from a low base, but are less certain on future work.

According to the Office for National Statistics (ONS) construction output rose by +1.2% between Q1 and Q2 2025. New work increased by +1.1% and R&M by +1.4%. Year-on-year (Q2 2025 v Q2 2024), overall output increased by +2.2%, with new work up by +3.8% and R&M by +0.2%. At a sector level, private new housing and private housing R&M both increased. Looking ahead, however, total new orders fell by -8.3% on the first quarter of the year, and by -12% on Q2 2024, led by falls in both infrastructure and commercial orders.

S&P Global's UK Construction Purchasing Managers' Index (PMI) for July, reported the sharpest downturn in activity since May 2020, the height of the Covid pandemic, after slight increases in activity and business confidence earlier in the year. Could this be a worrying sign of things to come?

Savills English Housing Supply Update Q2 2025, which has a focus on new housing, offers a more positive view. Savills quote figures from NHBC showing housing starts in the year to June 2025 at +40% higher than the previous 12 months. At the moment, growth in delivery remains restricted to major housebuilders. NHBC figures showed that the ten largest housebuilders enjoyed a third consecutive quarter of growth in annual completions, while SMEs (who struggle to secure suitable sites and consents) saw completions fall.

As Bill Clinton famously understood in winning the US presidential election in 1992, the key to success is confidence in the economy. When consumers and businesses feel optimistic about the economy, they are more likely to spend and invest, fuelling growth and job creation. The current climate of uncertainty is constraining the conditions required for sustained growth.

...economic
uncertainty
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confidence and hold
back growth.

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.

After a buoyant pre-sales season and a booming Q1, where our biggest challenge was getting stock to customers fast enough, Q2 continued in the same vein – until it didn't. April and May saw Covid lockdown levels of orders, with beige porcelain for example up 90% on last year, which we had not forecasted. But since June, the market has softened significantly.

Speaking to our merchant customers, the massive drop off in demand is a trend that goes beyond paving products. What's behind the peaks and troughs remains unclear.

The sudden reduction in demand is difficult for us to navigate as suppliers. Our European porcelain paving can arrive in the UK within three weeks, while our sandstone products and a selection of porcelain options, are shipped from India which has a ten-week lead time. The fragile ceasefire agreed between President Trump and the Houthi rebels has not resolved issues and vessels travelling between Asia and Europe must still use the longer Cape of Good Hope route. We can't be agile and react quickly to fluctuations in demand with a two-month lead time.

While we are at the mercy of what stocks our suppliers have, the whims of shipping companies, conflicts in Europe and the Middle East, global tariffs and other macro events, we still try to do the best for our loyal customers. Currently, it is challenging to meet expectations, and there seems to be a growing divide between what customers want (and when) and what we can deliver as an industry.

In product trends, it's a year for lighter, natural and neutral colours. At the halfway point, porcelain is the biggest winner so far, with cream and ivory the most popular colours. Porcelain is fast approaching a 50% market share. It may only be a matter of time before porcelain takes the top spot from sandstone to become the number one choice for UK households. Twenty twenty-five has given us some incredible highs and some hard times that we hadn't expected. With the forecasts out the window, who knows what H2 holds for the paving sector, and our landscapers and merchants. Whatever happens, we must face it together with mutual understanding and patience.

...the massive drop off in demand is a trend that goes beyond paving products. What's behind the peaks and troughs remains unclear.

Expert Panel

Steel Lintels

(Part of Heavy Building Materials)



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

If 2025 is the first 'normal' year since 2020 then it is not great. While April was decent, May and June nullified any momentum that was building. There has been a notable slowdown in House Building in recent months despite our government being focused on delivering 300,000 homes a year. The focus on speeding up the planning process, the £39 billion for social and affordable homes, and removing the barriers for SME's (Small to Medium sized Enterprises) are all potential initiatives to add some needed impetus into the market. The effective delivery of these actions is concerning however, and the path to growth is filled with potholes, not dissimilar to our current road network.

The effect of ending the temporary stamp duty cuts in England and Northern Ireland has added significant costs to future purchasers. This has had an impact on demand, and the market seems to be highly price sensitive. The forecast for national house prices in 2025 is to rise, although recent months have seen some areas reducing asking prices. Mortgage rates are trending downwards, somewhat slowly, creating modest optimism that housing market prices will flatten out. In response to stickier than expected inflation in the UK compared to other major economies, it's likely that further rate cuts from the Bank of England will be fewer and slower. But if it does fall back the Bank will be ready with future rate cuts. The uncertainty of Trumps tariffs could create the opportunity to lower borrowing rates with the UK housing sector expected to be resilient, despite the potential for increased costs.

In summary, between the 'slow' government initiatives and the geopolitical landscape, 2025 will continue to be challenging in construction.

Importantly the Future Home Standard 2025, requiring all homes to be carbon zero ready, another change coming for house builders, is expected to be concluded soon with updates expected by the autumn. With continued focus on the building fabric and specifically on reducing cold bridging, Keystones Hi-therm lintels will be a low-cost solution to help reduce carbon. Our continued investment in automation, specifically on our Hi-therm production line will provide surety of capacity for house builder's demand in the future.

...between slow government initiatives and the geopolitical landscape, 2025 will continue to be challenging in construction.

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.

As we move beyond the half-way point of 2025, the industry is experiencing an uptick in confidence, driven by modest growth in Q2. Off the back of more stable interest rates, the construction sector is starting to see greater stability. This has contributed towards greater optimism for the longer term which is expected to remain into the second half of the year, with sector growth on the horizon: 2025 is not as buoyant as hoped, but green shoots remain.

However, there are significant challenges. With the industry balancing recovery with transformation, and addressing known issues around Gateway 2, it's slow going.

Data from the British Standards Institution (BSI) suggests that around half of business leaders believe reaching net zero by 2050 is unrealistic, and just 55% say it is still likely they'll achieve the goal. Businesses want to make a difference and continue their commitments to sustainability, but cost pressures, long-term certainty and regulation are serious challenges. BSI's survey indicates a growing appetite for transitioning to net-zero, with 83% interested in practical tools and implementation guides.

For manufacturers, this highlights a key area where expertise, capabilities and product offerings can make a tangible difference for customers. At British Gypsum, we're actively working to ensure sustainability – and the drive towards net zero – is achievable for the industry. We do this through innovation, and advancing our products and solutions to ensure sustainability is easy to adopt through effective specification.

By taking decisive steps throughout the production stages of our key product solutions, we're reducing embodied carbon in Gyprock® Carbon Low metal profiles by using an electric arc furnace during production, and we're prioritising the use of recycled materials in Gyproc SoundBloc Infinaé 100 and reducing reliance on virgin raw materials. All UK-manufactured Isover products now have Environmental Product Declarations (EPDs), giving users the data they need for decision making around sustainability in the products they're using.

These steps have allowed us to reduce the environmental impact of production, supporting greater sustainability and efficiency across the supply chain. They've also enabled us to simplify specification with familiar products that look, feel and function in the same ways, but which are fundamentally better for our planet.

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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.

UK construction is in a holding pattern. The fundamentals remain positive to the upside, but in Q2 that's been tempered by the changeable broader economic climate and the threat of trade disruption.

All change in the economy, but there's a major change to come a little closer to home too, in the form of Future Homes Standard. The flagship home energy policy that will shape insulation demand for years to come.

Though not published at the time of writing (check our website for the latest analysis when it is), we can confidently draw some conclusions on the impact today. British homes will need more insulation, installed to a higher standard.

That should create opportunities for merchants.

Firstly, to sell more insulation. Whether in thicker walls or deeper lofts, customers will need more to achieve lower U-values.

Secondly, to sell more higher-value insulation. Whether it's lower-lambda products, or solutions engineered for 'buildability' to stand up to increased scrutiny of real-world performance.

Finally, to cement their critical role as trusted advisors to their customers. We all know the familiar pattern when regulation changes; there's a period of uncertainty before the industry gradually settles into its approach to compliance. Merchants can deliver value by helping customers to navigate the change with practical product and technical advice.

What do merchants need from manufacturers to capitalise on these opportunities? Again, three things. Robust supply chains, resilient to global trade shocks, to deliver the right products at scale to meet higher demand. Product and service innovation, to create the higher-value solutions that will increasingly be required. And timely and accurate product information, geared towards compliance with the new standards, to enable merchants to give their customers the advice they need.

Three things the mineral wool industry is well-placed to deliver, with UK-made products, ongoing investment in manufacturing technology, and a commitment to technical services.

The Future Homes Standard will shape insulation demand for years to come.

British homes will need more insulation, installed to a higher standard.

Expert Panel

Cement & Aggregates

(Part of Heavy Building Materials)



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

After a better-than-expected start to the year, the robust sales seen in Q1 did not continue into Q2, and ready-mixed concrete volumes sank to a historic low. Aggregate sales were lower than expected across the board, and from speaking to our merchant customers, confidence in the market is understandably taking a real hit.

The latest figures from the Mineral Products Association paint a gloomy picture: Q2 ready-mixed concrete volumes down -11.5% quarter-on-quarter, aggregates down -4.4%, and mortar down -2.7%, ending four consecutive quarters of growth. Only Asphalt increased, however the +5.8% rebound offset a larger decline in Q1.

Most predictions for 2025 were betting on a H2 recovery but the current aggregate sales tell a different story. Less concrete sales in H1, mean fewer concrete slabs to build on in H2, suggesting the foundations have not been laid for recovery in the second half.

And the hits keep coming. The Extended Producer Responsibility (EPR) regulations, which require manufacturers to be responsible for the cost of recycling or disposing of their product's waste packaging, is in force. The legislation is vague, but we risk fines and prosecution for non-compliance, so we're asking government for more clarity, particularly on how they define waste categories (household incurs PRN - Producers Recovery Note - and EPR fees, commercial is PRN only).

Building manufacturers are not shying away from their responsibilities, and where we can, we are moving away from plastic packaging, but this stealth tax on construction is going to impact us all. We need to voice our concerns collectively to ensure the rules are fit for purpose. Merchants can be part of the solution by providing customer data which indicates whether product packaging is likely to end up in household (DIY customers) or commercial (trade) waste.

The EPR and PRN fees will drive up the price of building products, as we can't afford to absorb the extra cost, particularly as there's more rules on the way with the RAM (Recycling Assessment Methodology) framework coming next year.

For all its rhetoric about generating growth in and through the construction industry, real tangible government support for our sector is yet to materialise and it's hard to see things improving before the end of the year.

Building manufacturers are not shying away from their responsibilities. Where we can, we are moving away from plastic packaging, but this stealth tax on construction is going to impact us all.

We need to voice our concerns collectively to ensure the rules are fit for purpose.

Expert Panel

Fasteners and Fixings

(Part of Ironmongery)



Ian Doherty, Non-Executive Director 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 continuing soft demand driven by the sluggish levels of construction and Repair Maintenance & Improvement (RMI) activity. Supplies continue to be stable in terms of availability, with some downward pressure on pricing.

The sustainability agenda continues to gather momentum with increasing demands for information and declarations on the carbon content and sustainability of products. While sustainability is undoubtedly important, the approaches taken and requests made are often inconsistent and, in many cases, excessive for the category. The use of Environmental Product Declarations (EPD's) is becoming more widespread in many of the larger categories, but for the fastener and fixings category, they are not necessarily the right way to deliver relevant information. Most fasteners and fixings are imported from the Far East, and quite often, to keep costs down, the same product may be sourced from multiple factories. This use of multiple sourcing adds enormously to the costs of preparing EPD's, principally due to the need for independent verification, and makes it unrealistic for these to be expected in the category.

That is not to say the issue is being ignored; embedded carbon data is increasingly being collected, particularly for Carbon Border Adjustment Mechanism (CBAM) needs, but these are not consistent with the full Life Cycle Analysis (LCA) approach taken in an Environmental Product Declaration (EPD). The CBAM is a policy that puts a price on carbon emitted into the EU. The UK is introducing a UK CBAM by 2027. It seems likely that Fasteners and Fixings, where the products constitute a very small proportion of a building's carbon content, will use a simplified methodology, probably using default values, which would not have any material impact on the overall carbon content of a building.

The use of Environmental Product Declarations (EPD's) is becoming more widespread in many of the larger categories, but for the fastener and fixings category, they are not necessarily the right way to deliver relevant information.

Expert Panel

Paint

(Part of Decorating)



Jamie Barber, UK&I Sales Director Trade; Dulux Trade is BMBI's Expert for Paint

The trade paint market continues to improve as the year progresses, with volume growth so far at +2% when compared to this time last year. Exterior categories like masonry have contributed to this growth as the weather in the first six months has been more favourable than last year.

We see signs of strengthening in painter and decorator work pipelines, particularly for domestic repair, maintenance and improvement (RMI) work, which is driving the recovery so far this year. As this area has improved, there's also been a return to purchases of premium aesthetic brands which are helping to inject value into the market.

Our outlook for the second six months of the year expects the market to remain in growth territory, especially as housing transactions earlier in the year, brought forward to beat changes to stamp duty, are likely to contribute to more painting and decorating jobs being undertaken in the coming months.

As always, moving home is a significant trigger for decorating and home improvement markets, as most people prepare it to look its best for sale, and then refresh and personalise their new home to their liking shortly after moving in.

Should consumer spending falter in the run up to the Autumn budget, as it may do given consumers' weakening confidence in the face of gloomy economic news and warnings of potential tax rises, then we're likely to see higher savings rates, as those who can save prepare themselves to ride out the risks of increased costs and greater uncertainty. If that happens, our positive outlook could turn south.

But consumer confidence marches to its own drum and it's often more resilient and capricious than observers expect. It can lift when a national sports team wins a final, a prime minister performs well on the world stage and makes the country feel good about itself, or even when the weather suddenly improves. So, we're sticking with our positive view for now!

Moving home is a significant trigger for decorating and home improvement markets, as most people prepare it to look its best for sale

...and then refresh and personalise their new home to their liking shortly after moving in.

Expert Panel

Roof Windows

(Part of Timber & Joinery Products)



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

In what is still a tough market, more contractors are fighting over less volume, creating more quoting and re-quoting activity for suppliers and merchants. The inevitable war on price is squeezing margins for the whole supply chain.

There's been discounting activity on an unprecedented scale and, speaking just for us, we've had to walk away from some unprofitable deals. Instead, focussing on increasing lead generation, we're creating value for merchant stockists and supporting them on closing orders. We've created more brand awareness using a new product demonstration trailer for merchant trade days throughout the UK & Ireland and the sales team has worked incredibly hard in a flat market. As a result, we're well positioned for the recovery when it comes.

It's the responsibility of leading companies to grow the market by investing in products and services that help customers expand the category and win more business. During 2025 Keylite launched several new products, to meet the changing needs of customers, building legislation and market trends. In June, we hosted a roofing innovation day together with our sister company Smartroof, for over 30 National House Builders, launching Modulite, a flat packed, modular, lightweight system designed to fit two roof windows side by side at an elevated pitch in a thermally efficient installation. It can be specified as an alternative to GRP dormers, solving lead time issues for house builders and providing homeowners with more usable floor area, an abundance of natural light and a contemporary aesthetic.

We've also developed a new range of flat roof products, supporting merchants with a gap in the market. Our research shows that flat roof windows make up a significant proportion of the category, but most merchants under index in this area as most sales come from on-line competitors, yet most merchants sell all the other materials required to complete a flat roof project. Adding the window to their portfolio can add significant extra revenue. We've been supporting merchants with training and marketing materials to help increase their sales of this part of the category.

Looking ahead, we can only hope that continued falls in the interest rate will stimulate the housing market and help deliver much needed growth. With continued investment, we're ready.

Most merchants sell all the other materials required to complete a flat roof project.

Adding the window to their portfolio can add significant extra revenue.

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

Quarter two 2025 has delivered encouraging signals for the UK building materials sector, with construction output growing +1.2% between Q1 and Q2 2025, reported by the ONS, and infrastructure projects surging ahead with an impressive 11% increase, referenced by the Construction Leadership Council (CLC), driven particularly by energy projects which expanded 34%. This infrastructure momentum, coupled with the prefabricated construction market's robust 5.8% annual growth to £22.50 billion, underscores a sector increasingly embracing efficiency and innovation.

The 61% of industry respondents citing planning and regulatory delays as their primary challenge, reported in the RICS Construction Monitor Q2 2025, highlights another critical opportunity. Merchants equipped with comprehensive product databases, automated compliance tracking, and real-time inventory visibility can respond more rapidly to specification changes and regulatory requirements. When combined with strategic EDI integrations, these systems enable merchants to maintain the "Endless Aisle" concept that proves essential as prefabrication demands precise material coordination across multiple suppliers and delivery schedules.

The Endless Aisle is one of the most powerful concepts reshaping the industry. It's the ability to expand product availability beyond physical inventory by seamlessly integrating supplier catalogues into instore and online platforms. 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.

The infrastructure boom, particularly in energy projects, is creating complex procurement scenarios where traditional product catalogues prove inadequate. Merchants serving these markets need sophisticated product configurators capable of handling technical specifications, compliance documentation, and project-specific pricing models. Advanced analytics tools can identify emerging demand patterns in renewable energy components and infrastructure materials, enabling proactive inventory positioning. As the sector navigates between traditional construction methods and innovative Modern Methods of Construction, merchants who invest in integrated data management solutions will capture the greatest market share. Those leveraging AI-enhanced product recommendations, automated pricing optimisation, and comprehensive project tracking capabilities will be best positioned to serve both conventional builders and the growing prefabrication sector throughout the remainder of 2025.

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Expert Panel

Plumbing & Drainage



Chris Dawson, Sales Director at Brett Martin is BMBI's Expert for Plumbing & Drainage

Students of marketing may be aware of the iconic 1978 political advertisement from the Conservative party: "Labour isn't Working". While the employment situation which underpinned the pun is different in 2025, the punchline may seem very apt to many in construction.

We experienced a promising start to Quarter 2, coming on the back of some encouragement early in 2025, but around May a noticeable sense of concern could be experienced across the market as the anticipated seasonal spring construction uplift ran out of steam. Our daily order intake flattened at a time when we would normally see increases.

Construction relies on so many of the factors which government controls or influences, with business and consumer confidence being the vital spark which provides momentum. Both are lacking currently, and the effects play out directly in key RMI (Repair Maintenance & Improvement) project spending in businesses and homes across the country. The growing cost pressures on business are well reported and further projected pressures are now adding to the negative sentiment. Home improvements compete for consumer cash, and particularly against spending on holidays which Mintel's Spring 25 travel report highlighted as reaching a 3-year high, with 77% of respondents intending to travel this summer.

The statistics don't lie, 2025 has not seen any significant growth in housing starts resulting in what looks like a very flat UK house construction market this season. For manufacturers like Brett Martin, responding to the current market conditions is key to balancing the business to ensure we continue to provide the kind of service that merchants want.

Whether the market is up or down, it's always important to remember that product users still require the same mix of service and support matched to product quality. They want the same recipe of supply certainty, product consistency and value, along with innovation.

Brett Martin's recently announced £12million investment in our main manufacturing site gives a flavour of our commitment to the UK market and, with further investment in UK logistics on the drawing board, we are confident that this market will find its way back to growth, despite the apparent shortcomings of the current administration's policy.

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With further investment in UK logistics... we are confident this market will find its way back to growth...

Expert Panel

Heating & Cooling



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

The UK house-building market has seen a distinct lack of growth or recovery. Recent trading updates from house builders and their supply chain partners confirm a flat market outlook. When markets are in this part of their cycle, there's increased pressure on businesses to compete on volume while maintaining margins. This makes for a significantly more competitive commercial environment.

Innovation is the single most important focus for us at Polypipe, and it's a culture we always promote across our range including underfloor heating for example, and cooling. Our homes and buildings generally weren't designed and built for today's climate, which is already warmer and wetter with more extremes expected in the future. Developing products that enable us to live comfortably in it is an important driver of innovation. Innovation however also becomes more critical during times of heightened competition, especially as the residential construction market moves toward a zero-carbon future.

For us, true innovation is about creating something genuinely new that delivers measurable value to the installer or homeowner, often by saving time. Our innovation is guided by a deep understanding of our customers' needs, ensuring we solve real problems for them. We actively involve our customers in the process to guarantee we meet their needs and wants.

The motivations and behaviours of modern construction tradespeople have evolved. Younger generations have introduced new requirements and attitudes toward products and installation practices. Research suggests that speed, ease, availability and time are becoming the most important decision-making factors. Modern tradespeople want to be able to complete jobs quickly and easily and either move onto the next job or used saved time to enjoy a better work-life balance.

By innovating with and for these professionals, we believe we can deliver tangible savings in time, making UK construction more sustainable, higher quality, compliant with current and future legislation, and more efficient to install.

Find out more by clicking this link [Housing | Building Products | Polypipe](#)

Innovation is the
single most
important focus for
us at Polypipe...

...our homes and
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future.

Expert Panel

Softwoods & Engineered Wood



James Davenport, Managing Director of Metsä Wood UK is BMBI's Expert for Softwoods & Engineered Wood

Spring saw some of the warmest, sunniest weather many of us can remember at this time of year, which supported strong demand for timber landscaping products, especially in the DIY sector. Additionally, the late Easter enabled a run of bank holiday weekends which further encouraged people into their gardens. Importers were optimistic going into 2025 and had good levels of stocks imported in advance of Spring which supported availability

Demand for machined timber products, while showing signs of improvement at the beginning of the year, were subdued compared to landscaping products as people prioritised their outdoor spaces for improvement and renovation.

Imports of softwood to the UK from the main joinery grade producing countries (Sweden, Finland) are down year on year, and lack of demand is putting pressure on sawmills to find alternative markets. Log costs in the Nordic regions continue to rise in Q2, and sawmills are looking to further increase prices. However, with weak global demand, sawmills were prevented from recovering all the costs of higher raw materials.

Global trade and uncertainty around the imposition of tariffs by the US administration on major timber exporting countries casts a long shadow. The impacts on global trade flows and prices could be significant.

After a reasonable start to 2025, demand for timber I-Joists and Kerto LVL eased in the second quarter as private housebuilding struggled to gain momentum. Although the Bank of England cut interest rates twice in the first half of 2025, mortgage rates remained 4.5% on average. This, combined with low consumer confidence, slowed the newbuild market and makes it even harder for the government to meet its 1.5m new homes target.

The use of timber in construction and multi occupancy developments especially will be crucial to meeting its target. The Government's Timber in Construction Road Map (March 2025) which aims to increase the use of timber in building projects also supports the Government's targets for carbon emissions reductions and sustainability.

Implement a new state-of-the-art ERP system is always a challenge and Metsä Wood's upgrade this quarter was no exception. However, service and stock levels are back to normal, and we look forward to demonstrating the increased capabilities we now have to customers.

The use of timber in construction, and multi occupancy developments especially, will be crucial to meeting the Government's 1.5m homes target.

Appendix

Trading Days

Monthly												Quarterly				Half Year		Full Year
Index: 20.7												Index: 62						
2023												2023				2023		2023
Jan 21	Feb 20	Mar 23	Apr 18	May 20	Jun 22	Jul 21	Aug 22	Sep 21	Oct 22	Nov 22	Dec 16	Q1 64	Q2 60	Q3 64	Q4 60	H1 124	H2 124	248
2024												2024				2024		2024
Jan 22	Feb 21	Mar 20	Apr 21	May 21	Jun 20	Jul 23	Aug 21	Sep 21	Oct 23	Nov 21	Dec 17	Q1 63	Q2 62	Q3 65	Q4 61	H1 125	H2 126	251
2025												2025				2025		2025
Jan 22	Feb 20	Mar 21	Apr 20	May 20	Jun 21	Jul	Aug	Sep	Oct	Nov	Dec	Q1 63	Q2 61	Q3	Q4	H1 124	H2	

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

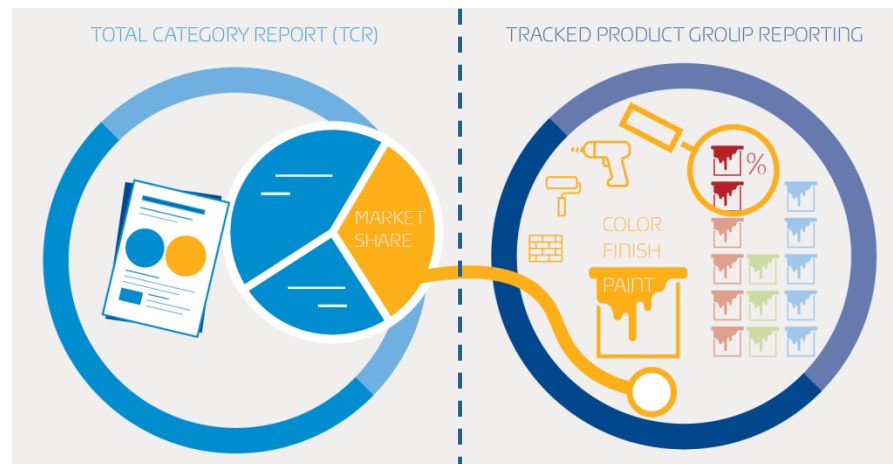
Bathroom (Including Showering)
Fitted Kitchens
Major Appliances

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

Spring 2025 Edition



Builders Merchants Industry Forecast Report

The latest forecast report of the BMF's Builders Merchants Industry Forecast, covering Spring 2025 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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