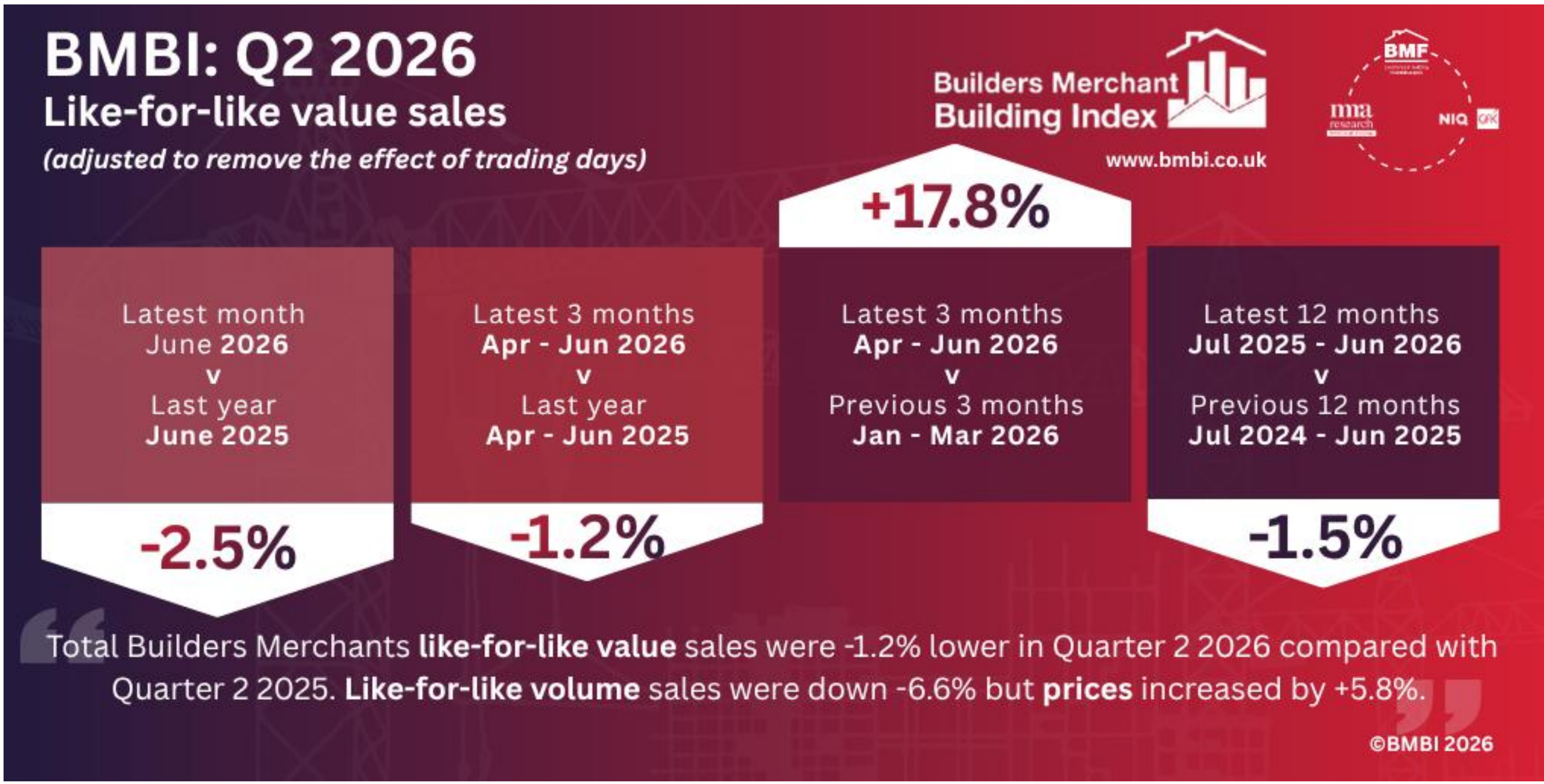
Excellence in building materials supply

Builders Merchant Building Index

Executive Summary - Quarter 2 2026

(Published 1 September 2026)

Highlights - Like-for-like value sales
(adjusted to remove the effect of trading days)



Highlights - Total (unadjusted) value sales

Introduction:

Builders Merchant Building Index

This **Builders Merchant Building Index (BMBI)** report contains data from NiQ GfK's ground-breaking Builders Merchants Panel, which analyses data from over 88% of generalist builders' merchants' sales throughout Great Britain. NiQ 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.

BMBI Experts

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 25 to 35 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. NiQ GfK insights go much deeper e data. NiQ GfK can quantify market values and drill down into contributing categories, tracing product group performance, to focus on al to you.

NiQ 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.

What’s new in the report?

Mike Rigby, Managing Director - MRA Research

Online sales figures

This quarter we have added online sales figures.

The platform where the financial transaction is completed determines where it gets allocated. The financial transactions for Click and Collect happen offline from a normal physical branch. The financial transaction for an online purchase is separate and allocated to online sales.

There is no overlap or double counting.

Online sales are shown alongside the regions in the Regional report.

In the main BMBI report, online sales are included within relevant categories and not split out.

The indexing period for online sales is different to the index period for Total Merchants and the regions. Online sales are indexed from the base period, January 2024 to December 2024, from when they were separately collected. Total merchants and regional data is indexed on the base period January 2019 to December 2019.

Latest quarter v last year

Total value sales, total volume sales & price % change

Builders Merchant Building Index

Quarter 2 2026 v Quarter 2 2025

	Total value sales (GBP % change)	Total volume sales (Units % change)	Price (Unit price % change)
Services	+7.3%	+7.8%	-0.5%
Workwear & Safetywear	+4.5%	+16.0%	-9.9%
Miscellaneous	+2.3%	+11.6%	-8.3%
Timber & Joinery Products	+0.0%	-2.2%	+2.2%
Landscaping	-0.0%	-3.2%	+3.3%
Kitchens & Bathrooms	-1.1%	+4.5%	-5.4%
Total Builders Merchants	-1.2%	-6.6%	+5.8%
Tools	-1.5%	-4.8%	+3.5%
Decorating	-1.6%	-4.1%	+2.6%
Plumbing, Heating & Electrical	-1.8%	-5.3%	+3.6%
Heavy Building Materials	-2.6%	-9.1%	+7.2%
Ironmongery	-3.2%	-2.4%	-0.8%
Renewables & Water Saving	-3.8%	-23.5%	+25.9%
Online	-5.6%	+4.5%	+7.8%

NIQ GfK

Source: GfK's Builders Merchants Total Category Report: January 2019 to June 2026

Total Builders Merchants **unadjusted value** sales were -1.2% lower in Quarter 2 2026 than in Quarter 2 2025.

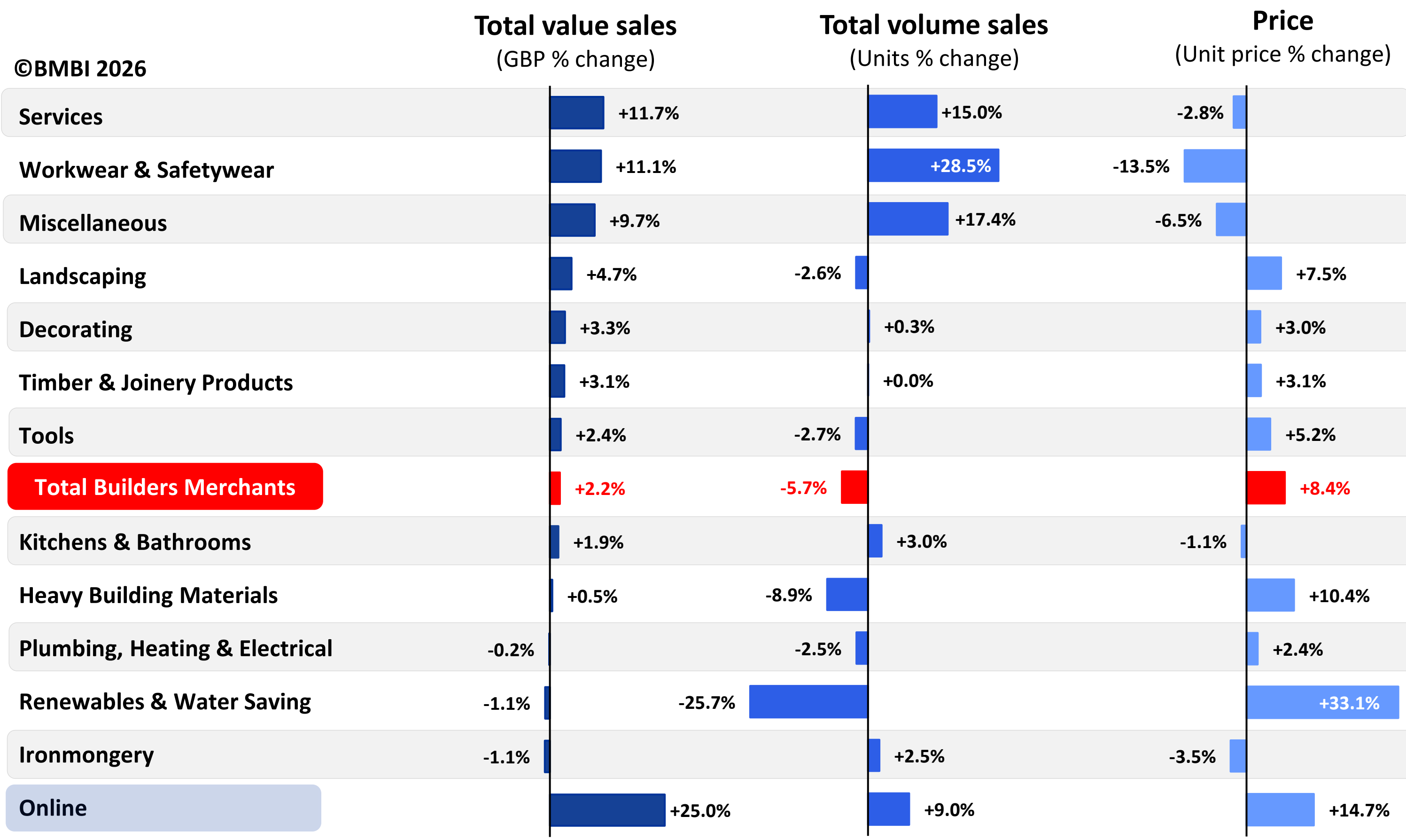
Unadjusted volume sales were down -6.6% but prices were up +5.8%.

Latest month v last year

Total value sales, total volume sales & price % change

Builders Merchant Building Index

June 2026 v June 2025



NIQ GfK
Source: GfK's Builders Merchants Total Category Report: January 2019 to June 2026

With one more trading day, **unadjusted value** sales were +2.2% higher June 2026 than in June 2025.

Unadjusted volume sales were -5.7% lower in June 2026 than in June 2025 but **prices** were up +8.4%.

Latest 12 months v previous 12 months

Total value sales, total volume sales & price % change

Builders Merchant Building Index

July 2025 – June 2026 v July 2024 – June 2025

©BMBI 2026	Total value sales (GBP % change)	Total volume sales (Units % change)	Price (Unit price % change)
Renewables & Water Saving	+8.5%	-10.9%	+21.7%
Services	+3.8%	+1.8%	+2.0%
Workwear & Safetywear	+2.9%	+11.2%	-7.5%
Miscellaneous	+2.5%	+11.8%	-8.3%
Kitchens & Bathrooms	+1.2%	+1.5%	-0.3%
Timber & Joinery Products	+1.0%	-0.0%	+1.0%
Plumbing, Heating & Electrical	+0.8%	-2.3%	+3.1%
Tools	-0.1%	-2.2%	+2.2%
Landscaping	-1.4%	-1.1%	-0.2%
Total Builders Merchants	-1.5%	-4.3%	+2.9%
Ironmongery	-1.5%	+1.5%	-2.9%
Decorating	-1.9%	-2.8%	+0.9%
Heavy Building Materials	-3.7%	-6.6%	+3.0%
Online	+6.3%	+2.0%	+4.2%

NIQ GfK

Source: GfK's Builders Merchants Total Category Report: January 2019 to June 2026

With no difference in trading days in the latest period, **unadjusted value** sales were -1.5% lower than in the previous 12 months.

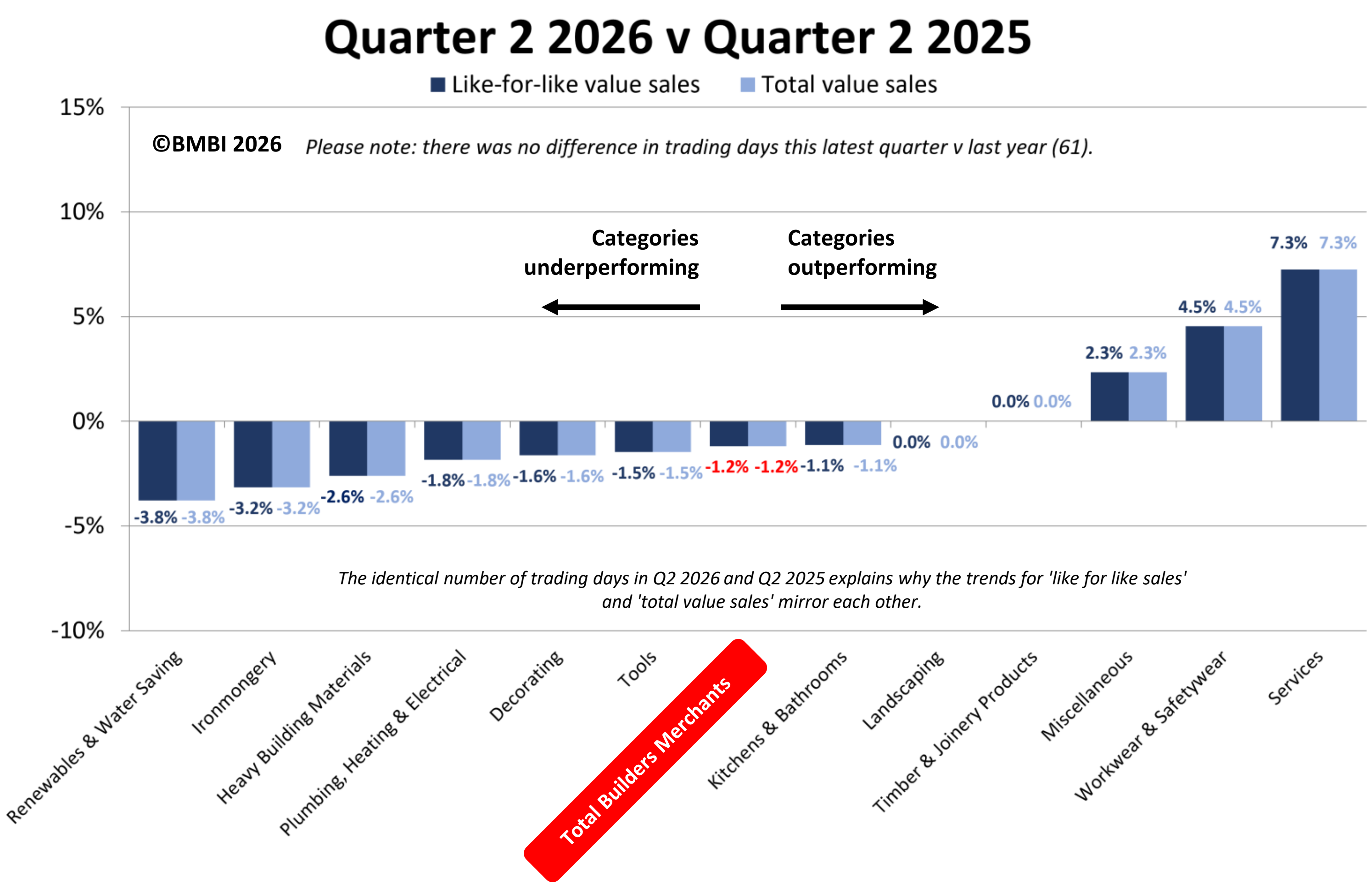
Unadjusted volume sales were -4.3% lower than in the previous 12 months. **Prices** were up +2.9%.

Latest quarter v last year

Like-for-like value sales and Total value sales % change

There was no difference in trading days (61).
Like-for-like sales take trading day differences into account.

Builders Merchant Building Index



NIQ GfK
Source: GfK's Builders Merchants Total Category Report: January 2019 to June 2026

Total Builders Merchants **like-for-like value** sales were -1.2% lower in Quarter 2 2026 than in Quarter 2 2025.

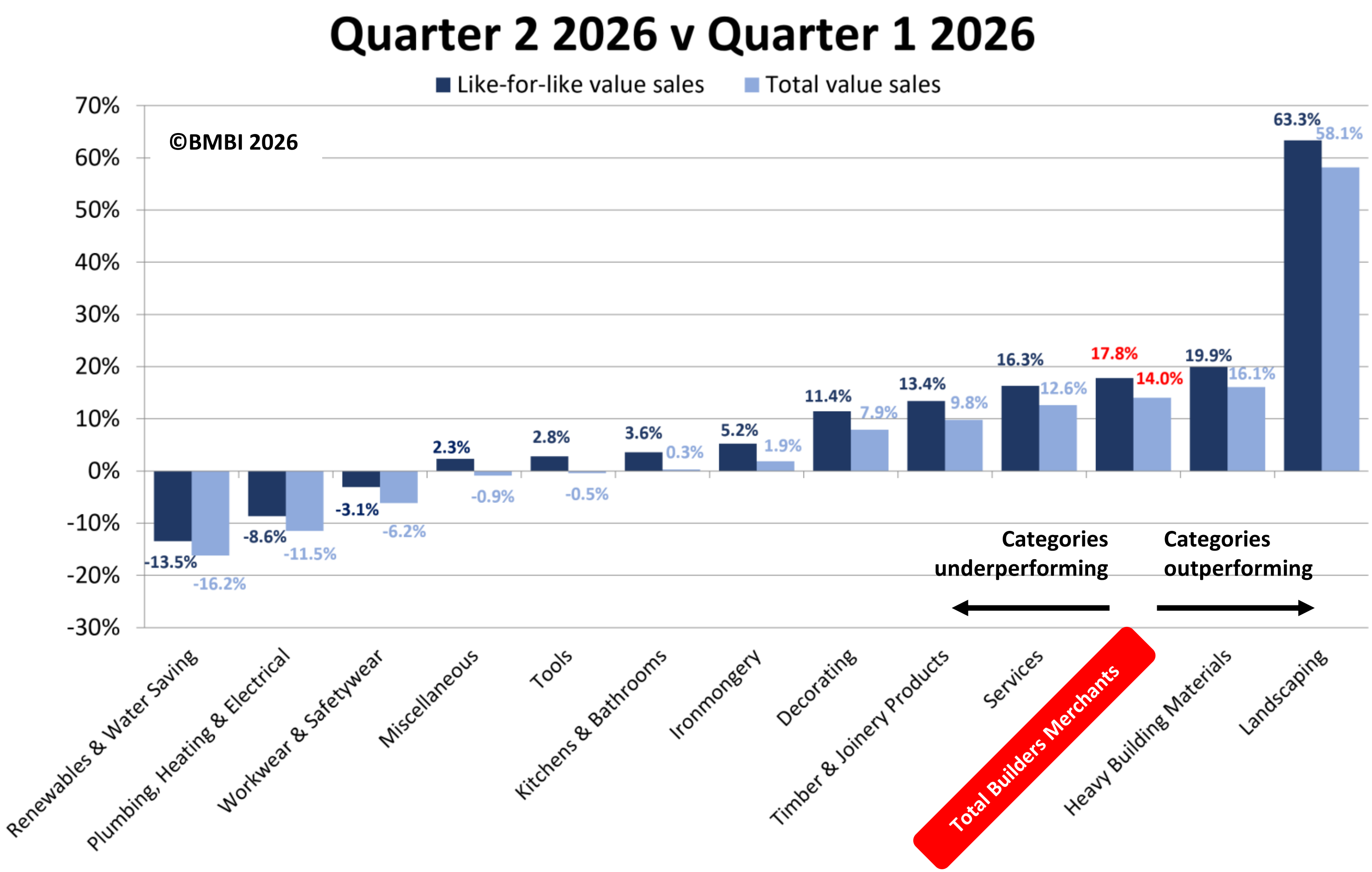
Identical numbers of trading days in Q2 2026 and 2025 means like-for-like sales and Total value sales are equal.

Latest quarter v previous quarter

Like-for-like value sales and Total value sales % change

61 trading days this quarter v 63 trading days last quarter.
Like-for-like sales take trading day differences into account.

Builders Merchant Building Index



NIQ GfK

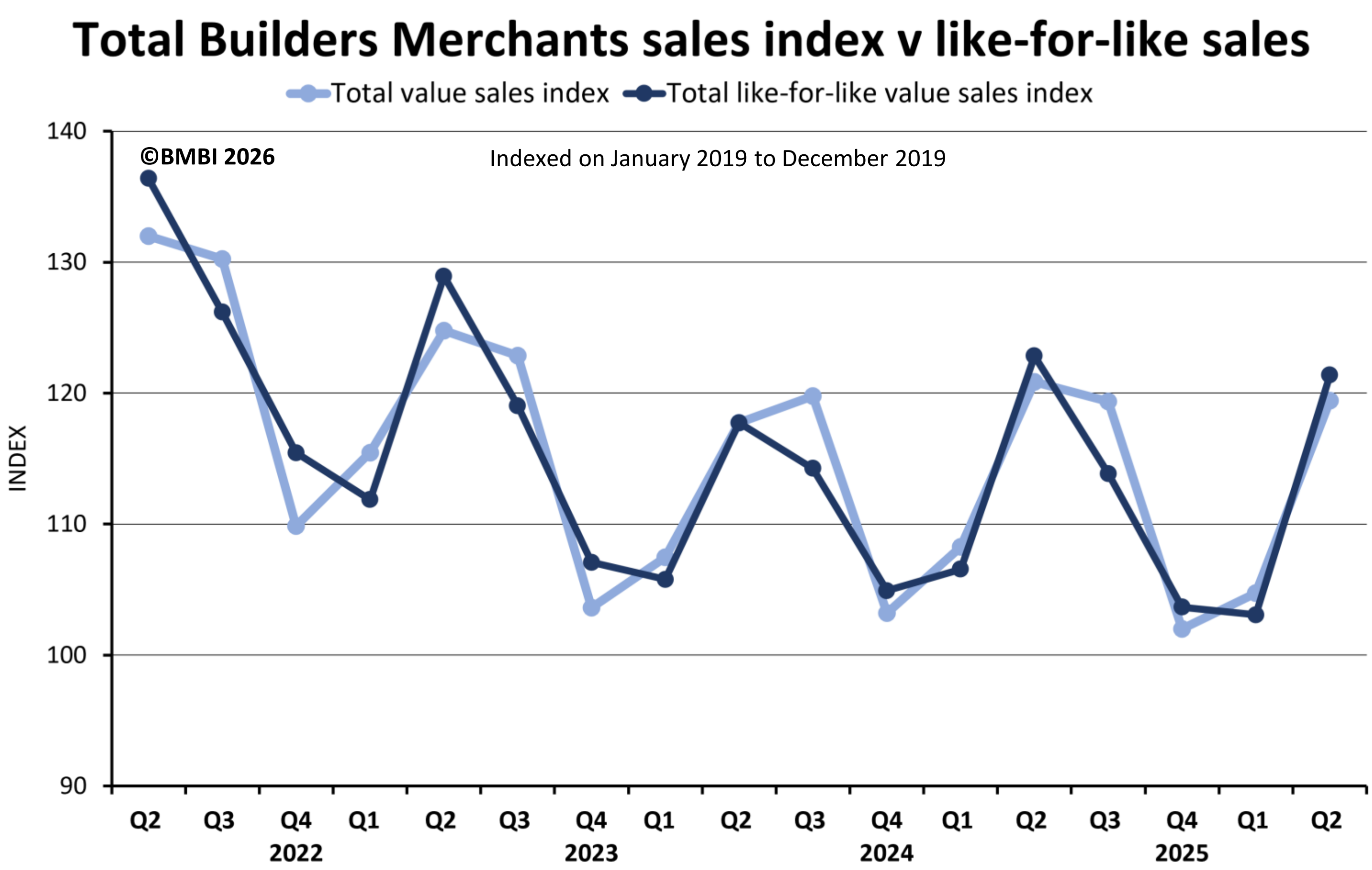
Source: GfK's Builders Merchants Total Category Report: January 2019 to June 2026

Landscaping was the top performing category, Renewables & Water Saving the weakest.

Quarterly: Index

Like-for-like value sales and Total value sales % change

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 2026

The Quarter 2 BMBI **like-for-like value** sales Index was 121.4.

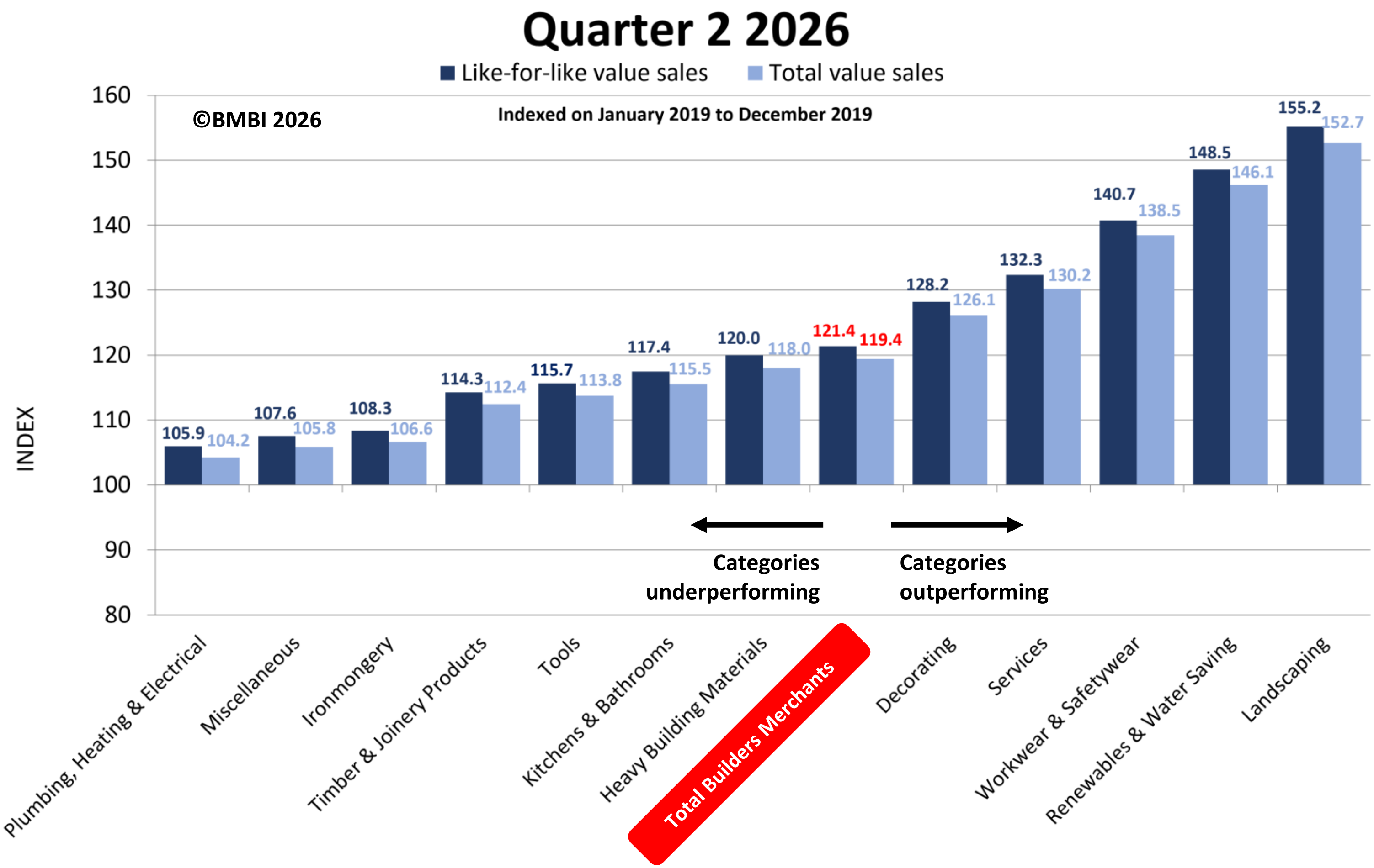
With one fewer trading day this quarter versus the Index base period, the **unadjusted value** sales Index was 119.4.

Latest quarter: Index by category

Like-for-like value sales and Total value sales % change

Builders Merchant Building 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 2026

Landscaping indexed the highest.

Plumbing, Heating & Electrical indexed the lowest.

Quarterly: Index and Categories

Like-for-like value sales Index: Quarter 2 2024* to Quarter 2 2026

Indexed on January 2019 – December 2019

Builders Merchant Building Index

QUARTERLY LIKE-FOR-LIKE SALES VALUE INDEX	Index	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Total Builders Merchants	100	117.73	114.3	104.9	106.5	122.8	113.8	103.7	103.1	121.4
Timber & Joinery Products	100	108.53	107.3	99.4	100.0	114.2	109.1	100.9	100.8	114.3
Heavy Building Materials	100	118.6	116.4	106.1	107.3	123.2	114.2	102.0	100.1	120.0
Decorating	100	129.81	127.4	117.2	115.8	130.3	123.1	115.4	115.1	128.2
Tools	100	116.21	111.1	111.4	111.3	117.4	112.2	110.4	112.5	115.7
Workwear & Safetywear	100	128.39	130.2	141.2	135.1	134.6	126.6	144.5	145.2	140.7
Ironmongery	100	106.84	105.7	101.0	104.8	111.9	105.0	100.8	102.9	108.3
Landscaping	100	143.4	124.1	92.1	102.5	155.2	125.7	91.4	95.0	155.2
Plumbing, Heating & Electrical	100	105.59	103.5	112.8	115.1	107.9	104.2	116.6	116.0	105.9
Renewables & Water Saving	100	124.25	129.8	140.4	143.2	154.4	144.2	150.8	171.7	148.5
Kitchens & Bathrooms	100	116.11	111.6	111.6	111.7	118.8	115.0	113.2	113.4	117.4
Miscellaneous	100	99.253	98.0	98.0	105.2	105.1	100.0	103.9	105.1	107.6
Services	100	117.79	116.7	112.3	110.3	123.4	118.5	115.8	113.8	132.3

*Click the web link below to see the complete series of quarterly indices from Q2 2024.

NIQ GfK

Source: GfK's Builders Merchants Total Category Report: January 2019 to June 2026

Quarterly: Index and Categories

Total value sales Index: Quarter 2 2024* to Quarter 2 2026

Indexed on January 2019 – December 2019

Builders Merchant Building Index

QUARTERLY SALES VALUE INDEX	Index	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Total Builders Merchants	100	117.7	119.8	103.2	108.3	120.9	119.4	102.0	104.7	119.4
Timber & Joinery Products	100	108.5	112.5	97.8	101.6	112.4	114.4	99.3	102.4	112.4
Heavy Building Materials	100	118.6	122.1	104.4	109.0	121.2	119.7	100.4	101.7	118.0
Decorating	100	129.8	133.6	115.3	117.7	128.2	129.0	113.6	116.9	126.1
Tools	100	116.2	116.5	109.6	113.1	115.5	117.6	108.6	114.3	113.8
Workwear & Safetywear	100	128.4	136.5	138.9	137.2	132.4	132.8	142.2	147.6	138.5
Ironmongery	100	106.8	110.8	99.4	106.5	110.1	110.1	99.2	104.6	106.6
Landscaping	100	143.4	130.1	90.6	104.2	152.7	131.8	89.9	96.5	152.7
Plumbing, Heating & Electrical	100	105.6	108.5	111.0	116.9	106.2	109.3	114.7	117.8	104.2
Renewables & Water Saving	100	124.3	136.1	138.1	145.5	151.9	151.2	148.3	174.4	146.1
Kitchens & Bathrooms	100	116.1	117.0	109.8	113.5	116.9	120.5	111.3	115.2	115.5
Miscellaneous	100	99.3	102.7	96.4	106.9	103.4	104.9	102.2	106.8	105.8
Services	100	117.8	122.3	110.4	112.1	121.4	124.3	113.9	115.7	130.2

*Click the web link below to see the complete series of quarterly indices from Q2 2024.

NIQ GfK

Source: GfK's Builders Merchants Total Category Report: January 2019 to June 2026

Why Construction Matters

Mike Rigby, Managing Director - MRA Research

Construction accounts for over 6% of the UK economy. That doesn't sound much, but it's a lot bigger than other sectors with a far higher profile. Agriculture has not only a seat in Cabinet, but also two long running radio programmes, The Archers and Farming Today, to get its messages across. There is also a popular TV series, Clarkson's Farm. Agriculture is also more engaged. When farmers get angry they get into their tractors and besiege Parliament to get their story into the headlines. Construction has made determined efforts in recent years to get its messages across but must do more to overcome a lack of awareness and understanding.

Construction is vital to Britain's prospects. It's a key enabler for how we travel, live and work, a positive contributor to UK growth. Without enough homes in the right numbers in the right places, Britain gums up. People can't move around the country to work, or when changing jobs. It's harder for Enterprise to build businesses too.

Reading media headlines, news reports, and opinion pieces you'd think the UK was irredeemably incompetent, a sad basket case. True, our systems are so clogged up with self-imposed obstacles that construction costs and time to build escalate to an extraordinary degree. We take forever to build anything. In many developed countries that we compare ourselves with, it takes far less time and far less cost to build. Government could do something about that if it really wants Britain to grow.

Yet we should keep a sense of perspective and not talk our economy and markets down, when complaining about the state of Britain today. Growth is anaemic and we constantly fall short of expectations, but other developed countries face similar challenges. Some are doing less well and growing more slowly. In the G7 groups of companies, for instance, the US grew fastest in 2025 (+2.1%), with Canada a close second (+1.9%). But the UK came third with +1.3%, comfortably ahead of Japan (+1.1), France (+0.8), Italy (+0.5), and Germany (+0.2). You wouldn't know that without digging behind the media or political knockabout. We are hyper-aware of our own challenges, but we don't have to deal with the scale of collapse of Germany's powerhouse auto industry, for example.

According to the Office for National Statistics, Services is the largest component of output, at 80%, but households account for just under 60% of national expenditure. How confident consumers are, and how confident they feel to spend matters hugely to the economy, and to the building materials supply chain. New Housing and RMI are the two largest construction sectors. That's why consumer confidence matters so much to Construction and the country, and why talking our markets down is self-defeating.

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Without enough homes in the right numbers in the right places, Britain gums up. People can't move around the country to work, or when changing jobs. It's harder for Enterprise to build businesses too.

Overview and Insights

Emile van der Ryst,

Key Account Manager – Trade & DIY – NiQ GfK

By the end of June 2026, the wider UK economy remained in a state of minimal growth, with this pattern, a lack of comprehensive and sustained government intervention, and continued red tape challenges continuing to hamper the construction sector. The overall UK economy had improved after a weak end to 2025, but momentum was uneven, interest rates remained restrictive and Middle East tensions kept energy and oil-price risk in the foreground.

Against this backdrop Builders Merchants value sales were down -2.2% for 2026 H1 versus the same period in 2025. This was primarily volume-led, with volumes falling -7.4%, while average price rose +5.6%. 2026 Q2 showed a slightly less negative value position, down -1.2% versus 2025 Q2, but the same underlying pattern remained with volumes materially lower and average price growth supporting the headline value result.

Heavy Building Materials continued to be the main driver, declining -4.6% in value during 2026 H1. Volumes were down -10.4%, with average price up +6.5%, showing that pricing only partly offset weaker underlying demand. Bricks and blocks were the most important negative contributors, with cement and plasterboard driving declines to a lesser extent. The average price increases for aggregates and insulation resulted in value growth for both, but these still had volume declines. Q2 was less weak than the half-year trend at -2.6%, but still volume-led, suggesting core project activity remained subdued.

Timber & Joinery Products was comparatively resilient, increasing +0.4% in value during H1 despite lower volumes, supported by modest price growth. Timber and sheet materials both grew in value, with timber only seeing a small volume decline. Landscaping was down -3.0% in H1, although Q2 was effectively flat. The category’s half-year decline was mainly down to fencing and gates, with decking also contributing.

Several smaller categories provided counterbalance. Renewables & Water Saving was the best performing of the smaller categories, increasing by +7.8% in value. Services and Workwear and Safetywear also saw value growth, increasing by +5.3% and +6.1% respectively. Most of the smaller categories saw a drop-off in Q2 growth, with only Services improving. Plumbing, Heating & Electrical was however down by -0.5% in value, driven mostly by heating related products such as radiators.

For the remainder of 2026 there is an expectation that merchants remain under pressure, with volumes recovering only gradually. Pricing should continue to cushion value, but unless housing, RMI and project confidence improve, the sector is likely to finish the year modestly down in value, with heavy-side categories still the clearest risk.

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Coverage and data audits

As part of its ongoing drive to ensure the most accurate and relevant understanding of market coverage NiQ 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.

NiQ 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**

NiQ GfK has completed its latest universe study for the builders' merchant channel and estimates coverage is 88%.

Merchants' View

John Newcomb, CEO - BMF

The second quarter has brought little improvement for the UK construction industry, with weak demand continuing to weigh on building materials sales. Residential remains the biggest concern, while economic uncertainty, affordability pressures and high costs continue to hold back investment.

The Glenigan Index, which tracks construction starts under £100m, highlights the scale of the problem. The value of construction work starting on site fell by 15% in Q2 2026 compared with Q1 and was 38% below Q2 2025. Residential starts were particularly weak, falling 31% quarter-on-quarter and 52% year-on-year.

NHBC figures reinforce the weakness in private housebuilding, with 29,162 new homes registered for construction in Q2, down 4% on Q2 2025. Private sector registrations fell by 5%, although rental and affordable registrations were broadly unchanged at 10,117.

The impact of the slowdown in housebuilding is clearly visible in material deliveries. Department for Business and Trade (DBT) figures show brick deliveries fell by 16.3% year-on-year in the 12 months to June 2026. Conversely, stocks of bricks at the end of June 2026 were 14.2% higher than in June 2025 and 46.9% higher than pre-pandemic levels in June 2019.

While housebuilding remains firmly in the doldrums, there are glimpses of future recovery in other sectors. Although the RICS Construction Monitor reports Q2 as the fifth consecutive quarter with a negative construction workload balance, the overall construction workload balance improved from -12% in Q1 to -4% in Q2. Infrastructure continues to be the strongest performer, with workloads rising from +4% to +16%. Other public works, including education and healthcare, reached +9%. But the private sector is struggling; private housing has risen to -12% from Q1's -19%, private commercial has risen to -7% from -15%, and private industrial to -9% from -15%.

It shows the state of the industry that the fact that the rate of output contraction is slowing is a cause for celebration. This might be a sign that the downturn is bottoming out, but construction is still declining, and housing is the worst-affected sector. Delivering planned investment in public and social housing, alongside measures to restore confidence in private housing, is essential to turn expectations into actual projects and achieve the growth we all want to see.

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The Experts
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)

James Crossland, Commercial Director, Pavestone & Bekstone (of the Pavestone Group) is BMBI's Expert for Natural Stone & Porcelain Paving.

Quarter Two started with strong paving sales in April as merchants stocked up for summer ahead of forecast shortages in Indian sandstone and porcelain. After a lull in May, June performed better than expected, with sunny weather driving demand for laying paving and enjoying outdoor spaces.

The last summer this hot was 2020, but consumer demand is not at Covid levels. Rising material costs and economic headwinds are straining finances and dampening confidence, hitting the volume end of the market hardest as homeowners cancel or delay garden projects. The Iran conflict continues to disrupt the paving supply chain. The blockade of the Strait of Hormuz has restricted gas supplies to India, forcing several porcelain manufacturers to suspend production for around six weeks, creating short-term supply problems. Merchants adapted quickly by switching to European porcelain. Although typically more expensive, it offers consistently higher quality and more stable supply and shipping costs.

Bekstone's high-quality walling stone, manufactured in the Cotswolds, has bucked the national trend with strong first-half sales. However, even in more affluent areas, developers face difficulties securing planning permission. Elsewhere, many are cautious and build predominantly to order. In response, Bekstone is reintroducing cast stone and investing in further range developments to support a wider range of projects.

Government stimulus is needed to get Britain building again. While Help to Buy is unlikely to return soon, private housing needs a stimulus to give housebuilders confidence to bring more sites forward. Measures supporting homebuyers, improving affordability and unlocking stalled developments would boost demand and give the supply chain confidence to invest. The Government's housing targets will only be achieved if the private sector has the demand and confidence to build.

Looking ahead, Q3 demand is likely to remain subdued. Shipping charges have more than doubled in recent weeks, adding further pressure. We continue to manage shipping costs carefully to protect customers, provide value and support merchants in driving demand through digital tools and targeted marketing.

We are also working with walling stockists to develop more regional and sustainable products, helping them differentiate locally and better support housebuilders. Ultimately, greater confidence in private housing is needed to stimulate demand and encourage more developments, benefiting the entire construction products supply chain.

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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.

While Q2 2026 saw an improvement in overall volumes versus Q1 2026, it was still lower than the same period in 2025. In the half year, volumes have dropped back to 2024 levels with little optimism for the coming months.

The impact of the fluctuating, even unpredictable, geopolitical events, the domestic political revolving door and continued cost inflation all add unrelenting pressure to the house building sector and manufacturers alike. These are not new headlines over the past five or so years; it's just the same impacts keep happening, and more frequently.

However, the strategic vision of improving the quality of houses being built in the future to the Future Homes Standard 2025 is extremely important, yet it does add additional cost. The Future Homes Standard is the government's plan to make every new home "zero-carbon ready": efficient enough that no further work will be needed to decarbonise it as the electricity grid gets cleaner. It tightens both Part L (energy) and Part F (ventilation) of the Building Regulations and brings in a new way of calculating compliance.

Regulation is required to drive forward improvements, yet fairness may be an issue, and planning reforms have sped up the process. The fundamentals of excellent quality homes, a well-regulated sector and timely planning are being put in place for a better future.

Affordability, consumer confidence, and economic viability for developers remain the short-to-medium term core issues. Will a new Prime Minister be able to unlock the potential and understand the significant contribution house building makes to the UK economy?

Material pressures for house builders look set to continue, with the new UK Steel Strategy, which is already having an impact, and which will continue to increase steel prices, domestically made or imported. In addition, the EU Carbon Border Adjustment Mechanism being implemented on 1st Jan 2027 will maintain or add further increases. Partnering, with longer-term commitments, will be something house builders will continue to adopt with key suppliers to secure best-priced materials.

Never a dull day.

Will a new Prime Minister be able to unlock the potential and understand the significant contribution house building makes to the UK economy?

Expert Panel
Drylining Systems
(Part of Heavy Building Materials)

Customers are looking for confidence in their supply chains, confidence in technical guidance and system testing, and confidence that partners can help them navigate growing complexity.

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

The last quarter's performance showed some stability, but the growth agenda from policy makers continues to be lacking. Within that the drylining sector also continues to operate in a market shaped by ongoing economic uncertainty, evolving regulatory requirements, increasing scrutiny around compliance, and building performance. One theme continues to emerge strongly from conversations with merchants/distributors, contractors, and specifiers: the need for ongoing greater clarity and consistency.

The challenge is not simply obtaining products quickly. Customers are looking for confidence in their supply chains, confidence in technical guidance and system testing, and confidence that partners can help them navigate growing complexity. Whether it is understanding changing regulations, demonstrating compliance, or planning projects months in advance, clarity has become a critical enabler of good decision-making.

The same applies to logistics and fulfilment. In our experience, predictability matters more than speed. A supplier who consistently delivers when promised creates far more value than one who occasionally delivers faster but cannot provide certainty. Delays, shortages, and last-minute changes can disrupt programmes, increase costs, and erode trust across the supply chain. This is why manufacturers continue to have an important role to play in creating stability for customers. British Gypsum focuses on improving service reliability and the accessibility of our expertise.

Our Critical Win programme has been designed to strengthen supply chain performance and improve customer outcomes. We have improved next-day delivery availability and product availability at the point of order helping customers plan with greater confidence that products will be available when needed. While these improvements may appear modest in isolation, they reflect a commitment to consistent service and dependable fulfilment.

Alongside supply performance, customers increasingly need support to navigate technical and regulatory complexity. Our Design Academy; expanded webinar programme; digital learning resources; and investment in practical training helps customers understand how systems should be installed, and why certain requirements matter. By providing accessible guidance, role-specific learning, and compliance-focused content, we aim to build confidence across the industry and support the next generation of talent.

We are strengthening our technical support capabilities through recruitment, investment in specialist expertise, and new digital tools. Combined with more flexible fulfilment options and enhanced customer service, these initiatives aim to provide what customers ask for most: greater clarity, greater consistency, and greater confidence in the decisions they make every day.

Expert Panel

Mineral Wool Insulation

(Part of Heavy Building Materials)

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

Construction activity remains tepid. On-again, off-again oil supply chains don't help, nor does the distraction of the UK's new national sport – changing prime ministers. It's all contributed to an unwelcome cooling in the housebuilding sector that has suppressed demand for materials for longer than analysts anticipated.

There are early signs of consumer confidence returning. If interest rate anxieties ease, housing starts should begin to recover. A different type of cooling may provide opportunities for merchants to make up volumes in the meantime.

Public interest in home cooling rose with the mercury as the country sweltered through a record-hot June. Sales of air conditioning have spiked as people anticipate a new normal and seek ways to keep their homes comfortable.

With a renewed interest in the energy performance of their homes, these customers present a good opportunity to cross-sell insulation. Because, like their heat pump counterparts, AC units are far more effective in a well-insulated home.

That may feel counterintuitive, as we usually associate insulation with keeping our homes warm. But its real role is to slow down the transfer of heat, whether from the inside-out in winter, or the outside-in in summer. A well-insulated home, combined with controlled ventilation and the right shading to manage solar gain, creates the stable indoor environment AC needs to work most efficiently. Fabric first is still the foundation, whether the homeowner is turning the thermostat up or down.

Action will be needed at a national level to ensure we have the design standards, skilled contractors and grid capacity to adapt British homes to a changing climate.

But sleepless homeowners won't wait. Merchants should be ready to sell a more effective, permanent solution to customers looking to buy cooling products, enabled by a combined package of insulation, ventilation control and shading materials. A good opportunity to maintain volumes while merchants wait for housebuilding to heat up once more.

Action will be needed at a national level to ensure we have the design standards, skilled contractors and grid capacity to adapt British homes to a changing climate.

Expert Panel
Cement & Aggregates
(Part of Heavy Building Materials)

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

It's been another tough quarter for merchants and suppliers alike. While the weather has improved it has done little to rally construction activity, and volumes for bagged cement and aggregates remain historically low.

The Mineral Products Association's (MPA) latest report shows there was a steep decline in construction demand for mineral products in Q2, with ready-mixed concrete sales down -5.9% quarter-on-quarter, and drops in aggregate (-2.8%) and mortar (-1.8%) volumes too. Asphalt sales were the only silver lining, with a 2% increase compared to Q1, as regional pockets of road maintenance work boosted volumes.

Regionally, the East of England and Scotland are faring better than most as major road, water and energy projects have increased mineral demand. At the other end of the spectrum ready-mixed concrete sales in London have fallen -31% in the last year, and are -51% below 2022, suggesting acute weakness in housing, major commercial and infrastructure developments in the city.

The continuing conflict in Iran is certainly a contributing factor to the downturn. Despite numerous peace deals, there is still a lot of uncertainty in the Middle East region and prices are going up due to the blockade of the Strait of Hormuz. This is impacting consumer confidence, and in turn, demand for new builds. RMI has also been affected but appears to be a little more resilient to outside influences.

Manufacturers too are struggling with cost inflation and many of us have had to introduce surcharges in Q2 to cover, in part, some of the added costs on fuel, energy and plastic packaging. We can't pass everything on to merchants and our customers, particularly as volumes remain so challenging. We know businesses are having to make hard decisions.

We are all hoping that the appointment of Andy Burnham as Prime Minister provides a period of stability for the UK, and some much-needed stimulus for housebuilding and infrastructure. He's talking about a new focus on council house building, which is welcome, but we need to see realistic targets being set, and proper consideration for the same problems that thwarted Keir Starmer's government's efforts to build 1.5m homes: skills shortages, supply chain issues and consumer engagement.

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Expert Panel
Paint
(Part of Decorating)

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

UK Trade Paint volumes softened further in Q2 with demand under pressure as construction and housing sectors weakened. Premium decorative products remain resilient, but the overall outlook has become more cautious as the year progresses.

June Trade Paint volume declined by -1.9% year on year. Adjusted for working days, it was notably softer at -6.4%. This leaves the market down -2.0% year to date, equivalent to a shortfall of around 1.6 million litres versus the prior year. Masonry accounts for the majority of that decline at approximately 1 million litres, reflecting ongoing weakness in exterior work. While masonry is significantly down year to date at -16%, second quarter performance improved relative to Q1 with Q2 at -14% year on year versus -20% in the first quarter. Emulsions were also softer than 2025 with Q2 highlighting more subdued demand.

Value has been more resilient than volume with June value growth at +7.4% year on year or +2.5% when adjusted for working days, lifting year to date value up +3.7%. Premium emulsion is a key driver of value growth, particularly across aesthetic and durable solutions such as Dulux Heritage and Dulux Trade Diamond Matt, while coloured emulsions support a positive mix and customer spend. Premium Aesthetics were especially strong in June with volume up +50% year on year, adding 0.4 million litres and +12.3% ahead year to date. Weaker masonry demand points to a likely shift in job mix toward interior from exterior projects.

Pressure on new housing and Domestic RMI remains evident with the twelve months to June volume at -7.2%. But three-month survey data shows a modest upward trend which may indicate that some areas of the market are beginning to stabilise. While construction softness is likely to persist through 2026, the market benefits from selective areas of consumer investment in home improvement and premium decorative finishes.

Regional diversity is also creating opportunities for manufacturers and merchants to outperform local demand trends with targeted product and service propositions.

Trade Paint volumes are likely to continue to soften in the second half, but there are reasons for cautious optimism for value. Premiumisation trends driving demand for coloured emulsions and decorative upgrades, and differing regional market dynamics should continue to provide resilience and opportunities for growth despite the challenging volume backdrop.

...three-month survey data shows a modest upward trend which may indicate that some areas of the market are beginning to stabilise.

Expert Panel
Roof Windows
(Part of Timber & Joinery Products)

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

Extremes of weather made the first half of 2026 an ongoing trial for construction companies. Quarter one was one of the wettest starts to the year, making building difficult. Quarter two was one of the driest with a succession of record-breaking heatwaves that also made building difficult and more costly for developers and main contractors

With additional costs to keep sites accessible, and brick work gangs stood down for weeks on end, because of extremes of weather, the lost capacity will never be fully recovered. However, construction is resilient and builders did their best to recover lost ground where they could.

Geopolitical tensions and their effect on inflation will knock consumer confidence and dampen demand in the second half. As households battle with inflation, most notably on energy and fuel, decisions to improve or move are being put on hold. A new Labour Prime Minister is sticking to the Government's housebuilding pledge while looking to a revival of social housing to get building back on track, but the overall target has never looked further out of reach. With mortgage rates and inflation rising, and further Bank of England base rate cuts looking unlikely, the housing market urgently needs a stimulus.

As a challenger brand, our sales team is extremely active, focusing on the core activities that deliver results: supporting our partners with stocking, specification and installation advice, acting as an extension of merchants' sales teams, and bringing them orders.

The on-off US-Iran conflict has ramped up oil prices and driven cost price inflation in transport and materials such as PVC, aluminium and glass. An exceptional price increase in the second half of the year will be necessary for Keylite but will be kept to a minimum as we recognise the impact rising prices have on construction activity.

Keylite focuses on innovation. We have brought several new products to market this year, creating solutions to the Future Homes Standard for developers, and margin opportunities for merchants. To promote some of these new innovations, in conjunction with our sister brands in the Keystone Group, we have hosted 175 National and Regional developers, SAP assessors and specifiers at a series of Innovation Days between 2025 and 2026. .

With additional costs to keep sites accessible, and brick work gangs stood down for weeks on end, because of extremes of weather, the lost capacity will never be fully recovered.

However, construction is resilient and builders did their best to recover lost ground where they could.

Expert Panel
Plumbing & Drainage

Kevin Bohea, P&D Divisional Director, Brett Martin is BMBI's Expert for Plumbing & Drainage

The UK construction market presents a mixed and challenging picture in Q2. Housebuilding is under considerable pressure, from affordability constraints, planning delays and subdued consumer and investor confidence. Although the underlying need for new homes is clear, a sustained recovery is required to translate demand into stronger volumes.

However, RMI is resilient and an important source of stability for builders' merchants and the supply chain. Britain has a large and ageing building stock that requires continual repair and maintenance, and much of this work cannot be postponed indefinitely. Essential projects—including roofing, drainage, plumbing and general weatherproofing—contribute to demand, even where households and businesses take longer to commit to discretionary improvements.

RMI is supported by the need to improve the quality, energy efficiency and long-term performance of existing properties. With the replacement rate of UK housing stock relatively low, upgrading homes and commercial buildings will continue to be a significant requirement. Spending fluctuates, but the breadth and depth of RMI make it less exposed than new housebuilding to any single market influence.

Professional contractors and experienced homeowners are responding pragmatically to the economy. Projects may be phased, specifications carefully considered and decisions made closer to the point of need, but activity persists. This creates a market in which product availability, dependable service and trusted technical support are especially valuable. Builders' merchants remain central to meeting demand, offering local stock, practical expertise and the flexibility required to serve projects of every size.

Raw material costs remain high and it's not clear when meaningful reductions might emerge. Although crude oil prices have fallen from previous peaks, this has not translated into lower prices for many polymer-based raw materials. Energy, labour, transport, packaging and regulatory costs are also elevated, despite what oil price movements might suggest.

We are cautious about the outlook, but the responsiveness and resilience of the supply chain provide grounds for confidence. Brett Martin is committed to supporting merchant partners through reliable product availability, strong manufacturing capability and responsive customer service. Our focus is on maintaining a robust and dependable supply chain, helping merchants carry the right products and ensuring that customers can obtain them when projects require them.

Through close collaboration between manufacturers, merchants and contractors, the industry is well placed to respond when confidence and activity in construction gains momentum.

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Expert Panel
Plastic Plumbing for Hot and Cold Water Systems

Matt Williams, Managing Director of Polypipe Building Products is BMBI's Expert for Plastic Plumbing for Hot and Cold Water Systems

Leadership changes at the top of government inevitably bring a wave of anticipation, and for the residential housebuilding sector, a new Prime Minister represents a pivotal moment. The industry thrives on stability, yet it desperately requires decisive political stimulus to overcome the longstanding delivery challenges. As Andy Burnham refocuses the government's economic growth agenda, planning reform, and environmental legislation will dictate the pace of our sector's growth throughout this decade and beyond.

At the heart of this is the tension between ambitious national housing targets, such as the commitment to build 1.5 million homes and the practical realities on the ground. The new Prime Minister can act as a powerful catalyst by streamlining the planning system, empowering local authorities, and unlocking stalled developments. This intent however must be matched with action. The industry needs certainty, swift planning approvals and backing for infrastructure to turn plans into the homes our country so desperately needs. This would benefit all the industries which support housing delivery.

At the same time as the sector is navigating the most significant regulatory overhaul in a generation, and the Future Homes Standard is coming into sharp focus, manufacturers and developers are pivoting toward low carbon heating solutions such as Underfloor Heating, enhanced air circulation, and solar panels. The new team at the top of government must ensure that implementation timeframes remain tightly enforced. Sudden political shifts or mixed messaging regarding green levies and building regulations risk creating severe supply chain friction and delaying investment further.

Ultimately, the new Prime Minister has an opportunity to forge a collaborative path forward. By aligning economic stimulus with a pragmatic approach to net-zero regulations, Downing Street can instil the confidence the construction supply chain needs. Integration, innovation, and compliance are our industry's priorities. With stable political backing, we can finally unlock the true capacity of housebuilding in this country which Polypipe Building Products are brilliantly placed to support.

The industry needs certainty, swift planning approvals and backing for infrastructure to turn plans into the homes our country so desperately needs. This would benefit all the industries which support housing delivery.

Expert Panel
Softwoods & Engineered Wood

Metsä

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

Demand for engineered wood products during the second quarter was broadly in line with seasonal averages, indicating that the residential housing market during this period was relatively flat. However, some housebuilders are increasing the level of discounting required to maintain their rate of sale, suggesting that underlying market conditions may be slightly weaker than the headline numbers indicate.

Many of the homes purchased during the second quarter will have been financed using mortgage products secured before the increase in borrowing costs resulting from the conflict in Iran. During the period, the average two-year fixed rate at 75% Loan-to-Value (LTV) rate increased from approximately 4% to 4.75%. These higher borrowing costs are likely to act as a brake on private residential construction activity during the second half of 2026.

Against these challenging market conditions, Metsä Wood continues to focus on creating value across the supply chain and helping customers improve efficiency through product innovation. We recently launched Finnjoist® FP+, a new factory pre-insulated I-joist designed to simplify timber frame production by removing the need for insulation to be measured, cut and fitted as a separate manufacturing stage. The solution also provides verified enhanced fire performance for applications designed to meet Product Paper 4 requirements, which comply with the fire testing and performance required for products in a timber frame assembly, while improving acoustic performance in intermediate floors.

The UK is predominantly a redwood (pine) market, and the imported redwood market has seen a period of relative stability throughout the second quarter. Demand and supply are roughly in balance at low levels, however. Sawmills have been supported by a softening of redwood log prices in 2026 but are still at high levels versus historical averages. Sawmills have looked to recover the inbound logistics costs associated with exporting.

Demand for Nordic whitewood (spruce) remains stronger than for pine and availability is less well balanced. Increased demand from Central Europe has placed pressure on the supply of some specifications, with UK buyers increasingly competing with other markets for available material.

...continues to focus on creating value across the supply chain and helping customers improve efficiency through product innovation.

Expert Panel
Heating and Hot Water Solutions

BAXI

Paul Haynes, Product, Solutions & Marketing Director of Baxi is BMBI's Expert for Heating and Hot Water Solutions

There was no broad-based recovery in the UK heating market in Q2 2026, but regulation, energy economics, installer capability and consumer confidence are reshaping the market more than any simple cyclical rebound. Heat pumps remain central to the direction of travel, and Q2 showed both the scale of future opportunity and the delivery gap still to close. Ofgem's Boiler Upgrade Scheme (BUS) data shows strong cumulative demand, with 135,500 applications and 87,266 vouchers redeemed since May 2022. The key market reality is converting that interest into completed installations at greater pace and confidence.

Off-gas-grid homes in England and Wales using heating oil can now apply for a £9,000 heat pump grant, up from £7,500. Energy transition consultants, LCP Delta's July 2026 analysis says the uplift can cut the payback of an air-to-water heat pump versus an oil boiler by around two years at current oil prices. This strengthens electrification in suitable homes, but suitability, installer availability, confidence and total installed cost still decide whether a grant becomes an installation.

The Future Homes and Buildings Standards, published in March, are expected to deliver new homes with at least 75% lower carbon emissions than 2013 from 2027. Manufacturers and developers are already preparing, and successful suppliers will support low-risk, integrated heating and hot water solutions rather than sell individual products.

Ofgem confirmed the July-September price cap would rise 13% to £1,862, with gas unit prices up 28% versus electricity up under 6%. The electricity-to-gas ratio limits heat pump economics in many mains-gas homes, but higher gas prices and the BUS uplift for oil-heated homes improve the case in some segments. Change will vary by property, fuel and customer type.

Installer capability remains the biggest structural constraint. LCP Delta expects a pronounced installer shortage, slow electricity market reform and limited CHMM (Certified Hazardous Materials Manager)-driven demand. Consumer intent, supply and incentives matter, but they only change the market if installers can design, specify, fit, commission and support systems confidently and profitably.

The pace of change will depend on removing friction around cost, confidence, training, grid readiness, system design and consumer understanding, while also stimulating genuine demand beyond subsidy-led and replacement-led activity. The market will reward those who support today's heating needs while making low-carbon adoption simpler, more affordable and more trusted.

The Future Homes and Buildings Standards, published in March, are expected to deliver new homes with at least 75% lower carbon emissions than 2013 from 2027.

Appendix

Trading Days

Builders Merchant Building Index

Monthly

Index: 20.7

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2024	22	21	20	21	21	20	23	21	21	23	21	17
2025	22	20	21	20	20	21	23	20	22	23	20	18
2026	21	20	22	20	19	22						

Quarterly

Index: 62

	Q1	Q2	Q3	Q4
2024	63	62	65	61
2025	63	61	65	61
2026	63	61		

Half Year

	H1	H2
2024	125	126
2025	124	126
2026	124	

Full Year

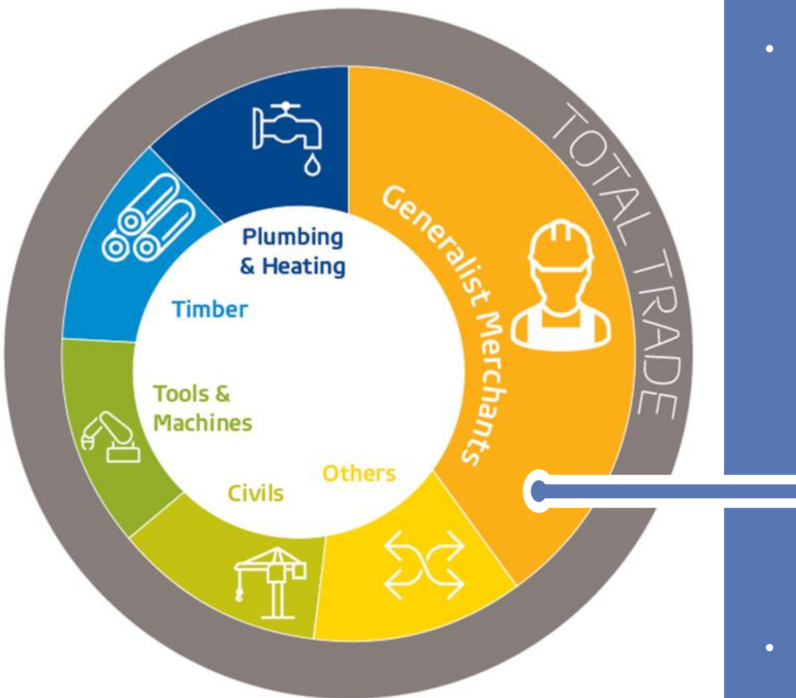
2024	251
2025	250
2026	

NIQ GfK

Source: GfK's Builders Merchants Total Category Report: January 2019 to June 2026

GfK's Definition of Builders Merchant Panel

NIQ GfK



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:

Travis Perkins
selco BUILDERS WAREHOUSE
JEWSON
BUILDBASE BUILDING & TIMBER SUPPLIES
gibbs & dandy
MKM BUILDING SUPPLIES
IBMG INDEPENDENT BUILDERS MERCHANT GROUP
SYDENHAMS Timber & Builders Merchants
EH Smith
COVERS Timber & Builders Merchants
Bradfords
HOWARTH TIMBER & BUILDING SUPPLIES

NiQ GfK's Product Categories

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

Headline values available

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

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

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

Tools
Hand Tools
Power Tools
Power Tool Accessories
Ladders & Access Equipment

Workwear And Safetywear
Clothing
Safety Equipment

Ironmongery
Fixings And Fastenings
Security
Other Ironmongery

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

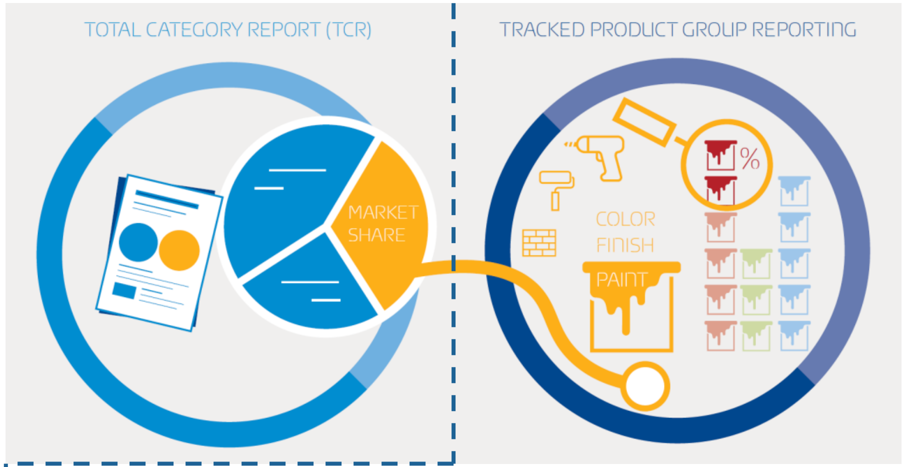
Plumbing Heating & Electrical
Plumbing Equipment
Boilers Tanks & Accessories
Heating Equipment/Water Heaters/Temperature Control/Air Treatment
Radiators And Accessories
Electrical Equipment
Lighting And Light Bulbs

Renewables And Water Management
Water Saving
Renewables & Ventilation

Kitchens & Bathrooms
Bathroom (Including Showering)
Fitted Kitchens
Major Appliances

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

Services
Toolhire / Hire Services
Other Services



In-depth product group reporting

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

For insights on your product group please contact 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)

Excellence in building materials supply

BMF

Excellence in building materials supply

BMF (Builders Merchant Federation) Forecast Report & BMF Sales Indicators

BMF Forecast Report
Summer 2026 Edition

Builders Merchants Industry Forecast Report

The latest forecast report of the BMF's Builders Merchants Industry Forecast, covering Summer 2026 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 Andrei Imbru on 024 7685 4994 or email: Andrei.Imbru@bmf.org.uk

Building the Industry & Building Brands from Knowledge

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Powerful, accurate, continuous insights

MRA
Experienced industry researchers

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cma construction marketing AWARDS 2017 WINNER — Best Product Launch

CMA CONSTRUCTION MARKETING AWARDS WINNER 2020 — Best use of research & insight

CMA 2021 Client League Top 10

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