

Aluminium shows its metal through to 2020

With Brexit looming on the horizon, market predictions are hard to make. Robert Palmer, Palmer Market Research Shared his thoughts with CAB in November.

“The Brexit vote has radically changed our view”, states *The Window, Door and Conservatory Markets in Housing in Great Britain*, by Palmer Market Research. “We now believe growth in house prices - and in particular new build house prices - will slow during Brexit negotiations.”

With the outcome of a High Court review pending, and with the May administration playing its cards distinctly close to its chest, making sense of Brexit and its impact on UK glazing industry in the coming year and beyond is difficult in the extreme.

Giving a presentation to an audience of CAB members on 29th November, Robert Palmer of Palmer Market Research was nonetheless brave enough to ‘put his head above the parapet’.

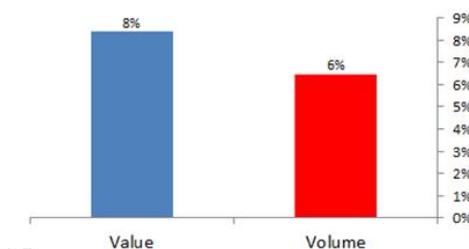
Palmer’s industry-wide analysis argues that a flattening of the market in 2015 saw total volume fall by 0.7%. This was, however, offset by a shift towards higher-end products and higher value installations, which delivered a 2% increase in installed value to £4.20 billion.

Palmer suggests that going forward, prospects are highly variable depending on sector and product offering – something which should offer significant comfort to the aluminium industry.

With its market research data starting in 1976, Palmer is uniquely placed to identify long term trends within the window and door industry and its this longer-term analysis.

This shows that aluminium grew in value terms by 8% in 2015 to £370million. This increase is significant in a market which as a whole, grew by only 2% on the same basis. “What is perhaps more significant is that since 2008 aluminium has seen exponential growth of 37% in value terms. This is impressive because it’s been delivered while the market as a whole grew by just 2%”, explained Robert.

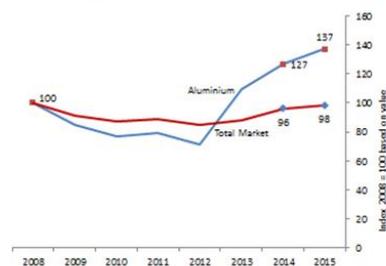
Aluminium Glazing Market Trend in Housing in 2015



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Aluminium and Total Glazing Markets in Housing



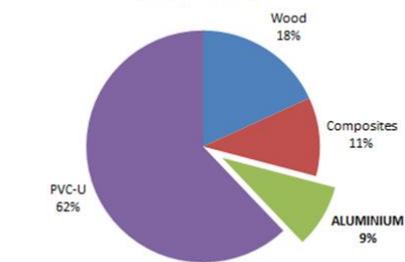
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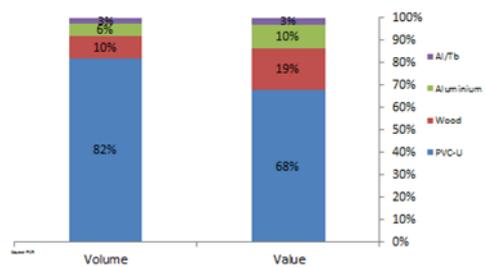
Although PVC-U systems retain the lion’s share of the glazing market, aluminium continued to gain ground last year – up 6% in volume terms. This means that it now accounts for 9% of the total housing market.

Drawing a comparison between volume and installed value for the window market alone, it is also worth observing that although PVC-U makes up 82% of the market in volume terms, in installed value terms it actually slumps to 68%, wood shoots up from 10% to 19% and aluminium from 6% to 10% .

Material share of the housing glazing market by value (all products)

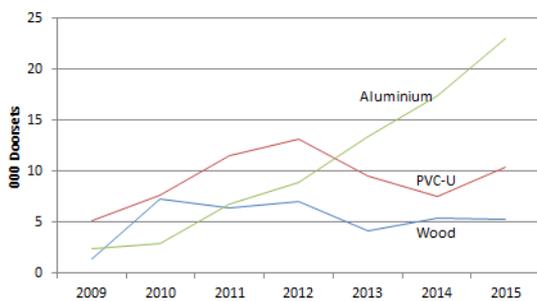


Window Market in Housing 2015 by volume and value

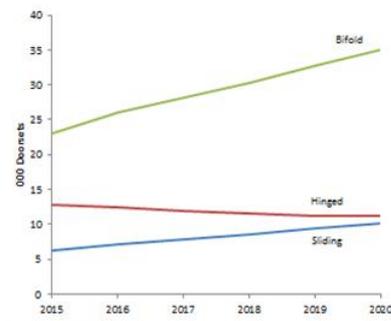


“The aluminium bi-fold door sector has seen a particularly high growth rate in the last few years as a result of changes in fashion and a demand for more flexibility than conservatories can offer. We predict that this will continue through to 2020, achieving total growth of around 50% to 35,000 door sets”, said Robert

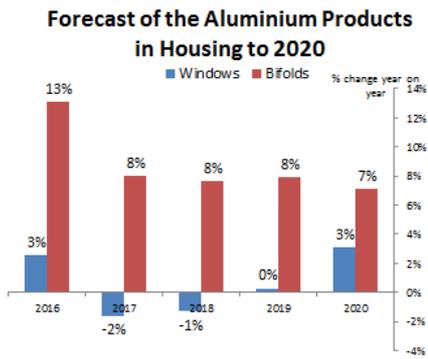
Bifold door market in housing



Forecast of aluminium Patio Door Market in Housing



“Looking at the window market forecasts to 2020 it has become much more difficult to predict since Brexit”, he said. “We would argue that there will be some slowing down of growth and possibly even an element of contraction during 2017 and 2018, with a return to modest growth not occurring until 2020.



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