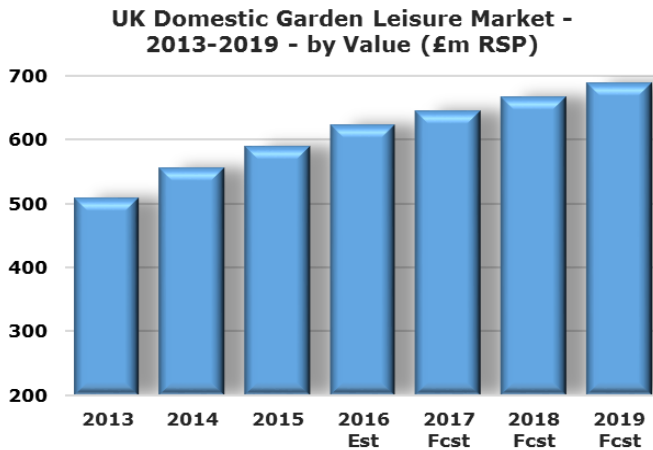




PRESS RELEASE

Value growth of 6% in the UK domestic garden leisure market in 2016

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In 2016, it is estimated that the UK domestic garden leisure market - which includes garden furniture, barbecues and accessories - grew by 6% in value terms, compared with 2015. A new report by AMA Research, indicates that the performance of the market has been linked to improving economic conditions in recent years, also underpinned by reasonable spring and summer weather overall. There has also been a trend towards higher priced items as people invest in their homes.

However, while significant change in expenditure on domestic garden leisure products is due to a combination of factors which include the economy, consumer disposable income and confidence levels, the impact of the weather on the garden leisure sector in any given year cannot be underestimated. This is particularly relevant around the time of major sporting events and Bank Holidays, which provide opportunities for socialising outdoors.

Garden furniture continues to account for the largest share in terms of value mix, though the proportionate share of garden furniture has marginally declined in recent years, given growth in accessories and barbecues. This has been driven by the affordability of accessories, on the one hand, but also by product improvements and innovations in barbecues which have been focused on better performance, ease of use and versatility.

In terms of material mix, metal garden furniture has the highest share by value in 2016, closely followed by wood, with plastic/resin (including rattan effect) estimated to account for a slightly lower share. In recent years, metal and plastic have gained share at the expense of wood. However, evidence suggests that, whilst the trend towards weather-resistant all-year-round materials such as resin effect continues, there has been some renewed interest in different types of hardwood.

"The barbecue market in 2016 has been characterised by an element of trading up to more sophisticated models within each fuel sector, but also the continuation of the trend for replacing charcoal with gas" comments Jane Tarver of AMA Research. *"Other characteristics include a better-informed customer base who are seeking product improvements and innovations for replacements, as well as the desire to use garden spaces for more regular outdoor dining and entertaining."*

The barbecue accessories sector includes barbecue fuel, domestic outdoor heaters, and other accessories such as tools, covers, cooking utensils, replacement parts, etc. The sector is dominated by fuel which is estimated to account for over 60% value share.

Garden leisure products are primarily sourced and manufactured abroad with key source regions including the Far East, China and Eastern Europe. Distribution of garden leisure products is centred on the DIY multiples channel with share estimated at 44% in 2016. However, the growth of the internet sales has been a key characteristic of the market in recent years with sales increasing for specialist e-tailers as well as other more traditional channels as omni-channel approaches are increasingly taken up.

Growth in the domestic garden leisure market is forecast to slow from 2016-17 onwards, with annual growth rates of 3-4% currently forecast to 2021. The domestic garden leisure market is mature, with high household penetration levels, and volume growth is likely to be moderate in the short to medium term. In addition, the UK is currently facing economic uncertainty over the short-medium term as the Brexit process begins.

The issue of increasing import prices is likely to be a key feature of the domestic garden leisure market into the medium-term due to the high levels of import penetration and this may result in a swing back towards cheaper replacement products for garden furniture, barbecues and accessories. Household incomes could also be squeezed due to inflationary pressures and uncertainties regarding job security and the wider economic environment may lead to the deferment of replacement garden leisure products.

However, the key determinant for the garden leisure market remains the British weather which can lead to wide annual variations in performance. Our forecasts assume that conditions remain relatively benign, similar to previous years, with largely favourable weather in spring and summer when consumers make most use of outdoor equipment.

The '**Domestic Garden Leisure Market Report - UK 2017-2021 Analysis**' report is published by AMA Research, a leading provider of market research and consultancy services with over 25 years' experience within the construction and home improvement markets. The report is available now and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.

Editors Note:

If you would like to receive more information on the report, or would like to speak to the author, then please contact Anna Eriksson on 01242 235724.

Please include our web address and telephone number on any review printed, and it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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