

RMI Index

Surveying
the Nation's
Tradespeople

May 2022



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“ Things are getting busier and look set to continue even though prices are going up.

Engineer,
North East



“ I'm hoping the cost of materials will level out, which, in turn, will encourage developers to continue building.

Plasterer,
South East



“ It's very busy currently and I can't see that changing for some time.

General Builder,
Scotland





I have noticed a big upswing in enquiries this year. I am semi retired and there seems to be a shortage of people willing to consider smaller jobs and that is to my benefit.

General Builder,
Midlands



I think everybody is very busy and I fully expect to be busy for the next two years minimum.

General Builder,
East Midlands



I could work seven days a week if I wanted to.

Plumber,
South West



We all need to be positive about the future, I expect prices to rise and then have a small reduction, which will then be the norm.

Carpenter,
Wales



Foreword



Nick Roberts
CEO, Travis Perkins Plc



Our findings suggest tradespeople are adapting their businesses in line with the constantly evolving market, so they can continue to serve customers in new ways and under difficult circumstances.



This year marks the 10th year of surveying our customers in the repair, maintenance and improvement (RMI) sector, and I am pleased to share with you their expectations for the months ahead as part of this RMI Index Report, the fourth in the series.

Since we published the last report in August 2021 the uncertainty caused by the pandemic has been replaced with other well documented challenges, such as the rising cost of living, inflationary pressures, labour shortages and supply chain disruption, which are impacting the construction sector and weighing on the economy more generally.

As a result, our customers' resilience continues to be tested. Despite this, it is clear from our findings that the UK tradespeople we surveyed are optimistic about their future workloads. Amongst the nearly 1,500 RMI customers who responded, 48% expect their workloads to either greatly increase or increase, with 45% forecasting a broadly unchanged outlook. Only 6% expect a reduction in activity, with just 1% anticipating a greatly reduced level of activity.

This in turn has translated into a strong degree of confidence when it comes to their materials purchasing plans, with 94% of customers expecting their material requirements to either greatly increase, increase or remain the same.

Whilst the extent of the disruption associated with the invasion of Ukraine is unknown, the [Construction Leadership Council](#) has outlined that some direct and indirect impacts on the UK construction sector will be significant, not least in terms of energy costs.

The nation's tradespeople are not immune to this disruption, so in this report we took the opportunity to understand how they are coping with some of the potential impacts, including rising fuel costs and whether they are seeing increased demand for works designed to lower end customers' heating bills.

Our findings suggest tradespeople are adapting their businesses in line with the constantly evolving market, so they can continue to serve customers in new ways and under difficult circumstances. As a result, eight in ten tradespeople told us that the spike in petrol and diesel prices has forced them to alter how they operate.

A considerable proportion of respondents (39%) are passing on the increased costs they are seeing at the pumps to customers when pricing work, while just over one in four (26%) told us that they are walking away from potential jobs that would see them incur increased travel costs.

Many are also using technology to facilitate new ways of working and making purposeful decisions about travelling less and investing in energy efficient vehicles. Amongst our survey respondents, 12% said that they are doing more virtual customer visits while 6% said that the rise in fuel costs had prompted them to invest in more energy efficient cars, vans or lorries.

When it comes to projects designed to increase energy efficiency and reduce heating costs, the majority of tradespeople told us that they are starting to see more interest from customers in this type of work, with 51% telling us that they are seeing a little more interest in these projects and 18% saying that they are seeing a lot more interest.

We see this as the first sign of increasing interest in embracing low carbon energy efficient materials, products and approaches. As energy costs continue to impact consumers' pockets, we expect to see this increase in the months and years ahead, reinforcing the need for a comprehensive retrofit strategy for the UK.

As a business, we pride ourselves on supporting our customers to build, repair and maintain the many places, buildings and infrastructure that touch all of our lives every day. This RMI Index Report provides rich insight and plays an important role in deepening the understanding we have of our RMI customers who remain a very important market segment for us.

Listening to the feedback from UK tradespeople helps to inform our views of what really matters to them, and helps to ensure we can support them to deliver the very best, now and in the future, for their own customers.

I hope you enjoy reading the report.

48%

of tradespeople expect their workloads to either greatly increase or increase over the next two months.

Who we survey

As the UK's largest distributor of materials and equipment to the building, construction and renovation markets, we have a unique insight into how the country's tradespeople operate.

This report captures the views of 1,570 tradespeople from all areas of the UK to understand their views on future workloads, materials purchasing plans and issues, such as the work they are doing for customers to make homes more energy efficient, and how higher petrol and diesel prices are altering their behaviour.

Customers from our Travis Perkins, Keyline, CCF and Toolstation businesses were surveyed via email in April and asked to look ahead to the next two months. The responses we received represent a significant cross section of the UK market and span a wide variety of company sizes, from sole traders through to companies employing up to 100 staff. The majority (56%) are sole traders, while nearly four out of five employ no more than three people.

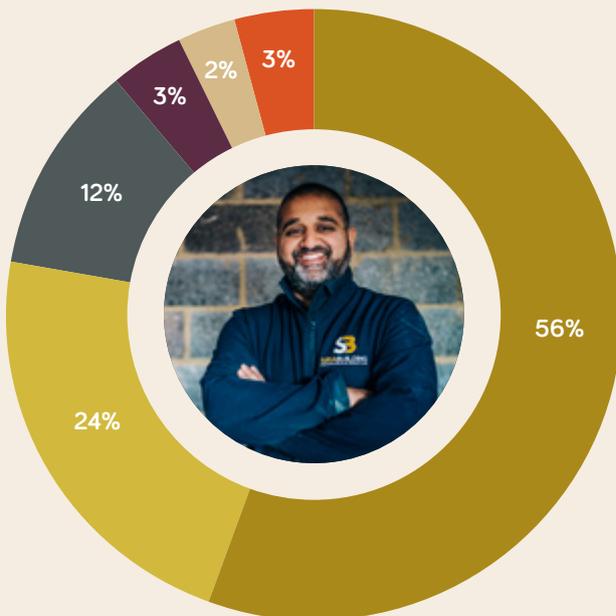
This report captures the views of



1,570 Tradespeople

Number of employees

● 1 ● 2-3 ● 4-7 ● 8-13 ● 14-24 ● 25-101+



Respondents were drawn from across the market and included:

- General builders 
- Bricklayers 
- Plasterers 
- Roofers 
- Painters 
- Plumbers 

Regional presence

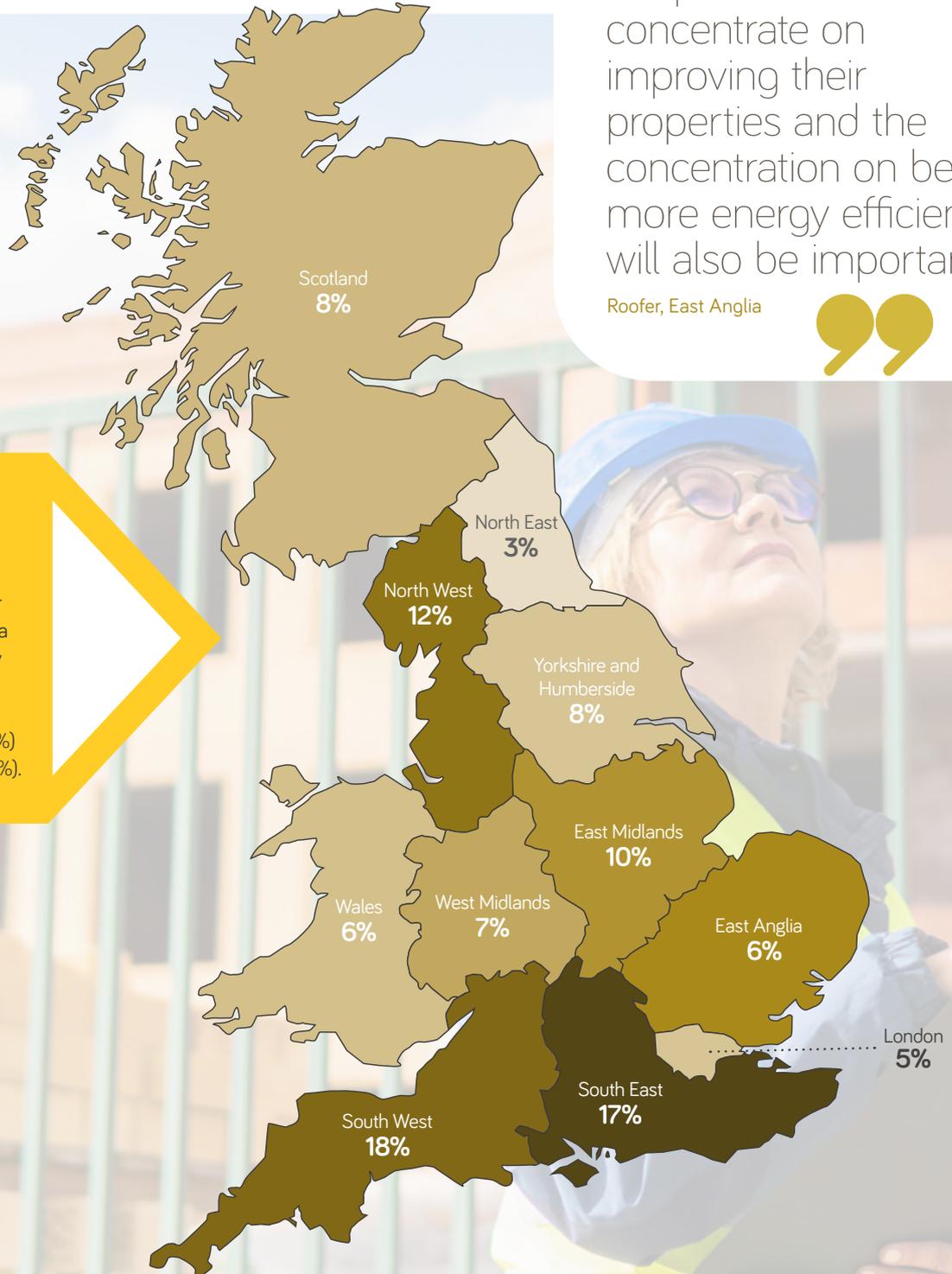
“ People will still concentrate on improving their properties and the concentration on being more energy efficient will also be important.

Roofer, East Anglia



Survey respondents

London and the South East together account for almost a quarter of all survey respondents (22%), followed closely by the South West (18%), followed by the North West (12%), East Midlands (10%), and South East (17%).





Summary and key figures

Respondents are generally encouraging about the near-term outlook for their businesses with 48% expecting their workloads to either greatly increase or increase with 45% forecasting a broadly unchanged outlook. Only 6% expect a reduction in activity, and only 1% anticipate a greatly reduced level of activity.

However, while the industry remains confident, a number of tradespeople voiced concerns around the continuing rise in material costs and questioned whether, over the long term, this will eventually lead to a possible decrease in workload given that it coincides with customers experiencing unprecedented living cost increases in the form of heating, fuel and food. Nevertheless, the vast majority of respondents (71%) pinpointed the repair, maintenance and improvement market as being the key driver for their business over the forthcoming two month period.

“ Throughout the pandemic demand has increased exponentially, with staycationers spending on house improvements

House builder, North East



Looking ahead to the next two months:



6% expect to see a decline in the amount of building materials they anticipate purchasing



18% anticipate new build housing to be a key driver of growth



71% see domestic repairs and maintenance as a key driver of growth



93% expect workloads to either remain the same, increase or greatly increase

Confidence in future workload

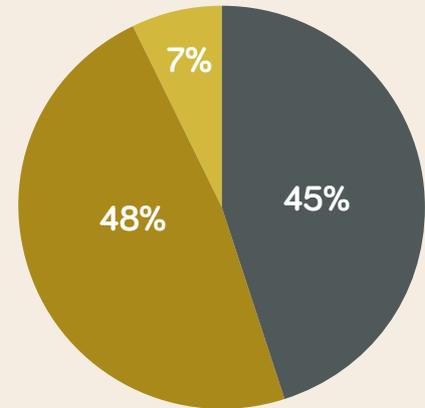
Respondents remain upbeat when assessing their expected workloads over the next two months. Nearly half (48%) of all respondents believe workloads will increase over the next two months while 45% expect it to remain unchanged with only 7% forecasting a decline in activity levels.

This sentiment was broadly mirrored by respondents' assessment of their likely materials needs with 61% forecasting an increase in their materials requirements over the next two months and 33% expecting no change. Only 6% expected to see their materials requirements decline.

Once again, a significant majority of respondents pinpointed the domestic repair and maintenance market as being the key driver of growth for their business with 71% highlighting this area as where they will see the majority of work coming from over the next two months. Interestingly, 18% also selected new build housing as a key driver of growth.

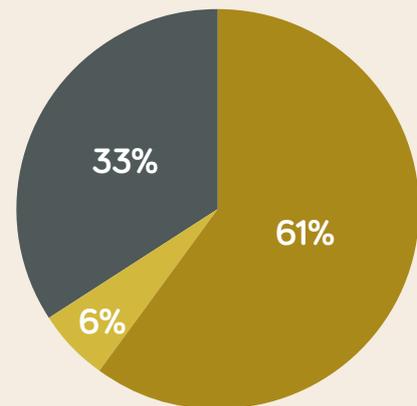
What do you expect workloads to do over the next two months?

■ Increase ■ Decrease ■ Remain the same

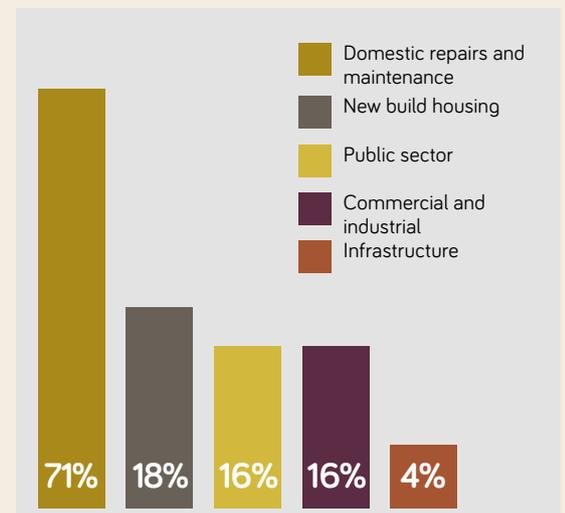


What do you expect materials purchases to do over the next two months?

■ Increase ■ Decrease ■ Remain the same



Which industries do you see driving work over the next two months?



Markets and materials

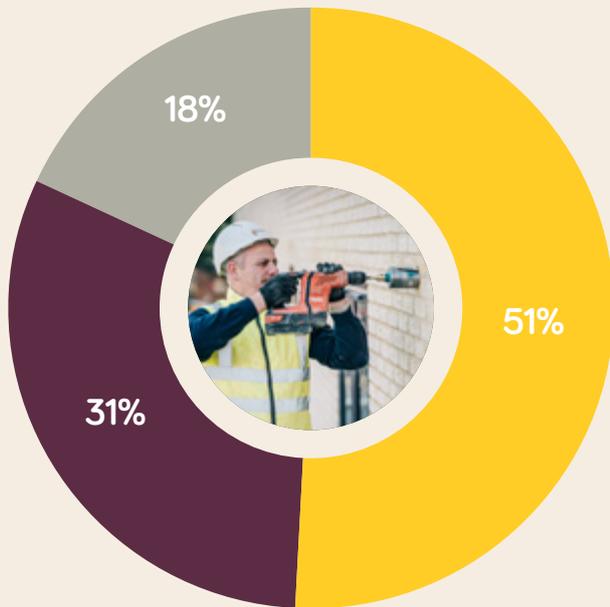
Tradespeople are beginning to see increased interest in projects specifically designed to reduce energy consumption in the home with over two thirds seeing either a little (51%) or a lot (18%) of interest in these sorts of projects.

Given that the majority of respondents are focused on the general building segment, it is likely that this is based on options to improve the built fabric of the home (e.g. improved insulation and a reduction in wasted heat leakages) versus improvements in heating or electricity consumption.

Not all homeowners are yet to completely embrace the concept of reducing energy consumption in the home with 31% of tradespeople stating that they have seen little interest in these sort of projects.



What increased interest are you seeing in projects specifically designed to reduce energy consumption in the home?



- A lot
- A little
- Not at all

However, the rising cost of fuel is having a notable impact on how tradespeople are working with 80% saying that it had altered their behaviour.

Of those who have changed the way they are working to deal with rising fuel costs, 39% stated that they are passing on the increased cost of fuel when pricing a job to customers, while 26% said they are actively turning down work that would see them incur increased travel costs.

12% said that they are doing more virtual visits with clients instead of visiting them in person, while 6% said that the rise in fuel costs had prompted them to invest in more energy efficient cars, vans or lorries.

Have you altered your behaviour due to increases in fuel costs?



29% 

say they are getting supplies delivered, rather than picking them up



How, if at all, have higher petrol and diesel prices, altered the behaviour of respondents' businesses?

Increasing the price being charged to the customer 	39%
Reducing travel to jobs that are too far away 	31%
Getting supplies / products delivered rather than picking them up 	29%
No longer taking on jobs that are too far away 	26%
Travelling around the local area to find the best price for fuel 	15%
More calls / virtual meetings with clients rather than making visits 	12%
Reducing the weight / load of our vans and lorries 	12%
Investing in newer, more efficient cars, vans and lorries 	6%
Car sharing arrangements across the business 	3%
Using public transport or alternatives where possible 	2%
We haven't altered our behaviour or working practices 	20%



I think people are still concentrating on improving their properties, particularly on being energy efficient.

Plasterer, North Wales



Conclusion



The UK's tradespeople remain an intrinsic element of the wider construction sector and, in many respects, they are the glue that holds the entire industry together – without plumbers, builders, roofers, decorators and joiners, the vital repair, maintenance and improvement (RMI) activity that is the mainstay of the sector would grind to a halt.

Despite a recent drop in consumer confidence and the cost of living challenges the UK is facing, the property market, which is a key RMI driver, remains robust, and explains why tradespeople remain optimistic and tell us there is plenty of work to keep order books filled over the next three months.

Nevertheless, with a constantly evolving market, partnering and staying close to what our customers need has never been more important.

Mitigating higher costs of raw materials and energy means we all need to work smarter. We can help our customers by modernising our services to support their new ways of working; helping them to work more efficiently through improved delivery options and tracking services, and by widening our online purchasing and digital account management offering, to drive meaningful change and efficiencies like never before.

We continue to use our role to advocate for incentives and support for the nation's tradespeople to help get the UK to net zero carbon. The UK still has one of the oldest and least energy efficient building stocks in Europe - about 80% of the homes

we will be occupying in 2050 already exist - and our homes account for more than 21% of the country's total carbon emissions, with three-quarters of this coming from heating systems.

We welcome the VAT reduction on energy efficient home measures that was announced in the latest Spring statement and will use our voice and partnership with others in the construction industry to keep calling for a National Retrofit Strategy - insulating and fixing the leaky roofs of the country's existing housing estate - to deliver a more sustainable housing stock that tackles the effects of rising energy costs on households across the UK.

The UK's tradespeople are central to the delivery of this vision, so it is reassuring that this important segment of the UK construction market feels confident about their future workloads into the next quarter and that they continue to adapt and demonstrate resilience in the face of challenging market dynamics.

Their confidence is mirrored by the faith I have in our own colleagues and, as the leading partner to the UK construction industry, I am looking forward to working together with our colleagues over the months ahead to provide the nation's tradespeople with the materials, products and services that they need.

“The public sector will boom for the next 5 years. My turnover has increased by 100%”
Renovator,
East Anglia

Our businesses

Travis Perkins ^{plc}

Travis Perkins plc is a leading partner to the construction industry and the UK's biggest distributor of building materials to trade customers. With annual revenues of £4.6bn, the Group employs over 20,000 colleagues nationwide, but also in France and Benelux through Toolstation. The company has a proud heritage that spans over 200 years.

www.travisperkinsplc.co.uk

Our best known businesses:

Travis Perkins

The UK's largest builders merchant supplying building materials and hire service to trade customers, with more than 700 branches, which include over 150 Benchmark showrooms.

700+ branches

One of the UK & Europe's fastest growing suppliers of tools and building supplies to trade and DIY customers via a multi-channel offering. Over 550 stores across the UK & Europe.

600+ branches

The UK's largest distributor of pipeline and heating solutions, supported by in-house technical teams and tool hire facilities, from over 60 branches.

60+ branches

Keyline CIVILS SPECIALIST

The UK's number one supplier of specialist civils and drainage solutions with a nationwide branch network of over 40 branches, stocking materials for all projects.

40+ branches

Nationwide distributor of insulation and interior building products, with comprehensive stock for interior building specialists, contractors and builders, from over 35 branches.

35+ branches



Repair, Maintenance and Improvement Index

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