

RMI Index

Surveying
the Nation's
Tradespeople

November 2023

RMI Index

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Introduction

“Given the challenging market backdrop, we are relentlessly focused on meeting our customers’ needs by delivering for them on service and pricing. At the heart of this is ensuring that we are easy to do business with through both our branch and digital channels.”

Nick Roberts
CEO Travis Perkins plc

Each quarter, Travis Perkins plc conducts an extensive survey across the nation’s tradespeople in the repair, maintenance and improvement (RMI) sector to collect insights from them on near term outlook regarding anticipated workloads, material purchases and other issues and trends.

A total of 1,018 UK tradespeople took part in the survey, covering a wide range of trades. The latest survey was carried out in October 2023, with customers of Travis Perkins, Keyline and Toolstation all represented.

The findings of this RMI Report, suggests confidence about anticipated workloads over the near term has weakened. It also shows that rising inflation, the cost of living and lack of trust in Government are key concerns. This is consistent with other recent market reports.

In line with these recent market reports, the survey shows that confidence regarding anticipated near-term workloads has weakened again after tentative signs of a recovery in April proved to be something of a false dawn. It also highlights the impact of elevated inflation levels, the cost of living and lack of trust in Government policy as key concerns.

According to the [CPA Autumn Forecast](#) published in October 2023, the significant downturn in new build housing and RMI market activity has been driven by rising interest rates, falling real wages and a subdued outlook for the UK macroeconomic environment more widely.

In this challenging market, the Group’s current priority is to respond to customers’ needs on service and pricing. In the longer term, the Group will continue to play a leading role in developing a sustainable UK construction industry with a focus on responsible sourcing and decarbonisation of the built environment.

In the word of our customers

“Because I’ve always accepted small jobs I am finding that I still get more than enough work, so I still feel relatively confident about the future.”

General Builder

“People want work undertaken but their budget expectations are way off from actual costs. Materials increases have been significant over the past couple of years.”

Kitchen Fitter

I see major problems ahead in all aspects of house building and buying and renting. Too many regulations are coming into force, ie phosphate and nitrate pollution etc, Builders are under increasing pressure.

Plasterer

The two new build projects we’re involved with have been put on hold due to interest rates, meaning phase 1 houses are not selling quickly enough.

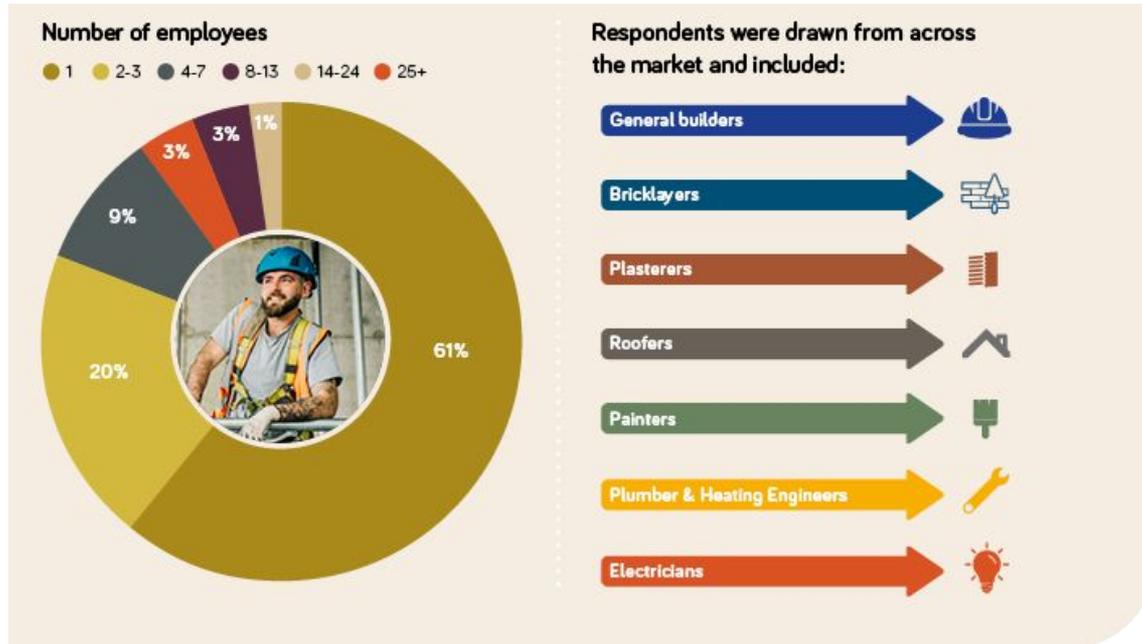
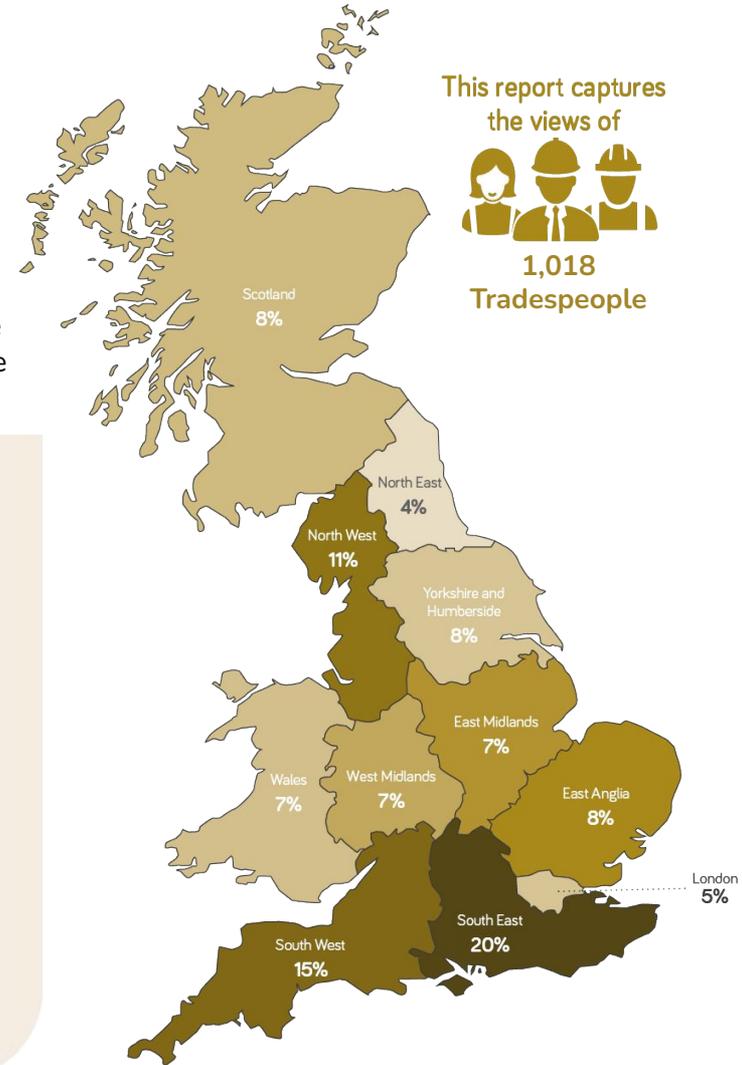
House Builder

- This RMI Index report provides a summary of the findings of a nationwide survey carried out amongst tradespeople in October 2023
- The November 2023 report is the seventh published report in the RMI Index series
- Respondents to the October survey are customers of Travis Perkins, Keyline and Toolstation
- The survey sample include trade customers from across a range of disciplines: from general builders to plumbers, electricians and decorators
- Most respondents work in small to medium sized businesses, primarily in the domestic repair, maintenance & improvement sector

Who we survey:

As the UK's largest distributor of materials to the building, construction and renovation markets, Travis Perkins plc has a unique insight into how the country's tradespeople operate. This report captures the views of 1,018 tradespeople nationwide to understand their views on future workloads, materials purchasing plans and issues they are facing.

Customers were surveyed via email in October 2023 and asked to look ahead to the next two months. The responses received represent a significant cross section of the UK market and span sole traders to companies employing up to 100 staff.



Key findings:

Weakened workload confidence

Confidence about expected workloads in the near term has weakened

Confidence in new build housing sector most impacted

Customers are expecting the biggest drop in workloads to be in the new build housing sector

RMI, commercial & industrial and infrastructure expectations remain flat

Workloads in the domestic, repairs, maintenance and improvement (RMI), commercial, industrial and infrastructure markets are expected to remain largely flat in terms of industries driving workloads

Cost of living is primary concern

Rising inflation and the cost of living remain issues of primary concerns for respondents at this time, alongside the rising cost of building materials

Lack of trust in Government also major concern

Lack of trust in the Government and what customers see as 'poor decision making' has risen up the list of concerns

Call for thermal solutions awareness and investment

A call for thermal solutions awareness and investment has emerged as a key customer concern for the first time in this survey

“
We've decided to continue with new builds and take a gamble, but with net zero still not sorted, who knows what the future holds.
”

Developer

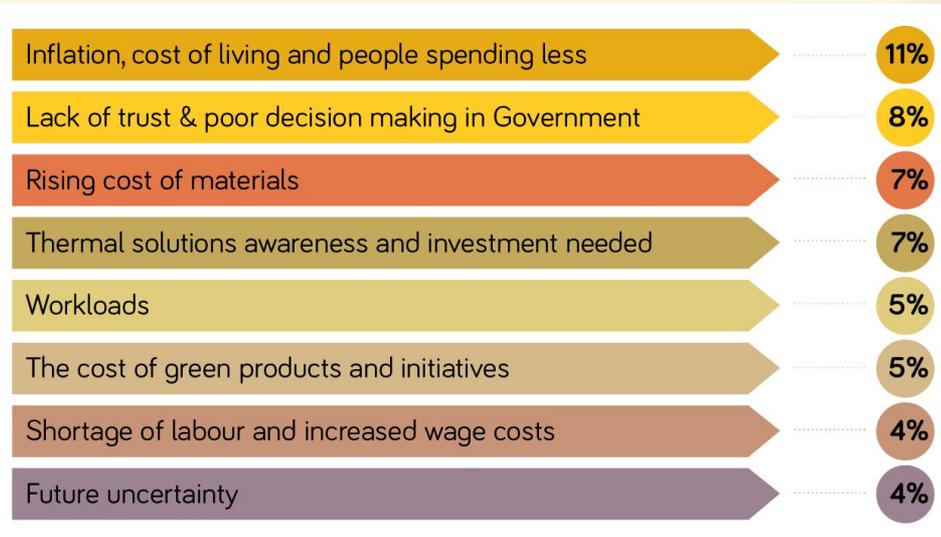
“
Thermal and power efficiency will become more important.
”

Heating Engineer

Issues at the forefront of customers' minds

Rising inflation and the cost of living remain primary concerns for respondents in this latest survey. Meanwhile, the lack of trust in the Government and what customers see as 'poor decision making' has risen up the list of concerns, as has the rising cost of materials (from 3 to 7%) when compared to the Index Report from May 2023.

A call for thermal solutions awareness and investment has emerged as a new concern, whilst the cost of green products and initiatives and shortage of labour and wage increases remain key concerns.

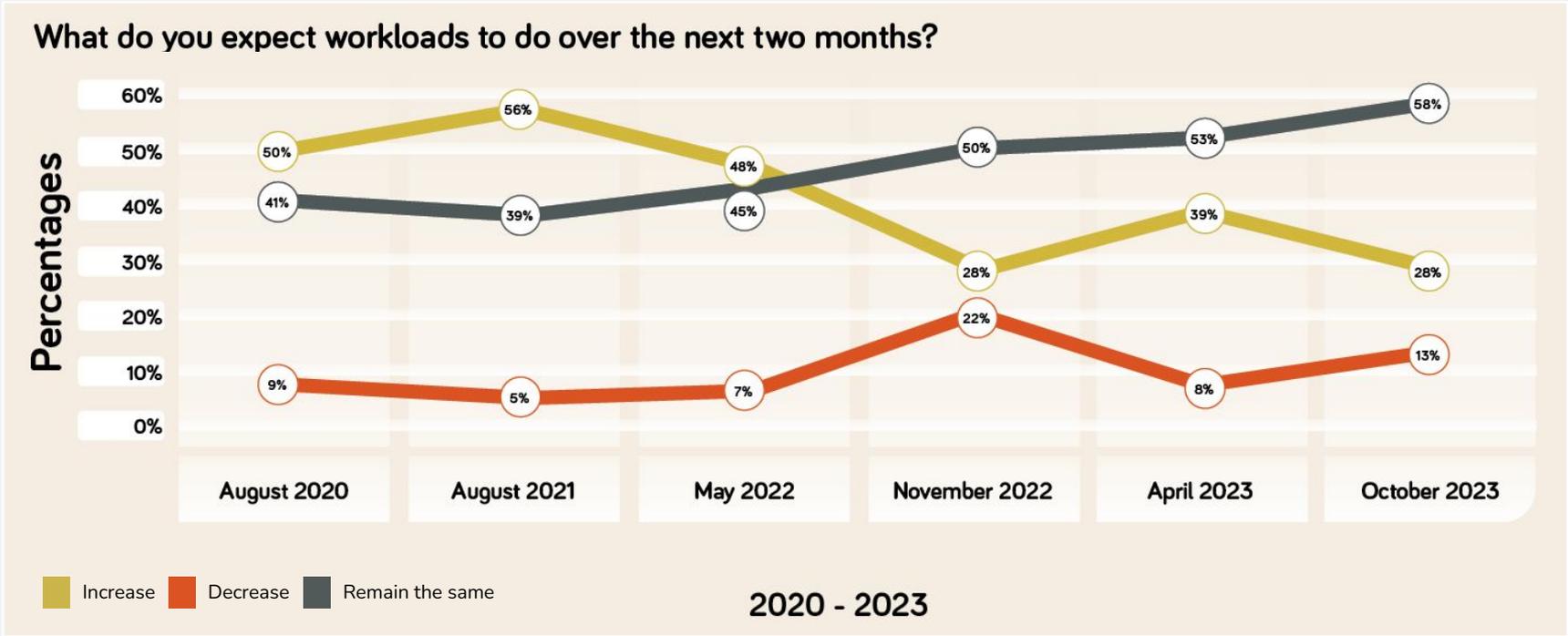


I think the Government dithering about green issues is a killer for a proper beneficial strategy.
Electrician

2024 is very much unknown in terms of demand, but I expect to see decreasing activity in customer spend.
General Builder

People are waiting for the next election and change.
Landscaper

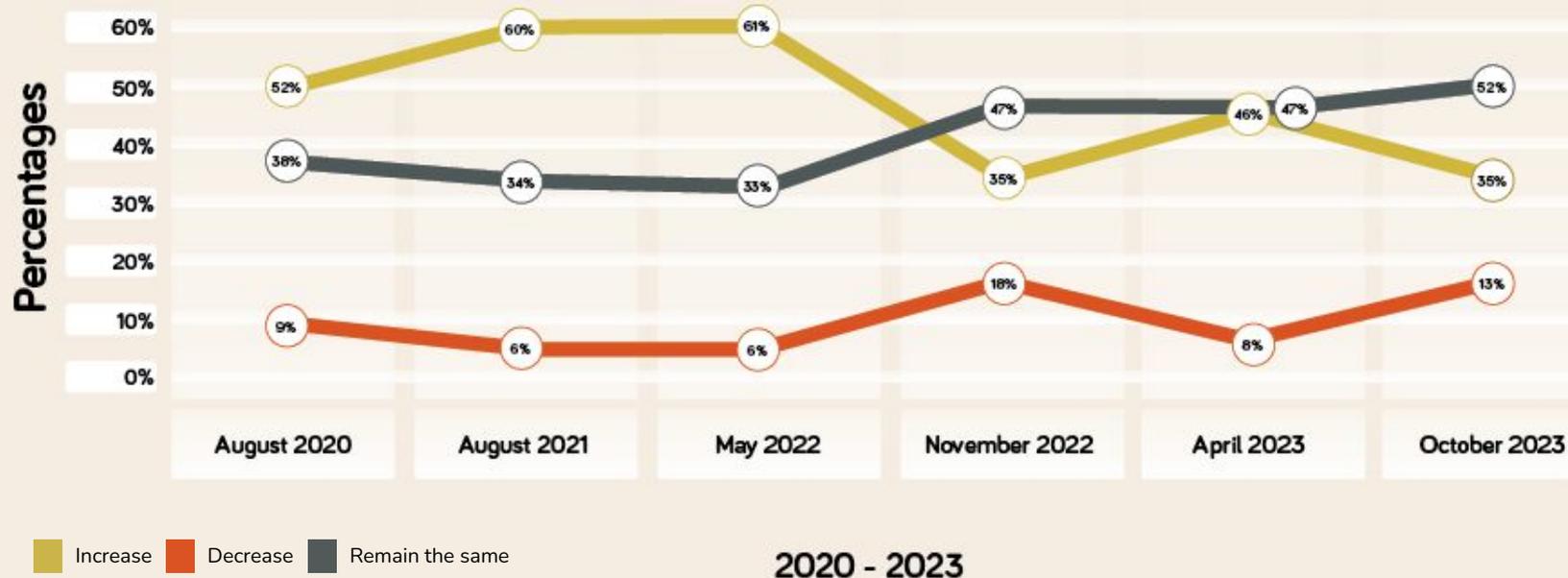
RMI trends: workloads



From the buoyant post-Covid market in 2021, confidence has fallen sharply driven by rising inflation and interest rates. This situation was exaggerated by the “mini-budget” in September 2022, reflected by the November 2022 survey when customer confidence was at its lowest. Tentative signs of recovery in April did not translate into improved workloads, primarily due to the impact of persistent inflation on interest rate expectations. This has seen confidence fall again, back to November 2022 levels.

RMI trends: materials

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

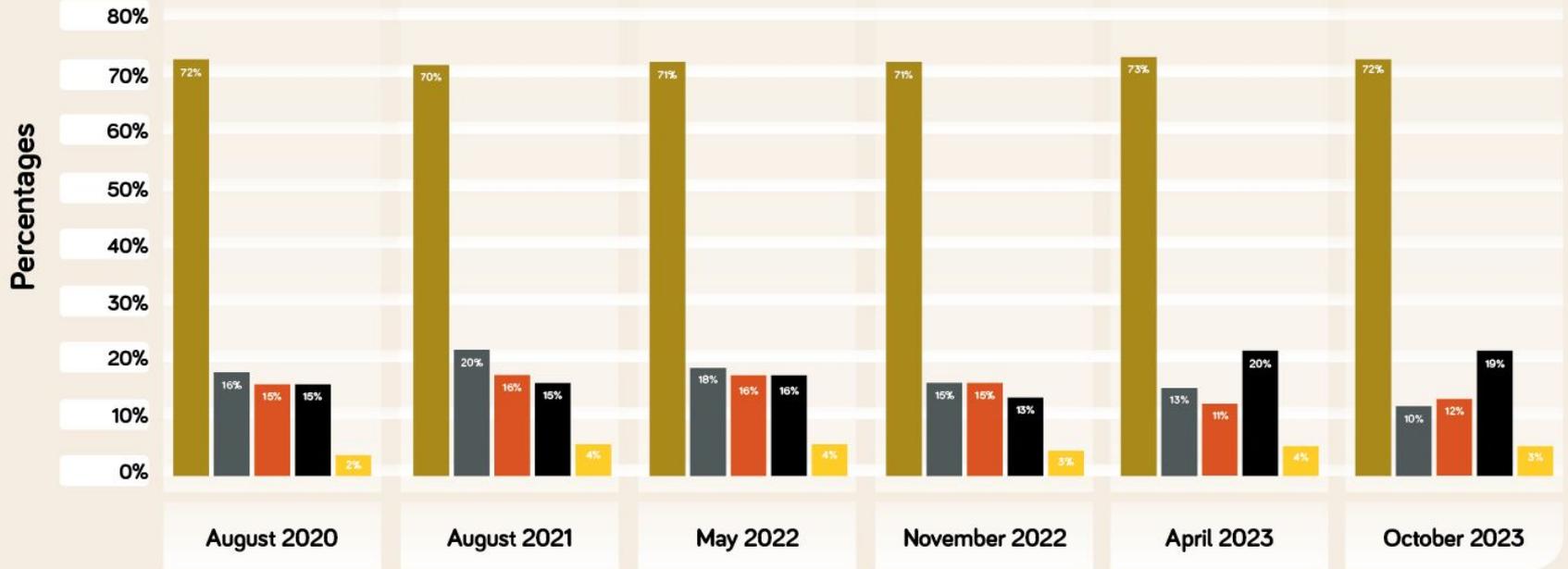


As expected, customers' expectations for materials purchases follows a very similar trend to anticipated workloads shown on the previous slide. At Travis Perkins plc, we have always remained close to our customers and we have surveyed the UK's tradespeople since 2006 to better understand how this segment of the construction industry is feeling about their business prospects, materials requirements and to gauge their confidence in general. In 2020, the RMI Index Report was published for the first time, and this graph shows how the material trends have changed during that time.

RMI trends: industry drivers



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



2020 - 2023

According to [Statista](#), in 2022 the gross value added (GVA) of the UK construction industry was £129 billion, of which £29 billion was driven by the repair, maintenance and improvement segment. Travis Perkins plc first started to publish the findings of the customer insight from the Group's RMI customer surveys to give this vital part of the construction industry a voice. These graphs shows how tradespeople are adapting their businesses in line with an evolving market.

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.

The Group employs around 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:



The UK's largest builders merchant supplying building materials and hire service to trade customers, with more than 600 branches, which include over 150 Benchmarx showrooms.

550+ 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.

720+ 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



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

All of the past RMI Index Reports are available [here](#)