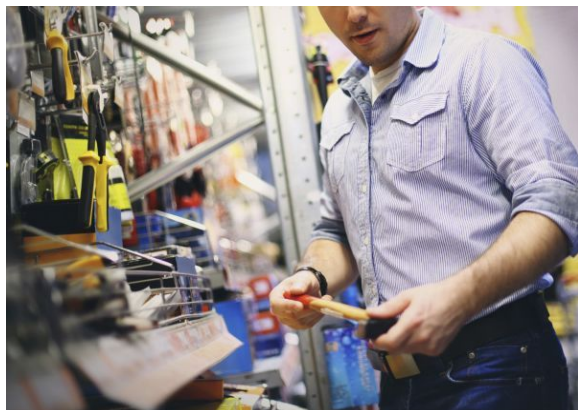


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“The UK DIY market remains challenging. Quality and staff expertise are key points of difference for the specialists, but they need to find a way to bring this closer to the everyday lives of consumers. The introduction of Bunnings will increase competition at the harder end of the market, so now is the time to start looking at how best to capitalise on a growing generation of renters.”
– Thomas Slide, Retail Analyst

This report looks at the following areas:

- Are the sheds struggling to cater for generation rent?
- What will be the impact of Bunnings?
- Can One Kingfisher really work?

The DIY market continues to prove challenging with growth in consumer spending slowing significantly in 2015 following two years where growth was largely driven by catch-up spending after the recession.

The market is being impacted by a societal shift in housing tenure which is seeing a significantly higher proportion of consumers living in rented accommodation rather than owning their own home. The leading specialists are struggling to cater effectively to the needs of this growing population of renters and as a result, the non-specialists including Amazon and the discounters such as Poundland or B&M Bargains, with their limited ranges, low prices and convenient store locations or delivery options, are picking up a growing share of the market.

The warehouses continue to play an important role in the UK DIY sector, but this role is shrinking as home ownership becomes less common and the population increasingly shifts back towards living in the towns and cities. The introduction of the Bunnings fascia and disappearance of Homebase is likely to add further competitive pressure into the sector over the coming years.

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