

Thermal Insulation - UK - August 2018

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“UK demand for thermal insulation has demonstrated an erratic development over recent years. This has been exacerbated by changes to government programmes promoting home energy efficiency measures, which has resulted in stop-start activity in the retro-fit building insulation market.”

– Claudia Preedy, B2B Analyst

This report looks at the following areas:

- Long-term government framework for energy efficiency is needed to provide a clear direction and certainty for the insulation industry and supply chain
- New incentives and funding mechanism required to boost 'able-to-pay' market

The recovery in UK construction activity has, however, provided more stable growth opportunities for thermal insulation companies. The private housebuilding sector will continue to provide a positive impetus for thermal insulation demand, while the commercial construction sector is expected to be negatively affected by Brexit-related uncertainties, at least in the short term.

Government schemes promoting home energy efficiency measures (predominately through energy company obligation programmes such as ECO) have provided a boost to the building thermal insulation market over the last two decades, especially for cavity wall and loft insulation measures, and in more recent years solid wall insulation. However, frequent changes to government programmes have resulted in a stop-start retro-fit building thermal insulation market, encouraging a number of companies to shift focus from retro-fit to the new build sector.

The ECO scheme will continue to be a key driver of the retro-fit sector, but will not provide a renewed boost to thermal insulation measures as there has been no increase in government funding, while supplier obligation funding is only available to households at risk of fuel poverty. The private housebuilding sector is, however, expected to continue to provide a positive impetus for thermal insulation demand.

New incentives and funding mechanisms, such as green mortgage products, will play a vital role in stimulating growth in the 'able-to-pay' homeowner market as homeowners are reluctant to implement insulation-based energy-saving measures without a strong financial incentive.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Frequent changes to home energy efficiency policies have resulted in a stop-start retro-fit market

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Sustainability, thinner materials and easier installation are key areas of product innovation
 Innovative robotic insulation solution enables more efficient and less disruptive floor insulation installation
 Material price rises threaten supplier profits
 Installers increasingly adopt multi-measure approach

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Building regulations
 Government commitment to reduce carbon emissions
 Clean Growth Strategy puts better insulated homes back on government agenda
 Robust policy framework and solid plans are required to deliver the government's home energy efficiency ambitions
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 Reduced government funding for new ECO schemes (ECO2t 2017-18 and ECO3 2018-22)
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British Urethane Foam Contractors Association (BUFCA)

Energy Industries Council

Energy Saving Trust

Insulation Manufacturers Association (IMA)

National Insulation Association

Thermal Insulation Contractors' Association

Thermal Insulation Manufacturers & Suppliers Association

Trade magazines

Building Control

Insulate Magazine

Roofing, Cladding & Insulation

Trade events

National Homebuilding & Renovating Show

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Northern Homebuilding & Renovating Show

Scottish Homebuilding & Renovation Show

Southern Homebuilding & Renovating Show

South-West Homebuilding & Renovating Show

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