



Framing the debate:
What does the future hold for
the domestic glazing market?

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Foreword



John Spiby

National sales manager – domestic products, Pilkington United Kingdom Limited

The latest report from Palmer Market Research made for unsettling reading for those of us in the domestic glazing sector. While it predicts some growth in demand, the rate predicted is significantly lower than it was a year ago.

However, it's not all doom and gloom and, while the demand from existing housing stock looks set to continue at the slow pace we have seen in recent years, the new build sector shows promise.

Some 42,000 new homes were built by housing developers between 2013 and 2014, and the government is aiming to significantly increase this figure. However, we're still a long way from the target of 200,000 per year, the number needed to realise the Government's target of building one million homes by 2020.

These thousands of new homes call for tens of thousands of windows, and this will help to sustain a healthy glass and glazing industry.

The Help to Buy scheme, which has brought home ownership within the reach of thousands more people, has already delivered a shot in the arm for housebuilders and this trend looks set to continue. Meanwhile, continued demand for affordable homes has seen the social housing sector continue to perform well.

In this report, some of the industry's leading lights provide their thoughts on the state of the market and address some of the difficulties that continue to face the glazing supply chain.

Topics covered include UK householders' hesitance to adopt triple-glazing, in contrast to their continental counterparts, the potential for relentless focus on low-cost solutions at the cost of quality and regulatory compliance and how the market can deliver the premium appearance buyers want while maintaining affordability.

I'd like to take this opportunity to thank the contributors for providing what is a fascinating snapshot of our sector.

The sector in numbers

62% of glazed units made in the UK went into the domestic market in 2013*

51% were used in existing housing in 2013*

11% were used in new build in 2013*

17% growth in demand from new-build housing during 2013*



Number of businesses

4,265 UK window and door fabricators**

12,609 UK window and door installers**



Output of businesses

123 fabricators manufacturing more than 500 frames per week**

449 fabricators manufacturing between 101 and 500 frames per week**

962 fabricators manufacturing less than 100 frames per week**

63% of PVCu fabricators manufacture less than 100 frames per week**

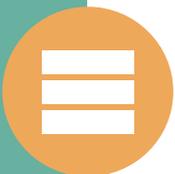


Materials

1,534 fabricators offering PVCu frames**

802 fabricators offering aluminium frames**

2,334 fabricators offering timber frames**



*From The Architectural Flat Glass Market in Great Britain 2014 edition, a report by Palmer Market Research

**From the Insight Fabricator and Installer Database 2014

Communication – the key to capitalising on high-performance products



Mark Catchpole

Sales director, SWC Trade Frames

Established in 1989, Scarborough-based SWC Trade Frames is a large regional fabricator of premium PVCu windows, doors, conservatory roofs and specialist products. The business manufactures more than 1,000 frames per week and supplies exclusively to trade installers.

We are starting to feel the effects of the economic recovery on our order book, which is hugely encouraging after so many years of difficult market conditions.

From conversations with our customers and reviewing their order books, the dominance of larger projects such as orangeries and extensions that involve mostly building work have had a negative impact on our general replacement windows, doors and conservatory roofs sales.

However, the good news is that straightforward replacement work seems to be returning and it feels like window and door replacements and upgrades have finally returned to pre-recession levels.

As well as greater volumes, we are also seeing an impressive increase in the variety of products being ordered. Bi-fold doors, skylight lantern roofs and both PVCu and aluminium frames in a wide range of colours are all enjoying a surge in popularity, which is great to see.

However, there is much more we could be doing as an industry to help end users get better results from their homes and arguably the biggest challenge is one of marketing to consumers.

Product development and innovation is happening rapidly, and the energy performance that windows can deliver keeps getting better and better. The fact that a new A+ energy rating has had to be introduced is proof of how quickly things are progressing.

However, what doesn't seem to be happening is these products filtering into the market with any speed, and we, as an industry, should see this as a major point to address.

At the coal face, not enough is being done to upsell to consumers on these products and all too often it is only when property owners have done their own research and asked about higher performance options that we see orders. In the vast majority of cases, the decision is made purely on the basis of price.

We should be much more active in communicating the long-term benefits of investing a little more in quality glazing products. Of course, it is not only installers that can do more in this area – after all, they are often small operations with little time to think about anything other than getting the job done.

Instead, businesses right across the supply chain should be producing consumer-facing materials and passing on information to installers that will allow them to shout about the great new products that are now available.

With so much R&D work going on across the industry, we should be aiming to increase margins by delivering high-performance products to a much wider range of customers. But, for this to happen, it is essential we do a better job of communicating with them.



Change in demand



Dave Jones

Managing director, VEKA plc

VEKA AG of Germany is the world's largest extruder of PVCu profiles used for windows and doors. The company's UK operation was established in 1986 with the development of a production facility in Burnley, Lancashire, and it now supplies into all the major markets in the UK, including retail, trade, commercial and new build.

With emphasis on energy performance increasing all the time, and businesses across the supply chain chasing higher Windows Energy Ratings, triple-glazing will one day come to dominate the market. It is not a question of if, but when.

Having said this, in 2014, we saw demand for triple-glazing double in the UK but only to approximately four per cent of the frames we made. Compare this with Germany, where demand was between 55 and 60 per cent, and it's clear that the UK is a long way behind Europe when it comes to adopting triple-glazing. In fact, at the Fensterbau window, door and façade show in Nuremburg 2014, I didn't see a single double-glazed system on display.

The hesitance of the UK market to adopt triple-glazing is due in large part to the fact that 70mm frames are still the standard offering here, while the continent moved to 82mm+ systems as standard long ago.

The 70mm depth doesn't lend itself as well to triple-glazing as it means narrower air cavities, reduced benefits and small beads. Most people in the glass industry would agree that 44mm

is the optimum unit size for triple-glazing so I believe it will only really take hold of the UK market if we make the move to 82mm+ frames so it can be properly accommodated.

This said, we are working closely with some of our key customers to develop new systems that will allow UK window frames to accommodate triple-glazing with effective spacing and pleasing aesthetics.

Of course, another sticking point is that the industry recommends the middle pane in a triple-glazed system to be toughened, and this isn't the case in the rest of Europe. Not only does this increase costs, but we may also see a time when growth is hampered by the limited toughened glass production capacity the UK has.

Outside of the triple-glazing debate, one of the biggest changes we are seeing in the domestic framing market is growing demand for a wider range of colours. This has been a trend in the commercial sector for some time, but housebuilders are now increasingly looking for alternatives to the traditional white PVCu frame.

One of the factors behind this is that white PVCu frames are now perceived as less high-end than aluminium alternatives, so designers are increasingly specifying silver or dark grey frames to achieve the desirable appearance of metal while still benefitting from the affordability of plastic.





Navigating cost, quality and logistics



H Jarvis has been making windows and doors since 1878. The business, headquartered in Redcar, North Yorkshire, works with most of the UK's largest house builders.

Dave Glendinning

Managing director, H Jarvis

There is something of an impasse in the new-build glazing market, as developers are required to deliver homes with increasingly high energy performance ratings, but are sometimes reticent to pass on the cost of investment in quality products to end-users.

The result is that purchasing decisions are made purely on the basis of cost. The cheapest products that meet the minimum requirements are always chosen, with very little emphasis placed on build quality or the way the products are sourced.

This 'always pick the cheapest' approach can also cause corners to be cut in terms of meeting the energy performance requirements laid out in the Building Regulations. For example, if a specification calls for a certain U-value for a door, we've seen developers specify options where the glass in the door may have a centre-value that meets the requirements, but a simulation for the whole door would fall significantly short.

There can be a lack of scrutiny of the Building Regulations requirements not only from developers but importantly also from the local authority site inspectors charged with ensuring buildings meet the requirements. They simply don't have the resources to scrutinise every window and door in enough detail.

Ultimately, the result is that properties do not deliver the required level of energy-efficiency, which will cost end-users in fuel bills and harm the environment.

Something in this process clearly needs to change, and it should not be the responsibility of the glazing supply chain to absorb the cost of properly meeting and exceeding Building Regulations requirements.

New logistical frontiers

The sheer number of different glass products that are available - providing different combinations of thicknesses, laminations and coatings - means housebuilders have more choice than ever before as to the glass they specify, and often many different options will be used on the same development or even the same building.

Of course, this presents a supply chain challenge as there is no way that window makers can store all of the glass they need to meet this variety of demand.

There was a time when we could store all of the different glass products we used in our windows ourselves, but this has become unfeasible. Instead, we now rely on the manufacturer to keep stocks of every different product.

The larger warehousing capabilities of the major manufacturers means this is probably a more cost-effective way of working, but it is a significant departure for many more traditional framing firms and I think it has taken some getting used to in recent years.



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