

### Paving Materials Industry



“

*...the global porcelain market is expected to grow at a CAGR of 9.47% during the forecasted period of 2018-2022.*

”



#### Global Outlook

According to Grand View Research, the global paving materials market size was estimated at USD 8.9 billion in 2015 and it is expected to grow at a CAGR of 5.25% to reach USD 12.1 billion by 2021. This growth will be fuelled by increasing demand for pavers with superior strength amongst homeowners across the world. In addition, the availability of paving materials at economical prices coupled with superior aesthetics is also expected to drive industry growth over the forecasted period.

The market for paving materials in US and Europe is expected to be driven by the growth of the commercial and domestic constructional activities. The regions exhibited an increase in the infrastructural spending pertaining to the décor and aesthetics of commercial as well as domestic installations leading to an increase in the demand for paving products.



#### Global Porcelain Market

According to PR Newswire, the global porcelain market is expected to grow at a CAGR of 9.47% during the forecasted period of 2018-2022. One of the major drivers for this market is the low cost of porcelain tiles. The installation cost off these tiles are also lower than natural stone, hardwood, and broadloom carpets. Moreover, the low water absorption rates of porcelain tiles make them suitable for bathrooms, kitchens and outdoor areas, leading to their increased adoption and subsequent growth of the market.

Also, there is demand for 3D porcelain tiles and geometric tiles from interior designers and buyers. Manufacturers have started producing porcelain tiles of various shapes such as hexagonal due to a bump in their demand. Thus, the introduction of 3-D porcelain tiles and geometric tiles is identified as a key trend driving market growth



#### UK Construction Industry

Construction output increased by 0.4% in the three-month on three-month all work series in April 2019; this increase was driven predominately by the all repair and maintenance series, which grew by 1.0%. The increase in all repair and maintenance in the three-month on three-month series in April 2019 was driven by non-housing repair and maintenance, which increased by 2.3%.

New work saw minimal growth of £16 million in the most recent three-month on three-month period, following on from the flat growth seen in March 2019. Infrastructure saw growth of £191 million, which was the largest in new work. The only other type of new work that grew was public new housing, which increased by £77 million. All other types of new work declined, with the biggest falls being seen in private commercial new work and public other new work, which fell by £155 million and £59 million respectively.



#### Structural Blocks to Grow at a Strong Pace

Demand for structural blocks is concentrated in non-residential markets, where they are used both in foundations and in above-grade walls. Although residential buildings do not use structural block as intensively, foundations in such buildings represent a second important market for structural blocks. Spending on structural blocks is projected to grow at a strong

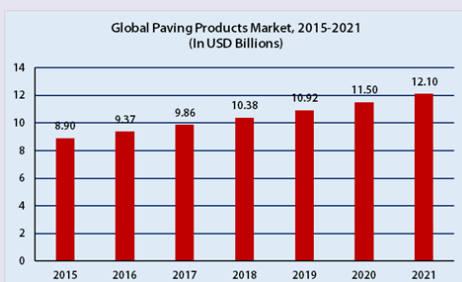


Figure 1. Global Paving Products Market, 2015-2021

### Paving Materials Industry



“

*Homeowners today would rather have a customised landscape...*

”

annual pace, driven by rebounding building construction expenditures. Competition from other materials such as poured concrete foundations will prevent stronger advances.



#### **New Materials and Designs**

Gone are the days of symmetrical, matchy-matchy patterns and colors when it comes to paver and stone hardscape projects. People across Europe and US are now looking to create more unique extensions of their homes and gardens with large slabs, natural colours and clean finishes.

As if on cue, contractors today are mixing different textures, styles and colour blends and favoring larger-pattern pavers for hardscape projects. In the past, people just wanted a simple patio for their grill and furniture. Now, people are spending more money to do gardens, outdoor kitchens and fireplaces to create more elaborate outdoor spaces.

#### **Recent Trends**



#### **Low Maintenance Landscapes**

A common theme among customers, regardless of age, is the fact that a majority do not have the time to properly care for their landscapes. This results in them either requesting a more low-maintenance design or hiring professionals to do the work for them.

Homeowners today would rather have a customised landscape programme with them handling the mowing but leaving the pruning, mulching and garden care and such for the professional landscapers.

While lower maintenance gardens can reduce the cost to maintain, it's important to stress to customers this doesn't mean there will be no maintenance. "Many large commercial and residential customers are thinking to divert their standard landscapes into another direction: low maintenance landscapes with drought-tolerant and native plants, which require less maintenance in the long term.



#### **Natural Look Paving**

Another trend predicted to grow in the coming years is the growing preference for natural look paving, reflecting other style trends and a move towards greys and more natural textures. In response, manufacturers are finding new ways to create natural looking paving. At the entry level, texture and more natural muted colour is being used to meet these needs. There is also a trend towards concrete paving which incorporates natural granite aggregates in the surface to create the natural look which consumers favour but at a viable cost for the builder.

Another latest development however takes these products to the next stage by introducing diamond ground finishes and even more sophisticated mixes of aggregates that emulate the distinct aesthetics of natural stone. Diamond ground products meet both the aesthetic and quality expectations of natural stone for the higher end of the new build market.

These products bring added benefits to the builder in terms of reliability in supply chain, standardisation across house types and continuity of supply across regions.



## MARKET SECTOR INSIGHTS - JULY 2019

### Paving Materials Industry



#### Permeable Paving

Flooding in summer and winter is now a feature of our changing climate, so it is no surprise that we can expect SuDS to hit the headlines more often in 2019 as permeable paving systems are increasingly being used to provide a cost effective and aesthetically pleasing solution. Just a couple of years ago, unprecedented levels of rainfall brought devastating flooding to areas of the UK, destroying homes, belongings and livelihoods. In the UK there is a growing acceptance that a more sustainable approach is needed in managing rainfall and flooding. Going forward, we can expect this trend to become even more prominent.

---

**A valuable strategic partner through every stage of the business lifecycle.**

## Key contacts



**GORDON TITLEY**  
Director

**E:** [gtitley@eurovals.co.uk](mailto:gtitley@eurovals.co.uk)  
**M:** 07734 388785



**PETER BACHE, FRICS**  
Director

**E:** [pbache@eurovals.co.uk](mailto:pbache@eurovals.co.uk)  
**M:** 07774 174811



**DAN EGDAR**  
Director

**E:** [dedgar@eurovals.co.uk](mailto:dedgar@eurovals.co.uk)  
**M:** 07827 99332



**JOHN LAWRENCE, MRICS**  
Director

**E:** [jlawrence@Eurovals.co.uk](mailto:jlawrence@Eurovals.co.uk)  
**M:** 07775 444796



**ANDREW DUNBAR**  
Director

**E:** [adunbar@eurovals.co.uk](mailto:adunbar@eurovals.co.uk)  
**M:** 07967 302675



**DAVID ROSS, MRICS**  
Director

**E:** [dross@eurovals.co.uk](mailto:dross@eurovals.co.uk)  
**M:** 07960 511733

### LONDON OFFICE

5 Willoughby Street,  
WC1A 1JD

0207 048 0184

### BIRMINGHAM OFFICE

67 Newhall Street,  
Birmingham, B3 1NQ

0121 236 9992

### MUMBAI OFFICE

Centre Point Jb Nagar  
Vijay Nagar Colony, J B Nagar,  
Andheri East, Mumbai  
Maharashtra 400047, India

Email address  
[info@eurovals.co.uk](mailto:info@eurovals.co.uk)

TRUSTED VALUED REPORTING



A valuable strategic partner through every stage of the business lifecycle.

Across virtually every sector of the economy, at every stage of the business lifecycle, EV helps companies in transition understand and realise the maximum value of their assets. With more than 100 years of combined experience, our team of trusted professionals offers unparalleled expertise at assessing the value and managing the sale of assets.

We bring clarity to the process and improve our clients' business intelligence, capital position and confidence.



## Appraisals & Valuations

A deep understanding of our clients' industries, sectors and specific businesses helps us deliver accurate achievable valuations. We perform appraisals & valuations on all asset classes and have significant expertise and experience across all major industries & sectors.

- Plant & Machinery
- Stock/Inventory
- Accounts Receivable
- Business Valuations
- Intellectual Property

## Field Exams – Audits / Surveys

EV conducts due diligence for asset-based lenders across the UK, Europe, and the United States. Our team has experience in collections and insolvency, which lends to unique insight into the potential value of accounts receivable and stock in distressed situations.

## Asset Dispositions / Sales

Whether the result of an insolvency, merger or acquisition, loan default, restructure or simply executing a sales promotion, EV has more than 35 years of expertise providing:

- Auctions
- Private Treaty Sales
- Retail Store Closures
- Orderly Liquidations
- Strategic Disposition Programmes

