
SECTORS & LOCATIONS SERIES

DIY & Home Improvement Retail in Europe

Value remains the overriding driver, but greening is the future

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SUMMARY

2009 was an incredibly tough year for the DIY retail sector. The economic downturn heavily impacted the housing market, making mortgages difficult to obtain and thus preventing many people from moving house. As a result, consumers cut spend on upgrading their homes leading to a heavy fall of 4.5% in DIY expenditure across the EU in 2009. The strong fall has meant that total DIY expenditure in the region has now fallen back to 2004 levels of expenditure. Nevertheless, retailers are identifying key growth opportunities to counteract falling spend. As heavy DIY has suffered the most, retailers are investing in new product categories to drive growth. These include softer home improvement products such as homewares and decorative items as well as gardening products. Value continues to be an overriding factor with private label taking increased prominence instore. However, the growing eco trend provides the most encouraging prospect for DIY retailers and will substantially help to fuel growth going forward.

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