

Tiles Market in North London

MARKET RESEARCH



May, 2017

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Introduction

This document presents a Market Research about the tiles industry in Northern parts of London, UK. More specifically the regions: Borough of Enfield, Borough of Hackney, Borough of Haringey, Borough of Islington and Borough of Waltham Forest.

Our company will be specialized in tiling services, specifically for kitchen, bathroom and wall tiling. The company will start with two employees and will mainly target individual customers.

The research will try to present a clear picture about several key questions about the tiles industry in the specified regions. The main point of interest of this research will be an analysis of the market, the demand, competition with their unique selling points and their prices. In addition, the research will continue with an analysis of the marketing strategies that the businesses are using and the demographics of the target market. At the end, after an extensive research we were able to find several case studies about successful tiling projects.

Market Analysis

While analyzing the market, we found out that the tiles industry notices an increasing trend in the recent years. According to the [Floor and Wall Tiles Market Report](#) – UK 2015-2019 Analysis by AMA, after difficult period from 2009 to 2013, UK market since then noticed positive annual growth of estimated 5% for 2015/16 and is expected to reach market value of more than £550 million in 2019 with moderate annual growths of 3-4%. This increase is largely due to the growth in housebuilding activity, home improvements and commercial applications.

In the continuation of this chapter in several sub-chapters, the potential demand for tiles in London will be analyzed and presented as an information for the new house developments and renovation that will take place in the North London Boroughs. Next in addition, the average prices for tiling services and the competition in North London Boroughs will be presented. At the end of the market analysis, the newest design and style trends will be explained regarding tile market in UK.

Demand

Over the years the borders between inner and outer London is blurring as buyers push into areas just beyond the North and South Circular roads, where homes can be built at prices low enough to attract people who want to be within a 30-minute travel of the City. The city is overcrowded and the people cannot afford the continually increasing rents which leads to increasing need of new housing development in the outer London regions. London's Mayor

has pledged an improved deal for the “neglected suburbs” and is calling for creative, high-quality architecture for new neighborhoods on brownfield land where transport upgrades are planned. Also, The Greater London Authority (GLA) has produced funding guidance for their affordable homes program for which the Mayor has secured £3.15 billion from the government to fund new [affordable homes for Londoners](#), for the period 2016-2021. Home development and renovation initiatives from the recent past and future will be presented below, in order to describe the potential demand for tiles in the 5 London Boroughs that are of our interest.

London Borough of Enfield

- “[Meridian Water](#)” in Enfield is a project with planned 10,000 new homes on 85 hectares and is one of the UK’s biggest housing projects. The developer, plans a mix of flats and family houses, with 30% of homes designated as “affordable”. The project was announced in 2015;
- Enfield council will develop [7 housing sites](#) with 94 quality affordable new homes across the borough. The council secured a Greater London Authority grant to support the scheme. The sites are in Parsonage Lane, Forty Hill, Lavender Hill, St George’s Road, Tudor Crescent, Jasper Close, and Holtwhites Hill. Kier is the council’s development partner for the project and will be completed in 2017;
- The New Avenue Estate regeneration [programme](#) will see the existing blocks (with 171 homes, including 130 council homes, 41 leasehold properties and a pre-school nursery) demolished and redeveloped along with the Hood Avenue open space and the garage site to the rear of Lousda Lodge;
- In December 2016, Alma Estate [started](#) demolition of 746 properties to develop 993 new homes, shops, a gym, medical center and community facilities. This £150 million project is the council’s largest housing estate renewal scheme and together with other projects in the area will help wider regeneration of Ponders End.

London Borough of Hackney

- Hackney Council launched an innovative program to build hundreds of new homes on underused Council land, to help tackle London’s housing crisis. The project will see areas like Council depots and largely empty garages on Council estates across the borough transformed into around 400 modern, high-quality homes – with 70% for social rent and shared ownership;

- Southern Housing Group in the end of 2015 started constructing a £12 million development on London Lane, located in the borough of Hackney. Designed by PRP Architects, the development will create 49 new homes including 28 flats for shared ownership, 12 for open market sale and nine three and four bedroom houses and maisonettes for affordable rent. In addition to providing new homes in central Hackney, the development will also include an adaptable 750m² commercial unit;
- Borough of Hackney offers grants to Private landlords, property owners and private tenants in order to bring empty properties back to use. The amount of grant available is 50% of the cost of the work up to £10,000 per dwelling.

London Borough of Haringey

- Haringey Council plans a multi-billion pound regeneration [program](#) to deliver 5,000 new homes;
- New [developments](#) will be integrated with neglected neighborhoods so that social regeneration will improve the quality of residents' lives. Flagship schemes that create attractive sites for business investment, will create good new jobs and attractive places to live; underpinned by commitment to Sustainability, Diversity and Design Quality. Two key growth locations, Tottenham Hale and Haringey Heartlands, could generate over 8,000 new homes and 900 jobs.

London Borough of Islington

- In the end of 2016, construction work has started on 15 new homes in the north of the borough including badly-needed new affordable housing for local residents;
- Islington Council plans to build 2,900 new homes for social rent by investing £1.5 billion over the course of the next 30 years started from 2014. The project aimed to build 40 social rented units a year for the next 10 years, rising to 100 homes a year for the following decade and then increasing to 150 units a year for the last 10 years of the program. This will cost on average £15 million a year for the next 10 years;
- Southern Housing Group has started construction work on its £32m development on the corner of Bunhill Row and Featherstone Street in Old Street, London Borough of Islington. Designed by HTA, this high quality residential development will provide 65 new homes. Construction is scheduled to be completed towards the end of 2017;

London Borough of Waltham Forest

- Waltham Forest Council is already working in partnership with Keepmoat on the new build [scheme](#) which aims to see hundreds of new Council homes built in the borough by 2020. The first phase of this project is due to start and will see 15 garage sites on estates across the borough redeveloped into a number of houses and flats;
- Waltham Forest Council is get on one of the biggest home building programs in London, with the ambition to build 12,000 new homes over the next few years;
- Currently Unity Works is developing [30](#) new shared ownership apartments.

In the next chapter, the competition in the tiling services market in North London will be analyzed in more details as well as the current prices regarding the tiling services.

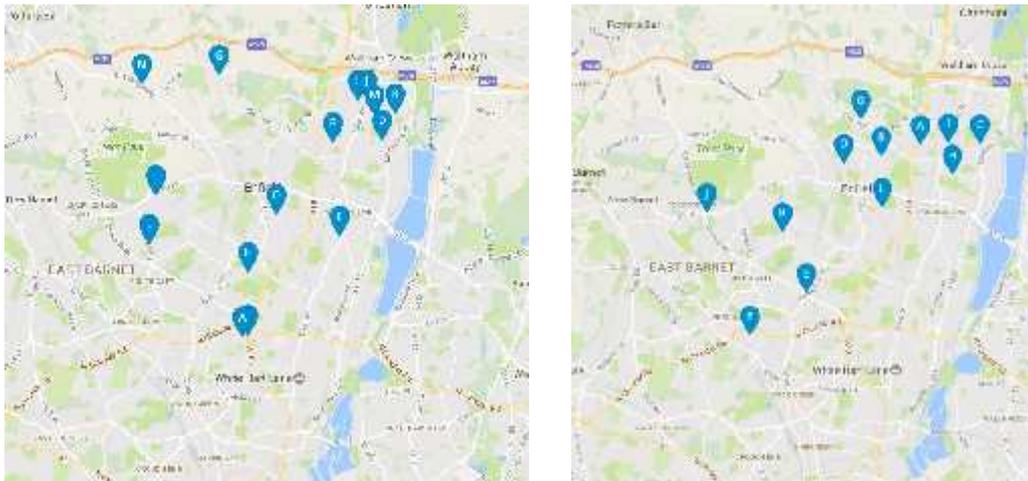
Competition

The competition in the tiling services in London and Greater London areas is high. The competition can be divided into two categories: First are the larger companies that offer tiling services, as a part of larger portfolio of maintenance and building services, to other businesses. Their projects are with bigger scope and have a large number of employees and can work on multiple locations at the same time. The second competitors, that are more similar to our company, are the small businesses with a few employees that usually offer their tiling services to individuals.

The Tile Association ([TTA](#)) represents all aspects of the wall and floor tile industry in the UK, from manufacture to installation. It has more than doubled in size since its original formation and now has more than 1,000 member business units, consisting of tiling contractors, fixers, distributors, retailers and manufacturers. Our direct competitors are tile fixers and there are currently [217](#) equally companies in TTA directory, although on UK level. In the broad region of London, according to TTA there are [60](#) companies. More specifically in the Northern Part of London we were able to identify 20 competitors that offer tiling services.

However, there are large number of individuals and companies that offer tiling services but currently are no member of TTA. On the website MyBuilder.com under the North London filter were listed [81](#) tiling service provider. Another source that we checked was the website Yell.com. In their directory, currently exist [153](#) tilers in North London. Under the different filters applied for different Boroughs that are of our interest we get the following results:

- [27](#) tilers in London Borough of Enfield; ([Map](#))



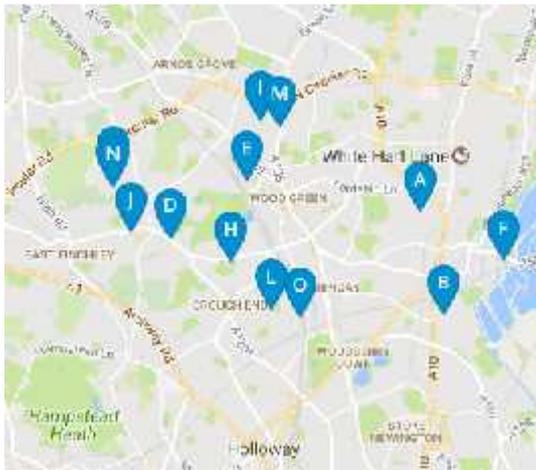
From the maps we can conclude that the competition is highest in the North-East part of the Borough with almost 50% of the competitors located in that part. Some of the competitors that are located in that part of the Borough are “[A Jones](#)”, “[Mike Symonds](#)”, “[DM Wall & Floor Tiling](#)” and “[Enfield Tiler](#)”.

- [8](#) tilers in London Borough of Hackney; ([Map](#))



In Borough of Hackney according to the map, tiling service competition is highest in the West parts of the Borough particularly in the West-Central with 4 from the total number located there. The east part of the Borough, according to Yell, there are no tiling service providers currently located. The 4 competitors that are located in the North-Central region are: “[Phil's Tiling](#)”, “[A H Tiling](#)”, “[Robel](#)” and “[Numero Uno](#)”.

- [17](#) tilers in London Borough of Haringey; ([Map](#))



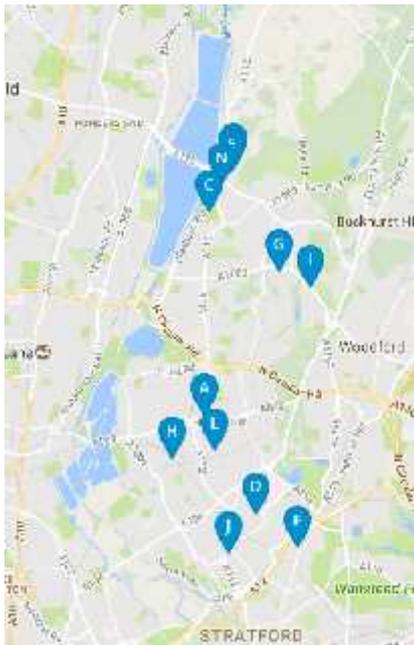
From the map above it is clear that the competition is higher in the western parts of the Borough with more than 70% of the competitors located there. More specifically the competition is highest at the Central-Western region where currently are located “[Tileology](#)”, “[Barry Gregory Specialist Tiling Services](#)” and “[Gregory Tiling Specialist](#)” among others.

- [13](#) tilers in London Borough of Islington ([Map](#));



In the Borough of Islington the competition is much higher in the Southern parts of the Borough with about 40% of the competitors located there even though there are some competition in all other parts of the Borough. The competitors located in the south of the Borough are: “[Ace Tiling Ltd](#)”, “[Derek Rayson](#)”, “[Chiltern Contracts Ltd](#)” and “[AG Oakes Tiling](#)” among others.

- [17](#) tilers in London Borough of Waltham Forest ([Map](#)).



At the Borough of Waltham Forest the competition is higher in the South part of the Borough as well in the region east of the William Griling Reservoir which is deep north of the Borough. The competitors that are located in this regions are: “[Atom](#)”, “[Tilermaster](#)” and “[Wasqaa Tiling Ltd](#)” in the south and “[Buckley Tiling](#)”, “[J Finnigan](#)” and “[S.A.O Tiling](#)” in the north.

From this locations we can notice and conclude that the biggest number of competitors are located in Borough of Enfield (27), than are coming Borough of Haringey and Borough of Waltham Forest (17) and after that are Borough of Islington (13) and Borough of Hackney (8).

In this research we also experienced one negative thing, which was the lack of responsiveness of the companies. We tried to contact over 20 companies on their e-mail address, but even after 4 working days we did not get a response from any of them.

Unique Selling Points

After extensive research of the competition in tiling services in North London, as it can be seen from the previous chapter, we can conclude that the competition is relatively high depending on the region. We identified several attempts of tiling businesses to differentiate from the others:

- We noticed that majority of the provider’s especially smaller ones, do not own website and we see it as start advantage to those who own it given the fact that we live in digital era where Internet is part of peoples everyday life;

- Small size businesses or individuals that offer tiling services, highlights their experience as their main advantage as we can see from their descriptions on the online directories. Here, they support their claim of quality work with several pictures of their previous projects.
- There are companies that apart from tiling services, also offer other services like painting, decorating, plumbing, carpeting, fitting etc. On the other side, there are also companies that have specialized in single tiling activity like only restoration and conservation of tiled floors or only work with specific material like only with stone or marble;
- We do not identified tiling service provides that specifically offers their service in only Turkish communities in North London;
- When it comes to finding new projects, we identified two appearances. The larger companies, usually have previously arranged partnerships with building and construction companies, which provides them with work on large projects. The smaller businesses, usually rely on their reputation of quality workers and word of mouth;

Prices

The prices of the tiling services varies based on several factors: the reputation of the tiler, the time and effort consumed, the materials and the working space. Also, small businesses usually negotiate the prices with every customer separately.

We were not able to find specific prices for every competitor, but with the extensive research we came with average prices that will be presented below (the prices below are for labor with adhesive and grout included):

- Ceramic/Porcelain - 23-35€/m² avg.:
 - Fixing 100mm x any size tiles - £35/m²;
 - Fixing 150mm x any size tiles - £35/m²;
 - Fixing 200mm x any size tiles - £30/m²;
 - Fixing 300mm x any size tiles - £25/m²;
 - Fixing 400mm x any size tiles - £25/m²;
 - Ceramic skirting/dado - £4/m;
 - Mitered corners at 45 degrees - £25/m;
 - Silicone sealing (linear meter) - £4/m.

- Mosaic – 40-60£/m2 avg.:
 - Fixing 25mm x 25mm paper-faced glass mosaic tiles - £60/m2;
 - Fixing 25mm x 25 mm mesh back mosaic tiles - £50/m2;
 - Fixing mesh back travertine mosaic - £50/m2;
 - Mitered corners at 45 degrees – travertine - £40/m;
 - Silicone sealing - £4.50/m.
- Marble/Granite/Natural Stone - 40-50£/m2 avg.:
 - Fixing 100mm x any size tiles - £50/m2;
 - Fixing 150mm x any size tiles - £47/m2;
 - Fixing 200mm x any size tiles - £45/m2;
 - Fixing 300mm x any size ceramic tiles - £43/m2;
 - Fixing 400mm x any size ceramic tiles -£40/m2;
 - Marble, Granite, Natural Stone, Slate skirting - £6/m;
 - Mitered corners at 45 degrees - £25/m;
 - Silicone sealing - £4.50/m.

The next chapter is about the latest trends in the design and style of tiles used in designing home kitchens and bathrooms.

Trends

Flooring over the last years, has experienced an increase in popularity thanks to the versatility of new materials and designs available. The rise in demand includes tiles as well, which are becoming center piece for homes across the designer's world. With using tiles the home get more sophisticated look as well as proving to be more durable than carpets and more cost effective than a hardwood floor. In addition will be presented some key trends for tiling designs in 2017:

- **Herringbone and Metro Tiles** - The metro herringbone look uses brick tiles laid in a style similar to the look of chevrons. This style is undeniably modern and is also in keeping with the vintage and rustic trend that currently shows no signs of slowing down.



- **Patterned Tiles** – This kind of tiles give the home sense of depth and texture. Also help to add some character to the room and are complementary with accent colors that can hugely compliment the tiles to create a great sense of fluidity to a room.



- **Hexagon Tiles** – Another huge trend is the hexagon shaped tiles. They are eye-catching and are helping for instant modernization of the home. Hexagon tiles can also create an even bigger impact when paired with a filling of a different color, which really helps the shape of the tile pop.



- **Terracotta Tiles** - This trend focuses on warm, natural colors joined with bamboo and woven furniture pieces to create a truly authentic design. This tiles help in differentiate the home from the rest.



Next chapters are about the Marketing strategies and tools that tiling services providers and the potential target audience for our services.

Marketing

Nowadays, Internet is the key medium for marketing strategies for all businesses and is no different for the tiling businesses as well. Larger companies that have big budgets, have marketing strategies that include different marketing tools like expensive TV adverts, billboards, email and direct marketing. Also, they have concluded partnerships with construction companies which enables them to work on all their constructions sites.

However, there are large number of companies that are small with few employees so they not have some meaningful marketing strategies. They most frequently, rely on their reputation and word of mouth as quality contractors in order to attract more customers. Those who have website use it as main marketing tool where are presented all the information's about the company and more importantly, images from previous finished projects, although many businesses do not own websites. As alternative they usually put their information's on different company directories like yell.com, mybuilder.com, tilerdirectory.co.uk, britinfo.net etc. Also, they use the social networks like Facebook and LinkedIn and also advertise their services on related forums like tilersforums.co.uk, ultimatehandyman.co.uk etc.

Target Audience

Our target audience are Turkish families that live in the Northern Boroughs of London. There is an estimated 500,000 people of Turkish origin living in the United Kingdom. The Turkish community is made up of about 300,000 Turkish Cypriots, 150,000 Turkish nationals and smaller groups of Bulgarian Turks, Macedonian Turks, Romanian Turks and Western Thrace Turks. There is also an increasing number of Turks arriving from German speaking countries (mainly German Turks and Dutch Turks).

In continuation are going to be presented 5 boroughs that are home to majority of the Turkish families. There will be information about the borough population and the number of Turkish people:

- **London Borough of Enfield:** Total [population](#) in mid-2015 was 329,154. Turkish people get 9.42% of which 2.02% are Turkish Cypriot. In 2011 there were 18,378 individuals which main language was Turkish. In the same year, Turkey was the largest migrant population by country of birth.
- **London Borough of Hackney:** Total [population](#) in Jan-2016 was 263,150. At least 4.5% of the total are Turkish. In 2011, 10,551 individuals stated Turkish as their main language.

- **London Borough of Haringey:** Total [population](#) in 2015 was 269,009. In 2011, there were 11,994 individuals that spoke Turkish as their main language. In the same year, Turkey was the second largest migrant population by country of birth.
- **London Borough of Islington:** Total [population](#) in 2015 was 227,692. In 2011, there 4,194 individuals which main language was Turkish. In the same year, Turkey was the second largest migrant population by country of birth.
- **London Borough of Waltham Forest:** Total [population](#) in 2015 was 271,200. In 2011, there 3,870 individuals that spoke Turkish as their main language.

The total population of all the Boroughs together in 2015 amounted to 1,369,168 people. The population is expected to grow to 1,392,700 by 2017 and to 1,432,900 to 2020. Also, in 2015 there were 556,352 households in all the Boroughs together and this number is expected to grow to 572,372 by 2017 and to 596,423 by 2020. In 2011, there were 48,985 individuals that stated Turkish as their main language.

In the next chapter, the demand about the new housing developments and renovation in the specified regions will be presented.

Case Study

In this chapter we will present several success stories made by tilers from different parts of UK. Even though our aim was to present case studies from smaller projects made for individual clients, even after broad research we were not able to identify.

Case Study 1 – The client was ABC, located in London SW1. XYZ Ltd supplied and installed the stone work in this ultra-high end luxurious residence. To emphasize the high specification design, carefully selected marbles and granites have been used extensively throughout the project. The bathrooms were decorated with beautiful slip-matched marble cladding, flooring, showers and tailored vanity units.



Case Study 2 – The project was new flooring installation in 3 storey new build property in Bromley. Ceramic tiles with underfloor heating were chosen for the bathroom and kitchen, engineered wood was installed in the bedrooms and carpet for the three storey staircase.



Case Study 3 – The project was ceramic wall and floor tiling to 117 apartments, communal entrance areas and external furniture walls at the Epsom station as a part of Solum Regeneration Project. The work costs £189,000.



Summary

From the previous analysis and research that we conducted regarding the tiles services market in the North London Boroughs, several conclusions can be derived:

Over the last couple of years the tiles industry in UK is noticing positive annual growth of estimated 5% for 2015/16 and this trend is expected to continue in the next few years. This is mainly due to the increasing popularity of tiles in the design of homes and their versatility. With analyzing the North London tiles market we can see that the demand in this region is high and increasing. In the next years there are many initiatives for housing developments in all the North London Boroughs given the fact that the central parts are overcrowded for many years. Many Londoners are choosing the North London as their home destinations due to the lower prices but again short distance to the City.

With analyzing the competition, it can be said that the competition in the Norther Parts of London in providing tiling services is high. The competition come from larger tiling companies that work mainly on larger projects but also there are large number of individuals or businesses with few employees that work on small scale projects. Even though TTA is representation of the tiling industry, their directory do not offer complete picture of the number of competitors due to the fact that small businesses are either not interested to become part of it or do not meet the necessary requirements. As replacement, smaller businesses use other directories to list their information's like yell.com and mybuilder.com where we were able to identify large number of tiling service providers in the specified locations.

According to Yell.com there are currently 153 competitors in the North London Area of which 82 are located in the 5 Boroughs that will be our point of interest. There is a diversity of competitors as some of them offer additional services apart from tiling or are only working with specific materials. However, we do not identify competitor that offer their services specifically to Turkish households so this can be our advantage point.

The prices of the service varies due to many factors from the reputation of the provider, the location and materials to other intangibles that occur during the work. Even though tilers have their price frame, they frequently negotiate the prices with every customer separately. Our research classified prices in 3 categories:

- Ceramic/Porcelain - 23-35£/m2 avg.;
- Mosaic – 40-60£/m2 avg.;

- Marble/Granite/Natural Stone - 40-50£/m2 avg.

From the Marketing point of view we can conclude that with the increasing of the size of the companies also is increasing the usage marketing activities. Bigger companies that works on bigger projects usually use more expensive marketing tools, unlike the smaller businesses that mainly use their reputation and quality of work to gain attention and therefore more clients. They also use online directories and forums in order to make their existence known to broader audience.

The population in the North Boroughs is increasing over the years. More specifically in the 5 Boroughs that of our interest, is expected to grow to more than 1.4 million in 2020 and the number of households to little less than 600,000 in the same year. The Turkish ethnicity is expected to grow as well given the fact that in all researched Boroughs Turkey get the 1st or 2nd place in largest migrant population by country of birth.

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