

TRENDS IN THE NEWS BULLETIN

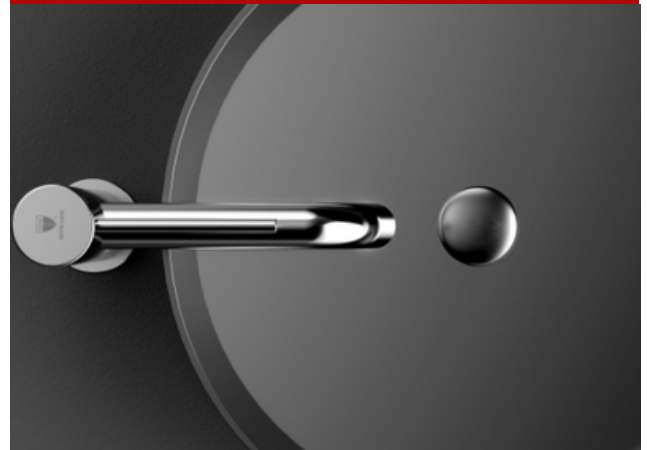
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Top Trends

Faucets & Accessories
Elegance in Style

Durability in Functionality



Bathroom Accessories growth rate (CAGR) of 10.2%
Faucet growth rate (CAGR) of 7.9%

Bathroom Accessories & Faucet Market Size & Trends, Share & Trends Analysis Report

Bathroom Accessories

As of 2023, the global market size for bathroom accessories reached USD 20.95 billion and is projected to witness a substantial growth, with an anticipated compound annual growth rate (CAGR) of 10.2% from 2021 to reach a remarkable USD 37.08 billion by 2028.

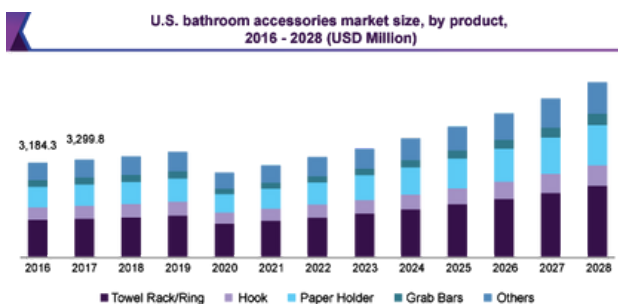


The expansion in real estate and commercial construction is set to significantly contribute to the growth of the bathroom fittings industry, driving the demand for related accessories. Furthermore, the changing lifestyles and increased disposable income of consumers in emerging markets such as China and India are expected to play a pivotal role in the market's expansion. Notably, the willingness of consumers to invest in a higher quality lifestyle, as reflected in the substantial global spending on leisure travel and tourism, underscores the market's potential for further development. According to Knoema, worldwide spending on leisure travel and tourism reached USD 4,687 billion in 2019, highlighting the growing inclination towards a more upscale lifestyle.

Elevated expenditure on home enhancement initiatives or home refurbishments is driving the demand for products. Considering the pre-Covid years to be more representative than the period during Covid, this inclination is predominantly propelled by the escalation in home prices, coupled with historically low mortgage rates. The substantial increase in home values has resulted in a twofold rise in homeowners' equity within a five-year period until 2019, indicating a notable surge in spending capability for home improvement projects. According to the National Association of Realtors (NAR), there was a 10.5% year-on-year increase in existing-home sales, reaching a seasonally adjusted annual rate of 6 million units in August 2020.

Similarly, data from the U.S. Census Bureau reveals a remarkable 43.2% year-on-year surge in the sale of new homes, reaching a seasonally adjusted annual rate of 1,011,000 units in August 2022. Additionally, house prices in Canada exhibited a 4.6% year-on-year growth in November 2020, following a 3.9% year-on-year increase in the previous month.

Furthermore, the rise in the average number of bathrooms in U.S. households is contributing to an increased adoption of modern plumbing fixtures. Over the past fifty years, the count of bathrooms in households has witnessed a growth,





leading to a greater acceptance of contemporary plumbing installations. The number of bathrooms per individual in the United States has experienced a twofold increase. Notably, The Atlantic reported in January 2022 that the proportion of homes with ten or more bathrooms has also doubled over the past decade. Data from the U.S. Census Bureau indicates that out of the 903,000 single-family homes completed in 2022, 32,000 had one and a half bathrooms or fewer, while 296,000 homes featured three or more bathrooms. This shift is anticipated to drive a heightened demand for plumbing fixtures.

Furthermore, the burgeoning portable sanitation sector presents a significant opportunity for manufacturers to fuel market growth for bathroom accessories. As per the Portable Sanitation Association International, there were 3.6 million portable restrooms in operation worldwide in 2019, with the English-speaking North American region

accounting for 2.0 million to 2.2 million units during that period. Consequently, the expanding construction activities within this industry present numerous growth prospects for the global market.

Insights into the Products:

In 2023, the towel rack/ring product category secured the largest market share, accounting for 41.4%. This dominance is credited to the dual functionality and aesthetic appeal that heated towel rails and racks bring to bathroom spaces. The escalating popularity of heated towel rails has prompted manufacturers to introduce diverse finishes and colors to cater to consumer preferences. Notably, black, white, and rose gold stand out as favored color choices among customers. Additionally, the growing affluence of individuals globally has paved the way for an opulent lifestyle, fueling the adoption of luxurious bathroom products and accessories, particularly in urban settings.

There is a noticeable surge in the popularity of paper holders among consumers, primarily propelled by the hospitality sector encompassing hotels, hospitals, and guest houses. The demand for paper holders in bathrooms is notably high in hotels. These holders are available in various materials, including steel, zinc alloy, brushed nickel and chrome, brass, and chromium.



According to Tissue World Magazine, over the past 25 years, global toilet paper sales have consistently grown by 3.7%, with no recorded contraction in any given year. The escalating demand is particularly driven by developing countries, where the compound annual growth rate (CAGR) for the product surpasses 2 percent in Latin America, Eastern Europe, and Asia (excluding Japan).

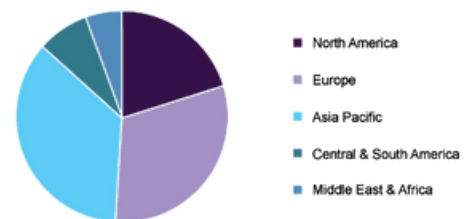
Insights by Region:

In 2023, Asia Pacific emerged as the dominant force in the market, capturing a substantial 35.7% share, and is poised to experience the swiftest growth throughout the forecast period. This prominence is attributed to the region's dynamic construction landscape in countries like China and India, coupled with the rising economic influence of Bangladesh, Myanmar, and Vietnam as burgeoning economies. China and India, harboring a combined population of around 2.6 billion as of 2023,

have traditionally been influential in various societal and economic metrics, encompassing household expenditure, growth in middle-class income, construction investments, and initiatives for affordable housing. However, the construction sector in the region faced challenges due to the impact of the coronavirus pandemic, resulting in diminished demand for construction materials and disruptions in supply chains. The gradual revival of the construction industry following economic reopening measures by several countries is contributing to the stabilization of material demand.

Europe is anticipated to record a Compound Annual Growth Rate (CAGR) of 10.0% from 2021 to 2028. This projection is underlined by the presence of major economies, including the U.K., Germany, France, and Italy, characterized by robust household spending and well-established infrastructure sectors. The European market is distinguished by substantial intra-continent trade, providing broad market access for companies and a affluent population, facilitated by agreements within the European Union and the Eurozone.

Global bathroom accessories market share, by region, 2020 (%)





Western European nations, boasting high-income levels, present a promising landscape for companies operating in the bathroom accessories market. The potential for lucrative opportunities lies in offering high-end products, innovative designs, and establishing sophisticated distribution channels.

In summary, the global bathroom accessories market has witnessed significant growth driven by factors such as increased spending on home improvement projects, a rise in the average number of bathrooms per household, and a surge in demand for various bathroom products. Regional variations, such as the dominance of the Asia Pacific market and the anticipated growth in Europe, despite the downturn during the Covid years, it is reasonable to expect a descent bounce in the coming years.



Faucets

Faucet Market Size & Patterns As of 2023, the estimated global market size for faucets reached USD 21.78 billion and is projected to experience a substantial compound annual growth rate (CAGR) of 7.9% from 2024, reaching an impressive USD 36.69 billion by 2030. According to iProperty Management, in 2023, the majority of homeowners allocated expenditures ranging from USD 5,000 to USD 10,000 for home upgrades.

A faucet, an integral component of plumbing systems facilitating the inflow or outflow of water, comprises various elements such as a spout, handles, lift rod, cartridge, aerator, mixing chamber, and water inlets. Typically crafted from brass, the faucet body may alternatively be constructed from die-cast zinc or chrome-plated plastic. The spotlight is increasingly on bathroom faucets as both consumers and manufacturers focus on these smart accessories.





• **Expansion in Global Household Units**

The shift towards nuclear families has resulted in a decline in extended family living arrangements, leading to a gradual increase in the overall number of households. Historical data indicates a significant transformation, where in 1850, nearly 70% of individuals aged over 65 cohabited with their grown children, a figure that plummeted to less than 15% by the year 2000.

Market Drivers

Deeper societal changes, including industrialization, urbanization, improved living standards (especially for older adults), and reduced immigration, have contributed to the global surge in households. Governments across various nations have initiated programs to facilitate middle-class and low-income individuals in acquiring permanent residences.

For instance, the Indian government aims to construct approximately 11 billion housing units,

addressing the current shortage of about 6 billion units. This initiative, expected to be completed by 2025, aims to provide all Indian citizens with a place to live. The demand for housing units, divided almost evenly between urban and rural areas, is mainly for affordable housing. The Indian government's Smart Cities Mission allocates USD 7,750 million over the next five years to build 100 planned smart cities.

Consequently, the burgeoning construction of new homes and businesses is anticipated to drive increased demand for faucets and related products.

Moreover, builders are recognizing the significance of upscale bathrooms as the demand for such units grows. With rising incomes and improved spending habits globally, consumers are increasingly investing in high-end and technologically advanced products. Real estate developers are capitalizing on the trend, constructing apartments with luxurious features, including automated faucets, as high-end flats yield better returns.

Furthermore, a range of product advancements, including the introduction of touch-free, digital, and hybrid smart faucets equipped with efficiency sensors and temperature gauges, serves as additional catalysts for growth.



An exemplar of this trend is the GROHE Plus digital faucet, featuring an LED temperature display, thereby reshaping the concept of versatility.

The persistent desire to cultivate a contemporary and opulent home is driving the transformation of kitchen spaces, consequently fostering the demand for kitchen products. Illustratively, the Franke 3-in-1 faucet, provided by Franke Kitchen Systems, is tailored to dispense hot, cold, and distilled water,

Increase in Urbanization Trends The phenomenon of urbanization is driven by the migration of individuals to urban areas in search of employment opportunities. According to the United Nations, a majority of regions globally are currently undergoing increased urbanization, with approximately 54.8% of the global population residing in cities and towns. The surge in urban population has led to significant lifestyle changes,

marked by an increase in single-parent families, particularly in developing nations. This urban shift has consequently generated substantial demand for faucets.

Anticipating the years ahead, there is a foreseen rise in demand for sanitary ware, attributable to the growing urban population that places increased importance on fundamental sanitation. If the current trajectory of consumer spending continues, India has the potential to emerge as the largest middle-class consumer market globally. This expanding middle-class demographic exhibits a growing inclination towards adopting international lifestyles, contributing to an elevated demand for contemporary amenities.





End-user Perspectives In 2023 and beyond

The commercial faucet segment took the lead in the market, contributing to a substantial revenue share of 52.53%. The notable expansion of the hospitality sector, encompassing establishments like hotels, resorts, and hospitals, has been a driving force behind the increased demand for faucets within these domains. Europe stands out as one of the primary markets for the hospitality sector, closely followed by the United States. Major hotel chains are significantly expanding their operations, as indicated by the Global Construction Pipeline Trend Report published by Lodging Econometrics (LE) in Q4 2022 post Covid. The report highlighted 14,267 projects globally, totaling 2,298,846 rooms, reflecting a 4% year-over-year increase. These trends are expected to propel the demand for various faucets throughout the forecast period.

Conversely, the residential segment is poised for the swiftest Compound Annual Growth Rate (CAGR) at 7.6% from 2023 to 2030. The surge in construction activities in the residential sector, particularly in developing economies like China, India, and Indonesia, is creating new avenues for market growth. This uptrend has resulted in increased faucet installations for both bathrooms and kitchens in households. According to the UN, approximately 200,000 people migrate to urban areas daily in pursuit of affordable housing and infrastructure. Additionally, the International Organization for Migration (IOM) reported that over 281 million individuals migrated internationally in 2020, constituting 3.6% of the global population. This scenario is expected to continue shaping the demand landscape for faucets in the foreseeable future.

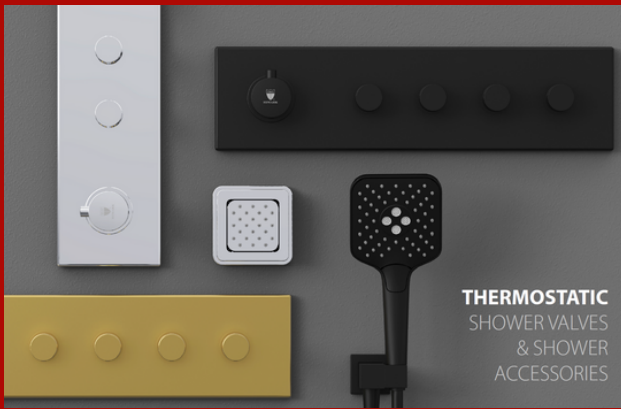
Insights by Region

In terms of regional distribution, the global faucets market is predominantly categorized into North America, Europe, Asia-Pacific, and LAMEA.

Asia-Pacific Dominance in the Global Context

Asia-Pacific stands as the preeminent region in the global faucets market

With an anticipated Compound Annual Growth Rate (CAGR) of 8.9% by the year 2030. This forecast is underlined by the region's projected surge in home and business constructions,



leading to a heightened demand for faucets. Governments in countries like China, India, Indonesia, Singapore, and other emerging economies have actively pursued housing construction programs. For instance, the Indian government initiated the Pradhan Mantri Awas Yojana (PMAY), with the goal of creating 20 million affordable homes to address housing needs for the urban poor population. The increased governmental support for home construction is expected to be a key driver in escalating faucet demand in Asia-Pacific.

Following closely, Europe positions itself as the second-largest market globally for faucets, projecting a market value of USD 13,434 million by 2030, with an estimated CAGR of 8.5%. The impetus behind this growth is the robust deployment of faucets in hotels, restaurants, and various other businesses. As the hospitality industry becomes more competitive, establishments like hotels and restaurants are increasingly engaging in repairs and redesigns,

spurring the demand for distinctive and elegant faucets. This demand is expected to surge further as these businesses expand across Europe.

In North America, a notable uptick in faucet demand is anticipated, propelled by the escalating number of commercial constructions. The spectrum of commercial buildings includes restaurants, grocery stores, skyscrapers, shopping centers, sports facilities, hospitals, private schools, universities, and more. This trend has been a significant factor in fostering the growth of the faucet market. Shifting consumer preferences, a penchant for a higher standard of living, and increased investments in luxury housing contribute to the ongoing expansion of the faucet market in North America.





Market Opportunities

Advancement in Smart Faucet Technologies

The burgeoning popularity of smart home technologies has extended to encompass various facets, including smart faucets, bathrooms, and electronic appliances, gaining considerable traction among consumers. Particularly, smart faucets are emerging as commonplace additions to modern smart homes. These products incorporate a range of features, including motion sensors, touch sensors, and temperature gauges, enabling users to regulate and monitor water usage in kitchens and bathrooms. Additionally, these products boast hands-free technology that interfaces with different sensors and the internet, enhancing the customer's lifestyle with increased luxury, connectivity, and accessibility.

The environmental significance of touchless faucets cannot be overstated, as they play a crucial role in water conservation both in homes and businesses. Regular faucets often lead to unintentional water wastage, which these technological advancements aim to address. Smart faucets, with their innovative features, help mitigate such inadvertent water waste. As a result, their value is expected to further escalate during the forecast period, driven by the growing awareness of water conservation and the desire for enhanced technological conveniences.



RAINBOWSERIES



The expansion of the market is poised to receive a boost from the flourishing hospitality industry in developing economies, including the United States, France, Japan, Germany, and others. Projections from the US Department of Commerce and the International Trade Administration indicate a 3% annual growth in foreign travel within the United States from 2022 to 2024 and beyond.

This anticipated growth is closely tied to the flourishing travel and tourism industry, fostering the expansion of the hotel sector in the United States. The ripple effect is expected to positively influence the electronic faucet market.

In conclusion, the global faucet market exhibits robust growth prospects, driven by factors such as increased urbanization, the rise in household units globally, and regional dynamics.

Innovations, especially in smart faucet technologies, open new avenues. Regionally, Asia-Pacific dominates, propelled by construction initiatives, while Europe and North America witness substantial growth, especially in the commercial sector. The hospitality industry, tourism, and housing projects further contribute to market expansion, emphasizing the evolving landscape and significant opportunities in the faucet industry.

