



Economic scenarios and outlook for the construction market

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UNICMI Economic Studies Office

Milan, December 15, 2023

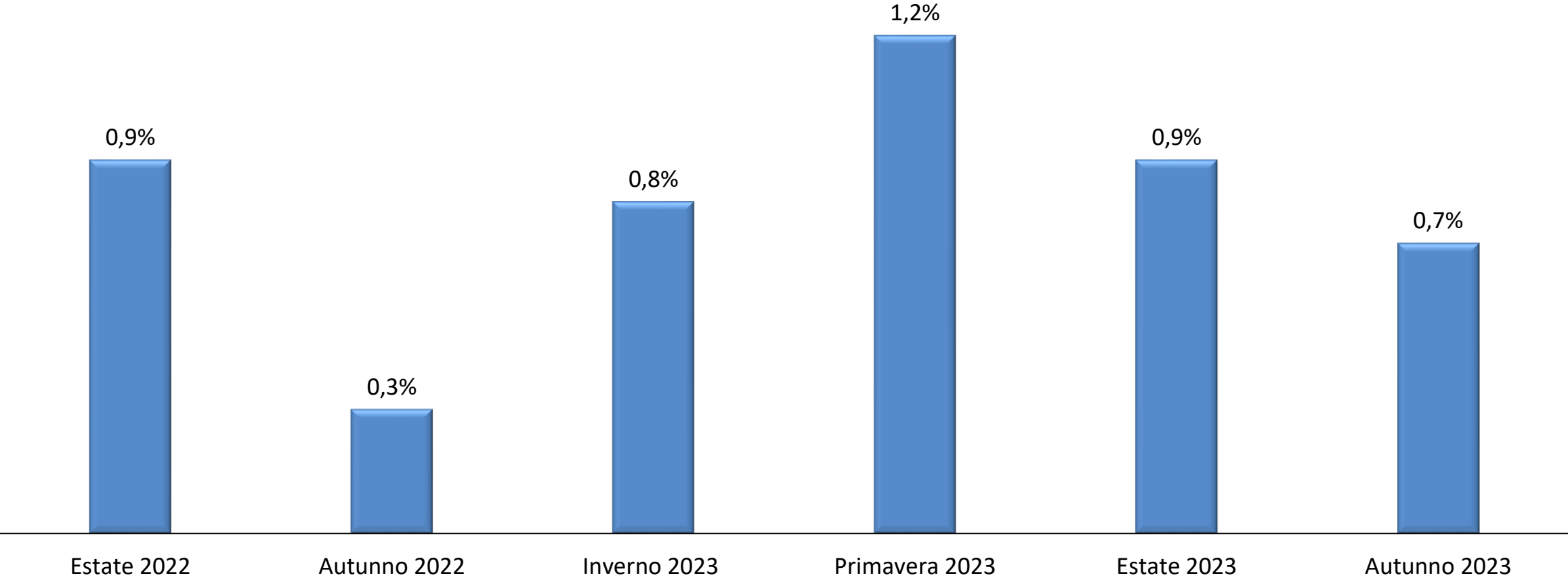
Agenda

1. Economic Scenario
2. Trends and prospects in the construction industry
3. Evolution of the envelope and metal construction market

Economic Scenario

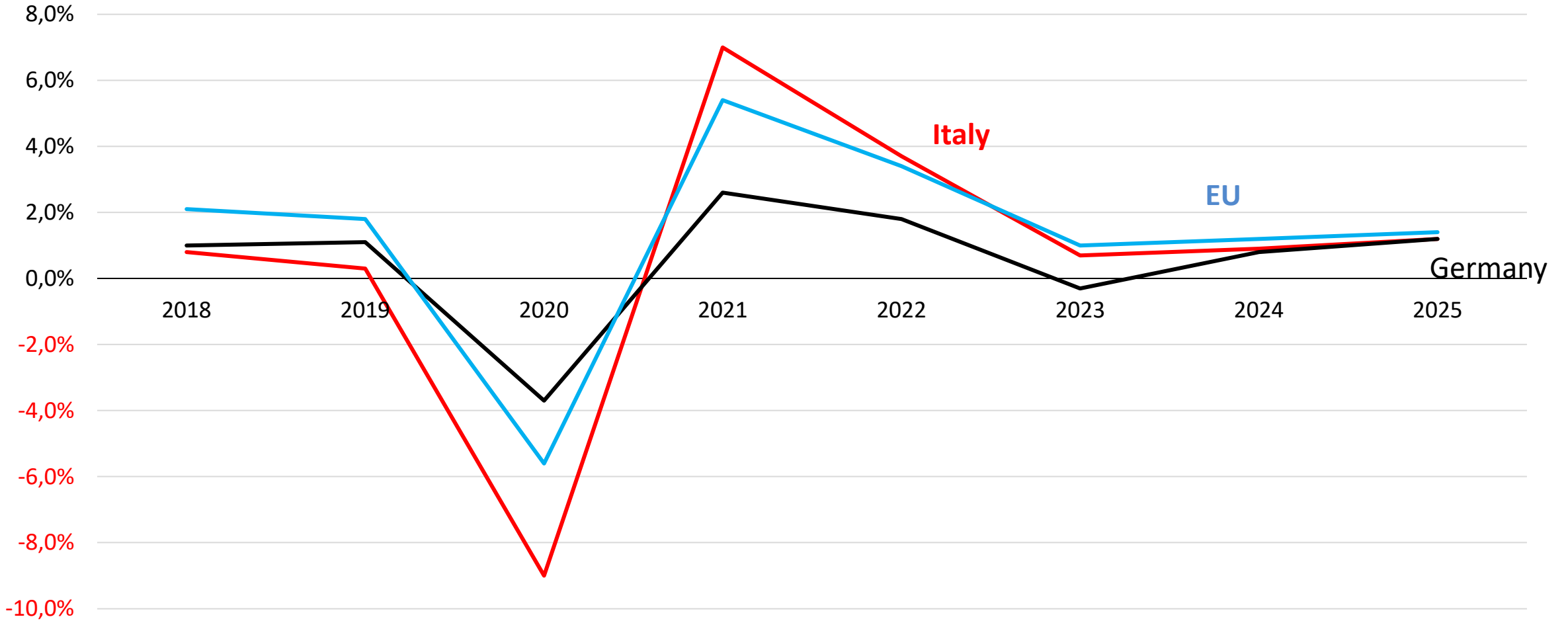
Evolution of GDP forecast 2023

Italy GDP growth forecast for 2023 prepared by the European Commission



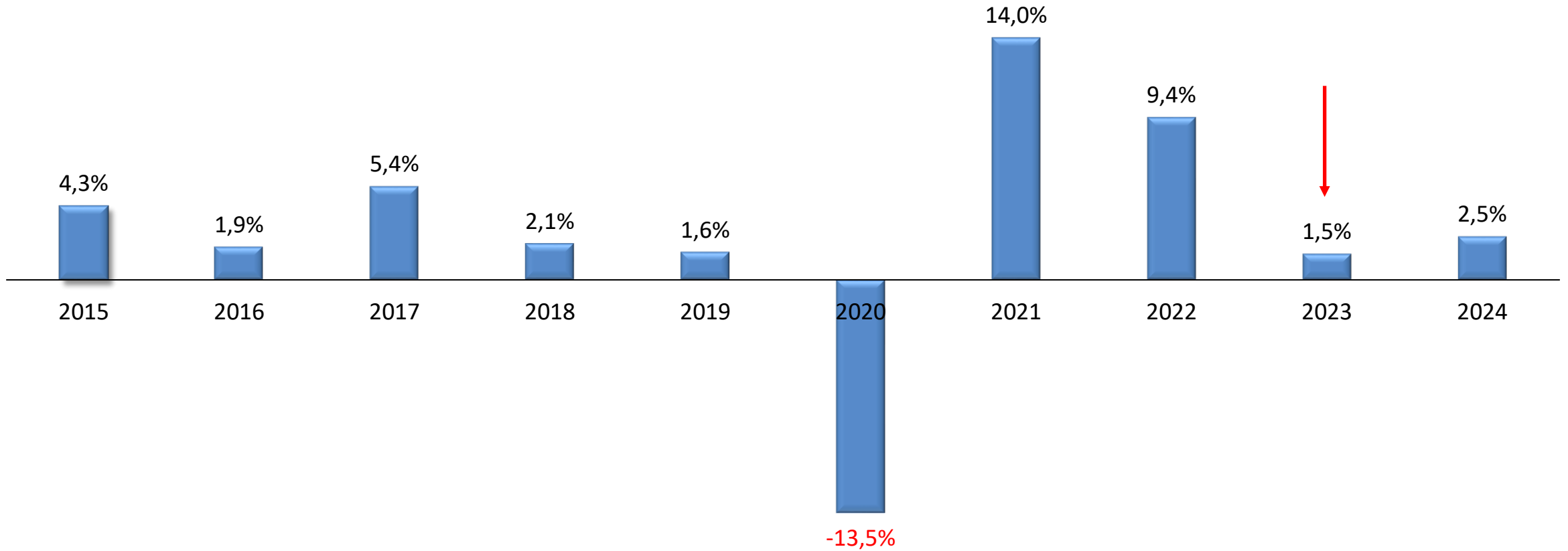
GDP growth in EU

GDP Main European Countries



Export

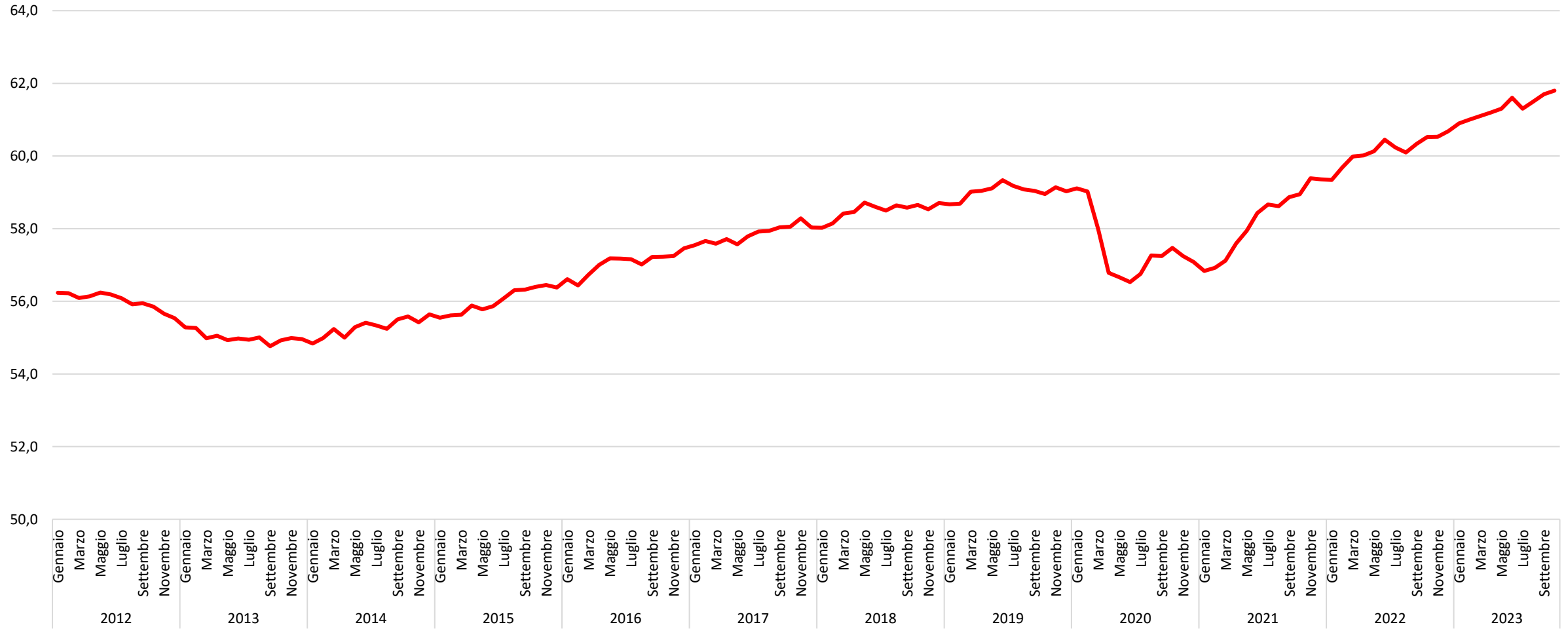
Total Italian exports



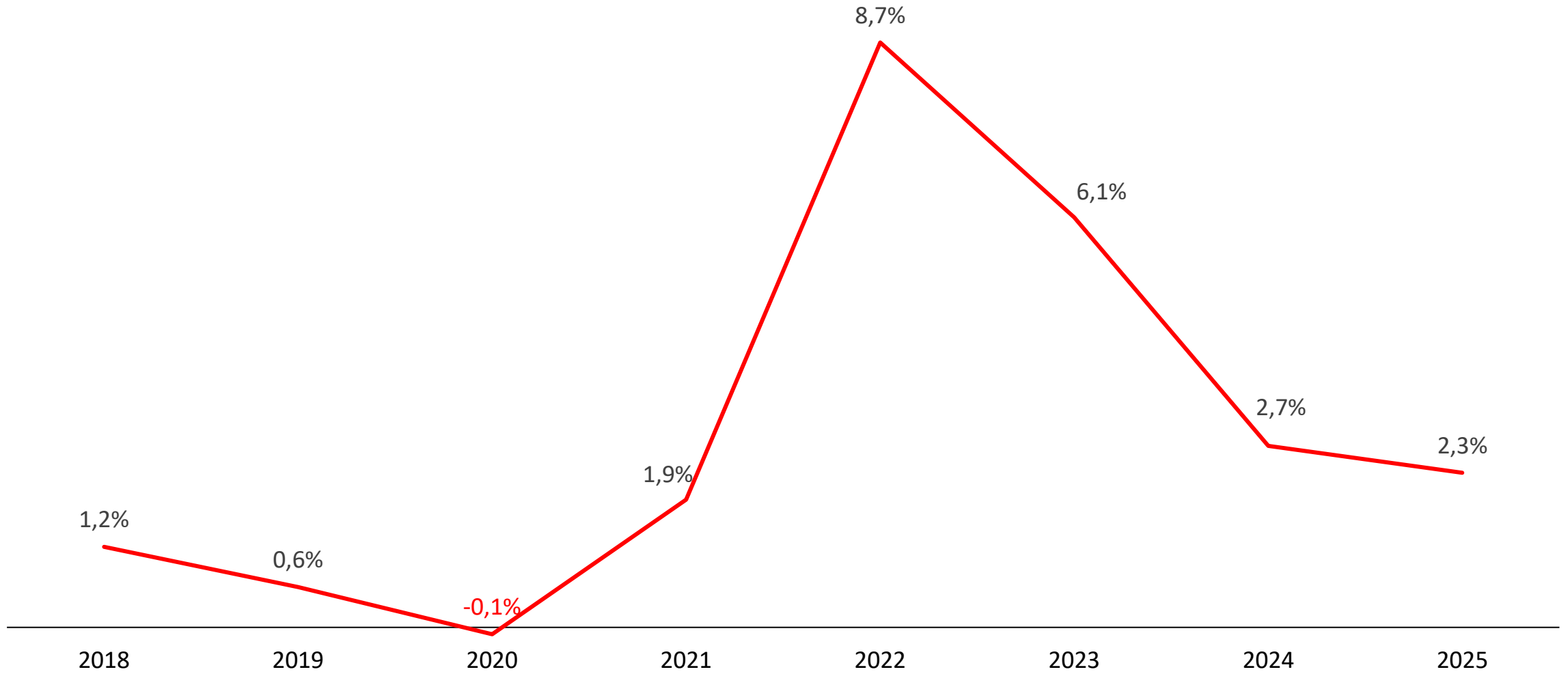
Source: ISTAT, data September 2023

Labor Market

Employment rate - seasonally adjusted data

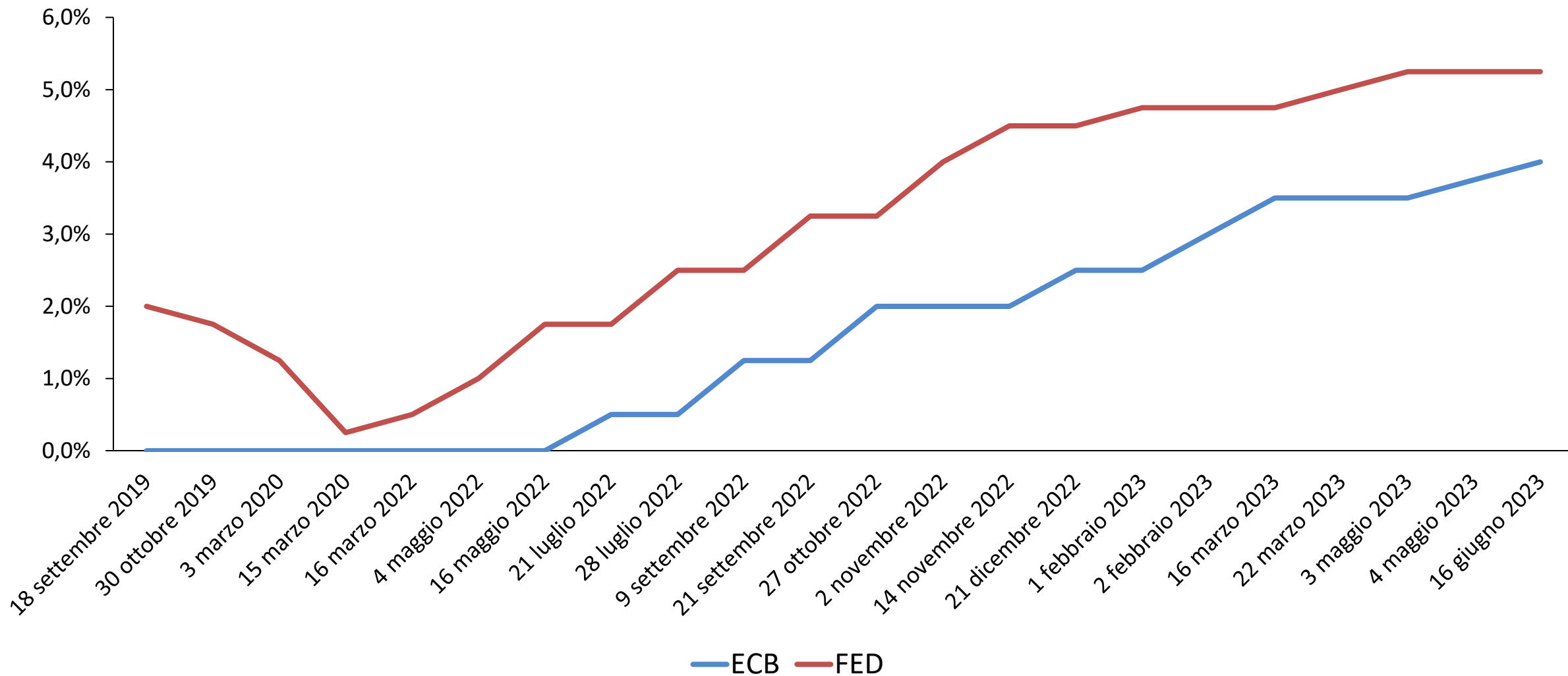


Inflation evolution



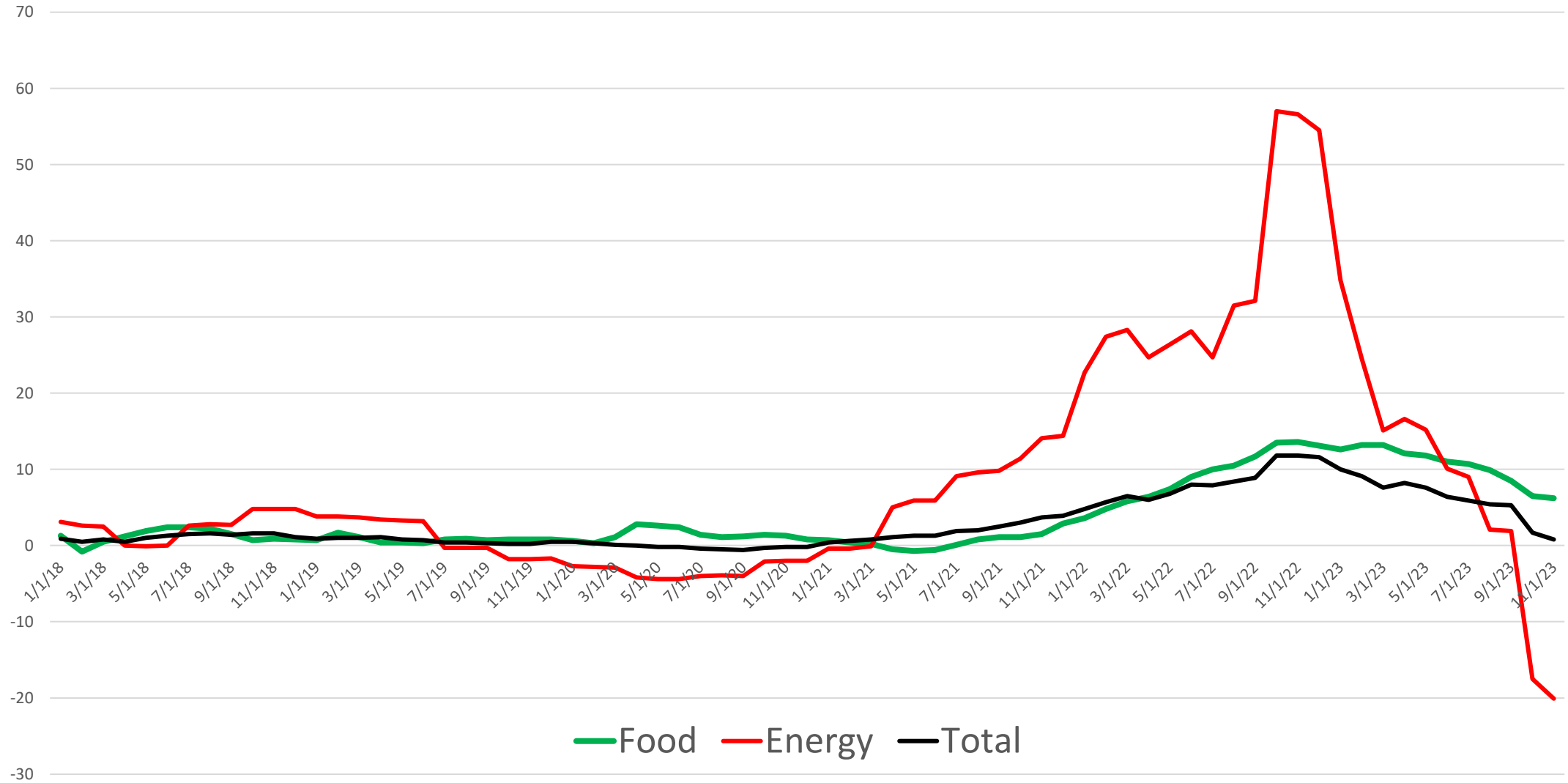
Source: EU Commission

Reference interest rates



Source: FED, ECB

Inflation evolution

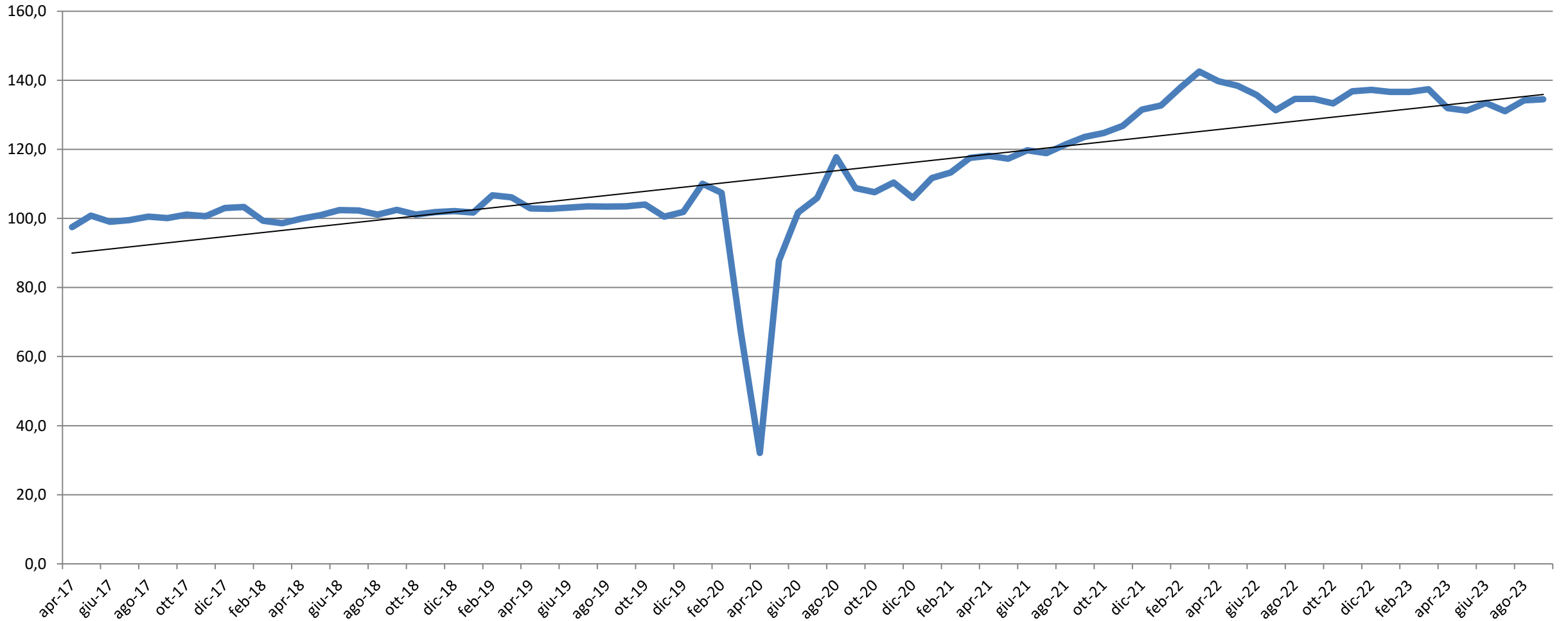


Source: Bloomberg, Courtesy of CERESIO INVESTORS

Trends and prospects in the construction industry

Trends and prospects in the construction industry

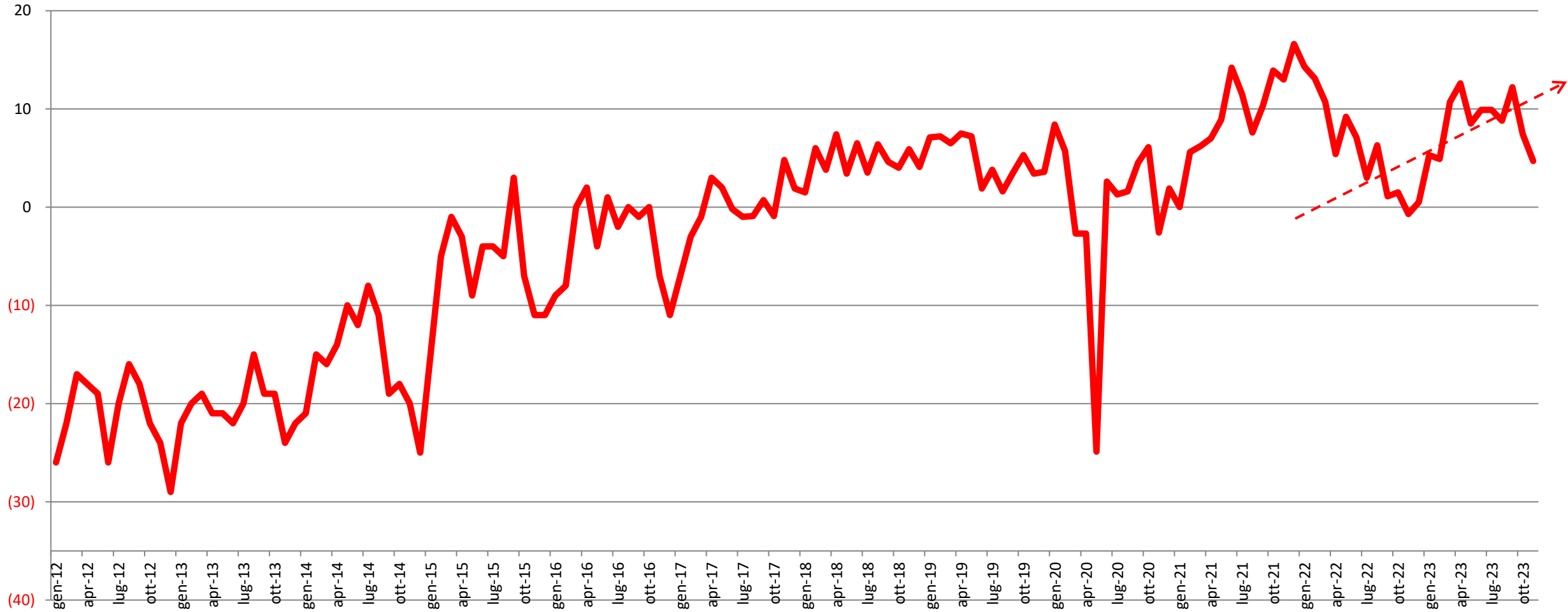
Production index in construction (seasonally adjusted data)



Source: ISTAT, updated December 2023

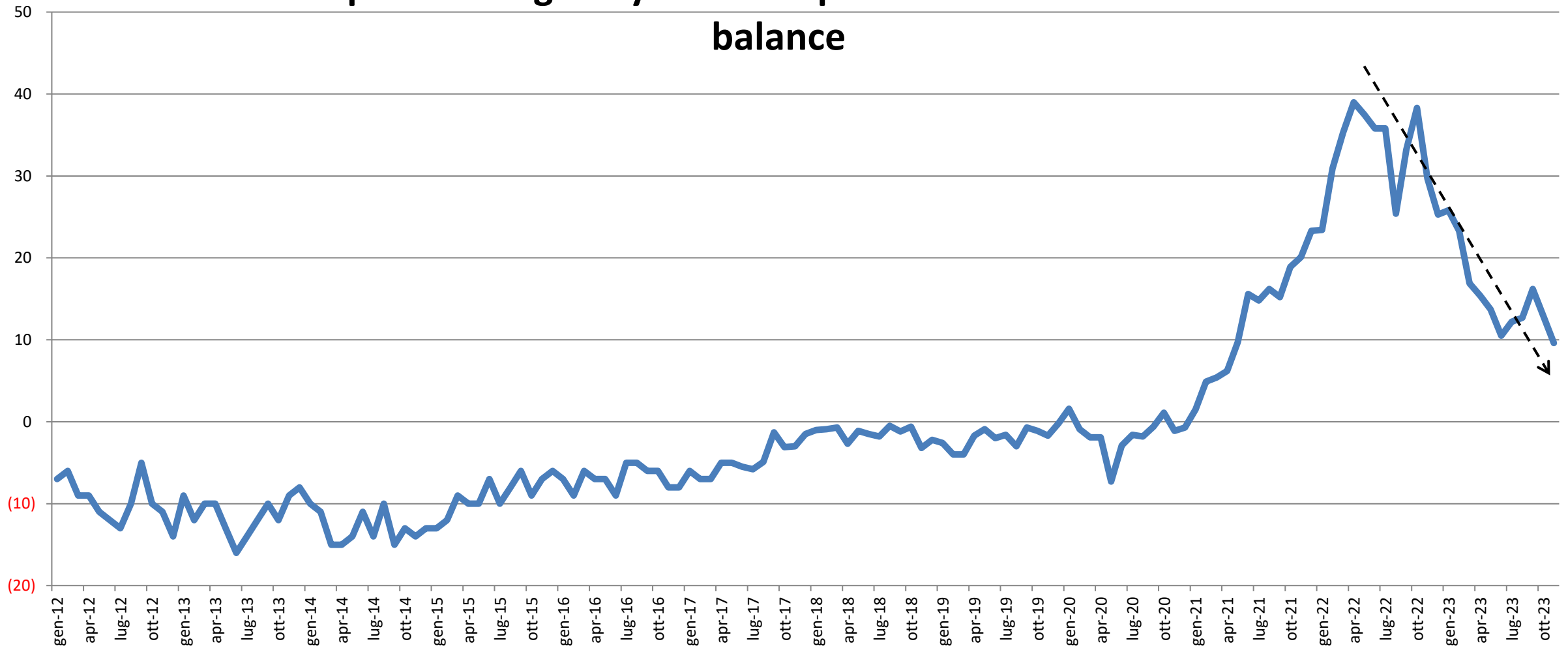
Trends and prospects in the construction industry

Trend of orders in the construction sector



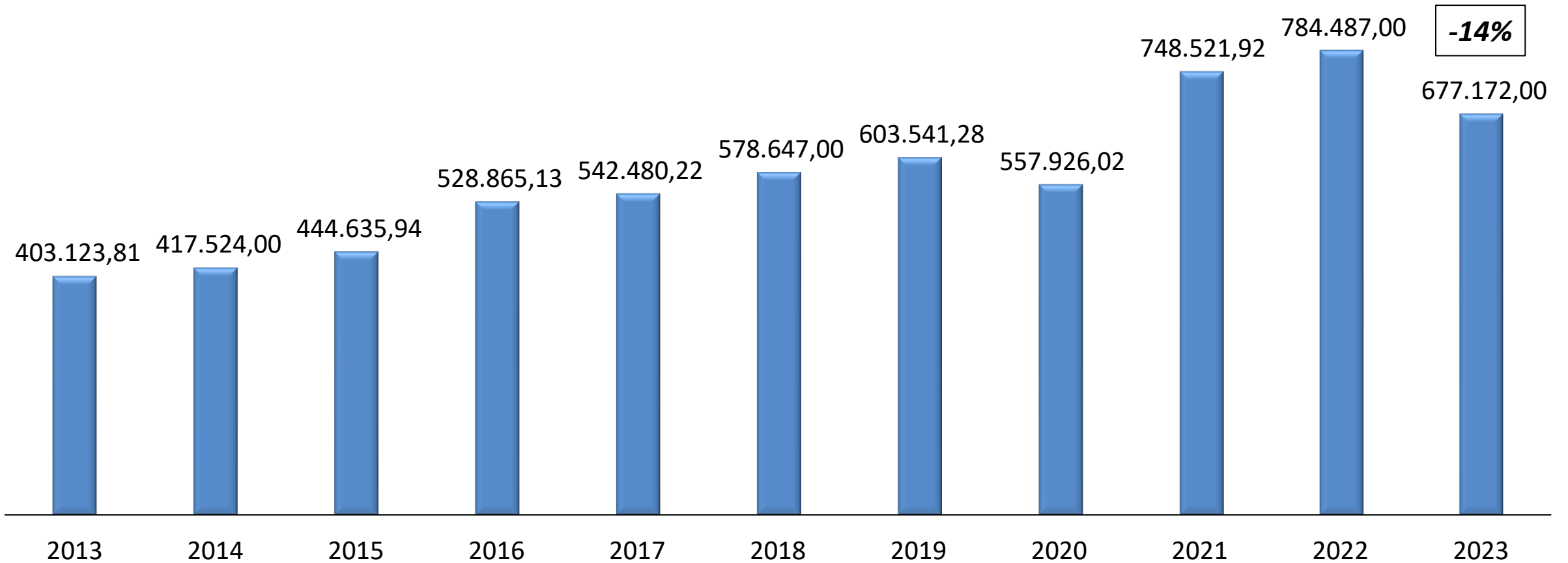
Trends and prospects in the construction industry

Trend of prices charged by the enterprise in the next three months - balance



Trends and prospects in the construction industry

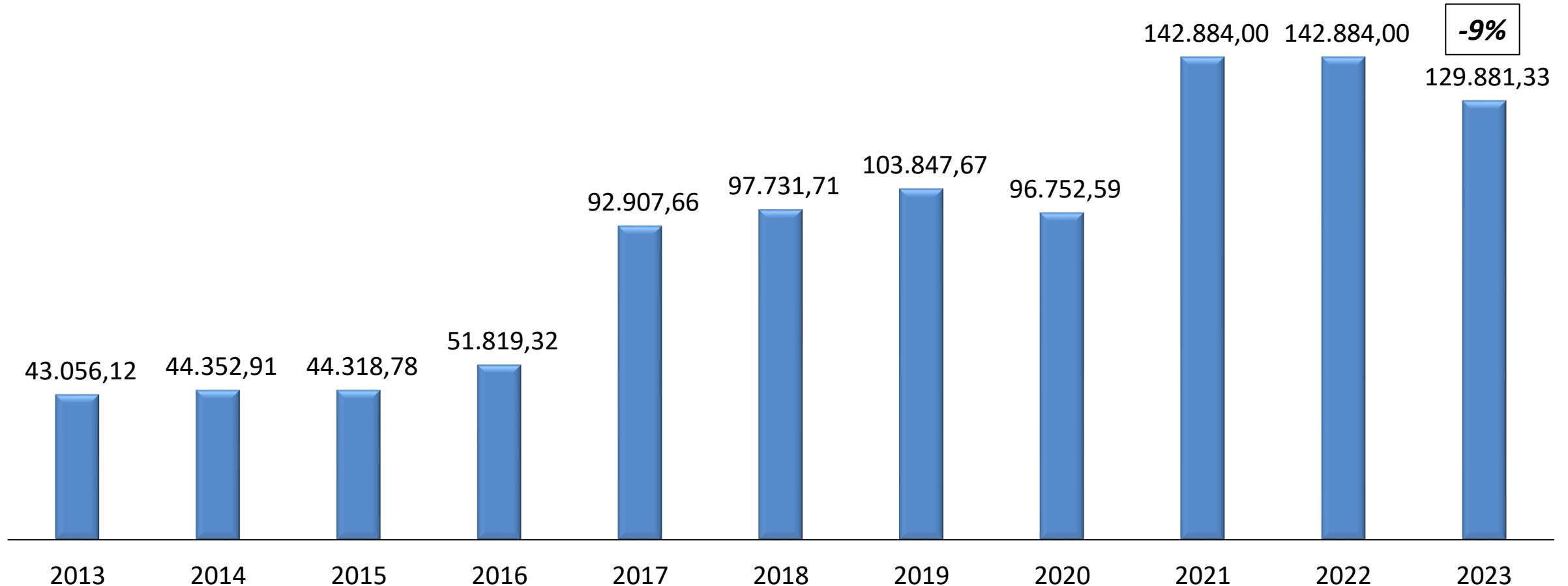
Residential sector purchases and sales (NTN)



Elaborations on Internal Revenue Service data. 2022 data provisional, 2023 data projected

Trends and prospects in the construction industry

Non-residential sector purchases and sales (NTN)

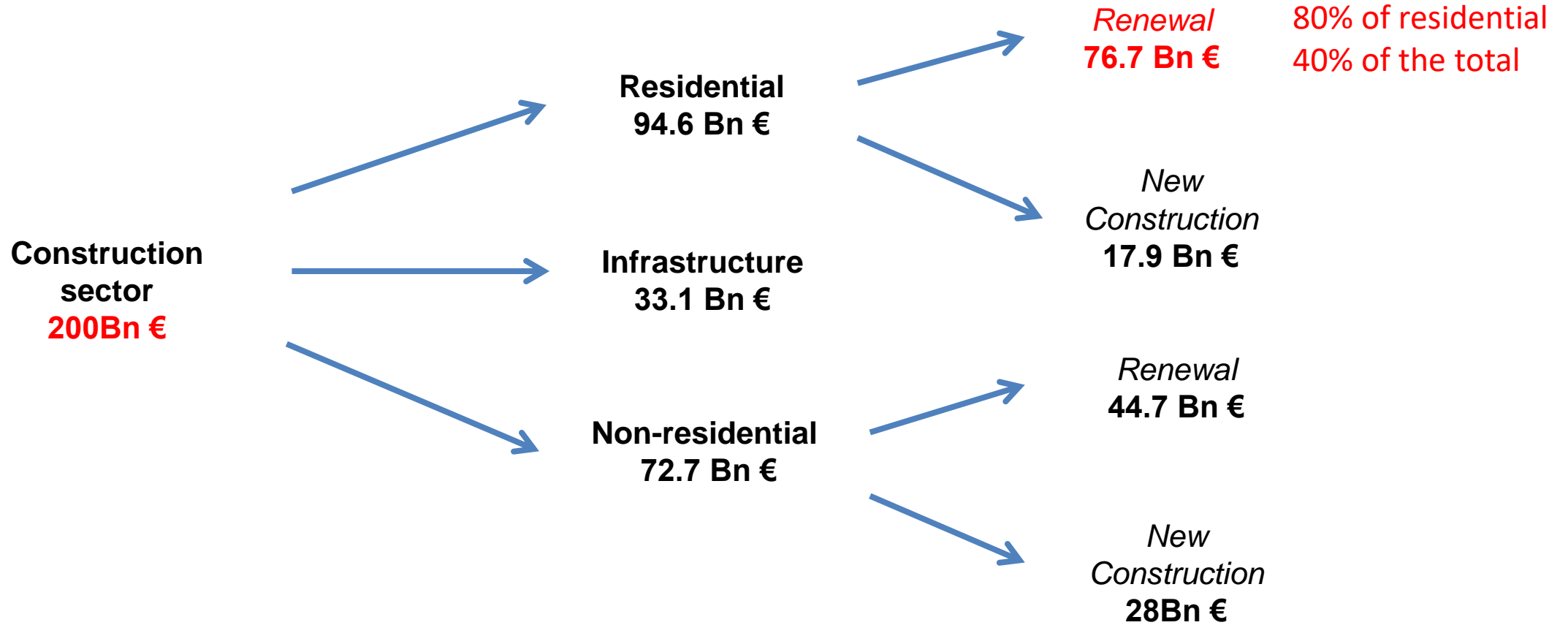


Elaborations on Internal Revenue Service data. 2022 data provisional, 2023 data projected

Construction sector

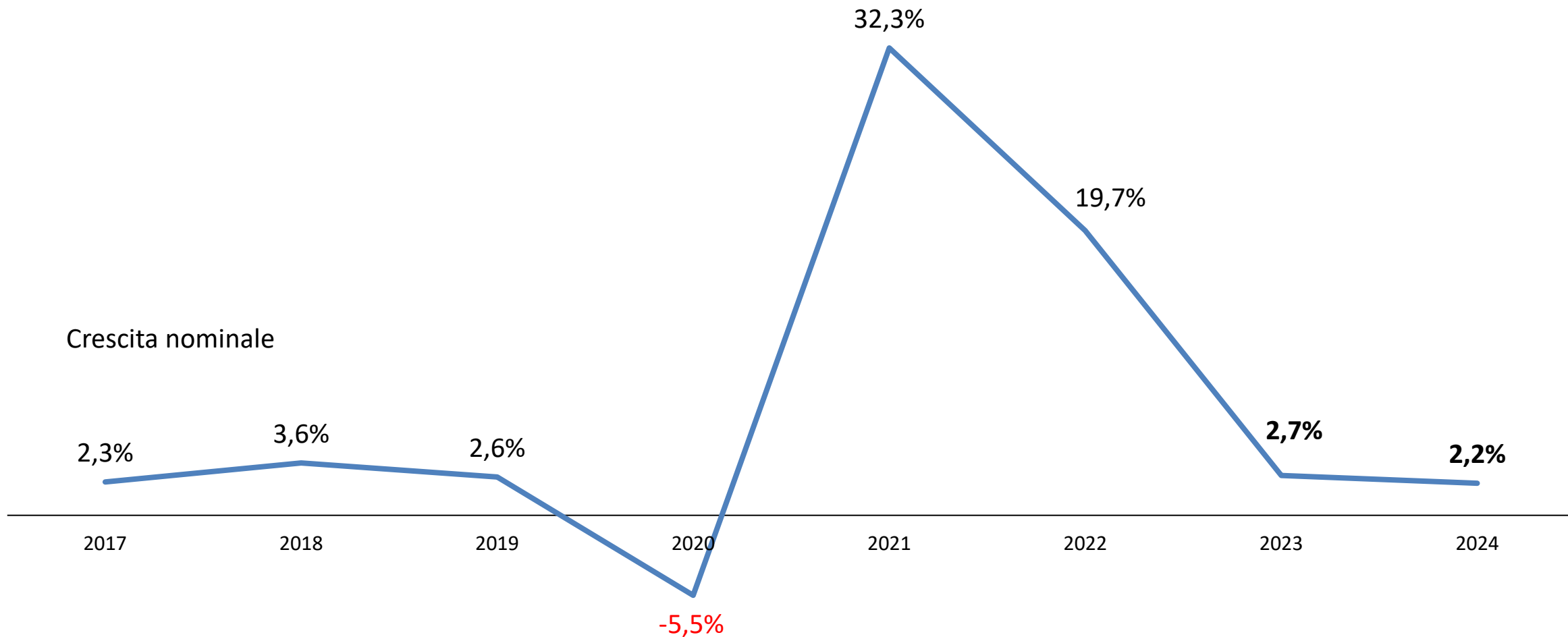
Total construction sector value 2023

2019: **130Bn** → 2023 **€200Bn**



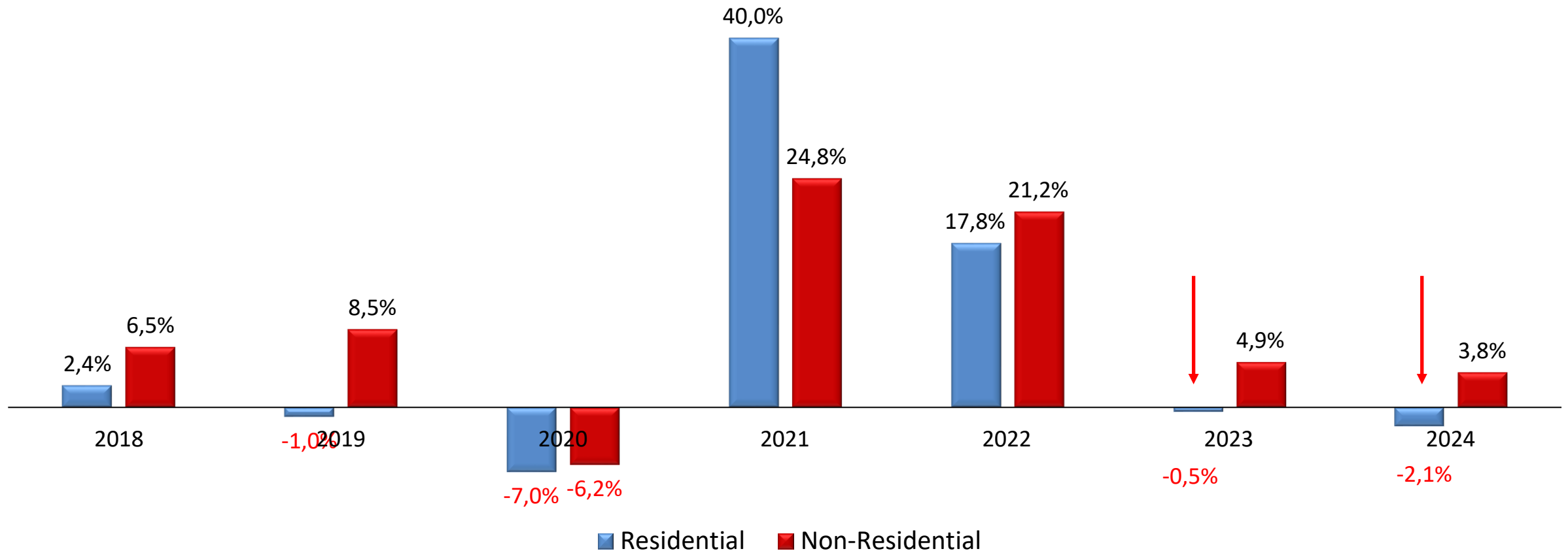
Elaborations on ISTAT data, 2023 projections

Development of investment in the construction sector



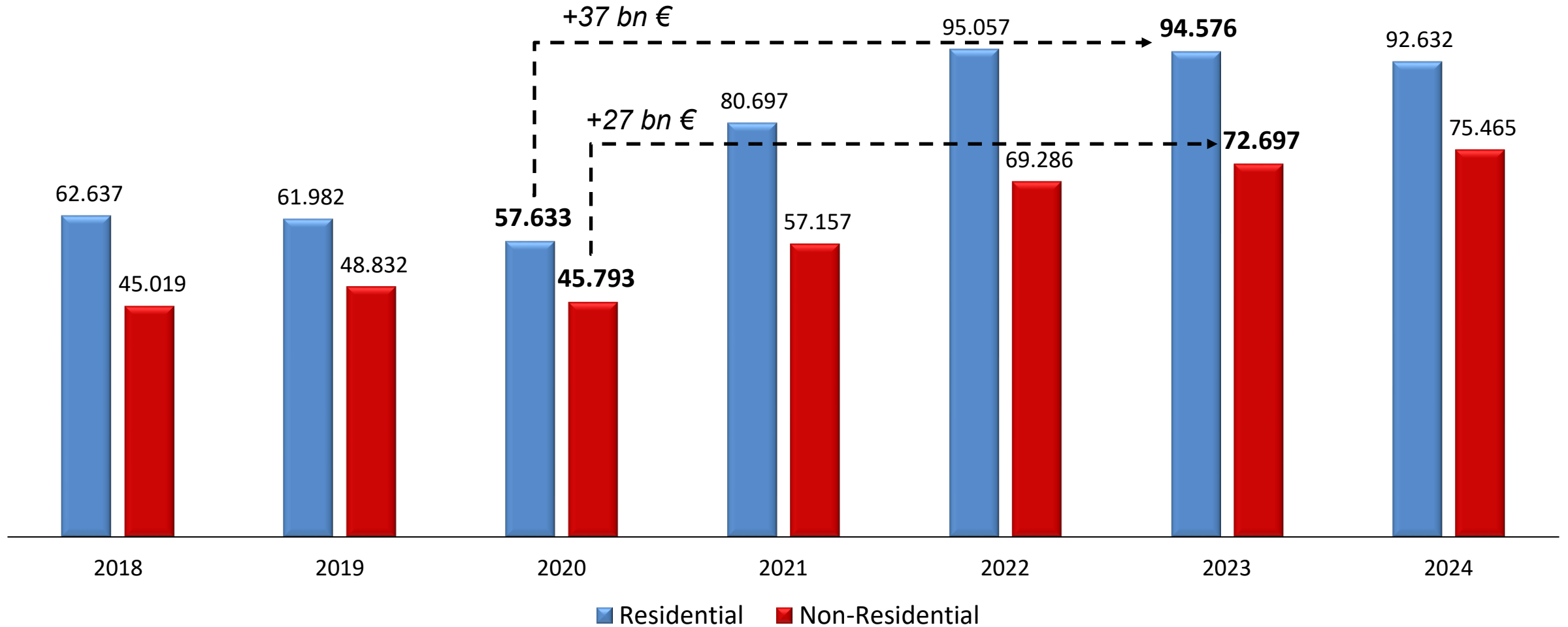
Development of investment in the construction sector

Investment in Residential and Non-Residential Construction



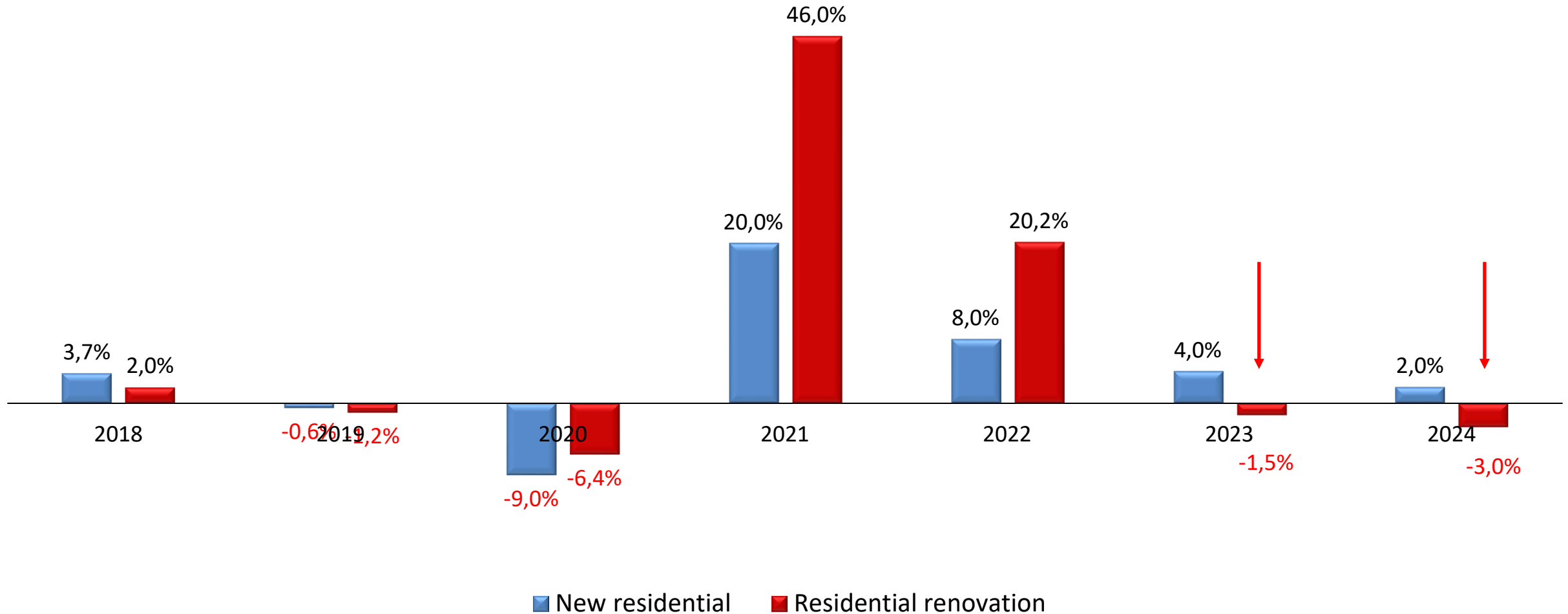
Development of investment in the construction sector

Investment in construction Residential and non-residential (mil €)



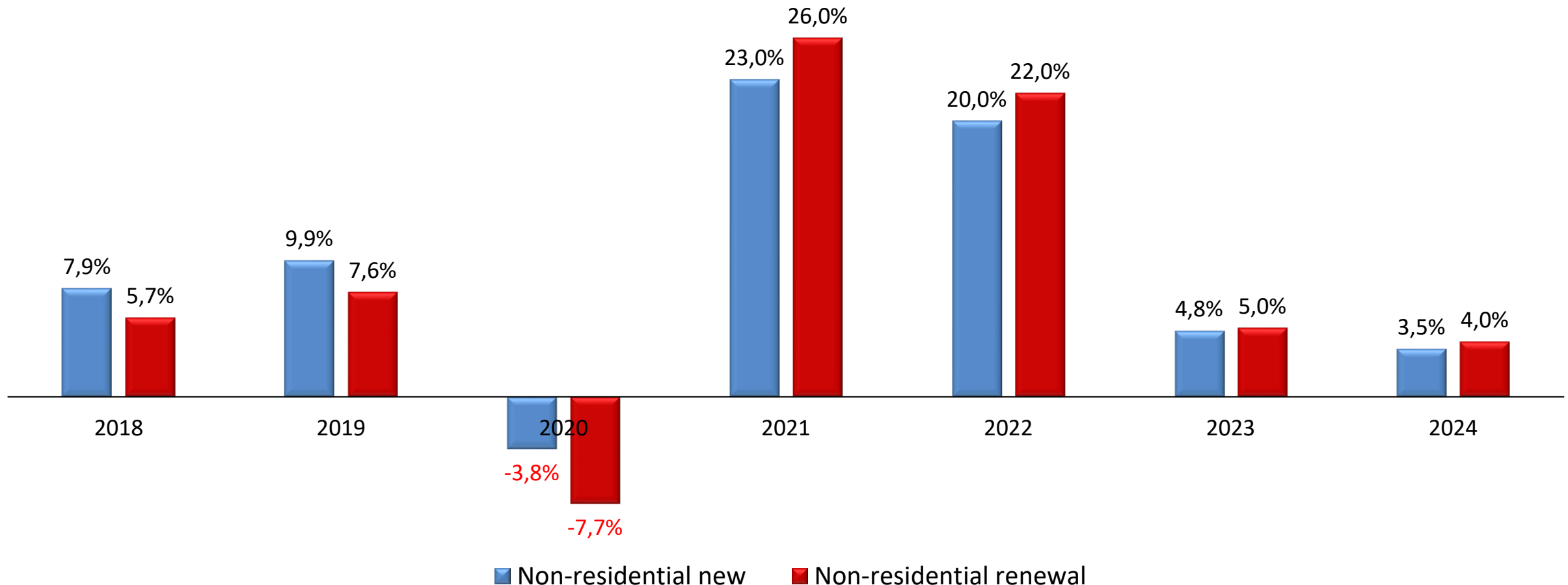
Development of investment in the construction sector

Investment in Residential Construction



Development of investment in the construction sector

Investment in NONresidential construction



Construction market statistics are updated with each new ISTAT data release, this results in changes that also affect data from years prior to the year of publication of this report

Elaborations on ISTAT data
2023 data, 2024 projections

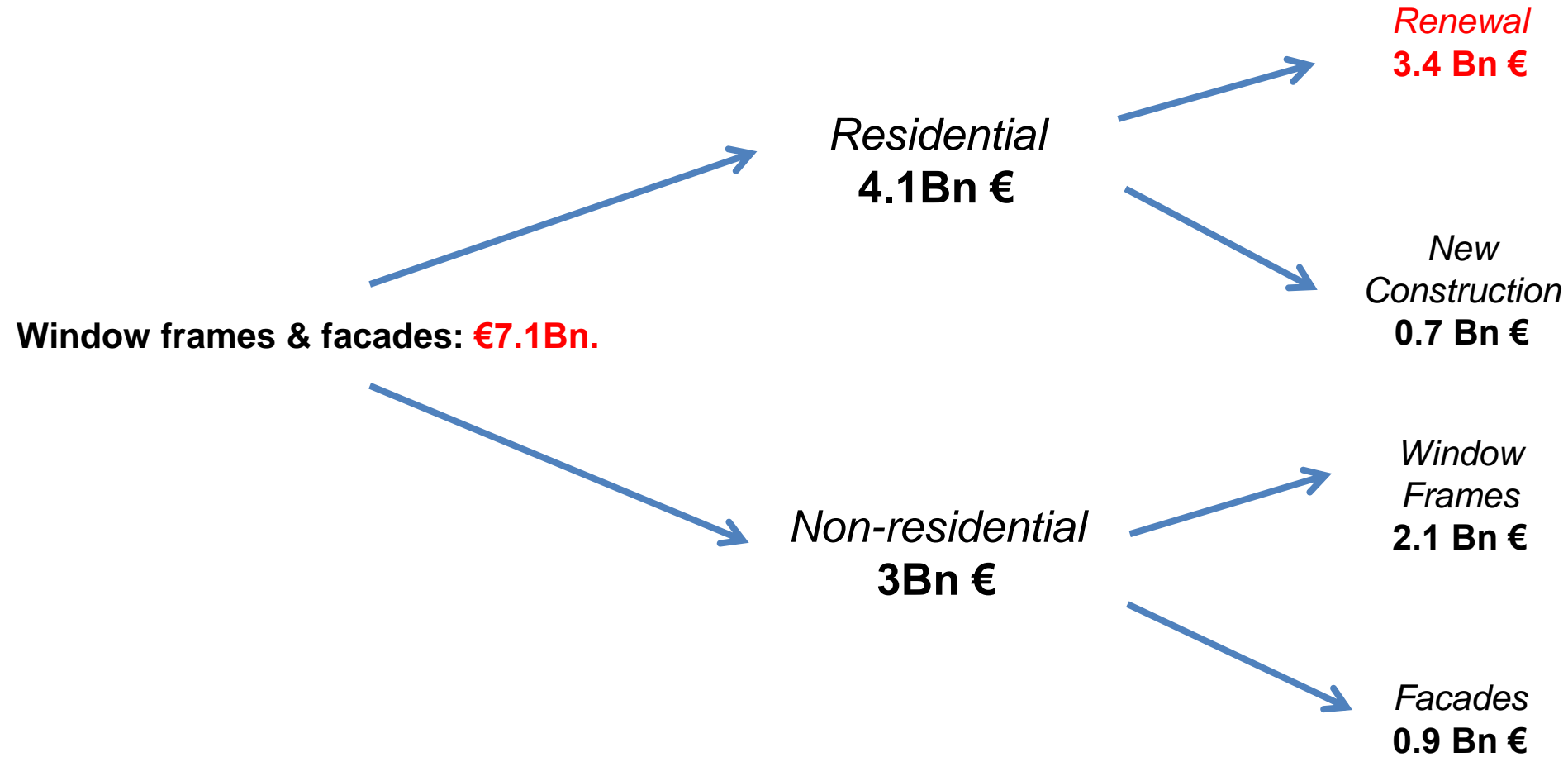
All forecasts presented in the paper are subject to quarterly revision. Forecasts for 2023 have a margin of error of +/- 10%, for those for the year 2024 the margin of error is +/- 30%.

Evolution of the envelope and metal construction market

Window and facade market

Total window and facade market value

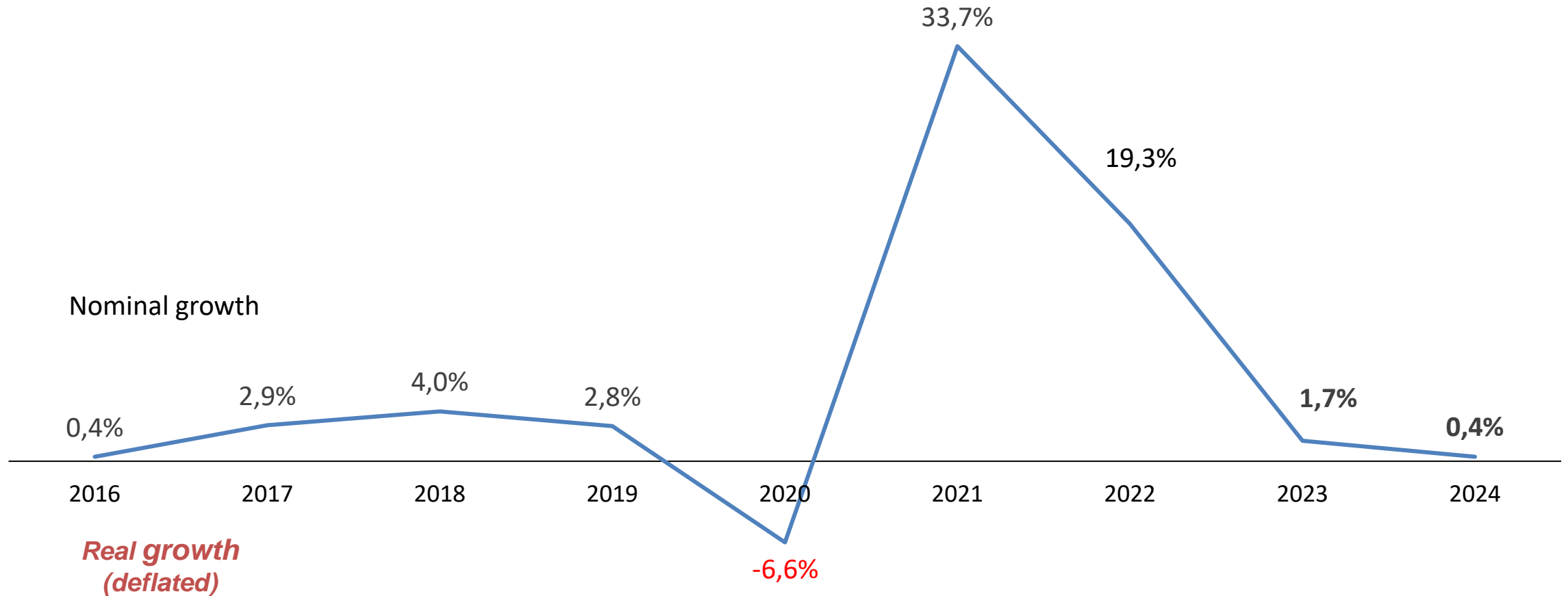
2019: €4.6Bn → 2023 €7.1Bn



Elaborations on ISTAT data, 2023 projections

Revenue trends in the window and curtain wall industry

Growth rate of the window and facade industry



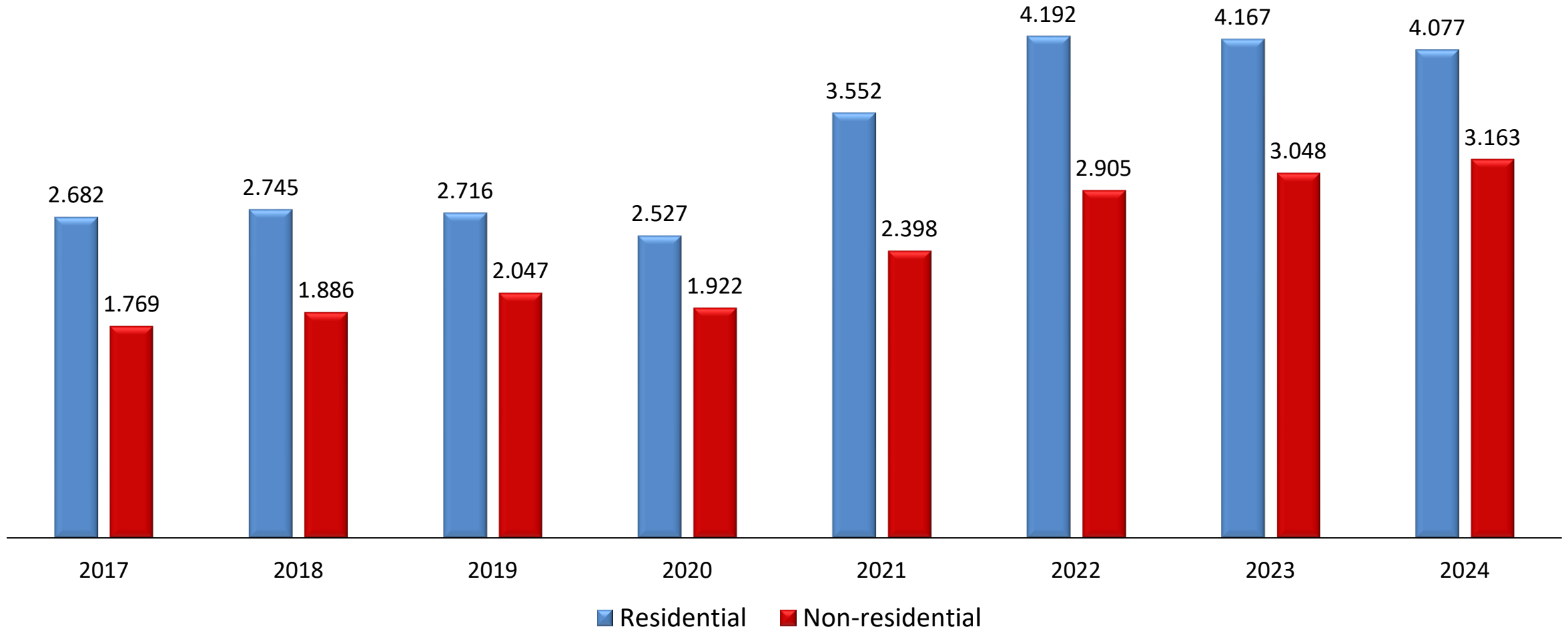
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Elaborations on ISTAT data
2023 data, 2024 projections

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Demand for window frames and facades

Demand for Window Frames and Facades (millions €)



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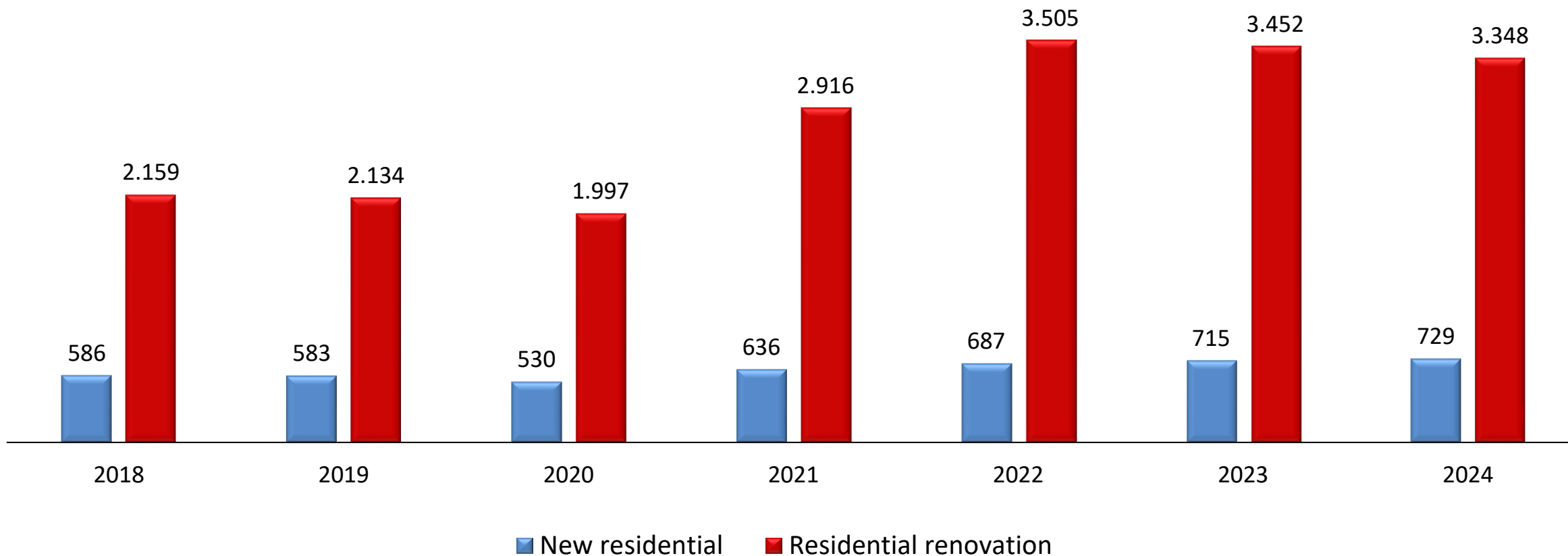
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Demand for window frames and facades

Demand for windows and doors: Residential New vs. Renewal (€ million)

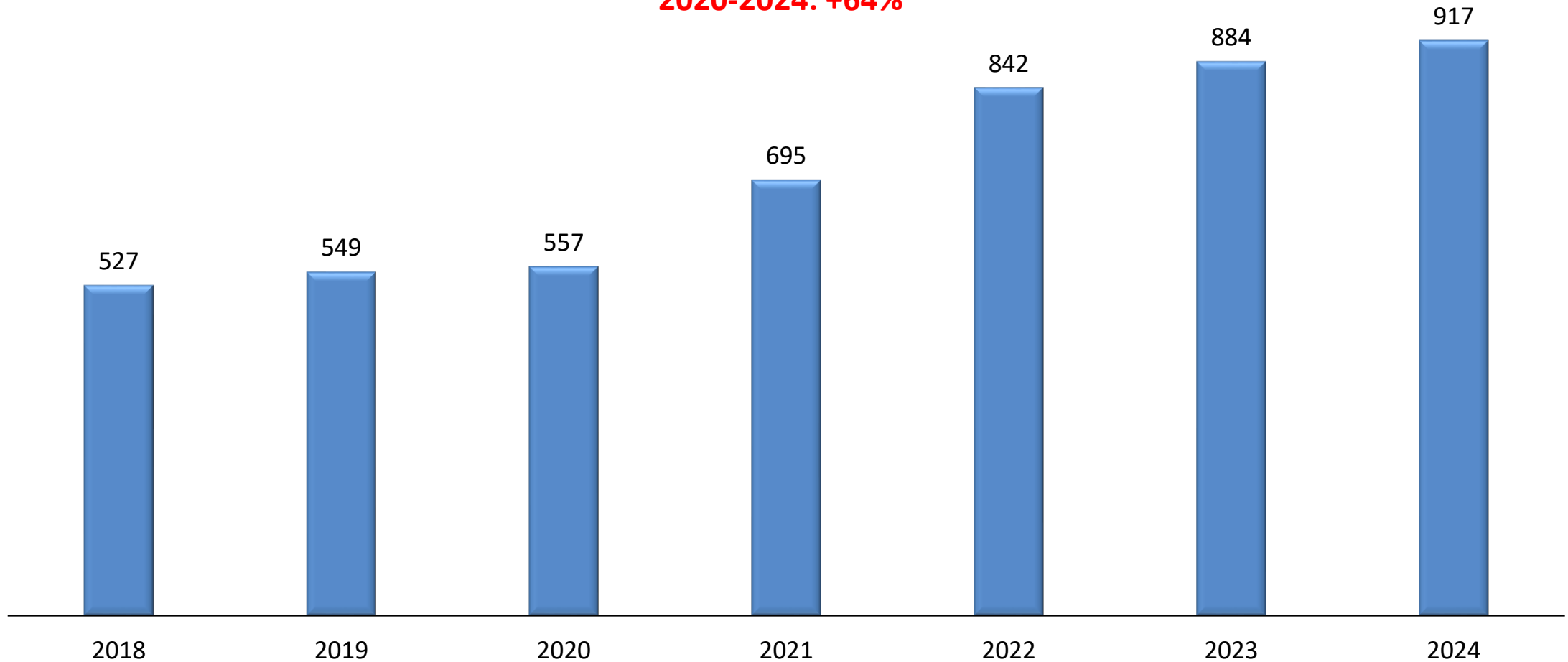
2023: + 1.4 billion compared to 2020 in residential recovery



Demand for window frames and facades

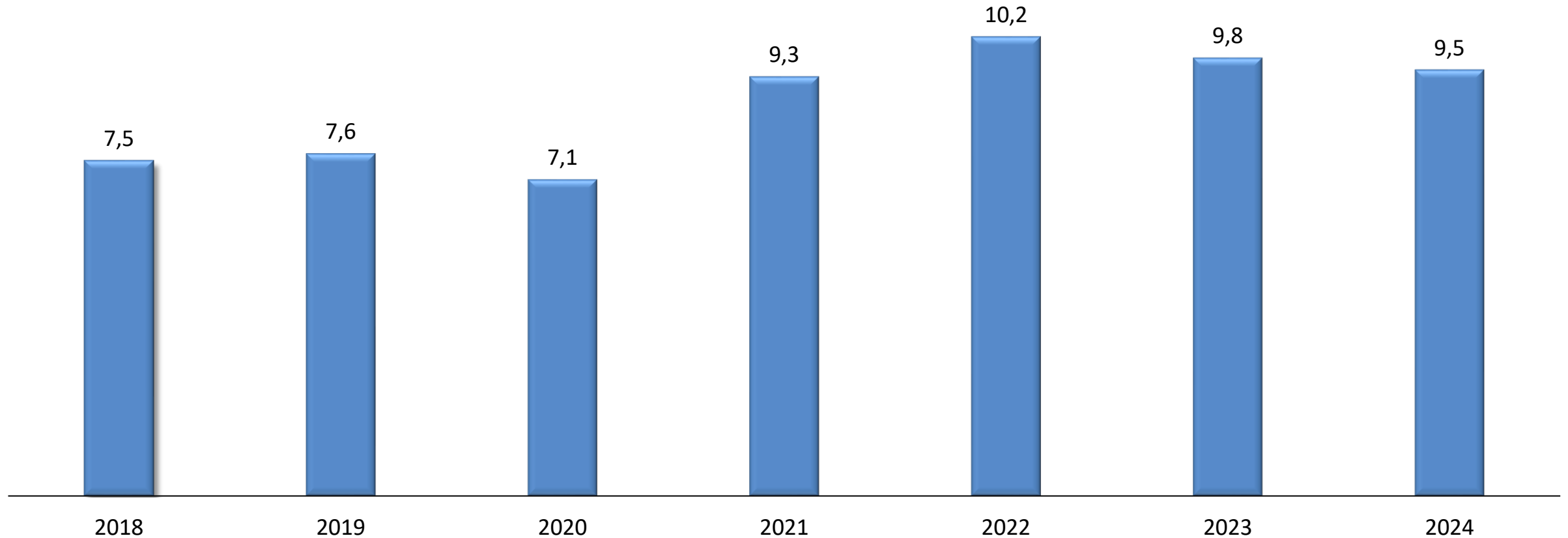
Demand for curtain walls in the Italian market (millions €)

2020-2024: +64%



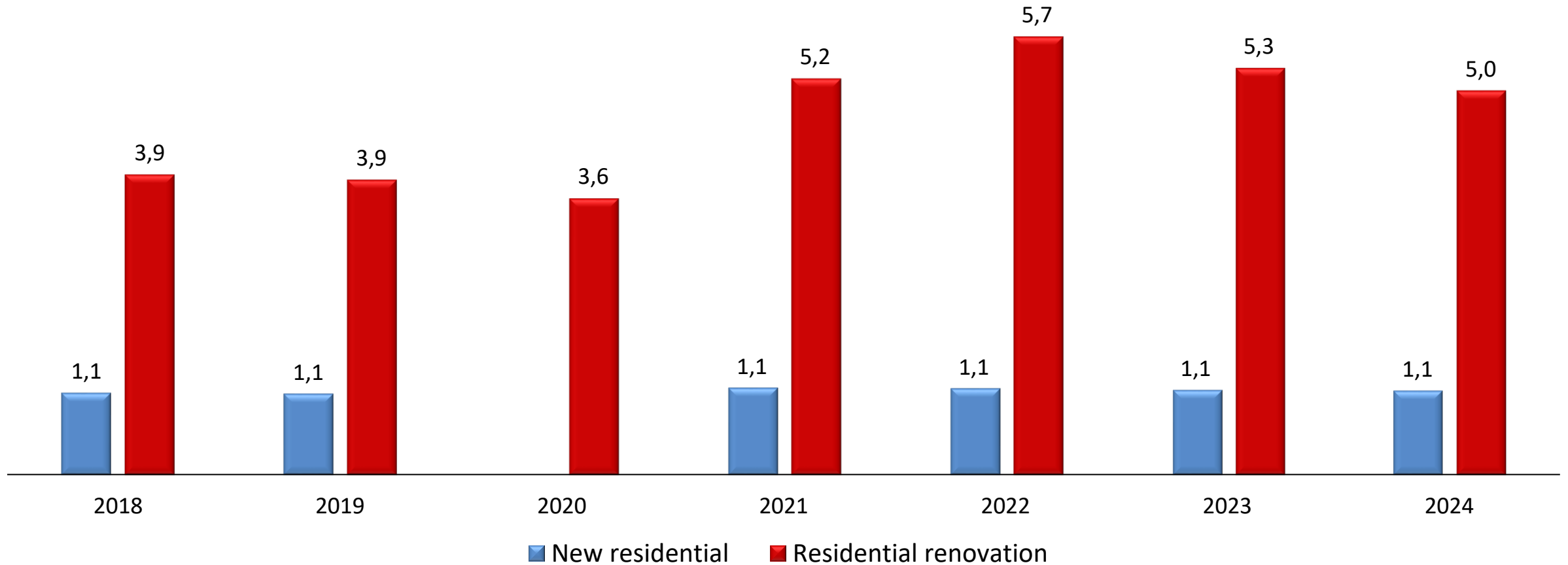
Units sold

Total windows sold (residential and nonresidential, millions of units)



Units sold

Windows sold Residential New vs. Renewal (million units)

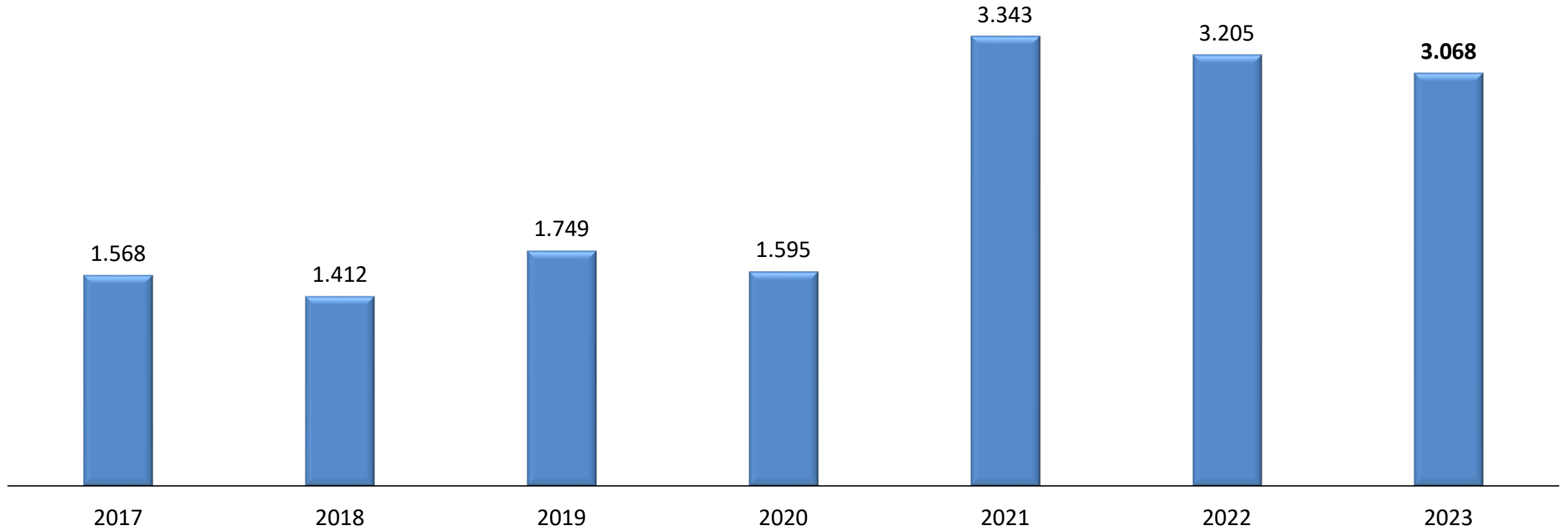


Impact of tax incentives on demand for windows and doors

Demand for windows and doors generated by the tax incentives (million €)

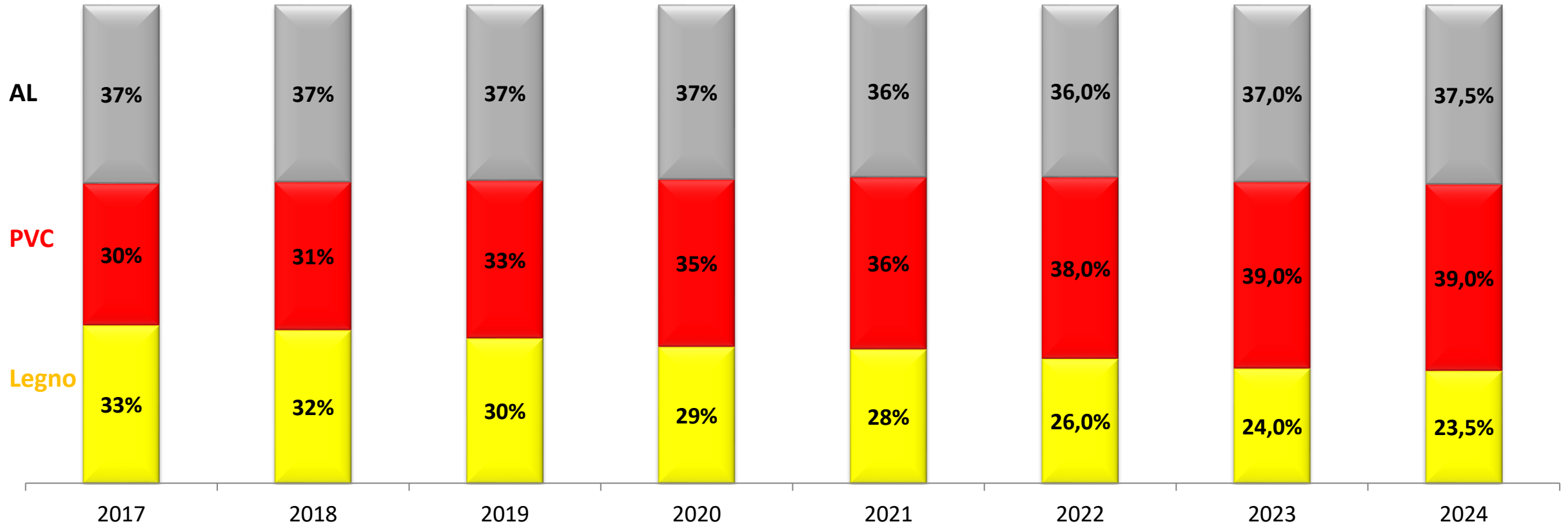
Data include:

- 1) *ecobonus window frames*
- 2) *ecobonus shading systems*
- 3) *estimation of home bonus (from 2018)*



Market shares in windows and doors - residential and nonresidential

Market shares in value

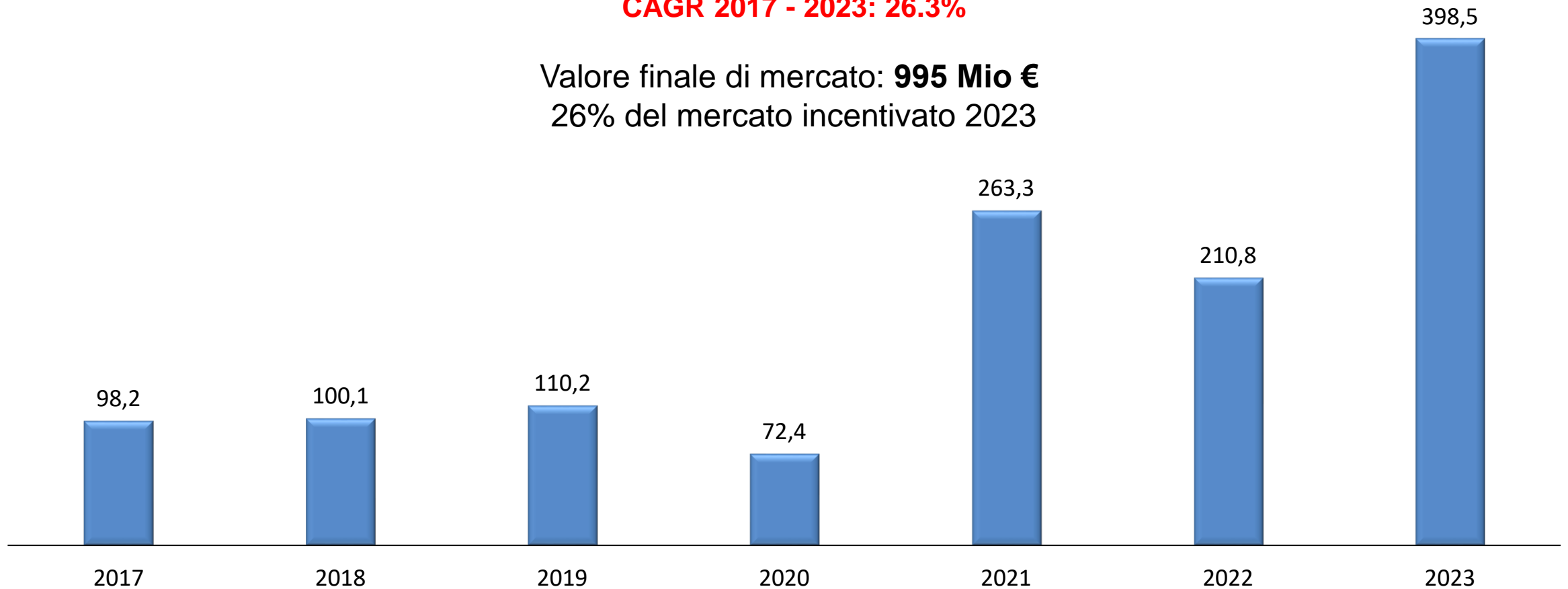


Imports of PVC windows and doors

Total PVC Window and Door Imports (Millions of Euro)

CAGR 2017 - 2023: 26.3%

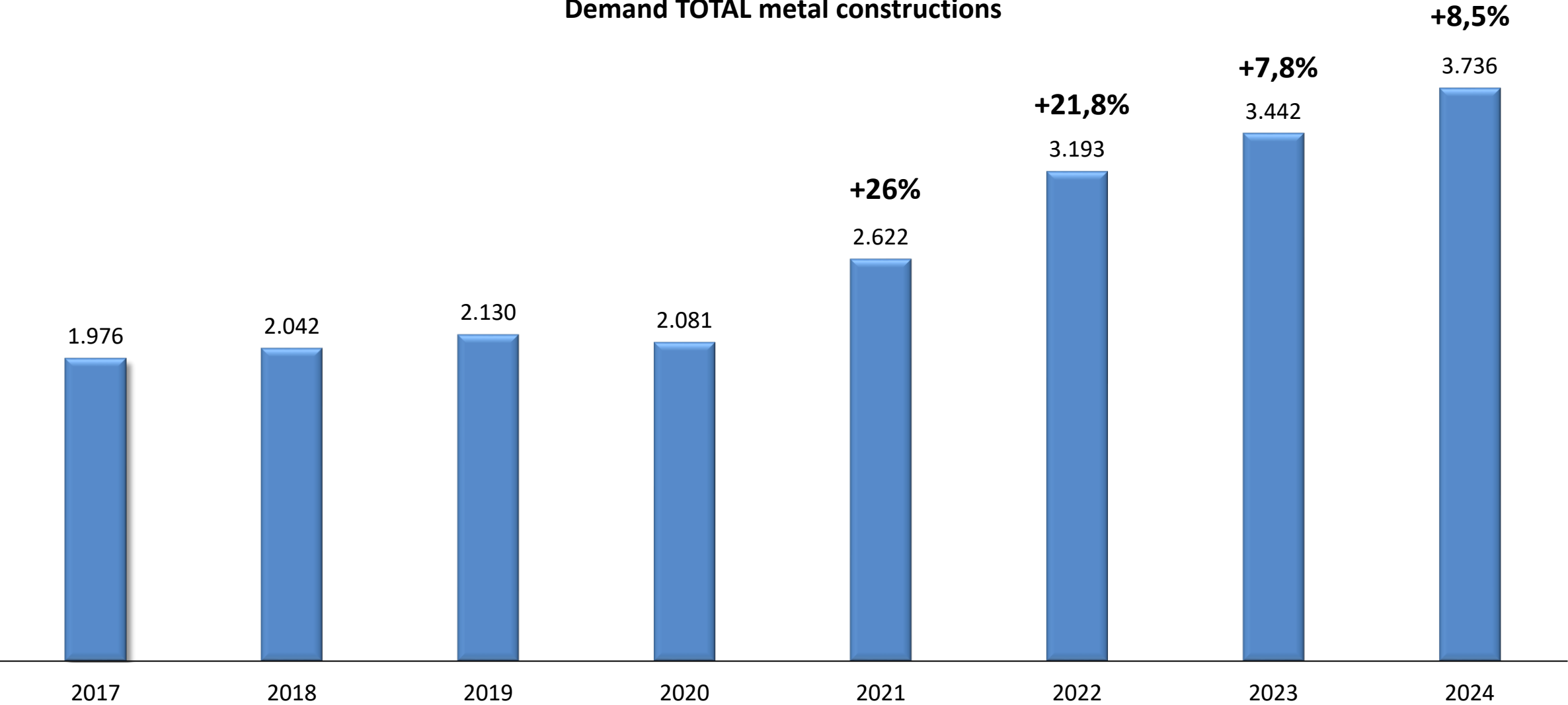
Valore finale di mercato: **995 Mio €**
26% del mercato incentivato 2023



UNICMI elaborations on ISTAT data. 2023 data estimated

Evolution of demand for metal construction

Demand TOTAL metal constructions



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Elaborations on ISTAT data. 2023, 2024 projections

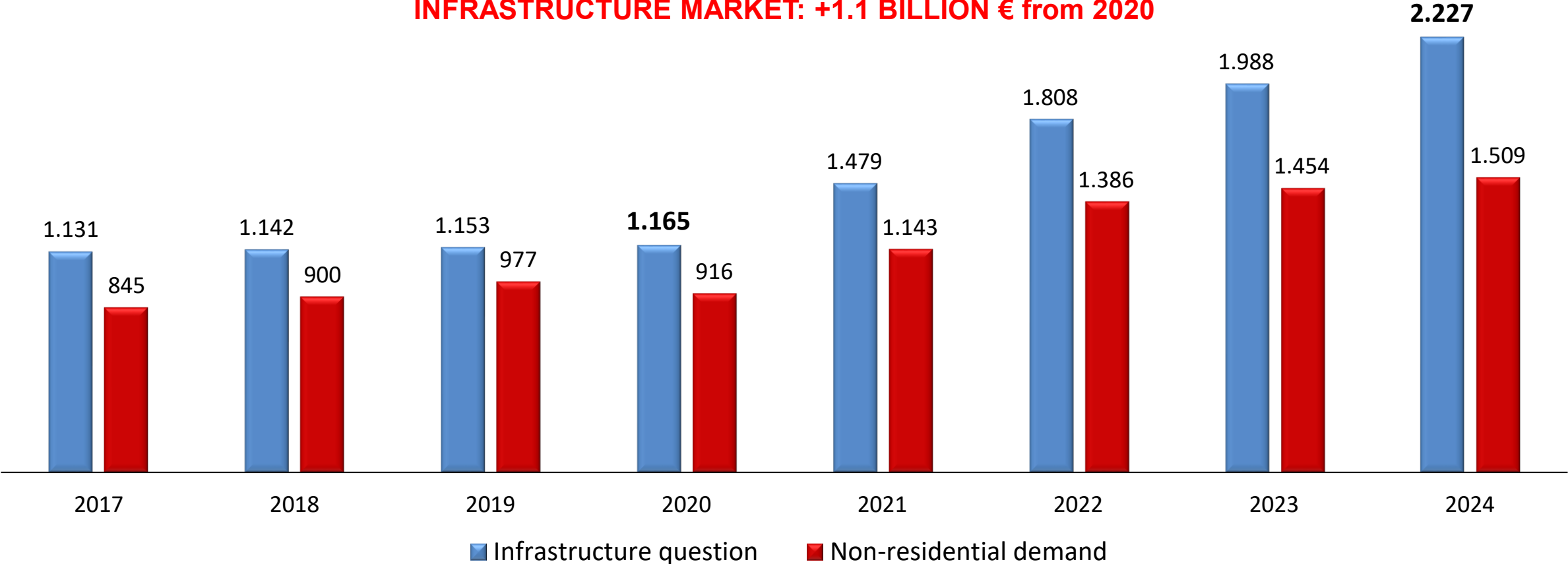
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Evolution of demand for metal construction

Question metal constructions

INFRASTRUCTURE MARKET: +1.1 BILLION € from 2020



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Elaborations on ISTAT data. 2023, 2024 projections

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Conclusions

1. Strong price correction
2. Cost of money impact: contraction of buying and selling and investment
3. Supply consolidation process
4. Expected effect of infrastructure investment

Legal Notes

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This report has been prepared by the Economic Studies Office of UNICMI - National Union of Metal Building Industries of the Casing and Window and Door Industry.

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This document was closed on December 14, 2023.

All data in the paper are available at: www.windowmarket.it



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