

2025 Market Periscope

German Home Improvements and Fastening Tool Market Demand



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Germany's home improvement market in 2025 stayed large, but demand was uneven and selective. The most reliable near-term demand proxy for fastening tools is the DIY and home improvement retail channel's reported turnover. Through January to September 2025, the channel reported EUR 16.08 billion, down 1.4% year on year (like-for-like down 1.2%). The year did not deliver a clean rebound: Q2 turned positive, while Q1 and Q3 were negative.

For fastening tools, this pattern usually means essentials and consumables stay comparatively resilient, while discretionary upgrades and "nice-to-have" purchases remain under pressure. In parallel, official housing and construction indicators show early signs of improvement on permits and construction turnover toward late 2025. Those signals tend to influence fastening demand with a lag, meaning they are more relevant for 2026 planning than for explaining 2025 retail performance.

What the DIY Channel Reported in 2025

Retail sell-through matters because it captures what households and small trades are buying in real time. The latest publicly available 2025 update covers January to September.

The quarterly breakdown is the best way to understand how demand behaved:

- Q1 2025: EUR 4.57 billion, -4.0% year on year (like-for-like -3.5%).
- Q2 2025: EUR 6.47 billion, +1.2% year on year (like-for-like +1.4%).
- Q3 2025: EUR 5.04 billion, -2.3% year on year (like-for-like -2.2%).
- Jan-Sep 2025 total: EUR 16.08 billion, -1.4% year on year (like-for-like -1.2%).

This tells a practical story: **demand activated in spring, but the market did not sustain momentum through late summer.**

Table 1. German DIY and Home Improvement Retail Turnover (all values: gross turnover)

Period	Turnover (EUR bn)	YoY change	Like-for-like YoY
Full-year 2024 (baseline)	20.92	-1.5%	n/a
Q1 2025	4.57	-4.0%	-3.5%
Q2 2025	6.47	+1.2%	+1.4%
Q3 2025	5.04	-2.3%	-2.2%
Jan-Sep 2025	16.08	-1.4%	-1.2%



How to Interpret These Signals for Fastening Tools

Fastening tool demand is not a single category. It is a chain of purchases that shifts depending on whether people are doing large renovations or small fixes. In a year like 2025, three demand layers matter:



Layer A: Maintenance and replacement (most stable)

This is the everyday layer. People still need to mount, repair, replace, secure, and reinforce. Even when budgets tighten, this work does not disappear. This supports steady demand for:

- core screws, anchors, plugs, washers, brackets
- basic hand tools and small kits
- consumables such as bits, blades, and abrasives

Layer B: Small projects and seasonal work (highly seasonal)

These are weekend and household projects that often activate in spring and early summer. Typical examples include fencing repairs, garden structures, outdoor fixtures, storage upgrades, and small carpentry. This layer supports demand for outdoor-rated fixings and corrosion-resistant hardware, plus the accessories that make work faster.

Layer C: Big renovations and upgrade purchases (most volatile)

This layer drives the bigger baskets: multi-room upgrades, kitchens and bathrooms, flooring refits, large drywall work, and heavy structural improvements. It is also where discretionary power-tool upgrades happen. When the retail channel is down and choppy, this layer usually becomes selective. Many consumers either postpone, narrow scope, or trade down.

So the 2025 takeaway is that the mix likely leaned more toward Layers A and B, while Layer C remained cautious.

Housing and Construction: The Real Drivers Behind Project-Led Demand

Fasteners and fastening tools are downstream of housing and construction. The official indicators help explain why 2025 looked selective at retail even as some upstream signs improved.

Housing completions weakened in 2024

Germany completed 251,900 dwellings in 2024, down 14.4% year on year. Completions matter because they trigger downstream spending: fit-outs, move-ins, and a wave of installation work.

Backlog remained substantial

At end-2024, the official backlog of approved but incomplete dwellings was 759,700, including 330,000 already under construction. A large backlog supports medium-term activity, but it can also signal that delivery is stretched and demand is spread out.

Permits improved in late 2025

Permits are a leading indicator. In October 2025, permits were 19,900 dwellings, up 6.8% year on year. **Over January to October 2025, permits totalled 195,400, up 11.2% year on year.** This is constructive, but the demand impact typically arrives later via starts, completions, and trades activity.

Construction turnover turned positive

For October 2025, nominal turnover in the main construction industry was reported at EUR 11.6 billion, up 7.0% year on year, with real turnover up 4.5%. For January to October 2025, real turnover was up 1.8% versus the prior-year period.

These indicators help separate two realities:

- **Retail demand in 2025 stayed cautious and seasonal.**
- **Upstream signals began to improve, supporting a more stable planning case for 2026.**

Table 2. Housing and Construction Indicators Relevant to Fastening Demand

Indicator	Period	Value	Change/Note
Dwellings completed	2024	251,900	-14.4% YoY
Backlog of approved but incomplete dwellings	End-2024	759,700	pipeline indicator
Backlog already under construction	End-2024	330,000	active pipeline
Dwellings permitted	Oct 2025	19,900	+6.8% YoY
Dwellings permitted	Jan-Oct 2025	195,400	+11.2% YoY
Main construction turnover (nominal)	Oct 2025	EUR 11.6 bn	+7.0% YoY
Main construction turnover (real)	Oct 2025	n/a	+4.5% YoY
Main construction turnover (real)	Jan-Oct 2025	n/a	+1.8% vs prior-year period



Channel Dynamics: Why 2025 Was a “Precision Year”

When growth is not broad-based, execution matters more than messaging.

Availability beats variety

In selective markets, shoppers are less patient. They want the correct size, the correct anchor, and the correct tool accessory to finish a job. Out-of-stocks in core sizes can lose the entire basket, not just one item.

Promotions influence mix

A slightly declining market often triggers promotion intensity. That can move volume, but it changes what sells: buyers may shift to multipacks, entry-level ranges, or whichever accessory set is

on offer. For suppliers, this makes forecasting by SKU more volatile than forecasting the overall category.

Small-basket behaviour increases

When consumers postpone bigger upgrades, they buy more frequently in smaller baskets. That supports steady unit movement in essentials, but it also increases the importance of packaging formats and shelf clarity. In fastening, the “search cost” matters. If selection is confusing, the customer either abandons or buys the simplest option.

What This Means for Suppliers and Distributors

Here are the 2025 implications that translate into concrete actions:

/// Treat consumables as your volume stabiliser

Bits, blades, anchors, and core fixings often provide the most predictable turnover in selective years. The priority is to protect service levels and reduce gaps in top movers.

/// Align assortment to common jobs, not only to categories

Retail customers do not think in “fasteners”. They think in tasks: mounting a TV, fixing a fence, hanging cabinets, repairing a hinge, reinforcing a joint. Packaging and planograms that map to jobs can lift conversion even in a soft market.

/// Improve the entry-to-mid ladder

When the market is cautious, many buyers trade down on big-ticket items while still buying reliable essentials. That is where mid-tier value positioning often outperforms premium-only positioning.

/// Expect uneven demand timing

The Q2 uplift in 2025 underlines how seasonal activation can still be strong even when the year-to-date headline is negative. Supply planning should focus on spring readiness for outdoor projects and maintenance spikes.

/// Watch upstream indicators for 2026 production planning

Permit improvement and construction turnover growth suggest the project-led layer could strengthen later. If that translates into activity, demand may shift

toward larger trade packs, anchoring systems, and higher-throughput tool usage.

/// 2026 Outlook: Clear Forecast Framing

Given that the most recent published 2025 retail update covers only the first nine months of the year, this article does not present a full-year 2025 market size projection. Instead, the 2026 outlook is framed as the most likely direction based on the latest retail trend, housing pipeline signals, and construction activity indicators.

For 2026, the most likely outcome is a stabilising home improvement market, with demand shifting gradually from pure maintenance toward a higher share of project-led work as the housing pipeline improves. In this environment, fastening tools should track at least in line with the broader home improvement channel, with consumables and core fixings remaining the most resilient, and project-linked volumes recovering more slowly as renovation confidence returns.

What this Means Operationally

- Expect steady baseline demand for essential fixings, anchors, and refills throughout the year.
- Plan for a firmer second half versus the first half, driven by gradual improvement in project timing and trades activity rather than a sudden market rebound.
- Prioritise range discipline and availability in core sizes and high-rotation accessories, because selective buying behaviour remains the defining feature even in a stabilising market. ■

Sources

- German DIY and garden retail trade association market reports (2024 results, 2025 updates).
- Destatis: housing completions and backlog (2024).
- Destatis: dwelling building permits (2025).
- Destatis: main construction industry turnover (2025).

