



# Market Report

A Snapshot of your Market Sector

## Bricklaying and Groundwork

This pack has been designed to provide information on setting up a business in the Bricklaying and Groundwork industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website ([www.bgateway.com/businessplan](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in June 2018. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

## What do I need to know about the Bricklaying and Groundwork market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Revenue is expected to grow by a relatively **modest 1.9% in 2017-18** as new construction activity is anticipated to slow amid economic headwinds caused by the EU referendum result. **Over the five years through 2022-23**, industry revenue is forecast to grow at a compound annual rate of **2.3% to reach £14.3 billion**. A wealth of prospective subcontracted opportunities is expected to encourage new entrants into the market. (IBISWorld, *Bricklaying & Other Specialised Construction Services in the UK*, December 2017)
- ◆ Industry revenue is expected to **grow by 4.9% over 2018-19, to reach £71.8 billion**. The government has committed **£44 billion of grant funding** to support the construction of **300,000 homes annually by 2020-21**, which should create opportunities for housebuilders. However, slow house price growth, particularly in the high-end London development market, has threatened industry revenue growth. (IBISWorld, *Residential Building Construction in the UK*, June 2018)
- ◆ The average price increased in Scotland by **7.3% to £149,000** over the year to January 2018. Scotland was responsible for **8.8% of new construction value** in the UK which has dropped by **0.8%** on the year before. (Intel, *Construction, UK*, April 2018)
- ◆ The UK construction industry posted an accelerated growth rate of **7.3% in 2016**, after a significant growth deceleration in 2015. The industry is expected to continue at a **strong growth trajectory** during the forecast period, despite losing some of its dynamic. Residential construction has been the growth engine of the UK industry in recent years, with activities in this segment being heated up across the country. Accordingly, the growth acceleration of the industry in 2016 was consequent to a similar trend in demand for housing projects, with **housing supply hitting a 10-year record**. (Marketline, *United Kingdom, Construction*, December 2017)
- ◆ The national organisation for this industry is [Association of Brickwork Contractors](#). Other industry bodies include [Brick Development Association](#), [Steel Construction](#), [Scottish Building Federation](#), [Construction Scotland](#), [Chartered Institute of Building](#), [Federation of Master Builders](#), [Construction Industry Training Board](#) and [Construction Industry Council](#).



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## Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email [info@bgateway.com](mailto:info@bgateway.com).

- ◆ **IBISWorld – Commercial Building Construction in the UK – March 2018**- The Commercial Building Construction industry's performance is contingent on various external factors, particularly cyclical fluctuations in the economy, investor sentiment, and government funding for social infrastructure. Over the past five years, the industry has recovered from a post- recessionary period of turbulent operating conditions in the aftermath of the financial crisis, owing to strong business confidence, robust demand for office developments, and renewed public-sector funding commitments for health and education facilities.
- ◆ **IBISWorld- Residential Building Construction in the UK – June 2018** – Government initiatives to stimulate housing demand and support homebuyers have been vital to the industry's resurgence. Schemes like Help to Buy and sharp house price inflation have drawn investment back into the housing market. Despite current uncertainty, particularly in relation to house price growth since the EU referendum, government policies are expected to support demand.
- ◆ **IBISWorld – Bricklaying & Other Specialised Construction Services in the UK – December 2017** - The industry is estimated to derive 42.3% of its revenue from bricklaying and stonemasonry services, which are mainly used when constructing houses and small or medium- size commercial buildings. A high proportion of UK housing has traditionally been constructed with clay brick, which is popular as an exterior wall cladding because the relevant raw materials are readily available and it is simple to use.

There are also a number of online resources you may find helpful:

- ◆ **The Scottish Government** - Housing Statistics for Scotland 2017: Key Trends Summary ([tinyurl.com/ycr2uxln](http://tinyurl.com/ycr2uxln)) Various Statistics on house building in Scotland.
- ◆ **Scottish Construction Now** – Average Scottish house price could exceed £250k by 2020 ([tinyurl.com/ycl4cnjo](http://tinyurl.com/ycl4cnjo)) “While house price growth has slowed across the UK over the past 12 months, the latest UK Economic Outlook from **PricewaterhouseCoopers** (PwC) predicts that prices in Scotland will still rise by 4.9 per cent this year – 0.4 per cent below the UK average but ahead of other regions across the North of England and West Midlands.”
- ◆ **Construction Industrial Training Board** – Industry Insight Construction Skills Network Forecast 2017-2021 – Scotland – ([tinyurl.com/ychemwk93](http://tinyurl.com/ychemwk93)) “*Construction output in Scotland is projected to contract by 0.4% a year on average in the five years to 2021, one of only two regions/devolved nations in which it is expected to fall. The decline in output will lead to a drop in construction employment, put at 0.8% a year on average over the forecast period.*”

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## How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as Yell, Thomson Local or Google Maps
- ◆ Trade specialists like EuroPages (European directory), The Wholesaler or Free Index
- ◆ Business to business (B2B) specialists such as Kompass

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the Companies House website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**



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## What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please [info@bgateway.com](mailto:info@bgateway.com) or by calling **0300 013 4753**.

## Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Retaining and Grow Your Customer Base](https://tinyurl.com/c2fw4o4) (tinyurl.com/c2fw4o4) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the National Records of Scotland (NRS). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the Census Area Profiles. Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ Understanding Scottish Places has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ Scottish Government Statistics provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ The Scottish Household Survey provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ Office for National Statistics (ONS) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

## How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

### Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Account](#)" tool

### Funding

[Practical information](#) on finance and funding for starting and growing your business

### Insurance

[Business insurance guide](#)

### Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

### Pricing

Business Companion [Pricing & payment guide](#).

**Please note:** the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

### Promotion

[BG guides to Marketing](#)

### Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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**Updated by: Carla Bennett**

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