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), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in July 2019. 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:

♦ Over the five years through 2018-19, revenue is forecast to grow at a compound annual rate of 8.8%, reaching £13.4 billion. Demand from infrastructure markets has been stimulated by renewed public-sector spending commitments, while commercial construction activity flourished in line with improved sentiment amongst private investors, benefitting industry contractors. Initiatives such as the Help to Buy scheme have propelled residential demand and developers have responded by increasing housebuilding, supporting demand for bricklayers. (IBISWorld, Bricklaying & Other Specialised Construction Services, July 2018).

♦ While media attention tends to focus on the economic uncertainties affecting the industrial sector from Brexit, new construction growth actually increased in 2018, with the decline in activity in the commercial sector impacting the market. While the reduction in new construction activity in the commercial sector was more modest than in 2017, the offsetting impact of growth in other sectors fell. Private housing, however, remained buoyant. (Mintel, Construction in the UK, April 2019).

♦ The Help to Buy scheme remains central to growth in the house building industry. Groups such as Persimmon, Taylor Wimpey, Galliford Try and Barratt have enjoyed the highest exposure to the scheme. Its importance is revealed in surging profits in these companies since the initiative was introduced in 2013. The groups have subsequently asked the government for assurances about the scheme’s extension beyond 2021. (Mintel, House Building in the UK, October 2018).

♦ Operators in the Building Project Development industry bring together the financial, technical and physical resources required to complete a property development. In 2019-20 industry revenue is expected to grow at a comparatively slow rate of 4.1% to reach £34.2 billion. Over the five-year period through 2024-25, industry revenue is forecast to grow at a compound annual rate of 6.2% to reach £46.2 billion. (IBISWorld, Building Project Development in the UK, November 2019).

♦ 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.
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.

- **IBISWorld – Commercial Building in the UK (June 2019).** 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. Prior to the EU referendum, relatively stable economic growth stimulated demand for lucrative commercial expansion as business confidence rose above the long-term average. Consequently, the propensity to invest in big-ticket commercial developments, such as mixed-use complexes, was high, resulting in budding growth for contractors early in the period. Over the five-year period through 2019-20, revenue is forecast to increase at a compound annual rate of 2% to reach circa **£19.2 billion**.

- **IBISWorld – Building Project Development in the UK (November 2019).** HM Land Registry reported that annual UK house price growth was 9.4% in October 2014, the fastest annual rate since September 2007 (10%), and remained above 5% each month thereafter until January 2017. While the EU referendum sent ripples through the real estate market – annual UK house price growth fell below 5% in January 2017 (4.7%) for the first time since November 2013 (4.2%), and slowed to just 0.7% in July 2019 – the yield at the time of completion remained substantial. In terms of the industry, revenue grew robustly in 2017-18 (10.5%) and remained resilient through 2018-19 (5.4%).

- **Mintel – Construction in the UK (April 2019).** There are various estimates on the size of the UK’s housing shortfall. The latest estimate from the Heriot-Watt University suggests that England alone has a shortfall of 3.91 million homes. The implication is that England needs to construct 340,000 homes each year to 2031 to satisfy the shortfall, rather than the 160,560 recorded in 2018. This is substantially higher than the government target of 300,000 homes per year by the middle of the next decade, so the problem will persist as demand continues to rise.

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

- **The Scottish Government – Housing Statistics 2018: Key Trends Summary** ([tinyurl.com](http://tinyurl.com)). Annual statistics on the new housing supply in Scotland across all sectors.


- **Construction Industrial Training Board – Industry Insight Construction Skills Network Forecast 2017-2021 Scotland** ([tinyurl.com](http://tinyurl.com)). “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 or by calling 0300 013 4753
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 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 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 Accountant” 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

**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

**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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