



Market Report

A Snapshot of your Market Sector

Building and Joinery

This pack has been designed to provide information on setting up a business in the **Building and Joinery** 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 **October 2020**. 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 Building and Joinery 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:

- ◆ According to a survey conducted by the Federation of Master Builders (FMB) trade association between 23-29 April 2020, 96% of FMB member contractors had ceased all or temporarily paused on-site activity to review their operating procedures, reducing activity levels in the construction industry and weighing on revenue due to the **COVID-19** lockdown. Industry revenue is expected to **fall by 20.3% to £11.1 billion** in the current year. Over the five years through **2025-26**, industry revenue is forecast to increase at a compound annual **rate of 4% to reach £13.6 billion**, with growth supported by the outperforming housebuilding market, although it is expected to grow from a lower base following reduced activity levels caused by the coronavirus pandemic. (IBISWorld, *Joinery Installation in the UK*, October 2020).
- ◆ Industry revenue is forecast to fall by a quarter as a result of prevalent market and supply chain disruption caused by the **COVID-19** (coronavirus) pandemic. In 2020-21 alone, industry revenue is expected to decline by **25.1%, falling to circa £14.1 billion** and, in nominal terms, a level not seen since the financial crisis era. Overall, industry revenue is forecast to decline at a compound annual rate of **7.1%** over the forecast period. The construction of **educational buildings**, such as schools and university buildings, is estimated to contribute **27.2%** of industry revenue in 2020-21, with **commercial office construction** estimated to derive **24.9% of industry** contractors' collective revenue. (IBISWorld, *Commercial Building Construction in the UK*, June 2020).
- ◆ The value of the UK **housebuilding** sector was estimated to grow by **4.2% to reach £44.8 billion in 2019**. The continued growth of the sector during economic and political uncertainty demonstrates the instrumental nature of housing, which benefits from a continually growing population. (Mintel, *House Building, UK* October 2019).
- ◆ The national organisation for this industry are [Scottish Building Federation](#) and the [Federation of Master Builders](#). Other organisations include the [Home Builders Federation](#), the [British Woodwork Federation](#), [National Association of Shopfitters](#) and the [Guild of Master Craftsmen](#).

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.

- ◆ **Mintel – House Building, UK** (October 2019). Firms also display a strong awareness of the context they operate in, with conscious plans to increase the provision of affordable housing, and strategically purchasing land in areas outside of London and the South East. This may also be driven by plans to phase out the Help to Buy scheme by 2023, which continues to be a crucial source of revenue for the sector.
- ◆ **IBISWorld – Joinery Installation in the UK** (October 2020). Particularly with regards to the short-term operating environment, ongoing market uncertainties related to the UK's imminent withdrawal from the European Union are likely to continue to constrain investor sentiment until either this uncertainty dissipates, or economic conditions stabilise.
- ◆ **IBISWorld – Commercial Building Construction in the UK** (June 2020). Remuneration for construction works related to industrial buildings, such as production factories and warehouses, is estimated to account for 14.7% of industry revenue in 2020-21. Construction of shopping centres and individual retail outlets is estimated to account for 5.2% of industry revenue in 2020-21, having come under significant pressure from operating difficulties during the coronavirus epidemic. According to the BRC, the UK retail vacancy rate rose to 12.2% in the quarter ended March 2020, with expectations that it may not be financially viable for many stores to reopen. Although industrial output had slowed subsequent to the EU referendum, blighting big-ticket investment in new production facilities, demand for industrial warehouse construction conversely surged intermittently. Domestic companies had been stockpiling materials in the event of a disorderly exit from the EU bloc, warranting investment in industrial warehouse construction.

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

- ◆ **PBC Today, *How will the construction industry fare in 2020-21?* December 2019** (<https://tinyurl.com/vzp3ohx>). The Glenigan Construction Industry Forecast for 2020 and 2021 has predicted a series of bright spots across the construction industry.
- ◆ **UK Construction Media, *Output declines once more to end the decade*, January 2020** (<https://tinyurl.com/yiv3snen>). Construction industry output has faltered as a consequence of COVID-19 disruption and uncertainty in the political world. Perhaps the sharpest fall has been witnessed by the civil engineering subsector, as this industry mostly relies upon work commissioned by the public sector.
- ◆ **CITB, *Low but positive growth for UK construction amid Brexit uncertainty*** - The annual Construction Skills Network (CSN) report - a five-year forecast into the industry's skills needs - anticipates construction growth of 1.3% across the UK, down a third of a percent on the previous year. The forecast is based on the scenario that the UK agrees an exit deal with the EU, rather than a 'No Deal' situation. (<https://tinyurl.com/wh2myqq>)

Disclaimer: This report has been updated on 22nd October 2020 - we have included Post COVID-19 market material where available. Please note that this research may contain copyrighted material. Copyright belongs to the holders credited above and, as such, recipients of this research reproduce and repurpose this information at their own risk.

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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 [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

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 websites, 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

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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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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