



Market Report

A Snapshot of your Market Sector

Building and Joinery

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

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 2023**. 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:

- ◆ After the major COVID-19-related disruption of 2020, the construction market demonstrated strong growth of 14.7% in 2021. Nonetheless, this failed to fully offset the 2020 decline. However, the growth in the market further accelerated in 2022, taking overall output to **£160.4 billion** and representing **growth** in the year of **16.3%**. (Intel, *Construction*, May 2023).
- ◆ Joiners carry out work for a range of downstream clients, mainly in the construction industry. As such, trends in joiners' revenue is procyclical in nature and closely follows trends in construction activity. Over the five years through 2022-23, industry revenue is forecast to grow at a compound annual rate of **0.8% to reach £13.6 billion**. (IBISWorld, *Joinery Installation in the UK*, March 2023).
- ◆ Supply chain disruption and heightened economic uncertainty spurred a reduction in output last year. Revenue is forecast to **decline by 4.4% in 2023-24**, as challenging market conditions cause developers to scale back investment plans. Looking forward, ongoing policy support to boost the supply of housing will support demand for contractors, though ongoing labour shortages and tightened environmental requirements are forecast to constrain growth in profitability. Revenue is forecast to increase at a compound annual rate of **2.2% to reach £89.8 billion over the five years through 2028-29**. (IBISWorld, *Residential Building Construction UK*, July 2023).
- ◆ The fallout from the pandemic has caused developers to re-align investment towards lower-risk real estate markets which are likely to be more resilient to price shocks. The UK's economic slowdown has caused developers to scale back investment plans in the current year, while rising interest rates have reduced portfolio valuations. **Revenue is forecast to decline by 1.2% in 2023-24**. (IBISWorld, *Building Project Development in the UK*, July 2023).
- ◆ 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](#).



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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.

- ◆ **Mintel - Construction (May 2023)**. This report suggests that the interest rate increases seen up to May 2023 will make market conditions increasingly difficult, and both property transactions and prices can be expected to moderate in the second half of 2023, culminating in reduced activity for the full year. House builders will consequently reduce their targets, and Mintel anticipates a 9% full year decline in the private housing sector during 2023.
- ◆ **IBISWorld, Joinery Installation in the UK (March 2023)**. Demand for services has varied across the different sectors that make up the market. Demand for kitchens, storage and staircases has been supported by supply-side policies. The main market for these services is the residential market, and government policies aimed at boosting the UK's housing stock have supported demand for joinery installation services. However, shopfitting and commercial fit-outs has suffered from poor economic conditions and the rise of ecommerce. Other installations, like bespoke services, have also suffered from poor economic conditions.

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

- ◆ **Federation of Master Builders, State of Trade Survey, Q2 2023** (<https://tinyurl.com/b82nc22n>) . The latest survey reports an increase in total workload and enquires that is primarily driven by a continued strong rebound in the repair, maintenance and improvement sector. 79% of members report that material costs increased in Q2 2023 with 72% expecting this to continue into the next quarter. The impact of increased outgoings has led to 69% of members increasing the prices they charge, with just under half reporting that the business is on track to make a loss.
- ◆ **Home Builders Federation Housing pipeline report - Q2 2023** (<https://tinyurl.com/b82nc22n>). Approvals weakened further during the second quarter, continuing the downward trend seen over the last two years. At 2,771, the number of housing projects granted planning permission in the second quarter fell by 10% against the preceding quarter and was 20% lower than a year ago. The number of approvals during the first six months of 2023 were 20% lower than a year ago. At 91, the number of social housing projects (of three or more units) fell sharply, dropping by 37% on the first quarter and being 44% lower than a year ago.

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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**



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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 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 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

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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