



Market Report

A Snapshot of your Marketing Sector

Gas and Central Heating Engineer

This pack has been designed to provide information on setting up a business in the **Gas and Central Heating Engineer** 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 **April 2025**.

What do I need to know about the Gas and Central Heating Engineer 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 2029-30, revenue is anticipated to climb at a compound annual rate of **3.8% to £28.8 billion**. Supportive government policies will continue driving strong demand from the residential market. Public non-residential construction is set to benefit from government support, while commercial construction will recover in line with economic conditions. Technological advancements in smart installations and renewable energy integration will present lucrative opportunities for plumbing and HVAC contractors, with those that embrace technological innovations well-positioned to capitalise on solid revenue prospects. (IBISWorld, *Plumbing, Heating & Air Conditioning Installation in the UK*, March 2025)
- ◆ As homeowners seek to enhance the value of their properties, construction activity is climbing, driving up demand for plumbing and HVAC installation maintenance and upgrades. In response to this growing demand, HVAC contractors are poised to ramp up their capacity. Centrica plc, the industry's largest company, plans to expand its engineering capacity by offering over 400 apprenticeship roles in 2025. (IBISWorld, *Plumbing, Heating & Air Conditioning Installation in the UK*, March 2025)
- ◆ In Scotland, homeowners can get grants or interest free loans funded by the Scottish Government for the purposes of installing clean heating systems and energy efficiency measures. The scheme offers grant funding up to £7,500 for clean heating systems like heat pumps (with an additional £7,500 available as an interest free loan). Rural and island homes can claim an additional £1,500 of both grant and loan funding in addition to this ([Home Energy Scotland – Grant and Loan](#))
- ◆ The plumbing and heating profession remained resilient in Q4 2024, holding a stable to strong position despite ongoing challenges. Many businesses reported steady trading conditions, with a significant number experiencing busier-than-expected activity. Profit margins remained stable or improved for most businesses, reflecting effective cost management amid rising material costs. However, key issues persist. Payment delays affected many businesses, particularly those dealing with larger contractors. Workforce shortages continued to pose challenges, with low availability of skilled professionals and limited apprenticeship recruitment threatening sustainability. (Scottish and Northern Ireland Plumbing Employers' Federation, *State of Trade Q4 2024*, December 2024)
- ◆ The national organisation for this industry is the [Chartered Institute of Plumbing and Heating Engineering \(CIPHE\)](#). Other associations include the [Scotland and Northern Ireland Plumbing and Heating Federation \(SNIPEF\)](#), the [Energy and Utilities Alliance](#), [Scottish Renewables](#), the [Heating Equipment Testing and Approval Scheme \(HETAS\)](#), and the [Association of Plumbing & Heating Contractors \(APHC\)](#).

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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.

- ◆ IBISWorld - Plumbing, Heating & Air Conditioning Installation in the UK (March 2025). "Sluggish construction activity is having a knock-on effect on HVAC contractors. With consumer confidence eroded by inflationary pressures and rising living costs, investments in home renovations have become financially unfeasible for many, hampering the industry's income opportunities. Due to income pressures, HVAC contractors have been compelled to improve service delivery efficiencies and identify cost-effective solutions, like smart meters, to minimise energy waste. The aim is to attract customers to invest in HVAC system upgrades, even as budgets remain tight."
- ◆ IBISWorld - Hardware, Plumbing & Heating Equipment Wholesaling in the UK (March 2025). "The prices of steel and copper – the primary inputs for most plumbing fixtures – fluctuate considerably, weighing on wholesalers' profit. According to the ONS Producer Price Index, construction materials prices have climbed drastically in recent years. As of November 2024, the price of metal taps and valves for sanitary ware was 25.6% higher than the average price in 2020, inflating prices of products in this segment. As a result, manufacturers are increasingly incorporating plastic or graphite (like hexagonal boron nitride) for its durability and lower prices."

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

- ◆ In October 2024, an article online industry magazine Installer Online mentioned data from the Microgeneration Certification Scheme which indicated a 34% increase in MCS certified heat pump installations in Scotland between 2023 and 2024, up to 5,000 pumps by October alone, when the article was published ([Installer Online, "Scotland on track for record heat pump installations in 2024", October 2024v](#))
- ◆ In March, it was reported by the BBC (["Ministers scrap green heating plans for new homes" 11th March 2025v](#)) that the Scottish Government no longer plans to put forward the draft Heat in Buildings bill in its current form, pushing back the introduction of legislation which would have required gas boilers in homes to be replaced with alternatives such as electric heat pumps.
- ◆ The [Scotland and Northern Ireland Plumbing and Heating Federation \(SNIPEF\)](#) have a list of technical websites which look at building standards and legislation within the industry. They also have information on apprenticeships and training.

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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 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.



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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.

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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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