



Market Report

A Snapshot of your Market Sector

Plumbing

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 **Plumbing** 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 **March 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 Plumbing 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:

- ◆ In **2022-2023, revenue is expected to rise by 3.9%**, valuing the industry at around **£17.9billion**. This industry will be boosted as pent-up demand from the COVID lockdowns is met and the industry returns to near normal. Over the five-year period through **2027-2028**, revenue is expected to increase at a compound annual rate of **2.5% to reach £20.3 billion**. Downstream markets are expected to correct and demand for HVAC and plumbing installation returns to a more normal level, pockets of growth are ever-present in the market, such as renewable energy installations with increasing demand for heat pump installations. (IBISWorld, *Plumbing, Heating & Air Conditioning Installation in the UK*, July 2022).
- ◆ The residential market is estimated to account for **49.1%** of industry revenue in **2022-2023**. Over the **2022-2023** period, demand for new installations in the residential market is forecast to recover due to easing of lockdown restrictions and a return to normal economic activity. (IBISWorld, *Plumbing, Heating & Air Conditioning Installation in the UK*, July 2022).
- ◆ There are changes happening in the heating element of the Plumbing sector with the government exploring the hydrogen market to reduce fossil fuel usage, promoting heat pumps as a replacement for conventional boilers. Consumers are drawn to fuel efficiency by the extreme inflation levels seen in **2022** and persisting into **2023** (Intel, *Plumbing, August 2022*).
- ◆ One third of consumers (**33%**) are interested in sustainable bathroom alternatives, such as materials or water-saving toilets. Around **53%** of consumers are more likely to prioritise sustainability of items they purchase for the home compared to before the pandemic. (Intel, *Bathroom and Bathroom Accessories UK*, September 2022).
- ◆ The national organisation for this industry is [Scottish and Northern Ireland Plumbing Employers Federation \(SNIPEF\)](http://www.snipef.org) (www.snipef.org).
- ◆ Other industry bodies include [Chartered Institute of Plumbing and Heating Engineering \(CIPHE\)](http://www.ciphe.org.uk) (www.ciphe.org.uk), [Association of Plumbing and Heating Contractors Limited \(APHC\)](http://www.aphc.co.uk) (www.aphc.co.uk) and the [National Association of Professional Inspectors and Testers \(NAPIT\)](http://napit.org.uk) (napit.org.uk).

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 – Plumbing UK** (August 2022). Pressure placed on consumers from fuel-based inflation in 2022 brought vulnerability to discretionary purchases. With 80% of the plumbing products sector dependent on replacement products, conditions are difficult. The market held up well in 2022, mainly sustained by house moving activity with kitchens and bathrooms seen as lifestyle features.
- ◆ **IBISWorld - Plumbing, Heating & Air Conditioning Installation in the UK** (July 2022). According to the Chartered Institute of Plumbing and Heating Engineering, there is a notable skill shortage in contracted HVAC and Plumbing trades and is expected to remain a concern among the industry. A 2020 survey of HVAC and Plumbing contractors indicates that 56% of respondents claimed a lack of skilled workers represent a big threat to the plumbing industry.
Mintel – Bathrooms and Bathroom Accessories UK (September 2022). The bathroom market is dominated by fittings and furniture, accounting for around £1.21 billion or 85.4% of sales. Showers are still the leading product accounting for approximately 25% of sales in 2022. The past five years has seen a significant growth in shower screens and shower trays.
- ◆ There are also a number of online resources you may find helpful:
- ◆ **My World of Work** (tinyurl.com/ydg59zdi) states that there are 13,500 plumbers currently employed in Scotland, although due to COVID-19 there has been a constant fluctuation in numbers working in the industry. This website also offers guidance on training, qualifications and related industry opportunities.
- ◆ **WaterSafe.org.uk** offers a guide on *How to Become a Plumber* (tinyurl.com/y994ykwz) with downloadable fact sheets and links to training providers.

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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 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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