



Market Report

A Snapshot of your Market Sector

Property Development and Maintenance

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 **Property Development and Maintenance** 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 **August 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 Property Development and Maintenance 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:

- ◆ **Property management services** revenue benefitted from improvements in the rented residential property market in the years leading up to the COVID-19 outbreak, caused by rising UK house prices, which priced out potential homebuyers. Demand from non-residential properties rose due to an expanding number of businesses in the UK requiring industry-managed office space. **Revenue is expected to grow at a compound annual rate of 1.1% over the five years through 2022-23 to £32.7 billion, including growth of 4.1% in 2022-23.** (IBISWorld, *Property Management Services in the UK*, March 2023).
- ◆ **Repairs and Maintenance are estimated to account for 22.8% of £17.7bn industry revenue** in the current year, making this the second largest service segment in the industry. Providers of both public- and private-sector services depend upon well-maintained buildings to efficiently conduct business. Therefore, repairs and continuous upkeep of buildings are of utmost importance to clients. Demand for repairs and maintenance services has increased over the past five years. (IBISWorld, *Combined Facilities Support Activities in the UK*, June 2022).
- ◆ **Repair, renovation and remodelling work on existing residential properties is estimated to account for 28.7% of £80.6bn industry revenue in 2022-23.** A large number of small-scale contractors specialise in repair, renovation and remodelling work on existing residential properties. Record low interest rates, policy support and increased savings spurred a surge in house prices during the pandemic, encouraging households who had been forced to spend more time at home to invest in home improvements. The cost-of-living crisis, coupled with falling house prices have increasingly limited works to essential repairs. (IBISWorld, *Residential Building Construction in the UK*, July 2023).
- ◆ **Building project developers' revenue is forecast to decrease** at a compound annual rate of **4.2% to £34.9 billion** over the five years through 2023-24, inclusive of a 1.2% contraction in the current year, when the average industry profit margin is anticipated to be 27.2%. **National House Building Council (NHBC) reported a 23.2% drop in the number of homes registered to be built in the UK** in 2020. Landsec and British Land reported declines in their portfolio valuations of 13.7% and 10.8% respectively in 2020-21. (IBISWorld – *Building Project Development in the UK*, July 2023).
- ◆ The national organisation for this industry is the [Scottish Building Federation](#). Other industry bodies include [Built Environment - Smarter Transformation](#) (formerly Construction Scotland), the [Federation of Master Builders](#), the [Scottish Property Federation](#), [Construction Industry Training Board](#), [Property Managers Association Scotland](#). and the [Construction Industry Council](#).

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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 – Commercial Property Remodelling in the UK (October 2022).** Looking beyond 2021-22 and considering the extent to which the economy has already suffered, there is likely to be some lingering operating challenges and market uncertainties that contractors will need to contend with. Regarding the latter, the nature of the UK market's adjustment to its independence from the EU bloc, and the bearing this will have on activity in commercial property investment markets, also remains a relative unknown, as pandemic-related issues have overshadowed the economy of late.
- ◆ **Mintel, Construction UK, (2023).** New construction is the sector most widely seen to be highly volatile and repeatedly demonstrating annual changes in excess of the wider GDP development because so much of the investment is based on confidence (primarily business confidence as opposed to consumer confidence) in the future and includes some speculative construction activity. In 2022, new construction accounted for 62% of the total market, so its influence is strong in the overall market development.
- ◆ **Mintel – Commercial Property in the UK (2022).** Industrial property has been the strongest-performing sector of the commercial property market over the past five years and now represents the largest single sector. In 2021 alone, the capital value of the industrial sector grew by a significant 31% to £372 million, accounting for 36% of the total commercial property stock.

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

- ◆ **Registers of Scotland, Property Market Report 2022-2023.** This report provides a long-term statistical review of the property market in Scotland. (tinyurl.com/yu43fas4)
- ◆ **Ryden's Scottish Property Review 2023.** This annually published report provides market trends and data on office, industrial, retail & leisure, investment property and residential development in Scotland. (tinyurl.com/yzx9vztz)
- ◆ **Savills Scottish Property Briefing (2021)** Scottish market overview including valuations and regional insight (tinyurl.com/6xsy2c6h). See more Savills property research (tinyurl.com/5948ndkb)
- ◆ **Build Scotland.** (buildscotland.co.uk) This website provides the latest industry news, as well as job listings, a company directory and training information.

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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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