



Market Report

A Snapshot of your Market Sector

Roofing Contractor

This pack has been designed to provide information on setting up a business in the **Roofing Contractor** 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 **February 2021**. 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 Roofing Contractor 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:

- ◆ Industry revenue is forecast to decrease at a compound annual rate of 5.1% over the five years through **2020-21 to £4 billion**. The residential construction market is expected to account for **52.5%** of industry revenue in 2020-21, with the commercial construction market anticipated to account for **24.8%**. Four of the largest roofing contractors in the UK – Avonside Roofing, CA Group, Breyer Group, and Briggs Amasco – are anticipated to account for a combined market share of just 4.9% in 2020-21, reflecting the fragmented nature of the industry, characterised by a preponderance of small-scale, regionally dispersed firms. (IBISWorld, *Roofing Activities in the UK*, November 2020).
- ◆ The value of the roof insulation market **increased** in each year between 2015 and 2019, although growth slowed from 7% in 2017 to **3%** in 2018, reflecting a slowdown in UK commercial construction in the latter year. In 2019, growth of an estimated **4% took the value to £273.8million**, reflecting a partial recovery in commercial construction activity despite continued economic uncertainty throughout that year. (Intel, *Thermal Insulation: Inc Impact of COVID-19 - UK*, August 2020).
- ◆ For many construction sectors the impact of COVID-19 is likely to be temporary, if severe, but the areas of office and retail construction are likely to have major long-term negative impacts from more permanent changes to lifestyles. Warehouse construction on the other hand is likely to have a long-term boost, while further sectors such as entertainment-based construction face uncertainty waiting to see how people react when social distancing restrictions are lifted. In total, it is expected that the market will see a **£34.6 billion reduction in output** over the 2020-24 period. (Intel, *Construction: Inc Impact of COVID-19 - UK*, April 2020).
- ◆ Roofing contractors reported a strong recovery in workload during the final quarter of 2020, with **41%** seeing a rise in workload on the previous quarter against 12% reporting a decline. **29%** of firms saw a rise in enquiries, boding well for the first quarter of 2021. Scottish firms reported the most widespread increase during the quarter. Firms in both Scotland and Wales reported the greatest improvement on a year ago as the market recovered from earlier more extensive lockdowns. (NFRC, *State of the UK Roofing Industry Q4 2020*, February 2021 tinyurl.com/3gx652xn).
- ◆ The national organisation for this industry is the [Institute of Roofing](http://www.instituteofroofing.org) (www.instituteofroofing.org). Other industry bodies include [The National Federation of Roofing Contractors](http://www.nfrc.co.uk) (www.nfrc.co.uk), [Metal Cladding and Roofing Manufacturers Association](http://www.mcrma.co.uk) (www.mcrma.co.uk) and the [Roof Tile Association](http://www.rooftileassociation.co.uk) (www.rooftileassociation.co.uk).



Connect with us

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 - Roofing Activities in the UK** (November 2020). Subdued construction activity and financial pressures following the coronavirus pandemic has led to a significant decrease in housing repairs, with a 48.2% decrease in the value of housing repairs during the year through June 2020, according to the ONS. In 2020-21, IBISWorld expects industry revenue to contract by 21.5%. A reduction in big-ticket real estate ventures among private sector clients is likely to limit the number of high-yield roofing contract opportunities available for tender. Postponed projects amid construction-sector wide operational uncertainties arising from the COVID-19 (coronavirus) pandemic and the measures imposed to combat it are forecast to weigh negatively on revenue. According to the Office for National Statistics, 93.6% of industry operators employed fewer than 10 people in 2019, while 83.9% employed fewer than five. IBISWorld expects the average industry contractor to generate less than £440,000 in the current year.
- ◆ **IBISWorld – Brick & Tile Manufacturing in the UK** (August 2020). Despite strong demand for roofing materials, sales of clay roofing tiles have decreased. This is likely the result of a shift towards high-density housing, which uses alternative materials not included in the industry such as roofing felt, coal tar pitch or glass. As a result, IBISWorld anticipates clay roofing tiles to account for a decreasing proportion of industry revenue, generating approximately 8% of revenue over 2020-21.

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

- ◆ **UK Roofing Sector, Workforce Development Strategy** (2017-2021) from **The National Federation of Roofing Contractors Limited** (tinyurl.com/t248bxw3)
- ◆ **National Careers Service, Job Profiles: Roofer** (tinyurl.com/12daokuo). A roofer's starting salary is around £13,000 and can progress with experience to around £32,000. Roofers normally work around forty-two hours per week.
- ◆ **Office for National Statistics (ONS) – Construction output in Great Britain: November 2020** (tinyurl.com/3v3o9nfp).
- ◆ **Coronavirus Advice Hub from NFRC** – current guidelines for roofing contractors plus information on support, with a dedicated page for Scottish contractors. (tinyurl.com/5deh72m3).

Disclaimer: This report has been updated in **February 2021** - 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.



Connect with us

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**



Connect with us

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](#).

Although every effort has been made to ensure the accuracy of the information provided, Business Gateway will not be held liable for any inaccuracies or omissions in the data supplied, or for the content of any website that the document above may contain links to. By using this information, you accept this disclaimer in full. Also, please note that Business Gateway does not endorse any business or individual that may be referred to above.

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.

Last updated: February 2021

Updated by: Eleanor

Connect with us