



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 2024**. 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:

- ◆ Recovering construction activity has contributed to industry revenue climbing at an estimated CAGR of 1.1% over the five years through 2023-24, including growth of **2.9% in 2023-24, to £6.1 billion**. The **average profit margin is expected to be 11.6%** in 2023-24. Over the five years through **2028-29**, revenue is forecast to increase at a compound annual rate of **5.1% to reach £7.8 billion**. Roofers have benefitted from rising demand from homeowners completing work on existing properties, as repair and maintenance work rose to 39.8% above the February 2020 level in June 2023. (IBISWorld, *Roofing Activities in the UK*, September 2023).
- ◆ **Clay roof tiles accounted for 7.3% (£108.9m) of industry revenue** for the Brick & Tile Manufacturing sector in the UK in 2023. Demand for clay roofing tiles has deteriorated since the popularity of high-density housing, which uses alternative materials not included in the brick and tile manufacturing industry, like roofing felt, coal tar pitch and glass. The development of sustainable products like solar, recycled and composite roofing is adding to the substitutes replacing clay tiles. (IBISWorld, *Brick & Tile Manufacturing in the UK*, January 2024).
- ◆ The global **green roofs market was valued at \$10,434.55million in 2022** and is estimated to **grow to \$18,541.24million in 2027**. A building's roof that is partially or entirely covered with plants and a growing medium that is planted over a waterproofing membrane is referred to as a green roof. The benefits of green roofs are combined with solar photovoltaic systems, which can further improve the green ratings of buildings. Europe contributed 31.12% to the global green-roofs market in 2022, and its contribution will decline to 29.52% in 2027 within an expanding overall market, rising from **\$3,247.23 million in 2022 to \$5,473.37 million in 2027**. (Technavio, *Global Green-Roofs Market 2023-2027*).
- ◆ The majority of accredited installers of Solar-PV in the UK are tradesmen, often with a **background in roofing** or heating. A key challenge for contractors is to ensure there is a workforce large enough to meet demand and fill the **skills gap**. With a lack of investment in training and education programmes, many companies in the industry are struggling to find workers with the necessary skills and experience. (Mintel, *Residential Small Scale Renewables UK*, October 2023).
- ◆ The national organisation for this industry is the [Institute of Roofing](#). Other industry bodies include [The National Federation of Roofing Contractors](#) (NFRC), the [Roof Tile Association](#) and the [Metal Cladding and Roofing Manufacturers Association](#).

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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 – Brick & Tile Manufacturing in the UK (January 2024)**. Commercial construction has struggled with remote working which reduces the need for office space. According to the ONS, private commercial new orders in October 2023 fell by 23% since February 2020. However, in 2022, the ONS noted a 15% output boost in the home repair and maintenance sector driven by the trend of hybrid or remote working. Companies operating within the clay brick and tile sector primarily cater to residential construction needs, focusing on small-scale projects such as home extensions that require bricks and roofing tiles, as well as interior renovations like bathroom and kitchen remodels that utilize ceramic tiles.
- ◆ **IBISWorld – Roofing Activities in the UK (September 2023)**. There's strong competition in the industry. This is a result of the high number of small roofing contractors that operate in the industry. The larger players are more resilient to price competition. This market fragmentation is displayed by 84.6% of roofers employing fewer than five people, and 94.1% employing fewer than 10. The average roofing enterprise earns just £550,000 annually.
- ◆ **Technavio – Global Roofing Market (2023-2027)**. Residential roofing materials often focus on aesthetics, durability, and insulation to provide protection and enhance the appearance of the building. Growing urbanization is primarily responsible for the rising popularity of residential buildings such as apartments, bungalows, and villas in emerging economies. By 2030, the percentage of people living in urban areas is expected to rise to 60%, according to the United Nations (UN). The global roofing market was valued at \$125.17 billion in 2022 and is estimated to grow to \$157.35 billion in 2027.

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

- ◆ **The National Federation of Roofing Contractors Limited** (www.nfrc.co.uk) - Industry updates offering news such as - *“contractors continued to face challenges when trying to recruit people with the right skills. 27% of firms said they had found it difficult to employ slaters and tilers, while 16% said they had struggled with cladders”* according to the latest **State of the Roofing Industry** report from NFRC and Glenigan, November 2023.
- ◆ **NFRC Scotland** offers news of [Scottish developments in the industry](#), as well as a directory of Scottish events. Further updates can be found in NFRC, *State of the UK Roofing Industry Q3 2023*, November 2023. ([State of the Roofing Industry Q3 2023](#)).
- ◆ **National Careers Service, Job Profiles: Roofer** ([Roofer](#)). A roofer's starting salary is around £17,000 and can progress with experience to around £35,000. Roofers normally work around forty-two hours per week.
- ◆ **Office for National Statistics (ONS) – Construction output in Great Britain: November 2023-short term measures of output by construction industry in November 2023.** ([ONS - Construction output UK](#)).

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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.

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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