



# Market Report

A Snapshot of your Market 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](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **July 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 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 2024-25, revenue is forecast to climb at a **compound annual rate of 2.8% to £24 billion**. Revenue prospects have suffered from economic uncertainty thanks to persistent inflation and constrained budgets. However, supportive government policies aimed at bolstering the UK's housing stock and improving public infrastructure have created tender opportunities, driving revenue up. **In 2024-25, revenue is expected to swell by 3.3%**. (IBISWorld, *Plumbing, Heating & Air Conditioning Installation in the UK*, June 2024).
- ◆ Demand for renewable energy source system installations has inflated in line with rising regulatory pressure regarding preserving finite resources. Homeowners and businesses are increasingly adopting renewable energy to reduce their environmental impact. (IBISWorld, *Plumbing, Heating & Air Conditioning Installation in the UK*, June 2024).
- ◆ The use of heat pumps, particularly air-to-water and air-to-air heat pumps, is expected to play a key role in delivering heat for properties that are built to the Future Homes Standard. This is underlined by the UK government's **plans for 600,000 heat pump installations per year by 2028 and 1.9 million by 2035**, but the initial year fell well short of the target. (Mintel, *Residential Central Heating and Heat Pumps - UK – 2023*)
- ◆ In Scotland, grant funding for energy efficiency improvements is up to **75% of the combined cost of the improvements**, up to the maximum grant amount of **£7,500, or £9,000** if the household qualifies for the rural uplift under the Home Energy Scotland Grant and Loan Scheme (Mintel, *Residential Central Heating and Heat Pumps - UK – 2023*)
- ◆ 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](mailto:info@bgateway.com).

- ◆ **IBISWorld – Plumbing, Heating & Air Conditioning Installation in the UK (June 2024).** Over the five years through 2029-30, revenue is anticipated to increase 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 expected 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.
- ◆ **Mintel - Residential Central Heating and Heat Pumps - UK (June 2023).** Currently, in the UK around 17 million households use gas boilers for home heating with around 1 million being installed every year. This is a familiar technology to households. A government survey has identified that 18% of the public felt they knew 'a lot' or a 'fair amount' about heat pumps, while 51% knew 'a little' or 'nothing'. The 2022 survey found that 70% of those surveyed said that they were 'very unlikely' to purchase a heat pump in the coming year. The key barriers to adoption were identified as cost, convenience and trust in heat pumps as an effective energy system: over half (53%) found purchase and installation costs too high, and 34% believed that a heat pump would not be as effective as their current heating system.
- ◆ **IBISWorld – Radiation and Boiler Manufacturing in the UK (June 2024).** As energy prices soared, some middle-income earners rush to replace old and inefficient boilers and heating systems to keep bills low, while low-income earners turn down the heat to save money.

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

- ◆ The [Home Energy Scotland Grant and Loan Scheme](#) provides homeowners in Scotland a grant, interest free loan or a combination of both to install clean heating systems and energy efficiency measures. For clean heating systems such as heat pumps, grant funding of up to £7,500 is available.
- ◆ The [Scottish Government is proposing to make new laws](#) about the heating and energy efficiency of existing homes and workplaces. Under these plans all homes and businesses will have to move to a clean heating system by the end of 2045. People buying new homes and buildings before 2045 would be asked to move to a clean heating system within a set period after the sale. Minimum energy efficiency standards for all homes by the end of 2033, to make them warmer and less expensive to heat - private landlords would need to do this by the end of 2028
- ◆ 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](mailto: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](mailto: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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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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**Updated by: Andy**

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