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## Mechanical and Electrical Contractors Market Report – UK 2011-2015 Analysis

New AMA report reviews the UK market for mechanical and electrical  
contractors

“Current conditions in the M&E contracting market can only be described as challenging. Competition is fierce among contractors, with reports of businesses submitting tenders at, or even below, cost price in order to secure work or retain clients. The market is forecast to recover from 2013 with growth stimulated by recovery in the private commercial sectors.”

A brief summary of the report is included on the following page.

Priced at £665, the report is currently available from AMA Research Ltd,  
Telephone 01242 235724 or e-mail at [sales@amaresearch.co.uk](mailto:sales@amaresearch.co.uk).

### **Editors Note:**

Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

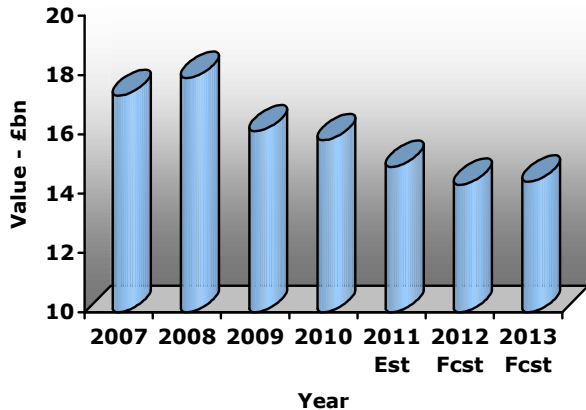
If you would like to receive an editorial review copy or would like to speak to the author of this report, please contact Keith Taylor or Chris Moore on (01242) 235724.

Please include our web address and telephone number on any review printed; it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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# Mechanical and Electrical Contractors Market Report - UK 2011-2015 Analysis

UK Market for Mechanical and Electrical Contracting 2007 – 2013 by Value (£bn)



The market for mechanical and electrical (M&E) contracting is estimated to be valued at around £14.9bn in 2011, a decline of 17% since its peak in 2008. The market experienced strong growth between 2005 and 2008 driven by an increase in construction output, growing levels of outsourcing and a continuing move towards more efficient building services solutions. The value of the market fell in 2009 due to difficult trading conditions and the impact of the general economic downturn on the wider construction industry.

The market continued to be sustained by work in the transport and leisure sectors in connection to the Olympics as well as

ongoing work in the health and education sectors throughout 2010 and 2011. However, as a result of a reduction of new projects being tendered, competition increased substantially affecting prices negatively. This, in combination with weak demand generally, led to a continued decline in value terms within the market.

Current conditions in the M&E contracting market can only be described as challenging. Competition is fierce among contractors, with reports of businesses submitting tenders at, or even below, cost price in order to secure work or retain clients. Profit margins, which were already under pressure during the early part of the review period, have declined further over the past few years.

The amount of consolidation activity continues to be high within the market, and this has led to a number of the major players increasing in size over the past few years. The growth in strategic acquisitions is also in response to the growing focus on integrated services within the sector with contractors widening the range of services offered.

A key area of growth in recent years has been installations aimed at improving energy efficiency and reducing carbon emissions, driven by increasingly stringent legislation and regulations around this, but also given impetus by the long-term cost savings that can be made by installing such systems. This trend, combined with a requirement for higher levels of cost control has seen growth of installations of integrated systems, which provide greater control and measurement of energy usage.

The market for M&E contracting in the UK is heavily dependent on the performance of the construction market in general. With non-domestic construction output set to remain static or decline further during the remainder of 2011 and into 2012, prospects for growth in the immediate future are limited. A further decline is expected in 2012 as Olympics related projects in the transport and leisure sectors are completed and the impact of the public sector spending cuts, particularly in the health and education sectors, start to take effect.

The market is forecast to start to recover from 2013, with growth stimulated by recovery in the private commercial construction sectors. Growth is also likely to be fuelled by a number of government initiatives around construction and energy management coming into effect in 2013. It is estimated that the market may reach £15.6bn by the end of 2015, though this is still significantly below the levels seen in 2008, when it was worth nearly £18bn.

**“Mechanical and Electrical Contractors Market Report – UK 2011 – 2015 Analysis”** is available in hard copy or electronic format for £665 and can be ordered online at [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or by calling 01242 235724.