

FOR IMMEDIATE RELEASE March 2011

Space and Water Heating Market – UK 2011-2015

New AMA report Reviews Developments in the Space and Water Heating Market

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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.

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.**

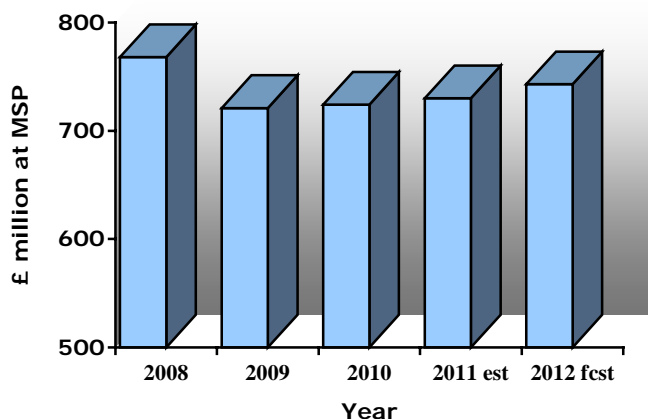
If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Keith Taylor or Chris Moore on (01242) 235724.

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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Space and Water Heating Market UK 2011-2015

UK Space and Water Heating Market by Value
(£ MSP) 2008-2012



The UK space and water heating market is estimated to be worth some **£724 million in 2010**, after a decline of some 7% in the period 2008-09. This market sector is part of a total UK heating market worth around **£1.75 billion**. The core product sectors of the UK space and water heating market include **domestic space heating** (36%), **non-domestic space heating** (34%) and **domestic and non-domestic water heating** (30%).

Like other products in the building and construction industry, the market for space and water heating products has been impacted by the **global financial crisis** and the resulting

recessionary conditions in the UK and other countries. Market performance in 2008-09 was relatively poor, with a decline of around 7% - partly due to the major **fall in the levels of housebuilding**. In addition, **financing constraints** also impacted on the non-domestic sector; anecdotal evidence suggests that the deferment of orders from 2009 in to 2010 also contributed to the market decline.

The market situation in 2010 was more positive, particularly in the first half of the year. The **Boiler Scrappage Scheme** lifted the market for domestic water heating in general and the cold winters of 2009-10 supported domestic space heating sales. However, cutbacks in Government expenditure and difficulties in securing finance continued to have a negative influence on most space and water heating sectors.

The majority of water heating and non-domestic space heating products are distributed via the trade channels such as **builders/plumbers merchants, electrical wholesalers** and **specialist heating distributors**. However, around 72% of domestic space heating products are distributed via the retail sector such as **DIY multiples, grocery multiples** and **catalogue stores**.

The outlook for the UK space and water heating market in 2011 remains uncertain. With cuts announced in the **Comprehensive Spending Review** in October 2010, it will undoubtedly prove to be a difficult year as disposable incomes fall, tax rises are implemented, and unemployment may rise. In 2011, the market for space and water heating products is estimated to be around **£730 million at MSP**.

There is underlying long-term **growth in the level of hot water consumption** driven by factors including increasing levels of power showering, also a growing population. With a rising number of bathrooms per household, there is a greater demand for high flow rates from multiple outlets. Unvented and other mains pressurised systems represent around 46% of all hot water systems sold in the UK. With the push for zero carbon new housing by 2016, housebuilders are starting to look towards electric space heating to satisfy the **improving thermal efficiency of new houses**. European examples of low to zero carbon housing often use electric space heating in some form.

The future performance of the UK space and water heating market is likely to be influenced by overall trends in house building and construction, RMI activity, fuel prices, energy efficiency legislation, renewable technologies, levels of personal disposable income, patterns of hot water consumption and niche market drivers such as the self build and conservatory markets. In the medium to longer term, the space and water heating market is expected to grow slowly and by 2015 the market value is forecast to be around £785 million at MSP, which would represent an increase of 7-8% compared to the market size in 2011.

AMA Research's report "**Space and Water Heating Market – UK 2011-2015**" is available in hard copy or electronic format for £665 and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.