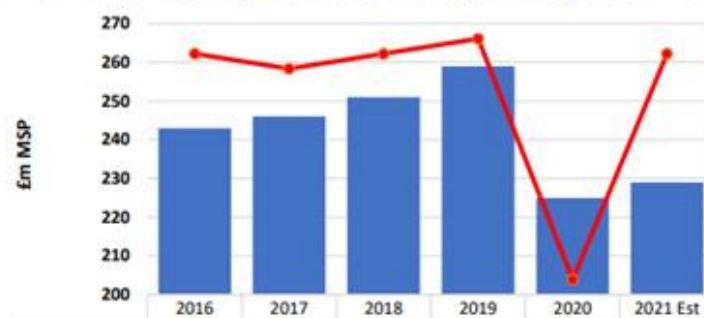


The UK water heating market to return to growth in 2021

Chart 1: UK Water Heating Market by Value (£m MSP) 2016 - 2021



With the outbreak of Covid-19 in 2020, the UK water heating market saw a sharp decline of around -13% but the latest report from AMA Research estimates a return to growth in 2021. New housebuilding was the most severely impacted of all the construction sectors by the pandemic during the first lockdown. There was also a decline in every non-residential end-use sector but particularly in retail.

The UK water heating market is primarily influenced by levels of residential and non-residential construction, heating refurbishments, the impact of climatic factors, the relative levels of fuel prices, trends in hot water consumption, the development of connected and renewable technologies, also changes in building and energy efficiency legislation. Now that the UK has left the EU, trade deals with UK trading partners will also have a significant influence on market prospects. The impact of the Covid-19 pandemic is also likely to be substantial, particularly in the short-term.

Environmental factors that can influence and drive the UK water heating industry include the development of energy efficient solutions and those that use renewable sources of heat. Abdul Tantouch, Research Manager at AMA Research comments “with the government drive towards net zero carbon emissions, there will be an increasing focus on renewable technologies, particularly heat pumps and solar energy. This development will have considerable impact on the type of residential and commercial water heating systems specified”.

The UK water heating market saw moderate growth of 1-3% per annum in the four-year period 2016 - 2019 despite the economic uncertainty surrounding the Brexit transition process at this time. The market benefited from opportunities across a number of non-residential end-use sectors, in particular offices, entertainment & leisure, industrial, education, and health. New housebuilding activity also remained positive with the ongoing housing shortage driving demand for new housing of all tenures, in particular social rent, affordable rent and private rent.

There is currently a high level of uncertainty in the UK economy as a result of Brexit and also Covid-19. The Covid pandemic saw overall trade fall by close to 30%, and business investment 25%. However, the UK water heating market is estimated to return to growth in 2021, with the widespread rollout of the Covid-19 vaccine, with possible pent-up demand driving sales going forward. Market opportunities will arise from product innovation and technological developments that will lead to an overall increase in system efficiencies. The evolution of smart water heating solutions with the increased requirement for interoperability and remote control of intelligent systems will also support market growth.

Editors Note:

The information was taken from the [UK Water Heating Market Report – UK 2021-2025](#) by AMA Research, which is available to purchase now at www.amaresearch.co.uk or by calling 01242 235724.

Please include our web address on any press release or article published. If you would like to receive more information on the report, or would like to speak to the Editor, then please contact:

Roshni Cornock

AMA Research

t: +44 (0) 1242 235724

e: roshnipatel@amaresearch.co.uk

About AMA Research

AMA Research is a leading provider of market research and consultancy services with over 30 years' experience within the construction and home improvement markets. For more information, go to www.amaresearch.co.uk or follow us on Twitter [@AMAResearch](#) for all the latest building and construction market news.