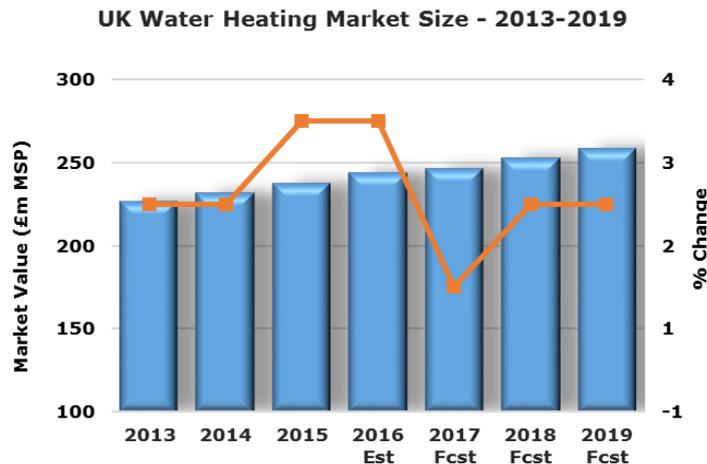




## PRESS RELEASE

### UK water heating market to grow by 10% over the next 5 years

March 2017 – Cheltenham, UK



The value of the UK water heating market increased by a modest 1% in 2016, according to a new report by AMA Research. The market for domestic and non-domestic water heating products has seen relatively steady growth overall since 2013, with the recovery in the UK economy stimulating construction activity as well as consumer and business confidence levels. In addition, the growing concerns about energy efficiency and the environment have a positive influence on this market.

The core product sectors of the UK water heating market include hot water storage systems, which account for an estimated 67%, followed by instantaneous water heaters and boiling water heaters and taps. The majority of water heating products are distributed via the trade channels such as builders/plumbers' merchants, electrical wholesalers and specialist heating distributors. In addition, there are an increasing number of products sold via online retailers or manufacturer's own websites.

The number of homes with hot water storage has declined significantly in recent years, with the vast majority of new homes now having a mains pressurised system installed as standard - predominantly in the form of an unvented storage cylinder in larger properties, and a combination boiler in smaller to medium properties and apartments. Sales of vented cylinders have declined significantly as a result of this shift, and are now almost entirely installed in replacement applications. Sales of mains pressurised systems have been driven by the increasing level of domestic hot water consumption, influenced by lifestyle factors such as demand for high performance showering and multi-bathroom properties.

The market for instantaneous water heaters has seen some moderate growth more recently, particularly in the commercial sector. However, demand for multi-point instantaneous water heaters has been negatively impacted by the development of the market for combination boilers. This sector is dominated by replacement demand, which is a large, but declining market.

The market for boiling water heaters for hot drinks has seen good growth over the last 5 years, particularly in commercial applications such as offices, staff canteens and factories. In addition, there is an increasingly significant market for boiling water taps in the UK.

Trends in the market include; a move towards more energy efficient systems; a growing number of pre-plumbed unvented systems being used in the new build sector; and the introduction and growth of IoT devices in the heating market over the last 2-3 years, with smart heating controls that can manage both the heating and hot water increasingly available.

*"Although the market situation in early 2017 is slightly subdued, the current forecast for the UK water heating market remains moderately positive, with more steady growth from 2018*

*onwards” said Hayley Thornley, Market Research Manager at AMA Research. “Following the UK Brexit vote in mid-2016, the outlook for this market is very much dependent on the path taken to exit the EU and the impact this has on the construction sector and consumer confidence.”*

It is forecast that the UK water heating market will increase by around 10% between 2017 and 2021. Aside from economic factors, the future performance of the UK 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 and changing patterns of hot water consumption.

The **‘Water Heating Market Report – UK 2017-2021 Analysis’** report is published by AMA Research, a leading provider of market research and consultancy services with over 25 years’ experience within the construction and home improvement markets. The report is available now and can be ordered online at [www.amaresearch.co.uk](http://www.amaresearch.co.uk) or by calling 01242 235724.

### **Editors Note:**

If you would like to receive more information on the report, or would like to speak to the author, then please contact Anna Eriksson or Hayley Thornley on 01242 235724.

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

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