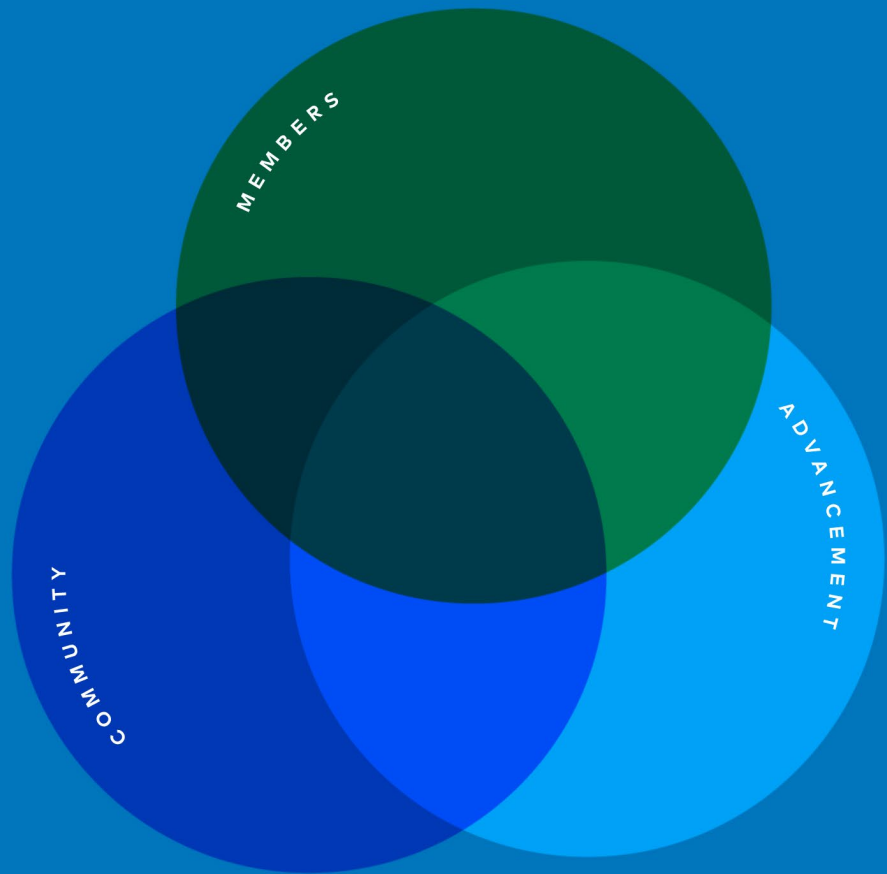


Our Vision: Enabling Professionalism in Plumbing and Heating

State of Trade

Q4 2025



State of Trade: Q4 2025

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Q4 shows a stable position for the plumbing and heating profession, with workloads holding up but margins under continued pressure from costs and skills constraints.

Fiona Hodgson
Chief Executive

About

SNIEPF

The Scottish and Northern Ireland Plumbing Employers' Federation (SNIEPF) is the principal trade association representing plumbing and heating businesses across Scotland and Northern Ireland.

As a UK recognised industry body, SNIEPF champions excellence, professionalism and best practice across the plumbing and heating profession. It provides authoritative leadership on standards, skills and workforce development, ensuring the profession remains competent, trusted and future ready.

SNIEPF supports its members through high quality training, industry advocacy, business promotion and expert guidance, helping firms of all sizes navigate the evolving challenges and opportunities of the built environment, including regulatory change, skills shortages and the transition to a low carbon future.

Through SNIEPF Training Services, the Federation acts as the employer led managing agent for the profession. This role ensures that apprenticeship and training frameworks are shaped by employers, aligned to real workplace needs and delivered to consistent national standards.

As managing agent, SNIEPF provides oversight, quality assurance and a direct link between employers, training providers and government, helping to safeguard skills quality, improve completion rates and support long term workforce sustainability.

Understanding the

State of Trade

SNIEPF launched its longitudinal State of Trade research programme in 2024 with the aim of building a robust and independent evidence base on the plumbing and heating profession.

The research tracks employer-reported conditions over time, assessing trading performance, forward workloads, payment practices, profit margins, supply chain pressures and workforce capacity from a direct employer perspective.

By capturing consistent, repeat data each quarter, the State of Trade provides insight into short-term movements and longer-term structural trends affecting the profession. This enables SNIEPF to identify emerging risks, distinguish cyclical pressures from systemic issues and develop proportionate, evidence-led responses to support members.

The findings are used to inform SNIEPF's policy positions, skills and workforce planning activity, and engagement with government, regulators and delivery partners. By grounding discussion in real-world employer data, the State of Trade supports better-informed decision-making that strengthens the plumbing and heating profession and contributes to wider economic resilience.

The State of Trade report is a core SNIEPF research publication and forms the foundation of a wider, growing programme of employer-led research across the plumbing and heating profession.

Alongside State of Trade, SNIEPF is developing targeted research on skills, apprenticeships, workforce capacity and business sustainability, using consistent data to build a rounded picture of the profession over time.

As the recognised employer-led body for the profession, SNIEPF is uniquely placed to undertake this work. Its reach across business sizes, regions and specialisms, combined with trusted relationships with employers, training providers and government, enables the collection of robust, representative insight.

Summary

Trading performance

Trading activity strengthened modestly in Q4, with 41% reporting they were busier than expected, up from 37% in Q3, and fewer reporting quieter trading (18%, down from 20%).

Forward order books also improved overall, with 36% reporting workloads above expectations (up from 32%), but with a more uneven spread as “much lower” doubled to 8% (from 4%). Cashflow also eased slightly, with 59% reporting no payment delays (up from 56%).

The clear negative in Q4 is profitability: 47% reported margins falling (up from 35% in Q3), including 14% falling significantly.

Costs and the economy

Cost pressures remain widespread in Q4, with 93% of firms reporting input price increases.

While the share reporting significant increases eased slightly compared with Q3, inflationary pressure remains entrenched.

Product availability improved quarter on quarter, with more firms rating availability as good. Project disruption remains common and is still dominated by minor delays, but the composition has shifted, with significant delays rising to 15% in Q4.

Q4 2025: Confidence: Profession and UK

Confidence in the profession improved quarter on quarter, with 45% confident or very confident in Q4 (up from 33% in Q3), alongside reduced neutral and pessimistic responses. This suggests firmer short-term sentiment despite margin pressure.

National confidence remains weak and more pessimistic year on year. Only 9% are confident or very confident about the UK economy (down from 15% in Q4 2024), while pessimistic or very pessimistic views have risen to 51% (from 42%), indicating a more negative external environment for investment and planning.

People & workforce

Workforce expansion remains cautious.

The share likely to increase headcount eased slightly to 26% (from 29% in Q3), with 29% expecting staffing to remain the same.

Intentions to increase plumbing and heating operatives remain lower at 17% (down from 24% in Q3), underlining continued reluctance to add skilled technical capacity.

Apprenticeship appetite remains weak, with 64% very unlikely to recruit an apprentice, and skills availability remains tight, with 67% reporting low local availability.

What changed: Q4 vs Q3 2025

Q4 shows modest improvement in activity and confidence, supported by slightly stronger workloads and a firmer order book balance, and a small uplift in on-time payment experience.

However, the quarter is defined by a sharper squeeze on profitability, with a clear rise in firms reporting falling margins, and continued evidence of cost pressure and growing low-level project friction.

The net shift is towards stable or slightly improved trading conditions, but with noticeably tighter financial headroom.

What changed: Q4 2025 vs Q4 2024

Demand indicators are broadly resilient, but conditions are less supportive than a year ago.

Profit margins are materially weaker, with firms reporting margin decreases rising to 47% (from 28%), and “stayed the same” falling to 32% (from 47%).

Cost inflation seems more present and severe in some cases, while project delivery is less smooth, driven by an increase in minor delays.

The dominant message is that resilience is increasingly being sustained through margin compression.

Conclusion: Why we judge Q4 2025 as Stable

Q4 remains Stable because workload and sentiment have improved modestly and cashflow has not deteriorated, while major disruption risks remain contained.

The counterweight is a clear deterioration in margins and continued cost inflation, alongside persistent workforce constraints.

The overall position is therefore stable in activity terms, but more pressured financially, with risks concentrated in profitability and skills capacity rather than immediate demand.

State of Trade scale

Very Strong Significant growth in trade, widespread business success, high demand and very positive outlook.

Strong Trade levels above expectations, more opportunities than challenges, increasing demand and positive outlook.

Stable Trade levels consistent with expectations, balanced challenges and opportunities, steady demand and neutral outlook.

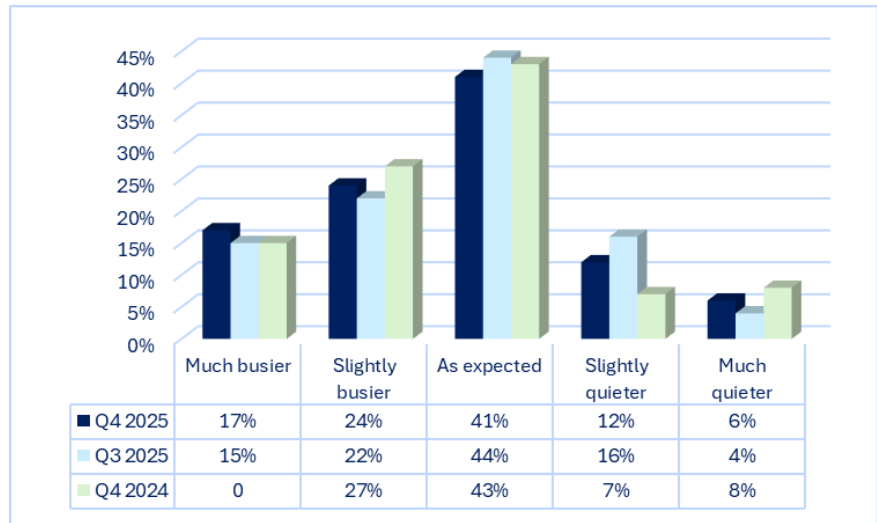
Weak Moderate decline in trade, challenges outweigh opportunities, reduced demand and cautious outlook.

Very Weak Significant decline in trade, widespread business struggles, low demand and negative outlook.

Trade Performance: Q4 2025

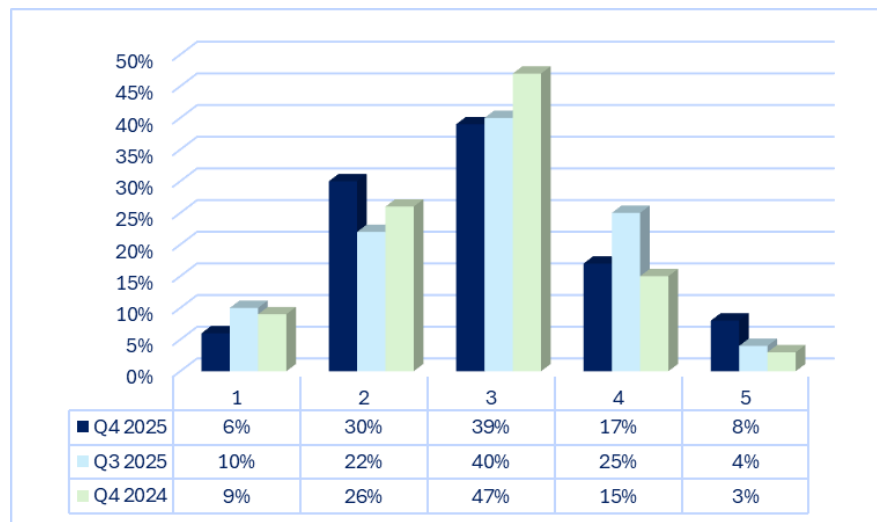
Question One

How has your last quarter of trading been compared to your expectations?



Question Two

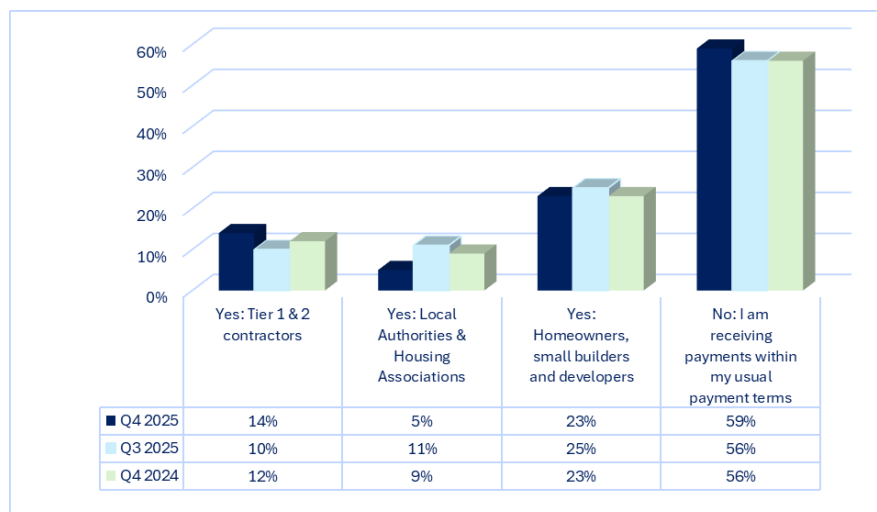
Are your order books for the next six months higher or lower than you expected?



Question Three

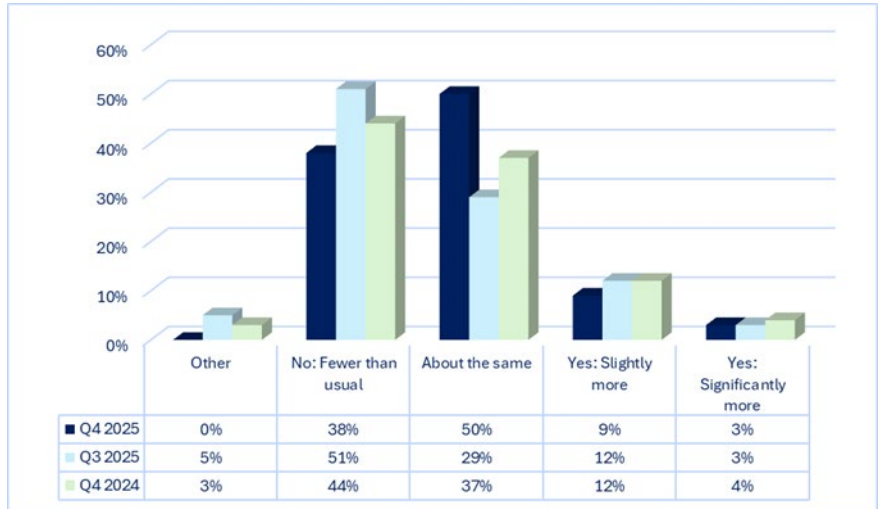
Have you experienced any payment delays beyond your typical payment terms with any of the following customers?

(Multiple options allowed)



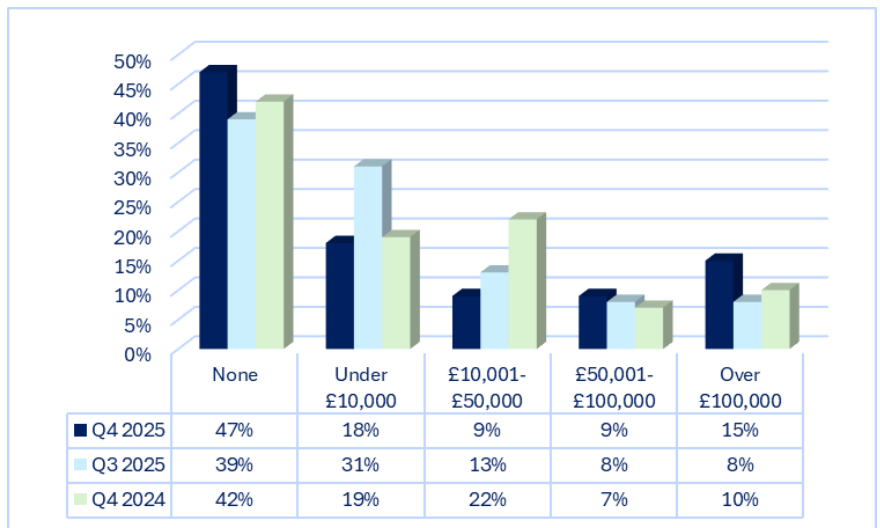
Question 4

Have you experienced issues with non-payment for work that your business has undertaken in the last six months?



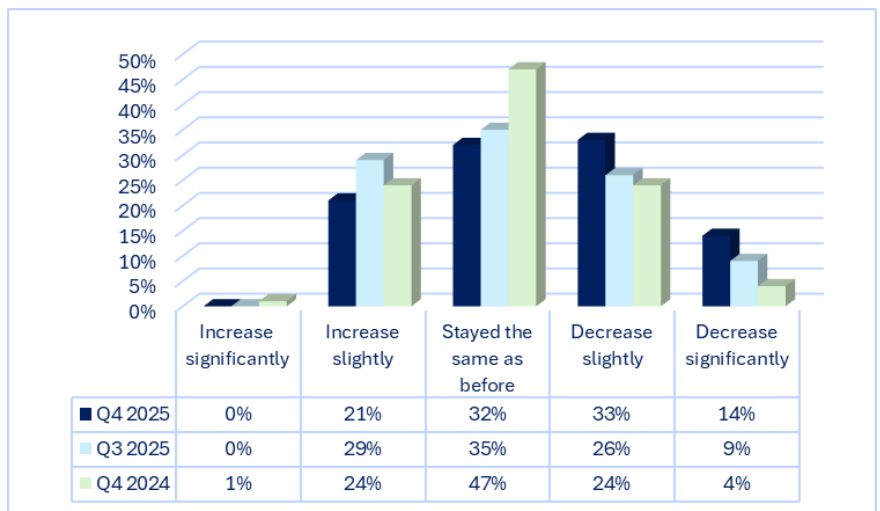
Question Five

How much money does your company currently have held in retentions?



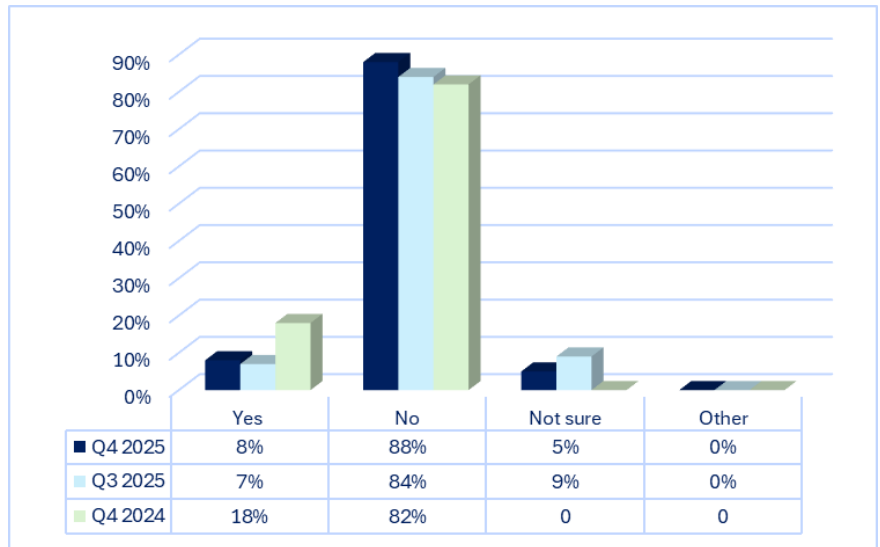
Question Six

Have you seen your profit margins increase or decrease in the last quarter?



Question Seven

Have any contractor or supply chain insolvencies affected your business in the past six months?



State of Trade: Q4 2025

Trading Performance

Quarter on quarter analysis: Q3 2025 to Q4 2025

Overall trading conditions improved slightly in Q4. The share reporting being busier than expected rose from 37% to 41%, while those reporting quieter than expected fell from 20% to 18%. This represents a modest improvement and should be read as mildly positive rather than a step change in demand.

Forward trading also improved, but with a more uneven profile. Higher than expected order books increased from 32% to 36%, while the “as expected” share edged down from 40% to 39%. At the same time, the proportion reporting “much lower” order books doubled from 4% to 8%. This suggests that while the typical position strengthened, a minority of firms experienced a sharper drop in pipeline. Overall, this points to stability rather than strength.

Cashflow indicators improved modestly with businesses reporting no payment delays rising from 56% to 59%, indicating slightly better payment performance overall.

Non-payment has stabilised but not improved. The share reporting issues “about the same” increased from 29% to 50%, while those reporting “fewer than usual” fell from 51% to 38%. Firms reporting increased non-payment reduced slightly from 16% to 12%. Taken together, this is best described as broadly flat risk, with fewer firms experiencing improvement than in the previous quarter.

Retention exposure became more concentrated. The proportion reporting over £100,000 held in retentions increased from 8% to 15%, pointing to increased exposure among a subset of firms. However, this should be treated cautiously given sample size, particularly as the share reporting no retentions also rose (39% to 47%).

Profit margins weakened materially. Firms reporting margin decreases rose from 35% to 47%, including an increase in significant decreases from 9% to 14%, while those reporting stable or improving margins fell from 64% to 53%. This is the clearest negative movement in Q4 and indicates that trading resilience is increasingly being maintained under margin pressure.

Insolvency impacts remain low and broadly unchanged, with 8% reporting impact compared with 7% in Q3. This remains a relatively positive backdrop and is not a dominant risk factor this quarter.

Year on year analysis: Q4 2025 versus Q4 2024

Headline trading activity is stronger than a year ago. In Q4 2025, 41% of firms reported being busier than expected, compared with 27% in Q4 2024, while the share reporting trading “as expected” was broadly similar at 41% versus 43%. This suggests demand has held up and has strengthened compared with the same quarter last year.

Forward order books show a more mixed year on year picture. Higher than expected workloads is broadly unchanged at 36% (35% in Q4 2024), however, those reporting “much lower” order books has risen from 3% to 8%. This indicates that while average pipeline strength is comparable, demand has become less even and more uncertain across firms.

Payment conditions are marginally better than a year ago with the proportion of businesses receiving payments within usual terms increased from 56% to 59%. Contractor related delays are slightly higher than last year (14% compared with 12% in 2024) reinforcing that payment risk remains concentrated in the commercial supply chain.

Non-payment presents a flatter and less positive profile than in Q4 2024. The share reporting fewer non-payment issues fell from 44% to 38%, while “about the same” increased from 37% to 50%. Firms reporting increased non-payment reduced from 16% to 12%. This points to persistent baseline risk, with fewer businesses experiencing improvement compared with last year.

Profit margins are materially weaker year on year. The proportion of firms reporting profit margins staying the same fell to 32%, down from 47% in Q4 2024, while those reporting margin decreases rose sharply to 47%, up from 28% last year. This represents the strongest negative year on year signal in the research and indicates that trading resilience is increasingly being maintained at the expense of profitability.

State of Trade: Q4 2025

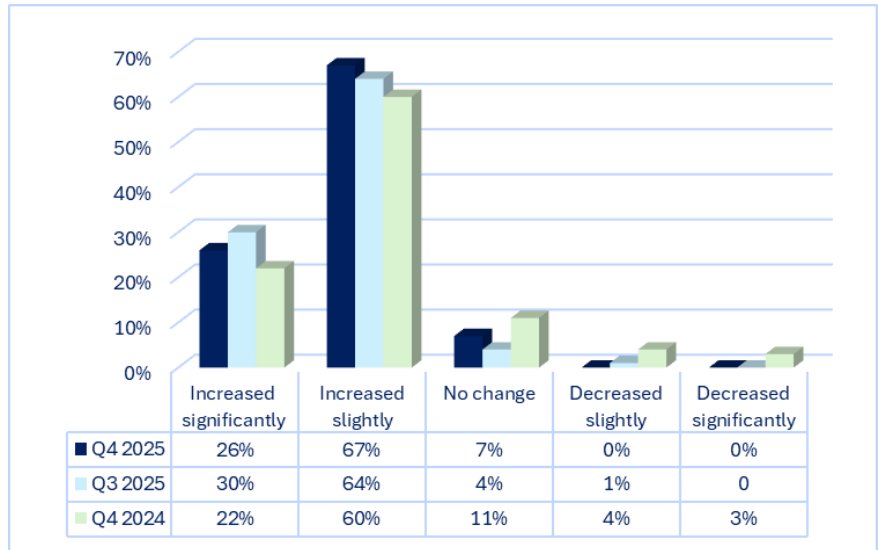
Costs and the Economy



Costs and the Economy: Q4 2025

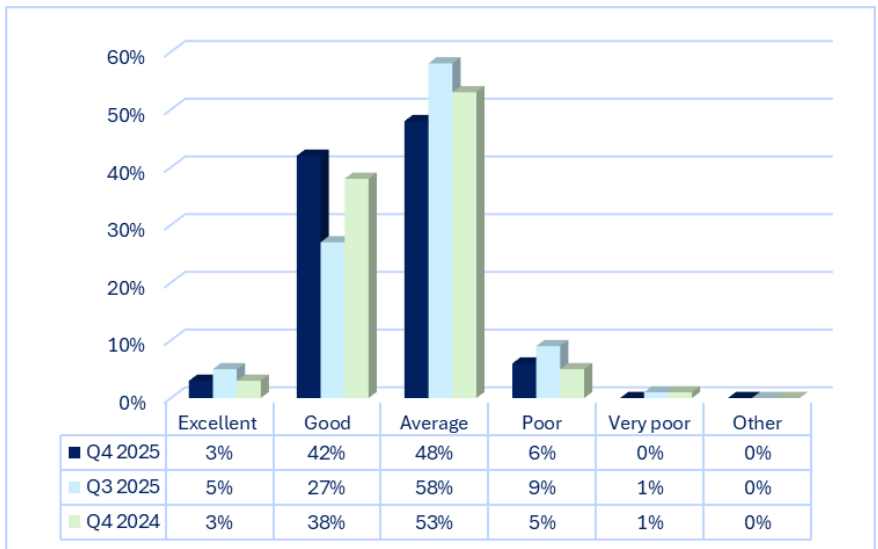
Question Eight

Have the prices of your purchased products increased or decreased in the last quarter?



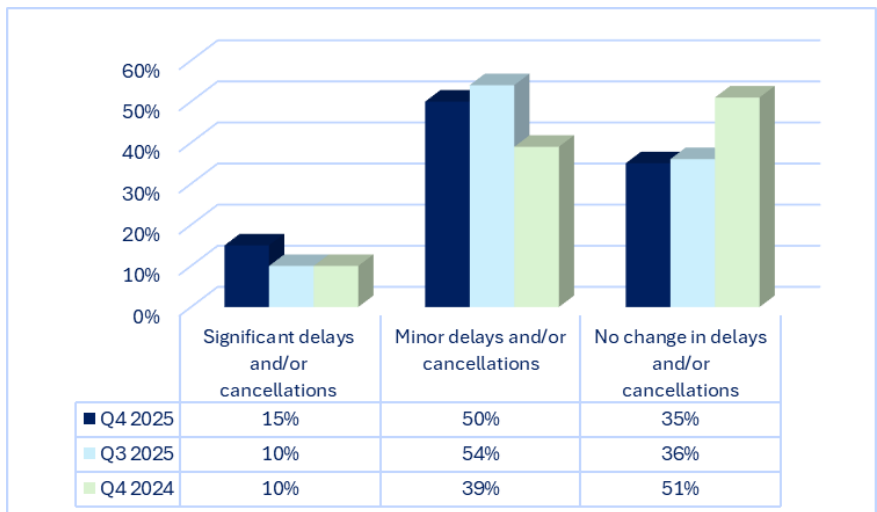
Question Nine

How would you rate the availability of products in the last quarter?



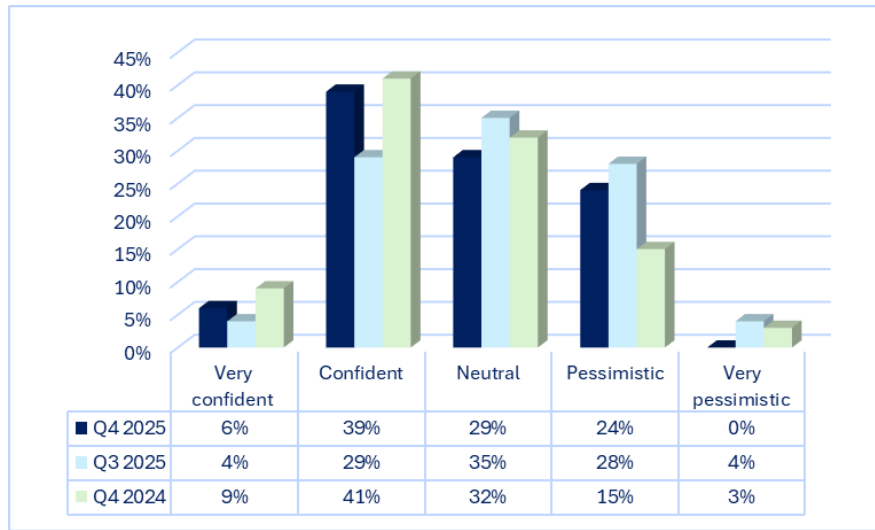
Question Ten

Have you experienced any delays or cancellations of projects in the last six months?



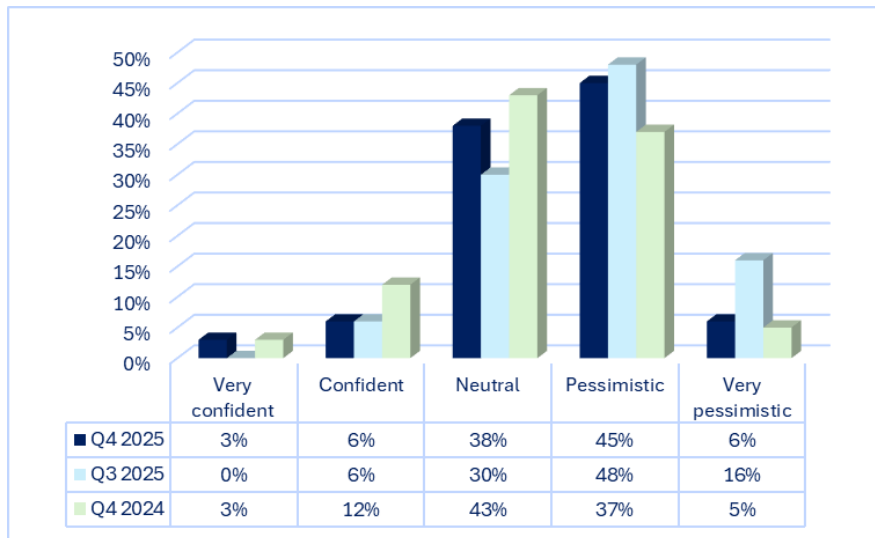
Question Eleven

How confident are you about the strength of trade in the plumbing and heating profession over the next year?



Question Twelve

What is your confidence level for the UK economy over the next year?



Costs and the Economy

Quarter on quarter analysis: Q3 to Q4 2025

Overall, the quarter on quarter picture for costs and delivery is mixed but slightly negative.

Input cost pressure remains very high. In Q4, 93% of firms report purchased product prices increasing, with 26% reporting significant increases. The share reporting significant increases has eased slightly compared with Q3, but the headline message is that cost inflation remains widespread and persistent.

Product availability improved, with the share rating availability as good increasing from 27% to 42%, while average ratings fell from 58% to 48%. This suggests supply access is more supportive than in Q3, even as prices remain elevated.

Project delivery shows a small shift in its composition with those reporting minor delays reduced from 54% to 50%, but significant delays increased from 10% to 15%. The overall proportion reporting any delay is broadly unchanged, but a slightly greater share now report more serious slippage.

Year on year analysis: Q4 2025 versus Q4 2024

Overall, year on year conditions are mixed with cost pressure more widespread and minor project delays more common. The evidence points to rising operational friction rather than a step change in conditions.

The share reporting input price increases rose to 93% in Q4 2025 from 82% in Q4 2024, with 26% now reporting significant increases. This reinforces that inflationary pressure has become entrenched and is consistent with the stronger margin erosion seen elsewhere in the report.

Product availability is slightly better than a year ago. The share rating availability as good increased from 38% in Q4 2024 to 42% in Q4 2025, suggesting supply access is not the binding constraint, even though costs are.

Project disruption is materially higher year on year. Significant delays rose from 10% to 15%, minor delays rose from 39% to 50%, and the share reporting no change fell from 51% to 35%. This indicates delivery conditions are less smooth than last year, driven mainly by more frequent low level disruption, with a modest increase in severe delays.

Confidence: Profession

Confidence in the plumbing and heating profession improved in Q4, with the share of respondents feeling confident or very confident rising from 33% to 45%, while neutral responses fell to 29% (from 35%). Pessimism also eased slightly compared with Q3.

However, year on year, confidence in the profession is slightly lower. In Q4 2024, 50% of respondents were confident or very confident, compared with 45% in Q4 2025, while overall pessimism has increased.

This suggests that although confidence has recovered quarter on quarter, it has not returned to last year's levels and remains tempered by sustained cost and margin pressures.

Confidence: UK economy

Confidence in the UK economy remains low, with 9% of respondents feeling confident or very confident in Q4. This reinforces a fragile national outlook.

Year on year, confidence in the UK economy has deteriorated. In Q4 2024, 15% of respondents were confident or very confident, compared with just 9% in Q4 2025, while pessimistic or very pessimistic views increased from 42% to 51%.

How this compares with other research

Views of the UK economy have continued to weaken year on year, with pessimism now the dominant position.

This mirrors findings from the Federation of Small Businesses, which has highlighted ongoing pressure from costs, taxation and weak growth expectations, and from the Office for Budget Responsibility, which has pointed to low underlying growth and limited headroom for policy-driven stimulus.

The net message is that the profession is coping and, in parts, regaining short-term confidence, but it is doing so against a national economic backdrop that remains fragile and continues to weigh on longer-term optimism and planning.

State of Trade: Q4 2025

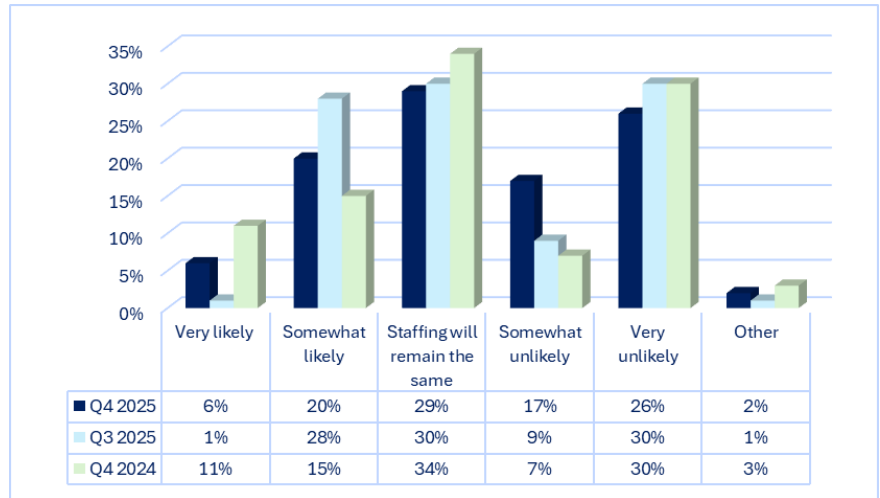
People & Workforce



People & Workforce: Q4 2025

Question Thirteen

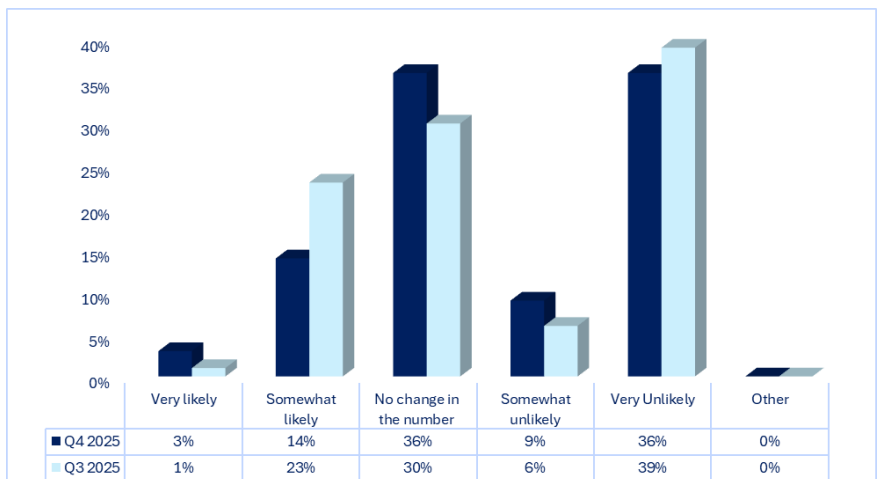
How likely will your business increase its number of employees in the next six months?



Question Fourteen

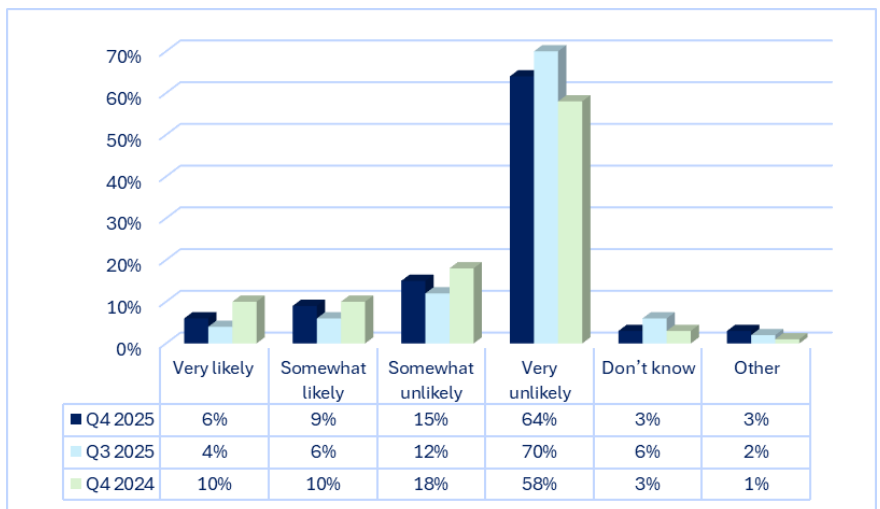
How likely is your business to specifically increase the number of plumbing and heating professionals it employs in the next six months?

(Question introduced in Q3 2025)



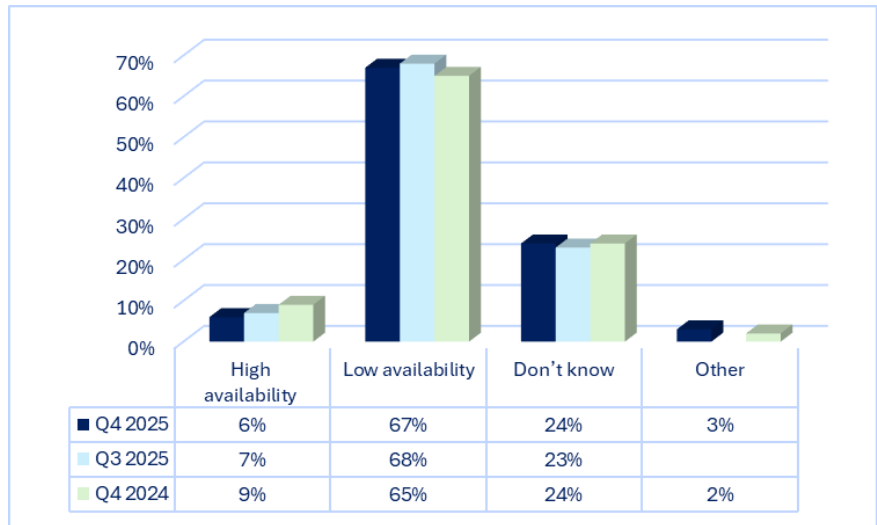
Question Fifteen

How likely is your business to recruit a plumbing and heating apprentice in the next six months?



Question Sixteen

What is the current availability of skilled plumbing and heating professionals in your area?



People & Workforce

Quarter on quarter analysis: Q3 2025 to Q4 2025

Overall headcount intentions softened slightly in Q4. The combined share of firms very likely or somewhat likely to increase staffing fell from 29% in Q3 to 26% in Q4, driven by a drop in “somewhat likely” responses (28% to 20%).

At the same time, the proportion of firms expecting staffing levels to remain the same remained broadly stable, pointing to continued caution rather than a material shift towards contraction or growth.

The operative-specific question (Question 14) continues to show greater restraint than general headcount plans with only 17% of firms report being very or somewhat likely to increase plumbing and heating operatives, down from 24% in Q3.

Apprenticeship intentions remain subdued with 64% of firms being very unlikely to take on an apprentice in Q4, broadly unchanged from 70% in Q3 and still above the 58% reported in Q4 2024.

Availability of skilled plumbing and heating professionals remains tight. In Q4, 67% of firms report low availability locally, virtually unchanged from 68% in Q3, and higher than the 65% reported a year ago.

Overall, the quarter-on-quarter picture is one of persistent restraint. Firms are largely holding staffing levels steady, with particular caution around expanding skilled operatives and limited appetite for apprenticeship recruitment.

Year on year analysis: Q4 2025 versus Q4 2024

Compared with a year ago, overall hiring intentions are broadly unchanged. The share of firms likely to increase headcount remains at 26% in both Q4 2024 and Q4 2025. This suggests that there is continued caution around workforce expansion despite steadier trading conditions.

Apprenticeship recruitment remains weaker than last year’s already low baseline. The proportion very unlikely to recruit an apprentice has increased from 58% to 64%, indicating that barriers to apprentice recruitment have intensified rather than eased over the year.

Availability of skilled professionals remains a long-standing constraint. Low availability has risen slightly from 65% in Q4 2024 to 67% in Q4 2025, confirming that supply-side pressures persist and continue to limit growth ambitions.

Comparison with Apprenticeship Employer Insights

The Q4 People & Workforce results closely mirror the findings of SNIPEF’s Apprenticeship Employer Insights research (September 2025).

In both datasets, employer appetite for apprenticeships remains weak despite broadly stable trading conditions. In Q4, 64% of firms are very unlikely to take on an apprentice, while only 15% are very or somewhat likely. This aligns with the Employer Insights finding that a significant proportion of firms do not plan to employ an apprentice in the coming years, particularly among smaller businesses

Both sources point to cost, risk and capacity as the primary constraints, rather than a lack of belief in apprenticeships. Employer Insights shows strong support for the apprenticeship model in principle, but widespread concern about wage costs, supervision demands and delayed return on investment.

This helps explain why, in the State of Trade, firms are also cautious about expanding plumbing and heating operatives more generally, with only 17% likely to do so.

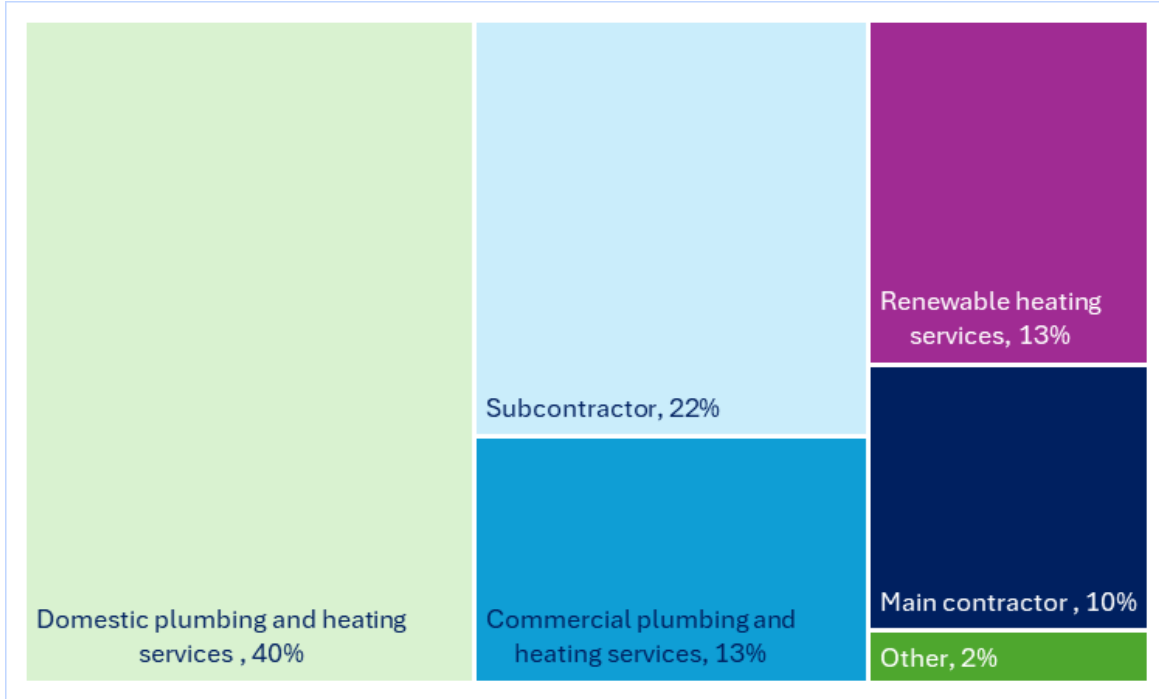
Taken together, the evidence indicates that subdued apprenticeship recruitment is structural rather than cyclical.

Even where confidence and workloads stabilise, firms are unlikely to increase apprentice numbers without changes to funding, risk-sharing and employer support. This reinforces the conclusion that improvements in trading conditions alone will not resolve future skills shortages.

Research Respondents: Q4 2025

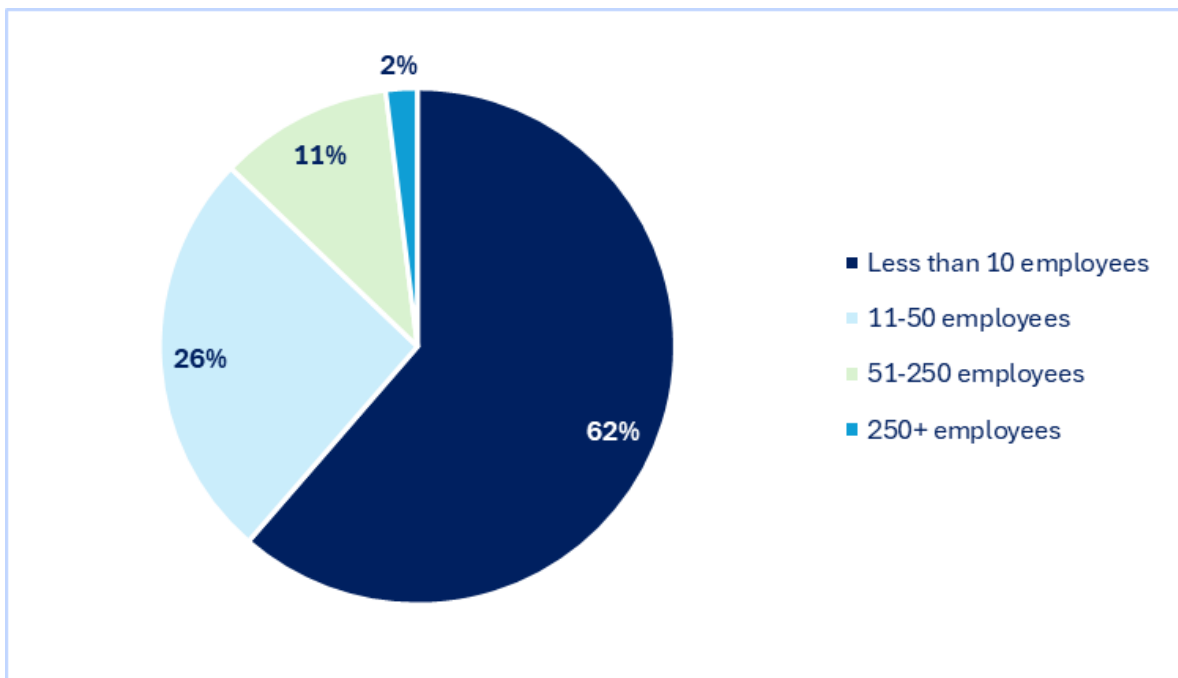
Question Seventeen

Which of the following best describes your plumbing and heating business? (Multiple options allowed)



Question Eighteen

What is the size of your company



State of Trade: Q4 2025

Regional Variations

Overall regional view

Q4 does not represent a step change from Q3.

The East and North remain broadly stable with similar dynamics quarter on quarter. The West shows some deterioration in balance, driven by cost severity, weaker sentiment and greater delivery friction rather than collapsing demand.

This reinforces the national picture of a Stable but pressured quarter, with risks becoming more unevenly distributed by region rather than uniformly worsening.

Regional results, however, should be treated as indicative due to sample sizes. The number of responses varies by region and small percentage movements should not be interpreted as definitive shifts in underlying conditions.

West of Scotland

Stable, with increased downside risk

Compared with Q3, conditions in the West have softened.

Trading activity and order books remain mixed rather than weak, but cost pressures appear more acute and delivery disruption is more pronounced than in other regions.

Confidence has deteriorated, margins are under greater strain and firms report a higher incidence of significant project delays. Hiring intent remains cautious and apprenticeship appetite is weak.

Taken together, the West remains operationally active, but the balance of indicators has shifted towards greater fragility than in Q3, warranting a Stable assessment with a clear downward bias.

East of Scotland

State of Trade: Stable (unchanged)

The East continues to track closest to the national average and shows little change from Q3.

Trading conditions and forward workloads remain broadly steady, cashflow performance is resilient and disruption is largely minor.

Cost pressure is widespread but not materially worse than last quarter, and confidence within the profession is relatively constructive compared with other regions.

Workforce expansion remains cautious, particularly for skilled operatives and apprentices, reflecting structural constraints rather than a deterioration in demand. Overall, the evidence supports a continued Stable assessment.

Northern Scotland

State of Trade: Stable (slightly firmer operationally)

Conditions in the North remain Stable, with some operational strengths compared with Q3.

Cashflow performance and product availability are relatively supportive, and firms report fewer payment issues than elsewhere.

However, pipeline expectations are more subdued and labour availability is the tightest of all regions, limiting growth potential. Hiring and apprenticeship intentions remain restrained.

While there is no basis for an upgrade, the North shows slightly firmer operational conditions than in Q3, offset by persistent workforce constraints.

Richard Campbell

January 2026



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Plumbing Employers Federation (SNIPEF)**

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