Highlights from the EDA's Q3 2026 State of the Sector Survey

EDA Member Wholesalers
EDA Affiliated Manufacturers

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Wholesalers: Your **5** most pressing **operational** challenges

Talking Shop Live Online: Industry Insight in 90 Minutes

	July 2025	October 2025	January 2026	April 2026	July 2026
1	Online prices making margins tight	Increasing business overheads	Increasing business overheads	Increasing business overheads	Increasing business overheads
2	Inflation in business overheads and passing these on to customers	Delays to project starts	Downturn in market demand	Middle East Crisis	Downturn in market demand
3	Upward pressure on all wages driven by the increases in National Living Wage and National Minimum Wage on my overall wage bill	Downturn in market demand	Delays to project starts + A slowdown in my traditional market segments	Downturn in market demand	Delays to project starts
4	A slowdown in the start of projects	Cash flow related issues	Difficulties attracting, recruiting or retaining staff	Difficulties attracting, recruiting or retaining staff	More customers going direct to manufacturers
5	Product price increases and passing these on to customers	Difficulties attracting, recruiting or retaining staff	New competitors entering the market	Delays to project starts	Difficulties attracting, recruiting or retaining staff

Manufacturers: Your **5** most pressing **operational** challenges

Talking Shop Live Online: Industry Insight in 90 Minutes

	July 2025	October 2025	January 2026	April 2026	July 2026
1	Slowdown in the start of projects + Upward pressure on all wages driven by the increases in National Living Wage and National Minimum Wage on my overall wage bill	Increasing business overheads + Delays to project starts	Increasing business overheads	Increasing business overheads	Increasing business overheads
2	Inflation in business overheads	Downturn in market demand	Downturn in market demand	Middle East Crisis	Delays to project starts
3	The slowdown in my traditional market segments	Difficulties attracting, recruiting or retaining staff	Delays to project starts + A slowdown in my traditional market segments	Downturn in market demand	A slowdown in my traditional market segments
4	Transport and logistics costs + Difficulties attracting and recruiting staff	The slowdown in my traditional market segments	Difficulties attracting, recruiting or retaining staff	A slowdown in my traditional market segments	Downturn in market demand
5.	Product price deflation	New competitors entering the market	New competitors entering the market	Delays to project starts	New competitors entering the market

Comments on Operational Challenges

Talking Shop Live Online: Industry Insight in 90 Minutes

Wholesalers

- Labour Government
- Continuing price increases from manufacturers
- Online sellers in race to bottom to sell product. Not able to use traditional supply chain for most of the renewables market. Fragmented market in EV charging. Credit risk with newly formed businesses in the renewables sector.
- Margin Retention. Price Visibility from online traders. Lack of structure from Suppliers to help try and protect margin erosion when investing in stock. Suppliers are now logistics companies delivering faster so does not help people who invest in stock.

Manufacturers

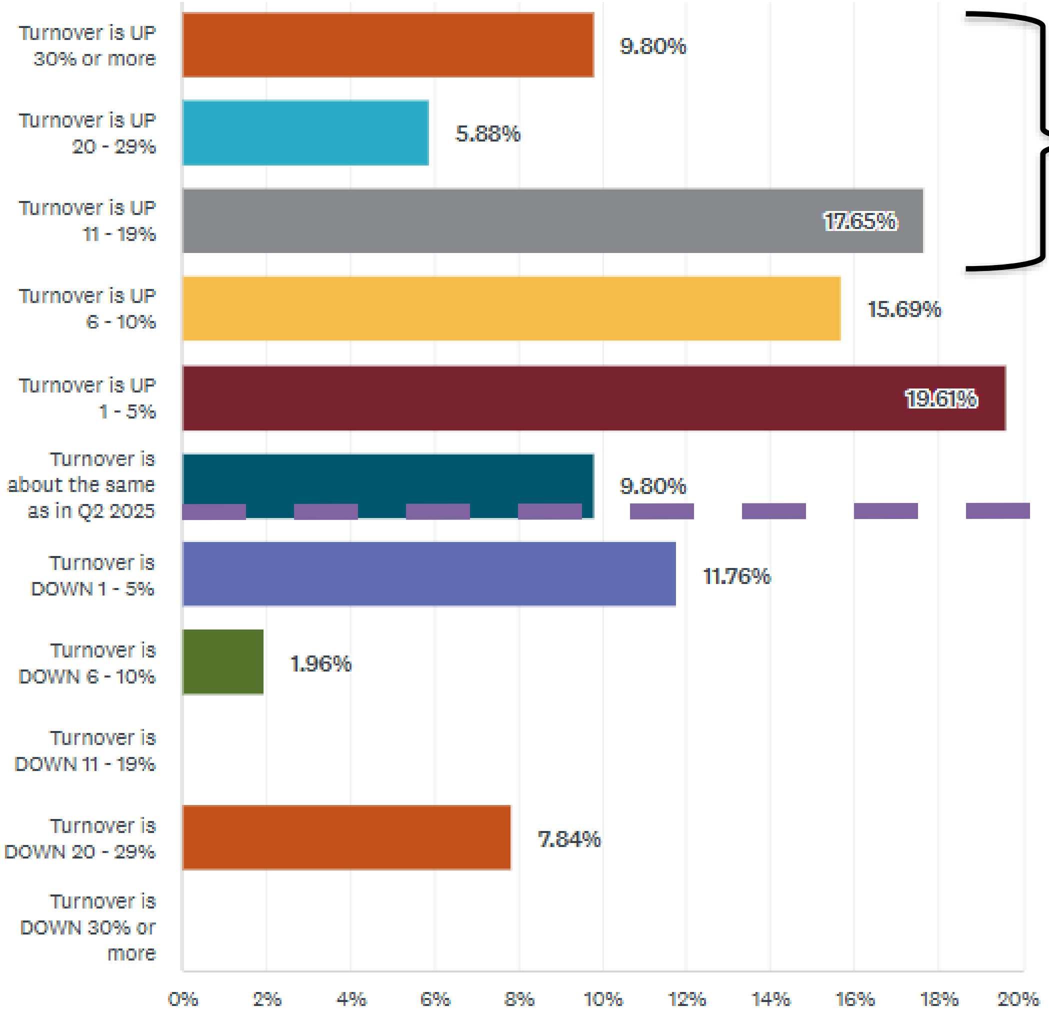
"Rising copper costs affecting cable ricing and the volatility of customers switching supply almost on a monthly basis to save pennies."

"Raw material fluctuations are difficult to predict due to the impact of the ever-changing situation in the Middle East"

"Political uncertainty"

Wholesalers:
Comparing turnover in **Q2 2026** with **Q2 2025**

Talking Shop Live Online:
Industry Insight in 90 Minutes



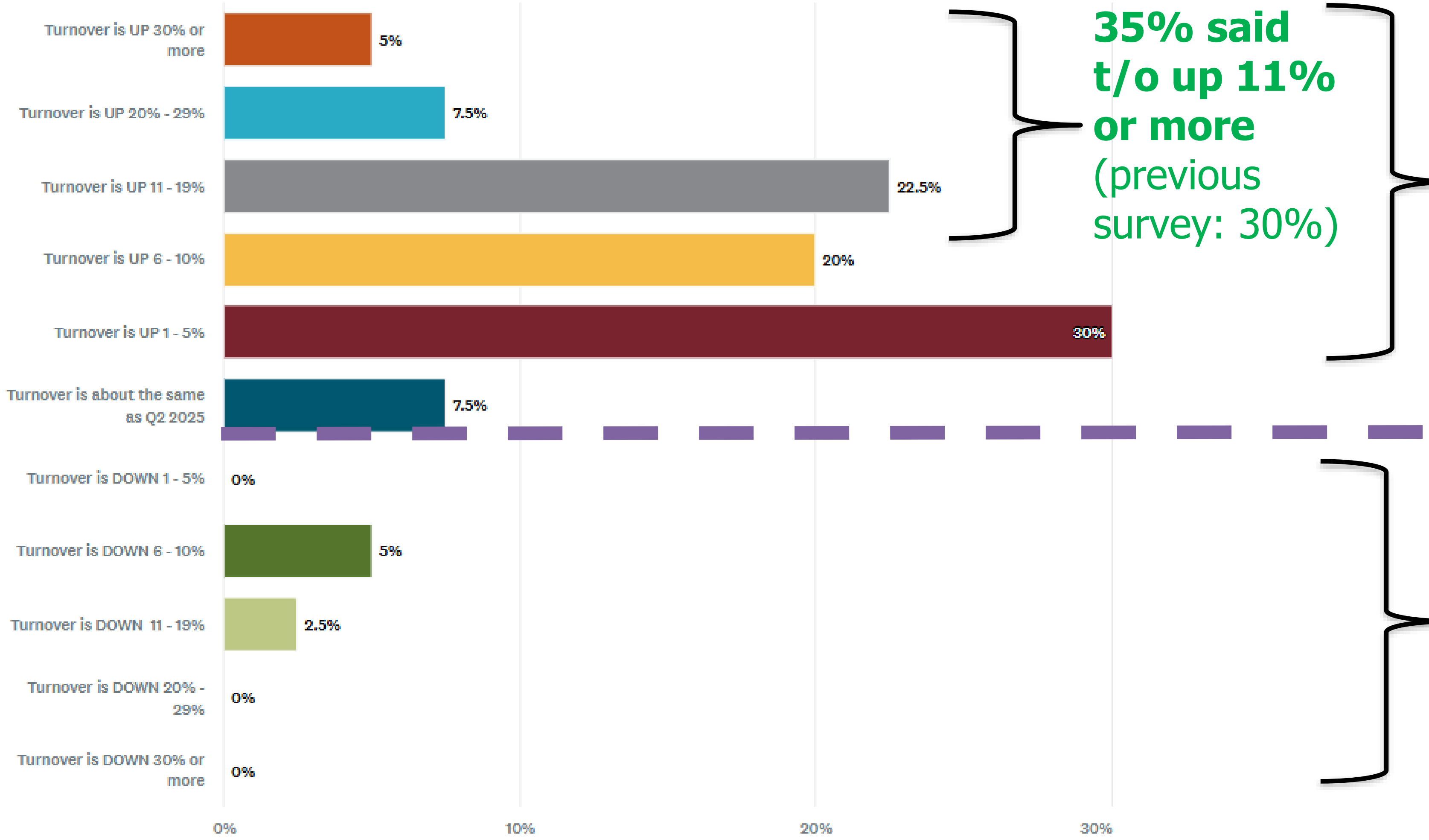
33% said t/o up 11% or more (previous survey: 35%)

69% said t/o is up (previous survey: 64%)

22% said t/o down (previous survey: 23%)

"Up 5.7% year on year"

Manufacturers:
Comparing **Q2 2026** turnover with **Q2 2025**



35% said t/o up 11% or more (previous survey: 30%)

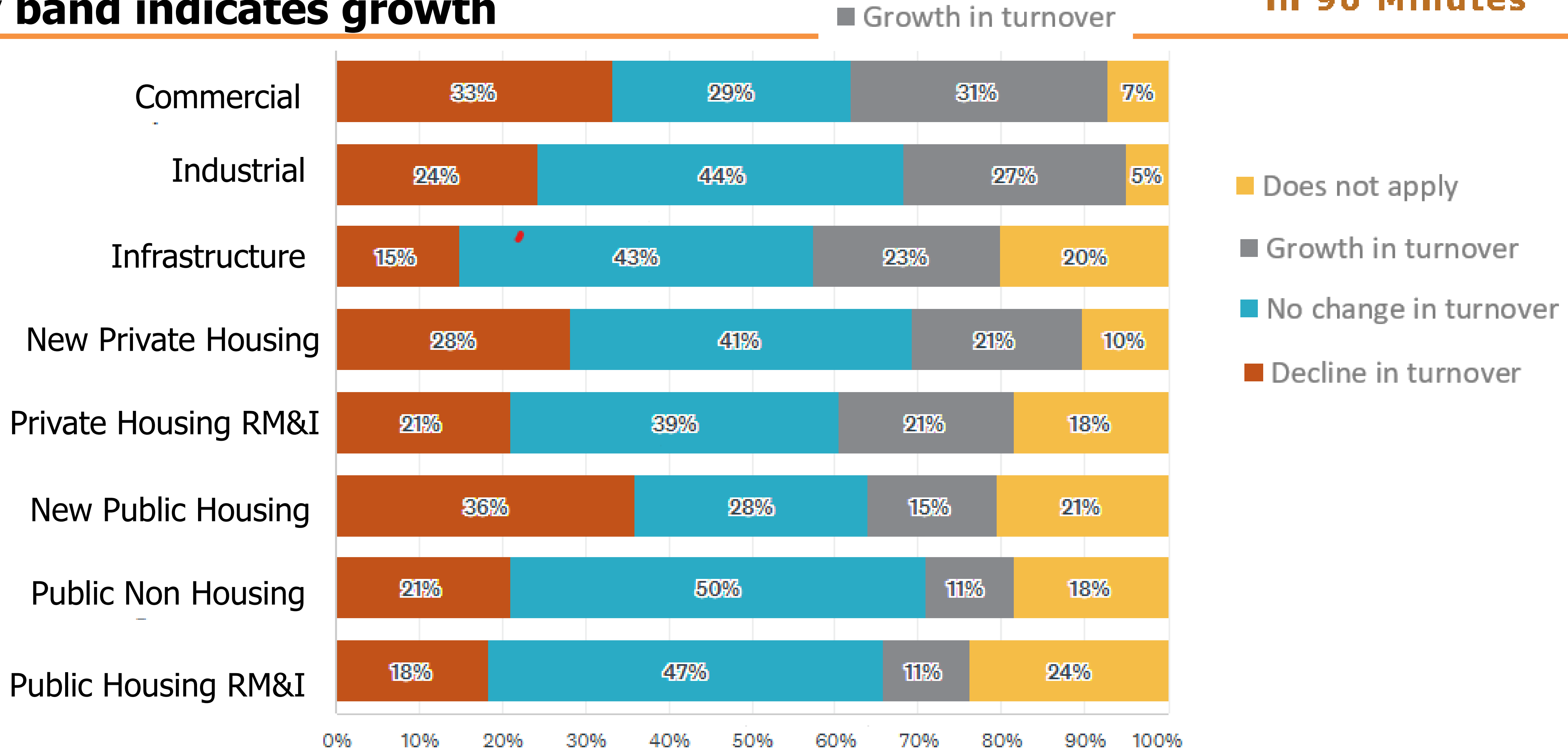
85% said t/o up (previous survey: 59%)

7.5% said t/o down (previous survey: 24%)

"Driven by input cost inflation."

Wholesalers: Have you experienced a change in turnover in Q2 2026 compared to Q1 2026 for the following sectors?
Grey band indicates growth

Talking Shop Live Online: Industry Insight in 90 Minutes



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Grey band indicates growth

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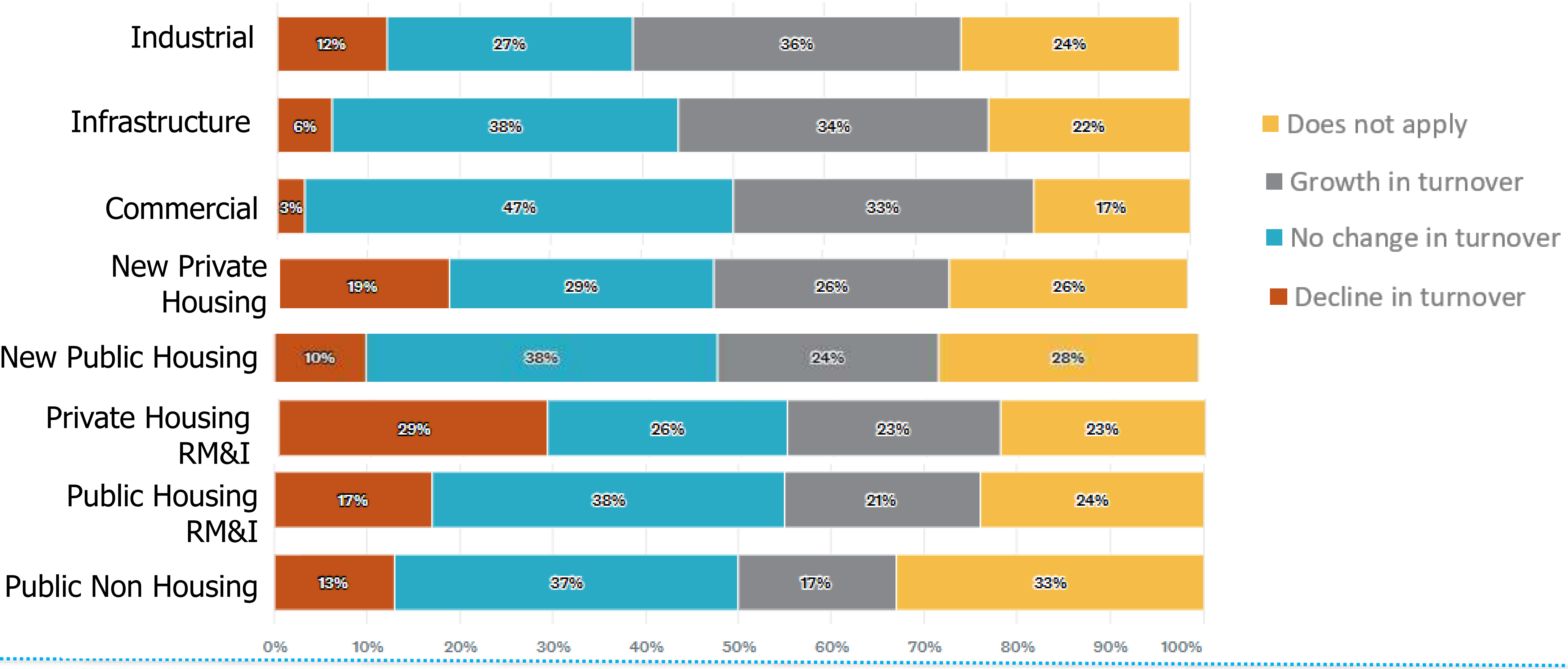


Comments on particular areas of growth

Wholesalers

"Data centres, Renewables, Ventilation, Fire Detection. Specialist Cables."

"Air source heat pumps, battery storage, office fit-outs."

"Renewables are leading the growth. Without that we would be -5% down in sales year on year."

"All renewables"

"Hospitality (Hotels & Restaurants)"

"Retail"

"Data Centres, Energy Centres (National Grid), HS2 & Redevelopment of Areas Around HS2 Terminus (Digbeth, Duddeston, Aston, Saltley)"

Manufacturers

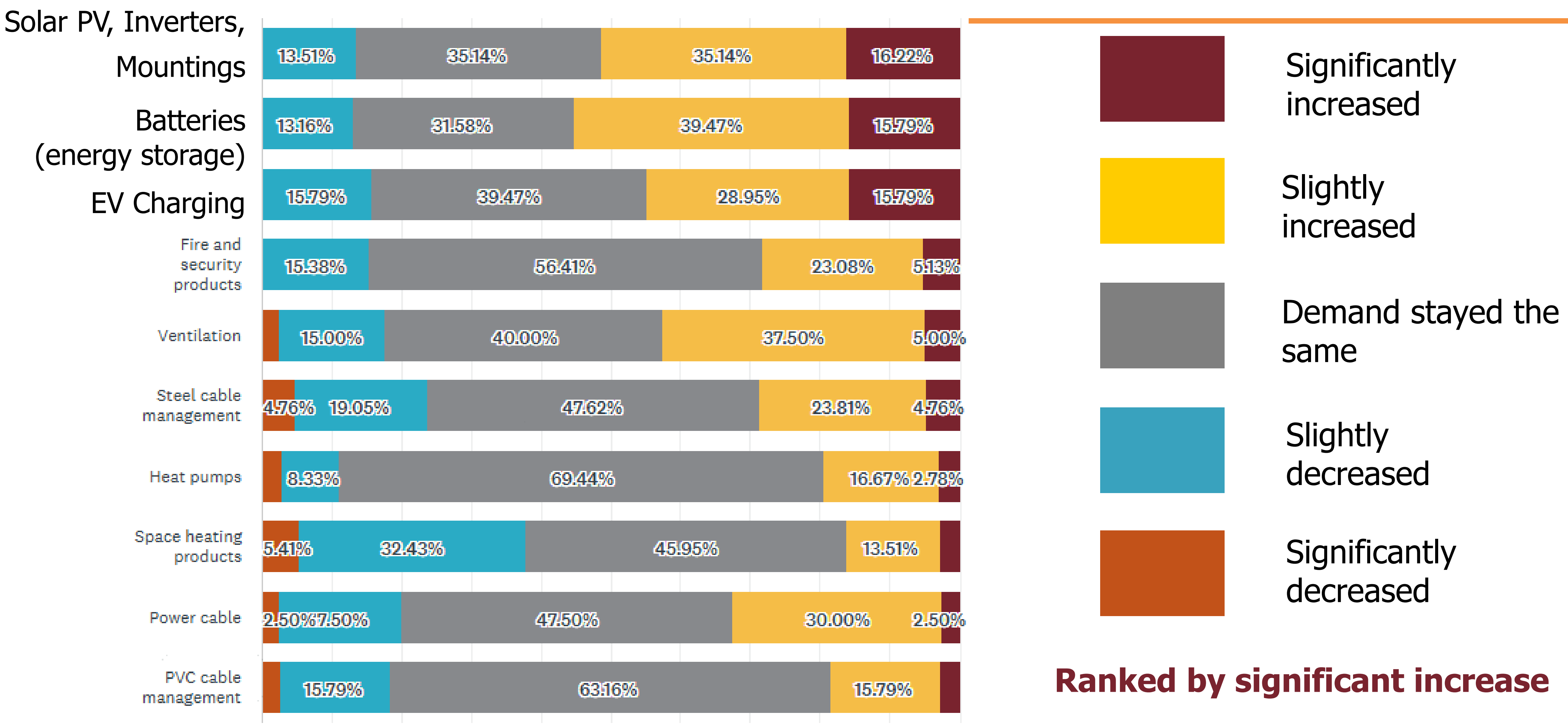
"We are seeing growth in HVAC in terms of air conditioning in offices, industrial spaces and also housing (public and private etc). We also anticipate high growth again in the fibre markets towards Q3 + 4."

"Underlying volume down - inflation is driving turnover."

"High End residential and HORECA *(Hotels, Restaurants, Catering/Cafes)."*

"Hospitality is again on the increase."

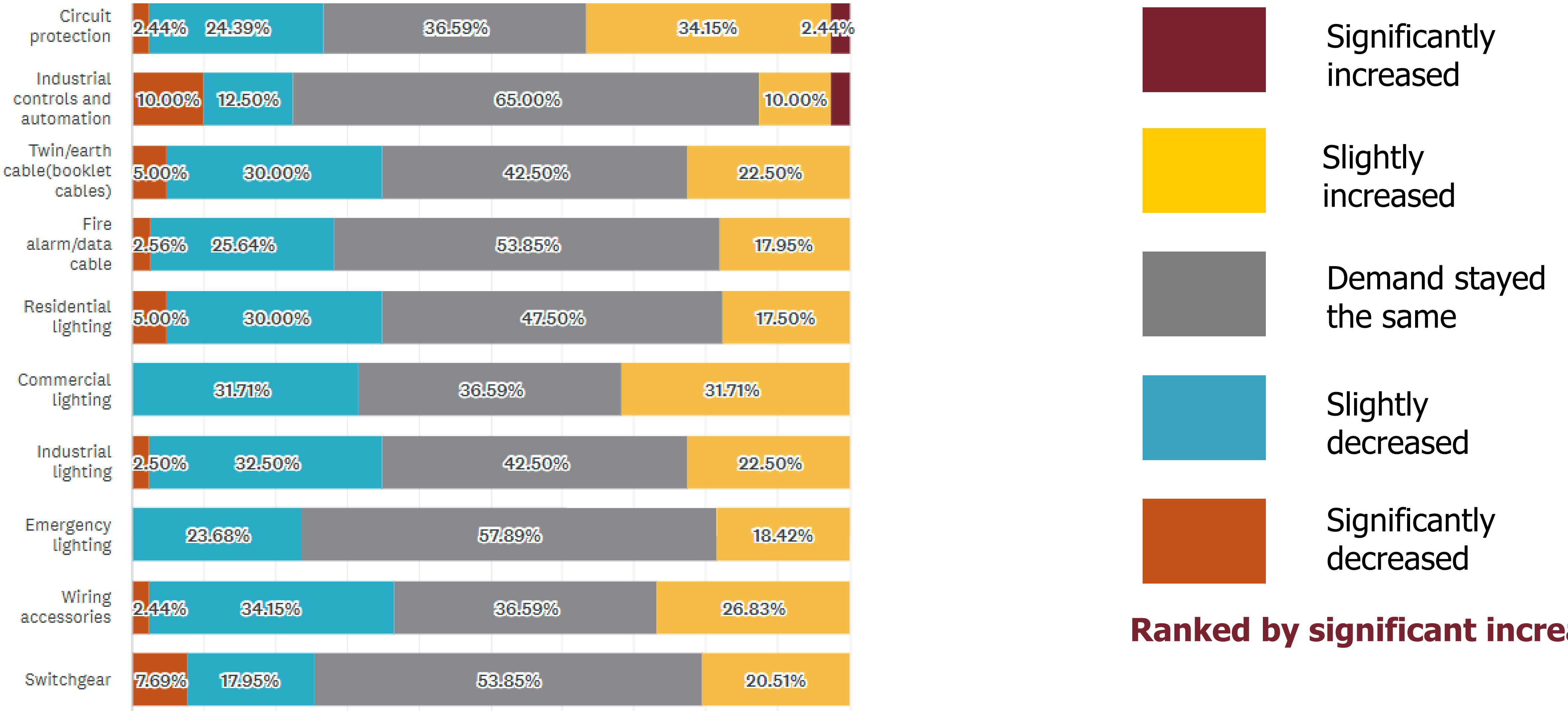
Wholesalers: has there been any change in demand for the following products in Q2 2026 compared to Q1 2026?



Ranked by significant increase

Wholesalers: has there been any change in demand for the following products in Q2 2026 compared to Q1 2026?

Talking Shop Live Online: Industry Insight in 90 Minutes



Ranked by significant increase

Taking a closer look at housebuilding and data centres

Construction Enquirer

House building downturn drags construction to six-year low

The UK construction sector suffered its steepest downturn for six years in May as house building activity sank further, new orders dried up...

1 month ago

PropertyWire

UK housebuilding drops 6.3% as 1.5m homes target falters

UK housebuilding output declined in the first quarter of 2025, raising further questions about the government's target to deliver 1.5...

16 Mar 2026

Planning, Building & Construction Today

UK construction activity slumps as economic and geopolitical pressures continue

Glenigan's April Construction Index shows a sharp drop in project starts across all sectors, driven by global conflict, economic uncertainty...

Property Industry Eye

Housebuilding forecast to bounce back

The UK construction sector is expected to contract by 1% this year before returning to growth in 2027, according to Glenigan's latest...

1 month ago

POWER Magazine

Engine Power Plants Surge as Data Centers Drive Unprecedented Demand

Data center energy demand is soaring, driving gigawatt scale growth in fast start reciprocating engine power plant

The Scotsman

Why the north of Scotland is the UK's prime location for data centres

The Highlands can boast an environment for digital infrastructure investment that's unparalleled in the UK and beyond,...

BusinessGreen

Report warns data centres' share of global power demand now tops two per cent

Latest International Data Centre Authority report explores how growing energy consumption from data centres is fuelling societal and...

15 May 2026

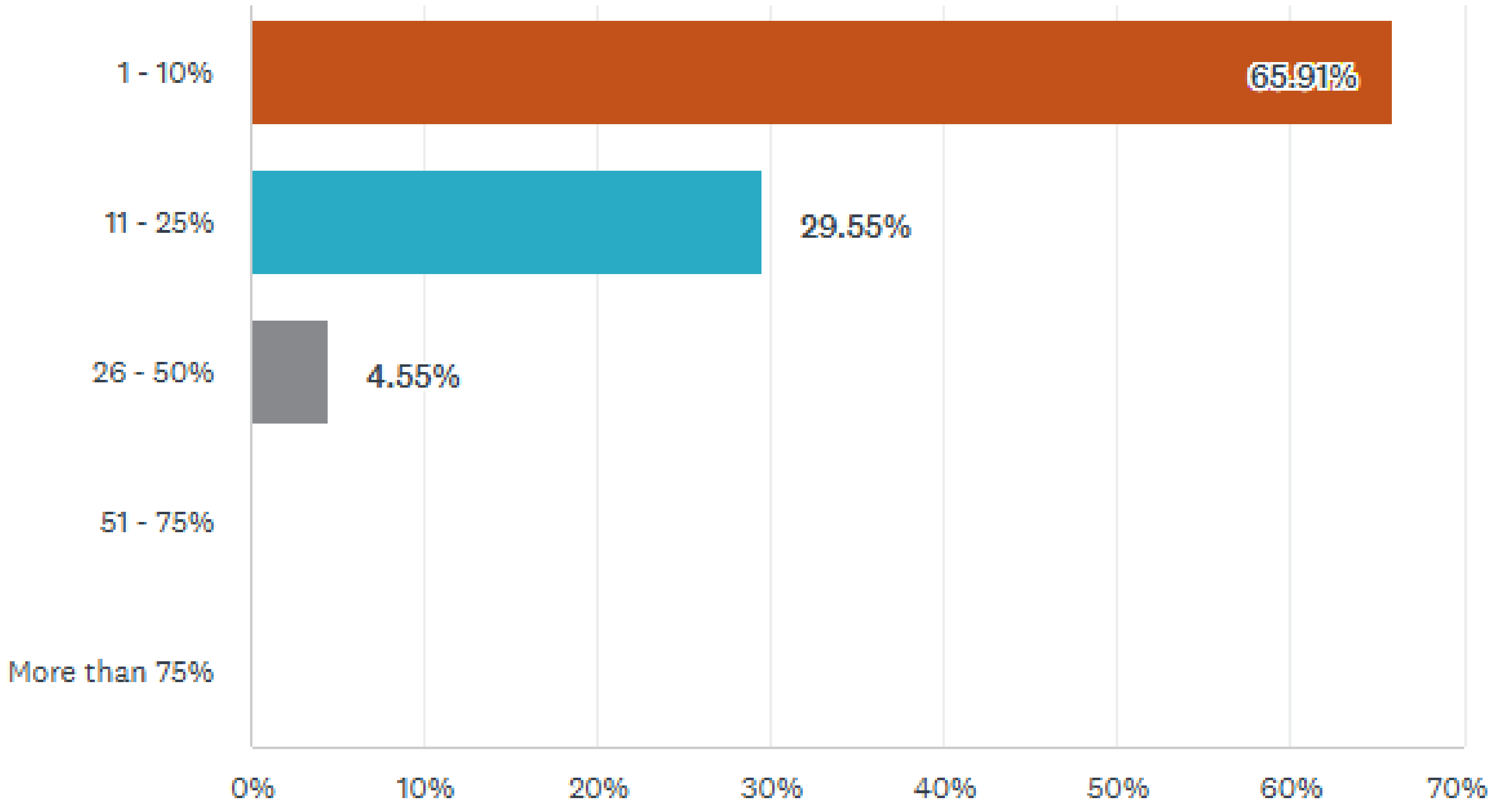
London's data centres use 750,000 homes' worth of electricity. It's bad news for the housing crisis

London's 99 data centres consume about 760MW at peak demand, equivalent to three quarters of a million houses. Demand is surging.

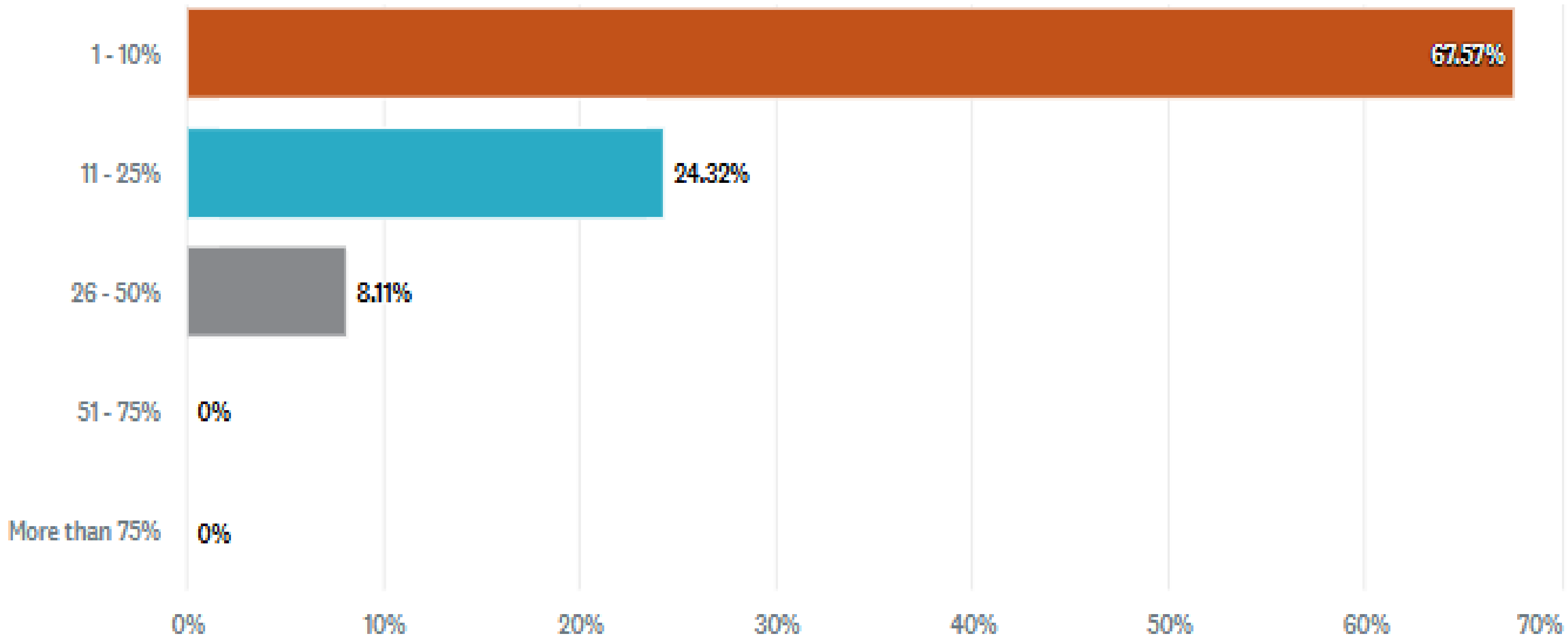
1 month ago

Wholesalers: In 2026, approximately what percentage of your revenue is directly linked to **new-build residential** projects?

Talking Shop Live Online: Industry Insight in 90 Minutes

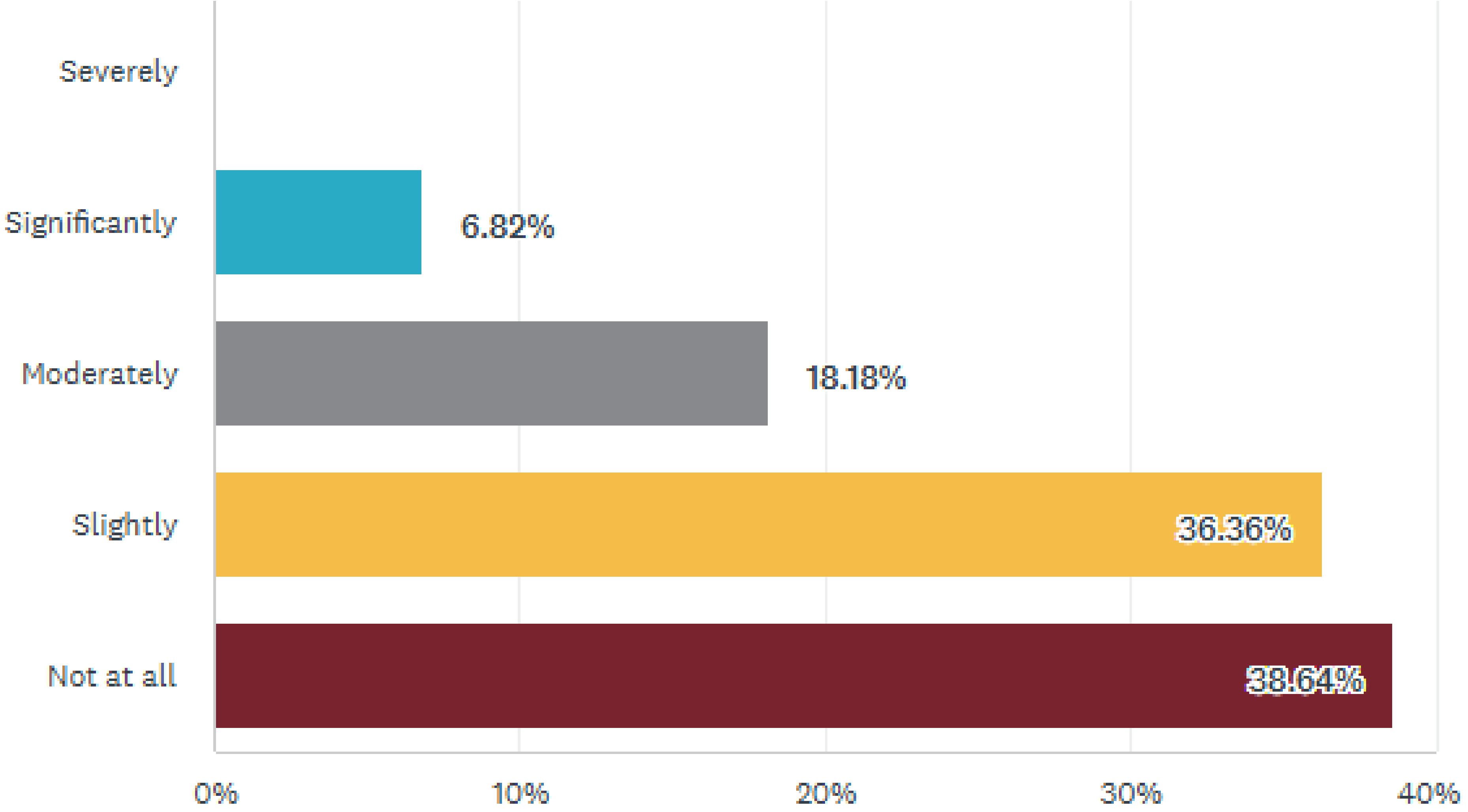


Manufacturers: In 2026, approximately what percentage of your revenue is directly linked to **new-build residential** projects?



Wholesalers: To what extent has the current slowdown **in UK housebuilding** affected your overall sales over the past 12 months?

Talking Shop Live Online: Industry Insight in 90 Minutes



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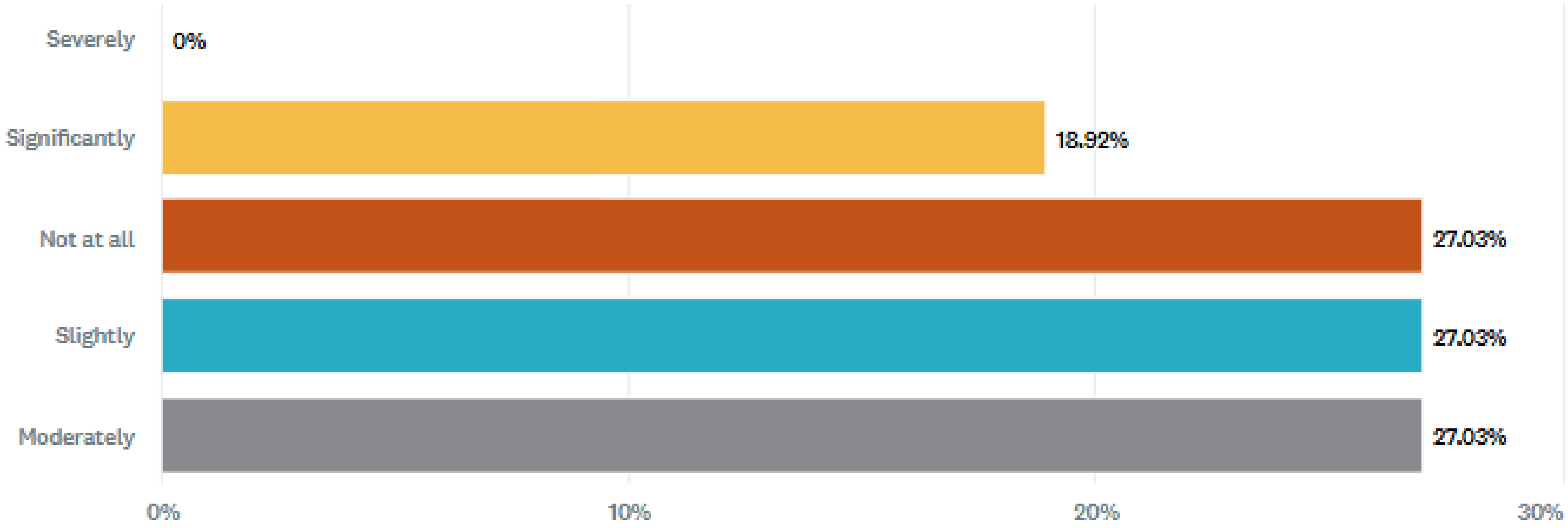
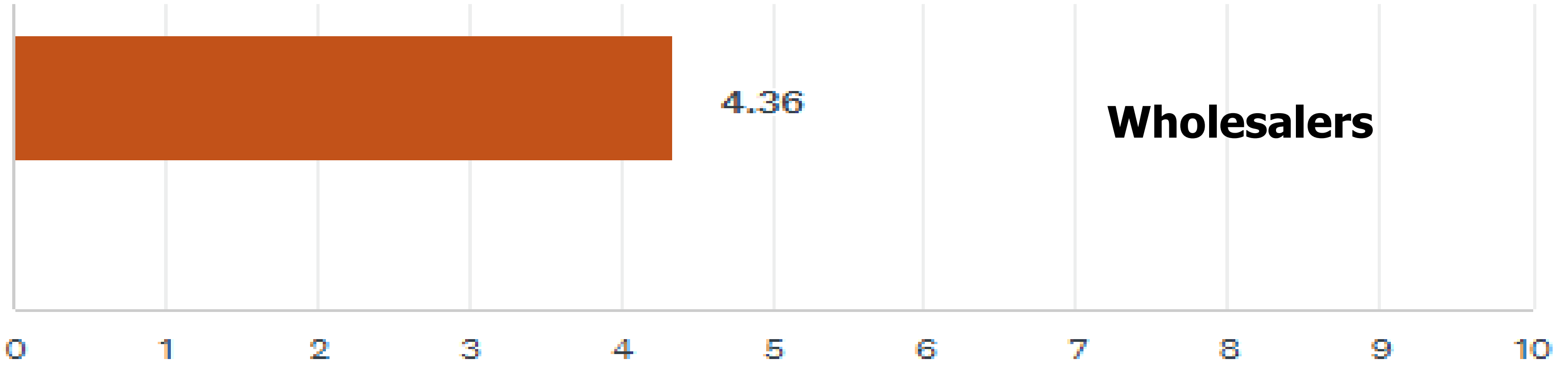
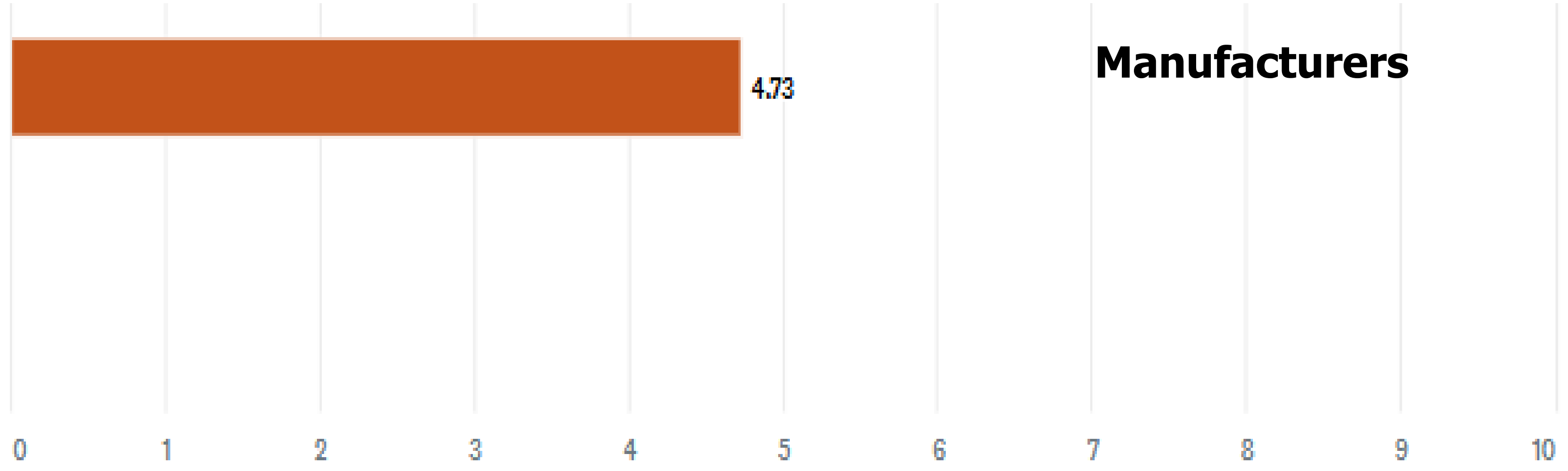


How important is the **housebuilding market** to your growth strategy over the next 3 years? Please use the slider below, where 1 is not important and 10 is extremely important.

Talking Shop Live Online: Industry Insight in 90 Minutes



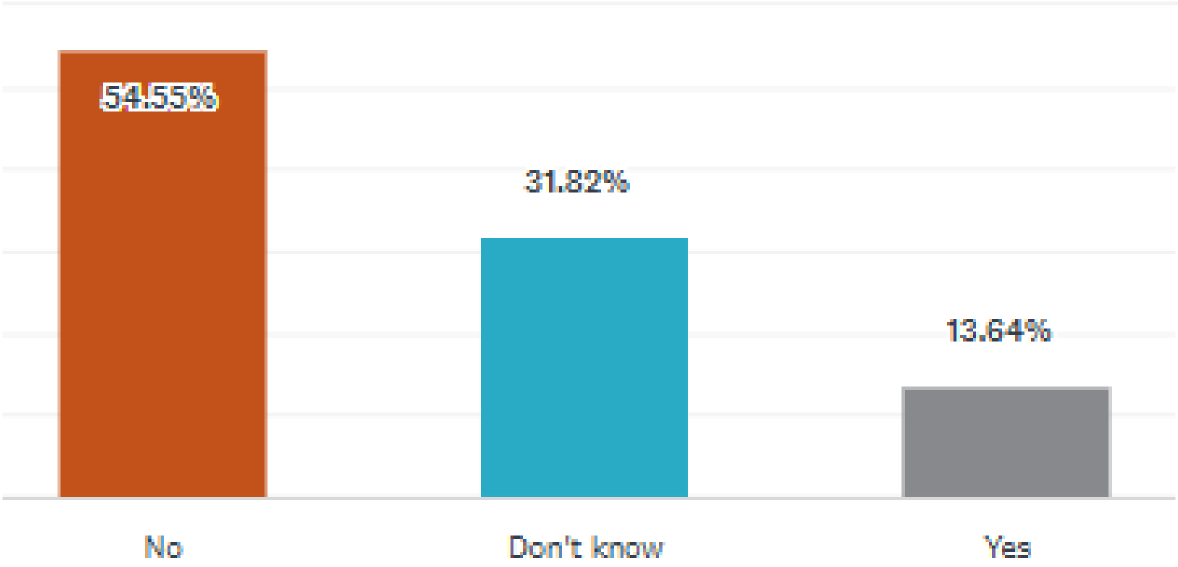
"If there is a lack of demand for housing projects we will just find new sources of revenue."



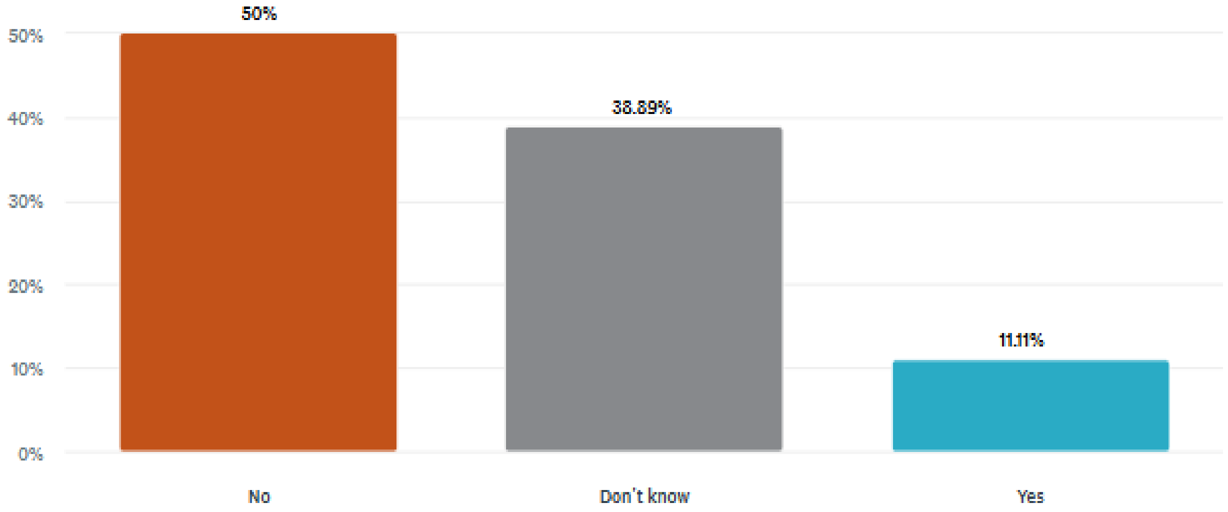
"The housing market is a critical market for the collective construction industry."

Do you expect the housing market to recover in the next 12 months?

Wholesalers



Manufacturers



Comments about the housebuilding market

Wholesalers

"Large renewable content in new build."

"First and second fit housebuilding customers are typically high maintenance and low margin so we do not target these however we do deal with some."

"Margin potential is too low to warrant growth in this sector."

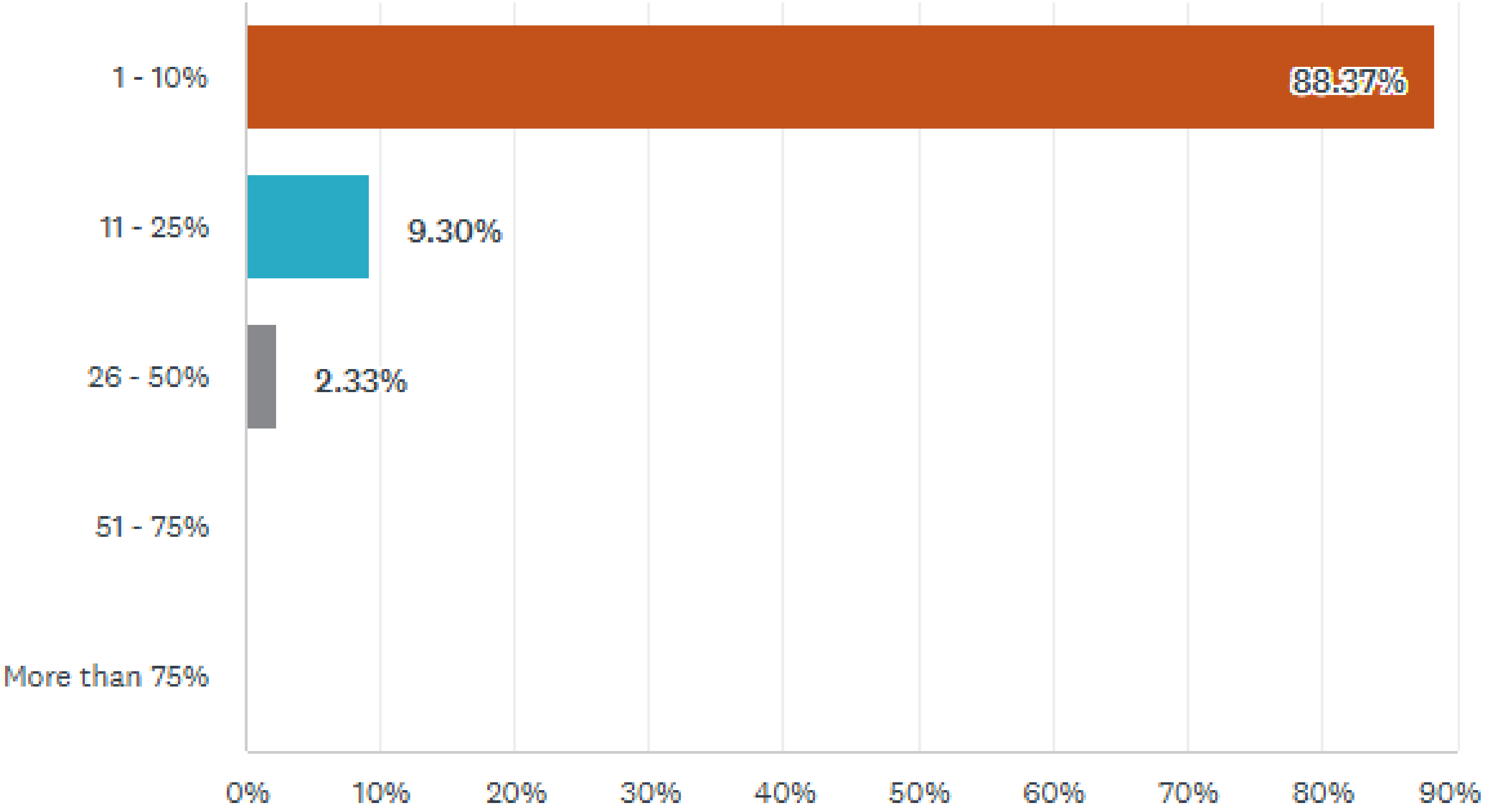
"If there is a lack of demand for housing projects we will just find new sources of revenue."

Manufacturers

"The housing market is a critical market for the collective construction industry."

Wholesalers: In 2026, approximately what percentage of your revenue is directly linked to **data centre** projects?

Talking Shop Live Online: Industry Insight in 90 Minutes



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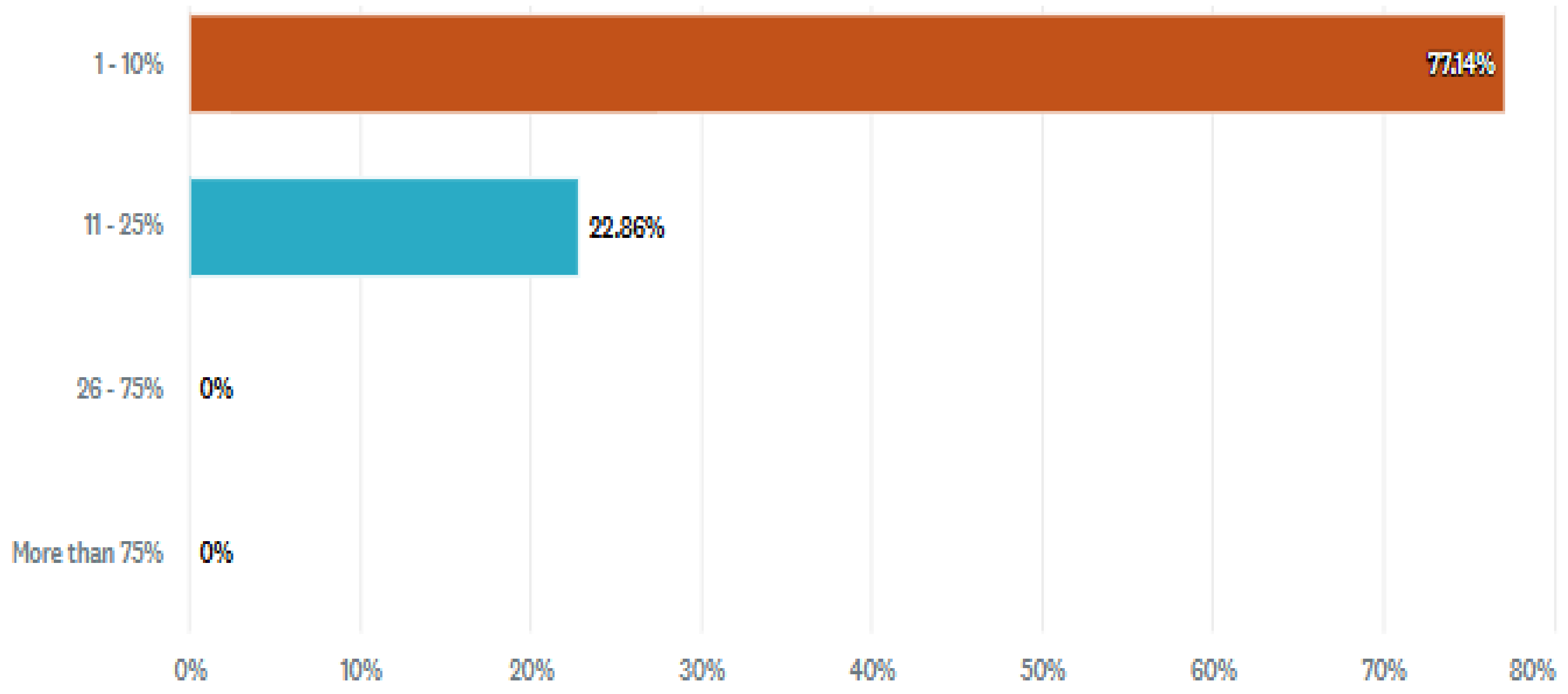
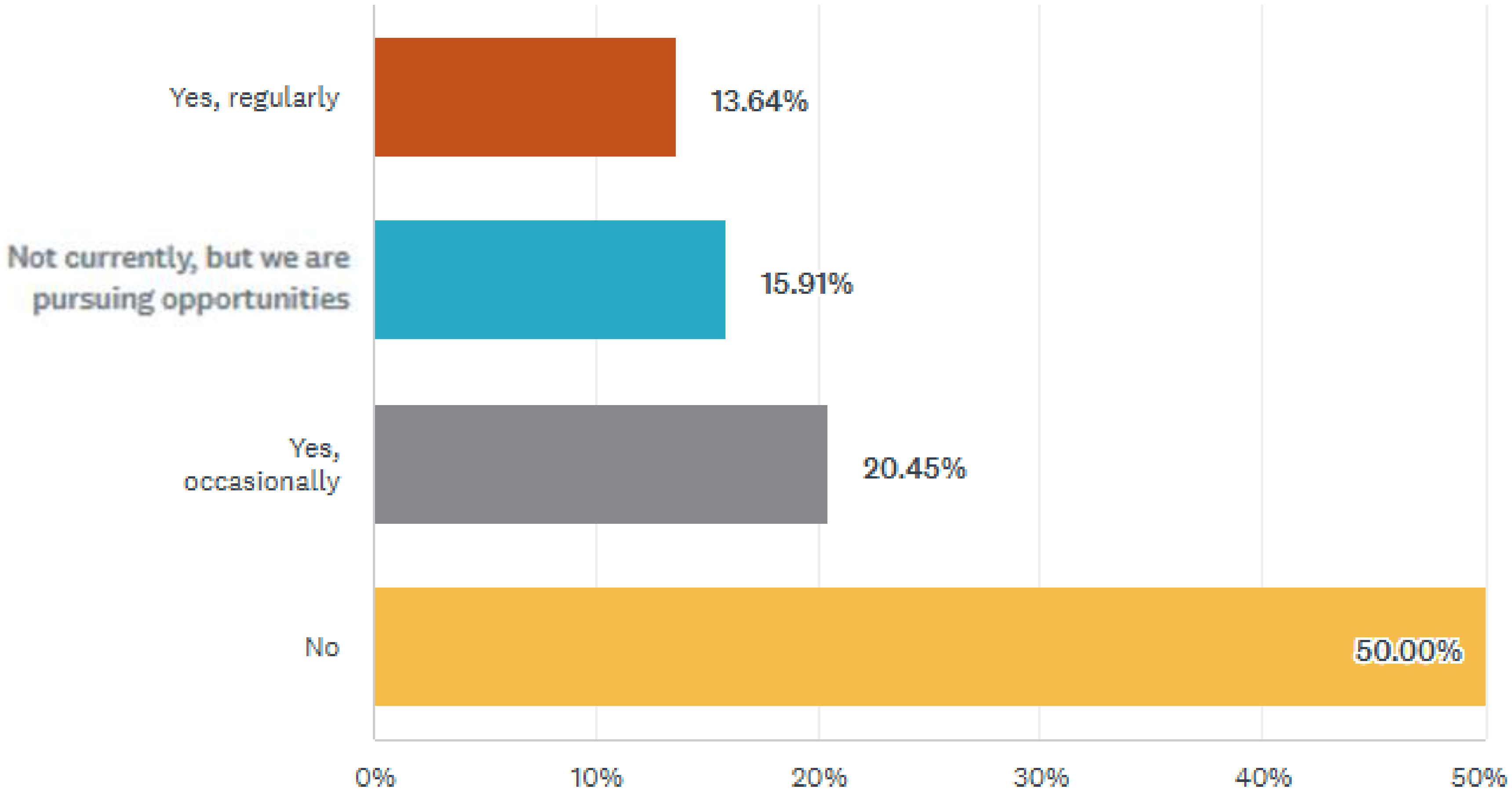
Talking Shop Live Online: Industry Insight in 90 Minutes



Wholesalers: Is your business currently supplying products for **data centre construction or refurbishment**?



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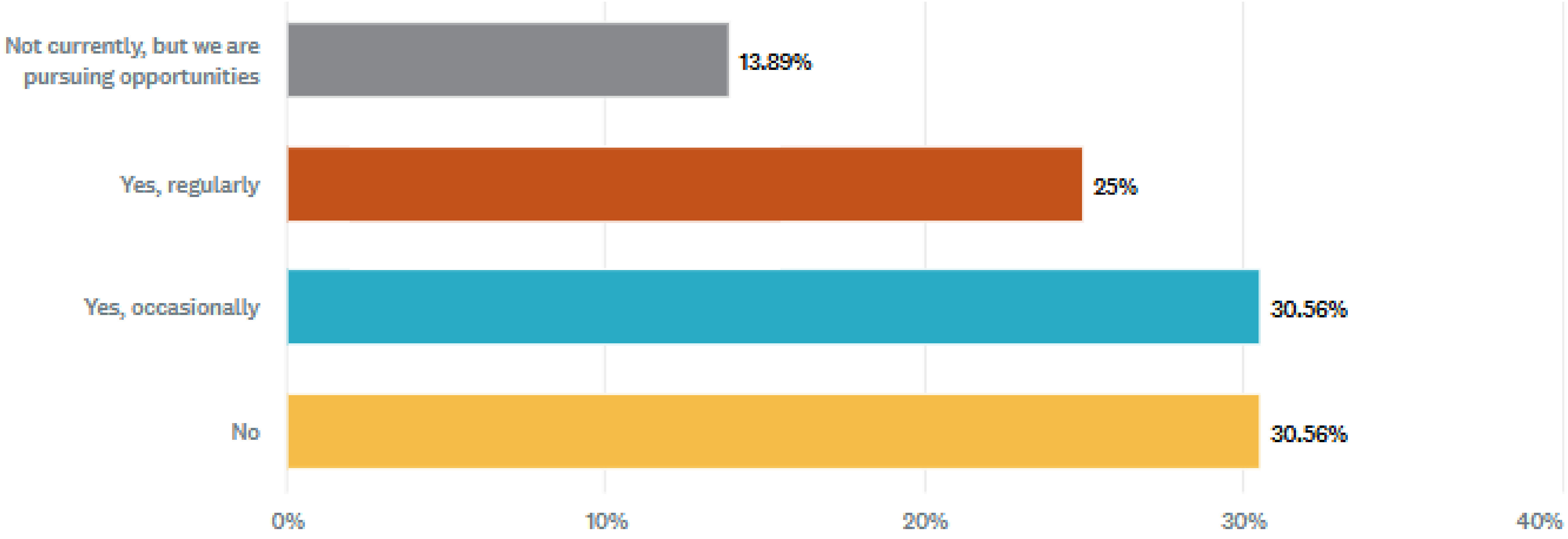
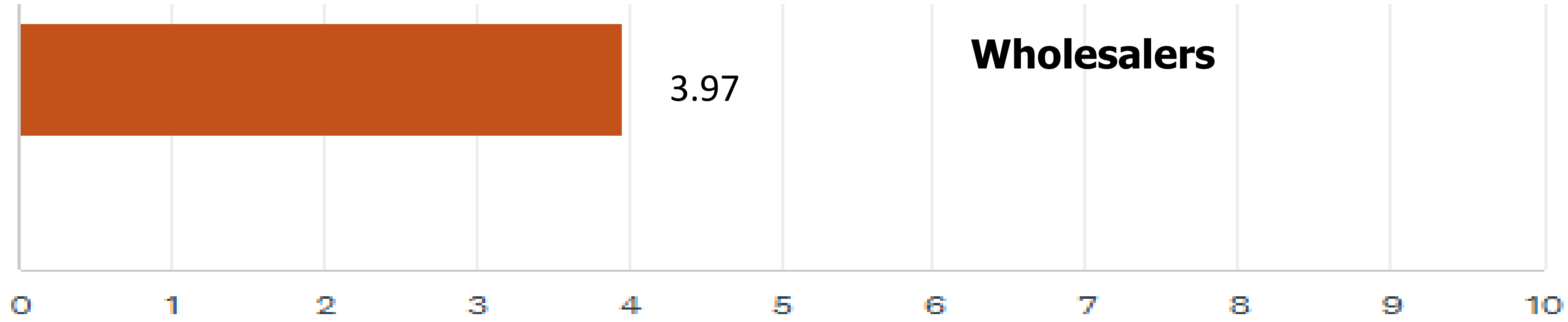
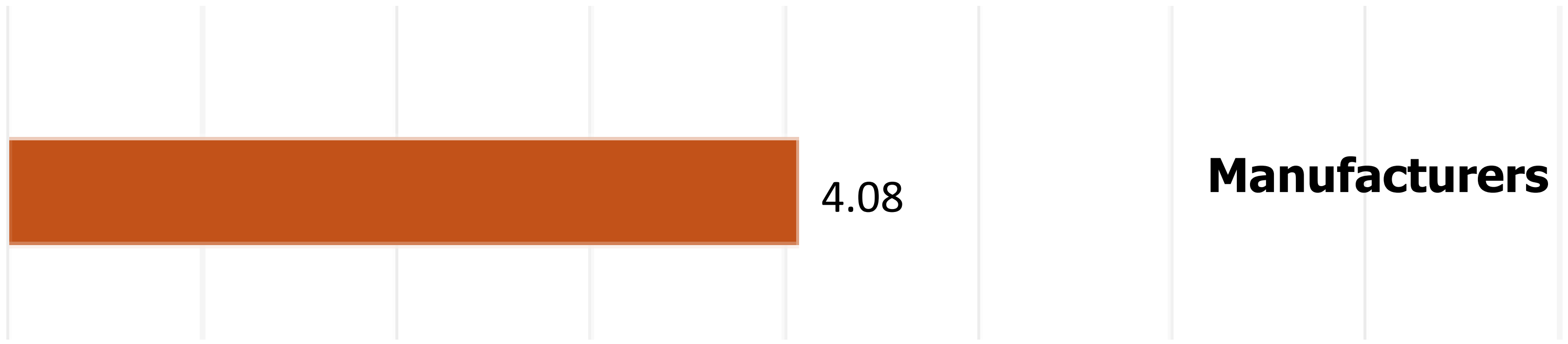


How important is the **data centre sector** to your growth strategy over the next 3 years? Please use the slider below, where 1 is not important and 10 is extremely important.





Wholesalers: What is the **biggest opportunity and biggest challenge** the growth of **UK data centres** presents for your business?

Talking Shop Live Online: Industry Insight in 90 Minutes

Opportunities

- Cable management
- Increased volume of containment
- Data centre projects is not a segment our members typically work in
- Containment, Cabling, PSU's.
- MORE BUSINESS
- Established relationships with key suppliers and contractors
- renewables
- Indirectly through switchgear businesses
- Cable and containment is seeing the biggest growth linked to data centre customers
- Facilities management
- Cable Mgt STEEL, Data Cables,

Challenges

- Competitiveness, price wise.
- As an independent it is difficult to get a seat at the table of national contractors
- That generally these are done at a higher level with market leaders that tend to favour national wholesalers
- SUPPLIERS
- Getting more and more competitive
- We have been waiting over 12 months for data centre jobs to land despite having quoted so having to re-issue quotes constantly on cable and containment and not having many jobs land is tough. However, when they do land which we have been promised one of our branches will be at full tilt to service that.
- Much of the volume business in this sector is tightly controlled by manufacturers and wholesalers with specialist teams. There is little day-to-day opportunity due to pricing restrictions i.e. supported deals.
- Customers
- Making contact
- A lot of the deals have been signed up for with certain suppliers years ago and hard to break in. Tend to use the same people on repeat jobs.

Opportunities

- We cannot see any
- Within a Data Centre it is the low and medium voltage distribution networks and externally is the upgrades to the medium and high voltage grid connections.
- Increase in power requirement
- Keeping our competitors busy on large projects
- Existing business with expanded product offering, export and new business in current and overseas territories. Anticipate overseas territories to demonstrate significant growth owing to geographical size purely against UKI.
- Is a big opportunity, but mostly served by big multinationals and subject to throughput of power network
- new addressable market
- The biggest opportunity is to position our company as a multi-discipline infrastructure partner for data centre developments, rather than competing for a single product category
- New build business
- Share of wallet providing a basket of products to meet the needs data centres across, specialist cable and access control categories.
- Light control
- The construction of new Data centres which require Switchgear, Controlgear, and Surge Protection Devices
- Cooling

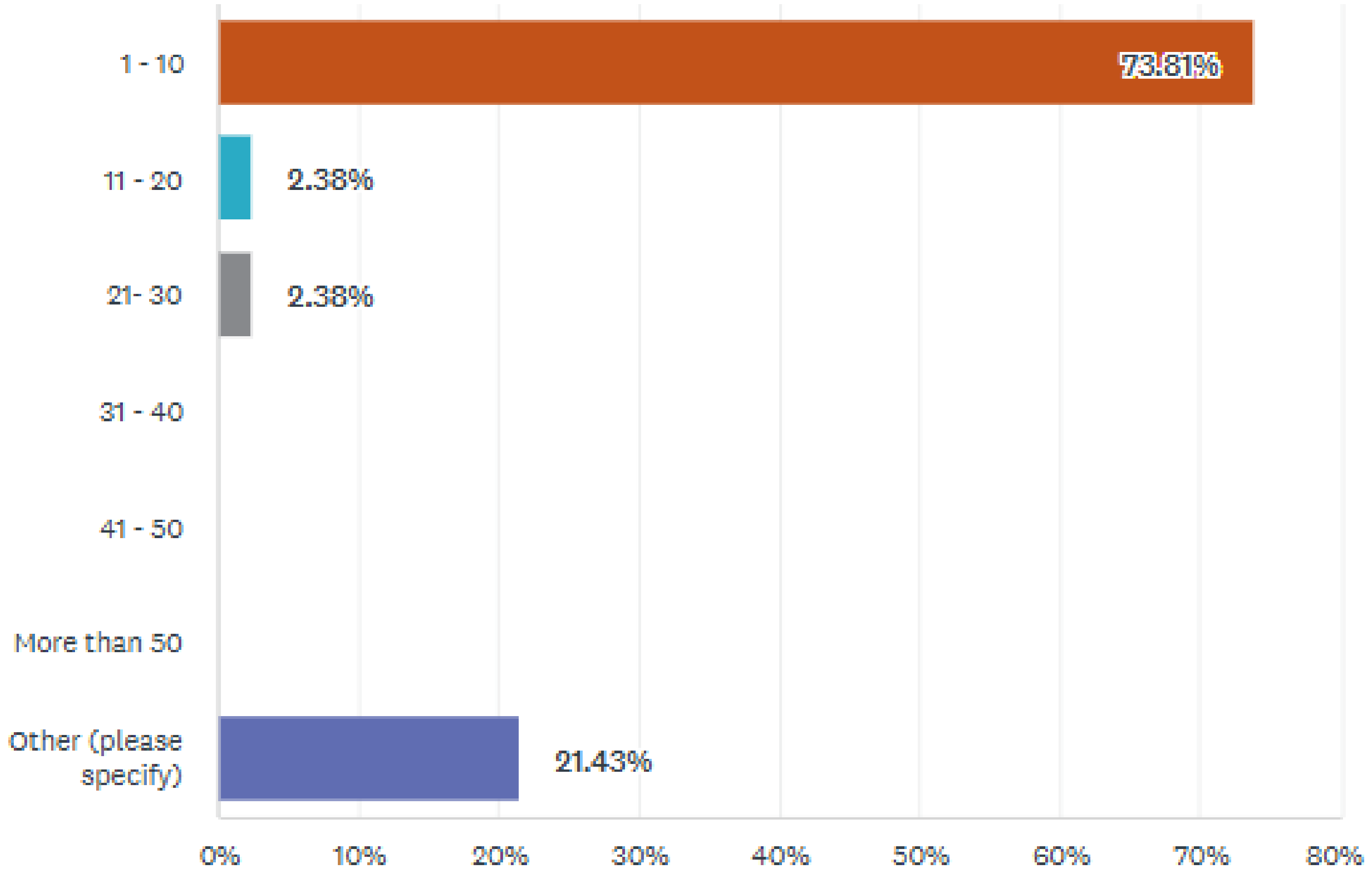
Manufacturers: What is the **biggest opportunity and biggest challenge** the growth of **UK data centres** presents for your business?

Talking Shop Live Online: Industry Insight in 90 Minutes

Challenges

- They generate so much heat as a byproduct of operation, they do not need any of our products
- Competition from imported products.
- Demand
- None
- specification and longer lead times potentially to convert to orders.
- Mostly in the hands of multinational suppliers
- direct manufacturer supply or specification
- The biggest challenge is gaining specification and market visibility in a highly technical sector dominated by established global suppliers with strong data centre credentials.
- Product differentiation
- Dominated by bigger tier 1 brands
- Establishing awareness and suitability of our product offering within the Electrical Wholesale sector.
- Pre-specified projects, some of which involve our brands, others are difficult to switch.
- Power connections to new DC's
- A lot of Data Centres specify components, our challenge is getting our product Specified for use in Data Centres
- Cyclical demand

Wholesalers: In the **12 months 1 July 2025 - 30 June 2026,** how many thefts from a branch or branches has your business experienced?

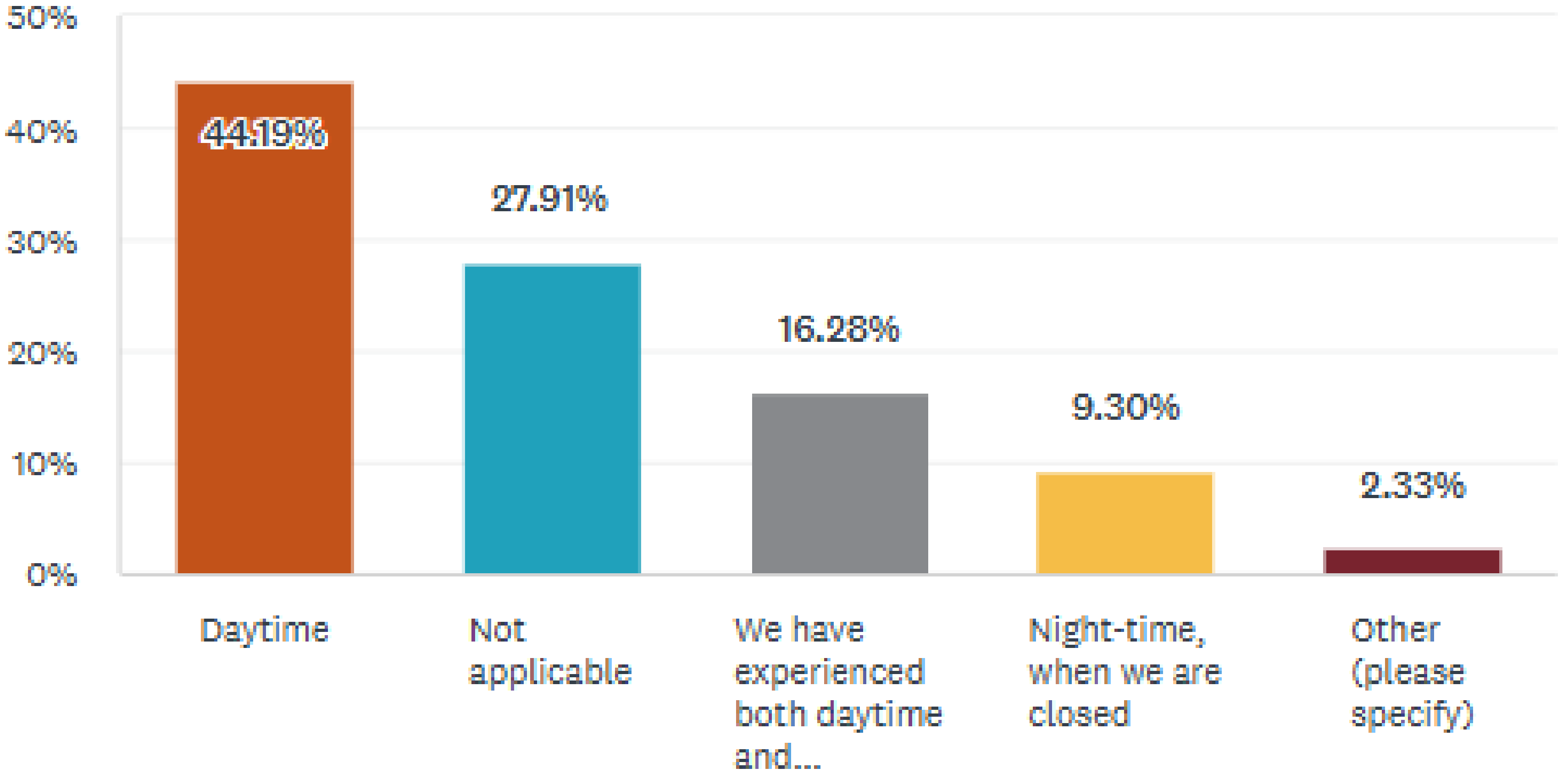


"In the year 24-25 we had **1 incident,** and not a lot was taken. In the year 25-26 **we had 7 robberies, and more was taken each time."**

"Nothing like what others have experienced such as Burglary but we have a large tools counter and do experience general shoplifting."

"Recently been victim of gangs stealing stock from branches during normal working hours."

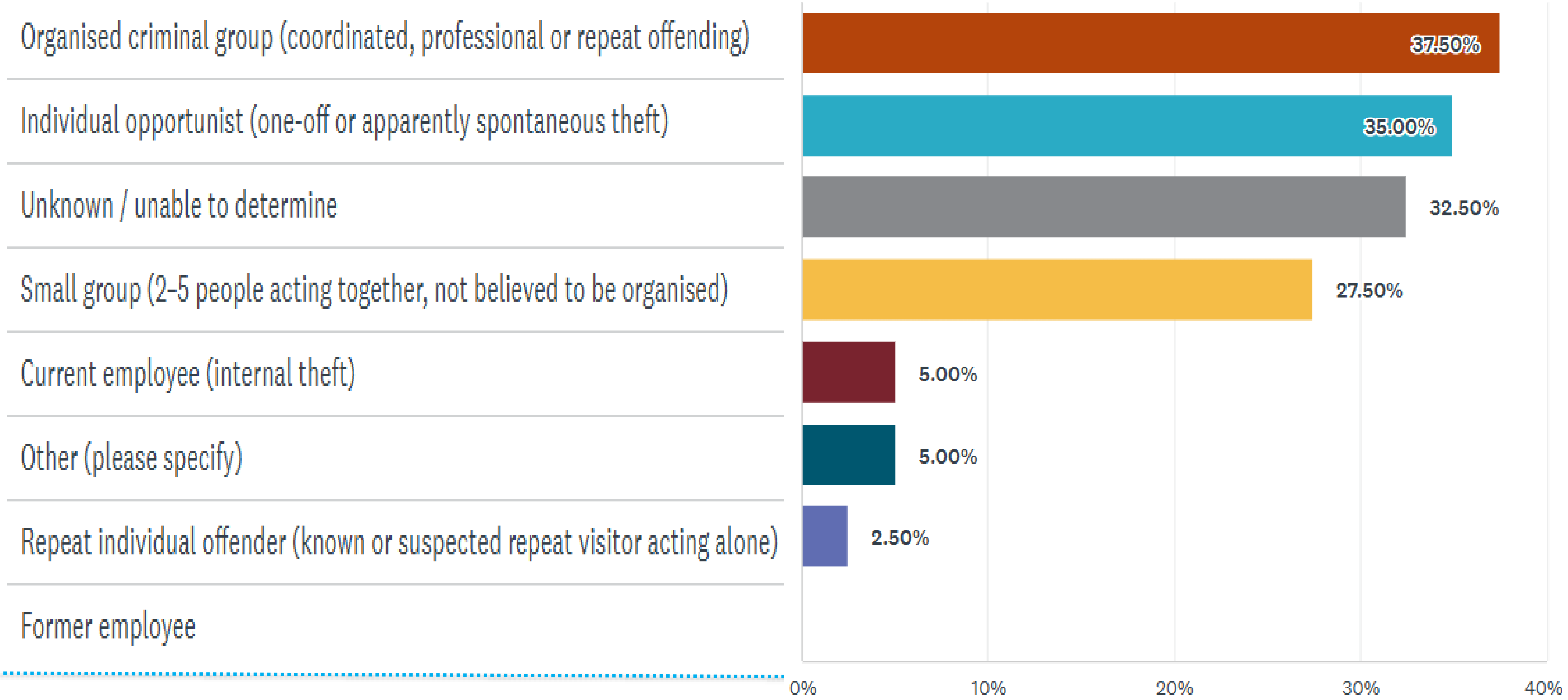
Wholesalers: do these thefts take place during the day when the branch is open or at night-time when your premises are closed?



"From what I see this is organised crime by certain groups focussed on certain products they can sell back into wholesalers on the black market. Aico, Wago, RCBOs."

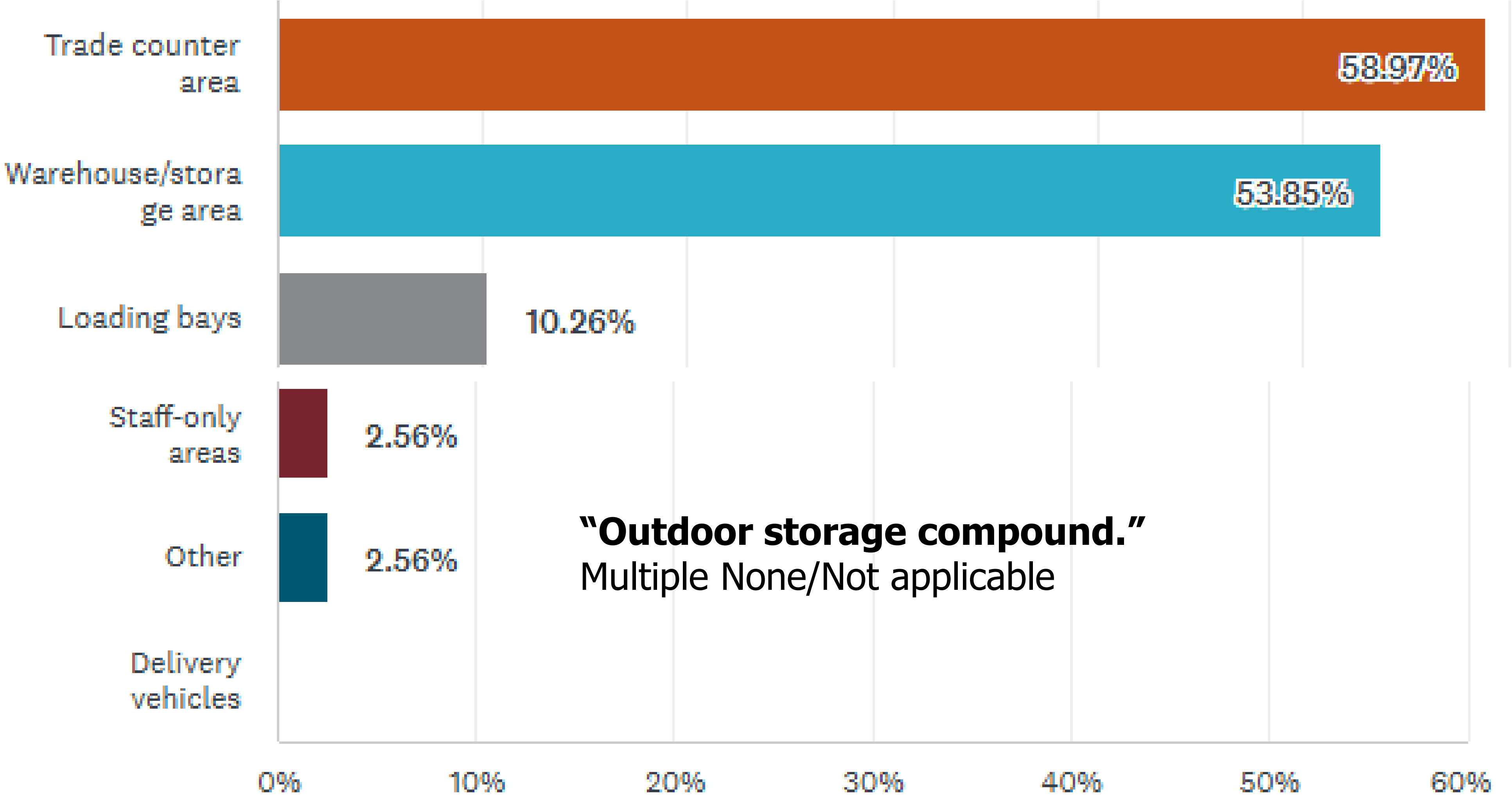
Wholesalers: What type of individuals or groups do you think are undertaking the thefts? Please tick all that apply.

Talking Shop Live Online: Industry Insight in 90 Minutes



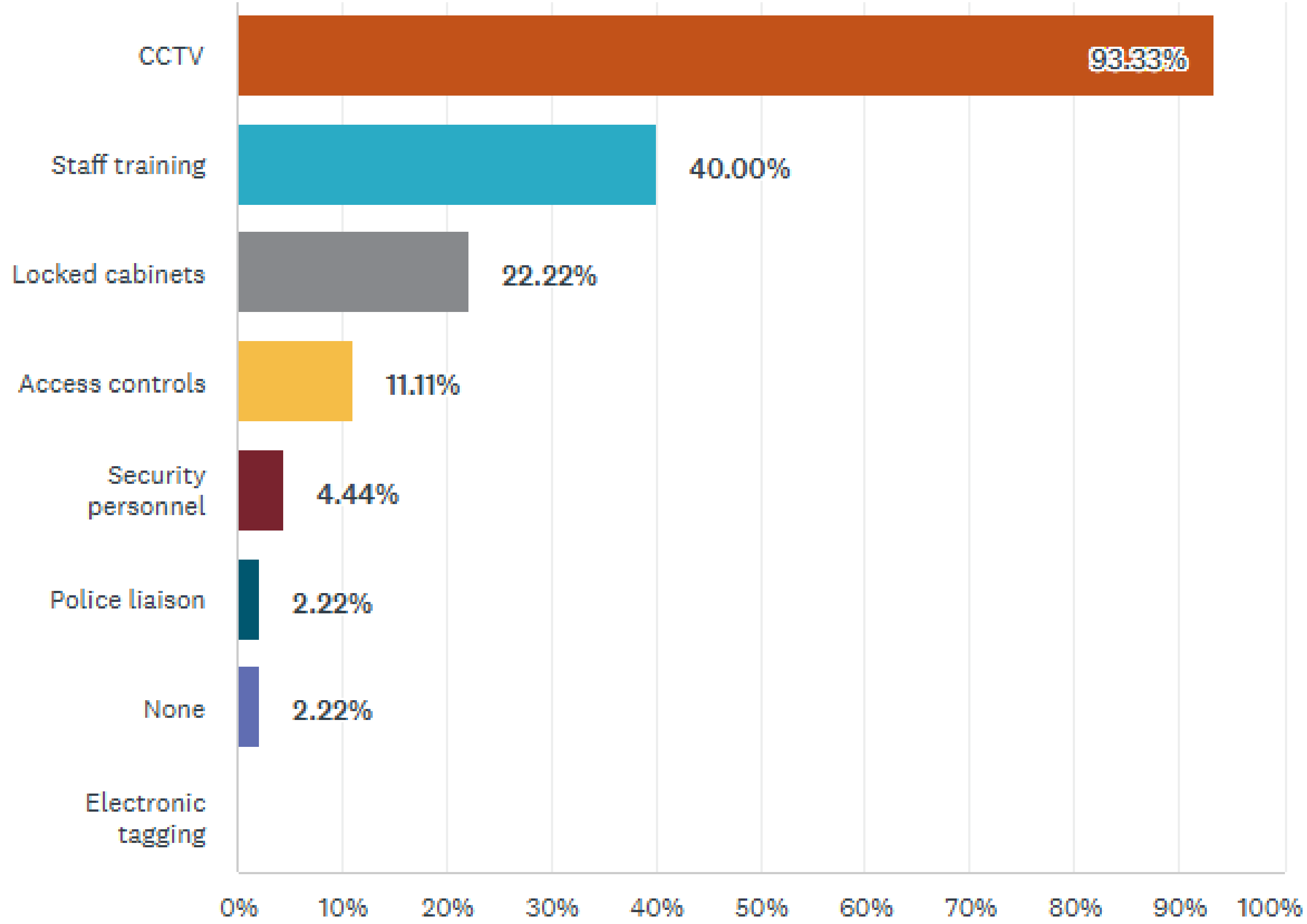
Wholesalers:
Where do theft incidents most commonly occur within your business?

Talking Shop Live Online: Industry Insight in 90 Minutes

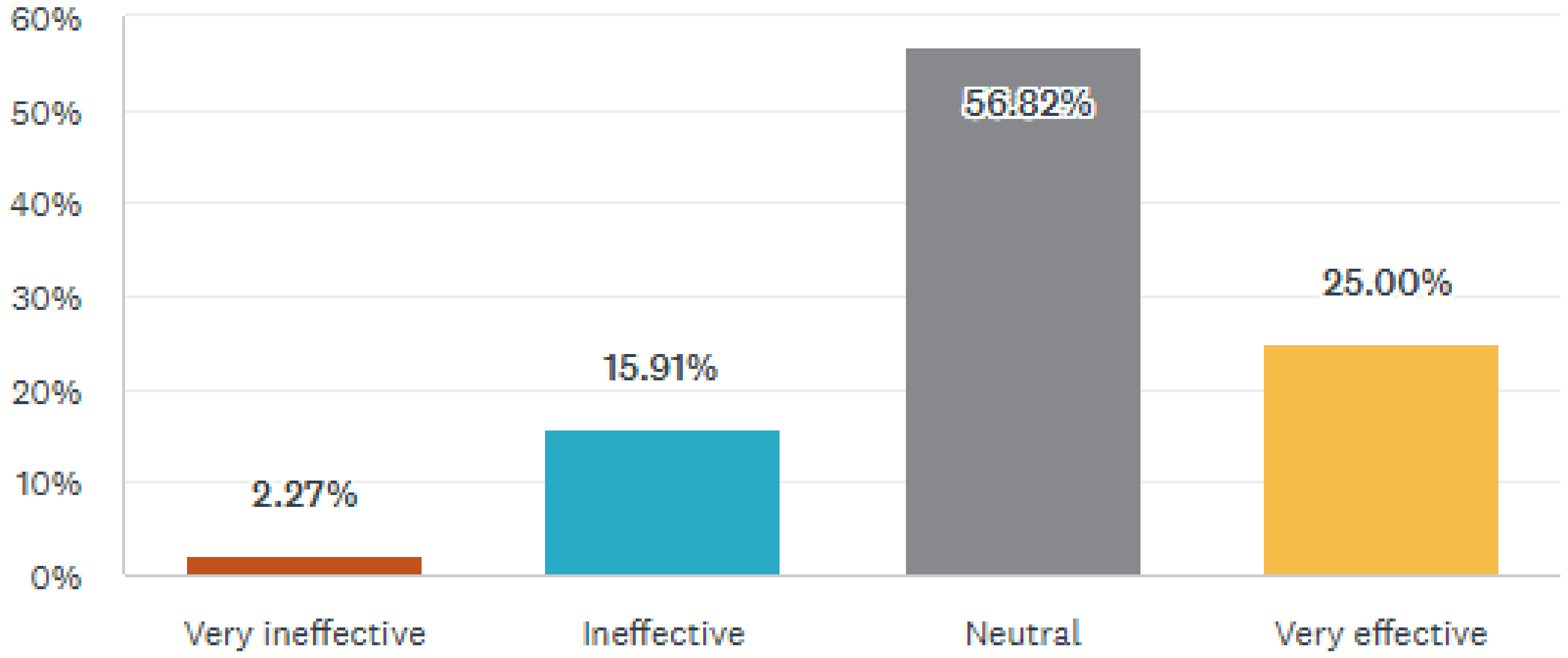


"Outdoor storage compound."
Multiple None/Not applicable

Wholesalers: What security measures does your business currently use?

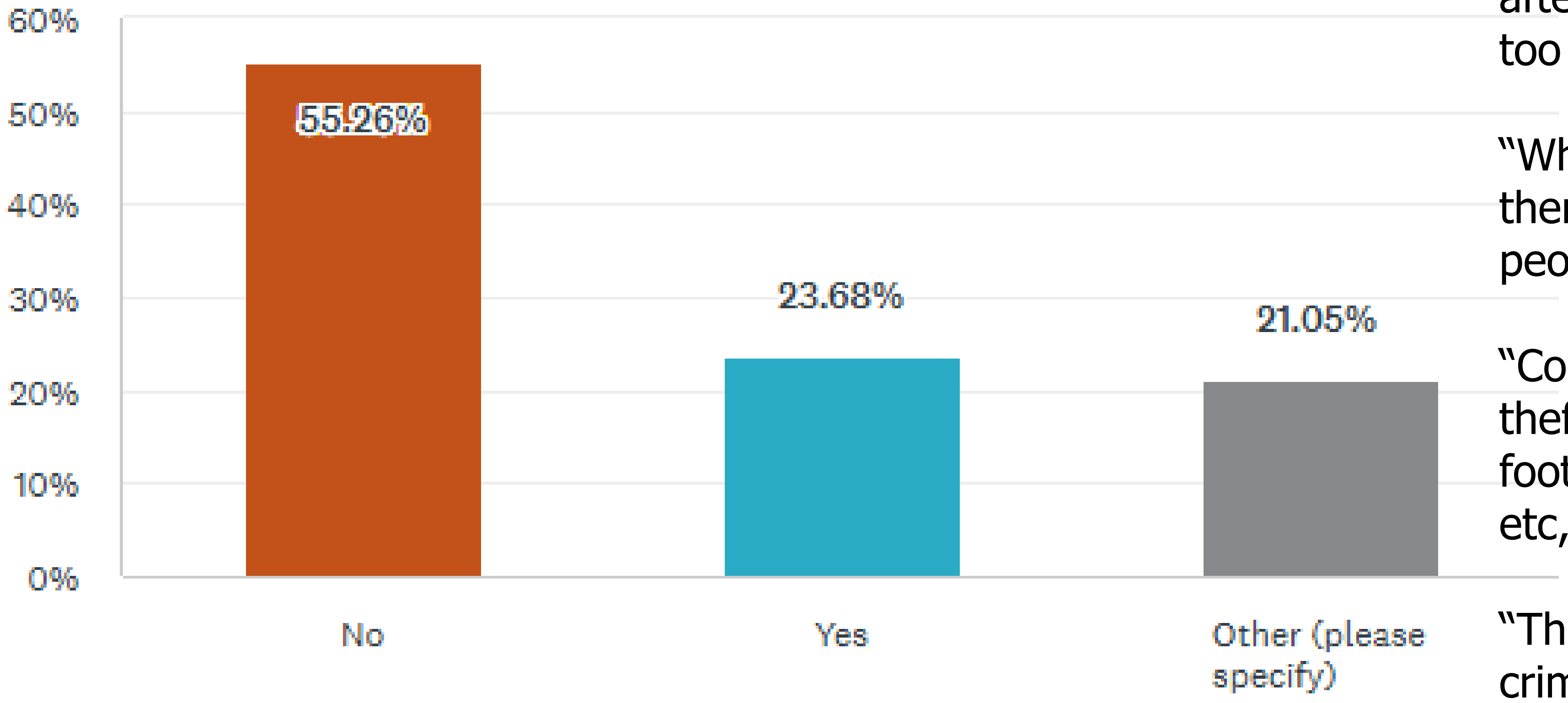


Wholesalers: How effective do you believe your current anti-theft measures are?



Wholesalers: Have you been satisfied with the response of the police?

Talking Shop Live Online: Industry Insight in 90 Minutes



"Police turned up at branch 4 days after this event which was obviously far too late."

"What police, what response? Until there are punishments that deter people this will carry on."

"Complete waste of time reporting thefts. Even with high-quality CCTV footage of offenders, car reg, tattoos etc, the police do nothing."

"The police do not regard this type of crime as serious, thefts from businesses are considered victimless."

"We have 24hr on site security provided by the landlord."

Wholesalers: Please describe any notable trends or challenges your business has seen regarding theft.

Theme: Growing sophistication and brazenness of offenders

"There is little or no follow up investigation to find stolen goods, providing a crime number appears to be the extent of the police responsibility."
"Much more brazen now. no fear, and no shame. Sadly particular groups carrying out this type of theft."
"As the copper price increases, the rewards are higher. The break-ins are repeated as they know the police response is poor."
"Staff thefts."
"More brazen theft and pointless criminal damage caused by unsuccessful thieves ramming shutter doors etc."
"The current method of gangs simply helping themselves and intimidating staff seems to be widespread - also, there are targeted products i.e. power tools, hand tools, test instruments and Aico."
"AICO Theft."
"Credit card fraud has definitely become more common and more sophisticated."

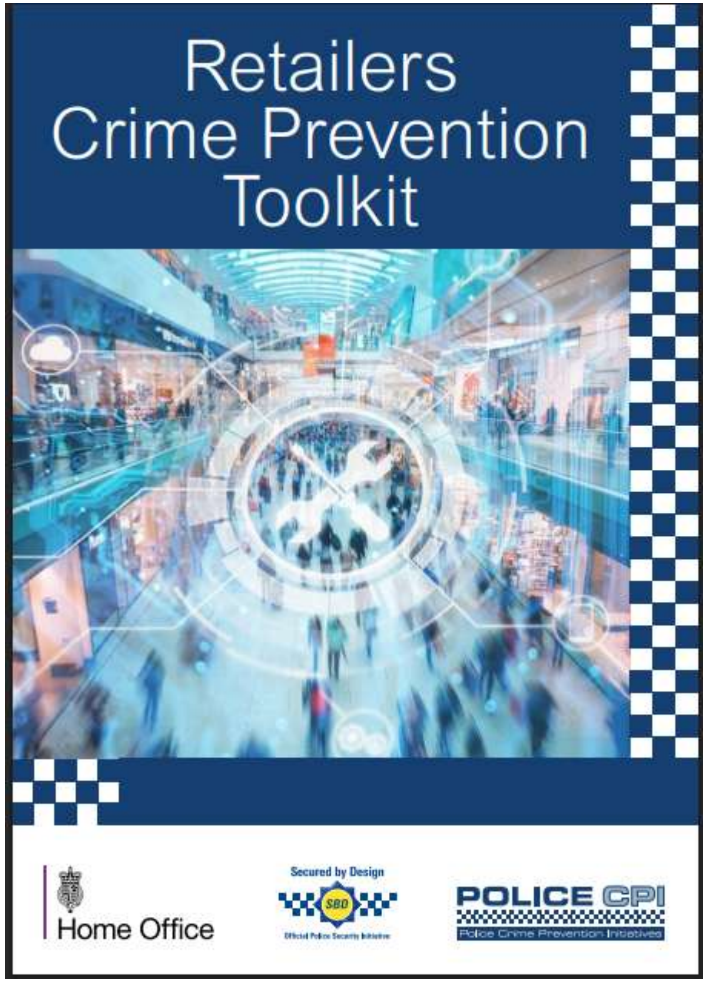
Wholesalers: Please describe any notable trends or challenges your business has seen regarding theft.

- Always looking for high value, specific items - Aico, powertools, Wago etc. Normally working in a team of 3-5, distracting, causing a nuisance and generally being intimidating.
- Tools, Wago connectors & Aico smoke alarms
- These people are untouchable this is why the situation is getting totally out of hand. I know our company is building cases against serial offenders, but they still come back after being arrested!
- More calls from criminals trying to commit fraud my posing as customers
- Staff are cautious and scared
- We had an instance where 2 men came into trade counter, went straight to Makita stand, cut the security wire and when we pulled them up threatened staff with violence
- It’s constant and in varying degree, we know of wholesalers across the Bristol area who have had constant issues the big one at the moment is Aico product.
- Complete disregarding for the thieves, they don't try and hide what they are doing and know that we can't stop them
- We are unable to stop these people from coming behind the counter and taking what they like.
- Absolutely Blatant. Total disregard for CCTV

ONS: Crime in England and Wales: year ending March 2026

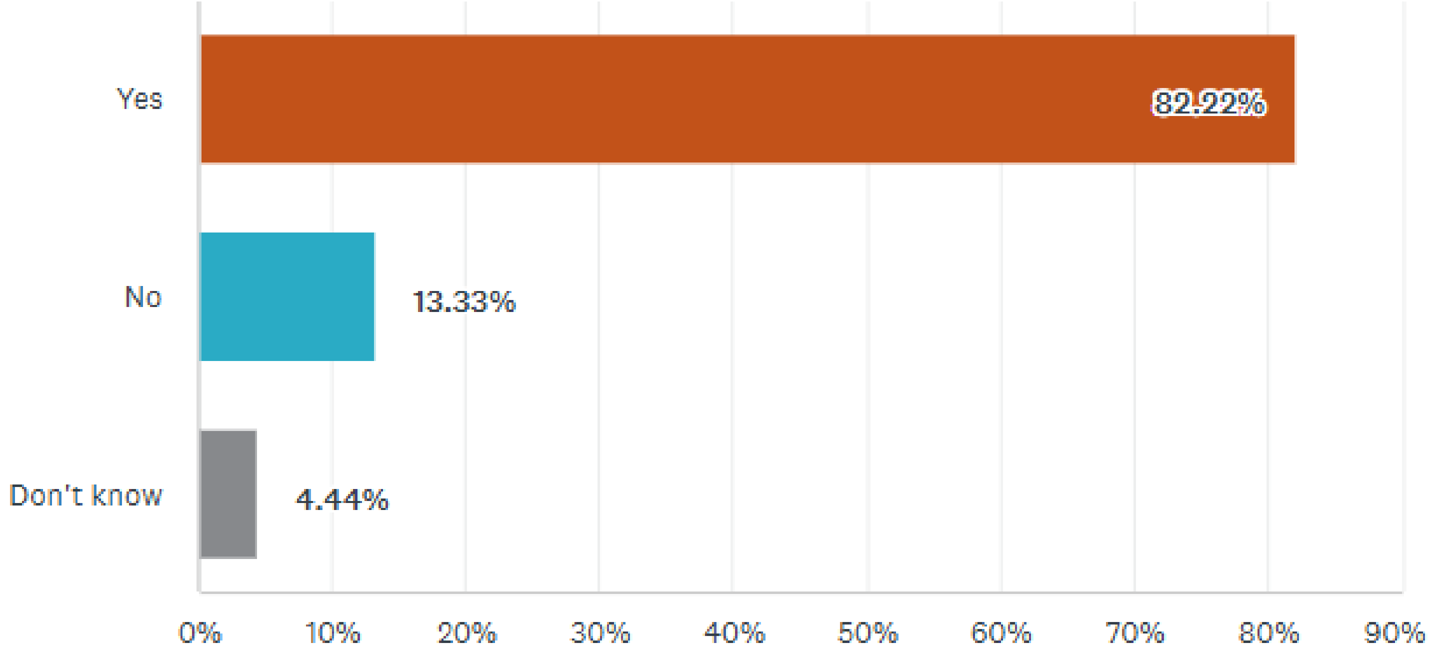
Following a period of increases in shoplifting, there has been a 4% decrease (to 507,086 offences) in YE March 2026, when compared with the previous year (530,324 offences).

Recent increases in police recorded shoplifting likely reflect both growth in offences and improved reporting resulting from closer engagement between police and retailers. Reporting rates for shoplifting are known to be very low and police are actively encouraging the reporting of all incidents and the submission of supporting evidence, such as CCTV, to strengthen intelligence, identify offenders, and link related offences.



https://nbcc.police.uk/business-support/retailers-crime-prevention-toolkit

Wholesalers: In previous surveys, wholesalers reported customers paying later than expected. Has this continued in 2026?



Secretary of State for Business and Trade
President of the Board of Trade
Peter Kyle was in this role until July 2026, now Jonathan Reynolds

"This government is determined to tackle the scourge of late payments which costs the UK economy £11 billion each year and leads to the closure of 38 UK businesses every day."

"We will legislate to end the scourge of late payments…"

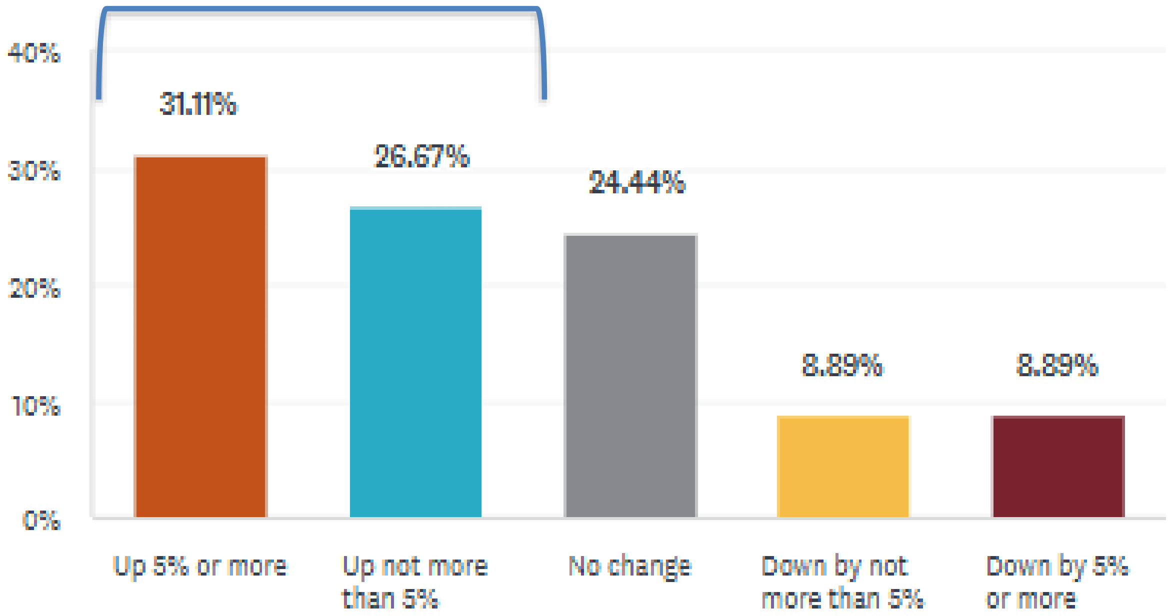
Backing Your Business: our plan for SMEs

How do you anticipate sales volumes (like for like sales) will change… **during Q3 2026**

Talking Shop Live Online: Industry Insight in 90 Minutes

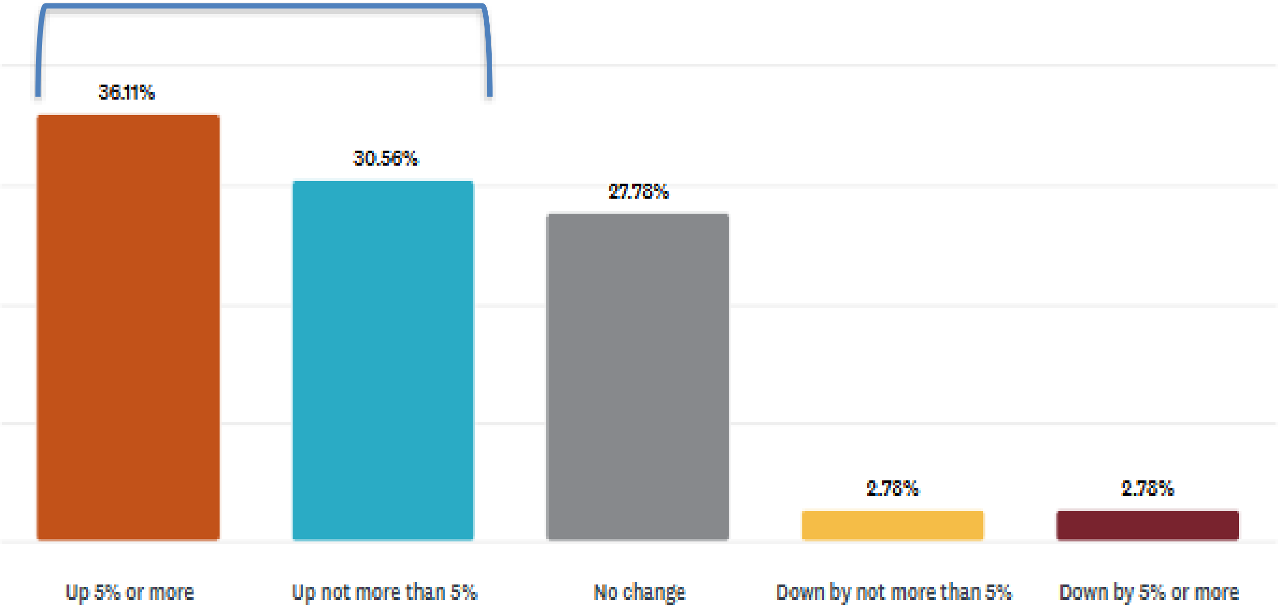
Wholesalers

58% predict sales volume increase



Manufacturers

67% predict sales volume increase



How do you anticipate sales volumes (like for like sales) will change… **during 2026**

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