

HVAC BUSINESS FOR SALE

The HVAC Business Owner's Guide to Selling

What You Need to Know Before You Start

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Introduction

If you have built an HVAC business over the years, selling it is one of the most significant financial decisions you will ever make. This guide is for HVAC business owners who are thinking about an exit in the next one to five years. You do not need to have made a firm decision. Many owners we speak with are simply trying to understand their options.

This guide covers: why the current market conditions make now a particularly interesting time to consider your exit, what drives your valuation, how a confidential sale process works, what your Gas Safe engineers and F-Gas certification mean to a buyer, and how to protect your staff and clients throughout the process.

This is not a sales document. It is a practical reference for business owners who want to make an informed decision.

Why Now Is a Good Time to Consider Your Exit

Several forces are converging that make the current window particularly favourable for HVAC business owners considering a sale.

The Heat Pump Transition

The UK government's 2035 gas boiler phase-out has created an unusual dynamic. Businesses with MCS accreditation and heat pump capability are attracting significant buyer interest because acquirers want to secure those credentials before they become scarce. If your business has already made that transition, your value is higher today than it will be in three years when every competitor has caught up.

Private Equity Consolidation

PE-backed platforms have been acquiring HVAC businesses systematically. The buy-and-build model has proven effective: acquire well-run regional businesses, add operational infrastructure, and create national coverage. This means there are more qualified buyers in the market than at any previous point.

BADR Tax Changes

Business Asset Disposal Relief is changing. The rate rose from 10% to 14% in April 2024 and rises again to 18% in April 2026. On a two million pound sale, that difference is eighty thousand pounds in additional tax. For business owners who were already considering an exit, the tax calendar provides a compelling reason not to delay.

Key point: An estimated 22,370 HVAC businesses in the UK are considered exit-ready. Buyer demand currently exceeds the supply of quality businesses in most regions.

What Determines Your Valuation

HVAC businesses are valued on EBITDA multiples typically between 4x and 7x, with the multiple determined by a combination of factors. Understanding these before you go to market lets you address the gaps.

Gas Safe Engineer Headcount

Your Gas Safe registered engineers are a core asset. Buyers are acquiring not just your revenue but your ability to deliver compliant work. A business with ten Gas Safe engineers is worth more than one with three, even if turnover is similar, because the acquirer is buying capacity.

F-Gas and MCS Accreditation

F-Gas certification for refrigerant handling and MCS accreditation for heat pump installation both add measurable value. MCS in particular is increasingly difficult to obtain, which means businesses that already hold it carry a premium. REFCOM certification adds further credibility for businesses handling commercial refrigeration.

Maintenance Contract Book

Recurring maintenance revenue is the single most important driver of valuation multiple. A business deriving 70% or more of its revenue from annual maintenance contracts will achieve a significantly higher multiple than a business of identical turnover that relies on one-off installation work. Buyers are buying predictable cash flow, not just historical revenue.

Owner Dependency

If the business cannot operate without the owner handling technical work, key customer relationships, or day-to-day decisions, buyers apply a discount. Reducing owner dependency before going to market is one of the highest-return preparations you can make.

How the Sale Process Works

A well-managed HVAC business sale typically takes four to six months from first conversation to completion. Here is what the process looks like in practice.

Step 1: Confidential Conversation

We begin with a private discussion, no forms, no commitment, no fee. We want to understand your business, your timeline, and what a successful exit looks like for you.

Step 2: Indicative Valuation

Based on your financials and business profile, we provide an indicative valuation range. This is not a formal valuation report. It is a realistic market assessment based on comparable transactions.

Step 3: Confidential Marketing

We create an anonymised business profile and approach our registered buyer list without revealing your identity. Your staff, customers, and competitors do not know you are considering a sale.

Steps 4 to 6: Offers, Heads of Terms, Completion

Interested buyers sign an NDA before receiving any identifying information. You review the list of interested parties. We manage the offer process, negotiate on your behalf, and guide you through heads of terms, due diligence, and legal completion. Our fee is paid by the buyer, not the seller.

Accreditations That Matter to Buyers

Not all certifications carry equal weight with buyers. Here is what a sophisticated acquirer will look for in your HVAC business.

Gas Safe Registration

Non-negotiable for any business handling gas appliances. Buyers count the number of Gas Safe registered engineers on your team. It directly determines post-acquisition revenue capacity.

F-Gas Certification

Required for handling refrigerants. As commercial air conditioning and refrigeration work grows, F-Gas certified engineers become more valuable.

MCS Accreditation

For heat pump and solar installations. The Clean Heat Market Mechanism and government incentives are driving heat pump demand, making MCS a forward-looking asset. If you have it, document it clearly. If you do not, it may be worth acquiring before going to market.

OFTEC Registration

For oil-fired heating systems. Relevant in rural and off-grid markets, and adds value in those geographies.

Tax Considerations

Business Asset Disposal Relief (BADR) is the primary tax relief available when selling a trading business. It reduces Capital Gains Tax to a lower rate on qualifying gains, subject to a one million pound lifetime allowance.

The rate history matters: 10% until April 2024, then 14%, then 18% from April 2026. On a 1.5 million pound qualifying gain, the difference between the 14% and 18% rates is sixty thousand pounds.

Important: This guide does not constitute tax advice. Take independent advice from a qualified accountant before making decisions based on BADR or any other tax consideration. The figures above are illustrative only.

BADR qualification requires that you have owned at least 5% of the company and been an employee or director for at least two years prior to the sale. Your accountant can confirm whether your circumstances qualify.

Protecting Confidentiality

The most common concern we hear from HVAC business owners is: what if my staff find out? What if a customer hears I am selling? What if a competitor uses this against me?

These are legitimate concerns and the reason a managed, confidential process matters. We never reveal your identity in the initial marketing phase. Buyers receive an anonymised profile. They sign an NDA before learning who you are. You approve the list of buyers before any information is shared.

Staff typically only find out at heads-of-terms stage, often less than a month before completion. By that point, the deal is substantially agreed and staff transfers are

managed as part of completion.

Customers do not need to know until after completion. Most do not notice any change immediately, and a good acquirer will prioritise continuity.

Preparing to Sell: A 12-Month Checklist

The businesses that achieve the highest valuations are the ones that prepare. Here is what a well-prepared HVAC business looks like twelve months before going to market.

- Three years of clean, audited or accountant-prepared accounts
- Maintenance contract book documented with annual values, renewal dates, and client names
- Gas Safe certificates and F-Gas records up to date and accessible
- MCS accreditation (if applicable) renewed and compliant
- Key employees on written contracts
- Customer relationships not solely dependent on the owner
- Fleet and equipment service records maintained
- No significant outstanding disputes, debts, or liabilities
- Clear record of recurring versus one-off revenue split

None of these require expensive advisers. Most are operational improvements that also make the business easier to run in the meantime.

Next Steps

If you have read this far, you are taking your exit seriously. The next step does not require a firm decision, only a conversation.

Start with a Free, Confidential Valuation

We offer a free indicative valuation and initial consultation with no commitment and no upfront cost. The conversation is entirely confidential.

Phone: 01256 486999

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No pressure. No commitment. Just a conversation.

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