

Buying an HVAC business in 2027

The mistakes that cost buyers most

2027 edition 17-minute read

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A practical guide with a buyer's red-flag scorecard

Images are illustrative.

The whole guide on one page

A good HVAC business keeps serving its customers after the seller has gone. Before you agree a price, find out whether the people, the tickets, the contracts and the cash will still be there.

The mistake	What good looks like	Ask for
1. Buying tickets that leave with the owner	Certificates in the company's name, engineers qualified in their own right	Company certificates and every engineer's card
2. Calling repeat work recurring income	Signed contracts with a legal inspection clock behind them	Service terms, notice and change-of-control clauses
3. Paying for the owner's job twice	Profit after a real salary for the owner's work	The owner's week, written down
4. Treating the invoice book as cash	Debts split by age, retentions on their own line	Aged debtors and retention release dates
5. Counting engineers instead of capability	Cover for every category of work without the owner	A ticket and expiry calendar
6. Missing old installation promises	A register of installs, warranties and open callbacks	The install register and complaints file
7. Guessing the refrigerant problem	A record for every unit on the service book	The plant and refrigerant schedule
8. Buying yesterday's new-build mix	Every project checked against the rules that apply	Notice dates, start dates and heating design

Use the scorecard near the back as you go. One red matters more than several greens.

For a free first conversation with Simon, call **01285 704466**. Bring the question you cannot answer yet.

How many owners are 60 or over

1 in 10

plumbing, heating and air-conditioning installation companies where every individual owner on the public register is 60 or over.

Reads analysis of Companies House data, October 2026 [1]

That is between 5,135 and 5,194 of the 49,775 active companies registered under SIC 43220.

Every owner on the register is	Companies	Share of 49,775
55 or over	9,459 to 9,534	19%
60 or over	5,135 to 5,194	10%
65 or over	2,118 to 2,146	4%

Age does not tell you who will sell, or when. It does tell you how many companies in this trade have nobody under 60 among the owners on the register.

Between 3,999 and 4,042 of the 60 or over companies, about four in five, have a single owner on the register. In a firm like that, check whether the owner holds the gas and F-gas tickets, prices the difficult installs and knows the customers.

The eight mistakes in this guide all come from the same place: paying for something that leaves when the seller does. For each one you will find what good looks like, then what to check.

Read it with a real business in mind. The scorecard near the back turns the eight checks into one page you can fill in.

Meet Brackenfold Climate Services

We follow one business through the guide. Brackenfold is invented, and the figures for this business are illustrative.

Where Brackenfold's £1.2m comes from

Illustrative

Only the £420,000 comes from maintenance contracts.

Brackenfold turns over £1.2m. Half is installation work. The rest is maintenance contracts and reactive call-outs.

It has four engineers, and the owner is one of them. The accounts show £180,000 profit after the owner has taken £40,000 in pay.

Customers owe it £120,000. That includes £40,000 of retentions held by main contractors. It carries £30,000 of stock and owes its suppliers £50,000.

The question behind every chapter. What are you buying that will still earn money, collect its cash and keep its promises when the seller has stopped doing the work?

You will see Brackenfold from eight angles. Each one gives you something to ask the seller for.

A gap is not an automatic discount. It is a question to settle before you agree the terms.

1. Buying tickets that leave with the owner

The van, the tools and the customer list do not carry the right to do the work. The company holds one set of permissions. Each engineer holds another.

What good looks like

The F-gas certificate is in the company's name and renewed every three years. Every engineer who handles refrigerant is qualified in their own right [2].

When a business is sold, Gas Safe registration stays with the legal entity. Buy the shares and the company keeps it. Buy the assets and it does not normally come with them: the gas work needs a registration held by the company doing it, and where a new one is required no gas work can be done until it is granted [3].

Brackenfold

Illustrative

Two of the four engineers hold the F-gas qualification the contract book needs. One of them is the owner, who is also the only person covering one specialist gas category.

Ask for

So you know

Company certificates

Which legal entity holds them

Every engineer's card

Who covers each job after the sale

The deal structure

Which company's registration the gas work will sit under

What the seller is thinking

My team does good work. Tell me which category worries you and I will show you who covers it.

Check this

- ☐ Put each engineer against the gas and refrigerant work in the contract book.
- ☐ Ask each certification body, in writing, what changes under your deal.

Rule of thumb

Count who could do each kind of work the day after the owner leaves. If the answer is nobody, that ticket leaves too.

2. Calling repeat work recurring income

A customer who has used the firm for years can still ring someone else next year. Recurring income is work the customer has signed up to, or has to have done by law.

What good looks like

A signed contract with a legal clock behind it. In Great Britain, stationary refrigeration, air-conditioning and heat pump equipment holding 5 to under 50 tonnes of CO2 equivalent must be leak checked at least every 12 months, or every 24 where automatic leak detection is fitted.

Hermetically sealed equipment under 10 tonnes has no set interval [4]. In a rented home, the landlord's gas appliances must be safety checked at intervals of not more than 12 months [5].

Brackenfold

Illustrative

Of the £1.2m turnover, £420,000 comes from maintenance contracts and £180,000 is reactive work. Customers do come back, but only the £420,000 comes from maintenance contracts.

Revenue	A year	Ask
Maintenance contracts	£420,000	Can the customer cancel, or must they consent to a sale?
Reactive visits	£180,000	How many of these customers came back last year?
Installations	£600,000	What follows when the job ends?

What the seller is thinking

These customers have stayed with me for years. I can show you the history. I cannot promise what they will do next.

Check this

- ☐ Read the signed terms for the ten largest contracts: length, notice and change of control.
- ☐ Match each contract to its invoices and job costs for the last year.

Rule of thumb

Work out the contracted share yourself: income under signed terms, divided by turnover.

3. Paying for the owner's job twice

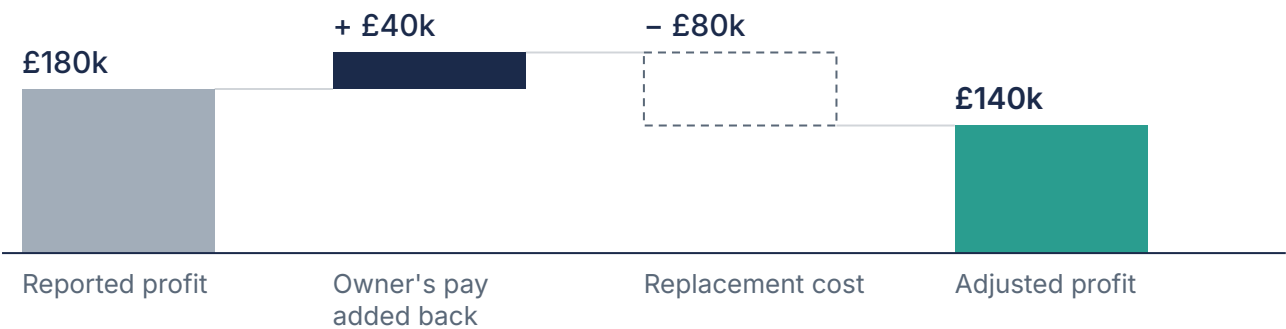
Where the owner surveys and quotes the installs, signs off the commissioning, carries the specialist gas ticket and takes the call-out nobody else can fix, someone else has to do that work after the sale. Their salary comes out of the profit you are buying.

What good looks like

Profit worked out after a real salary for the owner's job. In the UK in 2025 the median full-time salary was £41,166 for air-conditioning and refrigeration installers and repairers and £56,021 for production managers and directors in construction [6]. At the higher figure, employer's National Insurance and the minimum pension bring the cost to about £65,000, before a van or a bonus [7].

Take the owner's job out of the profit

Illustrative



£180,000 plus £40,000 less £80,000 leaves £140,000.

Brackenfold

Illustrative

£180,000 profit, plus the owner's £40,000, less £80,000 for a manager who holds the owner's gas and F-gas tickets and can survey, price and commission: the £65,000 above, plus a van and a bonus.

What the seller is thinking

I built a profitable business. If you take off a replacement cost, show me which parts of my week you expect that person to cover.

Check this

- ☐ Ask the owner to write down a normal week, hour by hour.
- ☐ Mark the jobs that need the owner's own gas or F-gas tickets.

Rule of thumb

Price the owner's job as a hire: salary [6], employer's National Insurance and pension [7], then the van.

4. Treating the invoice book as cash

On an installation job, the main contractor can hold part of the price back after handover, as a retention [9]. Keep retentions apart from the ordinary invoices.

What good looks like

Debts listed by age, with retentions separate. With no agreed payment date, a business invoice is late 30 days after the customer receives it or the work is done, whichever is later [8]. Government research in 2017 found retentions average 4.8% of contract value, and that half is customarily held until a defects period of typically 12 to 24 months has ended [9].

Brackenfold

Illustrative

The £120,000 owed by customers already includes £40,000 of retentions on installation jobs. Count them again and you overstate the working capital.

Working capital	Amount
Owed by customers, including retentions	£120,000
Stock	£30,000
Less owed to suppliers	(£50,000)
Starting point	£100,000

What the seller is thinking

The work is done and the invoices are good. Tell me which debts you doubt and how you want to treat the retentions.

Check this

- ☐ Ask for debts by age, with disputes marked.
- ☐ Ask for the release date on every retention, and whether any waits on seasonal commissioning.
- ☐ Check the cash that has come in since the accounts date.

A Bill before Parliament would cap payment terms at 60 days, with limited exemptions, and ban retentions in construction contracts. In October 2026 it is not law [10].

Rule of thumb

Set each debt's age against its own contract terms. Ask about anything past them, in writing.

5. Counting engineers instead of capability

Four engineers do not give you four-way cover. List the work your customers need, from gas categories to call-outs, then see who can do each job.

What good looks like

Cover for every category of work without the owner. Each Gas Safe card lists that engineer's categories and their end dates, and the evidence behind them must be less than five years old [11]. On refrigerant, only a category 1 holder can do every job. Category 2 stops at small systems: under 3kg, or under 6kg if hermetically sealed [2].

Brackenfold

Illustrative

The owner covers one specialist gas category and prices the complex jobs. A second engineer holds the F-gas qualification. Nobody else covers that gas category.

Work

Cover once the owner has gone

F-gas work

One qualified engineer

Specialist gas category

Nobody yet

Complex quotations

Handover needed

What the seller is thinking

My engineers need a plan and a straight conversation. Questions they do not understand make them worry about their jobs.

1 January 2027 In Great Britain the qualifying period for unfair dismissal falls from two years to six months, and the limit on the compensatory award is removed [12]. Where staff transfer under TUPE, their service carries over [13].

Check this

- ☐ Build a calendar of every ticket and its expiry date.
- ☐ Agree with the seller how and when staff are told.

Rule of thumb

Read the end date on every category of every card [11].

6. Missing old installation promises

A firm can still be asked to put right a job it installed years ago. Check whether the manufacturer's warranty on a compressor covers a condensate leak or poor airflow. If not, ask who pays to put them right.

What good looks like

A register of installations with the warranty given on each. In England and Wales a claim on a simple contract can be brought for six years from the breach, and for twelve where the contract was signed as a deed [14]. For a domestic customer, the MCS Contractor Standard requires workmanship on a certified install to be guaranteed for at least two years [15].

Brackenfold

Illustrative

It completed 60 installations last year. Six callbacks are still open. Putting them right could cost a further £12,000.

Open item

Ask for

Compressor fault	Manufacturer's terms and the state of the claim
Condensate leak	The contract, photographs and letters
Poor airflow	Commissioning readings and engineer notes

What the seller is thinking

Some callbacks are routine service, not faulty work. Look at the job records before you call every visit a liability.

Check this

- ☐ Match the installation register to warranties, complaints and insurance.
- ☐ Ask which contracts were signed as deeds.
- ☐ Agree who carries each open item, so the same cost is not taken off twice.

Rule of thumb

Work out open callbacks as a share of the year's installations, then do the same for the year before. Ask about any rise.

7. Guessing the refrigerant problem

Start with the plant this business has promised to look after, and what gas is in it.

What good looks like

A record for every unit on the service book. In Great Britain the law requires one for equipment holding 5 tonnes of CO₂ equivalent or more: the gas, the quantity, every top-up and every leak check, kept for five years [4]. That threshold is about 2.4kg of R410A or 7.4kg of R32.

How much of the service book is recorded

Illustrative



200 units on the service book. 80 have no refrigerant or charge on record.

Brackenfold

Illustrative

It services 200 units. Refrigerant and charge are recorded for 120. The other 80 need looking at before anyone can say what they will cost to keep running.

What the seller is thinking

We maintain this equipment every week. I can help fill in the records. A headline about quotas should not write off my service book.

1 January 2027 The amount of HFC refrigerant that can be placed on the market in Great Britain falls from 31% to 24% of the baseline. It is a limit on supply, not a ban on existing units [16].

Check this

- ☐ List every unit: gas, charge, age and last leak check.
- ☐ Ask a refrigeration engineer which units worry them.
- ☐ Ask the firm's supplier what they expect on price and supply.

Rule of thumb

Every unit at or above the legal threshold needs a record [4]. Count the ones without.

8. Buying yesterday's new-build mix

A gas service book does not disappear because the rules for new homes change. A pipeline of new-build gas work might.

What good looks like

Every project checked against the rules that apply to it. A new home in England stays under the old standards only if notice or plans went in before 24 March 2027 and work on that building starts before 24 March 2028 [17]. Price a heat pump business on what it has fitted. UK certified heat pump installs in existing homes were 22% down in the first half of 2026 [18].

Brackenfold

Illustrative

New-build gas work brings in £240,000 of the £600,000 installation turnover. That work needs checking project by project.

Project check	Ask for
Which rules apply	Location, building type and approval route
Transition	Date of notice or plans, and the start date
Heating design	The approved specification

What the seller is thinking

Some of these projects will qualify under the old rules. Look at the approvals before you decide the order book is finished.

24 March 2027 The Future Homes and Buildings Standards take effect in England. New homes will need low-carbon heating, which can include a heat network as well as a heat pump [17].

Check this

- ☐ Go through the order book one project at a time.
- ☐ Ask whether the team can design and fit the heating the new rules call for.

Rule of thumb Total the new-build turnover that misses those dates [17].

Four changes of ownership on the public record

Each comes from a public source, with the reason where the source gives one.

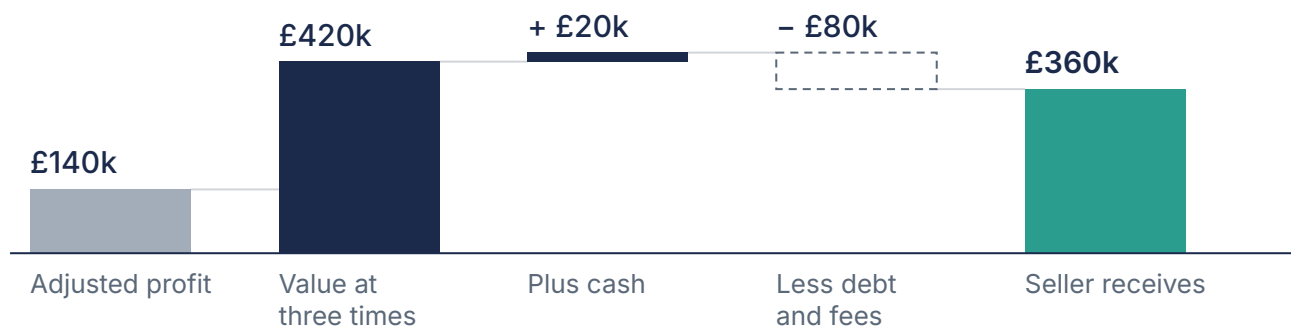
In January 2026 Nordic Climate Group announced the acquisition of Allcool NW, a refrigeration, air-conditioning and service company near Blackpool, founded as a family-run business in 1977, with 40 employees. Its release says the managing director will continue to lead the business, which keeps its name and site [19].

On 26 June 2025 KSX Holdings became the person with significant control of Elite Pacific, a Wakefield company whose website calls it air conditioning and refrigeration specialists. The person who controls KSX Holdings, incorporated that April, already had significant control of Elite Pacific [20].

Johnson Controls announced in August 2024 that it had acquired Password Services. Its release says the deal enhances its UK HVAC capabilities and brings specialist knowledge of the hospitality sector [21]. integratedAIR Systems, a project engineering company, records that in 2025 it became an Employee Ownership Trust, "securing the long-term future of the business and its people" [22].

From adjusted profit to what the seller receives

Illustrative



£420,000 plus £20,000 cash, less £60,000 debt and £20,000 fees, is £360,000 before tax.

For Brackenfold, assume a buyer pays three times the £140,000 adjusted profit: a value of £420,000, which is not the £420,000 of maintenance income. Three times is the example's assumption, not a market figure.

If funding is the question, ask Simon about an introduction to Reads Commercial Finance. Lenders make their own decisions.

Buyer's red-flag scorecard

For an HVAC business you are thinking of buying. Keep it beside you when you meet the seller.

Give each line a letter. **R** means the evidence is missing or the work could not carry on. **A** means there is a named issue to settle. **G** means you have seen the evidence and are content with it for this deal.

Business being reviewed

R Red **A** Amber **G** Green

Check

R, A or G

Legal entity, certificates and engineer tickets

R A G

Maintenance terms, consent and margin

R A G

Owner replacement cost and role cover

R A G

Debtors, retentions and working capital

R A G

Engineer competence and employment continuity

R A G

Past installs, warranties and open complaints

R A G

Plant, refrigerant and service obligations

R A G

New-build approvals, dates and heating design

R A G

Unresolved evidence, responsible person and date

One red matters more than several greens. For each red and amber, write down what you need, who will get it and by when. Go through it again before you sign.

Type your answers in and save a copy, or print the page and fill it in by hand. Nothing you enter is sent to us.

Sources and validity

1. Reads analysis of Companies House data, October 2026. [Company snapshot](#), 1 October 2026; [persons with significant control snapshot](#), 9 October 2026.
2. Environment Agency and Defra: [Company certification to work with F gas](#); [Qualifications to work with F gas](#). Great Britain.
3. Gas Safe Register: [Registration Policy](#), February 2026, section 26.1 and Annex 1.
4. Environment Agency and Defra: [Checking F gas equipment for leaks](#); [Record F gas in equipment you own or service](#); [Fluorinated gases](#), for the values behind the kilogram figures. Great Britain.
5. Gas Safety (Installation and Use) Regulations 1998, regulation 36, read with regulation 36A. Rented homes. Great Britain.
6. Office for National Statistics: [Annual Survey of Hours and Earnings 2025](#), Table 14.7a. Air-conditioning and refrigeration installers and repairers (code 5225); production managers and directors in construction (code 1122). Full-time employees, UK, 2025, provisional. The engineer figure rests on a small sample.
7. HMRC: [Rates and thresholds for employers 2026 to 2027](#); GOV.UK: [Workplace pensions](#). £56,021 plus 15% on earnings over £5,000 (£7,653) plus 3% of earnings between £6,240 and £50,270 (£1,321) is £64,995.
8. GOV.UK: [Late commercial payments](#).
9. Department for Business, Energy and Industrial Strategy: [Retention payments in the construction industry](#), October 2017.
10. Department for Business and Trade: [Late payment consultation](#), government response; [Commercial Payments Bill overview](#); UK Parliament: [Commercial Payments Bill \[HL\]](#). Proposed, with no start date set.
11. Gas Safe Register: [Becoming registered](#); Registration Policy, as source 3.
12. [Employment Rights Act 2025](#), section 25; [SI 2026/559](#). Great Britain.
13. GOV.UK: [Business transfers, takeovers and TUPE](#).
14. [Limitation Act 1980](#), sections 5 and 8. England and Wales.
15. MCS: [The MCS Contractor Standard](#), Part 1, Issue 4.2, clause 4.4.2, which applies to domestic customers.
16. Regulation (EU) No 517/2014 as it applies in Great Britain, [Annex V](#); Defra: [Amending the hydrofluorocarbon phasedown schedule](#), updated 15 May 2026.
17. Ministry of Housing, Communities and Local Government: [Building circular 01/2026](#). England. Higher-risk buildings follow a separate timetable.
18. Department for Energy Security and Net Zero: [Heat pump deployment statistics](#), June 2026. 20,895 certified retrofit installations in domestic properties, UK, against 26,768 a year earlier. New-build is not counted.
19. Nordic Climate Group: [announcement](#), 15 January 2026.
20. Companies House: [Elite Pacific Limited](#), persons with significant control, change dated 26 June 2025; [KSX Holdings Limited](#), incorporated 1 April 2025; Elite Pacific: [company website](#), for its trade.
21. Johnson Controls: [announcement](#), 8 August 2024.
22. integratedAIR Systems: [company history](#).

Checked 12 October 2026. We review every guide after the Autumn Budget on 28 October 2026. Tax, legal and technical treatment depends on the deal in front of you, so take advice on yours from your own solicitor or accountant.

The opening figure. 49,775 active companies list SIC 43220, which covers plumbing as well as heating and air conditioning and leaves out firms filed under other codes. An owner here is an individual person with significant control. 47,648 companies have at least one. Every such person is 55 or over in 9,459 to 9,534 of them, 60 or over in 5,135 to 5,194, and 65 or over in 2,118 to 2,146. Of the 60 or over group, 3,999 to 4,042 have a single such person. The range is there because the register gives month and year of birth only.

The example. Brackenfold Climate Services is invented. It is not a Reads client or a real sale. Its figures, the views given for its seller and the multiple of three are there to show the arithmetic and are not market evidence. The public sources show who took control and, where the source says so, why. None is evidence of a price.

Bring the question you cannot answer



You do not need a full plan for a first conversation. Bring the scorecard and tell Simon about the business you have in mind.

A first conversation is free, and there is no obligation to go further.

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