



# EV Infrastructure and Charging:

## Increasing Opportunities for Operators and Installers

A special report from Glenigan

June 2022

 **Glenigan**

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## About the author



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Allan heads up Glenigan's Economics Unit and has over 30 years' experience in providing insightful market analysis and forecasts on UK construction and the built environment. Following 20 successful years as Economics Director at the Construction Products Association, Allan joined Glenigan 13 years ago. During this time Allan and his team have helped hundreds of businesses confidently develop their market strategies.

Allan sits on the Consulting Committee on Construction Industry Statistics for the Dept for Business (BEIS), is member of a Construction Leadership Council working group and is a guest lecturer in construction at the University of Reading.



## EXECUTIVE SUMMARY

A transport revolution is underway. The UK is to become a net zero carbon economy by 2050. This will require the elimination of internal combustion engine (ICE) vehicles from the nation's roads. Whilst active travel, such as walking and cycling, can account for a greater share of shorter journeys, electric cars and vans will provide the necessary mobility for longer journeys and deliveries.

These changes will require substantial and sustained investment in the supporting infrastructure, including the creation of an extensive network of public and private electric vehicle charging points (EVCPs). By the end of the decade EVCPs will become a ubiquitous feature of our urban landscapes, with charging points sited at homes, on-streets, at workplaces, and in public car parks as well as at more traditional-looking EV service stations.

***Significant opportunities ahead for EVCP infrastructure and charging companies***

## SHARP INCREASE IN DEMAND FOR EVs

Sales of electric vehicles (EVs) have grown sharply over the last two years. Last year sales of new electric cars totalled 190,000 and accounted for 12% of all car registrations, helping to double the number of EVs on UK roads over the last year to over 400,000.

Further rapid growth is anticipated this year. EVs accounted for 15% of new registrations during the first quarter and the Society of Motor Manufacturers and Traders (SMMT) is forecasting EV registrations to top 300,000 during 2022. (chart 1)

This rapid growth in new electric car and van sales is set to accelerate over the next 15 years. The Government is banning the sale of new petrol and diesel cars from 2030 and new hybrid vehicles from 2035. By the end of this decade, over 10 million EVs may have been sold and on the UK's roads, necessitating a similar number of at home and on-street EVCPs, as well as a comprehensive network of public rapid charge points.

# 480,000

*public EVCPs needed by 2030*

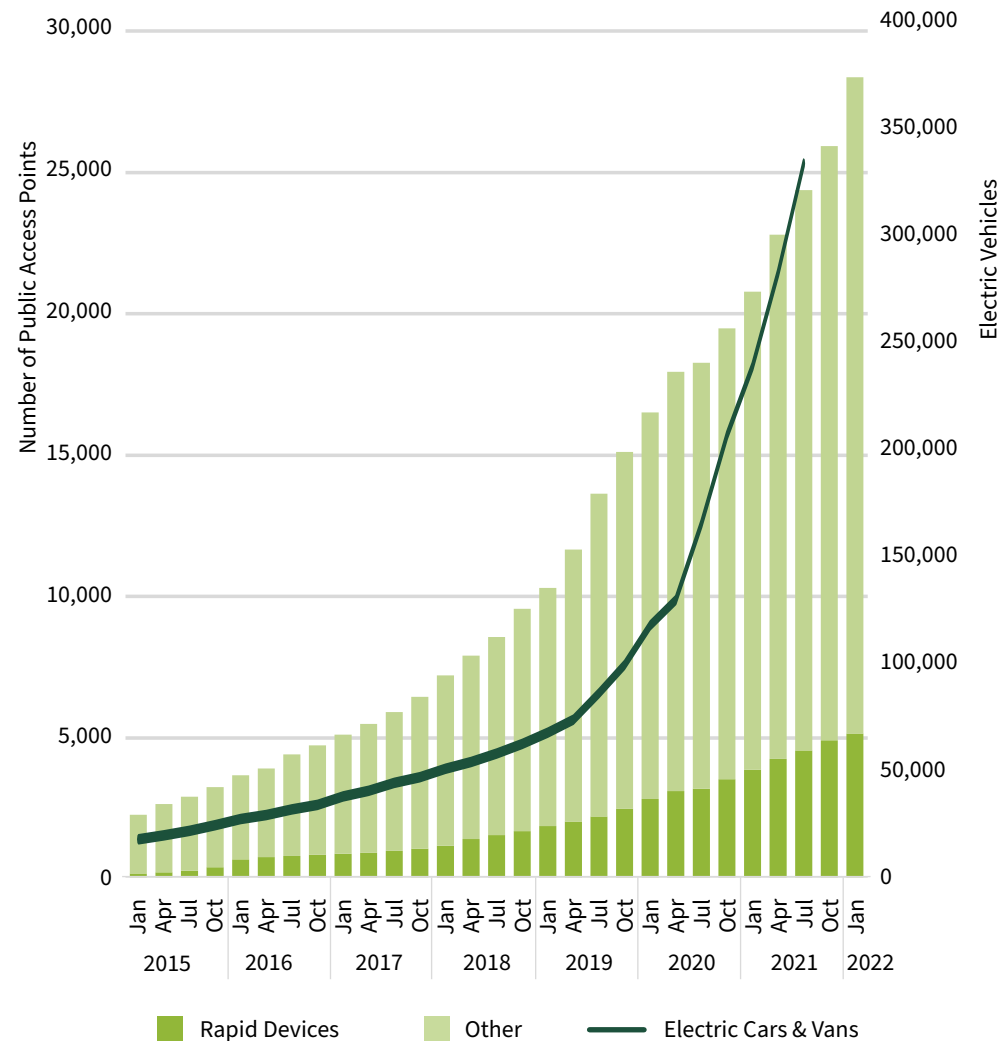
## CONSIDERABLE INVESTMENT AHEAD

As EV owners will typically charge their vehicles at home, public rapid charge points will generally not be required to recharge vehicles for short, local journeys. However, 'range anxiety' continues to be a major barrier to potential purchases of EVs. The rapid transition to EVs will only occur if drivers are confident that they will have ready access to public charge points when undertaking longer journeys.

The roll out of public EVCPs has lagged behind the recent acceleration in EV sales, with the number of EVCPs rising by just 27% during the last year. A steep change in investment will therefore be required to deliver the required number of EVCPs to support the switch.

The House of Commons Climate Change Committee has called for around 150,000 public charge points to be operating across all parts of the UK by 2025, while forecasts suggest that at least 280-480,000 public charge points will be needed by 2030 – more than ten times the current number (around 25,000).

CHART 1: ELECTRIC VEHICLES & CHARGE POINTS



Sources: DVLA/DfT, Zap-map

## DEVELOPING MARKETS

Whilst EVCP installations at domestic properties don't generally require planning approval, more complex and larger installations at non-residential sites and at listed properties, may require a planning application. Analysis of Glenigan's construction planning data has identified 5,000-plus planning applications for EVCP installations, which highlights the current spread of EVCP sites, and where future opportunities exist.

## EV SERVICE STATIONS

Although applications dipped in 2021 following an exceptional 2020, rapid growth in this segment of the market is anticipated over the next ten years. The Competition & Mergers Authority is proposing reforms to accelerate investment by terminating long-term exclusivity contracts between Electric Highway and the motorway service operators to increase competition and increase investment. This should increase the opportunities for a wider range of EVCP providers and installers.

In addition, the Government is providing £950 million through its Rapid Charging Fund to support the roll-out of charge points at motorway service areas and at key A road locations.



CHART 2: EVCP PLANNING APPLICATIONS BY SECTOR

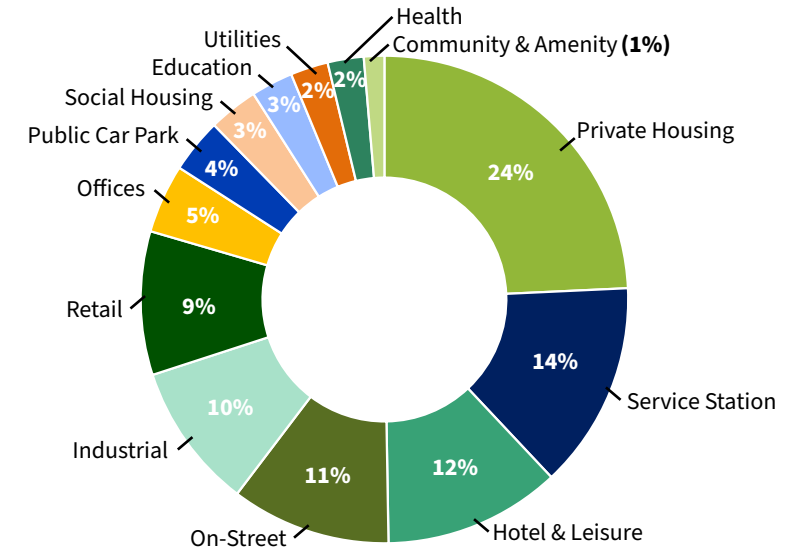
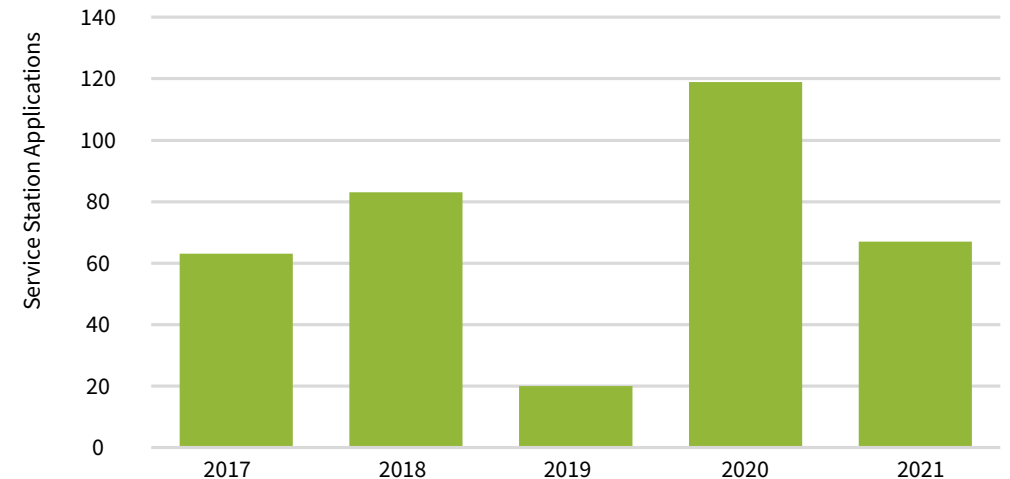


CHART 3: NUMBER OF EVCP APPLICATIONS AT SERVICE STATIONS



## NON-RESIDENTIAL CHARGING

EVCPs are being installed at workplaces and other destinations such as retail parks, hotels, and restaurants, including fast food franchises.

Workplace EVCP installations are typically lower powered connections, enabling employees to charge their vehicles during working hours and for the overnight charging of fleet vehicles. Support is currently available under the government's Workplace Charging Scheme (WCS), which has provided funding for over 4,000 businesses to date.

Destination charging at retail and hospitality venues is a quickly growing segment of the market, with faster, higher wattage charges being installed, reflecting visitors' shorter dwell time. Several retailers are providing free to use units to attract footfall and extend the stay of EV drivers at their stores. However, charge points are also likely to become an additional revenue stream for site owners. Glenigan has identified numerous planning applications for charge points at McDonalds, KFC, and Costa, as chains and franchises compete for EV drivers' custom.

# 2.8 million

## EVCPs needed on new housing developments

### CHANGE IN BUILDING REGULATIONS TO BOOST OPPORTUNITIES FOR INSTALLERS

New build non-residential projects are also set to become an important market for EVCPs. From June 2022 new building regulations will require any new non-residential building with 10 or more parking spaces to have access to one electric vehicle charge point, and for cable routes to be installed to at least a fifth of the remaining parking spaces to enable additional points to be added as EV ownership grows.

To accelerate provision of home charging facilities the Government is also changing Building Regulations (Part S) to mandate that all new housing developments started in England from June 2022 will require installation of an EVCP on each parking space. The number of new homes started in England have averaged 190,000 units per annum over the last five years, the vast majority of which include parking provision for one or more vehicle, suggesting the installation of some 2.8 million charge points on new housing developments by the end of the decade.

Similar regulatory requirements are also likely to be introduced in other parts of the UK. Analysis of Glenigan planning data suggests that work will start on over 2,350 new build residential projects involving the creation of around 230,000 new homes across the UK per annum in both 2022 and 2023.

CHART 4: NON-RESIDENTIAL NEW BUILDS STARTED IN 2021

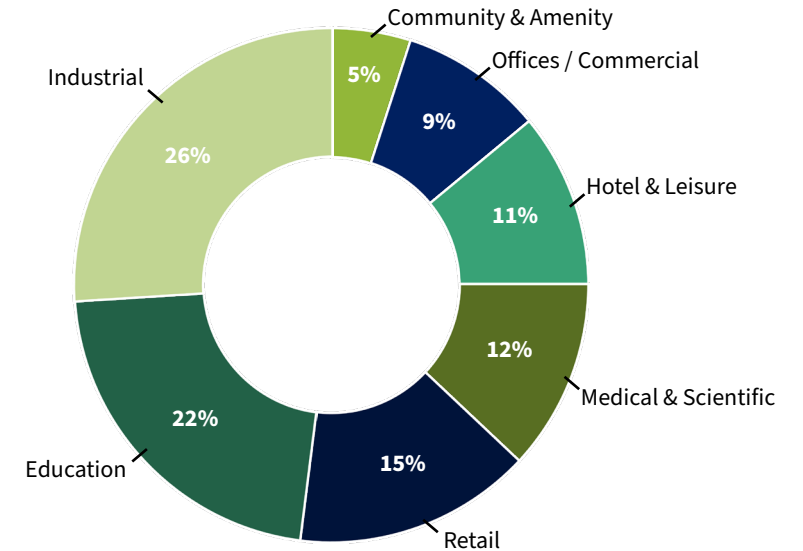
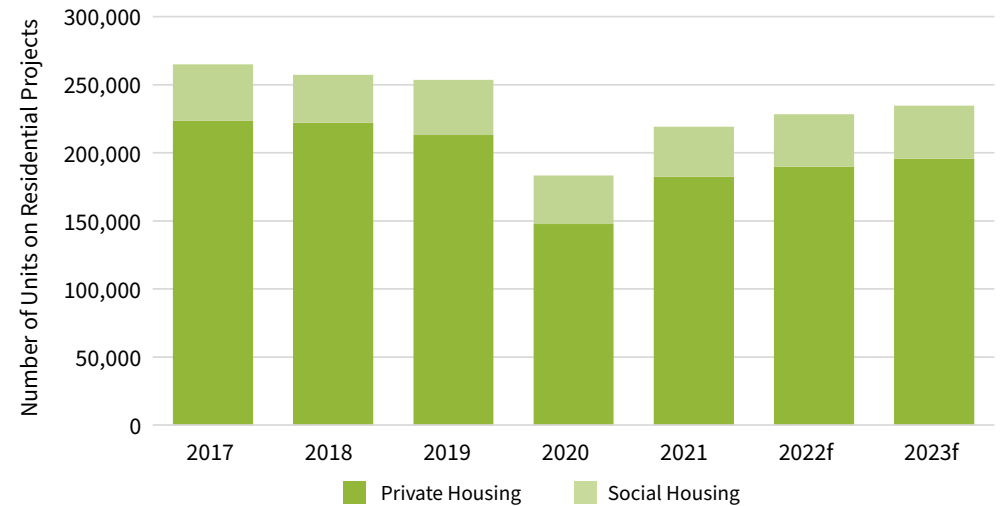


CHART 5: NEW BUILD RESIDENTIAL PROJECT-STARTS



## ON-STREET CHARGING

A rapid roll out of on-street charging facilities will also be required to enable the 25% of households that do not have access to off-street parking to make the switch to EVs. So far there are only 5,700 on-street charge points, and of these only 1,000 are outside of London.

# 25%

*of UK households will need access to on-street EVCPs*

Local authorities (LAs) will need to take the lead on the roll-out of on-street provision. The Competition & Mergers Authority (CMA) has recommended that LAs take a more active role in planning and managing the roll-out of on-street charging to maximise competition and protect residents by putting in place clear local plans. To drive this forward the CMA has also recommended that central and devolved governments provide councils with the funding for dedicated expertise and to introduce a statutory duty on local authorities to deliver sufficient on-street capacity.



## SIGNIFICANT OPPORTUNITIES AHEAD

The development of EV charging infrastructure and the adoption of EVs is only going one way: up!

Opportunities are vast and varied, due to the diverse ways EV drivers will be able to access charging. As the market becomes less fragmented and the big players carve out their territories; immediate, robust, and dependable market insight will be crucial to identify new and profitable opportunities.

Glenigan is uniquely placed to offer the insight businesses need to guide their long-term EV strategy and empower short term tactical decision making.

Take a free demo of Glenigan today and see how we can help guide your EV market strategy, gain competitive advantage, and make the most of the growing EV opportunity.

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## TAKE A FREE DEMO OF GLENIGAN TO:

- See the size of the opportunity in your regions and across the whole of the UK
- Identify and contact the key decision makers working on opportunities you want to be involved in
- Spot gaps in the market
- Identify potential strategic partners
- Understand your competitor's expansion and market penetration plans
- Spot new entrants into the market

## PLUS, SEE EVERY EV OPPORTUNITY ON NEW:

- Road developments – including extensions and dualling
- Housing developments – including number of units
- Commercial developments – including number of car parking spaces
- Warehousing and distribution centre developments – including number of car parking spaces

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