

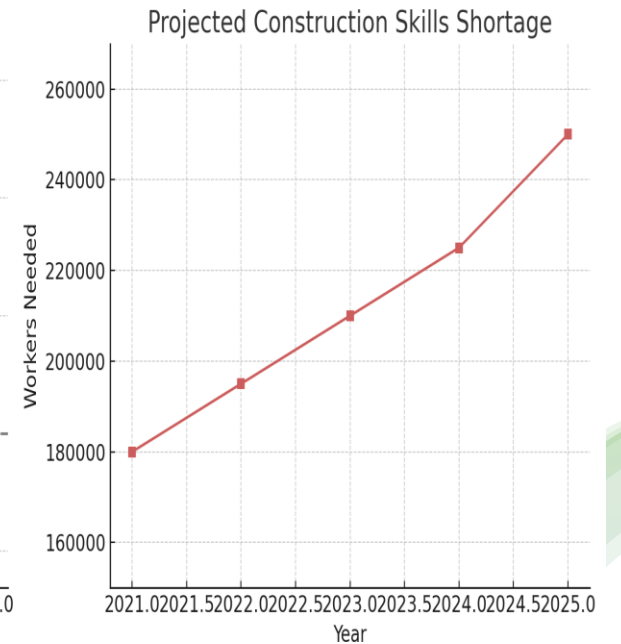
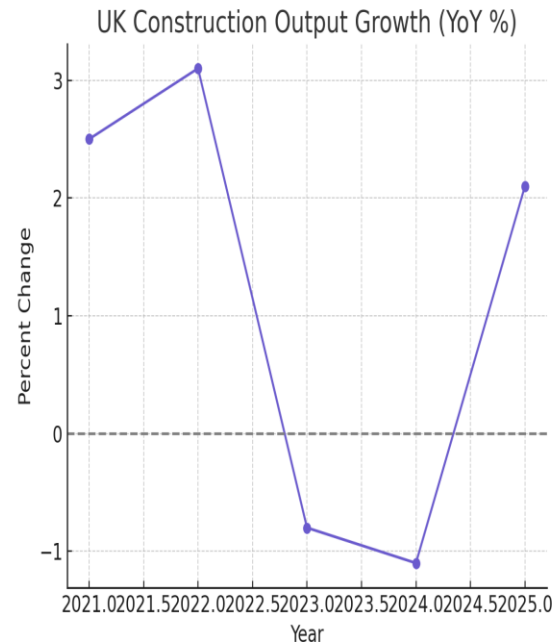
Market Overview- Construction Industry

In 2025, the UK construction sector navigates a complex landscape marked by cautious optimism. While the industry faces challenges such as labour shortages and rising costs, government initiatives and a focus on sustainability signal potential for growth. The sector's resilience is evident as it adapts to evolving demands and strives for innovation.



Economic Contributions & Employment

The construction industry remains a vital component of the UK economy, contributing approximately 6% to the nation's GDP. In 2025, the sector is projected to experience a 2.1% growth in output, following a 1.1% decline in 2024. This rebound is supported by government investments in infrastructure and housing. However, the industry grapples with a significant skills shortage, necessitating the recruitment of over 250,000 additional workers by 2028 to meet demand.



Current Trends & Challenges

Labour Shortages:

The sector faces a deficit of skilled workers, with an estimated need for 225,000 new construction professionals by 2027.

Rising Costs:

Building costs are anticipated to increase by 12% by 2030, driven by higher labour and material expenses.

Sustainability Initiatives:

Smaller housebuilders are leading the charge in eco-friendly construction, focusing on net-zero energy homes and sustainable materials.

Government Reforms:

The establishment of the National Infrastructure and Service Transformation Authority (NISTA) aims to streamline infrastructure delivery and enhance project outcomes.

Source: [UK Faces Construction Worker Shortage](#)

