LABOUR MARKET INTELLIGENCE REPORT 2026-2030

The Construction Workforce Outlook

UNITED KINGDOM

Contents

Foreword

The construction industry is faced with balancing short-term business uncertainty while ensuring there are enough skilled workers to meet the expected demand for longer-term opportunities.

The 2026–2030 Workforce Outlook shows the future opportunities, with UK annual average output growth of 1.8% over the next five years, driven largely by infrastructure and new housing activity.

In March 2026, the National Infrastructure and Service Transformation Authority (NISTA) published its updated Infrastructure Pipeline, a ten-year forward look at major UK capital investment across energy, transport, water and wastewater. This planned programme provides companies with confidence that significant work opportunities lie ahead. While the long-term pipeline for new housing is less defined, the need and aspiration is clear, and output is expected to pick up in response to demand driven by the reforms being made to planning processes.

This level of growth means UK construction will need to increase current recruitment by an average of 41,200 extra workers per year at a time when businesses remain cautious about taking on new staff due to lower levels of work, rising costs and wider economic uncertainty. Most construction companies employ fewer than five people and operate with order books that look forward no more than three to six months, reinforcing their short-term focus. This creates a circular challenge: the industry needs a long-term view for skills investment, but businesses make decisions based on immediate workloads. To have real impact, training must align with a clear and committed pipeline of work so people can move from learning into sustained employment.

As set out in the recently published Industry Picture, too few people are entering the sector, too many experienced workers are leaving, and productivity improvements have not been sufficient to close the gap. This will increasingly put a strain on the industry's capacity to deliver on housing, infrastructure and retrofit commitments.

To ensure the industry can meet rising demand, businesses, governments and training providers must align skills investment with the forward pipeline of work emerging across infrastructure and housing. This Outlook allows stakeholders to plan recruitment and training against the forecast need for an additional 41,200 workers per year and prioritise pathways that move learners efficiently and confidently into sustained employment. With too few people entering construction and too many leaving, industry leaders must accelerate initiatives that improve retention, develop productivity-boosting skills and support younger people entering construction careers.

Recent initiatives, such as the government's £600m investment to support construction training and alongside additional funding such as the Youth Guarantee and Jobs Guarantee to help younger people into work, demonstrate a willingness to support the industry. This Outlook highlights where demand is expected to grow, offering the evidence needed to guide workforce and skills planning in a period of significant opportunity and challenge. Together, we can ensure the construction industry is equipped to deliver for the UK's future.

Tim Balcon
Chief Executive Officer

Key facts and figures - UK

In 2025, construction output reached

£230bn

The largest sector was **housing repair and maintenance (21%)**

2026 to 2030 average annual output growth:

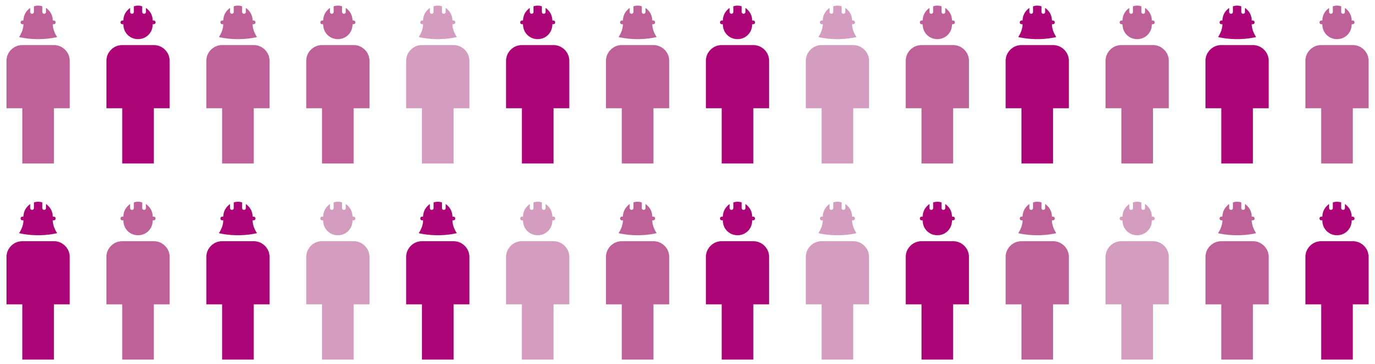
1.8%

2030 workforce:

2.68 million

Extra workers needed per year:

41,200



Economic overview

The UK economy grew by 1.4% in 2025, an increase from 1.1% growth recorded in 2024. GDP growth was stronger in the first half of the year, with a slowdown in GDP gains in the last six months.

Similarly, employment growth was underwhelming last year and total workforce jobs fell by 10,700. The outlook for 2026 and beyond remains uncertain due to the ongoing conflict in the Middle East and elevated cost pressures, alongside the impact of previously announced tax rises.

The construction industry also grew in 2025 but at a slower pace than the whole economy, with construction output increasing by 0.8%. Growth was notably stronger in repair and maintenance activity (1.6%) than in new work (0.3%). Strong growth in the industrial (13.9%) and public non-housing (12.6%) sectors led the gains but a decline in commercial construction of 10.6% weighed on overall output. Repair and maintenance comprised 41% of total output last year, while new housing made up another 22%. Infrastructure output grew by just 0.3% last year but accounts for 15% of overall construction output.

Across the UK there were an estimated 193,675 construction businesses with employees in 2025, 13.7% of all employers. Construction is dominated by very small employers, with 90% of such firms classed as micro-businesses (employing fewer than 10 employees). Another 9.1% were small firms (with 10 to 50 employees), and just 1.2% classed as medium or large businesses (over 50 employees). Compared to 2024 the number of construction employers was broadly stable, while company insolvencies fell by 2.6% in 2025 compared to 2024.

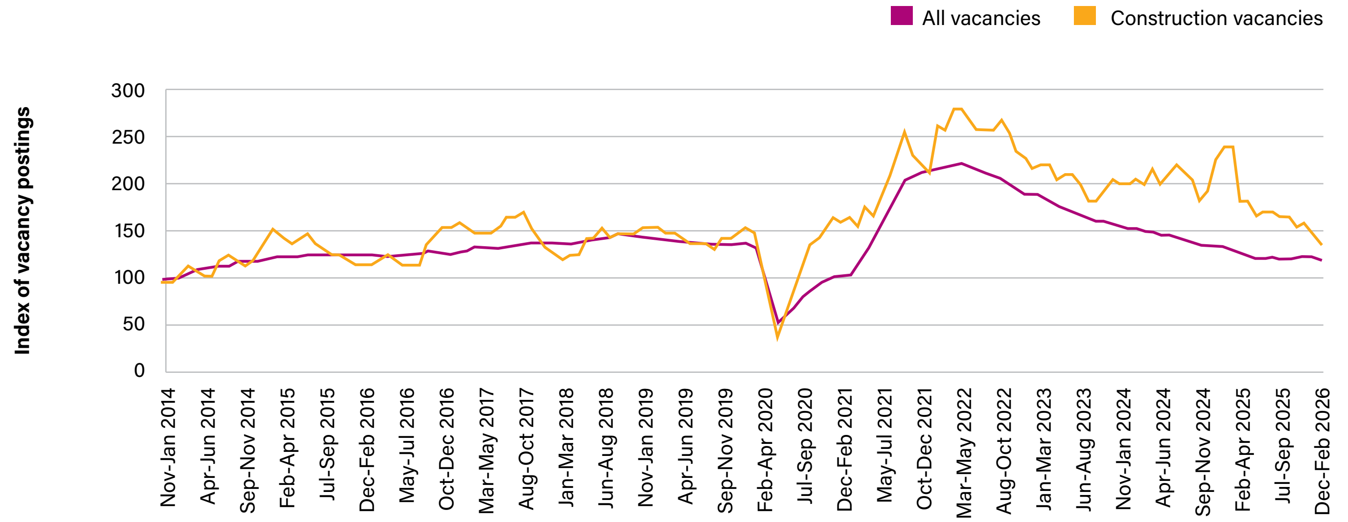
The construction labour market continues to be an issue, with companies finding it hard to recruit workers with the levels of skill and experience required to fill shortages. In 2025, employment in the construction workforce fell by 1.6%, a loss of 42,800 workers. Job vacancy figures have also dropped over the last year, with the ONS reporting 1.7 vacancies per 100 employee jobs, a fall from 2.8 in the same period 12 months before. However, vacancies in the construction remain marginally more elevated than the economy-wide average relative to the pre-pandemic level.

Wage rates in the construction industry increased by 3.7% in 2025, weaker growth than the all-industry average of 5.1%. However, median gross pay of £19.20 per hour remains higher than the economy-wide average of £18.

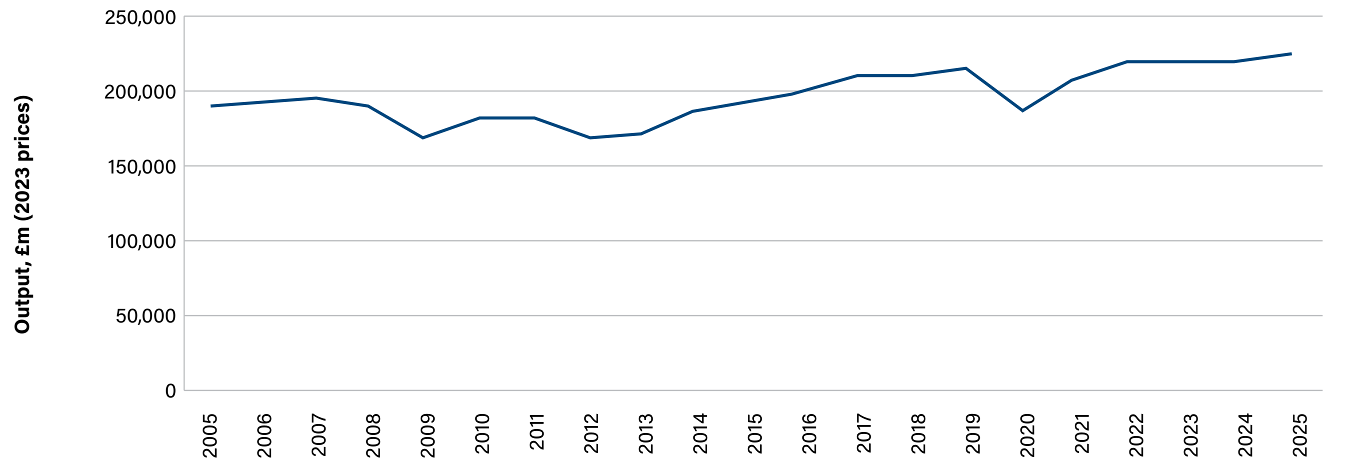
Across the UK there was a lot of variation in output growth. Overall construction output growth in England was 1.8% last year, lower than in Scotland (5.9%) and Northern Ireland (1.9%), while output decreased by 8.1% in Wales. The decline in the UK construction workforce was steepest in Scotland (-5.2%) while Wales (-4.5%) also saw a sharp drop.

Sentiment was weak at the start of 2026, with economic challenges weighing on business confidence. Construction activity fell in the last quarter of 2025 and growth in 2026 is expected to remain subdued amid cost pressures, uncertainty in global energy markets, and disrupted supply chains. GDP is expected to grow by just 0.4% this year with the conflict in the Middle East impacting on the economic outlook. Between 2026 and 2030 annual GDP growth is expected to average 1.3%, while employment growth will average 0.6% per year.

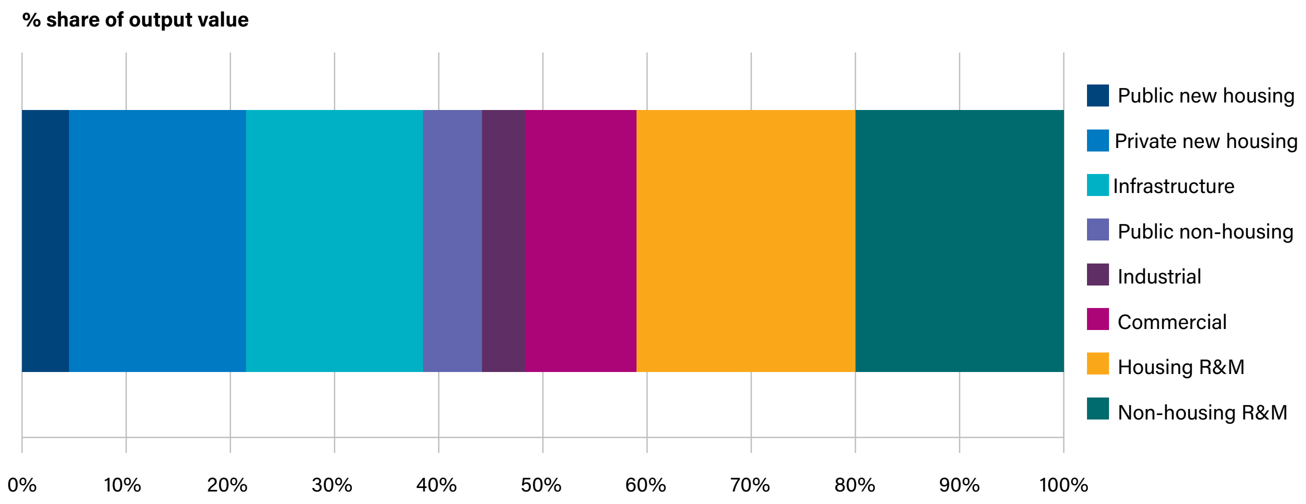
Job vacancy index (2014-2026)



UK Construction output (2005-25)



UK construction industry structure (2025)



Construction output

Construction output is forecast to fall by 0.2% in 2026, before returning to growth from 2027.

Between 2026 and 2030 output growth is expected to average 1.8% per year. We forecast increases across all sectors over the medium term, and gains will be led by public new housing (3.6%), infrastructure (2.5%), and private new housing (2.5%).

The national trend will be reflected across the UK home nations, though growth will be uneven. Northern Ireland is expected to see construction output increase by 1.9% per year on average, while England (1.8%) and Scotland (1.7%) will sit around the UK average. Wales is forecast to achieve the weakest pace of growth in the UK, with output rising by an average of 1.0% per year out to 2030.

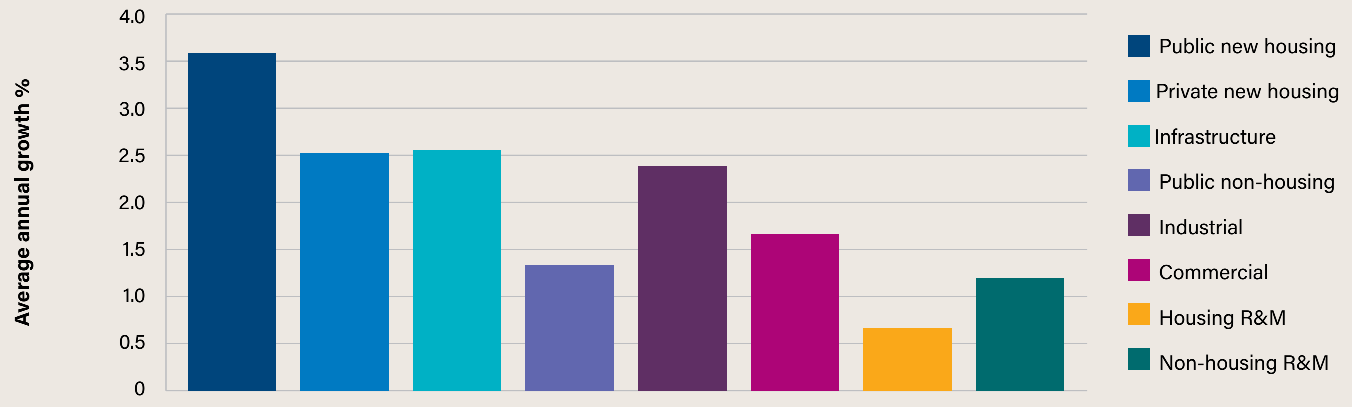
The near-term output forecast is weak due to a slow start to 2026, low economic confidence, global headwinds placing pressure on costs and lowering appetites for risk and investment. However, over the medium-term construction output is expected to pick up pace. Private new housing is forecast to fall slightly in 2026 before gaining momentum from 2027. Interest rates are expected to fall later this year, though the inflationary impact of higher oil and gas prices poses a risk to this expectation, alongside the potential for renewed supply chain disruption and wider cost-of-living pressures. At the same time, weak consumer confidence, elevated cost-of-living pressures and higher borrowing costs are likely to constrain household spending, reducing the likelihood of a strong consumer-led recovery. Furthermore, the impact from previous rate rises is still to fully work through the system as some borrowers remain on pre-2022 mortgage deals. Housing completions data indicates that the government's ambition to construct 1.5 million new homes before the end of this parliament will be a challenge. Proposed planning reforms are out for consultation but are yet to be implemented.

An updated release of the government's National Infrastructure Pipeline earlier this year provides greater clarity over planned infrastructure spending across the UK. Energy projects, including investment in offshore wind and new Small Modular Reactor nuclear power plants will be important to achieving net zero targets. Sizewell C nuclear power station in Suffolk is already providing a boost to regional infrastructure investment, and this is set to continue over the next few years. Wind farm projects include North Sea wind farms off the coast of East Anglia, the North East, and Scotland. Increased demand for electricity, from data centres, electric vehicles, and the energy transition, is driving upgrades to power grids, while large-scale investments to improve infrastructure in the water sector across the UK are also planned. Growth in infrastructure output is forecast to be led by Wales and the East of England due to the ongoing or planned investments in nuclear power. Infrastructure output is set to rise the most in Scotland, underpinned by ongoing rail electrification, utilities projects, and renewable energy schemes.

We forecast that the commercial sector will return to modest growth over the next five years, averaging 1.7% per year. The sector has recorded notable drops in activity since the Covid-19 pandemic as shifts in working patterns hit demand for office space. However, we believe that signs of demand for quality office space should lead to increased activity, while large projects such as 1 Undershaft in London are set to boost output. Industrial output is forecast to achieve stronger growth, averaging 2.4% per year, although uncertainty around energy costs posed by the conflict in the Middle East may disproportionately impact this sector.

Repair and maintenance (R&M) work is expected to grow more slowly than new work between 2026 and 2030. The rapid growth in housing R&M activity seen during and after the pandemic has lost momentum with growth slowing in recent quarters. Output is expected to fall in 2026 amid slowing income growth, high costs, and global uncertainty, with the risk of increasing inflationary pressure further deterring spending on R&M work.

UK average annual output growth (2026-30)



UK construction output, £m (2023 prices) (2025-30)

SECTOR	2025	2026	2027	2028	2029	2030
Public new housing	9,480	9,486	9,962	10,499	10,933	11,329
Private new housing	41,958	41,693	42,724	44,548	46,221	47,544
All new housing	**51,438**	**51,179**	**52,686**	**55,047**	**57,154**	**58,872**
Infrastructure	35,286	35,349	36,364	37,944	39,050	39,987
Public non-housing	14,740	15,307	15,430	15,530	15,610	15,738
Industrial	9,597	9,607	10,043	10,387	10,644	10,781
Commercial	24,697	24,879	25,273	25,811	26,333	26,876
All new work	**135,758**	**136,320**	**139,797**	**144,719**	**148,792**	**152,254**
Housing R&M	48,522	47,444	47,826	48,695	49,453	50,198
Non-housing R&M	45,679	45,778	46,086	46,794	47,593	48,481
All R&M	**94,201**	**93,222**	**93,912**	**95,489**	**97,047**	**98,679**
TOTAL WORK	**229,959**	**229,542**	**233,710**	**240,208**	**245,838**	**250,933**

Source: Construction Output 2026-30: Oxford Economics, ONS, NISRA.
Note: Page 7 of Explained (Tables and charts: data sources)

Construction workforce

The size of the construction workforce fell by 1.6% in 2025, but the industry still employed over 2.6 million people across the UK.

After identifying the scale and composition of growth in construction activity over the next five years, we forecast that the construction workforce required to deliver that work will need to increase by an annual average of 0.6% per year, rising to a total of 2.68 million people in 2030.

However, while the size of the construction workforce is expected to increase by 75,400 to reach 2.68 million by 2030, this is still lower than a recent high in 2023 (2.71 million) and the all-time peak of 2019 (2.83 million).

Workforce growth in recent years has been higher in professional and technical occupations, than for skilled trades and operatives. While this trend is likely to continue over coming years the difference in growth is not expected to be as stark. Around 45% of workforce growth over the next five years is forecast to be in skilled trades.

The construction-specific occupations expected to record the strongest annual average growth rates over the five years to 2030 are:

- Steel and metal workers (1.0% per year on average)
- Civil engineers (1.0%)
- Plant mechanics/fitters (0.9%)

Occupational demand reflects the composition of work, with steel and metal workers and civil engineers linked to infrastructure growth. Over the next five years around 1,000 additional steel worker jobs and 2,600 new civil engineering roles will be created across the UK. The growing need for plant mechanics and fitters (1,800 new roles) is attributable to more widespread growth across a range of construction sectors.

IN NUMBERS:

An extra

25,100

other professional and technical staff by 2030

Growth in steel and metal workers of

1.0%

per year over five years

Alongside civil engineers, architects and surveyors are both forecast to rise by 0.8% per year with a range of roles covered by the other professional and technical occupation group slightly behind at 0.7% annual average growth between 2026 and 2030. Construction project managers (0.8% growth per year) are forecast to be the fastest growing managerial occupation through to 2030.

In numbers the largest employment increase is forecast to be among other professionals and technical staff, adding an extra 9,000 jobs by 2030, followed by non-construction professional and technical office-based staff, increasing by 8,200. Other construction and building trades, with an extra 4,500 jobs, is forecast to achieve the largest jobs gain among skilled trade occupations. Large increases are also forecasted for labourers (3,900) and carpenters and joiners (3,000).

England is expected to record the fastest growth in construction employment over the next five years at 0.6%. This represents an additional 69,600 workers by 2030. Northern Ireland is predicted to follow, with average annual growth of 0.5%, adding 1,800 jobs to its construction workforce. Scotland and Wales are forecast to see slower growth, at 0.3% and 0.2%, respectively.

Average workforce growth of 0.6% per year to 2030.

The construction workforce is forecast to reach 2.68 million by 2030.

OCCUPATIONAL GROUP	2025	2030	ANNUAL EXTRA WORKERS	EXTRA AS % OF 2025 WORKFORCE
MANAGER AND SUPERVISOR				
Directors, executives and senior managers	288,120	295,960	5,060	1.8
Construction project managers	59,760	62,040	1,180	2.0
Construction trades supervisors	46,920	48,580	900	1.9
SKILLED TRADES AND SITE BASED				
Electrical installation trades	140,360	143,200	1,690	1.2
Carpenters and joiners	162,750	165,760	1,900	1.2
Plumbing and HVAC trades	136,150	138,570	1,570	1.2
Labourers	128,990	132,890	1,810	1.4
Painters and decorators	70,090	71,100	760	1.1
Bricklayers and masons	65,880	68,630	1,080	1.6
Plasterers	47,020	48,090	590	1.3
Logistics	36,710	38,210	600	1.6
Plant operatives	40,930	42,640	670	1.6
Roofers	40,190	41,330	550	1.4
Plant mechanics/fitters	37,020	38,800	660	1.8
Floorers and wall tilers	34,790	35,540	430	1.2
Groundworkers	28,750	29,670	420	1.5
Scaffolders	23,770	24,790	400	1.7
Road and rail construction operatives	24,930	25,730	360	1.4
Glaziers and window trades	22,510	22,970	270	1.2
Steel erectors and metal workers	20,310	21,360	370	1.8
Other construction and building trades	179,420	183,890	2,330	1.3
Non-construction trades and operatives	37,050	38,370	560	1.5
PROFESSIONAL AND TECHNICAL				
Surveyors	68,100	70,710	1,350	2.0
Civil engineers	53,120	55,750	1,180	2.2
Architects	37,740	39,200	750	2.0
Other professional and technical staff working in construction	264,040	273,010	5,020	1.9
OFFICE BASED				
Non-construction professional and technical office-based staff	290,010	298,250	5,020	1.7
Other non-construction office-based staff	220,940	226,760	3,730	1.7
TOTAL	**2,606,380**	**2,681,800**	**41,200**	**1.6**

Extra workers

The forecast model compares how much the construction workforce is expected to grow with how many people are entering and leaving the industry.

These flows are illustrated in the diagram and highlight that, in a typical year, there is a degree of churn in the workforce, as existing workers leave for various reasons and new entrants join.

When calculating the number of extra workers needed to meet expected demand, the process takes account of the inflow and outflow of workers between different industries, unemployment, and inactivity. The figure for the number of extra workers is therefore based on:

- The relative balance of these flows, with more people leaving rather than joining
- Replacement of workers who will be retiring
- Estimate of workers needed for additional growth.

The number of extra workers needed for the 2026–2030 period is estimated at an average of 41,200 per year, the equivalent of 1.6% of the 2025 workforce. The construction industry therefore needs to recruit the equivalent of over 206,000 extra workers over the next five years.

In absolute terms, the highest values for construction-specific occupations are for:

- Directors, executives and senior managers (5,100)
- Non-construction professionals and technical (5,000)
- Other professionals and technical staff (5,000)
- Other non-construction office-based (3,700).

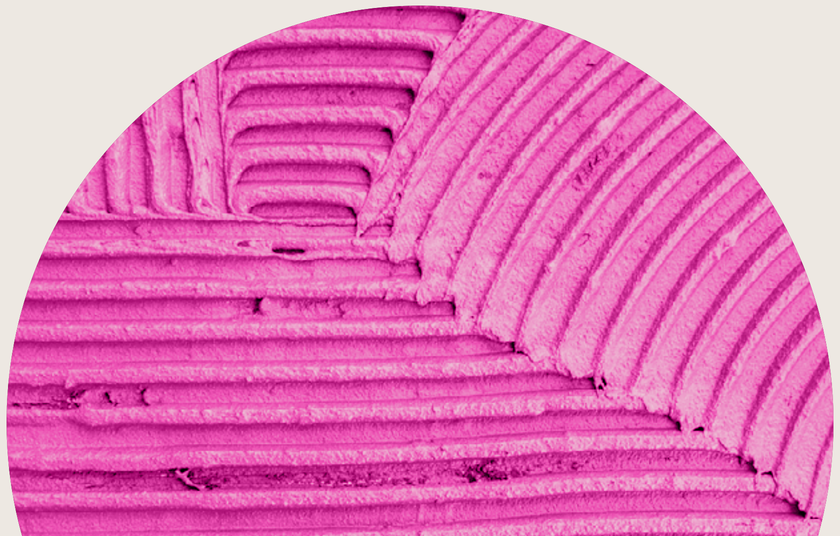
These level values tend to be a function of the relative size of each occupational group. When viewed as a proportion of 2025 employment, the occupations that show relatively stronger demand are:

- Civil engineers (2.2%)
- Architects (2.0%)
- Surveyors (2.0%)
- Construction project managers (2.0%)
- Construction trades supervisors (1.9%).

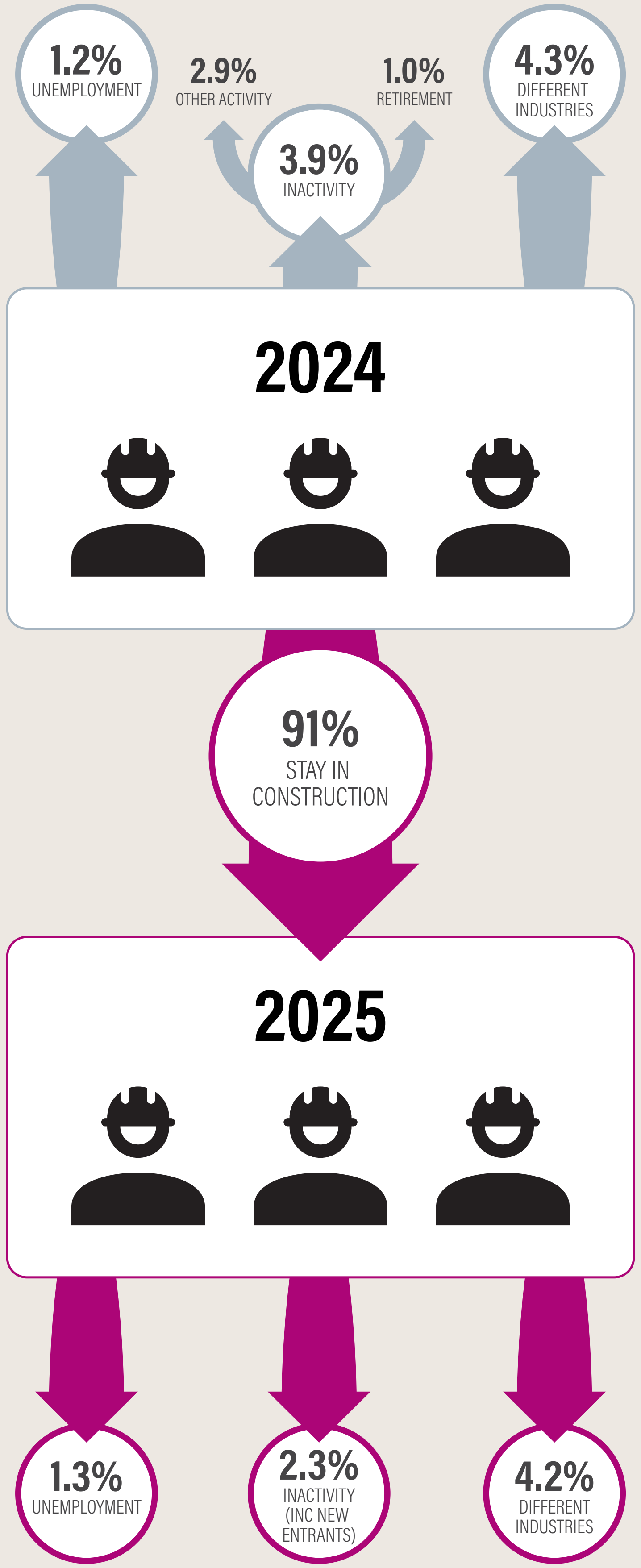
Ultimately, recruitment must cover the full range of construction roles, from site to office-based locations, and from trades to professionals.

Ensuring construction can attract, train, and retain its people will be challenging. However, it is the path that leads towards a more capable workforce that is better equipped for the scale of demand shown in the report.

41,200 extra workers needed per year.



Workforce Flows



Source: ONS LFS longitudinal, 2025.
Note: results might not sum to 100% due to rounding.

The Construction Workforce Outlook

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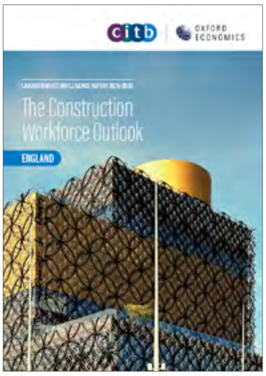

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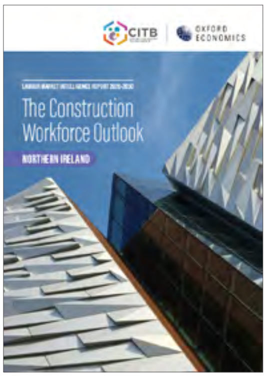

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