



ECONOMICS



UK Construction Monitor

Q1 2025



Construction workloads largely stable at present but expectations point to a somewhat stronger trend ahead

- Infrastructure continues to see stronger growth than other sectors
- Twelve-month expectations remain positive but have been scaled back slightly in some cases
- Financial constraints still a significant challenge for the industry
- Profit margin expectations sour further amidst turbulent economic backdrop

The feedback to the Q1 2025 iteration of the UK Construction Monitor broadly mirrors the sentiment seen in the preceding quarter, with headline trends still relatively flat for now. Looking ahead, expectations remain positive across a twelve-month time horizon, albeit only modest growth is anticipated away from the infrastructure sector.

Headline workloads indicator remains in neutral territory

The headline net balance for workloads, which captures total activity for the whole of the construction industry, returned a net balance reading of -1 in Q1 2025, unchanged from last quarter (Chart 1). As such, this reading is consistent with a more or less flat picture in aggregate. Similar to previous quarters, there remains a divergence in activity when it comes to new projects compared with repair & maintenance works, as the former recorded a net balance of -1% (vs -4% last quarter) and the latter moving to +11% from +13% in Q4 2024.

When breaking down the data for workloads by sector, most categories have shown only marginal changes since Q4, with all but one remaining in neutral territory (Chart 2). Both the public and private housing series posted marginally less negative net balance readings relative to last quarter, with public housing moving to -1% from -7% and private moving from -5% to -2%. Infrastructure continues to be the standout performer, reporting a workloads net balance of +13% (compared to +12% in Q4), maintaining a steady upward trend that has persisted since Q3 2020. Looking at different types of infrastructure works, energy remains the fastest-growing sub-sector, returning a solid net balance of +35% in Q1, unchanged from the previous quarter (Chart 7). In contrast, rail remains the weakest performer, with its workloads net balance unchanged at zero, continuing the stagnation exhibited recently.

Financial constraints remain persistent

The credit conditions indicator, tracking changes in the lending climate as it relates to the construction industry, continues to reflect a challenging financial environment. Indeed, the net balance looking at the trend over the past three months remained clearly negative at -21%, suggesting credit conditions tightened over the quarter. Meanwhile, expectations

for the next three months have worsened, with the reading dropping deeper into negative territory at -23% (compared to -17% last quarter). Looking further ahead, sentiment towards the twelve-month outlook for credit conditions also remains pessimistic, as indicated by a net balance of -16% (down from -11% in Q4 2024).

In keeping with this, financial constraints remain the most commonly cited barrier to activity, with 63% of respondents indicating that these challenges have negatively impacted their operations. Additionally, planning and regulatory issues continue to pose significant obstacles, with 60% of participants reporting related difficulties. Meanwhile, although the proportion of respondents citing labour supply challenges has steadily decreased since spring 2021 (currently at 40%), shortages of workers still a significant issue across the industry.

Forward looking sentiment remains positive albeit a little more modest than before

Looking forward to the next twelve months, headline workload expectations remain positive albeit slightly cooled from last quarter, returning a net balance of +17% compared to +20% in Q4 2024. Disaggregating this figure by sector shows that infrastructure is projected to continue to drive the bulk of the overall growth in activity, posting a net balance of +32%. Alongside this, both private residential and private non-residential activity is expected to pick up over the coming year, albeit the respective Q1 net balances of +15% and +11% have been scaled back slightly compared to the Q4 results.

Moving over to profit margin expectations, the latest reading marks a further deterioration, with the net balance moving deeper into negative territory at -12% (from -7% last quarter). Whilst this is markedly less downcast compared to the considerably negative readings observed throughout 2023, it still represents the third consecutive fall in this metric and suggests that profitability is being further hindered given the economic and geopolitical conditions currently faced. On a more positive note, employment expectations over the next twelve months point to some improvement, returning a net balance of +15%.

Key indicators

Chart 1

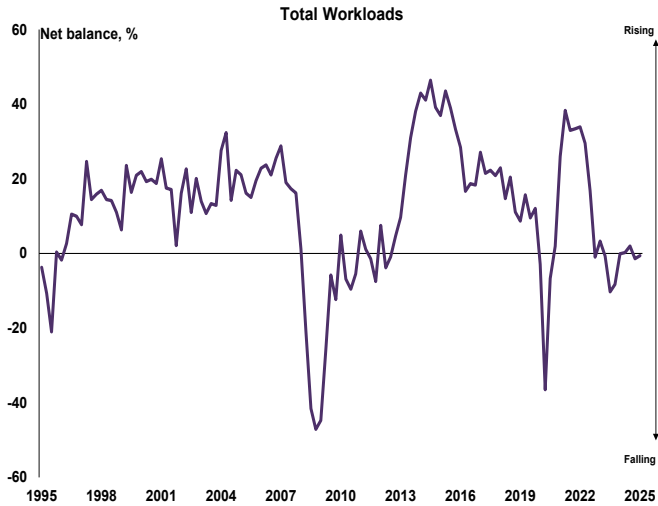


Chart 2

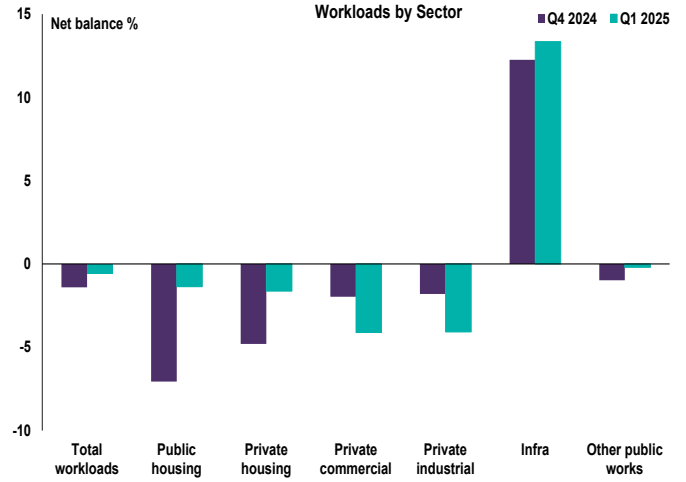


Chart 3



Chart 4

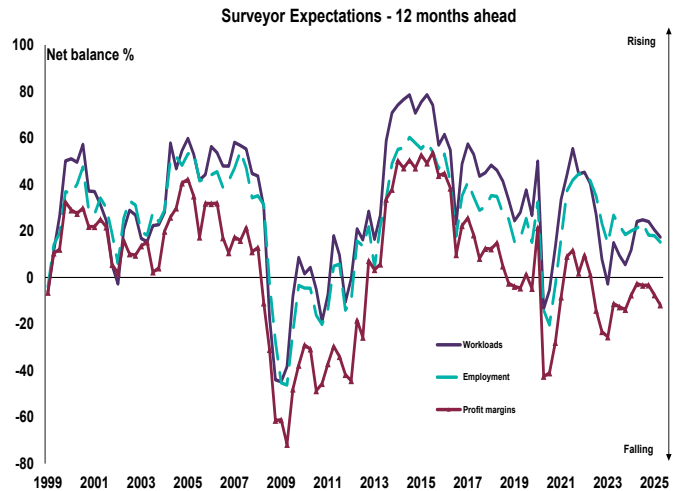


Chart 5

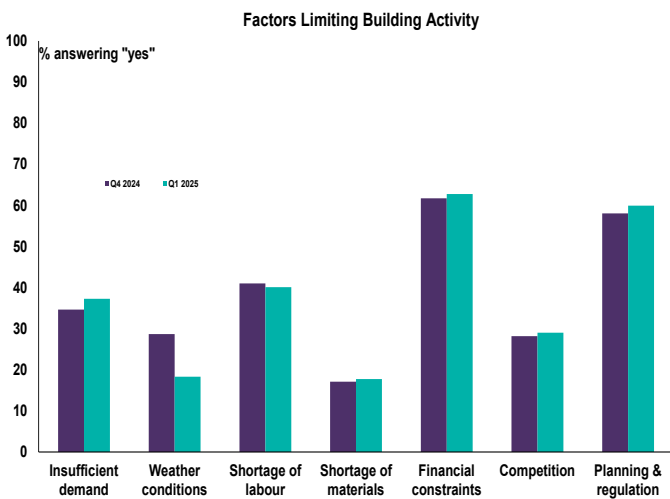
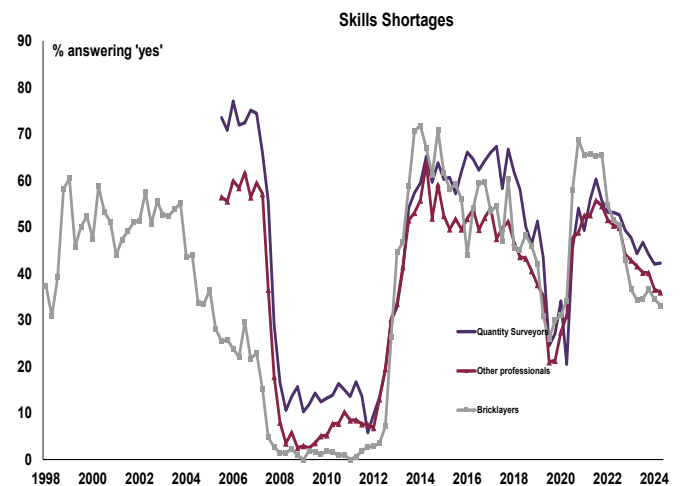


Chart 6



Key indicators

Chart 7

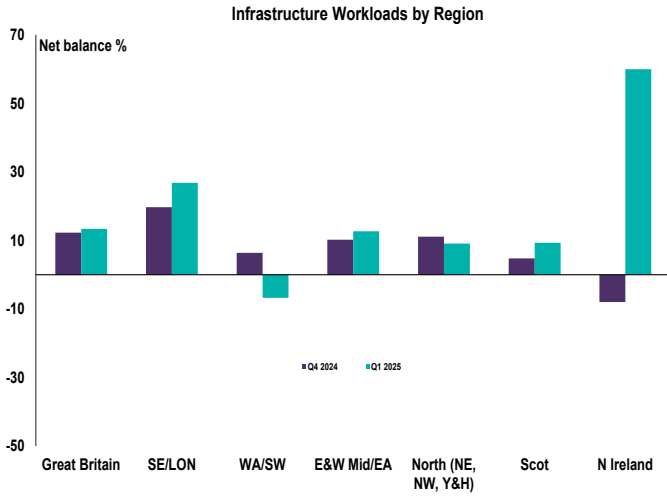


Chart 8

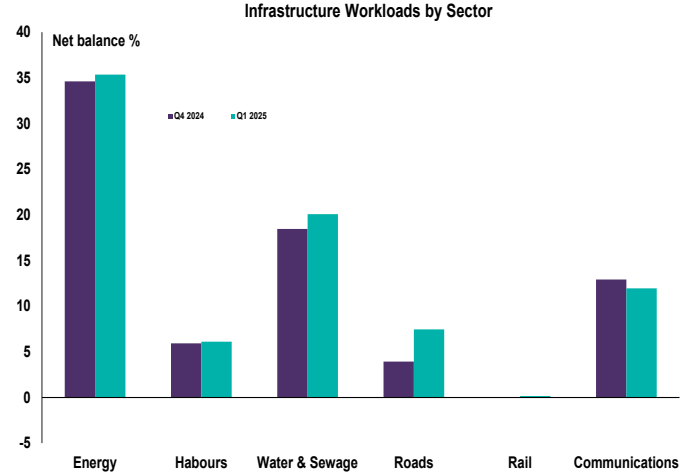


Chart 9

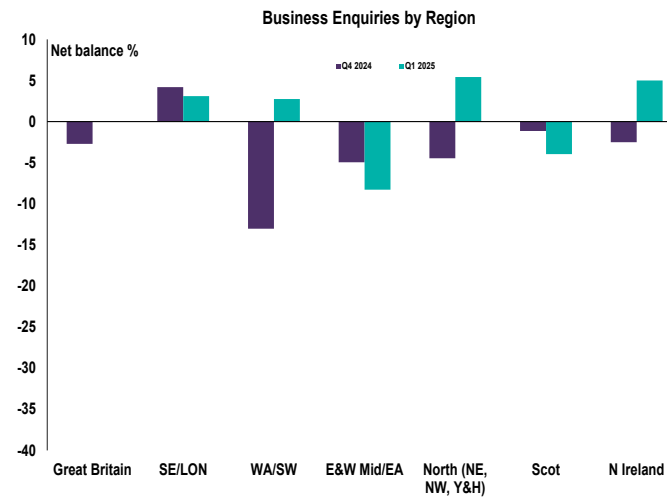


Chart 10

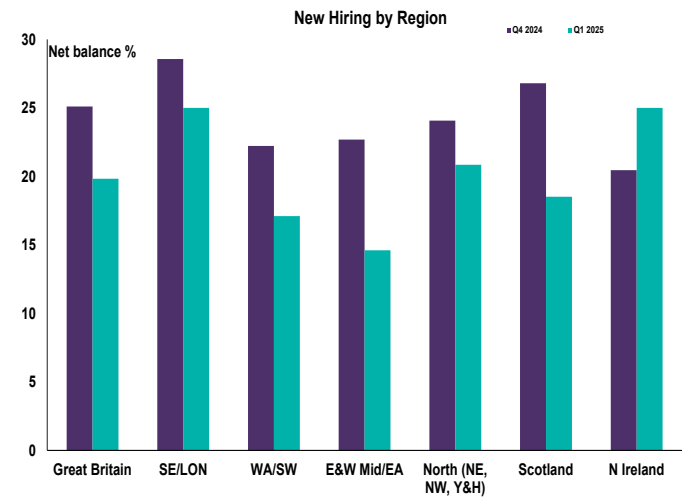


Chart 11

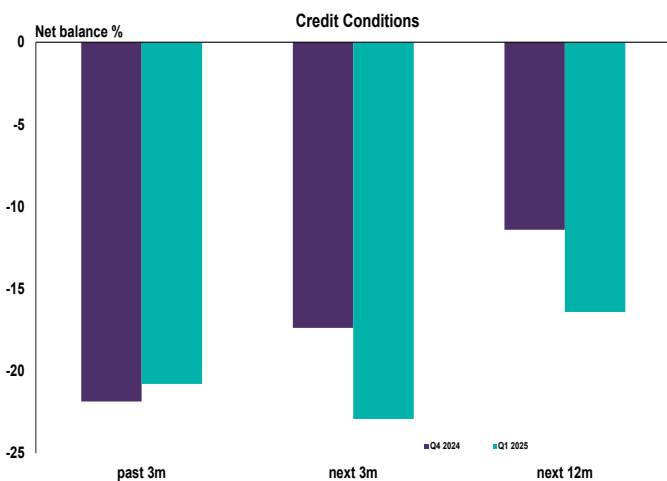
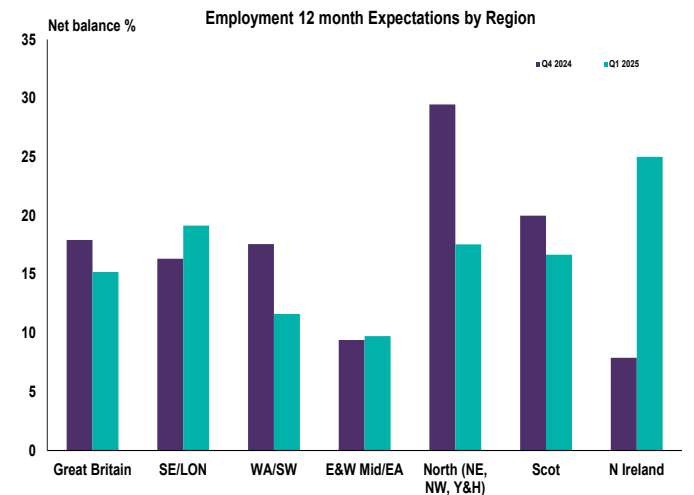


Chart 12



Key indicators

Chart 13

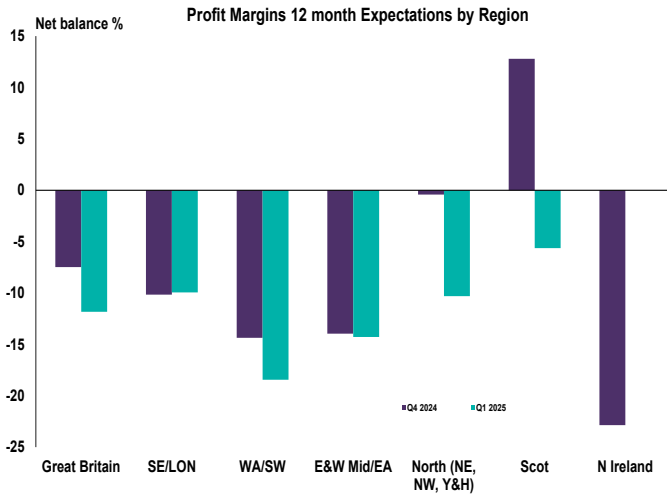
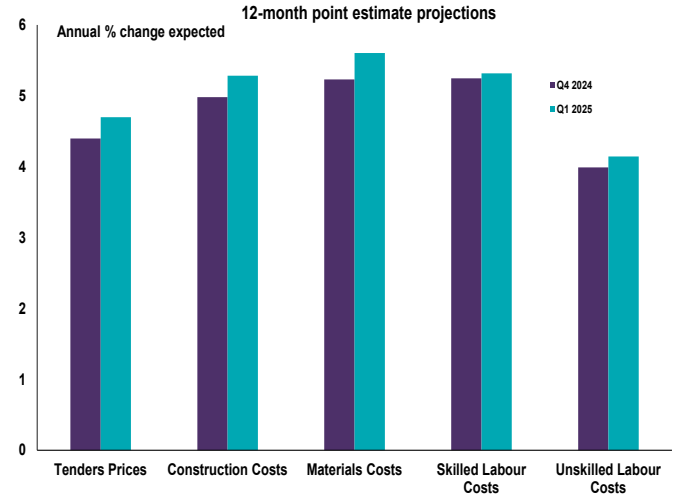


Chart 14



Chartered surveyor market comments

London

Alberta Owusu-Baah, London, Alstom UK, Alberta.owusu-baah@alstomgroup.com - Workloads are stressing people. People are now not working with interest but only going to work because they have to pay the bill.

Antony Martin, London, Network Rail, tony.martin@networkrail.co.uk - As a government organisation, I think AI uptake will be slow. There are areas that it can be very useful but funding, time & resistance to change will restrict rollout.

Ashley King, London, Currie & Brown UK Ltd, ashley.king@curriebrown.com - Resources challenges surrounding WFH and confirming project starts with regard to likely higher costs arising from price inflation.

Charles Vanderpuye, London, University of Greenwich, vc13@gre.ac.uk - The construction market is currently stagnant and sluggish.

Charmaine Barrington, London, Look Ahead Housing, charmaineandrea@lookahead.org.uk - Look Ahead Housing, Care and Support.

Cliff Kennedy, London, CKW Surveyors Ltd, ckennedy@ckwsurveyors.co.uk - Building Safety Act & Fire Engineering.

Clive William Peters, London, Poplar HARCA, clive.peters@poplarharca.co.uk - Lack of skilled labour and experienced professionals such as surveyors. There appears to be very few younger "generation" candidates joining the profession.

Columbus Pritchard, Greater London, CPSQ LTD, columbus.pritchard@cpsqltd.com - Biggest problem is the age discrimination that is growing as young managers use AI to alienate older workers by removing them from further training to keep abreast of AI and adoption of technology.

Damien Patrick Clifford, London, Turner & Townsend, damienclifford@hotmail.com - Procurement and Risk.

David Goedecke, London, Project & Building Consultancy Ltd, dgoedecke@pandbc.co.uk - Depressed demand for Grade B offices.

David Gwyn Jones, London (North), Highgate School, gwyn.jones@highgateschool.org.uk - Uncertain economic climate and effect of Net Zero targets.

Delva Patman, London, Pennycrest Consultancy Ltd, delva@delpatman.com - Government policy uncertainty and financial constraints.

Donal Anthony Mccinty, London, Lorne Stewart Plc, donalmcinty@gmail.com - Low margins are stifling investment.

Fred Fuad George, London, Freelance, fuadgeorge@yahoo.com - Planning conditions.

Gavin Murgatroyd, London, Gardiner and Theobald, g.murgatroyd@gardiner.com - Planning and the Building Safety Act are extending programmes and testing viability.

Geoffrey W Tyler, London, Vincent + Partners, gwt.vp@btconnect.com - The push, regardless of local feelings and involvement, in the government's unrealistic aim to build the housing they say is required without considering the supply side needs for skilled or semi-skilled labour that are not just sitting on a shelf but will require quite a long period of training.

Gili-Ross Leslie Carmel Gili-Ross, Herts, Architects Corporation Ltd, enquiries@architectscorporation.co.uk - Planning issues with the release of green belt land.

Gillian Breen, London, Currie & Brown UK Ltd, gillian.breen@curriebrown.com - Macroeconomic uncertainty continues and compounded by US Geo-Political madness that could impact investment in the UK and or work UK based consultancy businesses

are involved with.

Graeme Whyte, London, Regal London, Graeme.whyte@regal.co.uk - The slow progress of our projects though the BSR Gateway 2 process is having a significant impact on our business and ability to take projects to site.

Graham Seage, London, Mace Consult Limited, grahamseage@gmail.com - US tariffs impacting wider market.

Hannah C, London, , hcorley@corleywoolley.com - General Uncertainty in the market at all levels is having a ripple effect of various parties keeping money close to their chest and some wanting money up front or better payment terms.

Harland Richard Hopkins, London, Achillion, rhopkins025@gmail.com - Thankfully, there has been refurbishment of listed buildings which is the most important reactivity to our countries historic buildings.

Ian Peart, London, Cushman & Wakefield, ian.peart@eur.cushwake.com - Cost of construction remains high. This, along with ongoing unpredictable economic and political climate, is impacting on decisions and therefore commencement of projects.

James David Lane, London, Lendlease Europe Ltd., james.lane@lendlease.com - BSA Gateway 2 submission delays.

James Wilmot, London, Forge Development, james.wilmot@forgedevelopment.co.uk - US trade war.

Jason Clancy, Uxbridge, Quatrefoils Ltd, jason@quatrefoils.co.uk - In Uxbridge, we're seeing rising material costs and supply chain delays that are pushing up budgets and extending project timelines. There's also a noticeable shortage of skilled labor. Despite these challenges, demand remains strong and we're adapting with practical, on-the-ground solutions.

John O'Sullivan, London, Rosewood Ltd, jos@rosewoodrestoration.com - Chronic lack of skilled labour.

Jordan Eels, London, Tanners Homes Limited, jordan@blueleafconsultants.com - Lack of planning guidance, especially relating to Gateway 2 submissions for HRB's.

Keith Graham Brampton, Pinner, Keith G Brampton & Associates, brampton.surveyors@outlook.com - No confidence.

Kristian Hudson, London, Ammonite Surveying Limited, projects@ammonitesurveying.co.uk - Poor quality Architect and MEP consultants who have poor construction technology knowledge.

Len Stassi, London, Delancies Ltd, lenstassi@delancies.com - Difficulty in getting skilled labour to travel into and work in the Central London Area.

Martin Rice, London, Thomson Cole, martinjamesrice@outlook.com - Increase in transportation cost, increase labour, increase of materials, increase utility prices.

Michael Huw Nicholas Davies, London, Beadmans LLP, Huw.davies@beadmans.co.uk - Mixed messages from the Government regarding the regularisation of the planning process. BSA slow in approving HRB schemes.

Mike Gibson, London, Taylor Wimpey, Mike.Gibson@taylorwimpey.com - Economic uncertainty leading to suppressed demand for new homes in private market despite housing shortage.

Mr Noel Mccgovern, London, Metron Surveying Ltd, noelmcgovern@yahoo.co.uk - Material prices and labour shortages.

Mr S M Parris, London, Simon Levy Associates, Steve.parris45@gmail.com - Delays in planning applications.

Nataliya Hula, London, Ardmore Construction Ltd, nhula@ardmoregroup.co.uk - Changes to the regulations during the

construction.

Nigel John Bellamy, London, 8build limited, n.bellamy@8build.co.uk - Poor economic background and rising business costs.

Paul Hands-Wicks, London, J.P.Jelly & Partners, paul@jppjelly.co.uk - Building Safety Act implementation by the BSR.

Peter Charles Bensted, London, Fenton Associates, peter@fentonassociates.co.uk - Delays in flat refurbishment works caused by the the BSR requirements.

Peter Tasker, London, Adams Chartered Surveyors, info@adamscharteredurveyors.com - Currently lack of demand and competition pushing down fees due to shortage of instructions.

Richard Diamond, London, Random Cubic Projects Ltd, richard@randomcp.com - High interest rates, high taxes and problem tenants squeezing the life out of investments at all levels.

Richard Petterson, London, MEA Hother Ltd, rpetterson@meahother.co.uk - Geopolitics, planning and new regulation feed uncertainty.

Sharon Davies, London, Arcadis, sharon.davies@arcadis.com - Uncertainty on Departmental spending and commissioning arising from Treasury budget.

Stephen Brown, Purley, CDM Project Services, stevebrown@cdmprojectservices.com - Low demand for residential property, higher sustainability and accreditation requirements from commercial property end users, cost / value / funding development equation not providing profit and land owners with unrealistic value expectation, government policies causing market concern.

Thomas Power, London, STS Group, thomaspower4@yahoo.ie - Political uncertainty and resulting regulation change. It's also very hard to read the market.

Tony Smith, Sidcup, Buro Four, tsmith@burofour.com - There are significant blockers relating to the implementation of the BSA through the Regulator that is stifling investment and workflow through to the general market.

South East

Anthony Baron, Epping, Baron Property Consultants Ltd, anthony@baronpc.co.uk - Uncertainty with current world affairs and shift in Government priorities.

Ben Hobbs, Colchester, Hobbs Estates Ltd, ben@ehobbs.co.uk - Planning delays and bureaucracy.

Charles Richard Goodsell, Worthing, MorganCarr Ltd, richard@morgancarr.co.uk - Government and Local Authority budgetary constraints.

Chris Leroy, Reigate, Ridge Design, chrisleroy202@gmail.com - Planning constraints.

Christopher Barber, Central London, Howard Barber Associates Limited, chris.hbaltd@gmail.com - There is a steady flow of dilapidation works and building surveys. Redevelopment work on the increase.

David Parmenter, Benfleet, David Parmenter Surveying Services, dparme@aol.com - Ongoing government changes.

David Woods, Norwich, Woodfellows LLP, davidwoods@woodfellowsllp.co.uk - A noted shortage of chartered building surveyors and commercial construction site managers in the East of England.

Frank Gainsbury, Haywards Heath, UK, F.R Gainsbury Ltd, frank@linkshouse.co.uk - Lack of skilled workpeople; taxation increases; VAT on private education; lack of confidence of private clients in current economic conditions.

Ian Lyne, Oxford, Placedynamix, ian.lyne@placedynamix.com - Taxation and financial uncertainty.

James Parkhurst, London, Inspired Villages, james.parkhurst@inspiredvillages.co.uk - Lack of local and mid-tier contractors.

Jeremy Vinson, London, Baily Garner LLP, jeremy.vinson@bailygarner.co.uk - Obtaining and retaining skilled and experienced services engineering professionals.

John Richard Newberry, Haslemere/Hindhead, John Newberry - Chartered Surveyor, john.newberry100@btinternet.com - Lack of building space and a lack of properly trained contractors.

Jordan Rose, Southampton, PT Contractors, jordanrose_@live.co.uk - Planning permission decisions. There's a reluctance to spend money on building what you are told you can build as opposed to what you want to build.

Julian Stokes, Reading, Julian Stokes Management Ltd, julian@jsmonline.co.uk - Planning is an issue on a number of projects.

Keith Sanger, Lymington, Keith Sanger Associates Ltd, keith@sanger.co.uk - Lack of Medium size contractors - most have stopped trading.

Kevin Griffiths, Tunbridge Wells, Gleeds, kevin.griffiths@gleeds.com - BSR Gateway 2 - significant delays, lack of clarity, lack of collaboration.

Mark Crick, Worcester, VolkerLaser, mark.crick@volkerlaser.co.uk - Same issue this year as last year is finding staff and operatives at all levels.

Mark Davis-Moore, London, TT Group, m.davis-moore@ttg.co.uk - Nutrient neutrality; high tender prices.

Nicholas Brown, London, Ashridge Surveyors Ltd, nick@ashridgesurveyors.co.uk - Global Politics may have an impact on material costs across projects dependant on Tariff increases.

Nick Collyer, Petersfield, Independent 4 Life Limited, nick.collyer@independent4life.co.uk - We import goods, this continues to be challenging and adds more unnecessary costs and delays.

Nick Harrison, London, Nick Harrison Surveying Services, nick.harrison@surveying-services.net - Lack of funding and skilled resources.

Nigel Byrne, High Wycombe, Nb Surveying Ltd, nigel@nbsurveyingltd.com - Increased day to day costs of labour and materials.

Nigel French, Brighton, Brighton & Hove City Council, nigel.french100@btinternet.com - Lack of suitable tradespersons.

Nigel Patrick Moran, Croydon, SCPM Ltd, nmoran.qs@gmail.com - Business confidence seems very lacking, driven by uncertainty.

Owen Pottle, London, Trident Building Consultancy Ltd, owen.pottle@tridentbc.com - Trump.

Paul Sharp, Banstead, JTAconsulting, paul@jtaconsult.com - Major delays in approvals due to introduction of more and more petty and "fashionable" requirements.

Paul Taylor, London, Northburn Associates, paul@northburn1.co.uk - Delays in and cost of the planning process, loss of experienced consultants and contractors, lack of recruitment of the next generation of consultants and tradesmen who do not see the construction industry being an attractive industry.

Peter Ockenden, London, TSA Riley Ltd, peter.ockenden@tsariley.co.uk - It feels like everyone wants and needs to move forwards but a series of crises both large and small are impeding us and I wonder if Government fully understands the impacts of the BSR and skills shortages across the entire industry.

Peter Andrews, Epsom, AtkinsRealis, peter.andrews@atkinsrealis.com - Budget pressures in public sector organisations. Town planning challenges to unlock developments. Inflexible public sector procurement strategies.

Peter McNeill, Harpenden, Hertfordshire, McNeill Lowe & Palmer, peter@mlpsurveyors.co.uk - Lack of confidence.

Peter Shearmur, Surrey, PGS, peter.shearmur@btinternet.com - The construction market is currently navigating several challenges and opportunities. Rising material costs and supply chain disruptions continue to impact project timelines and budgets, a trend exacerbated by global economic uncertainties. Additionally, the implementation of stricter building safety.

Phil Pike, Newport, Contracting Solutions, Philip@pikesltd.co.uk - Use in the "public" sector of framework contracts which only add unnecessary costs and no value. Imposed by useless procurement people.

Pratik Haria, Gatwick, Mace, Pratik.Haria@Outlook.com - The investment decision made by the government. The approach is not provided with a full commitment. Decisions on infrastructure should be full commitment by all parties so no blame is raised in the future to a single party.

Richard Stanhope, Maidenhead, RBW&M Building Control, rcstanhope1957@gmail.com - The effects of compliance with the BSR.

Robert Ingram, Harrold Wood, Thomas Sinden, Robert.ingram@thomas-sinden.co.uk - Building Safety Act.

Robert Martell, Berkhamsted, Robert A Martell Limited, robert.martell@robertmartell.co.uk - Planning Delays.

Robert Smyth, Broadstairs, RSQS Limited, robert@rsqs.biz - Landlords looking to dispose of properties. Sales costs reduce so opportunities for others.

Stuart Hill, Southampton, Black Cat Building Consultancy (Defence Sector), stuart.hill@bcconsultancy.co.uk - All my work is within the defence sector and there are problems sufficiently ring fencing data; we have tried to and it failed. DIO BIM protocols etc are also not keeping up with IT developments and there are problems with layering secure information/ maintaining security protocols.

Will Cross, Brighton, Cross Group, will@crossgroup.org.uk - Planning delays from Councils.

William O'Mahony, Rail, Pharmaceuticals, Industrial, Innisowen Ltd, omahonyliamk@gmail.com - Government Strategy, Ukraine, Gaza

North East

Alistair Henderson, Newcastle Upon Tyne, RNJ LLP, alistair.henderson@rnjllp.com - Planning remains challenging with a significant number of projects waiting months (and in some cases years) longer than the stated determination period to receive approval.

Angela Norton, Newcastle Upon Tyne, Malcolm Hollis, angela.norton@hollisglobal.com - Financial uncertainty.

Anthony Distin, Middlesbrough, CML - A service division of Strabag, anthony.distin@bauholding.com - Lack of senior experienced personnel.

Barry Ashley, Newcastle Upon Tyne, North Tyneside Council, Barry.ashley@northtyneside.gov.uk - The use of mobile technology to assist the surveyor to record photographs and site records.

Chris Kirk, Newcastle, Arcadis, chris.kirk@arcadis.com - Potentially risk aversion to large projects, workload vs order books.

Derek Askew, Middlesbrough, AC Surveys Ltd, derek@ac-surveys.co.uk - Ongoing lack of skilled labour and appearance of untested builders.

James Richardson-Chapple, Newcastle Upon Tyne, NE Property Consultants Ltd, James.richardsonchapple@gmail.com - Shrinkage of construction sector due to pending recession.

John Topliss, Newcastle And The Whole Of The UK, UK Research &

Innovation - Innovate UK, jptopliss@hotmail.co.uk - Uncertainty of government policy pending publication of the Industrial Strategy.

Peter Carruthers, Newcastle Upon Tyne, Paragon Construction Consultants, paragon-consult@outlook.com - The planning system obstructs development with delays and inconsistent decisions. Underfunded and under-resourced, the system is unfit for purpose and urgent reform is required to prevent further stagnation, rising costs and missed opportunities for economic growth.

Stephen Taylor, Newcastle, Driver Project Services, stephen.taylor@driverprojectservices.com - New Government, poor policies and lack of investment support.

North West

Brian John Boys, Waterfoot Rossendale, B&E Boys Limited, john.boys@beboys.co.uk - There is still some uncertainty in decision making which delays projects getting to site. Our longer term concern is that of recruiting operatives and management to meet industry needs and those of our company.

Colin Barry, Liverpool, , colinbarry@icloud.com - Supply Chain Disruptions, Labor Shortages, Government Regulations & Policies, Rising Material Costs, Interest Rates, Environmental Considerations, Market Demand, Technology and Innovation, Weather and Climate Conditions.

Darren Burns, Douglas, Matthew James Limited, darren@matthewjames.im - Bureaucracy of the planning process and far too many consultees and planning conditions.

Darren Joseph Hurst, Manchester, Drees & Sommer UK Ltd., darren.hurst@dreso.com - Some delays to projects due to slower than expected planning/development control approvals. Funding for public sector projects remains challenging.

Darren Rawlinson, Bolton, Morgan Sindall, darren.rawlinson@morgansindall.com - Business future proofing with continued and increasing partnering arrangements.

Dave Burn, Warrington, Volkerstevin Infrastructure Limited, david.burn@volkerstevin.co.uk - Peaks and troughs in work allocation on Frameworks between Regulation Periods.

Gillian Cottle, Manchester, , Gillian.cottle@outlook.com - Commitment to projects regardless of political persuasion.

James Roberts, Manchester, Smart Jones Ltd, jamesroberts@smartjones.co.uk - Lack of knowledge.

John Ray, Liverpool, Full Fibre Limited, j.p.ray@hotmail.co.uk - Tightening credit is affecting investment in telecoms.

Jonathan Smith, Sellafeld, Jonny Smith Surveying Services Limited, jonathan7264@gmail.com - Reduced government funding and lack of investment.

Jonathan Davies, Buxton, Jonathan V Davies Chartered Surveyors, jonathanvdavies@hotmail.co.uk - The impact and implications are still unclear and not understood.

Kevin Thompson, Liverpool, TJ Morris Ltd, kevt26@yahoo.co.uk - Local planning authority delays.

Leslie Millar, Port Soderick, Isle Of Man, Leslie Millar MRICS FCIQB,FASI, les.millar@hotmail.co.uk - Labour shortages, increased cost of materials, limited market on the Isle of Man.

Malcolm Bell, Carlisle, TVH Ltd., malcolm@acerholdings.co.uk - Reluctance to invest until current government's intentions are fully known & evaluated.

Mark Murphy, Manchester, Egerton Homes, mark@egertonhomes.co.uk - Planning and regulation red tape and local politics.

Mike Groarke, Warrington, BGEN ,please note I retired on the 7/03/25 so this will be my last submission, mike@wabgs.com - Lack of mechanical and electrical engineering and design skills, poor

scope definition, unrealistic schedules, lack of skilled workers.

Nick Wdowczyk, Greater Manchester, GWB Consultants, nwdowczyk@gwbconsultants.co.uk - Challenges we are faced with are the Gateway process for High Risk Buildings taking longer than advised. We are also faced with Planning Approvals taking longer than the statutory approval timescales.

Richard Axon, Cheshire, Cheshire Constabulary, Richardaxon08@gmail.com - General apathy from contractors due to choice of work.

Richard Blakemore, Salford, FR Consultants Ltd, richard@frconsultants.co.uk - Building Safety Regulator decision delays.

Ryan Wong, Wilmslow, Horticon Ltd, ryanwlt@yahoo.com.hk - International relationship.

Scott, Manchester, Peel Land, Slally@peel.co.uk - Capacity of existing utility networks to serve new connections / demand.

Shaun Mchugh, Liverpool, Self employed, shaun.mchugh@outlook.com - Global trade war.

Steve Burke, Manchester, SJB Consult Ltd, S.burke@aediconstruction.co.uk - Planning difficulties.

Tim Hughes, Liverpool, Sapphire Design Ltd, tim@sapphire-de.co.uk - Public sector funding, market / client confidence.

Yorkshire & the Humber

Alexander Bennett, York, Reventon Limited, alex.bennett@reventon.co.uk - Staged funding for projects is hampering efficient delivery of design and build projects.

Andrew Gaunt, Leeds, BWA, andrew.gaunt@bwa.uk.net - Lack of Homes England Grant funding for new housing has stalled the market and will continue to do so for the rest of this year. Planning process, the time it takes, the continuing additional requirements for a successful outcome, the delaying tactics by planners.

Chris Campbell, Leeds, , chriszaphoid@aol.com - Lack of skilled staff.

David Titterton, Sheffield, mascot management, david@mascotmanagement.co.uk - Government policy and budget affecting general confidence.

Georgina Goodison, Leeds, , georgina@lartersmith.co.uk - A lack of thinking and understanding, predominantly caused by people hiding behind AI.

Ian Tomlinson, Leeds, Rex Procter, i.tomlinson@rpp.co.uk - Building Safety Act adoption is slowing projects down and adding to project development costs.

James Garwood, Leeds, TFT, jgarwood@tftconsultants.com - Length of time for processing BSR applications.

James Gibson, Leeds, Mosley Gibson Limited, james@mosleygibson.com - Skills shortages.

James William Robertson, York, Fordhurst Support, j.robertson@fordhurst-support.co.uk - Continuing negative impact of Brexit on importation of EU manufactured materials.

Louise Dale, Northallerton, North Yorkshire Council, louise.dale@northyorks.gov.uk - Reduction in funding for Local Authorities in general and particularly for rural community infrastructure and support projects.

Mark Lawton, Sheffield, Sleath Ltd., mark@sleaths.co.uk - Lack of government investment into the social housing market.

Mathew Crump, Sheffield, Vantage Commercial Services Ltd, mcrump@vantagecommercial.co.uk - Planning and development delays are a significant obstruction to growth in the construction sector, and I have seen no evidence that this is improving.

Matthew Parry, Bradford, Michael Eyres Partnership, matthew.parry@eyres.co.uk - City of culture status may increase workloads.

Paul, Leeds, PSC Surveying Ltd, Pauls@psc-surveying-ltd.com - The Building Safety Act continues to challenge the industry due to lack of guidance.

Paul Walker, Leeds, Two Plus Two Commercial Services Ltd, Paul@two-plus-two.com - Greater collaboration amongst the various project teams and stakeholders is key to successful project delivery.

Peter Catterick, Shipley, Audit New Zealand, peter.catterick@auditnz.parliament.nz - Changing attitudes to employment and the commitment (lack of) of junior staff to stay in the sector.

Rachel Flounders, Leeds, ID Planning, rachel@idplanning.co.uk - Ongoing changes to planning policy and legal planning framework.

Richard Thompson, Chester, RST (Construction Consultants) Ltd, r.s.t@dsl.pipex.com - The capping of VAT reclaim under the LPWGS.

Sam Berryman, Leeds, Harworth Group, Sberryman@harworthgroup.com - Planning and regulations.

South West

Andrew Bruce, Wimborne, Canford School Ltd, ajb@canford.com - Slow planning decisions.

Andrew Mcgrath, Bristol, George Harwood Limited, andrewm@ghl.org - Client reducing operational size.

Colin London, Watford, Barton Minty Ltd, colin@bartonminty.co.uk - Economic uncertainty.

Daniel Maull, Not Applicable, Maull Chartered Surveyors, daniel@maullsurveyors.co.uk - Increased tender/construction prices.

David Partridge, Taunton, Summerfield Developments (SW) Ltd, dpartridge@summerfield.co.uk - The forthcoming impact of NI and minimum wage and recently announced USA trade tariffs may significantly impact build costs and it remains to be seen whether these will be absorbed by businesses or passed on - interesting times ahead!

Dicky Parmar, Guernsey, N/A, Dicky.parmar@cwgsy.net - Access to suitable labour resources.

Graham Stuart Dewey, Weymouth & Dorchester, GsD, Gsdssafety@aol.com - Low income area restricting development in all areas other than housing.

Hugh Malcolm Roberts, Cheltenham, Chartered Surveyor., pwhassociates@btconnect.com - A lack of decent trades people.

Ian Turner, Plymouth, AECOM, ian.turner2@aecom.com - Lack of competition.

James Evans, Swindon, Network Rail, James.Evans@networkrail.co.uk - Uncertainty over the impact of upcoming National Insurance threshold & % changes - no useful national guidance given by govt, so national business in holding action as don't want to set precedents.

James Vowles, Bristol, Vickery Holman Ltd, jvowles@vickeryholman.com - The weather has had a significant impact, along with issues with obtaining statutory consents particularly planning.

James Walker, Plymouth, Macegreen Consulting Ltd, jameswalker@macegreen.co.uk - Slowdown in private investment and steady progress in public sector capital investment projects.

Keith Parry, Bristol, Elm Associates Ltd, keith@elmsurveyors.com - Planning and infrastructure.

Kelvin Herbert, Weston-Super-Mare, Kelvin Herbert QS, kh-qs@outlook.com - Lack of younger people joining the workforce.

Martin Smalley, Bristol, Gleeds, martin.smalley@gleeds.com - Indecision and lack of pipeline from government preventing investment in staff and AI.

Mr Asif Zubair, Guildford, WSP UK Ltd, asif.zubair@wsp.com - The construction market is facing several challenges, including

rising material costs, labour shortages, and supply chain delays, Regulatory and Planning Delays, Interest Rates and Financing Challenges, Environmental and Sustainability Regulations and Market Demand Fluctuations.

Myles Joseph Kenneth Clough, Exeter, Myles Clough Management Services Limited, myles@cloughmanagement.co.uk - We are experiencing very low fee offers from other consultancies when competitively tendering. We have also noticed that there does not appear to be a shortage of skilled site labour.

Pete Dacey, Dorchester, Peter Gunning & Partners LLP, peterdacey@pgandp.co.uk - A long-standing, Medium-sized Construction firm has recently gone into liquidation and it has had a detrimental affect on the local sub contracting supply chain they used. This may have a disruptive influence on the local market.

Philip J Hinton, Bideford, Philip J Hinton Chartered Surveyor and Architectural Consultant, info@philipjhinton.com - Overbearing level of beurocracy, standards compliance, increasing PPI costs and exclusions.

Ricardo Sanchez-Garcia, Gloucester, Kier Construction, Ricardo.sanchez-garcia@kier.co.uk - Low profit margins on projects to maintain competitiveness will continue to cause companies to become non profitable and thus go into administration.

Ricardo Sanchez-Garcia, Gloucester, Kier Construction, Ricardo.sanchez-garcia@kier.co.uk - Poor skilled personnel and Gen Z lack of drive and skills.

Robert Chalke, Bruton, Robert Chalke Associates, robertchalke@btinternet.com - Money is tight. Clients are taking longer to pay.

William Howard, Bristol, W P Howard Chartered Building Surveyors, williamphoward@btinternet.com - Severe shortage of labour in farming sector.

Wales

Iain Macrae, Haverfordwest, MacRae Associates, ir.macrae@gmail.com - Planning in this area has become much more complicated rather than less. The system is being run by Cardiff.

Jason Hyett, Cardiff, Rightacres Property, jason@rightacresproperty.com - Commercial space availability and market rents.

Jayne Rowland Evans, Caerphilly, G K R Maintenance & Building, jevans@gkrmaintenance.co.uk - Local Authorities and Housing Associations reducing spending.

Jodie O'Connor, Pembroke Dock, Penfro Consultancy Limited, jodie@penfroconsultancy.co.uk - Improved access and additional investment in training and retaining professionals across the West Wales region is essential to support the growth and development of sustainable energy projects and related infrastructure.

John Pugh, Ruthin, John Pugh Chartered building Surveyor Conservation Consultant, Johnappugh@usa.net - Appears to be very buoyant.

Mike Horner, Cardiff, Vectorserv Ltd, Mhorner304@gmail.com - Planning delays and trade procurement.

Mr Robert Davies, Pembroke Dock, Penfro Consultancy Limited, robert.davies@penfroconsultancy.co.uk - A clear lack of clarity and co-ordination of local authority financial expenditure and project delivery requirements. A ad-hoc and rushed approach generally leads to quick tender periods, contract awards and execution timescales which are insufficient and don't offer best value for public spend.

Robert Fisher Bsc Mrics, Swansea, Robert Fisher Limited, info@robertfisherlimited.co.uk - Planning and uncertainty in Government strategy towards new housing and changing legislation on rent laws.

Sharon Matthews, Merthyr Tydfil, Glamorgan, Merthyr Valleys Homes, sharon.matthews1@hotmail.co.uk - Insufficient numbers of local contractors.

West Midlands

David Crump, Lichfield, Greenwood Projects Ltd, dbc@greenwoodprojects.com - Flat economy, Brexit continues to destroy UK growth, international tariffs will increase costs, AI will be the red herring on which we all fail.

Ian Heavey, Nuneaton, IMH CONSULT LTD, ian@imhconsult.co.uk - Lack of money.

Jamie Babber, Birmingham, BAM Construction, jamiebabber@aol.com - Subcontractor insolvency.

Lawrence Littell, Warwick, ROC Associates Building Consultancy Ltd, lel@rocassociates.co.uk - Economic uncertainty, high build costs and lack of investment return is stifling progress. The BSR is not fit for purpose and is further impacting on all works to HRB's.

Mark Freeman, Birmingham, , mark.freeman@turntown.co.uk - US Tariffs on imported materials.

Mark Sennett, Wolverhampton, Sigma Surveying Services Limited, info@sigma-surveying.co.uk - Public sector funding budget reductions, Introduction of new Procurement Act 2023 and its implications.

Michael Roach, Tamworth, Roach Hunt Partnership, michaelroach@roachhunt.co.uk - Delays in Planning largest single issue for projects proceeding. It is harming investment in construction and growth in the wider economy.

Michael Scott, Birmingham, Scott Franklin Associates Ltd, mike@scottfranklin.co.uk - Plenty of other more significant factors in the next 10 years.

Mike Foster, Birmingham, OFF Developments, mr.mikefoster@ntlworld.com - Rising land costs, bio-diversity net gain & carbon emissions.

Tony Milner, Droitwich, Weatheroak Projects Limited, tony.milner34@gmail.com - Planning process remains the largest barrier to development.

East Midlands

Barry James Hodgson, Chesterfield, Merlin Design and Survey LLP, barryjhodgson@yahoo.co.uk - The main factor that might affect the construction market will be the increase in indirect taxation on hiring operatives, but also the uncertainty in global markets caused by the Trump administration. At this stage, it is impossible to know how global markets will be affected in the longer term.

Chris Mitchell, Nottingham, Arc Property Services Partnership Limited, christopher.mitchell@arc-partnership.co.uk - Local Elections in May 2025.

David John Morris, Wellingborough, Tompkins Robinson Surveyors, davidm@tompkinsrobinsonsurveyors.co.uk - Lack of local authority resources in planning, building control, highways, etc remains the single biggest barrier to delivering projects.

Diane Singleton, Hitchin, Ashe Construction Ltd, david.singleton@ashegroup.co.uk - Uncertainty over government funding.

Gail Patel, Derbyshire, TDR Design Services Ltd, gailc76@hotmail.com - Within our practice, delays with planning departments have a huge impact on income.

Ian Colley, Nottingham, CJ Consilium, ian@cjconsilium.com - Very low client confidence in the economy - tariffs/trade wars - uncertainty doesn't breed confidence to invest in projects. Higher taxes and minimum wage increase has helped create a culture of caution in respect of spending/investment.

Ian Michael Wright, Oxford, , ian.wright56@outlook.com - Lack of sufficient and appropriate university courses.

Jeremy Pardoe, National, Octavius infrastructure Ltd, Jempardoe@gmail.com - Think government tax changes will affect the industry.

Kevin Thomas Stone, Derby, Stone Construction Limited, kevin.stone@stoneconstruction.ltd.uk - It would appear that work local to Derby is not very plentiful, we are having to travel further to sites (outskirts of Manchester, West Midlands area) to maintain current (reduced) workload.

Mohammad Shafi Shaikh, Nottingham, Sir Robert McAlpine Ltd, shafi.shaikh@srm.com - Proper management.

Roger Coy, Eydon, Roger Coy Partnership Ltd, roger@rogercoy.co.uk - Poor quality local authority participation in planning and building regulation applications.

Stephen Hodgson, Derbyshire, Lumsdale surveyors, stephen.hodgson123@gmail.com - Increased employment costs.

East Anglia

Alistair Forbes, Saffron Walden, Forbes Surveyors Ltd, info@forbesassociates.co.uk - Potential effect of European war escalation and US/UK relationship affecting costs.

Christopher Barker, Saffron Walden, Chris Barker Surveyor Ltd, christopherjbarker1951@gmail.com - Inheritance tax on Agriculture clients has forced cancellation of new agricultural building projects.

Clive Richard Tanner, Framlingham, hollins architects and surveyors, clive@hollins.co.uk - Planning fees, slow planning response.

Daniel Key, Norwich, Richard Utting Associates LLP, daniel.key@rua.co.uk - The market is being hampered by NN and prolonged periods for receipt of statutory approvals, in particular planning approval(s) and LLFA.

Iwan Santoso, Cambridge, Skanska UK, iwan.santoso@skanska.co.uk - Non standardised requirement between Borough Council could create uncertainty within the construction cost.

John Allison, Norwich, Allison Surveying Limited, john@allisonsurveying.co.uk - Nutrient neutrality continues to be a block to development.

Jonathan Nelson, Norwich, Richard Utting Associates LLP, jonathan.nelson@rua.co.uk - Confidence in the local market is very mixed. Many seeing strong pipelines, but viability and planning hurdles slowing progress to delivery.

Jonathan Nelson, Norwich, Richard Utting Associates LLP, jonathan.nelson@rua.co.uk - Project viabilities are tight, market confidence is mixed to low. Pipelines are strong, but appetite to push on is varied.

Karim Khan, Cambridge, Karim Khan, karim.khan@btinternet.com - Planning and design compliance assessment delays.

Pimys Ltd, Peterborough, Pimys Ltd, info@pimys.com - Too much, too quickly. Overwhelming existing infrastructure.

Robert A Mitchell, Maldon, Robert A Mitchell, ramitchell060@gmail.com - Uncertain of planning approval and associated time scales.

Saul Humphrey, Norwich, Saul D Humphrey LLP, Saul@saulhumphrey.com - What is happening across the pond, can cause a ripple for the UK economy, but this time, one can expect a tidal wave. Now is the time to solidify and accelerate sustainable development and to resist the temptation to echo what is being celebrated in the White House. But we'll see what evolves.

Simon Britton, Colchester, SBConsultancy, simonbritton777@gmail.com - Geopolitical issues, US tariffs, wars etc. Sluggish growth in the UK economy.

Simon Steele, Norwich, HBXL, simon.steele@hbxl.co.uk - Tremendous amount of Housing, Road and Energy projects on the go in East Anglia. This investment must surely lead to growth in the local economy.

Steven Kirman, Norwich, , stevenkirman@hotmail.com - General lack of confidence and lag in the planning system.

Scotland

Alistair Mearthur, Maryhill Housing Association, amcarthur@maryhill.org.uk - Funding level for affordable housing projects.

Andrew Mccoll, Edinburgh, Caddam Consult Ltd, andrew@caddamconsult.com - Skills shortage, decreasing funding options, regulations.

Angus Forbes, Glasgow, Triangle Building Consultancy, angus@trianglebc.uk - Transactional difficulties, capex versus rent for example.

Brian Minnis, Motherwell, North Lanarkshire Council, minnisb@northlan.gov.uk - Concerns over US/global tariffs and subsequent impact on material prices as a result.

Cb Craig Boath, Hamilton, Last Mile Design & Build, craig.boath@lastmile-group.com - Bank of England base interest rates affecting mortgage lending rates.

Christopher Alexander Marshall, Glenrothes, Lundin Homes Ltd, marshall.chris@btinternet.com - Main issue encountered as a private house builder is the lack of skilled tradespersons.

Colin Mclachlan, MCL Estates, colin@mclestates.com - Lack of Tier 1 contractors which is driving build cost increases.

Colin Wilson, Glasgow, Trident Building Consultancy Ltd, colin.wilson@tridentbc.com - Global economic uncertainty and volatility.

Craig Macdougall, Edinburgh, AECOM, craig.macdougall@aecom.com - General low confidence, alongside partial brain-drain to North American markets.

David Macdonald, Glasgow, JC+P, david.macdonald@jcandp.co.uk - Shortage of Quantity surveyors. Graduate QS's with "Honours Degrees" who have absolutely no clue on construction technology, how to measure or cost. Sad reflection on the FE sector.

David Shaw, Edinburgh, Torridon Cost Consultancy, david@torridon.co.uk - Costs remain higher than last year, with many forecasting increases due to the changes in NICS. Development pipeline has reduced across the market so contractors are keen to fill order books and there is a nervousness from many about the construction market in 2025.

David William Jack, Aberdeen, David Jack Associates Limited, david@davidjack-associates.com - As I have answered constantly over previous questionnaires, planning and their ability to not support local projects. The governments decision not to support the local oil exploration is killing the NE Scotland, and for what?

Ian Anderson, Stirling, Stirling Council, andersoni@stirling.gov.uk - I would expect to lose staff and it will be nigh on impossible to replace them with similarly experienced.

John Ballantyne, Glasgow, JCB Consult Services Ltd, jcbconsultservices@outlook.com - Shortage of skilled persons - this applies to professionals as well as skilled trades persons - lack of new entrants into the construction industry generally is a massive problem for future growth or even the ability to maintain current levels.

Leslie Ross, Edinburgh, Morham + Brotchie partnership, leslie.ross@mb-qs.com - Economic uncertainty forcing private commercial to be reduced in budget. Prospect of USA tariffs (esp in whisky production) putting projects at risk.

Lorna White, Edinburgh, RJT Excavations, lwhite@rjtexcavations.co.uk - Severe lack of skilled work force (both professionally and at site level).

Po Fai Sham, Dunfermline, Terry Surveying Services Co (UK) LTD., pofaisham@aol.com - Advise Scottish Gov. - Land Register of Scotland should have more registration and role or employ chartered land surveyor to be involve the standard.

Steven Hyde, Musselburgh, D Blake & Co Ltd, steven.hyde@dblake.co.uk - Shortage of labour (skilled and trainee), together with lack of new entrants, remains the biggest problem in our business.

Steven Hyde, Edinburgh, D Blake & Co Ltd, stevenhyde66@gmail.com - Definite decline in new tender opportunities.

Stewart Tennent, Glasgow, Bridgewater Building Solutions Ltd, Stewart@bridgewaterbuilding.co.uk - Poor standards of in college training. Lack of interest from schools and colleges to take up engagement with construction companies looking to attract candidates from school and colleges not wanting to hear our voices on training standards and cooperation with businesses.

Northern Ireland

Darren Price, Belfast, Tetra Tech, darren.price@tetrattech.com - I believe the next 6 to 12 months will be very telling. A lot has been said/statements made over the last 3 months which may significantly impact the business - exports/imports impacts, Labour's initiatives for increased defence spending - but impacts are yet to filter fully through.

Grant Robinson, Belfast, Tempus Project Management, grant@tempuspm.co.uk - Industry is stable and performing well.

John Kearney, Maghera, Ivan Scott Associates Ltd, kearns83@hotmail.com - Cost of materials.

Kevin Dougall, Belfast, esc construction consultants, kevin.dougall@escconsult.co.uk - The construction industry in Northern Ireland is heavily dependent upon Government funding. With the current squeeze on funding, a large number of public projects have been paused, particularly in the education sector.

Oliver Smith, Ballymena, SurveyLink NI Ltd, olliesmith1959@gmail.com - Financial constraints determined by devolved government budgets and an ongoing inability to make meaningful decisions.

Paul Brogan, Lisburn, McQuillan Companies Limited, paul.brogan@mcqcos.com - As previous questionnaire, a lack of sustainable government budget allocations in NI is causing continual under funding of maintenance on the road network. Given the short to medium term prospects for additional central govt funding, alternative methods of revenue generation need to be investigated.

, Coleraine, , bca@canavans-qs.com - High cost of property due to second homes and holiday lettings: Restraints on capacity of drainage systems with projects being held up by water service and Planning Departments.

Methodology

The RICS UK Construction Monitor is a quarterly sentiment survey of Chartered Surveyors who operate across the UK. Data collection began in 1994 with additional questions introduced subsequently.

<https://www.rics.org/uk/news-insight/research/market-surveys/>

Total responses in Q1 2025 = 1105

Regions:

- The 'headline' national readings cover Great Britain.
- Specifically, the five regions that comprise the national figure are: (1) London and South East, (2) South West/Wales, (3) Midlands/East Anglia, (4) North West/ North East/ Yorks & Humber, and (5) Scotland. Data on Northern Ireland are not included in the headline figure.
- National data are regionally weighted.

Sectors:

"Other public works" comprises factories, warehouses, oil, steel, coal, schools/colleges, universities, health, offices, entertainment, garages, shops and agriculture.

For sector definitions, <http://www.ons.gov.uk/ons/rel/construction/construction-statistics/no--16--2015-edition/pdf-construction-statistics-appendix-2.pdf>.

Net balance data:

- Net balance = Proportion of respondents reporting a rise in prices minus those reporting a fall (i.e. if 30% reported a rise and 5% reported a fall, the net balance will be 25%).
- The net balance measures breadth (how widespread e.g. price falls or rises are on balance), rather than depth (the magnitude of e.g. price falls or rises).
- Net balance data is opinion based; it does not quantify actual changes in an underlying variable.
- Net balance data can range from -100 to +100.
- A positive net balance implies that more respondents are seeing increases than decreases (in the underlying variable), a negative net balance implies that more respondents are seeing decreases than increases and a zero net balance implies an equal number of respondents are seeing increases and decreases.
- Therefore, a -100 reading implies that no respondents are seeing increases (or no change), and a +100 reading implies that no respondents are seeing decreases (or no change).
- In the case of the RICS price balance, a reading of +10 should not be interpreted as RICS saying that house prices are going up by 10%, but that 10% more surveyors reported increases rather than decreases in prices (over the last three months).

Questions Asked:

- 1a. How has the level of workloads changed over the last three months?
- 1b. Which sector do you think will see the strongest growth in output over the coming twelve months?
- 2a. How have infrastructure workloads changed across the following sub-sectors over the past three months?
- 2b. Which infrastructure subsector do you think will see the strongest growth in output over the coming 12 months?
3. How has the total level of New and R&M workloads changed over the past three months?
4. How have business enquiries for new projects or contracts fared in the past three months?
5. Have you hired anyone new (additional) in the past three months to support new workloads?
6. Have any of the following factors negatively impacted building activity over the past three months?
7. Has your company (or your contractors) experienced skills shortages in the past three months for the following occupations?
8. How have credit conditions changed over the past three months? How do you expect credit conditions to change over the next three/twelve months?
9. What are your company's expectations in each of the following areas over the next 12 months? (Workloads, headcount, profit margins)
11. How do you expect the following to change over the next twelve months?(Tender prices, construction costs, material costs, labour costs)
12. What are your company's investment intentions over the next 12 months?

Economics Team

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Delivering confidence

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure. Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

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