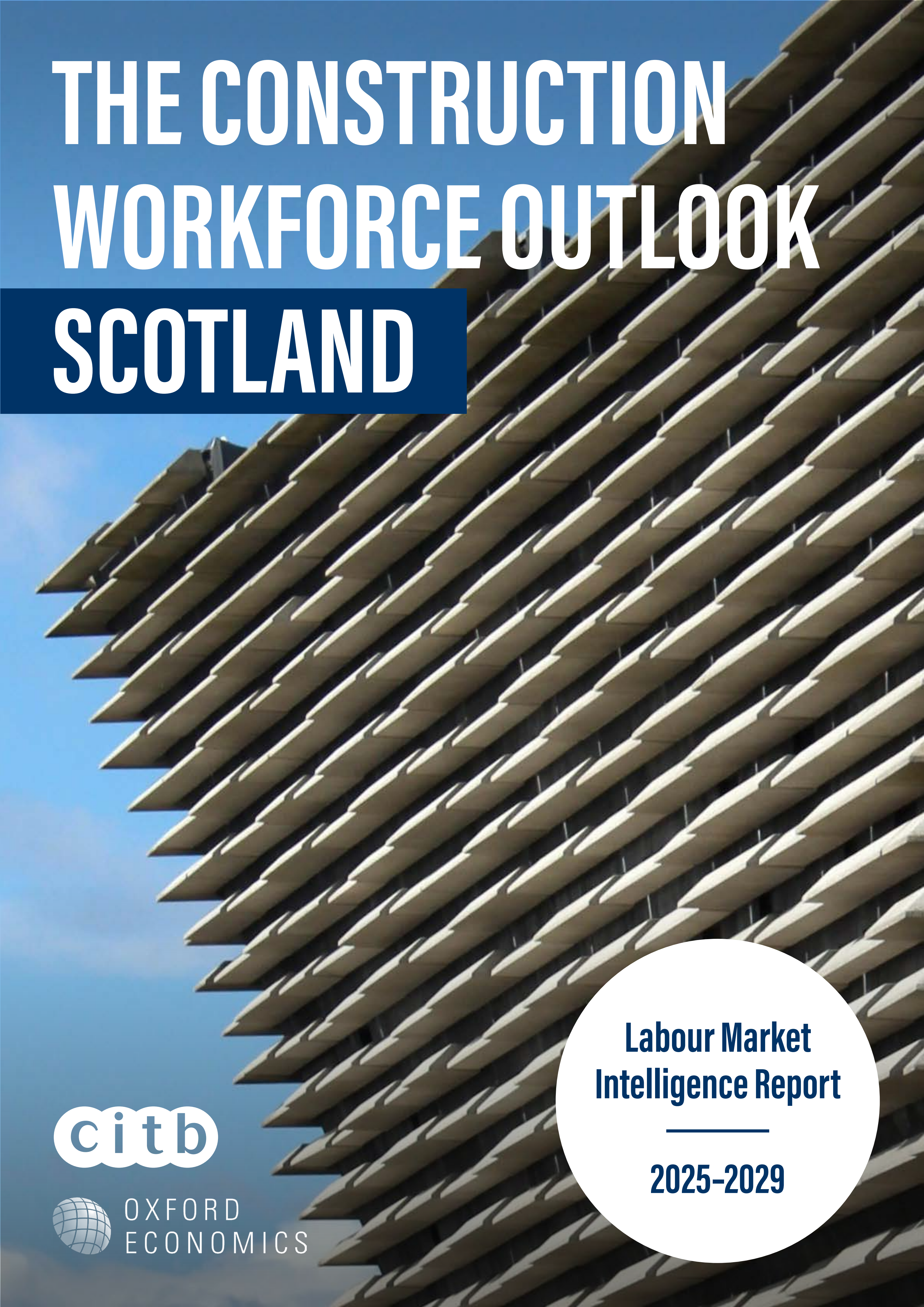


THE CONSTRUCTION WORKFORCE OUTLOOK

SCOTLAND

Labour Market Intelligence Report

2025–2029

OXFORD ECONOMICS

CONTENTS

FOREWORD

Can we build it? Yes, with investment in training that leads to jobs now.

The Scottish construction industry is facing a crucial choice. To continue to recruit, train and develop its workforce as it has done in recent years, or to change and rethink how it attracts, trains, and retains talent.

If industry does not change it will stay on a path where job vacancies are difficult to fill, losing aging workers will lead to an increasing loss of valuable expertise, and CITB will continue to highlight the need for over 17,950 extra workers over the next five years. It also means that the opportunities identified in this report to build new homes, infrastructure and improve the energy efficiency of buildings will not be realised. Employers will struggle to find skilled, site-ready individuals, leading to project delays and increased costs.

If construction can change and rethink how it attracts, trains and retains its people, this could lead to an even more capable and diverse workforce that is better equipped for the scale of demand that embraces new technologies.

Although there is a wide range of training that already takes place, the fact that the construction industry continually struggles to fill vacancies points towards a training system that isn't making a good enough link to jobs.

For construction to have the workforce it needs in the future, investment in training that supports people into jobs is crucial. This is at the heart of CITB's Strategic Plan and Nation Plan for Scotland such as continued support for construction modern apprenticeship programmes in Scotland as well as working with industry to develop new entry points into the sector.

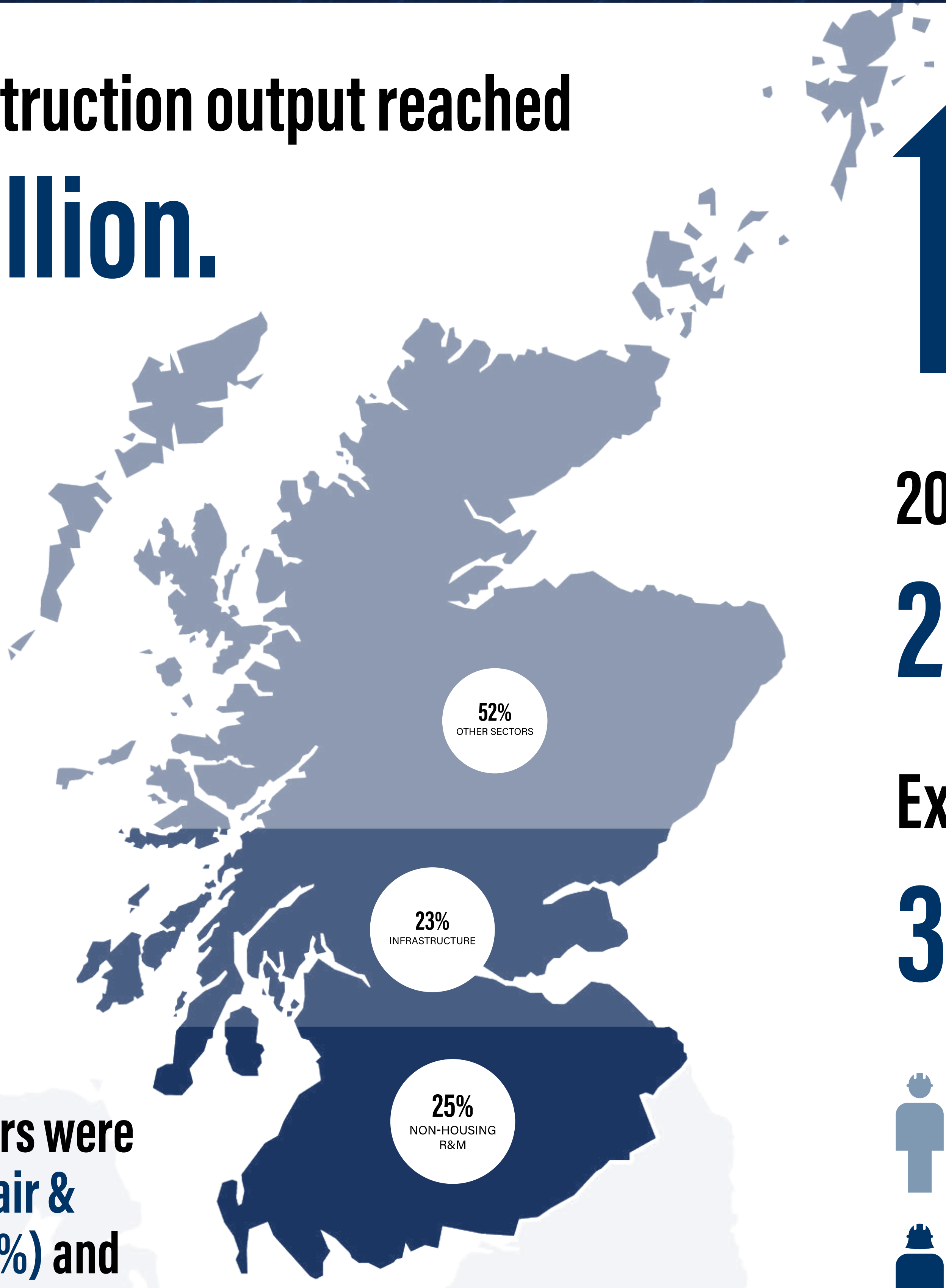
This outlook shows that there are opportunities ahead. Successfully achieving them requires a long-term commitment from Scottish construction employers, government, training providers, CITB and other partners to support investments in training that lead to jobs. If we don't train more people and ensure that they can join the construction industry, we will not have the skilled, capable, productive workforce needed to build the homes, hospitals, schools, power and water networks of the future.

Ian Hughes
Engagement Director Scotland

KEY FACTS & FIGURES

In 2024, construction output reached

£16.7 billion.



The largest sectors were non-housing repair & maintenance (25%) and infrastructure (23%).

2025 to 2029 average annual output growth:

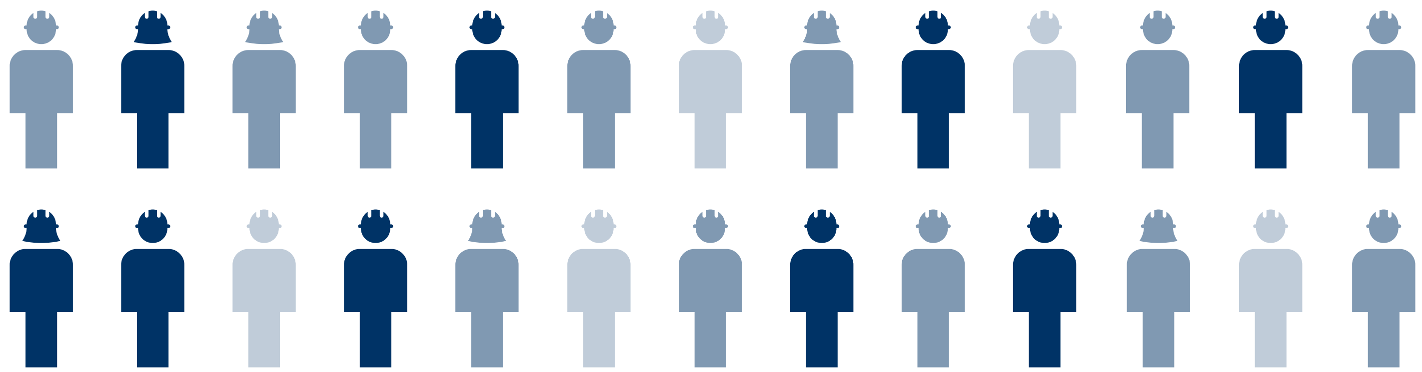
2.0%

2029 workforce:

214,500

Extra workers needed per year:

3,590



ECONOMIC OVERVIEW

In 2024, Scotland's economic performance outpaced that of the UK, with Gross Value Added (GVA) increasing by 1.0% compared to the national average of 0.9%.

Health and social care combined with professional services accounted for nearly two-thirds of GVA growth last year. Economic growth is expected to remain weak in 2025, but the outlook is forecast to improve, with annual GVA growth of 1.6% over the period 2025 to 2029. Employment in Scotland rose by 1.5% in 2024, with 42,500 new jobs added across the economy. This represented stronger jobs growth than the UK average last year, but the pace of employment growth is expected to cool in 2025. Total employment in Scotland is forecast to grow by an average of 0.8% per year between 2025 and 2029.

Construction outperformed the wider economy in 2024, with sectoral output in Scotland increasing by 4.0%. This was also stronger than construction growth in England (0.9%) and the UK (0.5%). The primary driver of this growth was the continued strong performance in non-housing repair and maintenance output, which grew by 20% last year. Infrastructure growth was also strong in 2024, at 12.1%, and the sector represents a relatively larger slice of construction output in Scotland (23.5%) than in the UK (14.2%). New housing, however, accounts for just 15.1% of output, compared to 20.6% across the UK.

Across Scotland, there were roughly 12,890 construction businesses employing people last year, representing 6.6% of all UK construction employers. Most of these businesses are very small. Just under 85% of business were classified as micro, with fewer than 10 employees. There were just 280 construction companies (2.2% of the total) in Scotland employing 50 people or more, but this accounted for 12% of all medium and large construction companies in the UK, indicating that larger businesses form a greater proportion of the total in Scotland.

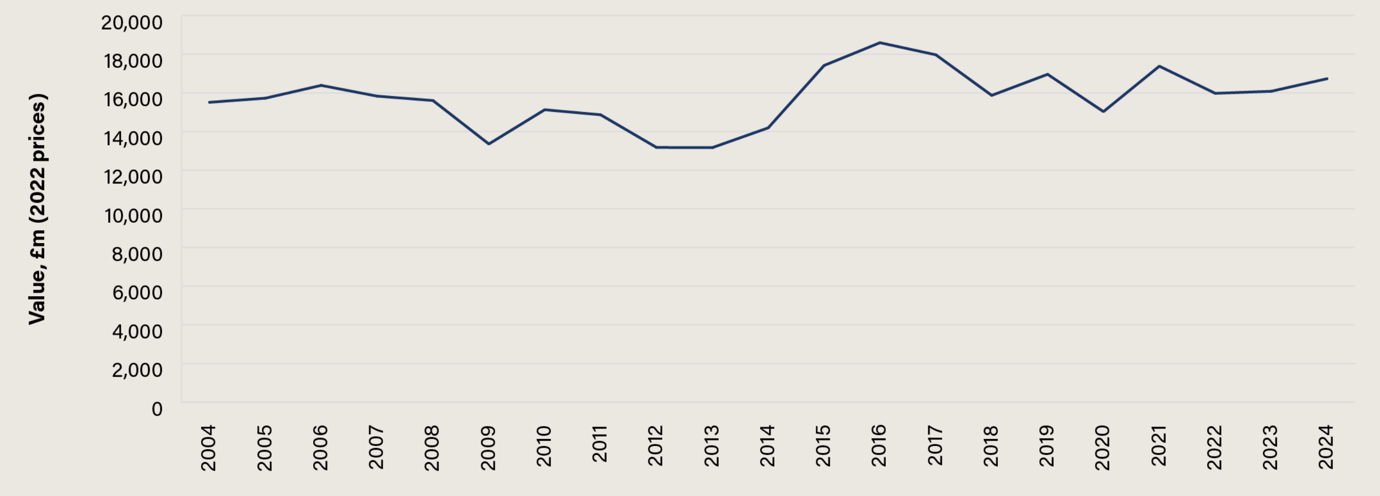
Construction companies across Scotland still find it difficult to recruit staff who have the appropriate skills and experience levels they are looking for. Construction employment increased by 1.8% in 2024, but employment levels remain below their pre-Covid-19 height. Job vacancy rates also remain inflated in Scotland compared to the national average, a trend seen for several years. The number of vacancies in March 2025 was 40% higher than in 2019.

Construction wages grew by 6.9% in 2024, outpacing the UK equivalent (6.1%) and the industry average in Scotland (5.0%). This growth took median hourly wages in construction roles to £17.86 last year.

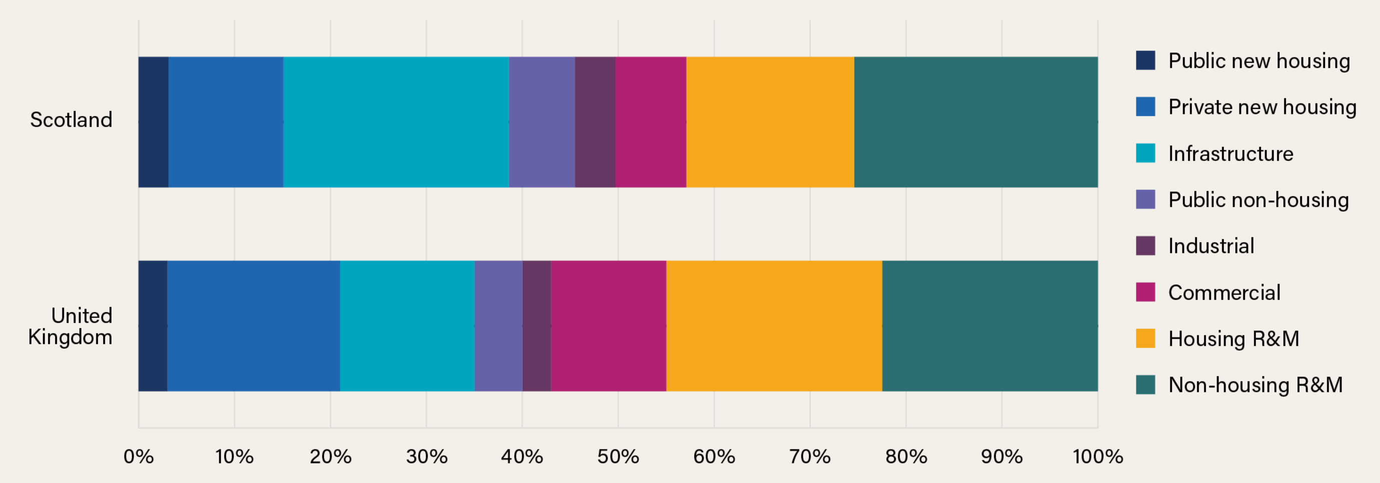
In 2025, we expect construction output growth to be lower (1.7%) and to average 2.0% per year over the next five years. Investment in infrastructure, and an expected increase in demand for new housing, will help to boost construction activity across Scotland. However, uncertainty surrounding the US tariff regime poses a threat to general economic confidence and construction investment decisions may be hit as a result.

Scotland's output growth in 2024 was well above the UK average (0.5%), reaching 4%.

Scotland Construction Output (2004-24)



Scotland Construction Industry Structure by Sector (2024)



Index of Job Vacancies (2019-25)

CONSTRUCTION OUTPUT

This year, Scotland's construction output is expected to rise by 1.7%, following expansion of 4.0% in 2024. Over the five years to 2029, construction output in Scotland is forecast to increase by an average of 2.0% per year, slightly weaker than the UK average of 2.1% per year between 2025 and 2029.

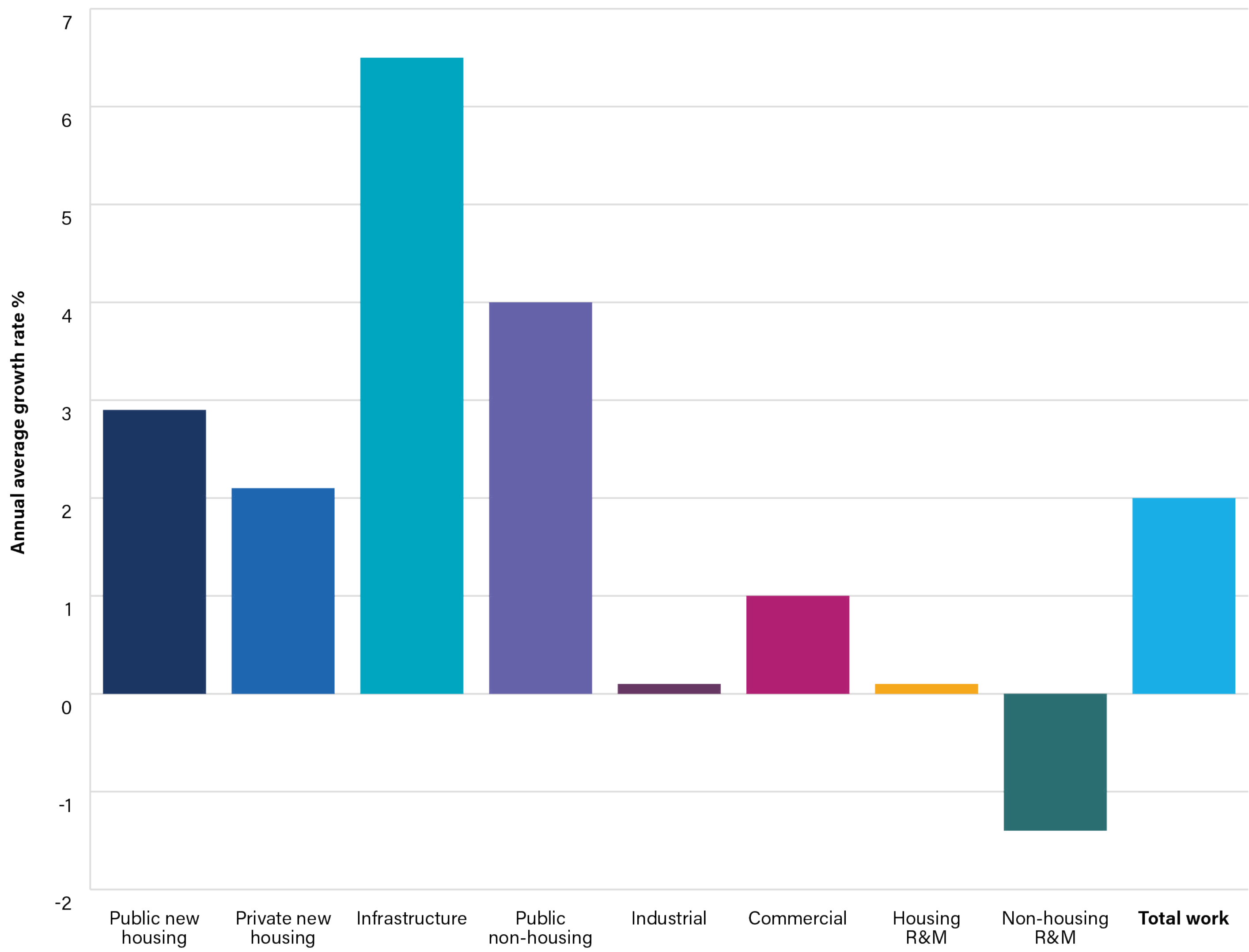
The primary driver of Scotland's construction growth will be the infrastructure sector. There are a number of significant projects set to take place over the next five years and beyond, which will involve a notable amount of infrastructure construction. The CP7 rail electrification scheme and the ongoing dualling of the A9 will drive growth in transport infrastructure output. Utilities projects, including investments in water and renewables, are also expected to boost infrastructure output over coming years. Moreover, the UK Government announced increases in public capital investment of £100 billion over the next five years, with some of this expected to be spent in Scotland. Between 2025 and 2029, we forecast infrastructure output to rise by 6.5% per year on average. Public non-housing will also see strong output growth, rising 4.0% per year through to 2029.

New housing output is expected to increase by nearly £300 million between 2025 and 2029, an average annual increase of 2.2%. The bulk of this increase is projected to be in private new housing, with an absolute increase of £215 million over the five-year period. Mortgage affordability is set to improve as interest rates continue to fall, while rising real disposable incomes will also support demand for new homes. However, new housing growth is expected to be slower in Scotland than in England (3.4% per year) and Wales (4.2%).

In contrast, repair and maintenance (R&M) output is projected to decrease, primarily due to a fall in non-housing R&M (-1.4%). This follows strong growth in 2024 (13.7%), however, a general slowdown in repair and maintenance activity is expected over the next five years as the rise in spending on R&M construction seen between 2021 and 2023 levels off. Given these trends, over the next five years we see greater growth opportunities for work within Scotland's infrastructure and new housing sectors.

Infrastructure output to rise by 6.5% per year on average between 2025 and 2029.

Scotland Annual Average Output Growth Rate by Sector (2025-29)



Scotland Construction Output, £m (2022 prices) (2024-29)

Output sector	2024	2025	2026	2027	2028	2029
Public new housing	527	501	520	545	576	608
Private new housing	2,003	1,980	2,013	2,084	2,157	2,219
All new housing	**2,530**	**2,480**	**2,532**	**2,628**	**2,732**	**2,827**
Infrastructure	3,931	4,504	4,773	4,964	5,165	5,375
Public non-housing	1,152	1,249	1,304	1,344	1,373	1,400
Industrial	706	740	712	723	714	710
Commercial	1,232	1,247	1,272	1,282	1,291	1,295
All new work	**9,551**	**10,220**	**10,593**	**10,942**	**11,276**	**11,607**
Housing R&M	2,928	2,882	2,885	2,892	2,911	2,936
Non-housing R&M	4,251	3,913	3,922	3,951	3,949	3,954
All R&M	**7,179**	**6,795**	**6,808**	**6,843**	**6,861**	**6,889**
Total work	**16,730**	**17,015**	**17,401**	**17,785**	**18,137**	**18,496**

WORKFORCE

In 2024, the construction workforce reached 207,100 in Scotland, up 1.8% from the year before.

With the increases in construction activity forecast in this report, we anticipate further job growth over the next five years. However, the construction workforce will expand more slowly than in recent years. We expect the workforce to reach 214,500 by 2029, which represents average annual growth of 0.7% over the five-year period. This is slightly weaker than the UK average workforce growth (0.8%) from 2025–2029.

While a total workforce of 214,500 by 2029 represents a 10-year peak, it remains lower than the pre-Covid-19 level of 236,800 in 2018 (-22,300) and the all-time high in 2007 (-32,500).

Despite falls in employment in 2020–2021, roles in office support staff occupations have seen the strongest growth over the last decade. Meanwhile, employment in manager and supervisor occupations has continued to fall over recent years. We expect this declining trend to cease over the next five years. Growth across all occupational groupings is forecast through to 2029. This reflects the positive outlook for Scotland's construction sector.

The construction-specific occupations projected to see the strongest annual average growth over the five years to 2029 are:

- Road and rail construction operatives **(1.9%)**
- Steel erectors and metal workers **(1.8%)**
- Civil engineers **(1.6%)**

The demand for additional workers in these road and rail construction occupations reflects current projects for rail electrification and investments in road upgrades across Scotland.

Workforce expansion will also be strong for steel erectors and metal workers (1.8%), civil engineers (1.6%), and non-construction professional and technical office-based staff (1.6%). Among managerial professions, the strongest pace of growth is expected to be in construction project manager occupations, with average annual growth of 1.2% through to 2029.

Annual workforce growth of 0.7% gives a construction workforce of 214,500 in Scotland by 2029.

Scotland Construction Workforce (2024-29)

Occupational group	2024	2029	Annual extra workers	Extra as a % of 2024 workforce
Manager & supervisor				
Directors, executives and senior managers	16,000	16,890	380	2.4
Construction project managers	4,740	5,030	120	2.5
Construction trades supervisors	4,100	4,240	80	1.9
Skilled trades & site based				
Electrical installation trades	14,310	14,500	150	1.0
Carpenters and joiners	20,260	20,420	190	0.9
Plumbing and HVAC trades	8,550	8,680	90	1.1
Labourers	10,710	10,870	120	1.1
Painters and decorators	4,970	4,890	<50	-
Bricklayers and masons	4,490	4,610	60	1.3
Plasterers	4,080	4,060	<50	-
Logistics	2,810	2,950	50	1.8
Plant operatives	5,720	5,910	80	1.4
Roofers	5,550	5,570	<50	-
Plant mechanics/fitters	3,050	3,300	70	2.3
Floorers and wall tilers	3,300	3,290	<50	-
Groundworkers	2,370	2,410	<50	-
Scaffolders	2,900	3,000	<50	-
Road and rail construction operatives	2,510	2,760	70	2.8
Glaziers and window trades	1,280	1,250	<50	-
Steel erectors and metal workers	2,470	2,710	70	2.8
Other construction and building trades	5,580	5,630	50	0.9
Non-construction trades and operatives	2,780	2,920	50	1.8
Professional & technical				
Surveyors	6,970	7,310	160	2.3
Civil engineers	3,290	3,560	100	3.0
Architects	2,570	2,680	60	2.3
Other professional and technical staff working in construction	22,410	23,520	530	2.4
Office based				
Non-construction professional and technical office based staff	17,640	19,070	500	2.8
Other non-construction office-based staff	21,690	22,460	410	1.9
TOTAL	**207,100**	**214,500**	**3,590**	**1.7**

EXTRA WORKERS

The modelling supporting the forecast looks at the expected employment growth against the flow of people moving in and out of the construction workforce.

These flows are illustrated on the diagram and show that, in a typical year, the construction industry needs to replace around 8% of its workforce due to natural churn.

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

- The difference between the number of people that leave or join the industry
- Replacement of workers who will be retiring and
- Estimate of workers needed for additional growth

The number of extra workers needed in Scotland for the 2025–2029 period is estimated at 3,590 per year, which is a decrease from the recruitment requirement of 5,220 reported last year. This annual figure means the construction industry in Scotland needs to recruit around 17,950 extra workers over the next five years.

In absolute terms, the occupations with the highest extra worker needs are:

- Other construction professionals and technical staff **(530)**
- Non-construction professional and technical office-based staff **(500)**
- Other non-construction office-based staff **(410)**

For occupational groups that require fewer than 50 extra workers, the expectation is that recent levels of recruitment will be able to meet future needs if they are maintained and job vacancy postings remain at current levels.

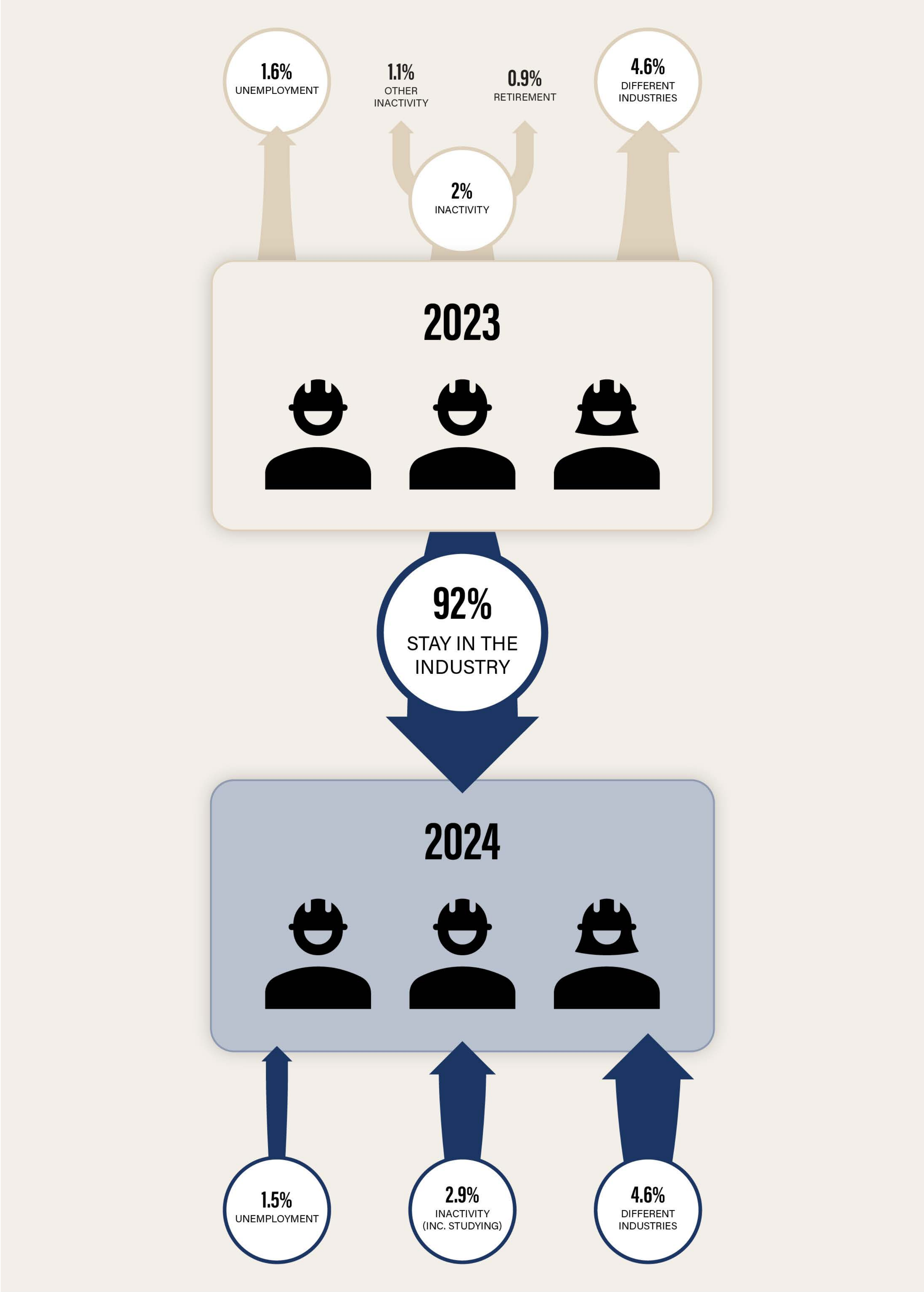
Occupational groups that account for a larger share of the workforce may have larger extra worker values. Viewing extra workers as a percentage of the workforce for each group helps to show occupations that are likely to have stronger demand, such as:

- Civil engineers **(3.0%)**
- Non-construction professional and technical office-based staff **(2.8%)**
- Road and rail construction operatives **(2.8%)**
- Steel erectors and metal workers **(2.8%)**

Ultimately, this highlights how recruitment must cover the full range of roles, from site to office-based locations.

As the report sets out, there is a clear demand for workers in the coming years and meeting it needs sustained investment in training that supports people into jobs. This will be a challenge, however, changing how the construction industry looks to attract, train, and retain its people will lead towards a more capable workforce that is better equipped for the scale of future demand.

3,590 extra workers needed per year.



Source: ONS LFS longitudinal, 2024.
Note: results might not sum to 100 due to rounding.

THE CONSTRUCTION WORKFORCE OUTLOOK
SCOTLAND

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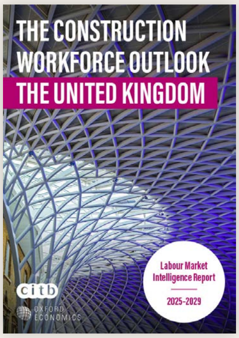

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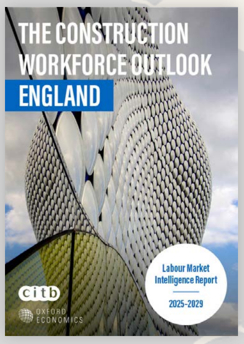

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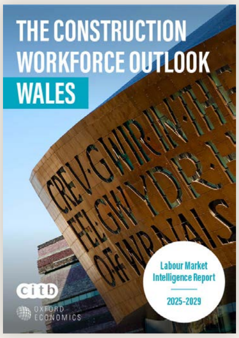

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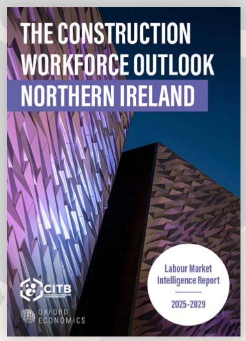

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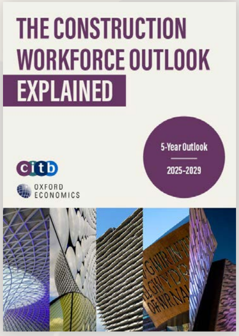

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