



CONSTRUCTION INDUSTRY TRAINING BOARD

UK Construction Industry Picture



2026

OVERVIEW

Construction is central to the UK's economic future, yet the industry faces a workforce challenge that is becoming more pressing each year. Too few people are entering the sector, too many experienced workers are leaving, and productivity has not improved at a sufficient rate to plug the gap.

CITB's Industry Picture makes it clear:

If industry continues with the same approach, it will encounter a widening gap between project demand and its capacity to deliver. This will likely limit the volume of work that can be delivered and push up tender prices as firms compete for scarce labour and skills.

Embracing new ways of working presents an opportunity to overcome these constraints. However, this is not a straightforward task.

Transforming a sector that has remained largely unchanged for decades will be challenging. Achieving meaningful progress will require a unified effort from industry leaders, government bodies, training providers and CITB, all working collaboratively toward a common objective.

Challenges and the need for change

The Core Issue

The construction industry faces a long-term constraint on workforce capacity. Simply put, there are not enough workers with the right skills in the right place at the right time to meet current and future demand. Whilst the picture is complex, this constraint is driven by three pressures:

- Competition for talent is increasing across all sectors
- Demand for construction workers is outstripping the supply of new entrants
- Experienced workers are leaving at all stages of their career.



Real-World Impact

Unfortunately, a 'business as usual' approach will result in a growing skills gap, limiting what industry can deliver and leading to unmet government aspirations in housing, retrofit and infrastructure.

An insufficient construction workforce leads to tangible consequences: projects are delayed or cancelled, costs rise due to wage inflation, and quality suffers, leading to an increase in re-work and a decrease in productivity.

In broad terms, if things don't get built, society faces knock-on effects like too few or poor-quality homes, strained infrastructure, and missed net zero targets.

In contrast, addressing the workforce shortages and skills gap unlocks those opportunities and economic benefits, reaffirming construction's position at the heart of the UK's economic growth.

Realising construction's full potential helps remove some of the barriers holding back the economy, which in turn supports higher living standards and greater prosperity for individuals and employers. But making significant change is difficult and requires buy-in from multiple stakeholders.



Collaboration is Key

We can't solve this alone. Overcoming the challenges depends on CITB, industry, training providers, government and others working together on an agreed plan.

The challenges construction is facing

This report is broken down into the following connected areas:

- 1 Fewer people are available to the industry
- 2 Demand for construction skills is growing faster than supply
- 3 Too many workers leave industry too soon
- 4 Current productivity levels are insufficient to offset worker shortages.

Together, they tell the story of an industry at a crossroads – continue in the same way and fall short, or invest in people and innovation to secure the future.



New entrants and the training pipeline: Attracting new entrants from wider talent pools

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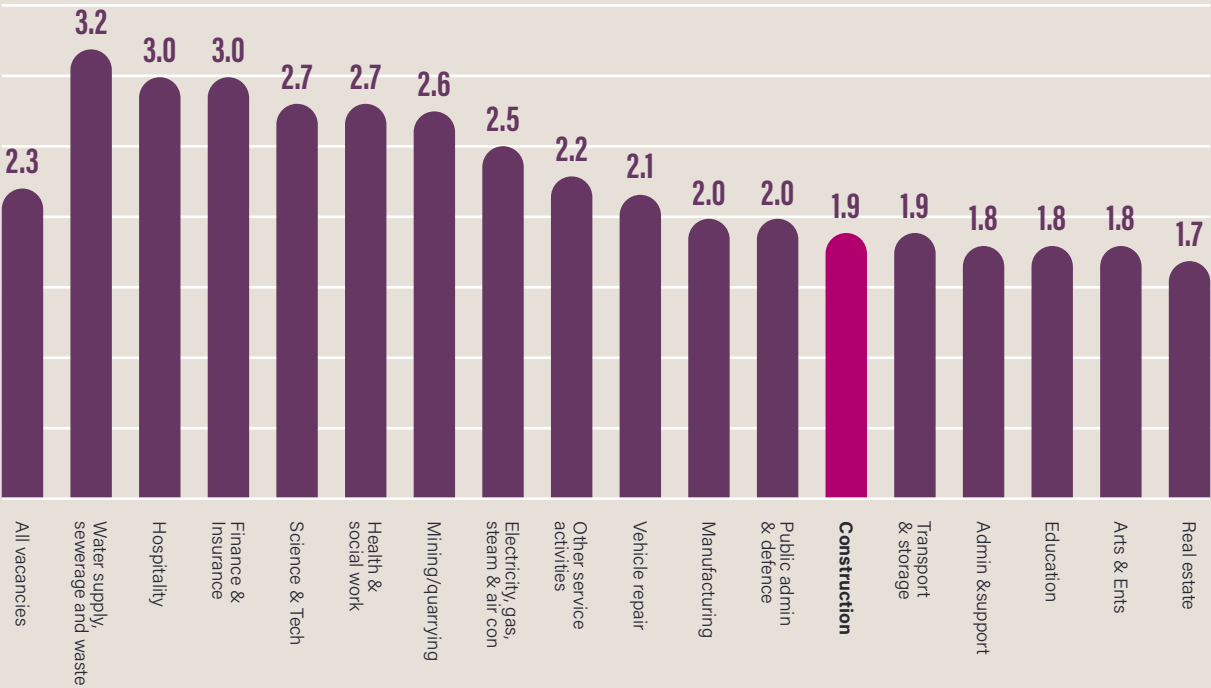
NEW ENTRANTS AND TRAINING PIPELINE: ATTRACTING NEW ENTRANTS FROM WIDER TALENT POOLS

Construction is not the only sector with a skills gap

Demographic trends show there simply aren't enough young people entering the workforce to meet demand across all sectors. According to the Employer Skills Survey, 2024¹, hard-to-fill vacancy density was highest in Construction (57%) and was above average in Manufacturing (a sector that construction regularly recruits from).

If new entrants, and those that influence them, don't view construction favourably, and they can't see clear routes of entry and progression into the industry, many will gain employment elsewhere.

VACANCIES PER 100 EMPLOYEE JOBS (ADJUSTED AUG-OCT 2025)



Source: VACS02: Vacancies by industry – Office for National Statistics, UK

1. Employer Skills Survey, 2024, Department for Education

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NEW ENTRANTS AND TRAINING PIPELINE: ATTRACTING NEW ENTRANTS FROM WIDER TALENT POOLS

Insufficient inflow

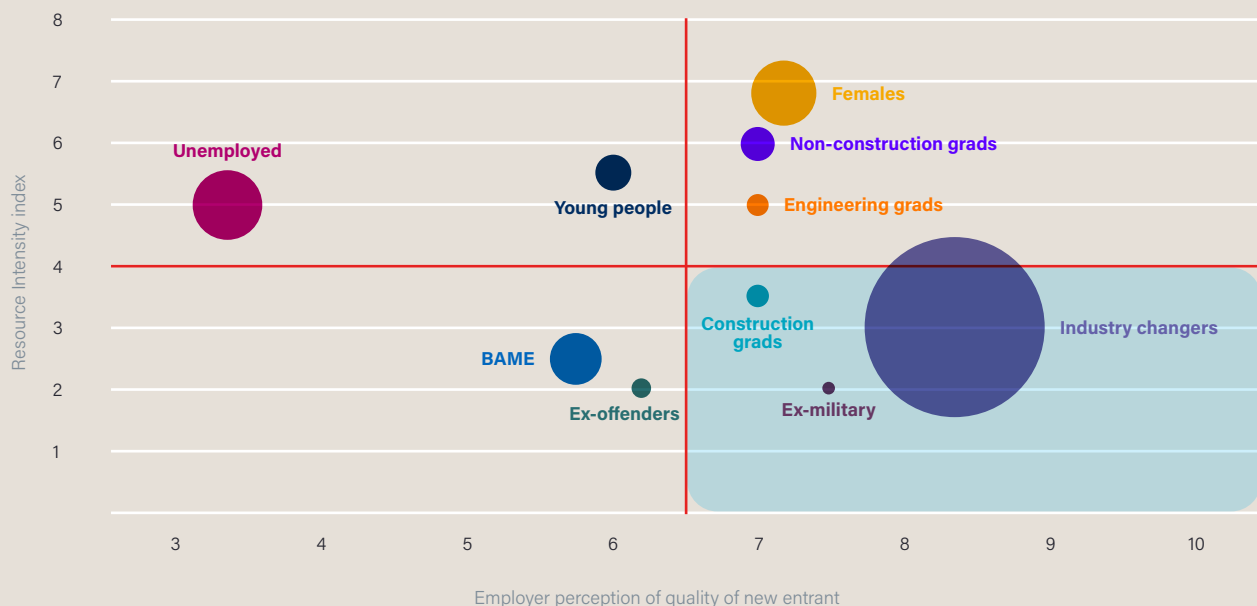
Despite signs of recovery since the pandemic, the number of new entrants into construction remains well below what is needed. In 2023/24, around 33,000 people started construction apprenticeships in Britain. But even under business as usual conditions, the industry needs an average of 48,000+ new entrants every year.²

Given current retention rates, CITB's Construction Apprenticeship analysis states apprenticeship starts would need to almost triple to meet future labour demands – and that's before factoring in the increased labour demands required to fulfil The government's ambitions for homebuilding, retrofit, and infrastructure.

Tapping into diverse talent pools

Despite competition for talent increasing, the construction sector does not face an overall shortage of people that could be recruited. Instead, there is a mismatch between the people available to construction employers and those they are seeking to employ.³ Employers consistently express a preference for new entrants who demonstrate the 'right attitude' and possess relevant work experience, often noting that many are not 'work-ready.'

EMPLOYER RESOURCES REQUIRED TO RECRUIT AGAINST PERCEIVED QUALITY OF NEW ENTRANT (SIZE = SIZE OF TALENT POOL)



Source: Targeted Careers in Construction, CITB, 2025

2. Construction Apprenticeships: Opportunities. Challenges. Support, 2025, CITB

3. Targeted Careers in Construction, 2025, CITB

1

NEW ENTRANTS AND TRAINING PIPELINE: ATTRACTING NEW ENTRANTS FROM WIDER TALENT POOLS

Work experience

Experience gained from exposure to the construction workplace is highly valued. Conversely, it is difficult to access. There are often valid reasons for this, but these barriers must be addressed. Employers need to adopt original approaches and be proactive in enabling change to attract and prepare the workforce the sector requires.

Employers, especially the SMEs that dominate construction, can be hesitant to take on apprentices or offer work experience due to cost or admin. And yet, real-world experience is an essential quality for many employers when looking to recruit. The result is a bottleneck, where an insufficient number of learners are converted into competent construction workers. Essentially, the system isn't making a strong enough link to jobs, and as a result, training often doesn't seamlessly lead into employment.

Linking training to real-world jobs

Most importantly, there is a need to align training with the skills demand that exists. This requires stronger links between the courses offered and the employment opportunities following completion. Updating course content to ensure it reflects the techniques needed now and in the future is also essential, and requires a joined-up approach between CITB, training providers and industry.

Only
21%
of construction
businesses employ
apprentices...

...and only
31%
of construction
employers offered
any type of work
placement over the
last 12 months.⁴



4. Skills England Employer Skills Survey, 2024, CITB Construction Apprenticeships 2024–2025, and CITB Work Readiness Report, 2018

Meeting the growing demands on the workforce

2

MEETING THE GROWING DEMANDS ON THE WORKFORCE

Moderate growth, high ambition

Construction output is projected to grow about 2% per year over the next five years, reaching a total output of around £216 billion by 2029⁵. Employment is only forecast to grow by around 0.8% per year over the same period, meaning it sits far below the output needs.

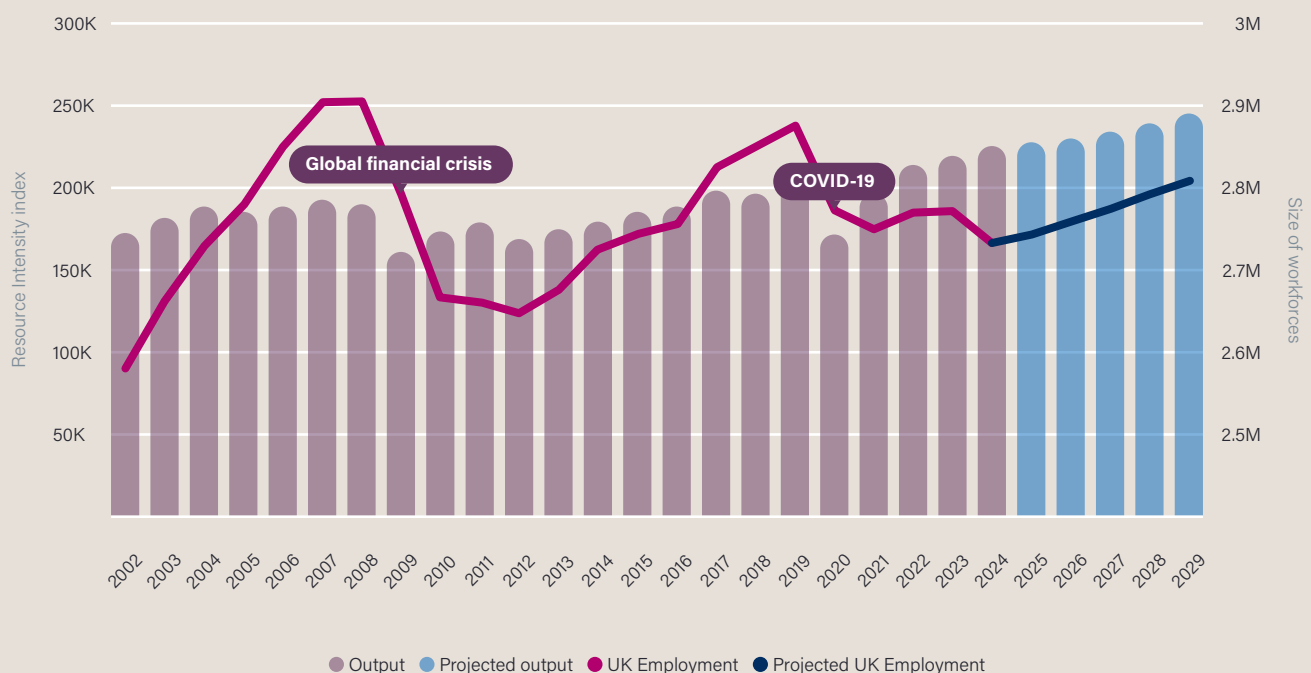
In numbers, the construction workforce is projected to reach around 2.75 million by 2029, which is not sufficient to meet the demand for all planned projects. CITB estimates about 48,000 extra workers are needed each year (240,000 people over five years) to meet demand. Without the capacity of these extra people, labour shortages will limit progress.

An estimated

48K

extra workers are needed each year

UK CONSTRUCTION OUTPUT IS PROJECTED TO GROW STEADILY



Source: CITB's Construction Workforce Outlook 2025-2029

2

MEETING THE GROWING DEMANDS ON THE WORKFORCE

Government aspirations amplify the skills gap

Government ambitions, specifically the 1.5 million new homes in five years, retrofit targets and long-term infrastructure programmes, push this demand even higher, creating a significant skills gap. Projections suggest that to reach the housing and retrofit targets within the given timeframe, an additional 110k workers on average would be required per year for the next five years. Such an expansion would require a pace and scale of workforce growth that, in practice, is unlikely to be achievable even under the most favourable conditions.

Market consequences

When demand exceeds supply of skilled labour, costs rise, and projects become less viable. Skills shortages can drive up wages and sub-contractor prices, squeezing profit margins in an industry that already has some low-margin

sub-sectors. More critically, some projects may not get off the ground at all. Contractors may either decline to bid or submit higher-priced tenders to reflect the risk of having insufficient skilled workers. Without intervention, the sector runs the risk of having plenty of work, but inadequate workforce capacity to fulfil it.

Pipeline of work matters

Having a clear and visible commitment to a funded pipeline of projects is crucial to sustain workforce growth. Uncertainty or boom-bust investment cycles make it harder to plan workforce development. Conversely, stable long-term programmes (like steady housing targets or multi-year infrastructure plans) give the industry confidence to hire and train. Aligning training lead times with project lead times is critical. For example, if a major project is due to start in 2028, new entrants to the workforce need to be in training now.

SECTOR	SCENARIO	PROJECTED ADDITIONAL WORKFORCE REQUIRED YEAR ON YEAR*	CONFIDENCE IN PROJECTION METHOD
Housing (England only)	Build 1.5 million homes by 2030	61k per year over five years on average	High
Energy improvement/ Retrofit (GB)	Upgrade of all rented homes to EPC C by 2030	51k per year over five years on average	Medium
Infrastructure	10-year National Infrastructure Pipeline	Low as likely most will already be included in the CWO	High

PROJECTIONS SUGGEST AROUND 110K ADDITIONAL WORKERS PER YEAR ARE NEEDED TO REACH THE HOUSING AND RETROFIT TARGETS BY 2030

* Projections have been calculated using CITB's Construction Workforce Outlook and Labour Forecasting Tool. Further details available upon request.

Existing workforce:
Improving the retention
of the existing workforce
from new entrants
through to the older,
experienced, workers

3

EXISTING WORKFORCE

Post-pandemic recovery

The construction workforce today is slightly smaller than its pre-Covid level. More worryingly, under current trends the workforce will not grow enough to meet future needs – it may even shrink relative to demand. The industry is essentially running at a standstill, replacing some leavers but failing to expand net-employment.

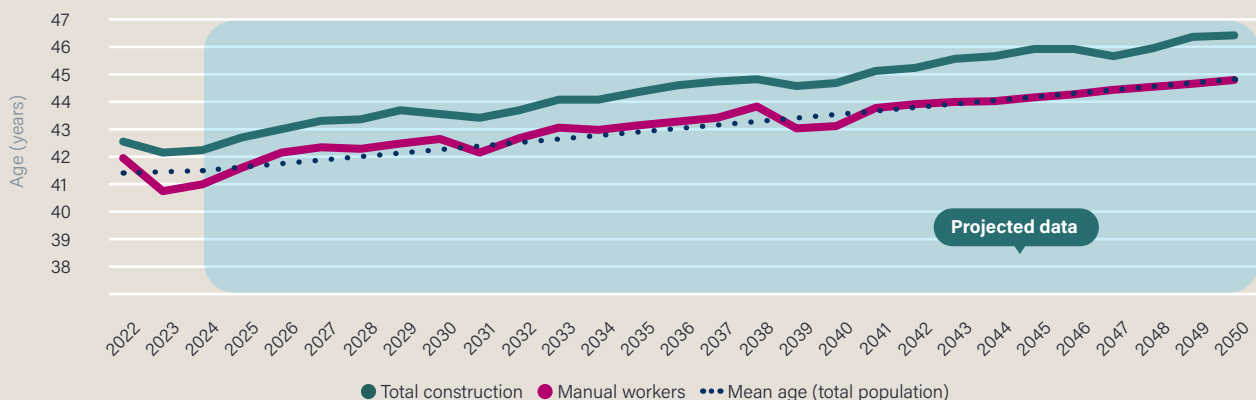
Ageing workforce

The demographic profile shows a clear trend: the workforce is getting older. As of 2023, around 24%

of construction workers were over 55 (this was only around 13% in 2000, highlighting the shift). The average age of all construction workers is now over 42 and climbing, with a substantial portion of workers set to retire in the next five to ten years.

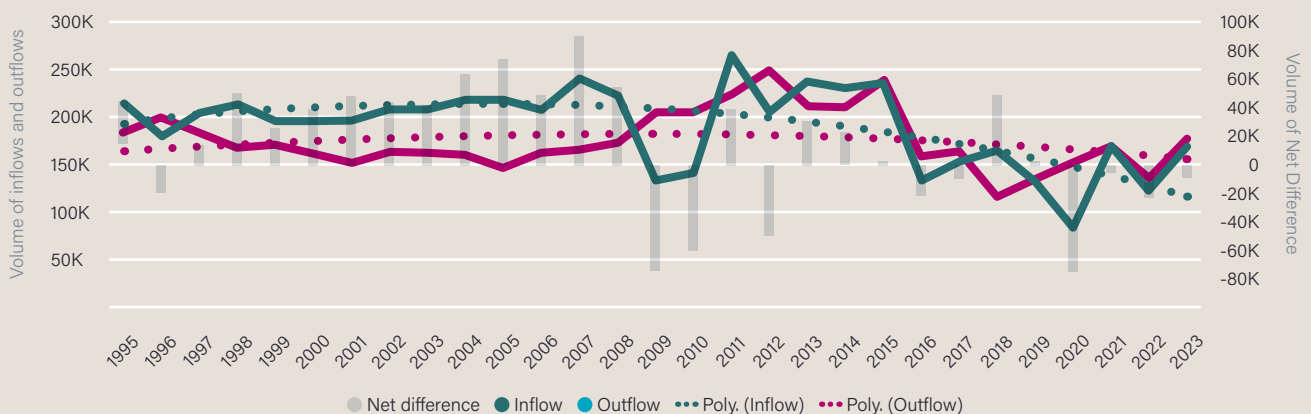
An ageing workforce brings two issues: loss of experienced workers due to retirement and potential declines in productivity or ability in physically demanding jobs as workers age. Both highlight the need to attract new entrants and retain mid-career talent to maintain industry capability.

THE AVERAGE CONSTRUCTION WORKER AGE WILL CONTINUE TO RISE (PROJECTION BASED ON DATA FROM 2022 TO 2050)



Source: All Workers in Construction Industry (SIC45*), UK, 2000 to 2023, Labour Force Survey, Office for National Statistics, Crown Copyright 2024. Construction worker age projections based on age profile of existing workforce. Mean age of population taken from National Population Projections: 2022–based.

PROJECTED INFLOWS AND OUTFLOWS OF THE CONSTRUCTION WORKFORCE



Source: Outflow and inflow tables derived from LFS five quarter longitudinal data sets, SIC2007 41, 42, 43 combined, 1953–2023, UK

3

EXISTING WORKFORCE

Outflows vs inflows

Evidence suggests that more people are leaving the industry each year than joining it. This includes retirements, but also those changing careers, and, possibly, emigration. With lower entry rates, we end up with a net outflow. Without intervention, this slow, persistent loss of talent is likely to continue.

Retention is crucial

In this context, keeping existing workers engaged and employed longer is vital across all stages of their career. Retaining older workers or those who might otherwise leave could significantly reduce the skills gap. Construction workers, particularly those with a manual job, tend to retire earlier than other sectors. Delaying retirement by a year or two or improving conditions to reduce mid-career turnover could significantly decrease the skills gap. Offering flexibility in the number of hours

worked, less physically intense roles for older tradespeople, as well as improving workplace culture to boost retention (many younger workers cite job conditions as a reason for leaving) are all within our gift and could positively impact retention. And this says nothing of the potential for older workers to provide mentorship and transfer vital skills to younger colleagues, further supporting workforce capability.

Improving learner retention at all stages

Just under half of apprentices do not complete their end-point assessment, and a sizeable proportion of new entrants leave the industry within their first 12 months⁶. Improving retention and achievement rates of learners, strengthening the links between learning and employment and then improving retention rates are all necessary to close the skills and workforce capacity gap.

REASONS FOR LEAVING THE CONSTRUCTION INDUSTRY

NEW ENTRANTS

- 28% Didn't like it/wasn't for me
- 19% Issues with employer/college/tutor
- 17% Wanted a career change
- 16% Didn't like the type of work
- 11% Found the pay too low
- 9% Personal reasons (health, childcare)

OVER 50S

- 37% To retire from paid work
- 22% Made redundant
- 16% Wanted a lifestyle change
- 15% Didn't want to work anymore
- 13% Illness
- 12% The COVID-19 pandemic

Source: The Construction Industry Early Leavers Survey, CITB, April 2017, GB / Office for National Statistics , Overs 50s Lifestyle Study (OLS), September 2022

6. The Construction Industry Early Leavers Survey, April 2017

The importance of competency and its impact on productivity

4

THE IMPORTANCE OF COMPETENCY AND ITS IMPACT ON PRODUCTIVITY

Productivity provides the opportunity to do more with fewer people, but even when considering the different ways it can be measured, average construction productivity has remained stubbornly flat for decades, while other sectors have made significant gains.

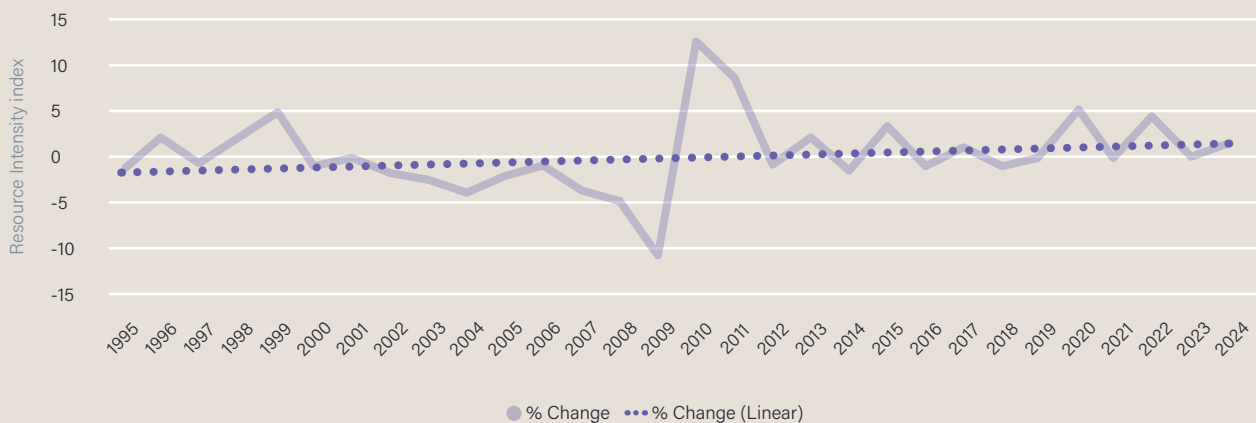
Competency is an enabler for improving productivity

Closing the gap in the workforce cannot just be about increasing the numbers of people working in construction. A growing workforce must still have the necessary skills, knowledge, experience

and behaviours to be deemed competent. Without a focus on competency, quality drops and re-work increases, ultimately leading to poor productivity.

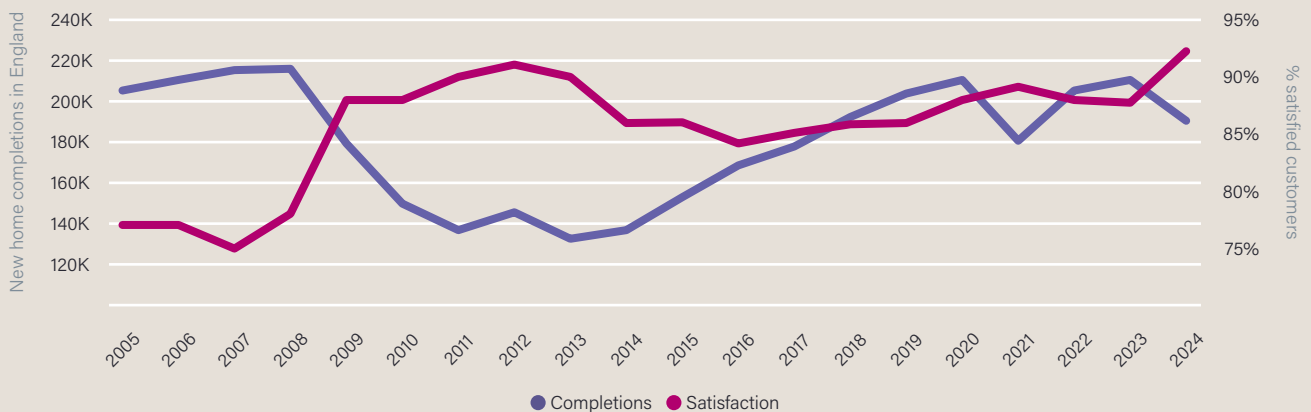
When comparing new home completions with customer satisfaction data, periods of higher output have often aligned with lower customer satisfaction. Reduced satisfaction typically reflects underlying quality issues that require time and money to resolve, driving up remedial work. This adds cost, diverts resources and ultimately has a negative impact on productivity.

OUTPUT PER HOUR



Source: Output per hour: Construction F SIC07, % change on Y, SA, UK – Office for National Statistics

COMPLETIONS AND CUSTOMER SATISFACTION IN THE HOMEBUILDING SECTOR



Source: New home completions (ONS) Customer Satisfaction Surveys results (HBF)

4

THE IMPORTANCE OF COMPETENCY AND ITS IMPACT ON PRODUCTIVITY

Construction errors impose a significant financial burden on the UK construction industry

According to the Get It Right Initiative (GIRI), the annual cost of these errors is estimated to be around seven times the industry's total annual profit.⁷ Investing in training and professional development not only reduces errors but also boosts output and profitability. In construction, where the cost of mistakes is disproportionately high, reducing rework alone could ease pressure from rising demand and improve productivity.

Off-site construction may not be a silver bullet for productivity improvement

Despite numerous attempts to increase its use, off-site methods have made little impact on overall output. In 2024, 31% of completions recorded by NHBC included an element of off-site construction, primarily driven by Category 2 (panelised construction), while growth in other categories remains low. This proportion has been largely steady for several years, suggesting off-site has reached near-term capacity.⁸ This is not to say that future growth is unachievable, but additional productivity gains will most likely come from a series of long-term, incremental changes, involving the adoption of new technologies and finding smarter ways of working.



7. Source: Get it Right Initiative

8. Source: NHBC, Residential Construction Statistics

The opportunity

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THE OPPORTUNITY

A skills crisis is looming, with a critical crunch point approaching, but there is also a roadmap of opportunities to address it:

1 The gap in skills and workforce capacity is structural, not temporary

The UK construction sector faces a persistent mismatch between workforce supply and demand. This is not simply a matter of numbers, but of having people with the right skills, in the right roles, in the right place, at the right time. Without a fundamental shift in how the sector attracts, trains, and retains talent, the gap will continue to widen.

2 Business as usual is not an option

Continuing with current practices will result in missed government targets for housing, retrofit, and infrastructure, as well as rising costs, project delays, and declining quality. While incremental improvements are important, the sector must complement them with co-ordinated, systemic transformation to address its structural challenges.

3 Collaboration is essential

No single organisation can solve these challenges alone. Meaningful progress requires a unified effort from employers, training providers, government, and industry bodies. Only through shared responsibility and joint action can the sector address its workforce challenges.



Industry, government, training providers and CITB all have a shared role in building a stronger workforce.



5

THE OPPORTUNITY

The Industry Picture identifies four areas where co-ordinated action will have the biggest impact:

1 Attract wider

The available talent pool is broader than the sector currently accesses. To meet future demand, employers must rethink recruitment practices, expand work placement opportunities, and actively support under-represented groups to build a steady flow of 'work-ready' entrants. At the same time, the sector will need to adopt a more expansive approach to labour sourcing, helping develop more people from a wider range of routes into construction careers to ensure workforce resilience.

ACTION

Making construction an attractive career choice while providing access to work experience will help new entrants and employers alike.

CTB'S RESPONSE

We know training must be better connected to real-world jobs, which is why we're developing an intervention to give more young people meaningful workplace exposure by increasing the availability of work experience opportunities.

2 Connect better

There are not enough new entrants to meet demand, and the training system itself is constrained by capacity, structural limitations, and a shortage of trainers and assessors. The sector must broaden access to under-represented groups, increase the flexibility and duration of training opportunities, and ensure that training is closely linked to real job opportunities.

ACTION

The current system is too-often not fit for purpose. We need faster paced, better targeted, accessible and flexible training pathways, closely linked to real jobs to meet future demand.

CTB'S RESPONSE

Accelerated apprenticeships will speed up the entry of new people to the workforce. We're also developing additional flexible entry routes to bring in more newcomers and make upskilling to occupational competence easier for anyone already working in construction.

5

THE OPPORTUNITY

3 Retain longer

With an ageing workforce and more people leaving the industry than joining, improving retention at all career stages is no longer optional. Supporting older workers, offering flexible or less physically intensive roles, and improving workplace culture will help to reduce churn.

ACTION

Retention is critical. If we don't retain younger workers today, we lose the experienced workforce of tomorrow. But we also need to retain workers for longer at every stage of their career by offering different or more flexible work options.

CITB'S RESPONSE

The capacity and skills gap cannot be closed through new entrants alone, and CITB has an important role to play in improving retention. We are currently assessing where we can have the greatest impact and are offering funding for industry-led solutions.

4 Modernise faster

Raising productivity is essential for the construction industry to deliver more with the workforce it has, at greater pace and with consistent quality. Achieving this requires not just more workers, but a workforce that is more competent, adaptable, digitally literate, and capable of delivering high-quality work efficiently.

ACTION

Making use of modern technologies and finding ways to work more efficiently are critical in building capacity and bridging the gap in the skilled workforce.

CITB'S RESPONSE

A skilled workforce leads to productivity improvements. That's why we're focusing on raising competency across both new entrants and the existing workforce. We support a wide range of training associated with productivity improvement and are funding industry-led pilots to test productivity improvement in construction businesses.

Summary: The construction industry stands at a crossroads. To secure its future and deliver on national ambitions, it must invest in people, modernise its approach to skills and training, and work collaboratively across the sector. Only by doing so can it build capacity, close the skills gap, boost productivity, and remain a key driver of economic growth and societal well-being.

By working in partnership, industry, government, and CITB can enable this once-in-a-generation opportunity, reshaping the construction workforce to be more skilled, diverse, and resilient.

Together, we can build a sector that not only meets today's challenges but is ready to thrive in the future.

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To find out more, visit:

citb.co.uk/the-industry-picture