

“It’s projected that over 35,000 vacancies will arise between now and 2021 which is positive news but a challenging task if the access to non-UK workers is further exacerbated by Brexit.

In a candidate driven market, some clients are straining with balancing increasing labour costs with tight profit margins driven by public sector austerity and global competition. However, stronger demand in temporary vacancies is proving how essential the service we provide is to the industry.”

Alex Downard, Operations Director

Construction overview & outlook

Autumn 2017



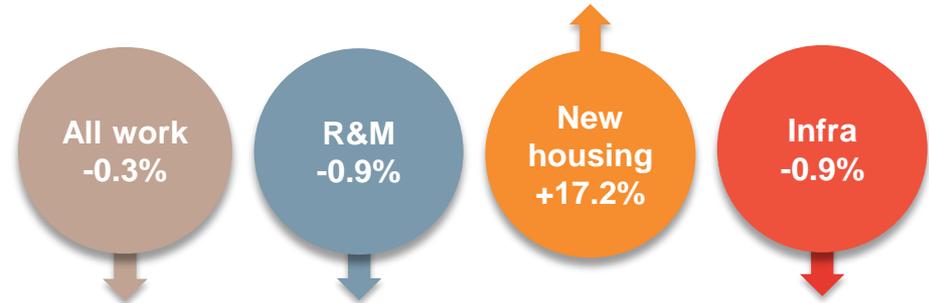
Construction overview



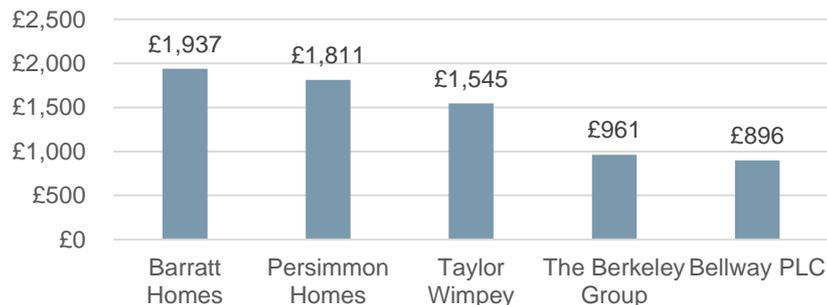
Construction output was estimated to have decreased by **0.9%** during quarter 2 2017, following growth of **1.1%** during Quarter 1 2017.

Construction industry vacancies rose by **7,000** annually to **28,000** in total, however concern over availability of workers with construction skills was heightened this quarter. **8.4%** of the UK construction workforce comprised of EU nationals in 2016, including **31.6%** of construction workers in London, making it extremely vulnerable to the ongoing uncertainty for EU workers.

Sector output May 2016 – May 2017 comparison



Top 5 housing developers by contract value (£m)



June witnessed a rebound in construction levels with the value of new contracts awarded **£5.5 billion**, based on a 3 month rolling average. **Residential** had the highest number of contracts awarded by value in June with **54%** of the total.

The **£800 million** North Quay development in Poplar was by far the largest value contract awarded in June.

The majority of the contracts awarded in June by value were in London, accounting for **26%** of the UK total



Construction outlook



According to the latest Construction Skills Network report, construction output is expected to grow by **1.7%** over the next 5 years, with **179,000** jobs to be created.

The projected annual recruitment requirement between 2017 and 2021 is **35,740 vacancies** across the industry.

There are specialist trades in which demand is expected to be particularly high in the coming years:

Wood trades & interior fit out - 3,850

Electrical trades & insulation - 2,250

Other construction professionals & technical staff - 2,240

With construction's historical reliance on access to skills of non-UK national workers, the impact of Brexit will exacerbate the ongoing uncertainty for workers.

According to the government, **250,000** homes need to be built a year to keep up with the pace of demand.

The average home built in the UK will have to last for **2,000 years** if housebuilding continues at its current 'sluggish' rate based on analysis of housebuilding figures from the **Local Government association**.

The slow rate of housebuilding over the last decade has forced people to spend almost as much on the repair and maintenance of their homes (**£27 billion**) than money spent buying new ones (**£35 billion**).

Augmented reality to streamline construction

A new project to develop an 'Augmented worker system' has been given **£1 million** of funding from Innovate UK.

It will provide engineers with augmented reality (AR) displays to make the most of the **Building Information Modelling (BIM)** tools. The hopes are to replace paper or handheld devices with hands-free, heads-up displays that would provide real time access to data, and enable greater collaboration between teams and partners.





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