



ECONOMICS



UK Construction Monitor

Q3 2025

ECONOMICS

Headline construction workloads slip over the quarter, with forward-looking metrics also easing

- Twelve-month expectations suggest a somewhat subdued outlook, although infrastructure remains stronger than other sectors
- Planning & regulatory environment remains a key challenge, while financial constraints also continue to hinder activity
- Profits margins are expected to face further pressure amid a challenging macroeconomic environment

Feedback from the Q3 2025 RICS UK Construction Monitor points to subdued momentum across the industry, with activity softening across many key sectors. Moreover, twelve-month expectations have cooled further, as domestic economic challenges and geopolitical headwinds continue to weigh on sentiment.

Workloads soften further as industry sentiment deteriorates

The headline workloads indicator, which reflects overall activity across the construction industry, registered a net balance of -8% in Q3 2025 (Chart 1), marking a further move into negative territory after a period of relatively stable readings. A closer look into the current data reveals that activity across new projects has weakened further, with the net balance falling to -13% from -5%. Meanwhile, repair and maintenance activity remains broadly stable at +2%, although this represents a noticeable easing compared with recent quarters.

Disaggregating the data by sector (Chart 2) shows that workloads have weakened across most categories, with infrastructure remaining the only segment in positive territory at +8%, down slightly from +11% last quarter. Meanwhile, readings for public and private housing, along with private commercial and industrial sectors, have all moved further into negative territory. Overall, this shift signals a broad-based deterioration in activity, contrasting with the signs of stabilisation coming through earlier in the year.

Delving deeper into the infrastructure segment, sentiment has generally softened across most categories, with the exception of communications, where the net balance rose to +16% from +7%. All other segments tracked registered less positive readings compared with the Q2 results. Feedback indicates flat workloads across harbours, roads, and rail, while activity remains solid in the energy (+29%) and water and sewage (+18%) sectors.

Financial constraints alongside planning & regulatory barriers continue to significantly impede activity

When assessing the current impediments to construction activity, financial constraints, alongside planning and regulatory issues, remain the most frequently cited challenges, highlighted by 61% and 62% of respondents, respectively, in the latest survey round. With respect to the former, despite recent base rate cuts, the Bank of England's cautious stance

on further easing has led to a deterioration in credit condition expectations over both the three and twelve-month horizons. The respective net balances have moved from -11% to -19% and -3% to -17%. Regarding current conditions, sentiment has also weakened, with the net balance for credit availability over the past three months slipping further into negative territory, from -15% to -19%.

Elsewhere, the share of respondents citing insufficient demand as a barrier to operations has risen steadily, reaching 41% in the latest survey, alongside the net balance for new business enquiries in the previous three months slipping to -7% from -1%. Labour shortages also persist, reported by 37% of participants, although this figure continues to suggest a gradual easing in such pressures amid the broader slowdown. In terms of new hiring, however, this remains relatively firm as a net balance of +21% of respondents reported an increase in Q3.

Forward-looking sentiment still positive but only tentatively so

Looking ahead to the next twelve months, workload expectations have softened, with the latest net balance of +9% pointing to a more muted outlook compared with +17% in each of the previous two quarters. Infrastructure continues to outperform other sectors and is projected to remain the strongest-growing segment over the coming year, posting a net balance of +24% (though this is down from +34% in Q2). Expectations for both private residential and private non-residential sectors are largely flat, with the former softening from +15% to +7% and the latter falling from +9% to +2%.

Turning to profit margin expectations, the latest survey points to continued pressure on business profitability over the next twelve months, with the net balance falling further into negative territory, from -11% to -19%. Employment expectations have also moderated, slipping to a net balance of +10% from +16%. This easing may reflect a combination of weak domestic demand and the prospect of further tax increases.

Key indicators

Chart 1

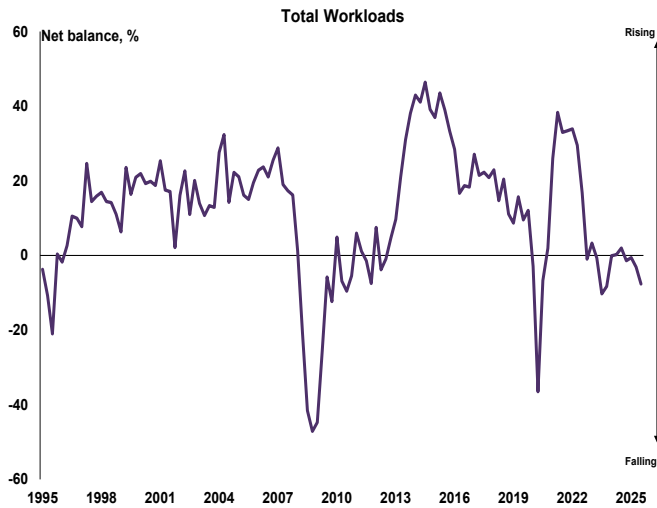


Chart 2

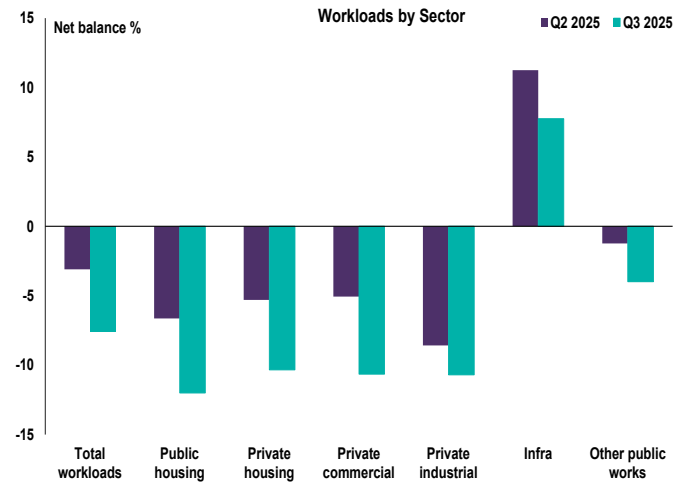


Chart 3

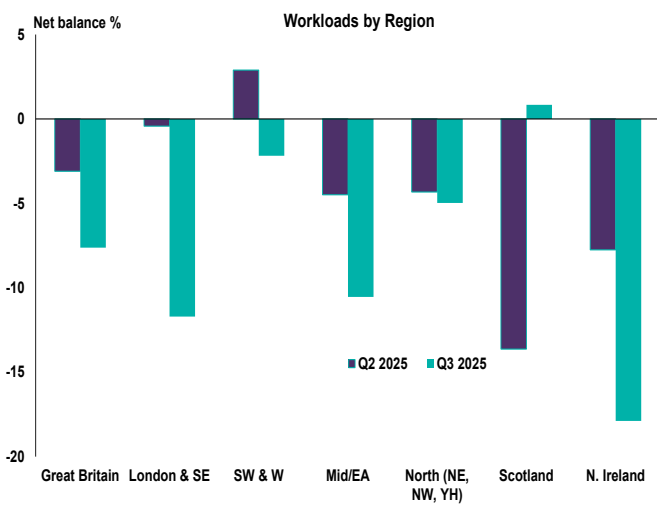


Chart 4

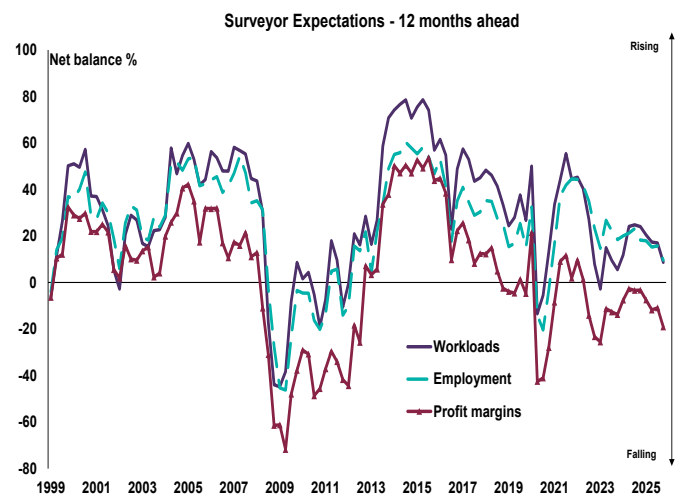


Chart 5

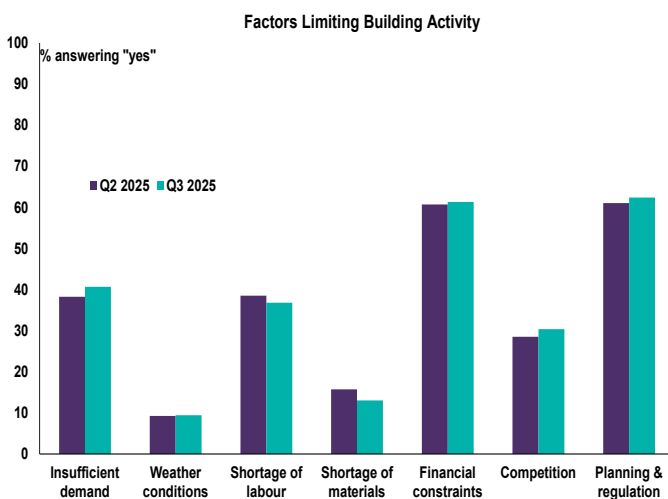
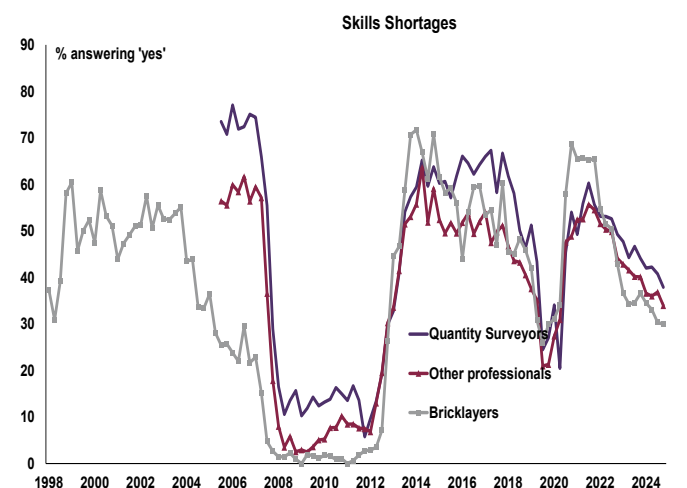


Chart 6



Key indicators

Chart 7

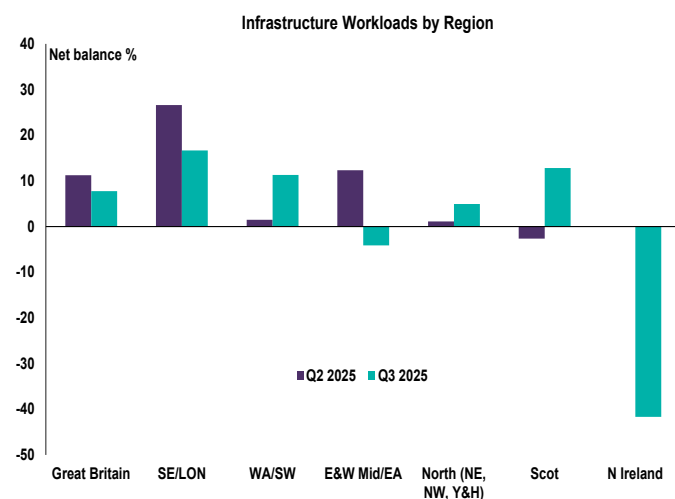


Chart 8

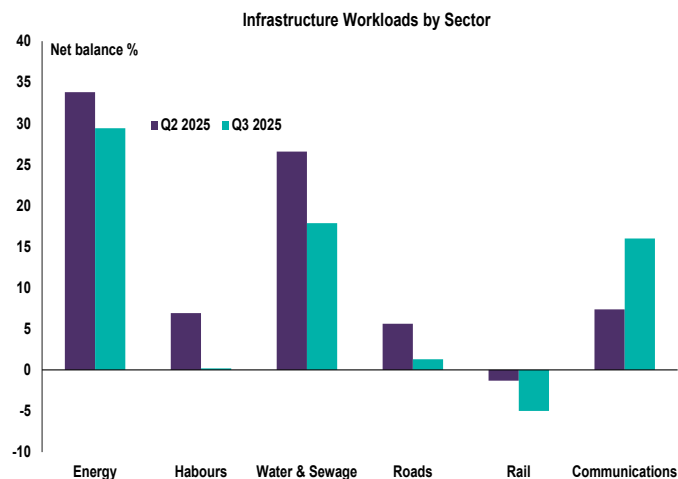


Chart 9

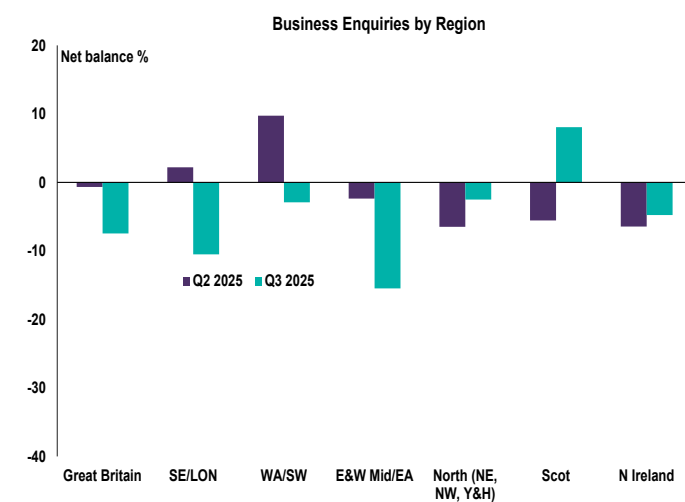


Chart 10

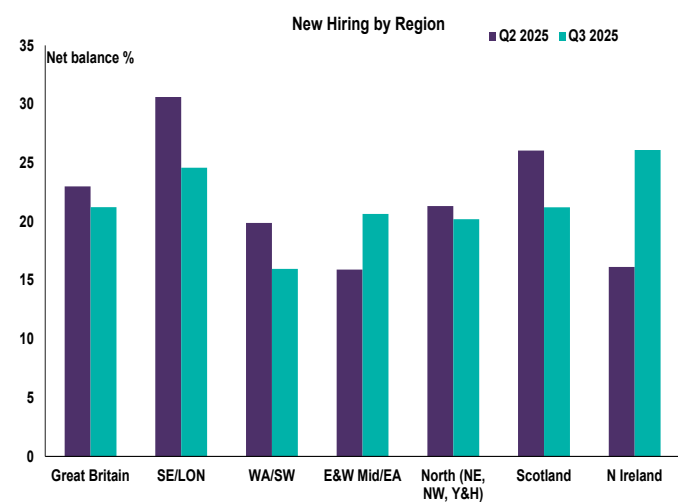


Chart 11

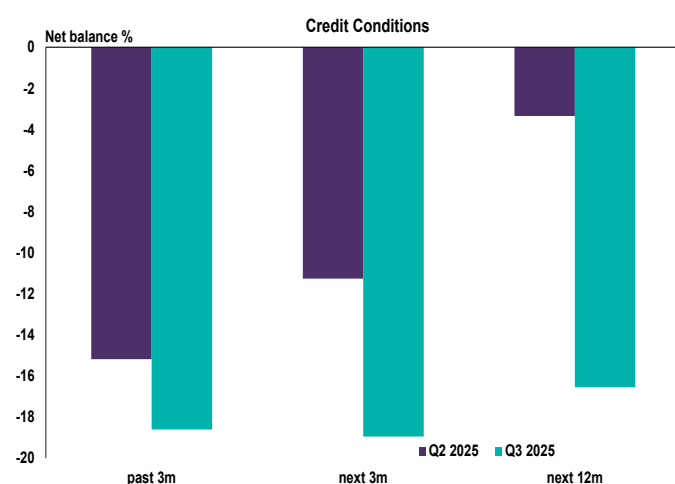
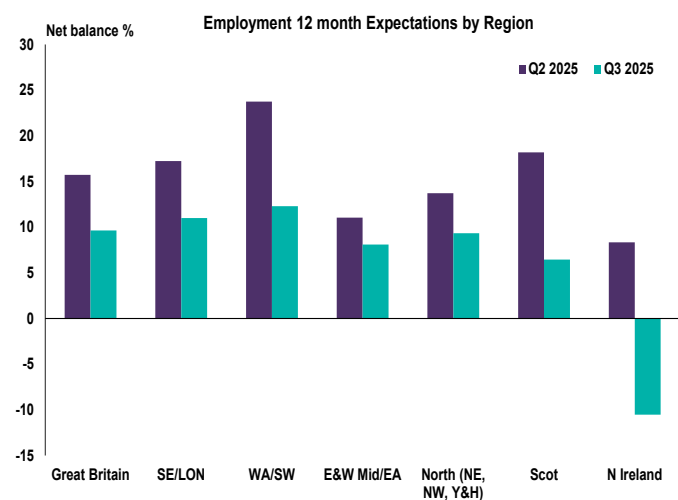


Chart 12



Key indicators

Chart 13

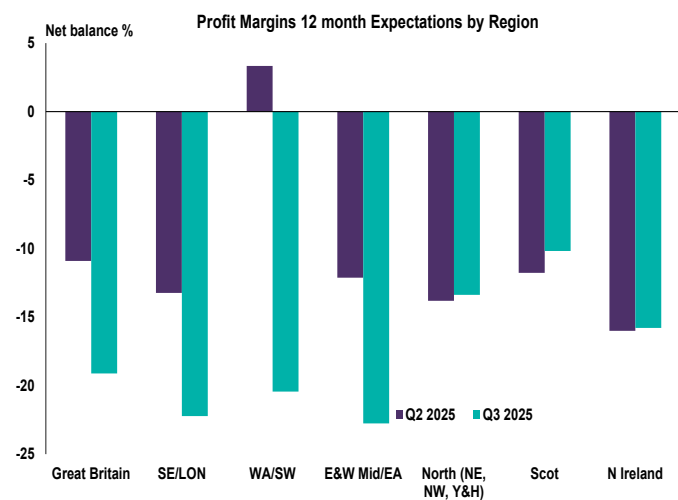
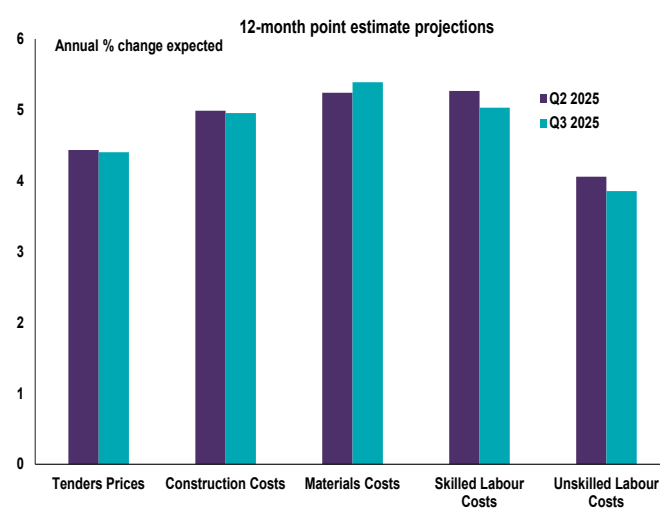


Chart 14



Chartered surveyor market comments

London

Alan Bertram, London, TTPP Construction Consultants, a.bertram@tpp.co.uk - London & South East: split market. Prime refurb/fit-out busy (flight to quality, ESG). Marginal new-builds on hold for viability. Prices sticky; risk, prelims and MEP drive costs. Building Safety Act lengthens pre-con. Labour gaps and sub fragility favour two-stage/PCSA.

Alex Joe Ennin, Rugby, Arcadis LLP, Alex.ennin@arcadis.com - Material costs are increasing significantly.

Alfie Heyland, London, Mace Consult Ltd, alfie.heyland@macegroup.com - Stop start nature of some projects through budget cycles impacts productivity.

Chiris Huntley, London, HUNTLEY CARTWRIGHT, chrishuntley@huntleycartwright.co.uk - I find that the quality of a procurement document significantly affects quality of pricing - for example: absence of Bills of Quantity/Quantified Schedules of work lead to poor quality tender returns and poor quality pricing.

Dan Jarvis, London, Gardiner and Theobald LLP, d.jarvis@gardiner.com - Overall, the industry performance has changed due to world wide events, how these have not been seen critical yet. The focus on more refurbishment projects led mainly by planning requirements has created a volume of works across small to medium size projects grew.

David Reynolds, London, , david@jmrsurveyors.com - The snail pace at which planning applications are being granted and backlog of the same is stalling development and market confidence. Need actual action - results not words.

Donal McGinty, London, Lorne Stewart Plc, donalmcginty@gmail.com - Increasingly competitive tendering.

Eric Roberts, Luton, MTC Surveying Ltd, erobertsmtc@gmail.com - There needs to be awareness of the skills shortages there needs to be more emphasis on apprenticeships in the construction industry.

Faraz Butt, London, CMAP SERVICES LTD, Faraz.butt@cmapservices.co.uk - Shortage of skills in commercial management.

Gili-Ross Leslie Carmel Gili-Ross, Herts, Architects Corporation Ltd, enquiries@architectscorporation.co.uk - Planning issues with the release of green belt land and the 2025 NPPF.

Gregory Victor Hart, London, Greg Hart Chartered Quantity Surveyor, greghartcqs@btinternet.com - Skills shortages may be an issue going forward. Also, total labour shortages resulting from immigration controls could have negative affect on capacity, especially if policies to appease populist sentiment are enacted.

Hamish Finlayson, Cambridge, Hamry Construction Consultants Limited, hamish.finlayson@hamryconsultants.com - Lack of resources.

Hannah, London, C&W Hospitality Projects Ltd, hcorley@cwprojects.ltd - Lack of skill and understanding from all levels but specifically, client teams not knowing how to deal with situations causing poor tender information and then, once on site, very poor communication and management of contractors and client expectations.

Harry True, London, True Associates, harry@trueassociates.co.uk - Rotten Building Safety Act.

Ian Morrison, London, Beyond, ian@beyondcollaboration.co.uk - Our planning system is broken which is materially impacting viability and schemes coming forward for investment. Credit markets are stagnant due to the macro impact on confidence and underlying investment value.

Ian Peart, London, Cushman & Wakefield, Ian.Peart@eur.cushwake.com - The worsening economic conditions and uncertainty in gaining planning consent is impacting on decisions to proceed with projects.

Jim Watling, Loughton, ATP Architects + Surveyors Ltd, jimw@atpgroup.co.uk - Regulation and associated cost.

John Howse, London, John Howse & Associates Limited, johnhowse@hotmail.co.uk - The impact of increasing legislation and compliance is impacting lead in times and job starts. Project teams face increasing uncertainty over ever changing legislation creating uncertainty over positive outcomes and dampening investment. Long standing interests are leaving the industry.

Julian Robert Davies Frics, London, J R Davies Associates Ltd, davesjrda@aol.com - The increased paperwork and time wasted dealing with Government red tape, the costs of employment NI etc.

Marc B Chapman, London, marc b chapman consulting ltd, marc@marcbchapman.com - HRB & BSR slowness.

Mark Bithrey, London, M D Bithrey Surveyors Ltd, mark@mdbcs.co.uk - We are experiencing significant delays on projects awaiting BSR approval. As a small company, it makes resourcing challenging as we take on staff for anticipated work which is then delayed 6-18 months.

Mark Woodgate, London, Rame Consulting, mark.woodgate@rameconsulting.com - Buyouts of client companies affecting/delaying investment decisions.

Martin Hurrell, London, Chartes Surveyors Limited, martin@chartes.uk - Focus on carbon emissions etc is affecting productivity and economic growth.

Matthew Bagatta, Dartford, M&P Technical Services Ltd, mattbagatta@mptech-services.com - Not wanting to pay what the going rate is. Not using skilled surveyors as much but instead using consultants that work from their own place of work.

Nigel Bellamy, London, 8build limited, n.bellamy@8build.co.uk - Poor economic conditions and lack of government support.

Nigel Carter, London, Foreign, Commonwealth & Development Office, nigel.carter@fcdo.gov.uk - Incentive to work overseas.

Nigel Redding, London, Bond Surveying Ltd, nigelredding1@gmail.com - Uncertainty with government intentions on tax increases in November budget is causing hesitancy in property market, restriction with domestic spending on house purchase and domestic renovation/repair projects.

Patricia Moore, London, Turner & Townsend, patricia.moore@turntown.co.uk - The biggest impact on us all at the moment is the opportunity and threats arising from AI.

Paul Chilton, London, Chilton Associates Limited, paul.chilton@chiltonassociates.com - Timeliness in the town planning process is proving challenging across a number of projects.

Peter Bensted, London, Fenton Associates, peter@fentonassociates.co.uk - Planning and legislative obstacles.

Richard Petterson, London, RPQS, rpetterson@rpqs.co.uk - Strong focus on new housebuilding has negatively affected the commercial market.

Rishi Patel, London, Chinese Estates, rishi.patel@chineseestates.com - The BSA impact on mixed use buildings in the west end, which are now required to follow the Gateway process, which in turn is increasing the time to get office space refurbishments completed for market.

Robert Walsh, London, Midgard, robert.walsh44@gmail.com - BSR approval times are having a negative impact on the industry, increasing project costs and reducing margins for all stakeholders.

Shankar Naresh Mistry, London, RedRay Limited, shankar.mistry@redray.co.uk - Lack of funding, crack down on consultant use.

Stephen Fletcher, London, SF Surveyors Ltd, sfletcher@sfsurveyors.co.uk - Building safety regulator slowing everything down.

Stewart Black, Beckenham, Stewart Black and Associates, stewart@construct-manage.co.uk - Market activity is dominated by inappropriate legislation drafted without any participation of the construction industry itself.

Tim Cock, London, Pillar Development & Project Management Ltd, tim.c@pillarconsulting.com - BSA impacting resi side of the business substantially (projects going on hold, delayed, unviable, etc).

Tim Jackson, London, AECOM, timothy.jackson3@aecom.com - We are increasingly seeing the sustainability profile of projects being driven by demand from end users, rather than by government policy.

Tom Leader, London, Viridian Property, tleader@3recv.com - Cost inflation. Slow and bureaucratic planning.

South East

Andy Cottrell, Oxford, Ridge & Partners LLP, andycottrell@ridge.co.uk - Global issues directly or indirectly affecting the UK construction market reinforce the importance of collaboration and early engagement across key client, consultant and supply chain stakeholders.

Bruce Smith, London, Westminster Consultants (IMS) LLP, bwsmith@westminsterconsultants.co.uk - The government appears to be destroying the economy.

Charles Dawson, Rye, Dawson and Associates and WDB Ltd, chas@dawsonsurveyors.com - Slow planing process especially listed building control personnel who have no practical experience or the use of common sense to get decisions made quickly which halt the build process.

Chris Leroy, Reigate, Ridge Design, chrisleroy202@gmail.com - Doubts about the economy and finances.

Christopher Barber, Central London, Howard Barber Associates Limited, chris.hbaltd@gmail.com - Obtaining

planning consent for all types of projects is becoming more difficult.

Colin Townsend Green, London, CTG Construction Managment Ltd, colintg@ctgcm.co.uk - Currently a lot of indecision, difficulty in funding and uncertainty to proceed.

Dan Stocks, Guildford, Dan Stocks Surveying, info@danstockssurveying.co.uk - The planning system is an absolute shambles with simple planning applications taking 6 or more months. BNG (and the lack of knowledge/understanding) is largely to blame!

David Malcolm Orbell, London, Orbell Associates Limited, david@orbellsassociates.co.uk - Best price prevails.

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

George, Southampton, Mountbatten, Richardbecksmith@gmail.com - Lack of public funding.

Graham North, London, Anstey Horne, grahamnorth@ansteyhorne.co.uk - Delays in BSR approvals causing bottle neck and work 'on hold' until approvals in place.

Ian Sloan, Tring, Maynecol Services Ltd, ian.sloan19@gmail.com - General economic uncertainties due to uncertain Government policies and geopolitical uncertainties.

John Gunn, London, Tamarside South Limited, johngunn@tamarside.net - High tax on business will not result in growth. Labour policies are harming all industries.

Jon Heather, Havant, Brickhaven Maintenance Ltd, jon.heather@brickhavengroup.co.uk - Asking price for land and property is just too high. Plus the delay in planning is ridiculous. It has taken 2 months just to get a planning application registered!

Jon Hobbs, Aylesbury, Fairhive Homes Limited, jon.hobbs@fairhive.co.uk - The largest factor affecting housebuilding in this area is local authority planning. Due to resourcing decisions that should take months, it can take years. This delays new homes, restricts supply, inflates the price of land with planning consent, and can damage or destroy smaller builders.

Julian Stokes, Reading, Julian Stokes Management, julian@jsmonline.co.uk - The Budget date which has been pushed out to 26th November. Ongoing uncertainty about taxes will affect the entire quarter.

Keiran Page, Ninfield, Page Property Consultants Limited, keiran@page-property.com - Reduced central and local government spend due to uncertainty with devolution.

Keith Robert Hammond., Ashford, Keith R Hammond Limited. Chartered Surveyors., krhammondlt@btinternet.com - Inconsistency of prices.

Keith Sanger, Lymington, Keith Sanger Associates Ltd, keith@sanger.co.uk - Increasing costs of construction are a problem. New build houses difficult to sell compared with existing because of costs of new build.

Kevin Day, Salisbury, Day Associates (Southern) Limited, kevin@dayassociatesltd.co.uk - Job security is affecting clients ability to secure project funding, this impacts on the workload relating to residential domestic sector that we are primarily involved in.

L Greaves, Esher, Greaves PM Ltd, lgg@greavespm.com - Planning delays.

Lawrence Littell, Warwick, R O C Associates Building Consultancy Ltd, lel@rocassociates.co.uk - Labour Government taxation, costs, uncertainty in economic conditions.

Leesa Chiew, Tunbridge Wells, AtkinsRéalis, leesa.messett@atkinsrealis.com - Lack of funding and investment.

Meir Porat, London, HRP Partnership London Ltd, meir@hrppartnership.co.uk - Long duration and refusal of planning permissions. Cost of funding for developers.

Neil Phillips, Stevenage, Stevenage Borough Council, neil.phillips@stevenage.gov.uk - Interaction with tenants and dealing with complaints.

Neil Powling, Billingshurst, PDM, neil@neilpowling.co.uk - Government policy and global factors drive up costs but not revenues. Zero or negative profits reduce or stall construction activity.

Nigel French, Eastbourne, Lewes District and Eastbourne Borough Councils, nigel.french@lewes-eastbourne.gov.uk - Increased workforce lacking English speaking skills has the potential to cause misunderstandings and accidents on site.

Paul Bunclark, Guildford, Bearcroft Building Consultancy, paul@bearcroftconsult.co.uk - Planning delays.

Paul Dean, Watford, Langley Construction Consultants Ltd, paul@langleyconstructionconsultants.co.uk - Planning delays continue to cause problems across the industry affecting investment and reducing new construction starts.

Paul Hereward Sibson Dolman, Princes Risborough, Paul Dolman Services, paulhsdolman@gmail.com - We are on the HS2 route. I think this increases labour turnover but has not created a shortage.

Paul Kelley, Maidstone, Metcalfe Briggs Surveyors, south@metcalfebriggs.co.uk - The construction industry is very traditional and does not embrace and adapt to change.

Paul Sumsion, London, Storm Building Ltd, paul.sumsion@stormbuilding.com - The health sector is rewarding but challenging. Tendering is costly with no guarantee of success, and technical bids meant to ensure fairness are often subjectively assessed - raising concerns over preferred contractors being chosen over true public procurement principles.

Peter Ockenden, London, TSA Riley Ltd, peter.ockenden@tsariley.uk - Everybody wants the brakes off but it feels like Government cannot quite get there - more positive sentiment is required to enable the industry to kick on.

Peter Creffield, Buckinghamshire, Buckinghamshire Council, pcreffield@btinternet.com - No training is taking place in Building Control therefore when people leave/ retire there is no one coming up behind to replace those staff.

Peter Ficken, Twickenham, PCC Ltd, peter@pita-uk.com - Confidence on micro level with client payment and macro level with central government policies often seeming not to take account of all relevant factors or their implications.

Peter Giles, London, Faithorn Farrell Timms LLP, pgiles69@gmail.com - The quality of business management in SMEs.

Robert Boast, Oxted, Timms Eida Associates Limited, rob@timmseida.com - Unknown government financial interference.

Robert Turner, Chelmsford, Robert Turner Associates Ltd, rob@robertturnerassociates.co.uk - Artificial intelligence, it is diluting the skills we have by giving access to approximate alternatives through the use of AI.

Robin Goddard, Dorking, BPG Limited, robin.goddard@bpg.co.uk - The provisions of the Building Safety Act is continuing to have a serious impact getting new projects on site. The absence of sufficient skilled staff in the offices of the Building Safety Regulator is one of the sources of the problem.

Ross Hammond, London, RJH Consulting (East Sussex) Ltd, ross.rjhconsulting@outlook.com - Slow planning decisions.

Shame Makore, Reading, Mott Macdonald Limited, smakore@mail.com - Supply chain and procurement methods.

Steve Willington, Southampton, Horde Ltd, steve.willington@horde.group - Building Safety Act gateway delays.

Victoria Dewey-Bruce, Maidenhead, PWS Surevorys Ltd, vdb@pwssurevorys.co.uk - New legislation affecting Social Housing resulting in a natural growth of the need for Party Wall Services within that domain.

Will Cross, Brighton, Cross Developments, will@crossgroup.org.uk - Planning Authorities causing significant delays to the planning process, through delays in issuing decisions.

North East

Anthony Clazey, Morpeth, As above, tony1clazey@gmail.com - Lack of trained site workers.

Brian Bainbridge, Durham, SSE Plc, brian_bainbridge@sky.com - The impact of government policy to funding for heat networks and changing approached to the funding management impacts decision making and governance.

David Morris, Southampton, MMC Project Consulting LLP, david.morris@mmcpcc.co.uk - Productivity and speed of construction must be increased. Too often, delays are caused by poor design work and stretched resources. More construction resources and better design skills are required.

Peter Carruthers, Newcastle Upon Tyne, Paragon Construction Consultants, paragon.consult@hotmail.com - Planning and regulatory delays are the greatest concern, driving up costs, pushing back project milestones and harming viability and industry confidence.

Peter Groves, Newcastle Upon Tyne, Peter Groves Cost and Project Management, peter.grovescandpm@outlook.com - Inability of government to stimulate the economy. High taxation of the workforce. Lack of government investment in the construction industry generally.

North West

Andrew Fisher, Wirral, Mitchells & Butlers Pub Co,

andrew.fisher@mbplc.com - Red tape issues.

Brian John Boys, Waterfoot Rossendale, B&E Boys Limited, john.boys@beboys.co.uk - Tender pricing levels look to be far more competitive. Planning is still a barrier to moving projects forward. We want to invest in new skilled workforce and management but economy is making it difficult to forecast accurately.

Chris Perry, Manchester, Dabinett Ltd, chris@dabinettsurveyors.co.uk - Particular lack of competent site managers.

Damian Gore, Liverpool, Kier Design & Business Services, damian.gore@kier.co.uk - Perceived lack of availability of professionally qualified staff and skilled labour.

Darren Joseph Hurst, Manchester, Drees & Sommer UK Ltd., darren.hurst@dreso.com - Planning approval remains a time consuming factor with NW schemes. Timeframes by the LA can be significant to approve planning applications.

Dave Burn, Warrington, Volkerstevin Infrastructure Limited, david.burn@volkerstevin.co.uk - Interfaces between new infrastructure and existing.

Grant Dinsdale, , Dolphin Land and Development Consultancy Ltd /DLDC LTD, grantdinsdale@gmail.com - Escalating planning costs and delays are unquestionably the most challenging issues in respect of this company's activities, with private professional costs (especially legal) also being an increasing concern.

John Swindells, Manchester, Stonegate pubs, Johna.swindells@gmail.com - Continual negative government intervention.

Leslie Millar, Isle Of Man, Leslie Millar MRICS FCIQB FASI, les.millar@hotmail.co.uk - Island community, dependant on Isle of Man government decisions.

Mike Groarke, Stockport, WABGS LTD, mike@wabgs.com - Worker productivity is suffering on major engineering construction projects.

Nick Wdowczyk, Greater Manchester, GWB Consultants, nwdowczyk@gwbconsultants.co.uk - The Gateway process is still causing delays to construction projects due to the longer than advised timescales.

Peter Moore, Chester, Mott MacDonald, peter.moore@mottmac.com - Availability of sufficient available resources in terms of people and equipment.

Phil Higham, Liverpool, RealWorth Consulting, phil.higham@RealWorth.org - Planning policy and regulation. Financial viability. Short sighted procurement processes.

Philip A Harrison, Lytham St. Annes, Acciona Industrial SA, Lsaclimited@gmail.com - NAECI being imposed on a project to the detriment of the project's success.

Philip James Lea, Lancaster, Philip Lea Associates Limited, info@philiplea.com - Inconsistent regulation.

Philip Seddon, Liverpool, Philip Seddon Associates Ltd, all@seddonassociates.co.uk - Lack of knowledge of statutory procedures of graduates in the construction industry.

Siu Cheong Chan, Manchester, Yokogawa UK Ltd, david.chan@yokogawa.com - The issues are the scope is to build a boat, the client want a starship.

Stuart Cranfield, Macclesfield, Bell Meadow Ltd.,

scranfield@bellmeadow.com - Planning, planning and planning!

Talal Zabar, Liverpool, Vextrix Management Ltd, tzabar@vextrix.com - Key issues affecting the market include changes to building regulations, the Gateway 2 process and approvals, tighter financial lending linked to compliance, and persistent brownfield challenges with remediation costs and viability.

Vijai Kemil Singh Vijaya Ramalingam, Manchester, Siteform Flooring Contractors Ltd., kemilsingh@gmail.com - Small skilled labour demand in flooring works.

Crewe, , eddie.lea@sky.com - Confusion around the perceived responsibilities and duties of Building Control.

Yorkshire & the Humber

Andrew Gaunt, Leeds, BWA, andrew.gaunt@bwa.uk.net - Delays in the planning process.

Damian Wilkinson, Leeds, Quantum Expert Solutions, damian@quantumexpertsolutions.com - Lack a defined career progression for students entering the construction industry. A career in construction needs to be seen to be a valid career choice.

Gary D Jackson, Huddersfield, Michael Dyson Associates Ltd, gjackson@mdyson.co.uk - The inertia of getting projects "off the ground" following appointment.

Ian Tomlinson, Leeds, Rex Procter, i.tomlinson@rpp.co.uk - Building Safety Act adoption is slowing projects down and adding to project development costs. Planning is slow and under resourced. Local Authorities don't understand how marginal a lot of developments are.

Martin Dalley, Sheffield, Inform Surveying Ltd, martin@informsurveying.co.uk - Delay in obtaining planning approvals and the time taken in consultation.

Mathew Crump, Sheffield, Vantage Commercial Services Ltd, mcrump@vantagecommercial.co.uk - Planning and development delays are a significant obstructor 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.

Patrick Langan, Leeds, N/a, Patricktjlangan@yahoo.co.uk - Government needs to support RICS more, they know a lot.

Paul Batkin, Welton, Lincoln, Eastfield Commercial Services Limited, paulb.ecsltd@outlook.com - The demand for commercial warehouse space appears to be slowing down and therefore the appetite of funds to invest speculatively on infrastructure and speculative warehouse space has understandably dropped, this should lead to a shortage in the future and increased demand / investment.

Paul Smith, Leeds, PSC Surveying Ltd, pauls@psc-surveying-ltd.com - Continue to see significant delays with planning, highways and utility supplies.

Paul Walker, Leeds, Two Plus Two Commercial Services, paul@two-plus-two.com - Delayed/slower award of contracts are impacting on the supply chain planning and allocation of planned resources.

Shafiq Lone, Burnley, LWM Solutions Limited, Shaflone@me.com - Corruption within local

governments.

South West

Andy John Hore, Exeter, Norman Rourke Pryme Limited, andrew.hore@nrpltd.com - The climate emergency declared by Cornwall County council has put requirements for energy efficient envelope significantly higher than Building regulations requires. Also, the requirement for Renewables and stopping the use of gas has had an impact in the power infrastructure as a whole and the cost.

Bc Thorpe-Tracey, Southampton, USSP, Bcthorpetracey@gmail.com - Lack of electricity supply capacity.

Douglas Cawley, St Ives, Douglas Cawley and Associates, info@cawleyassociates.co.uk - Government policy re taxation, minimum wages, regulation have increased costs. It is a struggle to maintain the present workforce.

Gavin Scriven, Bristol, Exeter, Cheltenham, Truro, Lantic Building Surveyors, gavin@lanticbuildingsurveyors.co.uk - General tender construction costs V's rental returns and building low valuations. Availability of new staff/workforce.

James Evans, Swindon, Network Rail, James.Evans@networkrail.co.uk - Reprioritisation of Renewals spend to cover costs on Project Brunel, and sudden announcement of enhancement schemes with no business resource capacity to immediately action.

James Walker, Plymouth, Macegreen consulting Ltd, Jameswalker@macegreen.co.uk - Inconsistency of approach to funding projects within the public sector.

John Ian Dacre, Bristol, RLB UK Ltd, ian.dacre@uk.rlb.com - Building Safety Act Gateway 2 determination periods - there has to be an alternative way such as approval granted with conditions. Increased competitive nature with bidding still racing to the lowest price in some areas.

Justin Dover, Taunton, Inspired Partnership Limited, Justin@inspired-partnership.com - Localisation and family value negatively impacts productivity.

Leigh Florence, Newton Abbot, Baker Estates Ltd, lflorence@hotmail.co.uk - Ensuring that planning is efficient and effective. The planning system need to be supportive of residential developed to deliver much needed housing both for the economy and for purchasers. The governments targets are unrealistic and, if to be achieved, need a shake up through the planning system.

Mark Barrow, Honiton, East Devon Council, Mark.barrow@eastdevon.gov.uk - Housing growth point status.

Martin Smalley, Bristol, Gleeds LLP, martin.smalley@gleeds.com - Interest rates and project viability, uncertainty around trade tariffs, public funding of key infrastructure to kickstart development.

Myles Joseph Kenneth Clough, Exeter, Myles Clough Management Services Limited, myles@cloughmanagement.co.uk - Economic uncertainty means it is taking an extraordinarily long time for clients to provide instructions to commence construction projects.

Phil Lewis, Exeter, Randall Simmonds LLP, phil.lewis@randallsimmonds.co.uk - Demographic changes, retiring key skilled operatives and difficulty getting new

entrants to the industry will impact ability to deliver projects.

Robert Ian Neal, Bristol I Work For National Grid So Work In A Team That Covers Sw And S Wales, National Grid Electricity Transmission, rob.neal@nationalgrid.com - Increasingly long lead times for plant due to global demand. Hardening of terms and conditions. Suppliers have the upper hand.

Robert Michael Samways, Poole, Samways Surveying Ltd, Rob@samwayssurveying.co.uk - Slow response time/decision making from planning and building control bodies.

Rodney Ian Wells, Yeovil, Rodney Wells Limited, rodneywells@btinternet.com - The south-west is experiencing growth in housing and infrastructure. There is a tangible lack of firms willing to tender.

Steve Hoskins, Dorset Area, A2A Consulting, stevehoskins@a2aconsulting.co.uk - The Planning System is too bureaucratic and under resourced. Report preparation timescales and Decisions are both largely driven by personal preferences rather than Policy an Government Aims. The Construction Economy is struggling to plan and resource in consequence.

Trevor Humphreys, Bristol, Trevor Humphreys Associates, thassociates@sky.com - Shortage of traditional heritage trades.

Yuk Leung Lok, Oxford, W&S, lokyuk852@gmail.com - Council policy.

Wales

Andy Morton, Newport, ascribe management services limited, andy@ascribems.co.uk - Planning delays.

Benjamin John, Cardiff, Meadow Consultants Ltd, info@meadowconsultants.com - Weather.

Gareth Harris, Cardiff, Strongs, gareth.harris@strongs-cqs.co.uk - Poor performance by the various depts of the local authorities.

Glen Grafton Maggs, Swansea, SCP CONSTRUCTION COST CONSULTANTS LTD, glen@scpqcs.co.uk - The main factor adversely affecting the construction market locally remains the protracted delays experienced in respect of Planning and SAB Approvals, as it has for some years. Unfortunately, our experience is that these delays are actually increasing and far from the improvement promised by HMG.

Graeme Rich, Abergele, GAR Property Consultants Ltd, graemerich@garpropertyconsultants.co.uk - Local Authority planning process is slow and bureaucratic.

Howard Eynon, West Wales, H R Eynon Chartered Surveyor, howardeynon@btinternet.com - Availability of small to medium sized local contractors.

James Sumner, Wrexham, Bowen, james@bowen.uk.com - Lack of available trade skills and contractor resources and the increasing daily rates of those individuals.

Jamie Edwards, Haverfordwest, Uzmaston Projects Limited, cadnor@btinternet.com - Increasing regulation and legal requirements have a significant affect to the whole development and construction process including I believe retention of labour who have entered the sector.

Jodie O'Connor, Pembrokeshire, Penfro Consultancy Limited, jodie@penfroconsultancy.co.uk - New

development in Pembrokeshire has been delayed by phosphorus issues under review since July 2025. We're hopeful that practical solutions will soon support planning approvals and project delivery.

Mark Evans, Swansea, Ivor Russell Partnership, mark@ivorussellpartnership.co.uk - Impact of Nitrates on the planning system in Wales has brought the construction industry to a near stop. NRW and Welsh Government need to resolve the issue urgently as all sector are having to make staff redundant with immediate effect.

Martin Guy Thomas, Pembroke, south meadow homes, guy@guythomas.com - Viability difficulties not being recognised by LPA's or Welsh Government.

Mrs Jayne Rowland-Evans, Caerphilly, G K R Maintenance & Building, jevans@gkrmaintenance.co.uk - Too many clients seeking too many tenders. Clients need to limit amount of contractors and know capabilities before allowing them to tender. Clients are allowing contractors to bid for contracts where numerous previous projects have not been successful.

Nicholas Soady, Cardiff, RPA, nick.soady@rpagroup.co.uk - Planning process slowing projects down.

Rhys Parry, Cardiff, Pobl Group, rhys.parry@poblgroup.co.uk - Land Supply/Planning system/Delayed LDPs.

Robert Fisher Bsc Mrics, Swansea, Robert Fisher Limited, info@robertfisherlimited.co.uk - Continued relatively high levels of demand with low levels of competent construction business available. Delays in projects gaining planning approval. The volume of information required to submit a valid planning application escalates year on year, which incurs additional costs.

Wyn T Harries Mrics, Harries 1970 Ltd, wyn.harries@hpdm.co.uk - Welsh government and natural resources Wales (NRW) failings are key to a decline in output in our area.

West Midlands

Adrian Hyde, Birmingham, Pioneer Development Services, adrianstephenhyde@hotmail.com - Incompetent skilled workers.

Andy Ng, London, , ajapigpighomeuk@gmail.com - More clear guidance from Building Safety Regulator in the gateway system.

Andy Wilks, Cannock, Cannock property services ltd, andywilks.cps@gmail.com - Planning delays.

Daniel Shandley, Birmingham, Spicer Surveys Ltd, dan@spicersurveys.com - Supply chain failings and poorly skilled labour.

Dannyjo Cox, Walsall, Dunton Environmental Ltd, dannyjo.cox@duntonenvironmental.co.uk - Lack of funding / release via planning etc.

Derren Philip Parkinson, Shrewsbury, Currently been jobs/retirement, derren.parkinson@gmail.com - The regulatory impact in building control has been detrimental and as the HSE could not manage it a new regulator is proposed and this will, at least initially, have an adverse impact.

Fergus Thompson-Yates, Birmingham, NCS PCL, fergus.thompsonyates@ncspcl.com - HS2 and poor economic outlook both having significant negative affect on client opportunity and growth; with conditions now at the worst they have been in our 16 years of trading.

landavis, Birmingham, Saxon Holmes Surveyors Ltd, lan@saxonholmes.co.uk - Cost of PII impacting on viability of the business.

James John O'Keeffe, Birmingham, Pulse Consult, james@pulseconsult.co.uk - Building Safety Act implications.

James West, Shrewsbury, Morris Property Limited, james@morrisproperty.co.uk - Lack of certain trades and reliable package contractors generally.

Malcolm Wilcox, Birmingham, Cordwell Property Group, malcolm@cordwellgroup.com - Private Commercial and residential development is driven by financial viability and held back by market demand, planning regulation and obfuscation and prolonged contractual and legal procurement requirements.

Martin Perks, Worcester, Black Pear Advisory Ltd, msperks@gmail.com - ECCTA2024 and PA2023 will impact commercial activity. Reasonable processes need to harness digital assurance and this will reduce gaming and make it more imperative to "get it right every time". Quality of information and competency in the whole system will become an imperative very quickly.

Matthew Underwood, Worcester, Lioncourt Homes Ltd, mattunderwood@lioncourthomes.com - Delays in securing Section Agreements from Local Authorities are increasingly impacting site commencement and the fulfilment of pre-occupation conditions. Additionally, offsite electrical infrastructure reinforcement is placing growing pressure on both project costs and timelines.

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.

Petar Golemdzhiyski, Birmingham, , petargolemdzhiyski@gmail.com - Passing the gateway planning stage before construction begins.

Phil Hodges, Birmingham, Ridgeways Surveyors Limited, phil@ridgewaysqs.co.uk - Meeting the requirements of the Building Safety Act creating delays in high rise project starts - causing certain main and sub-contractors seeking alternative work to maintain labour, workload and profits.

Tim Richardson, Birmingham, Quinquennial Inspections Limited, tim@timothyrichardson.co.uk - The shift since Covid continues and workloads have dramatically moved away from large investments in existing property, there is a much more cautious approach all round.

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

East Midlands

David John Morris, Wellingborough, Tompkins Robinson Surveyors, davidm@tompkinsrobinsonsurveyors.co.uk - Some material shortages over the summer projects eg doors. Definitely more contractors chasing work. Local Authority red tape continues to frustrate getting projects moving.

Emily Powell, Derby, Wheeldon Brothers Ltd., emily.powell@wheeldon.co.uk - Issues with planning are causing considerable delays, after which time the intended sites can become unviable to develop.

Ian Colley, Nottingham, CJ Consilium, ian@cjconsilium.

com - Commercial confidence in the economy appears to be very low.

Jsf Cash, Stamford, Fineshade Land, jsfc2909@gmail.com - Planning system still not working.

Mr Gerard Tvedt, Nottingham, Tvedt Group Ltd, Gerard.tvedt@tvedt.co.uk - Planning needs to be radically streamlined to bring more projects online. The industry needs a workflow that is managed to be more predictable to enable investment in people through recruitment and training. There needs to be more buoyancy in the market to enable sustainable profit.

Peter Scoins, Nottingham, TCQ Surveyors, peter@tcqsurveyors.com - Negative effects of Central Govt business policies, lack of fiscal management and negative tax policies.

Stephen Hodgson, Matlock, Lumsdale surveyors Ltd, stephen@lumsdalesurveyors.co.uk - High minimum costs.

Stephen M.Parris, Northampton, , steveparris45@gmail.com - Lack of continuity in skilled work force.

William Richardson, Leicester, Richardson Partners, will@richardsonpartners.co.uk - The planning process continues to frustrate developer clients, adding time and consequential costs to projects of all types and size.

East Anglia

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

Danny Purton, Dunmow, The PPMCO Limited, danny.purton@gmail.com - Focus on quality rather than price.

Derek Monnery, Colchester/Ipswich, Derek Monnery FRICS, derek.monnery@gmail.com - Lack of rail infrastructure investment.

Mark Crane, Bishop Stortford, 4i Solutions, mark.crane@4isolutions.co.uk - Longer term social housing frameworks.

Paul Drayton, Cambridge, Pace Associates Ltd., PDrayton@paceassociatesltd.co.uk - Lack of confidence for private residential customers to commence with large scale extensions / refurbishments, together with increasing regulatory requirements in the planning process ie BNG assessments etc.

Simon Shelter, Braintree, Grove Construction Consultancy Ltd, s.shelter@grovecc.co.uk - Public sector spending.

Flitwick, , michael@trinitysolutions.org.uk - The inappropriate use of non-UK trades people and professionals unfamiliar with UK working practices resulting in poor quality of work. You see it in many of our major highways projects where the road layout has the hallmarks of engineers unfamiliar with driving on the left!

Scotland

Alan Fairweather, Perth, Scottish Water, alan.fairweather@scottishwater.co.uk - Significant growth in all areas of infrastructure and call on resources on a limited workforce in Scotland.

Allan Robertson, Glasgow, RSPB, allan.robertson@rspb.org.uk - Delays in obtaining statutory consents by local authority.

Andrew Matheson, Glasgow, Swan Group, apmatheson@aol.com - Unbelievably slow and obstructive local government departments, Planning, Building Control etc.

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

Chris Grant, Edinburgh, Carey Group, chris.grant@careys.co - Industry still suffering from outdated cost advice to clients.

Chris Marshall, Glenrothes, Lundin Homes Ltd, Chris.marshall@lundinhomes.com - There is a serious problem in obtaining and retaining skilled workers in all sub-contractor trades and we see very little activity relating to apprenticeships.

Chris Watt, Edinburgh, CSQ Consult, chris.watt@csqconsult.com - Slow and inefficient statutory consent processing.

Craig Macdougall, Edinburgh, AECOM, craig.macdougall@aecom.com - Working conditions don't need to be improved from the current conditions. Across the industry, these are very good so further improvement will have a very low impact.

Douglas Charles Reynolds, , , dougaldubh@aol.com - Building owners, particularly in the private , public housing, Health and LA sectors are deferring essential maintenance wherever possible.

Dr. Martin Woods, Glasgow, Woods Associates Surveyors Ltd, martin@woodsassociates.co.uk - Lack of skilled trades, resulting in contractors being unable to price for works in the short to medium term.

Eric Gordon, Glasgow, 3C Construction Cost Consultants Limited, eric@3cqs.co.uk - Particular lack of competition in the M&E sector pushing tender prices up higher than expected.

Gary R Wilson, Inverness And Aberdeen, W S D Scotland Ltd, gary@wsd-inverness.co.uk - As previous, the planning process, and indeed many other approvals, needs to be totally revised and simplified.

Ian Anderson, Stirling, Stirling Council, andersoni@stirling.gov.uk - As a smallish council, we find it very hard to attract and keep staff. Other larger councils offer more money. To be fair, I believe this is being addressed.

Ian Gordon Chartered Architect And Chartered Surveyor, Edinburgh And Stornoway, N/a, iangordon.com - Although I have retired, I perceive a lack of awareness despite better training facilities.

Leslie Ross, Edinburgh, Morhan + Brochie Partnership, leslie.ross@mb-qz.com - Anticipated cuts in Central Government funding through agencies and councils.

Steven Hyde, Edinburgh, D Blake & Co Ltd, stevenhyde66@gmail.com - Demand and our ability to meet it have been reasonably balanced over the past three months. However, we would still like to recruit additional skilled labour, and trainees.

Stewart Tennent, Glasgow, Bridgewater Building Solutions Ltd, stewart@bridgewaterbuilding.co.uk - The biggest negative impact on productivity is the inadequate road networks and constant roadwork delays.

Thomas David Martin, Glasgow, Martin Aitken

Associates Ltd, tom.martin@martinaitkenassociates.co.uk - Rural projects affected by local authority delays, delays by statutory undertakers and delays due to island ferry services.

Vladimir Grand, Edinburgh, Arcadis, Vladimir.grand@mail.com - Due to the lack of new projects and client investments, consulting firms have since the beginning of the year initiated staff reductions under the guise of internal restructuring. Employees are being quietly let go through this process, less work, and as a result, a large number been dismissed.

Northern Ireland

Fergal MacKle, Portadown, AG Wilson Civil Engineering, fergal@agwilsoncivilengineering.com - Lack of government investment in Northern Ireland.

Marius Martin Blake, Enniskillen, Marius Blake Associates, marius@mariusblakeassociates.com - Cost of material and labour is having a negative effect on construction.

Paul Brogan, Lisburn, McQuillan Companies Limited, paul.brogan@mcqcos.com - We work significantly in highway maintenance sector. Funded by NI govt under arrangements with Westminster. Due to years of under investment in NI, all gov. depts have significant demands. With competing demands, there has been a severe downturn in workload in our sector.

Paul Conroy, Belfast, W H Stephens, paul.conroy@whstephens.com - It's time to adapt and change or go the way of the Dodo.

Philip John Roy, London And Belfast, Greencastle Surveying., Philipjohnroy8491@gmail.com - Lack of investment and expansions and Government cut backs.

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 Q3 2025 = 1048

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?

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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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