

November 2025

PICK
EVERARD

Pre-Autumn Budget Construction Market Insight

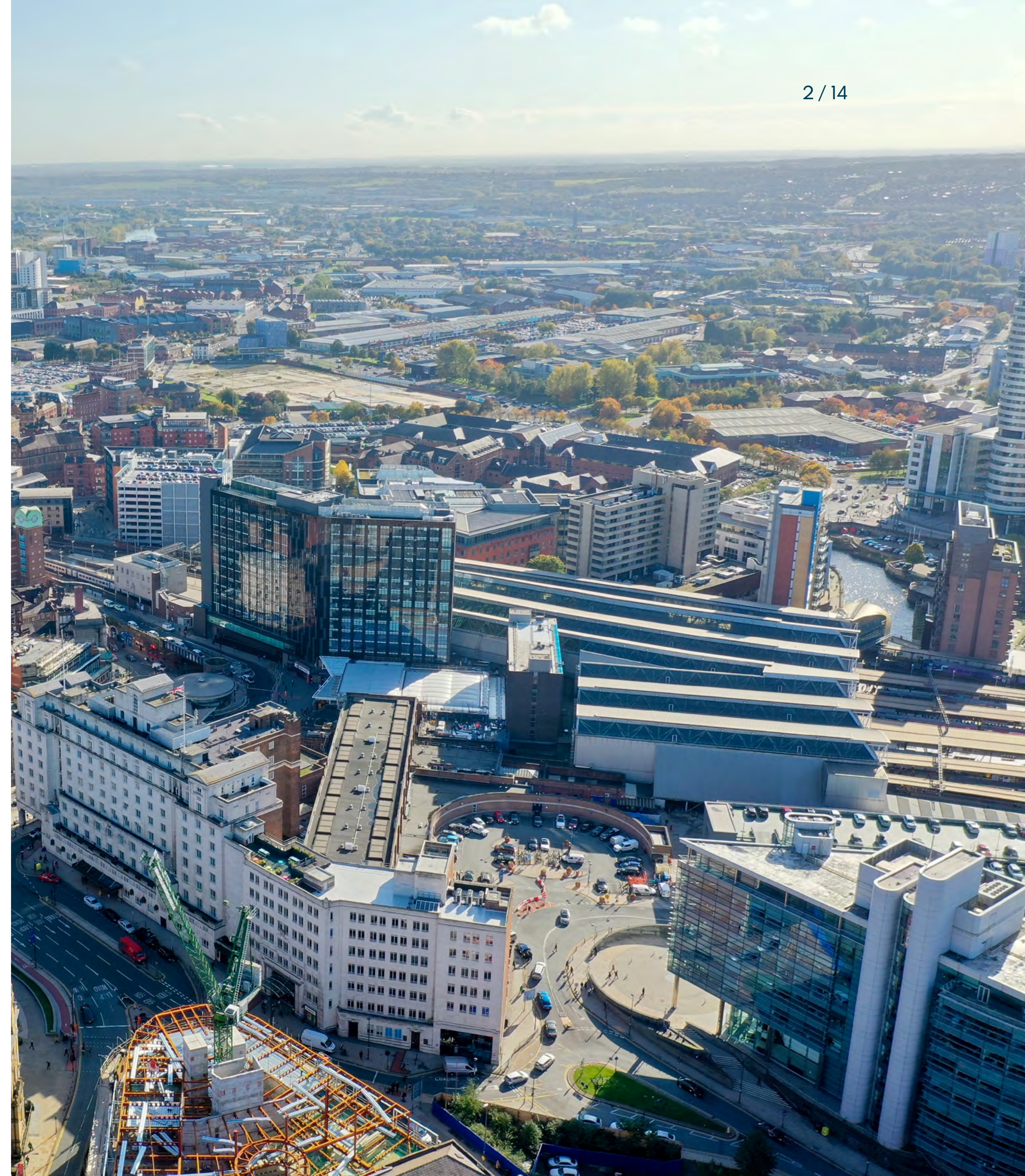
About this report

This report forms part of Pick Everard's ongoing commitment to helping our industry understand market sentiment. We welcome the opportunity to discuss these insights further with clients and colleagues across the industry. The survey was open from 27 October – 10 November 2025 with responses received from 200 market participants.

Survey participants included contractors, developers, clients, consultants and our wider construction partners.

Please contact marketing@pickeverard.co.uk if you have any queries or for further information.

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Gavin Mason,
Operations Director,
Pick Everard

Ahead of the latest Autumn Budget scheduled, it appears the construction industry is looking forward to it more than the chancellor. Our latest survey shows a surprisingly upbeat outlook across the construction sector, with 81% expressing either positive or neutral expectations for business in 2026.

As always, the data tells a variety of stories. Developers are notably less confident than consultants, clients, or contractors in their forecasts for 2026, citing the effects of taxation and end-user demand for new space as their primary concerns.

When we asked respondents to offer a few words of advice for the chancellor, the opportunity wasn't missed, demonstrating an industry keen to help the government improve the performance of the sector.

The survey's insights suggest the industry is calling on the government to:

- Introduce targeted measures that build investor confidence and attract investment back into the sector.
- Commit to infrastructure improvements and renewal.
- Avoid increasing the cost of employment and reduce taxation across all bands, including CGT.
- Provide support for housing through grants, sources of funding or measures to reduce interest rates.
- Improve regulation by increasing resources for planning authorities and the Building Safety Regulator to help clear approval backlogs.

Cost

It's hardly surprising that **92% of respondents expect tender prices to keep climbing** over the next year.

The sector is still wrestling with the challenges of inflation, regulatory reform, and material volatility with headline CPI remaining stubbornly high. All of which feeds directly into project pricing.

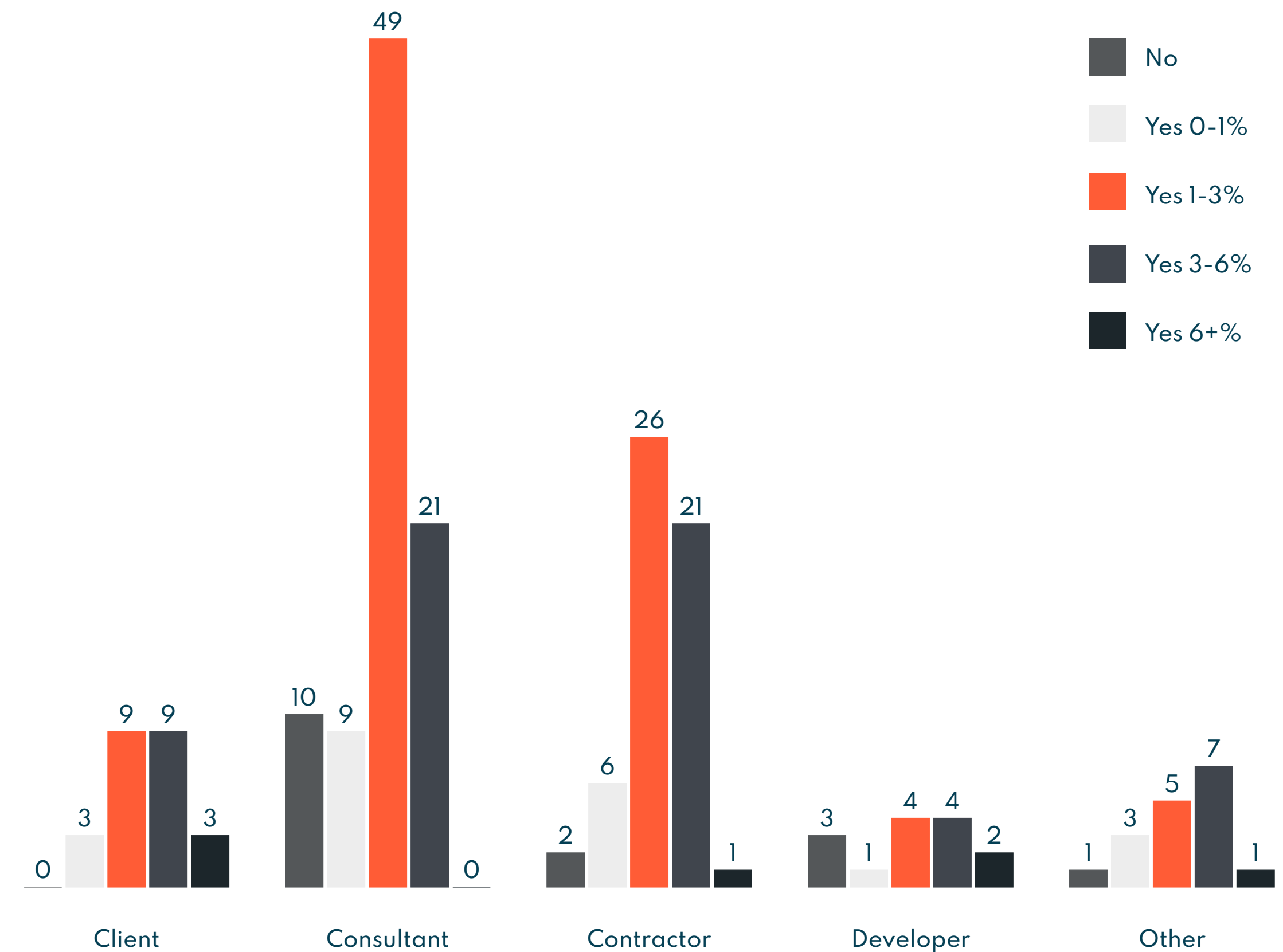
The Building Safety Act (BSA) continues to affect the industry, introducing accountability but also adding layers of process and cost. Designers and contractors are building in additional time (and therefore cost) for gateways, competence checks and golden-thread documentation. In the long term it will raise safety standards and increases

confidence in the delivered buildings, but it does mean the cost of compliance is now flowing into every tender.

Material prices remain stubbornly high. Energy-intensive products like steel and concrete still reflect global energy market uncertainty, while the push for low-carbon alternatives often carry a price premium. Throw in labour shortages and an ever-growing appetite for detailed pre-construction planning, and it becomes clear why pricing risk is being baked into tenders.

In summary, organisations are pricing more realistically, more cautiously, and with the additional costs of the extra regulations.

Do you think tender prices will continue to rise over the next 12 months, and if so at what pace?

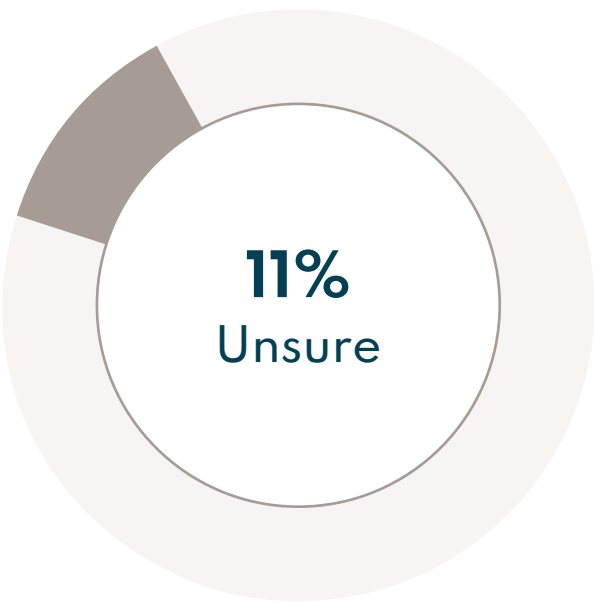
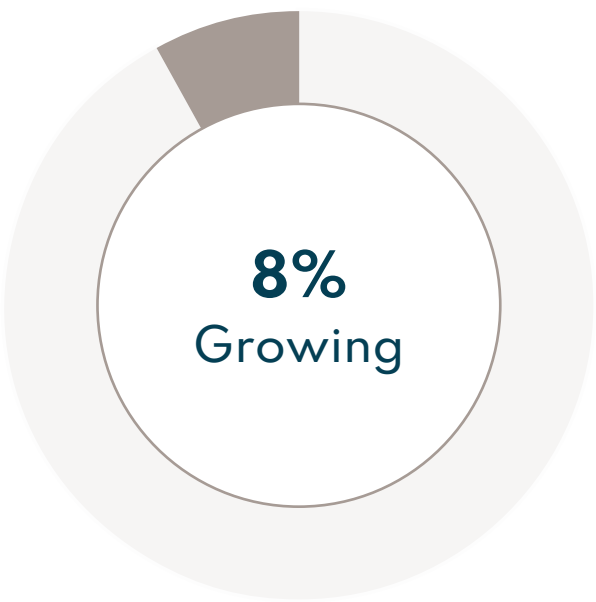




How would you describe the construction industry?

With **nearly 60%** describing the industry as static, sentiment remains cautious. Uncertainty around investment, planning reform, and public spending has cooled confidence.

The industry seems to be holding its breath, waiting for clarity before committing to new starts or unlocking delayed capital projects.

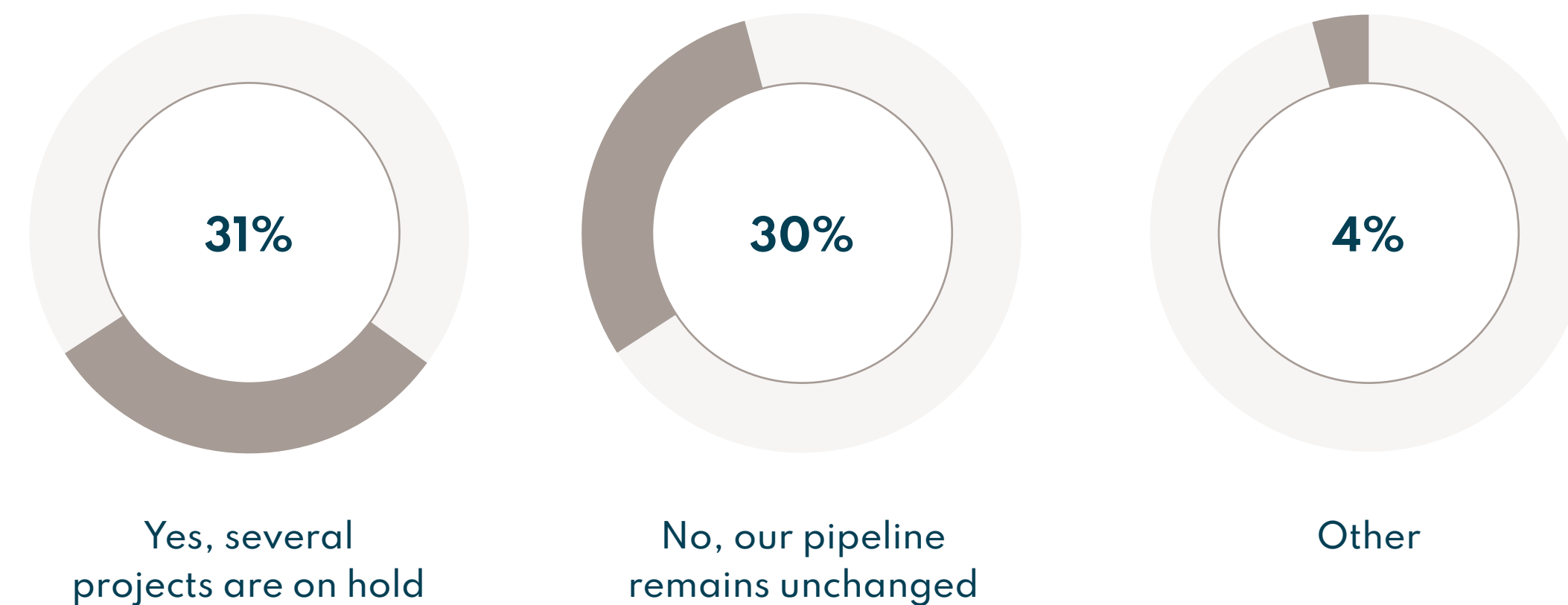




Are you aware of delays to any projects in anticipation of the Autumn Budget?

A significant share of respondents reported projects paused pending the Autumn Budget, highlighting how fiscal policy jitters translate directly into site-level hesitation.

Clients are treading carefully, especially on publicly funded schemes, so until the government signals long-term certainty, that 'wait and see' approach will continue to dampen momentum across supply chains.

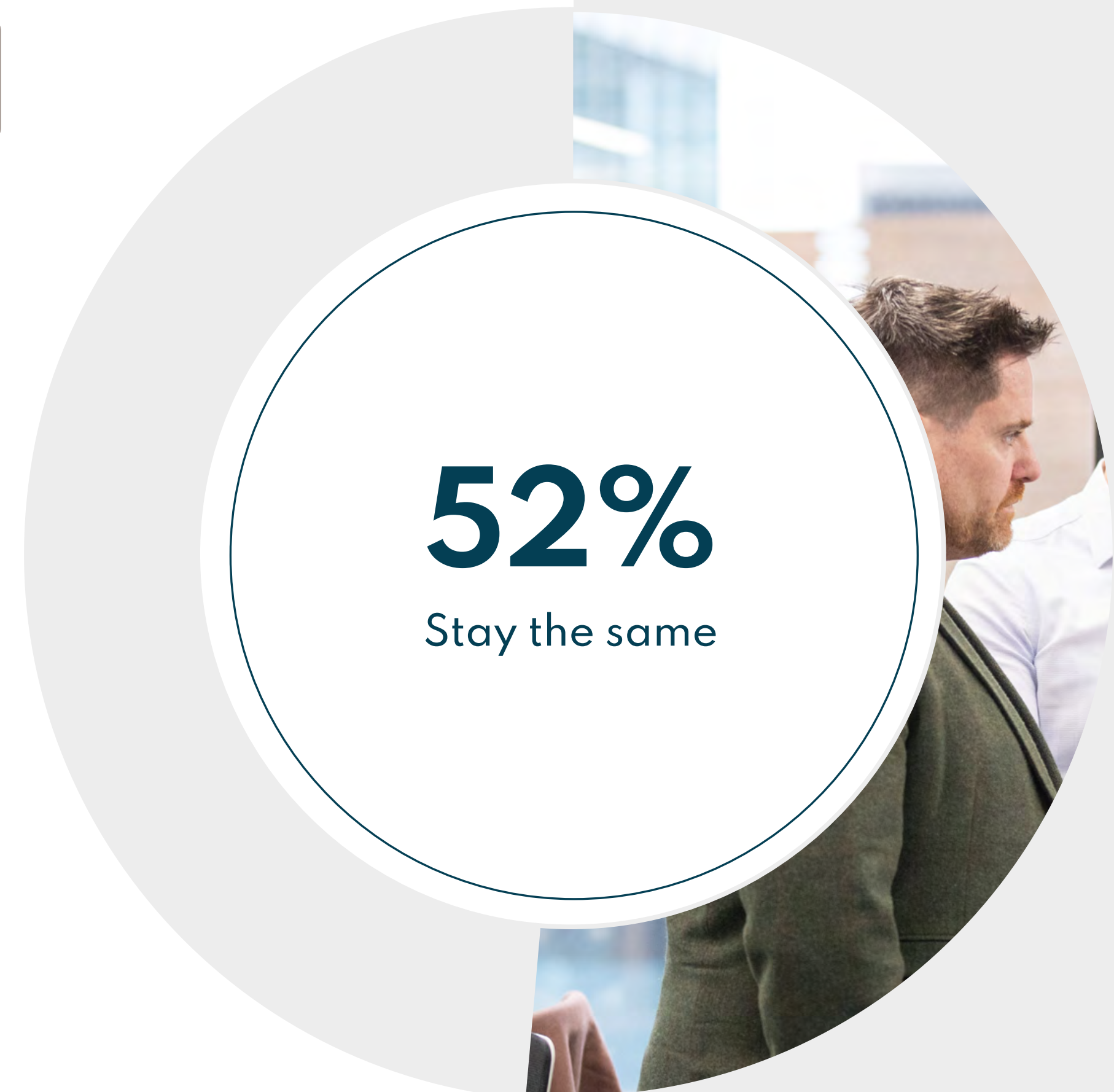




Over the next six months, do you anticipate your headcount and turnover will:

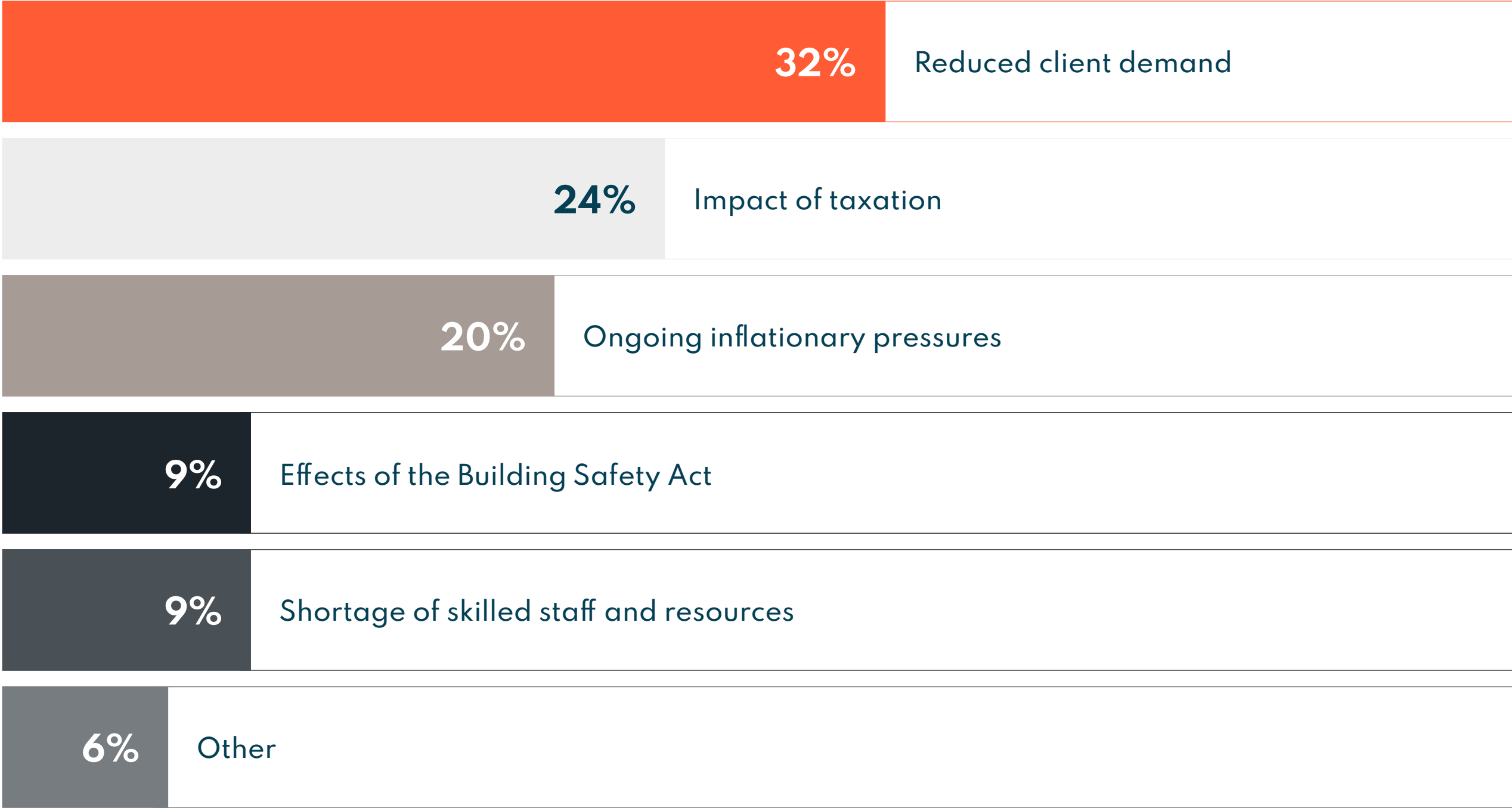
More respondents expect headcount and turnover to hold steady, signalling that the industry is not expecting significant growth but neither are they expecting recession.

Firms are keeping capacity intact and hiring selectively, wary of overextending.





If decreasing, what do you consider the primary reasons for this? (multiple choice)



Amongst those anticipating cuts, the message is clear: reduced client demand and project delays are the main culprits.

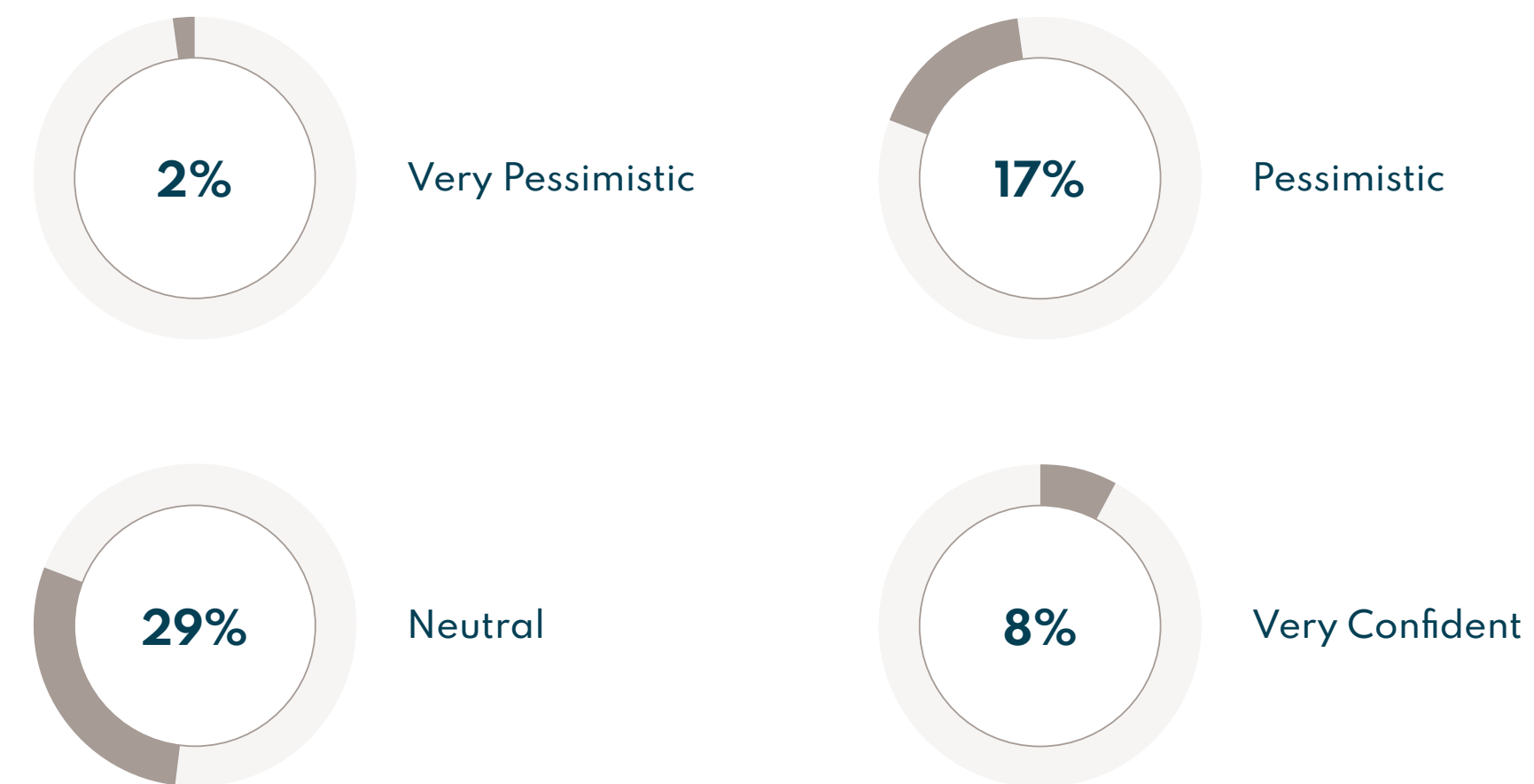
Businesses are trimming to stay lean whilst visibility of demand remains limited, yet many note these reductions as temporary, ready to rebound once confidence returns.



How confident are you about your organisation's business outlook for 2026?

Although over half of the respondents feel confident about their organisation's outlook, there are still plenty of those feeling nervous.

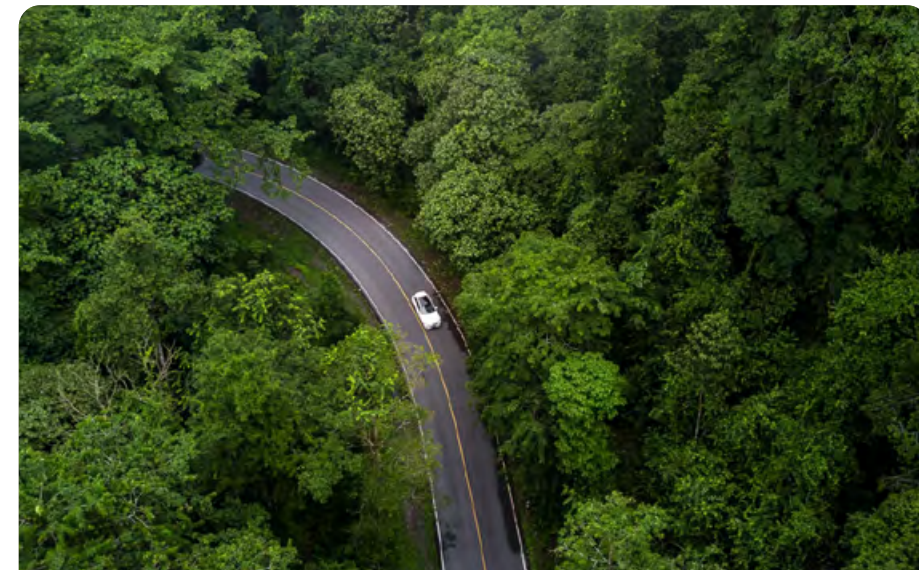
The industry's optimism seems fragile, likely waiting for clearer economic signals.



44%
Confident



What would you like to see announced in the Autumn Budget to improve construction demand?



A reinstated commitment to Net Zero with some mandated targets to move things along

Additional personnel to clear the Gateway 2 backlog

A forward-looking pipeline of public projects, reforms to business rates and property taxation, and long-term investment in skills and infrastructure



More public spending on education and healthcare



More capital expenditure on housing, schools, road and rail infrastructure

Pro-growth tax policies aimed at improving business confidence and supporting investment

A more accessible range of funding within all sectors for construction



Removal of VAT from listed building repairs



Skills and Workforce

Are there any specific skills gaps within your organisation at present?

53% Yes

47% No

If yes, are you currently finding it difficult to fill these roles?

90% Yes

10% No



Which areas of the construction industry do you think needs more investment in skills and training? (Select three)

When drilling down to the areas requiring skills investment, it's clear that the lack of skills and training for specialist trades is a particular concern.

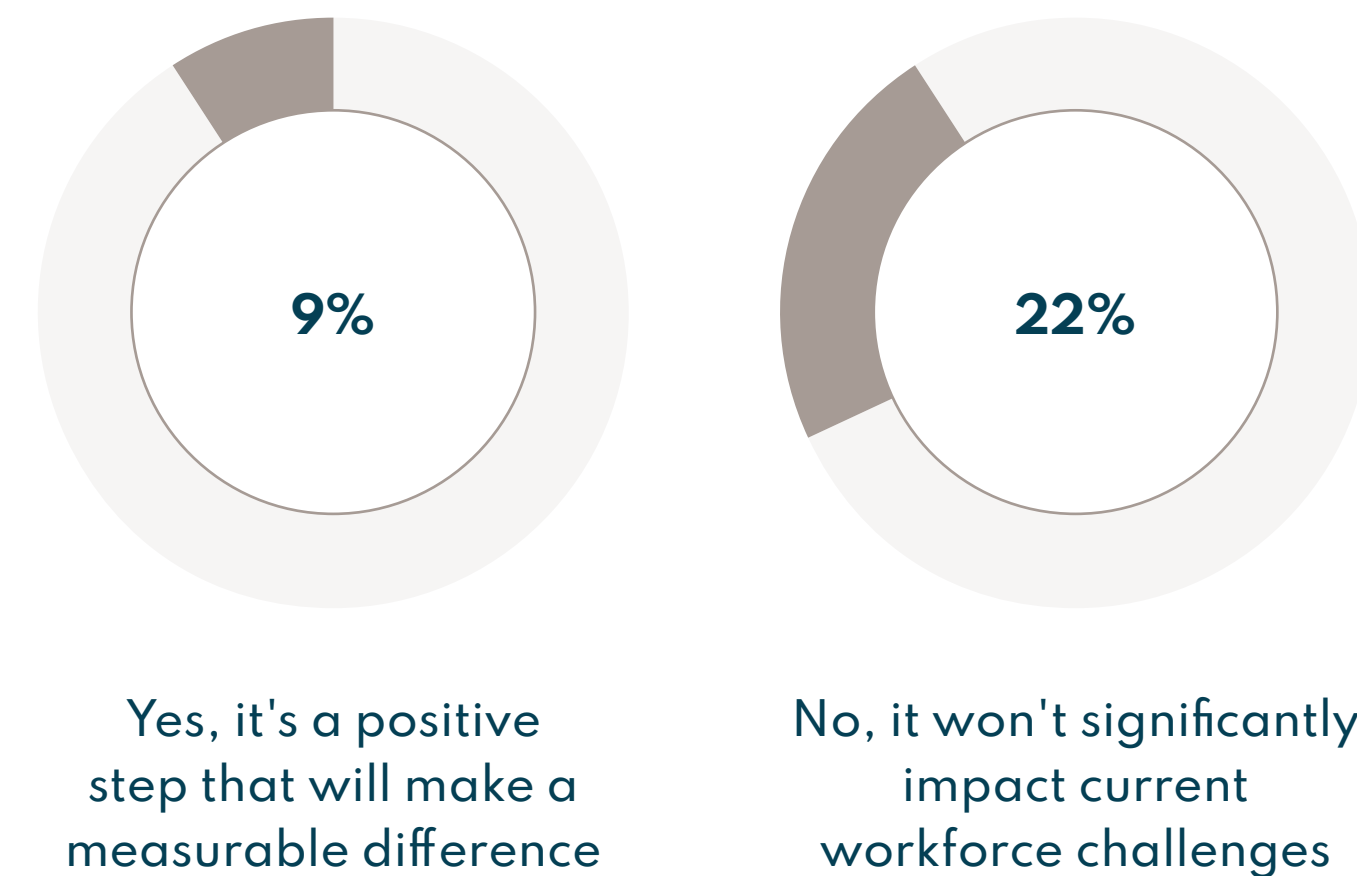
However, shortages aren't just in the trades; building services engineering, site management and supervision; project management and sustainability all follow closely behind.



The government has pledged £600m for construction training.
Do you think this funding will go far enough to address the skills gap?

Skills gaps don't just vanish after one-off cash injections, they need sustained, strategic investment. **Only 9%** feel the funding will make measurable difference, highlighting the disconnect between policy gestures and sector realities.

If we want to future-proof the workforce, the government must commit to multi-year funding, targeted at both trades and management roles. Otherwise, we're just patching a leaky bucket.



69%
It will help, but more
long-term support is needed

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Thanks for reading

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