

UK construction market booming for contractors

The UK construction market is already booming, but demand is expected to rise markedly in the coming year, according to the London-based sector skills council [ConstructionSkills](#).

In the short term, construction is up, with robust growth of new orders leading to an increase in construction activity last month, according to the [Chartered Institute of Purchasing and Supply Index](#).

New Order Volume Increases

New order volumes continued to increase, recording a figure of 56.2 compared with 56.5 the previous month. Some firms received more orders after the adverse weather conditions in the UK in January.

Increased construction activity and new orders meant that the rate of recruitment in the industry was at its highest in four months, up to 54.5 from 53.8 in January. Employment in the sector has now increased for eight consecutive months.

Many companies in the sector are contractors who are certain to collect the lion's share of the work on these new projects, as the industry is understaffed with full-time professionals.

Olympics and Schools

Demand for labour is expected to intensify in the next few years as construction output further increases. Not only is there a multi-billion pound budget online for the Olympics, but there is also a GBP 4.7 billion government programme to renew or rebuild every secondary school in the country, according to ConstructionSkills.

“ The rate of recruitment in UK construction is at its highest in four months ”

CIPS

According to ConstructionSkills, the biggest need is expected to be for skilled trades such as bricklaying, cladders and roofers. There will also be strong demand for painters and decorators, scaffolders and carpenters as well as for professional roles such as construction managers, architects and technical staff, it says.

London, south-east England and East Anglia will see a marked rise in construction development. As ConstructionSkills points out, employers in other regions fear that skill shortages could be worsened if labour migrates to the south-east building sector where growth is high. London alone will need 12,880 new recruits a year, ConstructionSkills says.

Infrastructure Output Strong Driver

Infrastructure output is expected to be one of the strongest national drivers for new work, with significant railway station expansions and refurbishments planned for Birmingham New Street and Nottingham. Other works include improvements to Manchester Metrolink, the M6 toll road, the M25; expansion of the Victoria underground line in London; the Scottish Executive's planned £3bn capital investment programme in strategic road and rail projects and expansion of ports at Harwich, Felixstowe and Great Yarmouth.

“ Employment in UK construction will need to rise by almost a sixth to about 3 million by 2011 ”

ConstructionSkills

This is a significant turn around from the situation earlier in the decade, when infrastructure output fell by a quarter between 2003-2005, according to ConstructionSkills. Social housing growth was also expected to be strongly driven by demand to provide cheaper housing for key workers, who are currently priced out of some areas near their workplaces.

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