

# The challenges construction must face in 2019

No doubt every sector has felt the difficulties presented to the UK in the last few years. There's an air of uncertainty gripping the nation, and it's impacting the UK's connections on a global scale. In particular, the construction industry is suffering as businesses become increasingly hesitant to engage in construction projects.

On top of this, the sector is battling with a number of other issues, including an aging workforce and environment targets. In this article, we will investigate the numerous challenges facing the construction industry this year.

## This year's challenges

We will start by looking at the various issues that are ongoing within the sector. From profitability to sustainability, economic, social and political factors all play a part in the success of firms within this industry. Here is a selection of the major problems that the construction industry is fighting against in 2019:

### A shortage of skills

The skill shortage has become one of the top issues in the construction sector. Last year saw [the worst recorded level of skill shortages](#) within the construction industry, and it's only set to continue. From bricklayers, carpenters and plumbers, to electricians and plasterers; the scarcity of employees is reportedly across the board. An aging workforce means more retirement, which means the gap needs to be filled with new workers. But with [less than one in 10 young people considering a job in construction](#), the sector needs to do more to entice the next generation of employee.

The shortage can't be filled by skilled EU workers now either, as Brexit has made the UK construction industry a less enticing workplace for them. In fact, [a third of EU construction workers are said to be considering leaving the UK](#), further widening the skills shortage for the sector. On top of this, while skill shortage is a large enough issue, it is also having another detrimental effect on the industry — cost. Due to the lack of skilled tradespeople, wages are rising for jobs within the sector, which, along with a rise in material cost, is impacting on profitability for building companies.

### Leaving (and losing) the EU

Naturally, Brexit is impacting construction in many ways. While there is speculation regarding how the construction sector will fare after 29 March 2019 — the official leaving date — negotiations are ongoing, and we don't yet know how taxes, imports and labour between the UK and EU will pan out.

It's not only the workforce the sector is missing out on, but potentially materials too. According to government data, around [60% of imported building materials come from the EU](#). Combine this with a

potential negative change in VAT and tax, and a loss of access to the European Investment Bank and European Investment Fund — major investors in construction SMEs — and we could see higher product prices and less capital for the construction sector.

### A greener way

The construction industry is also under increasing pressure to be more environmentally friendly. According to the [World Economic Forum](#), the construction industry can account for up to 40% of the world's carbon emissions. With a global drive to crackdown on carbon emissions, any sector that doesn't assist with this initiative could run the risk of incurring sanctions and fines — another potential hit that could affect the construction industry's profitability.

### Getting to grips with technology

In order to keep up with the global construction market, companies also need to keep on top of new technology. From robotics to BIM — building information modelling — there's a wave of new technologies and gadgets available to help make construction more efficient and profitable. However, this is only possible if building firms of all sizes are willing to get on board with a new way of working.

## How the sector is adapting

### For labour shortages

The workforce issue is arguably at the front and centre. The Chartered Institute of Building claims that the construction sector will need to secure [157,000 new recruits by 2021](#) if it wants to keep up with demand. One method of enhancing the construction workforce is perhaps to encourage more apprenticeships in the industry — and positively, apprenticeship starts are at a record high in the UK construction industry at the moment.

Without easy access to skilled EU workers, work must be done to make the sector more appealing for young people. If the industry wants to prosper down the line, it will need to keep encouraging young workers to take on apprenticeship programmes as soon as possible, whether this is via positive workplace initiatives, bonuses or a closer relationship with schools.

### For imports

Really, the full extent of Brexit's impact can't be accurately guessed. However, it's clear that material costs and the ease of employing the labour of EU nationals are the sector's greatest concerns. To keep material costs down, building companies must keep a detailed inventory of what they have and what they need. Replacing can be more costly than simply repairing and vice versa, while not 'shopping around' for the best local prices can mean bargains are missed. Although we may not see a

significant increase in charges and tax for EU imports, it may be worth sourcing UK- and none EU-based alternatives now to ease the pressure in 2019.

### For the environment

When it comes to adopting greener methods, the construction industry doesn't really have a choice. The government is determined to [lower carbon emissions by at least 80% of 1990 levels by 2050](#). So, the construction industry needs to be active in reducing its contribution to emissions if it wants to avoid potential financial penalties.

Recycling more within the sector will certainly help. Furthermore, many construction vehicles and equipment, such as [work platforms](#), come with eco-friendlier hybrid motors or can be powered by batteries, while utilising solar energy panels, non-toxic paint, locally-grown timber, and low-energy lightbulbs during the construction process will all contribute to a greener industry.

### For technology

Technology is rapidly changing, and the construction sector needs to follow suit. Construction software that eases communication between different teams on a single building project is growing in use and popularity across the sector, as are BIM and augmented reality technologies which help project managers spot potentially costly issues before the physical construction. Similarly, robotic machines are helping ease the pressure of a lack of low-level workers while making potentially hazardous jobs easier to complete, and advances in materials — such as self-healing and permeable concrete solutions — are solving longstanding problems, like cracked building foundations.

Of course, there are benefits to be enjoyed from this. For example, it's possible that construction companies can help protect themselves from using inefficient, labour-intensive and environmentally-unfriendly methods by learning about new technologies and bringing them into their workspaces.

There's no doubt that the construction sector is dealing with a difficult time. However, a bright future is not unattainable. By adopting eco-friendly processes, being responsive to new technology, having a plan in place for Brexit, and encouraging apprentices to come on board, the sector can thrive in 2019 and beyond.

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