

# Five key challenges facing the construction industry in 2025

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Managing Director at [Veriforce CHAS](#), Ian McKinnon, looks ahead at five challenges facing construction this year.

The construction industry is undergoing a period of profound change driven by new government policies, regulatory updates, workforce dynamics, and technological advancements. These shifts present both challenges and opportunities for companies to navigate. Below are five key issues likely to shape the sector in 2025, along with strategies to adapt effectively.

## 1. Scaling up housing development

The UK government's "Get Britain Building Again" initiative aims to deliver 1.5 million homes within five years. This ambitious plan prioritises redeveloping brownfield sites and selective greenbelt areas while investing in infrastructure upgrades. While concerns persist about whether these targets are achievable within the proposed timeline there will undoubtedly be many new work opportunities.

Action: Contractors should implement robust standards, such as the [Common Assessment Standard \(CHAS Elite\)](#), to ensure compliance and enhance their tendering opportunities. For hiring clients, tools like the Veriforce CHAS Client Portal can help streamline contractor verification and facilitate project success.

## 2. Strengthening safety regulations

New safety standards are reshaping the construction landscape. The Building Safety Act 2022, for instance, mandates sprinkler systems in new care homes from March 2025. Additionally, the expiration of legacy CSCS cards by the end of 2024 underscores the push for upskilling and enhanced safety measures

across the sector.

Action: Stay ahead by subscribing to the [Building Safety Regulator e-bulletin](#) and make the most of accessible resources like [BESA's 'Play it Safe' guide](#), which communicates responsibilities under the Building Safety Act in accessible terms.

### 3. Tackling workforce shortages

Labour shortages remain a significant hurdle, compounded by stricter regulations on foreign workers and changes to the apprenticeship levy. Upcoming reforms under the Employment Rights Bill, such as bans on zero-hour contracts and stronger union protections, will further reshape the employment landscape.

Action: Explore [apprenticeship grants](#) and adapt to evolving employment laws. Ensure compliance with the December 2024 e-visa registration deadline for overseas workers to avoid disruptions.

### 4. Promoting mental and physical wellbeing

The construction sector continues to grapple with high rates of workplace injuries and mental health challenges. Recent data highlights a rise in workplace fatalities and a concerning prevalence of mental health issues among workers, including one of the UK's highest suicide rates.

Action: Invest in regular safety audits, training, and mental health initiatives. Programs like the [Veriforce CHAS Mental Health & Wellbeing Evaluation](#) can provide guidance to foster a safer, more supportive workplace.

### 5. Advancing sustainability and innovation

The Procurement Act, which will come into force in February 2025, emphasises environmental responsibility, pushing companies to adopt low-carbon materials, improve waste management, and align with net-zero targets. Concurrently, advancements in AI, robotics, and modular construction are reshaping the industry, offering opportunities to improve efficiency and resilience.

Action: Conduct sustainability audits and pursue certifications like BREEAM or LEED to demonstrate environmental leadership. Consider tools like [CHAS Social Sustainability](#) to help benchmark your organisation's performance. Stay competitive by investing in workforce training and adopting emerging technologies to enhance operational resilience.

## Conclusion

By proactively addressing these issues, the construction sector can build a safer, more sustainable, and resilient future. For more insights on managing risks and improving operations, visit: [www.chas.co.uk](http://www.chas.co.uk).