

Gleeds' New Year Market Report Reveals Unease Going into 2026

4 months ago



The latest [UK Market Report](#) from Gleeds has revealed that eight in ten construction professionals feel the UK government is not providing adequate support to the sector, with training and planning identified as key blockers to progress.

Skills and training came in as the number one issue requiring further government support, reflecting growing anxiety around workforce capacity and the industry's ability to meet future demand without sustained investment. Additionally, over 75% of those quizzed said they do not think measures set out in the Chancellor's November Budget will help to ensure delivery of the 1.5 million new homes target, as the workforce shrinks and wages and taxation increase.

As a result of these concerns, the survey suggests that many parts of the market are continuing to operate defensively, with more than two thirds of respondents claiming they have noticed a reduced appetite for risk from contractors over the past quarter. This trend is increasingly influencing procurement strategies, with two-stage tendering becoming the preferred route for many, reflecting a desire for earlier collaboration, greater cost certainty and tighter risk management in an unpredictable environment.

Despite the challenges posed by inflation and interest rates (cited as the number one threat to the industry going forward) just over a quarter of respondents say they expect to see more tender opportunities in 2026 and more than 10% reported having secured more or significantly more work compared to this time last year.

Brian McArdle, Managing Director, UK, said: "The picture that our Market Report paints is one of an industry managing risk carefully rather than pushing for growth at any cost. Inflation, tight funding conditions and policy uncertainty are all contributing to the continuation of the cautious approach we've been seeing over previous quarters. While this is understandable, it does have implications for delivery, particularly where projects are already finely balanced."

"At the same time, the strength of feeling around skills and training shows that the industry is looking

beyond the immediate cycle. Addressing long-standing challenges around planning, skills and funding certainty will be essential if the sector is to unlock stalled projects, improve productivity and deliver on housing and sustainability ambitions,” he went on to add.

The survey also highlighted ongoing scepticism around decarbonisation drivers. Nearly half of respondents (46%) said they did not believe that the recent COP30 summit will act as a meaningful catalyst for decarbonisation within the construction industry, underlining concerns that policy ambition is not yet translating into clear, deliverable pathways for the sector.