

**Embargoed until 0001hrs, Thursday 1<sup>st</sup> February**

## Scottish construction workloads continued to fall, but surveyors more optimistic about the outlook

### **RICS Construction Monitor Q4 2023 – Scotland**

- Overall construction workloads in Scotland continued to fall for the fifth quarter
- Surveyors in Scotland however anticipate that workloads will rise over the next 12 months
- Profit margins are expected to continue falling, however surveyors are less pessimistic about the profits squeeze than before

Construction workloads in Scotland continue to fall through the last quarter of 2023 according to the latest Royal Institution of Chartered Surveyors (RICS) Construction Monitor, albeit at a slower rate than was seen in the survey previous. Surveyors also appear to be more optimistic about the workload outlook for the year ahead than they were.

A net balance of -9% of respondents in Scotland reported that construction workloads fell through Q4 2023, up from -21% that was seen in Q3. Looking at the subsectors, a net balance of -23% reported a fall in public housing, -8% in private housing, -10% in private commercial, -11% in private industrials, and -13% in other public works.

Whilst the balances are still in negative territory, in most cases, they represent an improvement on the previous quarter. Workloads for infrastructure works were reported to have been flat.

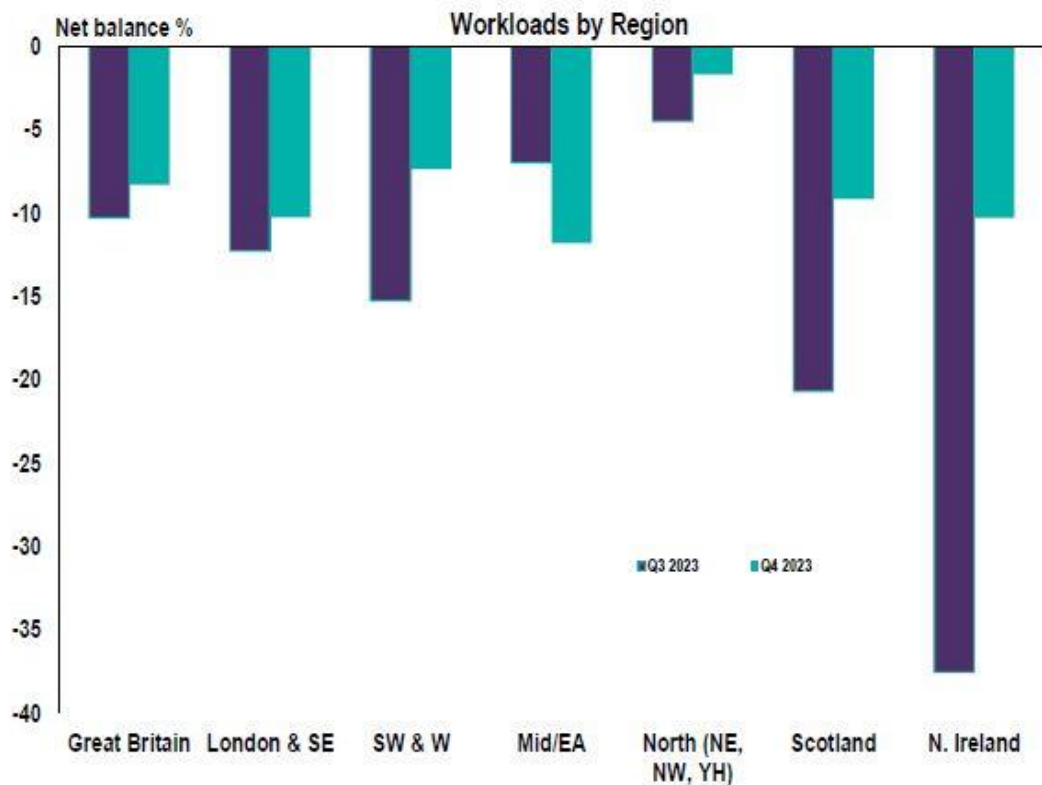
Looking ahead, respondents in Scotland anticipate that overall workloads will turn positive this year, with a rise anticipated over the course of 2024. A net balance of 6% of Scottish respondents expect construction workloads to increase over the next 12 months. This is up from the -3% that was seen in the quarter previous.

Labour shortages continued to be a challenge in the last quarter of 2023 according to Scottish respondents, though there are some suggestions of a softening. A net balance of 65% of respondents reported a shortage in quantity surveyors, up from 58% the survey previous and 46% noted a shortage in other construction professionals, down from 52% in Q3. A net balance 39% of surveyors in Scotland reported a shortfall in bricklayers, the lowest this figure has been since the beginning of 2021.

Surveyors in Scotland anticipate that profit margins will continue to be squeezed over the next 12 months. A net balance of -11% of respondents expect that profit margins will fall through 2024. Although this figure remains in negative territory, surveyors are less pessimistic as this figure is up from -17% that was seen in Q3.

Mark Stevenson of Torrance Partnership LLP in Inverness said: “The lack of public sector funding for schools and infrastructure is affecting development. Delays in the planning system are also a significant issue, specifically related to responses from consultees in relation to areas such as roads and infrastructure.”

Allan Alexander Cockburn, of PMC Commercial Ltd in Paisley said: "A shortage of skilled labour, both professional and site operatives, continues to be an issue. I feel that there is not enough experienced staff supporting young professionals."



-ENDS-

**Notes for editors:**

**About RICS**

We are RICS. Everything we do is designed to effect positive change in the built and natural environments. Through our respected global standards, leading professional progression and our trusted data and insight, we promote and enforce the highest professional standards in the development and management of land, real estate, construction and infrastructure.

Our work with others provides a foundation for confident markets, pioneers better places to live and work and is a force for positive social impact.

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