ECONOMICS

RICS

Global Construction Monitor

Q4 2025

Responses were gathered in conjunction with the following organisations:

Canadian Institute of Quantity Surveyors | Institut canadien des économistes en construction

PICQS

Consejo General de la Arquitectura Técnica de España

AACE International

ECONOMICS

Modest softening in global construction sentiment, though forward-looking indicators remain positive

- Global Construction Sentiment Index eases modestly but remains in positive territory
- MEA and Americas continue to show solid momentum, while APAC resumes contraction
- Twelve-month expectations point to strengthening infrastructure workloads; cost inflation projections remain relatively moderate compared with previous years

The Q4 2025 results from the RICS Global Construction Monitor indicate a slight moderation in overall market momentum compared with the previous quarter. Reflecting this, the headline Construction Sentiment Index (CSI) recorded a global reading of +7, down from +12 in Q3, though this still sits in positive territory. More encouragingly, respondents expect workloads to strengthen over the year ahead, particularly in the infrastructure sector, while construction cost inflation projections remain relatively tame compared with the elevated levels seen in recent years.

Regional divergence becomes more pronounced

Chart 1 presents the CSI at a broad regional level. As has been characteristic throughout 2025, sentiment remains strongest across the MEA region, where the headline index registered +29 in Q4 (unchanged from Q3), continuing to reflect solid growth momentum. The Americas likewise posted an upbeat reading of +25 (compared with +20 in Q3), maintaining a resilient backdrop supported by some slightly stronger readings at the country level.

Alongside this, Europe's CSI softened a touch to +14 (from +18 in Q3), marking a modest easing in the region's recent recovery momentum, although the latest reading still represents a considerable improvement on those returned twelve month's prior. The APAC region remains the clear laggard, with the CSI slipping to -14 (from zero in Q3), pointing to renewed contraction in activity after a brief stabilisation in the previous quarter.

UAE, Spain, and Saudi Arabia lead growth, while China and Hong Kong continue to struggle

Chart 2 shows the net balance data for total construction workloads at a country level. Leading the way in Q4, Spain posted an exceptionally strong reading of +73%, driven by robust growth across all sectors, particularly in private non-residential activity. The UAE (+58) and India (+43) also recorded solid expansions, reflecting broad-based strength in construction activity. Germany (+41) and Saudi Arabia (+30) likewise reported firm momentum.

Also posting positive readings were Oman (+29), Mauritius (+28), Singapore (+24), and the Netherlands (+20), all of which noted increases in overall workloads during the quarter. Australia (+17), the United States (+16), Ireland (+14), and Italy (+12) recorded more modest but still positive growth.

At the weaker end of the scale, construction activity continues to contract sharply in both mainland China (-59) and Hong Kong (-38), with the latest survey results

Chart 1 - Construction Sentiment Index by Region

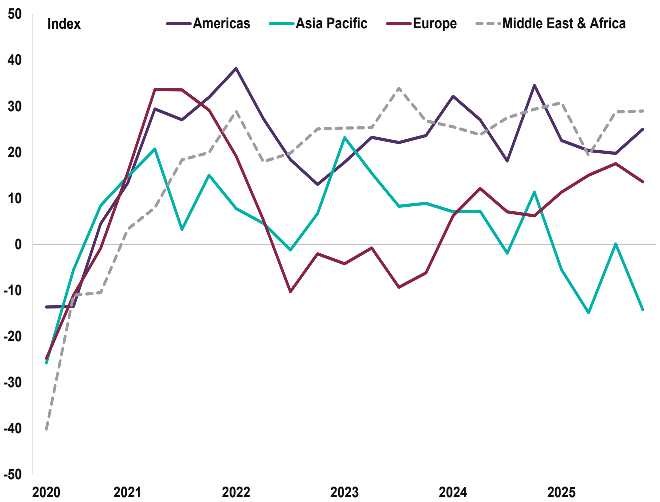
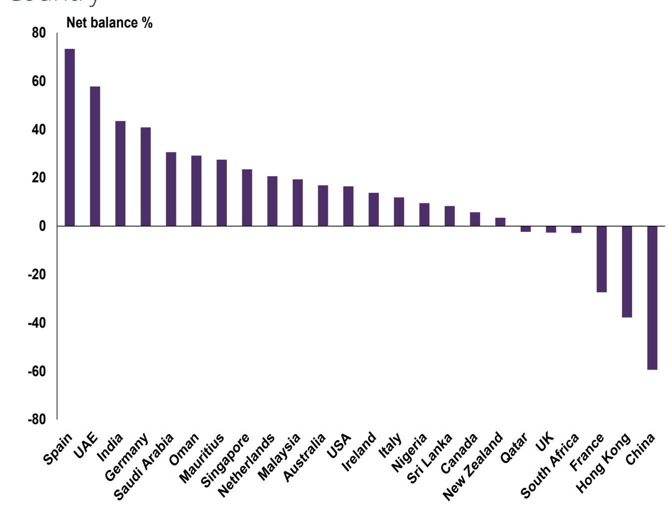


Chart 2 - Current Trend in Headline Workloads by Country



showing no meaningful improvement in what has been a challenging environment for much of the past two years. France (-27) also experienced a notable decline in overall activity, while South Africa (-3) and the UK (-2) recorded marginally negative readings. Market conditions in Qatar (-2) remained similarly subdued.

When examining the sectoral breakdown, infrastructure continues to outperform other market segments in many regions. In fact, the Q4 current workload readings for infrastructure exceed those for private residential and non-residential projects in approximately 70% of the countries covered by the Monitor. Exceptions include South Africa, Malaysia, and the Netherlands, but overall, infrastructure activity remains a key driver of growth across the wider construction market.

Forward-looking sentiment remains supportive despite some near-term softening

Chart 3 illustrates twelve-month workload expectations across global regions. Overall, respondents have maintained a broadly positive outlook for the year ahead, despite the modest near-term softening. Notably, expectations for infrastructure workloads remain particularly robust, with a net balance of +35% of respondents globally anticipating an increase over the coming twelve months (compared with +38% in Q3). This represents a firming in sentiment compared with earlier in 2025 and underscores the ongoing importance of infrastructure investment to the global construction outlook.

Expectations for the private residential sector moderated somewhat in Q4, with a global net balance of +14% (down from +32% in Q3). At the regional level, the Americas recorded the most upbeat sentiment, driven primarily by strengthening optimism in the United States. In MEA, respondents remain increasingly confident that private residential workloads will rise, with the net balance reaching +52%, while sentiment in Europe saw minimal change (+31% net balance versus +35% beforehand).

The private non-residential sector presents a more mixed picture. At the global level, expectations remain modestly positive (+10%), though this marks a slight retreat from the previous quarter (+27%). From a

Chart 3 - Twelve-month Workload Expectations by Region and Sector

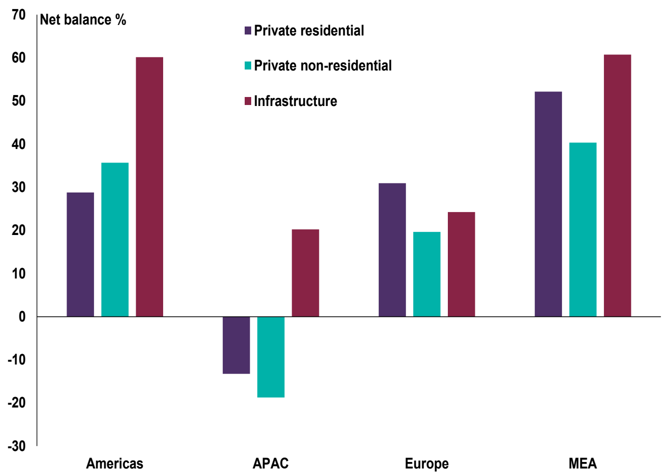
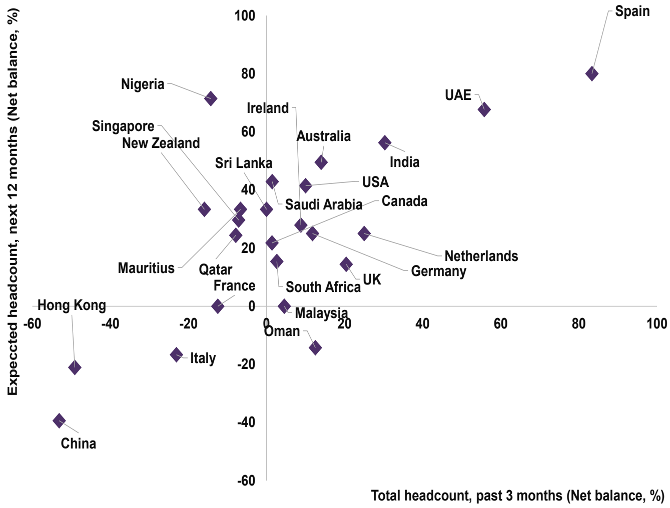


Chart 4 - Current and Expected Industry Employment Trends



country perspective, several key markets, such as France, Canada, and China, continue to report negative readings for private non-residential workload expectations, while the outlook in the UK appears broadly flat.

Employment outlook varies considerably across markets

Chart 4 plots current headcount trends against twelve-month employment expectations at the country level, revealing significant divergence in labour market conditions across global construction markets. Countries positioned in the upper-right quadrant (such as Spain, India, the UAE, and Saudi Arabia) are experiencing both rising headcounts in the near term and anticipate further employment growth over the year ahead, reflecting robust underlying demand for construction activity.

Meanwhile, a number of countries, including Australia, the UK, and several European nations, also occupy the upper-right quadrant, albeit to a lesser degree than the aforementioned nations. In contrast, several markets including Hong Kong and China are positioned in the lower-left quadrant, indicating declining employment both currently and over the coming year, consistent with the broader weakness across these markets.

Financial constraints and insufficient demand increasingly cited as headwinds

Chart 5 shows that financial constraints remain the most widely reported impediment to construction activity, with 61% of respondents globally highlighting this issue (down slightly from 66% in Q3). At the same time, 58% of survey participants identify competition as a current challenge, while 50% report that insufficient demand is weighing on activity. Notably, the share citing insufficient demand has remained elevated throughout 2025, pointing to ongoing concerns about the strength of underlying market conditions.

Meanwhile, 58% of respondents note that the cost of materials continues to pose a challenge, up marginally from 55% in Q3 but still much lower than the share reporting this challenge in 2024 and 2023. Skills shortages are cited by 50% of respondents as an impediment to activity, broadly unchanged from the previous quarter, suggesting that labour market tightness remains a persistent structural constraint.

Chart 5 - Factors Limiting Activity

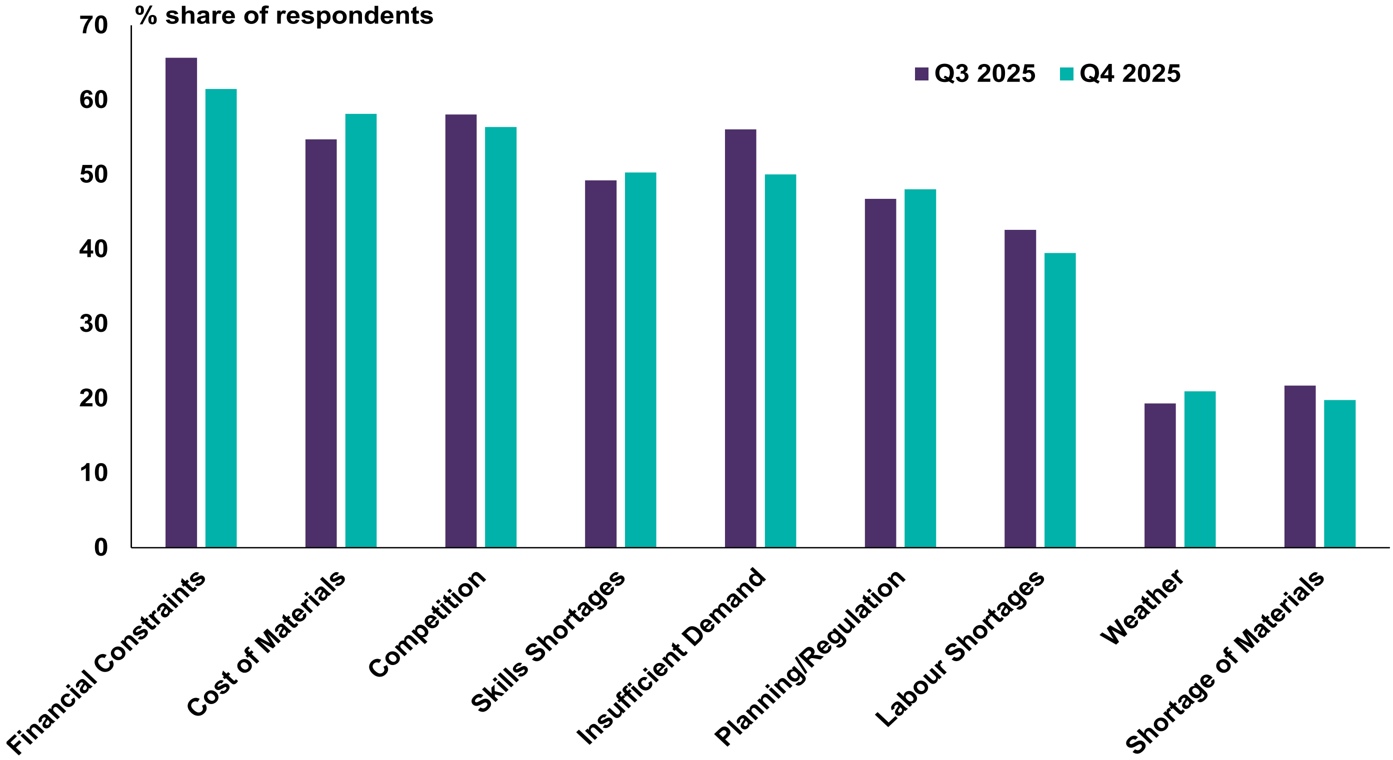
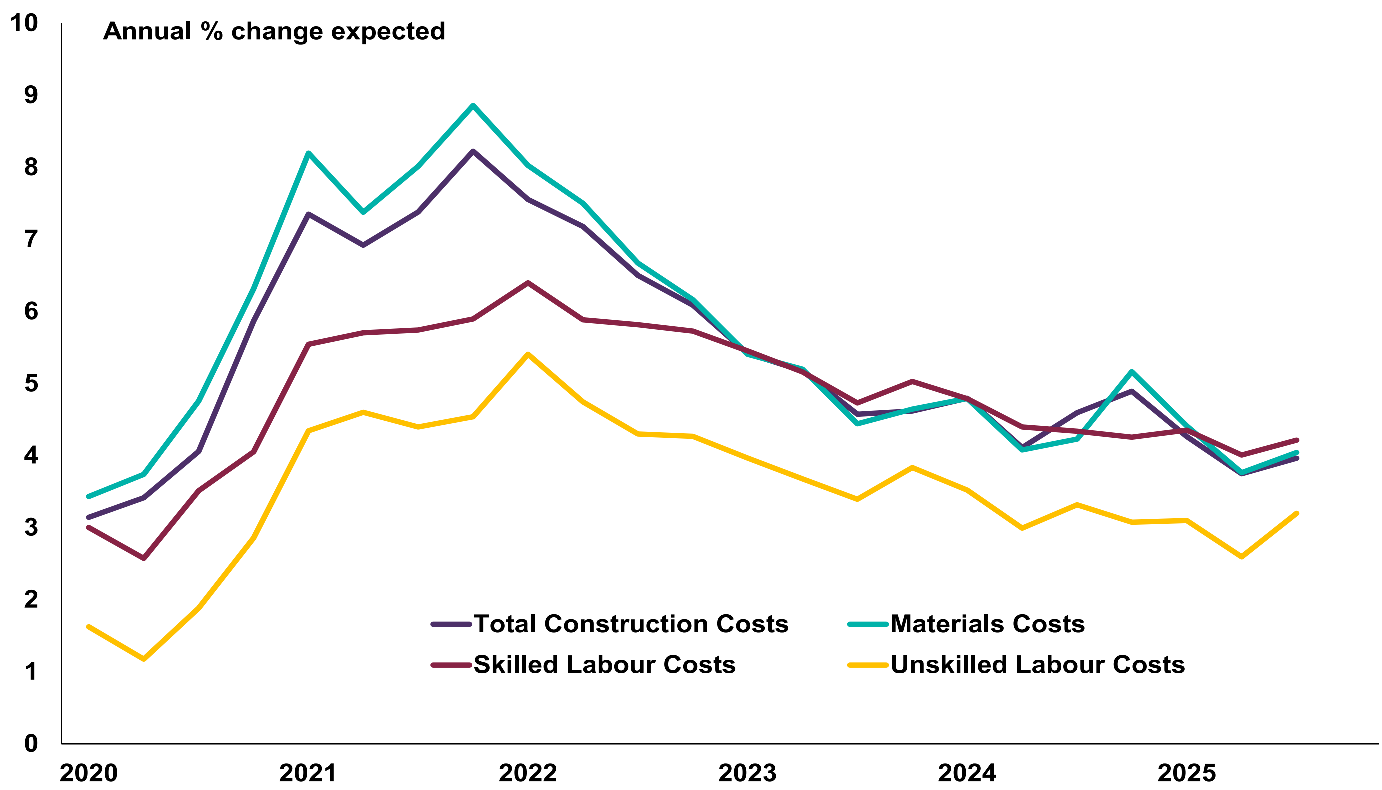


Chart 6 - Twelve-month Global Average Cost Projections Breakdown



APAC: Weakness in China weighs on regional picture, but conditions remain relatively solid across most other markets

The Q4 2025 survey results for the APAC region show the headline CSI slipping to -14 (from zero in Q3), driven primarily by a renewed deterioration in mainland China. Excluding China, conditions across most other markets remain relatively resilient, with several nations reporting stable or improving sentiment. Forward-looking expectations present a mixed picture, with infrastructure sentiment still clearly positive while private sector projections have weakened somewhat.

China's deterioration drives regional decline, while most other markets hold steady or improve

As shown at the country level in Chart 1, China's CSI fell sharply to -50 (from -35 in Q3), marking a fresh low and, given the country's substantial weighting, pulling the broader regional aggregate into negative territory. In contrast, conditions across most other APAC markets remained relatively solid. New Zealand recorded a noteworthy turnaround (+23 from -5), while Australia continued its upward trajectory posting a CSI figure of +21 from +15 previously. India maintained robust momentum at +42 (down slightly from +49), while Singapore and Malaysia held stable at +22 and +12, respectively. Sri Lanka eased to +23 (from +35) but remains comfortably positive. Hong Kong improved modestly to -31 (from -44) but continues to lag most other regional markets.

Competition, financial constraints, and insufficient demand remain key challenges

Competition is cited by 73% of respondents across APAC (down from 80% in Q3) as a significant challenge, notably higher than the global average of 58% and especially pronounced in China. Financial constraints are reported by 74% (broadly in line with Q3 and the global figure of 61%). Insufficient demand continues to be more widely cited than elsewhere in the world, with 68% of respondents highlighting this issue. Skills shortages are emerging as a more acute concern of late, evidenced by 47% of respondents singling out this problem (up from 40% in Q3), while material shortages remain low with just 20% of respondents highlighting such scarcity to be an issue.

Forward-looking picture remains mixed

As shown in Chart 3, twelve-month expectations at the regional level have deteriorated across all indicators compared with Q3. Most notably, both private residential and private non-residential expectations have turned negative, reaching net balances of -13% and -19% respectively (from +16% and +19% in Q3). Infrastructure sentiment also softened to a net balance of +20% (from +31%), though it remains the only sector with positive forward-looking expectations at the aggregate APAC level. From a country perspective, India and Sri Lanka maintain the most upbeat projections, while Australia, Singapore, and New Zealand also exhibit positive sentiment. Hong Kong and China continue to anticipate further contraction. The employment outlook net balance turned negative at -5% (from +1% in Q3), while profit margin expectations also deteriorated sharply to -18% (from +5%), with only India and Sri Lanka anticipated to see improvements over the year ahead.

Chart 1 - Construction Sentiment Index

Chart 2 - Factors Holding Back Activity

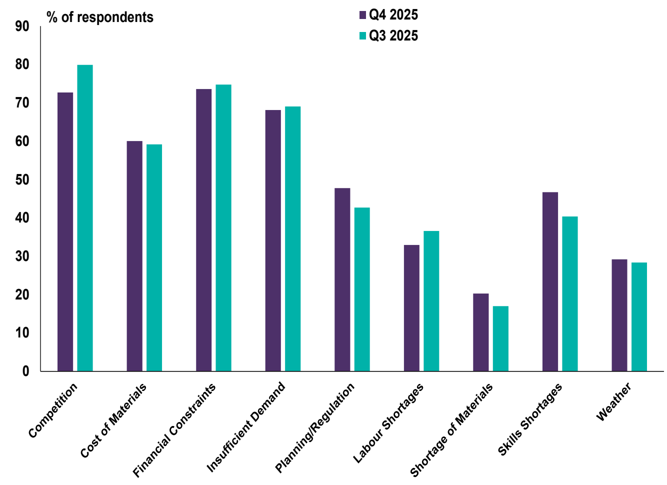


Chart 3 - Twelve-month Expectations

Regional comments from survey participants in APAC

Australia

Demand on resources due to Olympic Games impacting prices. - Brisbane

Industrial relations. - Brisbane

Lack of contractors competing for insurance work. - Brisbane

Lack or difficulty in foreign investment. - Brisbane

Olympics 2032. - Brisbane

Olympics requiring major pojects to be constructed prior to 2032. - Brisbane

The Queensland market is experiencing demand beyond ability. With the Olympics coming in 2032, weeks are finding that the government is trying to fix all problems at once. Hospital shortages, housing shortages, cost of living driving supply of more social housing and infrastructure upgrades required. Our market has never seen this level of government spending. - Brisbane

Construction productivity has been poor at about 60% on sites. There are signs that this is improving however Contractors are still pricing the risk and including high levels of contingency in their project programs. - Brisbane City

Brisbane Olympics. - Brisbane, Melbourne and Perth

As a regulated service provider we are restricted by government regarding wages. Our payment grades are set at a low level, and we cannot attract competent experienced operatives into our department. The governrment is also throwing money at contractors to build housing and we are losing contractors from our tender lists, we cannot compete with the open cheque book approach from the WA government. - Geographe

New Hobart Stadium Project now approved will tighten labour market. - Hobart

Across our Australian business we are seeing a range of issues with our Queensland team having more potential for growth and the need for skilled labour to deliver a number of projects both on site and in the pipeline - our NSW and Victoria offices are quieter with Victoria seeing less opportunity and a lack of confidence from the private sector here - the public sector enquiries are considerably down since this time last year but remain as per the previous 3 months - 2026 will be a challenge. - Melbourne

Rising Material Cost. - Melbourne

Union controlled State Govmt projects monopolise labour and materals, and pay too much for labour - Union controlled sites cost 30% more to deliver than private / non-union controlled. - Melbourne

Demand. - Newcastle

Flatlined. - Perth

Mainly lack of skilled staff to deliver the work available. No point taking on work and under delivering, hence we constrain ourselves to produce repeatable quality services. - Perth

Poor planning. - Perth

Customer's rushing projects to market without understanding their constraints. - Sydney

Excessive regulation. - Sydney

Government funding / appetite for larger infrastructure projects is low - strategy is maintenance vs. Investment in super projects. - Sydney

Government spend reduction, weak private sector. - Sydney

Government Spending impacts infrastructure projects coming to market which is the area I work in. - Sydney

I am an academic and so havent completed all sections. Global political instability is affecting markets and confidence. - Sydney

In the short term skilled labour shortages will be a challenge. - Sydney

Insufficient government funding. - Sydney

Labour shortages. - Sydney

Productivity. - Sydney

Quality of construction especially residential sector remains an issue. - Sydney

Race to the bottom with fee levels in a restricted market. - Sydney

Lack of available contractors. - Sydney, Australia

The Government's policies that effect the amount of money people have to spend. - Tamworth

Uncertainty about policy and the variations between states. - Wollongong

Brunei

Lack of Consumers Confidence causes reduced spending and dampening the economy growth. - Bandar Seri Begawan

China

Instability in international politics has a negative impact on the global economy. - Beijing

The economy remains sluggish, with no business volume and no demand for personnel. - Beijing

Geopolitical matters. - Guangdong

Decrease in infrastructure investment. - Guangzhou

The development of the construction industry has entered a downward cycle. - Haidian District

Newly developed areas are decreasing, while renovation projects are increasing, primarily driven by government investment. - Hohhot

Beijing. - Huizhou

The normalization of audits on state-owned investment projects has affected the working environment of practitioners. - Jiaxing

The main problem lies in the uncertainty of the current success of China's economic transition and the impact of geopolitics. - Shanghai

The shift from traditional infrastructure to new infrastructure, adjustment of economic structures, and the promotion of new quality productivity levels. - Shanghai

Weak growth, insufficient demand. - Shanghai

Weak demand. - Shanghai

Macro-control, economic downturn, and top-level design by industry regulators. - Shenzhen

The industry is focusing on absorbing existing inventory, optimizing the construction industry structure, and moving towards high-quality development. - Shenzhen

Due to the downturn in real estate, the prices of main materials such as steel and commercial concrete are not very high. - Wuhan

Hong Kong

Economic downward trend. - Causeway Bay

Concerns on site safety, in particular fire risks. - Hong Kong

Construction investment is decreasing. - Hong Kong

Geopolitical tensions impacts the economic growth. - Hong Kong

Hong Kong. - Hong Kong

Regulatory lift of fire precationary measures test boosts costs, resource and time burden in building market. - Hong Kong

The downturn in the China Property Market has affected the Hong Kong Property Market. - Hong Kong

Weak demand and over supply, Geopolitical conflicts suppress investment. - Hong Kong

Weak demand for new construction of residential projects as stock clearing in progress which may take 2 to 3 years. - Hong Kong

Economic growth is weak. - Hong Kong

Imported labour. - Kowloon

India

Sanction or license approval from government authorities. - Bangalore

Shortage of labour. - Bangalore

Shortage of Skilled Professionals. - Bangalore

Skilled workers. - Bangalore

Statutory clearances from authorities. - Bangalore

Labor. - Bangalore Mumbai

Shortage of skilled workmen. - Chennai

US sanctions, AI disrupting IT jobs and real estate consumption. - Delhi

Unreasonable timelines and cost estimates are being forced into Detailed Project Reports which eventually influence the bid prices. However, almost all projects experiences bottlenecks during execution. - Ghaziabad

Delayed project approvals at Govt departments. - Guruvayur

Regional comments from survey participants in APAC

Changes in recent Indian labor law will impact on total project cost. - Hyderabad

Fluctuating international trades/wars. - Kochi

Market conditions. - Mumbai

Availability of professional project management specialist and value addition contributed by PMC consultants. - Noida

Labor and rising commodity prices. - Pan India

Insufficient infrastructure and lack of clarity on the permits and licenses to be obtained for new nuild are the main areas affecting my projects. - Pune

Indonesia

The market price of oil (remains low) and the market price of gold, silver, tin and copper) increasing, determines the demand for our support services. - Depok

Demand in the region. Need to expand internationally and inter new territories. - Jakarta

Japan

Rising construction costs. - Tokyo

Malaysia

The construction market in Kuala Lumpur, particularly the Cheras area, continues to face pressures in 2025. Rising material and logistics costs, driven by global disruptions and higher fuel prices, strain project budgets. Increasing labour wage demands cause further delays. Meanwhile, tighter regulations and the expansion of SST raise compliance costs. These factors, along with growing demand for specialised, high-spec developments, create a challenging operating environment. - Cheras

Infrastructure availability and Government Grant specific to Tax Exemptions. - Cyberjaya

Increase in material cost. - Georgetown

Impact of data centre boom draining resources. - Kl

Politics. - Kuala Lumpur

Changes of government policy. - Petaling Jaya

Authorities regulations. - Puchong

Enforcement of traffic overload regulation caused material price hike. - Puchong

Serious enforcement to the transportation regulation by the Government. - Puchong

New Zealand

Approaching election. - Auckland

Government policies. - Auckland

Immigration. - Auckland

Unstable government. - Auckland

Unstable Government. - Auckland

With New Zealand heading into an election year in 2026, the economic landscape becomes even more complex amid ongoing global uncertainty. As a result, both public and private sector organisations are expected to adopt a cautious approach to investment and strategic planning until the election results provide greater clarity on future policy direction. - Auckland

Central government general election in 3Q26 (latest) and associated prior volatility in business and domestic sentiment. - Christchurch

Internal reluctance for employing resources. - Christchurch

Signs of the market being at early recovery stage. - Christchurch

Upcoming NZ general election in Q3 2026 should improve business sentiment - but will it, or is it now too late? - Christchurch

Weak government policies. - Christchurch

Overall economic confidence likely to improve during 2026. - Queenstown

Government directives are still impacting the economy, unemployment is high, confidence is low, the country is contracting not growing. - Wellington

Philippines

Weak economics. - Angeles

Current transparency issues in Department of Public Works and Senate enquiry. - Makati City

Ours remain a "buyer's market" where buyers can dictate unfavorable terms. - Mandaluyong

Singapore

Green energy supply. - Singapore

Changes in Regulatory. - Singapore

Geopolitical uncertainty. - Singapore

Lack of manpower. - Singapore

Majority of Public Works contracts going to Chinese companies. - Singapore

Restrictions on foreign labour. - Singapore

Rising cost of material, reliance of foreign labour and lack of young local talents joining construction are some of the critical challenges within the built environment of Singapore. The private sector being the smaller market shareholder often lacks behind on sharing best practice and exploring opportunities for growth through fostering international collaboration outside the shore. It is left to the Agencies to initiate programme on adoption of trends, technologies, innovation and efficiency. - Singapore

Shortage of skilled workers and experienced engineers affecting execution of works. - Singapore

Tariffs. - Singapore

Technology adopting , Demand Trends , Global economic uncertainty. - Singapore

Sri Lanka

Economical Crisis. - Batticloa

Prevailing disaster mangment strategies will vary the situation in the construction industry. - Colombo

Thailand

Thailand's economic forecast by Banks for 2026 is projected to be one of slowing growth. The projected growth rate is 1.6% GDP growth. This slowdown is influenced by poor exports and combined with domestic challenges such as high household debt and potential political uncertainty, as well as external risks such as the current US trade policies. - Bangkok

There is a significant oversupply of private condominiums and office space currently thereby affecting the construction market. - Bangkok

Vietnam

Material shortages. - Hanoi

Europe: Regional momentum holds broadly steady despite sharp renewed weakness in France

The Q4 2025 GCM results across Europe indicate that the recovery in construction activity continues, albeit the pace of the rebound appears uneven across different parts of the continent. At the pan-European level, the latest Construction Sentiment Index (CSI) reading of +14 is marginally below the +18 recorded in the previous quarter, but still represents positive momentum overall.

Construction Sentiment Index remains positive across most nations

Chart 1 presents country-level CSI readings. Spain posted the strongest result in Q4 at +60 (from +46 in Q3), while Germany held more or less steady at +34. Italy and Ireland both improved to +18, and the UK returned a neutral reading of +2 (compared to -3 beforehand). However, France experienced a sharp deterioration to -22 (from +11 in Q3), representing the weakest reading in the region and weighing on the broader European aggregate.

At the headline level, current workloads improved in both private sectors during Q4. A net balance of +17% was recorded for private residential activity (up from +11%), while the reading for non-residential activity strengthened slightly to +8% (from +3%). In contrast, the net balance for infrastructure workloads eased to +11% (from +21% in Q3) but remains in expansionary territory nonetheless.

Financial constraints and skills shortages continue to weigh on activity

Chart 2 shows that skills shortages are now the most widely cited impediment to construction activity, with 55% of respondents highlighting this issue (compared to 56% in Q3). Financial constraints are reported by 54% of respondents, although this eased slightly from 58% in the previous quarter. The cost of materials is cited by 50% of survey participants as a challenge (up from 48% in Q3), while the share reporting planning and regulatory hurdles declined to 44% (from 55%), suggesting some easing in administrative barriers.

At the country level, skills shortages are most acute in the Netherlands (88%) and Spain (83%), while France reports the lowest incidence at 33%. Financial constraints are most widely cited in Italy (69%), Germany (67%), and the Netherlands (63%), whereas Spain (33%) and Ireland (40%) report considerably less pressure. Planning and regulatory issues remain particularly pronounced in Italy (62%), Germany (60%), and the UK (59%), but are cited by just 17% of respondents in Spain.

Twelve-month expectations remain positive, although they have softened somewhat

Chart 3 illustrates twelve-month workload expectations across the region in aggregate and shows that forward-looking sentiment has weakened compared with Q3 across all indicators. While still positive, infrastructure expectations declined to a net balance of +24% (from +45%), while private residential sentiment eased to +31% (from +35%). The private non-residential sector likewise saw expectations soften to +20% (from +28%). At a national level, Spain and Germany continue to display the most balanced outlook for construction workloads, with respondents in both countries maintaining solid expectations across all sectors. The overall picture in Italy and Ireland also remains positive. However, in France, the private non-residential sector stands out as a clear laggard, with survey participants anticipating a contraction in output over the year ahead.

Chart 1 - Construction Sentiment Index by Country

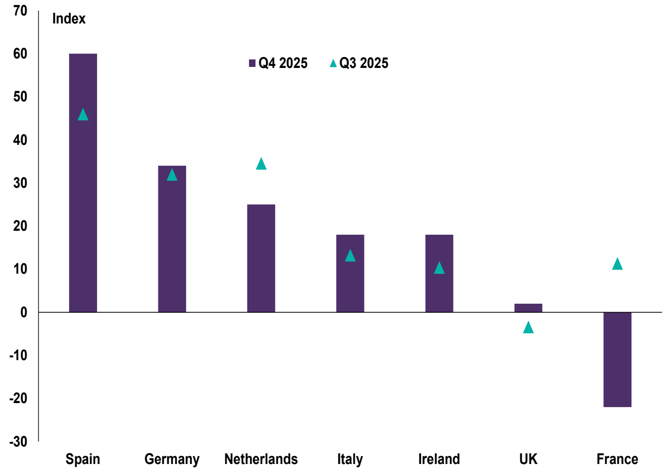


Chart 2 - Factor Holding Back Activity

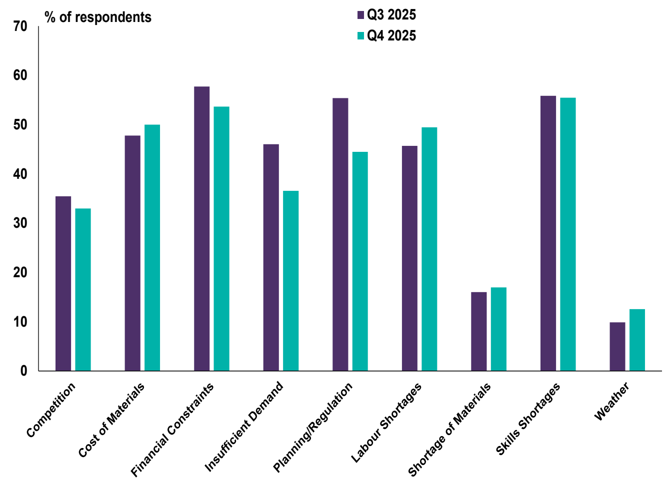
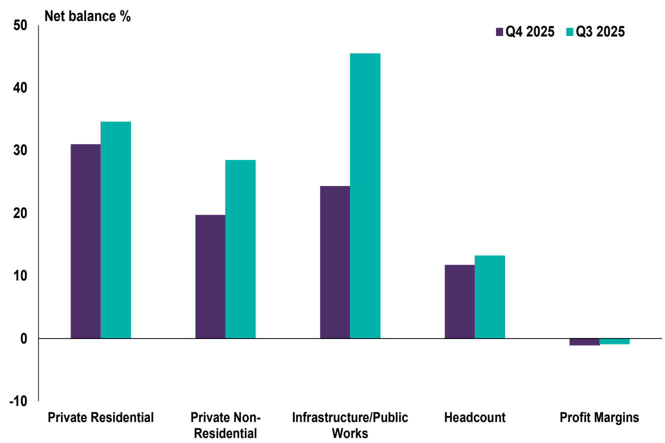


Chart 3 - Twelve-month Expectations



Regional comments from survey participants in Europe

Austria

Interest rates remain high, no state funding for investments. - Wien

Inflation, bank interest rates, difficult credit conditions, and excessive regulations, laws, and ordinances. - Wiener Neustadt

Belgium

The return on real estate is lower than alternative assets with similar risks, which makes capital scarcer and more expensive, leading to a further shrinking market. - Brussels

Cyprus

Low supply and High demand in all areas. Contractors are having too much projects and therefore they submit high prices. - All Regions Of Cyprus

Geopolitical factors like the wars around us. - Nicosia

France

Teleworking, impact of AI, and real estate taxes. - Fontenay Aux Roses

Lack of medium-term visibility. - Paris

Long term economic concerns. - Payrac

Germany

Duration due to approval processes; too complex, too expensive, and too tedious. - Bielefeld

Regulations. - Düsseldorf

Wait-and-see attitude. - Frankfurt

In particular, the clouded economic development leads to a decline in demand and sales. - Frankfurt

Uncertainty among the population, weak politics. - Görlitz, Bautzen, Schwerin, Annaberg, Gevelsberg

The stalled energy transition with the unclear forecast of how concretely it will be implemented is preventing investment projects. - Hamburg

Shortage of skilled workers. - Hamburg

High bureaucracy, long approval times, and disproportionate requirements and conditions from building authorities. - Schondorf Am Ammersee

Gibraltar (UK)

Publication of the text of the Brexit Agreement between Gibraltar and the EU. - Gibraltar

Hungary

Political uncertainty in Hungary. In April, the government will be newly elected; anything is possible, and therefore the market is waiting for the result! - Budapest

Unbalanced competition. - Budapest

Unstable market situation. - Budapest

Ireland

Planning appeals. - Carrickmacross

Lack of skilled labour. - Cork

Legal challenges to Local Authority Planning Permission is a big issue in Ireland delaying construction projects. - Cork

Ongoing worldwide political instability and the diminishing reliabability of the US - Risk of War. - Cork

Reduced US investment in Pharmaceutical Projects is having a noticeable effect. - Cork

1. Planning Approval for Projects 2. Government Form of Contracts - Onerous Conditions for Contractors. - Dublin

As our main activity is housing, HR and supply chain demands are high in that sector and there is a shortage of people and suppliers to deliver at scale. - Dublin

Deficit in infrastructure to support growth. - Dublin

Difficulties in the planning system and Judicial Review challengest to granted permissions. - Dublin

Downturn in general construction by government. - Dublin

Labour shortage, materials supply presssures and housing shortages are all contributing to delays. - Dublin

Lack of capacity. - Dublin

Low interest of secondary school leavers joining construction industry. - Dublin

Planning Regulations, for Example Metro link in Dublin there has been objections that have potential to put the project on hold for another year or two. This is just one of many projects with similar issues. - Dublin

Planning restrictions and objections by third parties are delaying major infrastructure projects. Delaying growth and driving up costs and delivery times. - Dublin

Skills shortage - particularly in the QS area is affecting the market. - Dublin

The current Geopolitical situation just causes uncertainty in the worldwide markets and has a negative impact of investment which affects the entire global construction industry. - Dublin

The Trump factor reducing FDI. - Dublin

Lack of available trades/professionals, delays in getting work completed due to shortages. - Greystones

We cannot get skilled personel nor trainees looking for work. - Pettigo

Weak demand due to affordability. - Tralee

Worries about Global wars. - Tralee

Italy

Young engineers shortage. - Genoa

Poor planning authorization process. - Latina

Regulation and Permitting. - Milan

Weak economy and geopolitical instability. - Milan

Ucraine, Russia, US and Middle East policies on energy raw material could impact on European's construction market. - Roma Milan

Instability of the market generated by the uncertainties of Ukraine's war outcomes. - Rome

Monaco

Ability to raise financing for projects. - Monaco

Montenegro

Local authorities decision making and possible insufficient infrastructure. - Tivat

Netherlands

Local restrictions due to law in relation to nitrogen deposition still not being resolved by the government. - Amsterdam

Slow planning process leading to housing backlog. - Hilversum

Gebrek aan bouwlocaties. Zeer lange en kostbare procedures. Onredelijke en tijdrovende bezwaarmakers tegen plannen. Te veel beperking vanwege vermeende stikstof problematiek. - Rotterdam

Agressor Trump. - Zwolle

Portugal

Low transparency in public procurement. - Lisbon

Low transparency in public tenders. - Lisbon

Romania

Political measures abouttaxes and utility rates. - Bucharest

Geopolitical situation, ucrainean war. - Bucuresti

Economic Instability created by local Political factors, geopolitical instability (Ukraine war). - Iasi

Slovenia

Lack of workers, we have to hire them from southern countries. - Ljubljana

Spain

In particular, a lack of qualified labor in the execution of works. - Barcelona

Access to the electrical grid and construction permits. To a lesser extent, a lack of talent and contractor availability. - Madrid

Strong demand and limited supply of products. - Madrid

Land prices for the development of new projects are scarce and expensive. - Madrid

Lack of land in Pamplona and the surrounding region. - Pamplona

Switzerland

Surpression of rental value. - Genève

Availability of contractors, trades, is the single most significant bottleneck, after the usual planning and zoning approval procedure which is arduous. - Zürich

Middle East and Africa: Activity remains robust across the region despite financial and cost related challenges

The Q4 2025 Construction Monitor for the Middle East and Africa points to broadly stable and still clearly positive regional sentiment, despite variation at the country level. Expectations remain positive across most sectors, led by infrastructure and public works. On a more challenging note, however, financial constraints and rising costs continue to hamper the market.

Construction Sentiment Index remains firmly grounded in positive territory

At the MEA-wide level, the latest Construction Sentiment Index (CSI) held steady at +29 in Q4, unchanged from Q3, pointing to continued strong momentum. As such, the MEA region continues to outperform the global benchmark (+7 in Q4) by a wide margin. At the country level (Chart 1), sentiment remained firmly positive across most markets, albeit with notable differences in impetus. In Saudi Arabia and Nigeria, sentiment moderated somewhat over the quarter, with the CSI falling from +42 to +33 in Saudi Arabia and from +65 to +37 in Nigeria, although both readings remain comfortably in positive territory. Mauritius recorded a sharp turnaround, rising from -8 to +31, signalling a marked improvement in conditions. Sentiment in the UAE was unchanged at a very strong +57, continuing to lead the region. South Africa posted a modest improvement, rising from +1 to +11, while Qatar edged higher from 0 to +5, moving into positive territory. Oman recorded a solid uplift, increasing from +28 to +49, highlighting strengthening conditions towards the end of the year.

Infrastructure continues to drive growth

Turning to current workloads by sector (Chart 2), conditions remain mixed. Growth in private residential workloads was similar to last quarter, with the net balance holding steady at +27%. Conversely, private non-residential activity softened, with the net balance falling to +2% in Q4, now pointing to a flat picture. Infrastructure and public works continued to outperform, with the net balance strengthening from +30% to +33%. Meanwhile, the net balance for profit margins edged down from -16% to -17%, while the headcount indicator slipped marginally from a net balance of +2% to -1%.

Looking ahead over the next twelve months, expectations remain strongly positive across all sectors, albeit with some divergence in momentum. Infrastructure and public works continue to lead the outlook, with the net balance rising sharply from +50% in Q3 to +61% in Q4, reinforcing its role as the key growth driver. Expectations for private residential and private non-residential also remain firm, with respective net balances of +52% and +40%. At the same time, expectations for profit margins and employment growth both eased slightly, but continue to signal a positive trend over the year ahead nonetheless.

In terms of impediments to activity (Chart 3), financial pressures remain the most significant challenge, with the share of respondents citing financial constraints rising from 71% in Q3 to 77% in Q4. Cost-related pressures also intensified, with competition increasing from 53% to 66% and the cost of materials rising from 56% to 66%. By contrast, labour-related pressures eased overall, with the share of respondents reporting labour shortages falling from 35% to 30%, although skills shortages remain somewhat evident, even as the share citing problems sourcing skilled workers eased from 51% to 45%.

Chart 1 - Construction Sentiment Index by Country

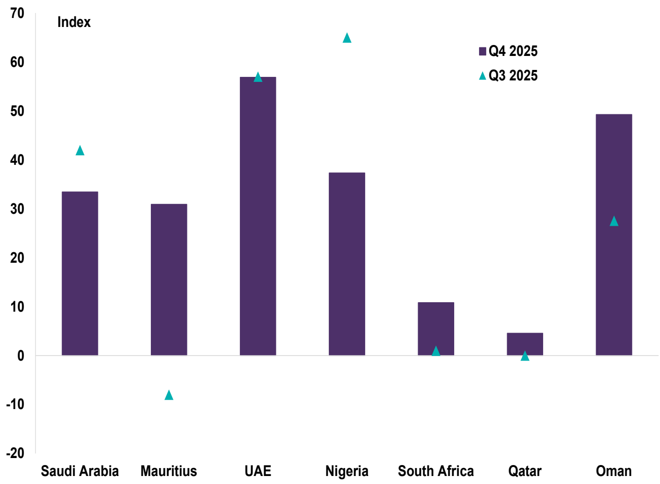


Chart 2 - Current conditons/twelve-month expectations

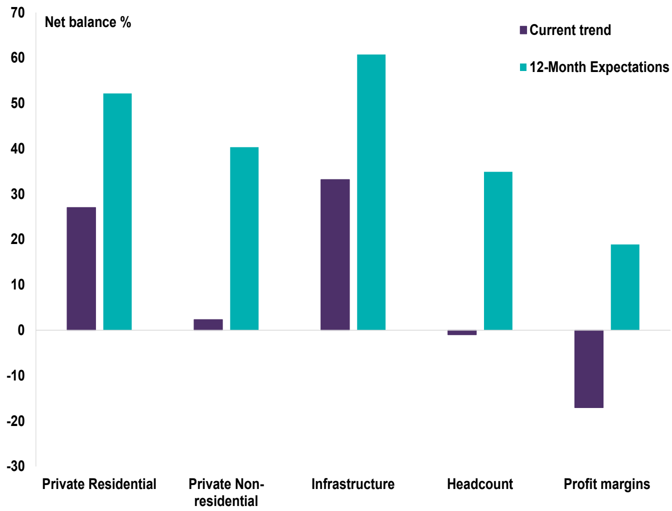
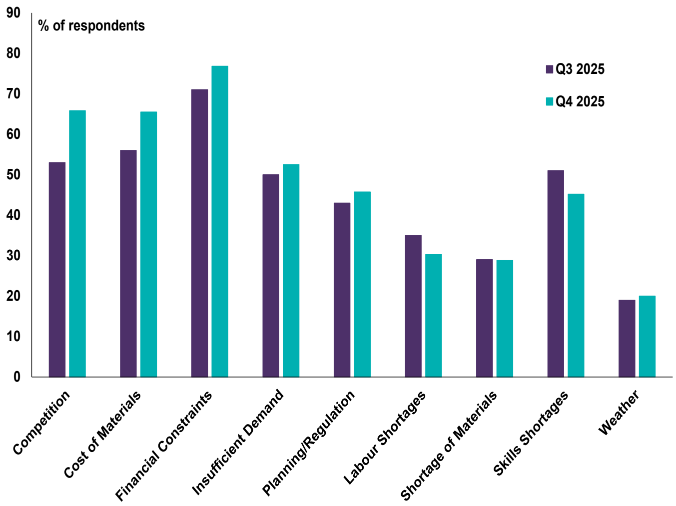


Chart 3 - Factors Holding Back Activity



Regional comments from survey participants in MEA

Bahrain

Budget Shortage. - Manama

Geopolitical instability. - umulhassam

In Bahrain, Private Sector investors are required to grow the country. Majority of the projects are funded by GCC. - Manama

Poor economy. - Manama

Botswana

The economy Is governement driven but now Government expenditure has dropped. - Gaborone

Ghana

Lack of payment. - Accra

Egypt

Oil price, Gold trades. - New Cairo

Kenya

(1) Political - Slow down from East Africa Regional Markets - Tanzania had elections in 2025, Uganda has elections in January 2026 and Kenya has its Elections in 2027 August. The effect is a slowdown of investment & premium construction projects (2) Changes in Procurement Approach - Ongoing projects are Contractor led, many requiring bare minimal input of local consultants, including the state-sponsored affordable & social housing schemes. This has left many consultants with little work. - Nairobi

Government Borrowing has reduced the money available in the market for non institutional borrowers hence reduction in residential construction. - Nairobi

Government policy being unfavorable e.g additional taxes. - Nairobi

I lead a unit for a multilateral agency and the UN funding crisis, coupled with donor priorities, affects us the most. Note that while our unit is based in Kenya, we do design and assessments and advisory for projects around the world, mostly in developing and fragile states. - Nairobi

Kuwait

Less government expenditure on development projects. - Kuwait

Government Regulations and Consumer Confidence. - Kuwait City

Very little growth in building construction sector. - Sabhaan

Government has not released any new infrastructure projects for the past 5 years except a recent Airport project. - Salmiya

Liberia

Labour unrest and unlawful demand. - Yekeppa

Mauritius

Bringing skilled labour from abroad has become more difficult with the legislation in place and therfore this has an impact on tender prices. - All Over The Island

Lack of investors from abroad, tight rules and regulations in new development zones limiting profit. - Ebène

Market uncertainty among private developers and a lack of government fiscal incentives. - Mauritius

Foreign Investment. - Port Louis

Getting building permits is taking longer in the last 12 months. - Quatre Bornes

There is currently a high lack of local skilled labour on the market. The construction industry is therefore depending a lot on foreign labour who in turn requires time to adapt to the rather high paced construction activity due to high project demand. This is eventually causing disruption in project timelines and also sometimes lead to quality issues on projects. The current lack of local resources is also urging authorities to quickly address the long overdue issue of training local labour. - Quatre-Bornes

Competition. - Rose Hill

With the elections done at the end of last year, waiting on several major projects - both in the public and private sector has lifted. The construction market is picking up, with new projects being launched. However, shortage of labour and rising prices of construction materials is negatively impacting the construction sector. - Rose Hill

Morocco

High energy costs. - Casablanca

Nigeria

Influx of population from rural to the centres. - Ikeja

Government policy for land. In certain areas, government are taking over vast lands under government acquisition. There is some sort of settlement for those dislodged but it is really affecting a lot of people from investing further in construction related activities in those areas. Another point is election cycle is close by and the politicians will rather use resources to pursue their political career than invest in projects. - Lekki

News Impacts are showing Asymmetric behavior in respect of Economic Stressors to labour and materials cost. This obviously results in cost volatility in the industry. - Owerri

Oman

Oman's construction market remains active, led by residential and commercial projects. Rising material costs, especially imported marble, and high demand for skilled trades can cause delays. Payment delays affect cash flow, while planning approvals are generally stable. Growth is expected, with cost pressures, currency fluctuations, and labour availability as key challenges. Companies focus on procurement, resource planning, and workforce retention to maintain quality and timely delivery. - Muscat

Regulatory and Permitting Challenges, Competitive pressure. - Muscat

Not much improvement in Construction and government not arranging funds. - Muscat, Oman

Most project contractors are getting delayed payments and that's affecting the completion of projects. - Ruwi

Qatar

Government expenditure focused mainly on existing energy projects. - Central Lusail

Construction and related professions/ industries are dead. - Doha

Current economic downturn. Low turnout in Major Government Projects impacting Contractor Cashflow. - Doha

Delay in payments from the Government particularly to the Contractors. - Doha

Generally stagnant construction market apart from government projects. - Doha

Geopoliotical situation. - Doha

Issues in the Middle East. - Doha

Lack of demand. - Doha

Lack of demand and high interest rates. - Doha

Low demand. - Doha

Low demand and high competition in the construction industry. - Doha

Most of the demand for construction services in Qatar is driven by the State. - Doha

Quiet markets. - Doha

Slow in releasing Projects by the Government establishments. - Doha

US Tariffs and the instability it causes to macro economic planning. - Doha

Scarcity of projects. - Doha City

Ongoing focus on gas projects by government. - Lusail

Rwanda

Logistical challenges, political instability in neighbouring countries, forex, shortage of locally skilled labour. - Kigali

Since this is a landlocked country, there is a lot of risk to be considered. - Rilima

Saudi Arabia

Kingdom-wide government legislation and policy compliance. - Al Ula

Decline in crude oil price. - Alula

1. High Demand from Vision 2030 Projects, Labor Availability and Saudization, Client Payment Delays. - Jeddah

High demand of Construction. - Jeddah

Visa regulation. - Jeddah

Severe Local contents requirement. - Jubail

Local content. - Kaec

Project restructuring process is making slow down the progress and management changes affects staff reduction. - Neom

Regional comments from survey participants in MEA

Clients or government stakeholders key decisions may affect the construction market due to geopolitical situations. - Riyadh

Frequent changes in strategy. - Riyadh

Geopolitical issues and re-aligment of strategy for ongoing projects. - Riyadh

Geopolitical issues redistribuitong wealth over some countries (Russian-Ukraine war and Israel and Palestine reiterations) so request and demand of residential has increased due to increased number of investors. Also, the relaxation of law and the opening of the market to investors abroad. - Riyadh

Oil price and associated Budget deficits in the short term and ability to finance those. - Riyadh

Our business has been adversely affected in 2025 due to the “pause” in KSA Giga Projects. Hopefully, this will ease by Q3 2026. - Riyadh

Petrol prices. - Riyadh

Project Complexity. - Riyadh

Realisation of expansion in a short period of time. - Riyadh

Scaleback of mega and giga govt projects. - Riyadh

The most common economic factors affecting Saudi Arabia’s construction market are Vision 2030-driven demand, causing intense competition and material price hikes (steel, cement), global supply chain issues impacting costs, a significant shortage of skilled labor, inflation, and liquidity/financing challenges, leading to cost overruns and payment delays, all while managing regulatory complexities and project scale. - Riyadh

Cash liquidity is a major issue for all gigas in KSA. - Riyadh Is The Hq

Remote location and contractor risk appetite. - Sharma

Lack of competition in terms of choices of contractors. - Tabuk

Slow down and caution by PIF. - Tabuk Region

The price of oil dropping further. - Umluj

Seychelles

Tariff increases on imported goods. - Mahé

South Africa

The Southern African market (Botswana, Zambia, Eswatini, Zimbabwe) is shifting from re-measure contracts to Design & Build and EPC models. Main Contractors now carry full design and PM responsibility, with higher risk that must be priced correctly. Clients are also pushing for quicker delivery, tighter budgets and greater risk transfer, reshaping competition and capacity. - Based In Johannesburg (Kempton Park - Ho)

Municipal delays causing projects to stand. - Bloemfontein

Consistent economic growth. - Cape Town

Political interference and criminal activity in the construction sector. - Cape Town

High level of bureaucracy. - Dannhauser

Government repair of infrastructure. - Durban

Late payments by Public Clients. - Durban

Corruption within the public sector. - Johannesburg

Increased Construction Mafia Activity holding projects to ransom. - Johannesburg

Negative effect of government equity policies in South Africa. - Johannesburg

Lack of skilled discpline in specilaist and management due to funding is affecting planning, and backlogs implementation. - Polokwane

Construction Mafias and opportunists. - Potchefstroom

Getting projects over the line to start construction. - Pretoria

Lack of skill and professionalism, and BBBEE continues to affect the construction sector. - Pretoria

Uncertainties in the political climate leading to non committal of clients. - Pretoria

Low demand - political influence negatively affect market. - Rustenburg

Construction mafia premium on public sector projects. - Sandton

Site Location in respect of logistic and commuting to work. - Witbank

Corrupt government and the negative media reporting on corrupt government leads to investors being skeptical to invest in South Africa. Governments policies and land reform plans further weakens international confidence. These, in conjunction with incompetent leaders in key government positions, just slows economic growth. - Woodmead

Government policies and trade restrictions. - Woodmead

Current government issues. - Woodmead, Johannesburg

Uganda

Many investment decisions are held up due to the current Presidential election cycle leading to a lot of client speculation. - Kampala

United Arab Emirates

Authority approvals and Master Planning conflicts. - Abu Dhabi

Delays. - Abu Dhabi

Finding competent skilled labour and trades. - Abu Dhabi

Geopolitical. - Abu Dhabi

Government restrictions on movement of heavy goods vehicles. - Abu Dhabi

Material and skilled manpower shortage. - Abu Dhabi

Oversupply. - Abu Dhabi

Political and awareness of war. - Abu Dhabi

Shortage of Specialist Subcontractors. - Abu Dhabi

The UAE infrastructure is seeing a growth due to PPP contracts model. - Abu Dhabi

The more strict compliance in design, procurement, local content, HSE, QA/QC, testing & commissioning complexity could increase cost and time consuming along with artificial intelligence technology applied in construction industry. - Abu Dhabi, Dubai

Rising prices. - Abudhabi

Surge in demand for Investment grade Residential and office space. - Abudhabi

Requirements of Clients. - As Above

Political and war related tension in the region. - Bur Dubai

Resource availability. - Business Bay

An increase in the demand for housing is going to lead to a construction industry boom, which will in turn boost other sectors of the economy. - Dubai

Concrete supply and demand is showing vast difference in Dubai. - Dubai

Drop off in spending by Saudi Arabia. - Dubai

Global inflation. - Dubai

High Overflow in Supply of Inventories. - Dubai

Increased population growth. - Dubai

Increasing Cost of Materials and logistics expenses. - Dubai

International Tariffs. - Dubai

Lack of Grade A commercial office supply. - Dubai

Lack of quality Tier 1 Contractors. - Dubai

Less skilled supply and declining profits, due to increase in materials cost. - Dubai

Many leadership positions are still holding throughout the conventional mind. - Dubai

Middle East instability. - Dubai

Oversupply expected. - Dubai

Payment delays and undercutting of prices. - Dubai

Population growth. - Dubai

Potential contractor insolvencies. - Dubai

Reduced activity in Saudi Arabia market. - Dubai

Rise in Projects. - Dubai

Scarcity of commodities, - Dubai

Shortage of capable contractors. - Dubai

Shortage of white collar job personnel due to no improvement in wages. - Dubai

Skilled Trade Shortage. - Dubai

The construction market continues to experience pressure from elevated financing costs, tight cash flow conditions, and increased scrutiny on contractor financial stability. Ongoing labour availability

Regional comments from survey participants in MEA

constraints, rising compliance and approval requirements, and extended payment cycles are also impacting project delivery timelines and pricing certainty. While demand remains steady, cost management and risk allocation remain key concerns. - Dubai

The residential property market is inflating prices. - Dubai

Too much demand with not enough contractors, subcontractors and suppliers to meet demand. - Dubai

The UAE construction market is affected mainly by rising material costs and supply chain disruptions which are putting pressure on project budgets and schedules. Also, intense competition and delays in payments and approvals are increasing financial and contractual risks. - Sharjah

Zambia

Slow economic growth despite high copper prices on the international market is negatively impacting demand in the construction sector. - Lusaka

The energy crisis caused by 2023/2024 rain season continues to negatively impact the sector. - Lusaka

Zimbabwe

1. The "Brain Drain" and Skilled Labor Shortage A critical issue is the massive exodus of skilled professionals, including engineers, quantity surveyors, and seasoned artisans, to regional markets like South Africa or the Middle East. This "skills flight" has forced firms to rely on less experienced labor, often leading to project delays and compromised quality control. 2. Informality and Competition The market is increasingly dominated by informal contractors and "self-build" projects. - Harare

Change in Government policies that affect the industry. - Harare

We do not have a currency of our own here. We use the United States Dollar and this has a negative impact on construction market. - Harare

Infiltration by unregistered Quantity Surveyors. - Harare

Not enough government investment in infrastructure projects. - Harare

North America: Infrastructure remains key driver of activity with USA reporting stronger picture

The Q4 2025 RICS Construction Monitor results across North America (conducted in conjunction with CIQS in Canada) show an improvement in industry sentiment in both Canada and the USA, albeit more marked in the latter. Nevertheless, the headline reading for the Construction Sentiment Index (CSI) in Canada rose from -3 to +10, its best reading since the back end of 2024, despite numerous anecdotal remarks from respondents about the impact of the imposition of tariffs. Meanwhile, in the USA, it jumped from +15 to +29 (Chart 1).

Infrastructure continues to drive activity

Feedback on current activity trends shows a clear pattern, with survey contributors reporting the most positive trend in infrastructure, measured in net balance terms. Meanwhile, the picture for residential development is somewhat more subdued. In Canada, the latest reading of -21% compares with -28% previously, while in the USA the Q4 response points to a net balance of 0%.

Looking ahead, there is a perception that workloads more generally will accelerate through the course of 2026. One indication of this is that the net balances for new business enquiries (of +6% and +24% for Canada and the USA, respectively) have begun to pick up. Moreover, there is increasing confidence that the credit environment will improve, supporting the industry. This is most notable in the USA, where it is evident at both the three- and twelve-month time horizons. In Canada, by contrast, it is perceived that it may take a little longer for the easing to manifest itself.

Reviewing the forward-looking metrics (shown in Chart 2), it is evident that credit conditions are also reflected in the workload expectations results, which are stronger for the USA across all three sectors. Significantly, headcounts and profit margins are expected to increase, to a greater or lesser extent, in both countries. Within the infrastructure sector, energy workloads are reported to be seeing the strongest growth.

Skill shortages still an issue

Chart 3 captures the major challenges to workflow in the construction industry in both countries. Of the top three identified in each country, two are common: material costs and skill shortages. In Canada, the third challenge is financial constraints, which aligns with the previously mentioned slower recovery in profitability and more gradual relaxation in credit conditions. In the USA, the planning and regulatory environment is highlighted.

Analysing responses on skills in more depth, in Canada it is skilled trades where recruitment concerns are most frequently cited (by close to two-thirds of contributors). Difficulties in sourcing both quantity surveyors and project managers remain evident, albeit to a lesser extent than previously, identified by just under half of contributors for the former and around one-third for the latter. Arguably, the relatively subdued trend in activity is contributing to this, with almost 50% of respondents suggesting that inadequate demand is a current issue for the industry.

In the USA, hiring skilled trades is also viewed as a challenge, with just over half of respondents highlighting the issue. However, a greater area of concern is finding a sufficient number of professionals with quantity surveying–related skills, raised by almost 60% of respondents.

Chart 1 - Construction Sentiment Index

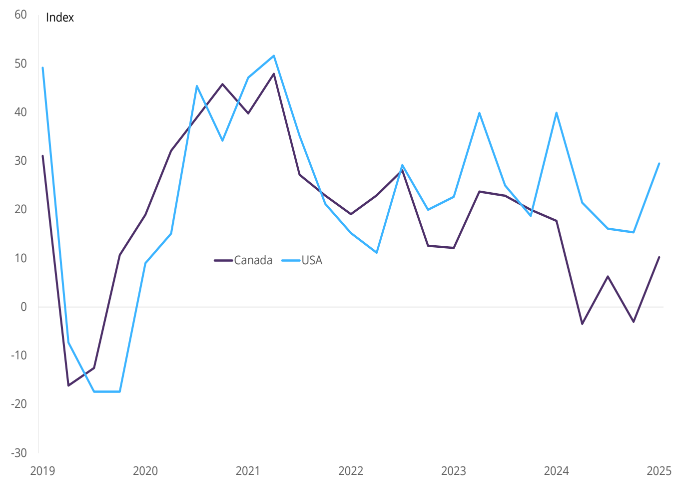


Chart 2 - 12 Month Expectations Workloads, Headcount and Profits

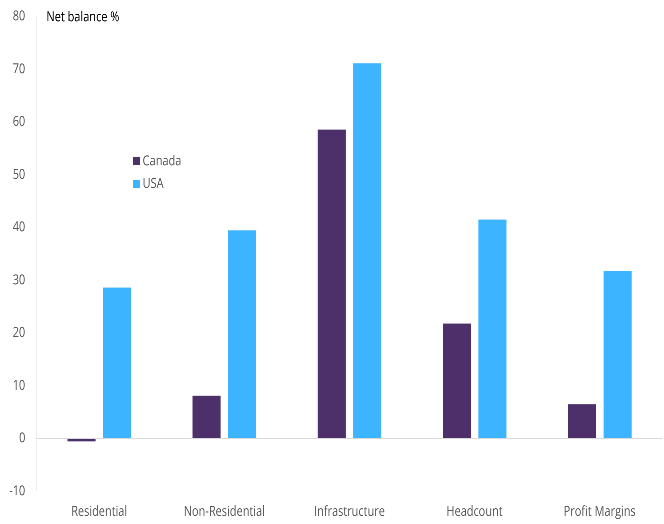
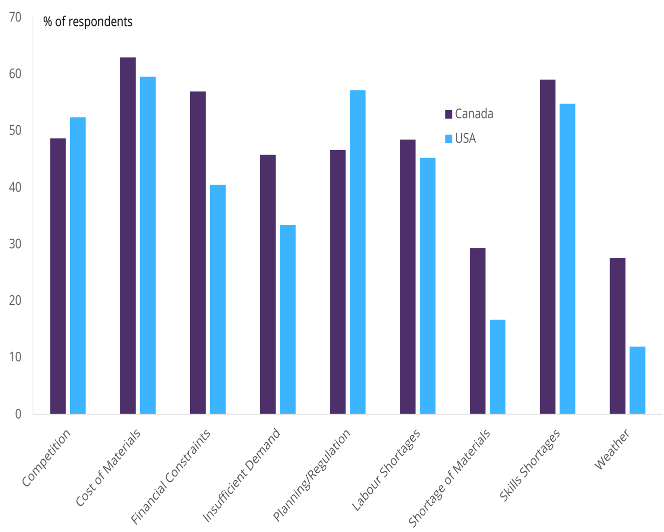


Chart 3 - Key Challenges Hindering Activity



Regional comments from survey participants in the Americas

Bahamas

The construction market in my area is moving in a positive direction. - Nassau

Bahamas in 2026 is an election year so associated risk in government projects, as well as projects that require goverment approval are potentially at risk if there is a change in party. - Nassau

Barbados

Recent instability occasioned by US incursion if Venezuela and regional fall out. - Bridgetown

Canada

Increase of building code requirements and green building requirements, increase in development fees from municipalities, and significant wait times for permit processing and financing. -Abbotsford

Too much work in the market at the same time. - Brampton

Less demand in housing. - Burnaby

Immigrants. - Burnaby

USA. - Calgary

Weak economic growth due to trade war and policy. - Calgary

Rate of immigration to Canada has decreased. - Calgary

Government-related costs hindering public and private residential developments. - Cambridge

Building codes are increasing costs of construction in a poor market without sales and reduced sale prices. Costs to build are too high for what we're able to sell for. On top of that, we're waiting years to receive BP permits and municipalities are increasing their DCC fees. - Chilliwack

US tariffs. - Concord

Downturn in the residentail property market. - Concord

Too much competition. - Concord

Price of oil should be stable/higher for more infrastructure projects. - Edmonton

Currency exchange rate instability. - Edmonton

Weak economic growth.- Etobicoke

Public sector funding. - Halifax

Lack of skilled trades and lack of bidders on tenders. - Halifax

Competent skilled labour.- Halifax

There is still concern over possible tariff influences from the US market which may affect local pricing, but at present, the cost of materials has not been affected radically. - Halifax

Purchase prices are still too high for buyers, but now rental inventory is higher and demand may fall. - Kelowna

Municipal development charges and regulation, inclusionary zoning, over-supply, stagnated population growth, affordability, government interference. - Kitchener

US trade tensions affecting material pricing, lack of buyers for residential units, cost of living and price of real estate remain persistently high. - Langley

The world is held captive by a narcissist who has learned from a very young age that if he just complains, someone will try to appease him regardless of whether or not there is something to complain about. - Mississauga

The geopolitical climate is disconcerting and a distraction from prime business focus. - Mississauga

Changes in public sector contract execution. - North Vancouver

Development and permitting changes. - North Vancouver

Demand for housing is high but immigration flow is now reduced so demand is expected to remain high but potentially have peaked now. - Oakville

Tarriffs, lack of work for Condo buildings, etc. Tender prices for "easy" or simple mechanical retrofits is down, 10-20%. However difficult retrofits have not decreased at all, sometimes increasing 10%, so it is very difficult to give a general answer on the market. - Oakville

Toronto has levelled off. All the Toronto trades are now calling me in Ottawa for work. - Ottawa

Trade with the USA, prices of metals are unstable. - Ottawa

Market demand has slowed.- Ottawa

Unpredictabke US government and USMCA renewal this year (unlikely happen). - Ottawa

Market instability due to USA trade tariffs uncertainty. - Renfrew

Government employees have a declining understanding of construction. - Spruce Grove

Concern about in polilical instability in the USA. - Spruce Grove

Increased government regulations. - Surrey

Weak market demand; wage - housing affordability gap; construction economics for developers challenge due to Land and Municipal Levies. - Surrey

Tariffs from US Canada dispute. - Toronto

Geopolitical instability caused by Trade and Tariff unpredictability. - Toronto

Slow project turnaround. - Toronto

Trade tariff imposed by US over Canada. Securing Alternative trading partners. - Toronto

Economic uncertainty has investors in doubt. - Toronto

Foreign buyer ban in residential condo is killing the whole industry while limiting supply as well. - Toronto

Canada USA relations have significantly deteriorated and are greatly impacting the economy of both countries.- Toronto

Investor confidence remains low. - Toronto

Cost of Development permits, uncertainty with tariffs. - Toronto

Government taxes limiting multi family residential. - Vancouver

Higher competition on infrastructure sector. - Vancouver

Insufficient investor demand and unrealistic return expectations for multi-family residential (condo & PBR). - Vancouver

Current residential property prices are very inflated. - Vancouver

The rate of construction industry hiring and wages is now lagging behind peers in other economic sectors and it is a matter of time before that impacts pricing. - Vancouver

Lack of qualified and experience Quantity Surveyors. - Vancouver

Tariffs remain the major threat. - Vancouver

Private non-residential construction is down, but institutional work and municipal work are up. - Vancouver

Regional comments from survey participants in the Americas

In the Vancouver, BC market, construction activity is being impacted by instability in the U.S.–Canada trade relationship. Fluctuating tariffs, trade negotiations, and cross-border logistics issues have increased uncertainty around material pricing and availability, particularly for lumber, steel, and manufactured components. This volatility complicates budgeting and scheduling, contributes to cost escalation, and encourages more cautious investment in construction and real estate development. - Vancouver

Inter-provincial political disputes on energy development. - Vancouver

Nous avons espoir que les taux d'intérêt seront baissé d'ici fin hiver (We are hopeful that interest rates will be lowered by the end of winter). - Vaudreuil Dorion

Politique du président Trump vis-a-vis du Canada et le Mexique etr non respect de libre échange de 1994 (President Trump's policy towards Canada and Mexico and non-compliance with the 1994 free trade agreement). - Vaudreuil Dorion

Tariffs imposed by Trump. - Vaughan

Loss of market confidence due to ongoing geopolitical volatility. - Victoria

Tariffs. - Winnipeg

Cayman Islands

Immigration policy uncertainty. - George Town

Planning delays are having a very detrimental effect on project schedules and budgets. - George Town

Planning department approval delays. - George Town

Delay in fabrication of material. - George Town

High Values upon completion - people are being priced out of the market. - George Town

Peru

Corruprion, political instability, extortion - Lima

United States

I work for insurance companies and brokers, within the construction sector. Factors affecting my work would be increased insurance premiums, resulting in additional risk inspections required. Also, we are seeing a lot of Data Centre construction, where we get involved by providing more pre-risk reports. - Atlanta

High interest rates, rising unemployment. - Blaine

Politcal/legislation uncertainties. - Boston

Material prices are expected to increase this year due to tariffs. - Chicago

Tariffs and other issues such as war. - Chicago

Current Ta

Tariffs to Steel and Aluminium imports to, especially from Canada and China puts construction prices up. - Columbus

Training for skilled tradesmen has not appropriately expanded further limiting future availability of skilled persons. - Harrisburg

Human Resourcing. - Hillsboro

Tariff uncertainties. - Hillsboro

Trends are very positive. - Kingsford

Shift in clean energy subsidization to fossil fuel. - Los Angeles

Tariffs remain a wild card. - Los Angeles

Continued shortage of sanitary pipe installers and pipe inspectors. - Los Angeles

Tariffs, Shortage of skilled labor. - New York

Skills - New York

NYC Insurance - specifically labor law. - New York

Tariffs. - New York

Further investment put on hold by the client following delays in securing semiconductor accounts. - Taylor

Increased labor input and construction costs due to decreased productivity, and construction delays. - Taylor

Very low coverage amounts for limited liability insurance for small businesses. - Washington

RICS

Global Construction Monitor

RICS' Global Construction Monitor is a quarterly guide to the trends in the construction and infrastructure markets. The report is available from the RICS website www.rics.org/economics along with other surveys covering the housing market, residential lettings, commercial property, construction activity and the rural land market.

Methodology

Questionnaires were sent out on 6 December 2025 with responses received until 19 January 2026. Respondents were asked to compare conditions over the latest three months with the previous three months as well as their views as to the outlook. A total of 2358 company responses were received globally.

Net balance = Proportion of respondents reporting a rise in a variable (e.g. occupier demand) minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%). Net balance data can range from -100 to +100. A positive net balance reading indicates an overall increase while a negative reading indicates an overall decline.

RICS Construction Activity Index is constructed by taking an unweighted average of current and 12-month expectations of four series: residential workloads, non-residential workloads, infrastructure workloads and profit margins. Global and regional series are weighted using the World Bank's GDP PPP (2017 constant prices) data series. Current responses were weighted using the prior years GDP (e.g. the 2020 responses were weighted using 2019 GDP data). Where responses are not sufficient to form a national-level sample, they are binned together to fill in any gaps in regional coverage.

Disclaimer

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Canadian Institute of Quantity Surveyors | Institut canadien des économistes en construction

PICQS

Consejo General de la Arquitectura Técnica de España

AACE International

Delivering confidence

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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