
CONSTRUCTION SKILLS NETWORK

FOCUSING ON THE SKILLS CONSTRUCTION NEEDS.

LABOUR MARKET
INTELLIGENCE REPORT

**NORTHERN IRELAND
2024-2028**



KEY FACTS AND FIGURES



The volume of construction work in Northern Ireland will grow by an annual average rate of

2.8%¹



The biggest gains in output will come from these sectors:

INFRASTRUCTURE

REPAIR & MAINTENANCE



¹ Five year growth rate from the end of 2023 to end of 2028



The occupations with the strongest additional recruitment requirement levels are:

Labourers

Carpenters and joiners

Non-construction professional and technical office-based staff

Main projects in Northern Ireland include:

£300m

West Belfast GAA stadium: Casement Park Re-Development project.

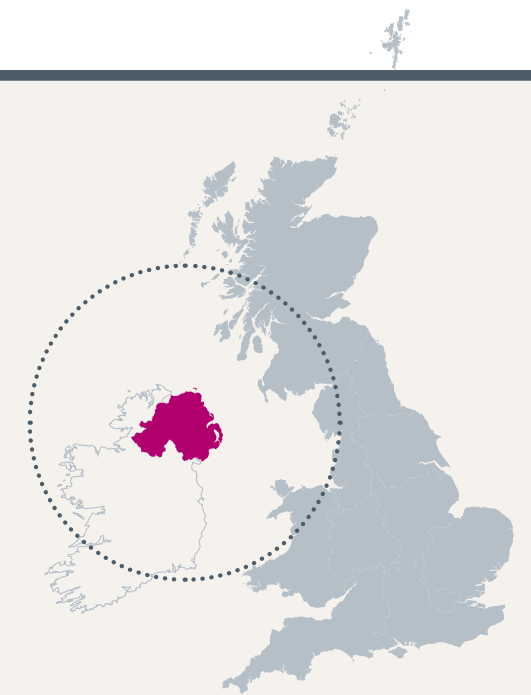
£500m

A5 Road scheme.

£380m

Strule Shared Education Campus in Omagh.

NORTHERN IRELAND



The additional recruitment requirement in Northern Ireland of 1.6% per year is slightly lower than the UK value of 1.9% **and means an extra 5,200 workers will be needed from 2024 to 2028.** ■



UK MACROECONOMIC BACKDROP

Northern Ireland's Composite Economic Index (NICI) showed while Northern Ireland and the UK recorded a decrease in output at the end of 2023, Northern Ireland had annual growth of 1.4% compared to 0.1% for the UK. **Although the UK economy went into recession at the end of 2023, this isn't likely to continue into 2024 with monthly GDP data showing a 0.2% rise in January.**

February's UK Purchasing Managers' Index (PMI) adds to evidence that economic activity is improving with the composite index recording a fourth consecutive month of expanding activity and confidence.

The index registered 53.0 in February, marginally above the 52.9 reading for January. The service sector was the main driver within the composite index following another month of expanding business activity, and a confirmed services PMI reading of 53.8 in February.

There was an improvement in the construction sector PMI registering 49.7 in February, up from 48.8 in January on the back of new business growth and a pick-up in order books, which was the first rise reported since July 2023. Unfortunately, the manufacturing sector continues to struggle, reporting a nineteenth consecutive PMI reading below 50.0 at 47.5 in February.

Consumer confidence had been trending upwards in recent months, adding to the picture of improving economic activity. However, GfK's consumer confidence index headline score of -21 in February, was slightly down from -19 in January, marking the

first fall in four months and highlighting how the recent mix of economic news is affecting consumer confidence. The reduction in inflation will be a factor in helping consumer confidence. In February 2024, monthly Consumer Price Inflation, including housing costs (CPIH) was 3.8%, significantly down from 9.2% in February 2023, with expectation of further drops to come due to falling energy bills. Looking forward, we expect inflation to continue to drop as we progress through 2024, reaching the Bank of England's 2.0% target by the middle of the year.

ALTHOUGH THERE ARE POSITIVE SIGNS OF ECONOMIC GROWTH, THE WIDESPREAD VIEW IS THAT IT WILL BE 2025 BEFORE THE PACE PICKS UP

The number of vacancies being advertised continues to reduce, having peaked at 1.3million in the first half of 2022, there are now just over 900,000 (Dec 2023–Feb 2024). While this is a sign that the labour market appears to be cooling, vacancy levels are still higher than those seen in 2019/2020 before the pandemic, where there were around 820,000 vacancies. Slowing wage growth is another indicator of a generally cooling labour market, however, there is still an unusual

tightness in the labour market that is creating upwards pressure on wages. The employment rate for 16–64 year olds remains around 75%, with unemployment staying low at 3.9%, while inactivity is relatively high at 21.8%. The inactivity level means approximately 9.2 million people are absent from the labour force, which is 700,000 more than pre-pandemic levels, with long-term illness being one of the main reasons.

Although there are positive signs of economic growth, the widespread view is that it will be 2025 before the pace picks up. The economic outlook published by the Office for Budget Responsibility (OBR) in March 2024 forecasts GDP growth to pick up by 0.8% in 2024, increasing to around 2.0% in 2026, then settling down to around 1.8% in 2027 and 2028. While the outlook for the UK economy in 2024 is improving, we are not yet in a position of strong economic growth.

Recruiting and developing the workforce for the future is still a key challenge for the industry to overcome and make the most of the growth opportunities such as building the volume of homes the country needs, the infrastructure for energy and transport, and retrofitting the built environment to meet net zero targets. ■

STRUCTURE



The construction industry in Northern Ireland has 5,920 employers, **which is 15% of all employers in the nation.**

Non-housing R&M:

25%

In 2023 the industry in Northern Ireland is estimated to have total output of around £3.3bn which is structured as per Figure 1 (below).

The profile of the construction industry in Northern Ireland continues to show a high share of non-housing repair and maintenance (R&M) work, which is the strongest sector, accounting for 25% of total work. Infrastructure is

next at 20% followed closely by private housing at 18%. Compared to the UK, housing R&M continues to have a relatively low share of work at 12%. ■

CONSTRUCTION INDUSTRY STRUCTURE 2023 NORTHERN IRELAND

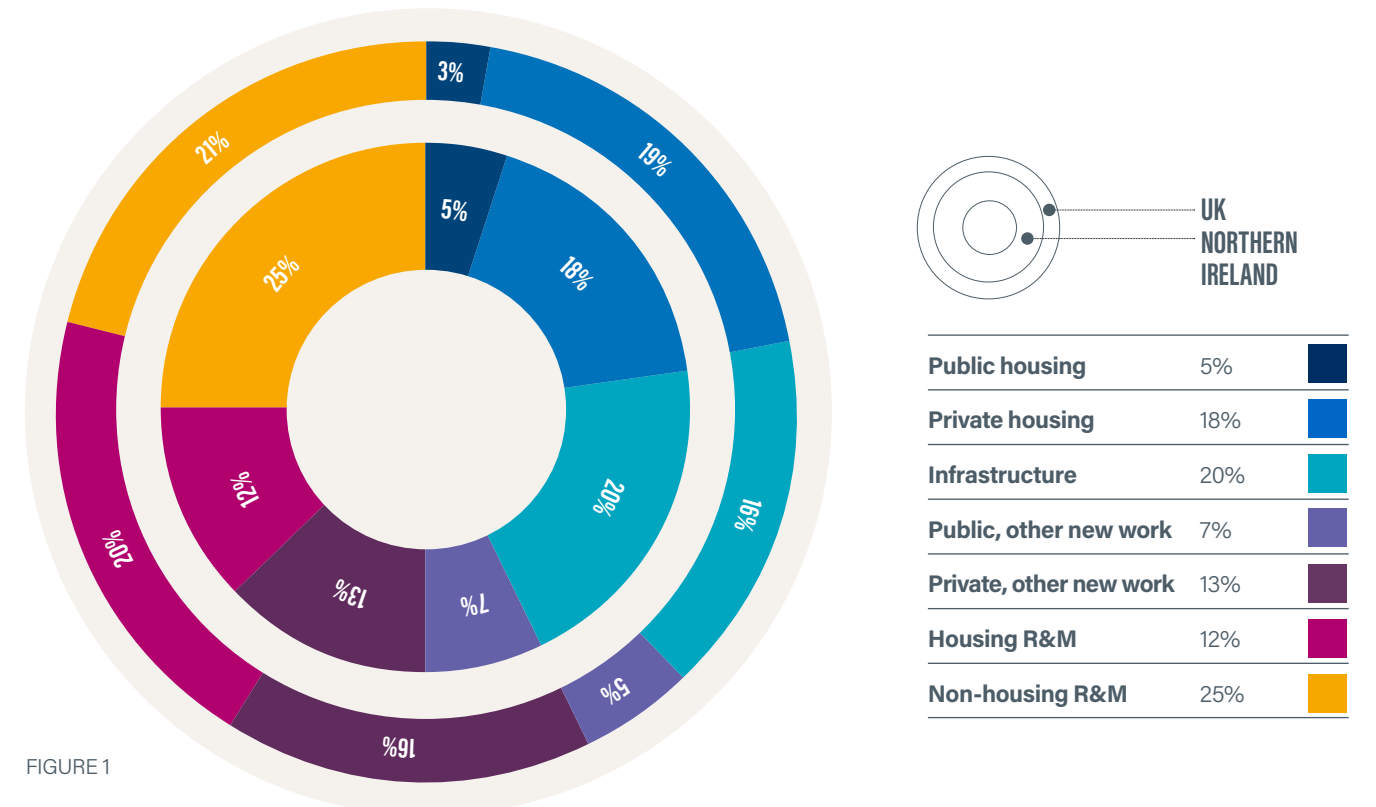




FIGURE 1


2023 VIEW

Total annual output 2023: 
£3.3bn



Growth in R&M work: 
£157m

While UK construction output increased in 2022 and 2023, Northern Ireland's output decreased in 2022 and then picked up in 2023. 

The total value of construction output in 2023 for Northern Ireland was just under £3.3bn, which is 6% higher than 2019 (pre-Covid) output, though -8% down compared to 2007. 

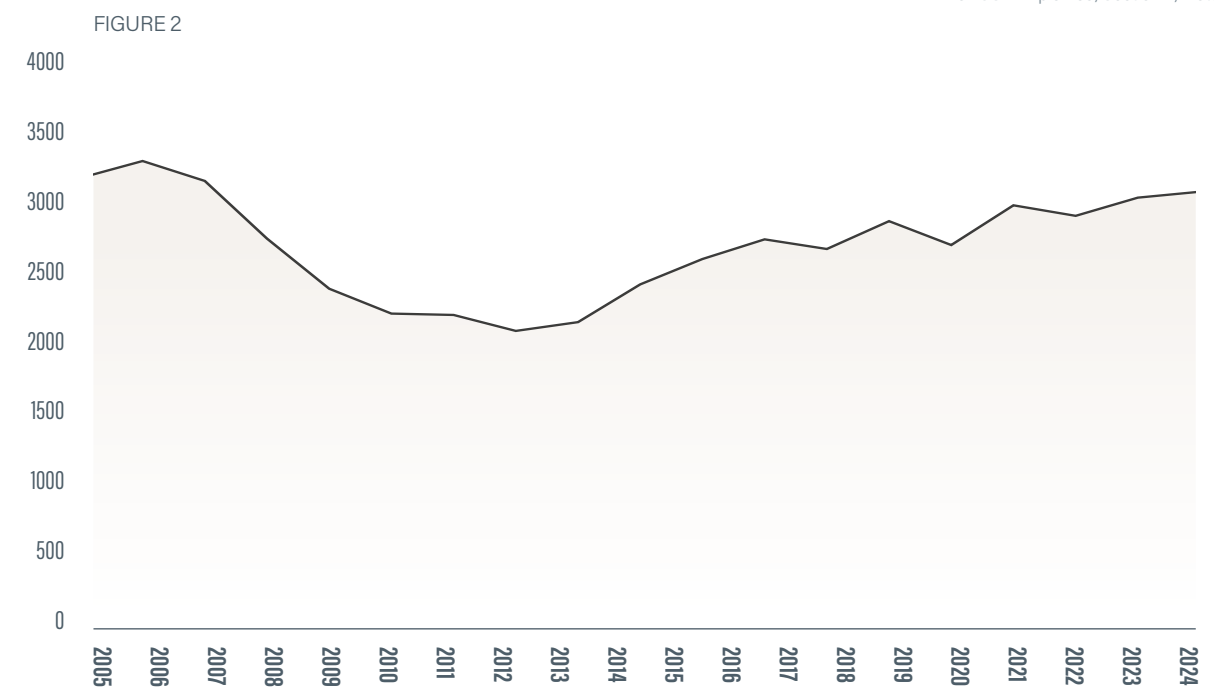
Growth in 2023 was mainly due to an increase in R&M work, which increased by over £157m, and infrastructure, up £53m. 

With a downturn in the housing market, private housing sector output dropped in Northern Ireland by over 10% in 2022, with a further fall of 3% in 2023. 

Going into 2024, we expect output in Northern Ireland to increase. Growth of 1.5%, which is better than the UK view of 0.2% growth. 

CONSTRUCTION OUTPUT (£M) 2005-2024 **NORTHERN IRELAND**

Source: NISRA, Experian
Ref. CSN Explained, Section 4, Note 1



OUTPUT FORECAST 2024-2028

Northern Ireland has an average annual output growth rate of 2.8%, which is above the UK rate of 2.4% and one of the stronger performing nations/regions. Over the forecast we expect new work and R&M to have a similar average growth rate. The profiles are different.

New work will decrease in 2024, before increasing in 2025. R&M will build on its recent strong performance in 2024 before slowing down over the forecast. This is the same pattern we expect to see across the UK.

The sectors with the highest growth rates are infrastructure (4.1%) and non-housing R&M (4.0%), with both generating the main gains in output value over the next five years.

Non-housing R&M work is forecast to increase by £170m with infrastructure just behind at +£140m. Over the forecast, output in all sectors will increase in value, although 2024 is expected to be another tough year for private housing output before work recovers from 2025. ■

FORECAST

Since devolution was restored and the 2024-25 Budget was agreed by the Executive, there has been £181m of support towards flagship NI construction projects. This includes the A6 road upgrade, Belfast Transport Hub, and the new Learning Development Centre for the Fire and Rescue Service.



Strule Campus, Omagh:



York Street Interchange project:

£380m

£140m

£88.5m will directly support the delivery of the £500m A5 road scheme, while £20m will support the £380m Strule Campus, with both projects aiming to unlock economic benefits and make a positive impact on the people and economy in NI. Support for projects on the horizon include Royal Victoria Belfast new Children's Hospital, the Sub-Regional Stadia programme, and Casement Park.

Construction on the Belfast Transport Hub is well underway and is projected

to be completed by the end of 2024. The aim is to enhance local and international connectivity via bus, coach, and rail links across Northern Ireland and beyond. Leisure, residential, and commercial facilities will be constructed in the area surrounding the hub as part of the associated "Weavers Cross" development plan.

The £140m York Street Interchange project, which aims to provide a solution to the significant traffic bottlenecks in North Belfast, has

already cost £23m before any construction work has taken place. It appears to have been put on hold due to concerns including overall total project cost. The Tribeca scheme in Belfast, part of a £500m urban regeneration scheme, has also stalled, although developers have applied to renew some of the planning applications. If the issues can be resolved and work can get underway for both projects, they would provide a further boost to output in NI. ■

CONSTRUCTION OUTPUT – NORTHERN IRELAND (£ MILLION, 2019 PRICES)

FIGURE 3

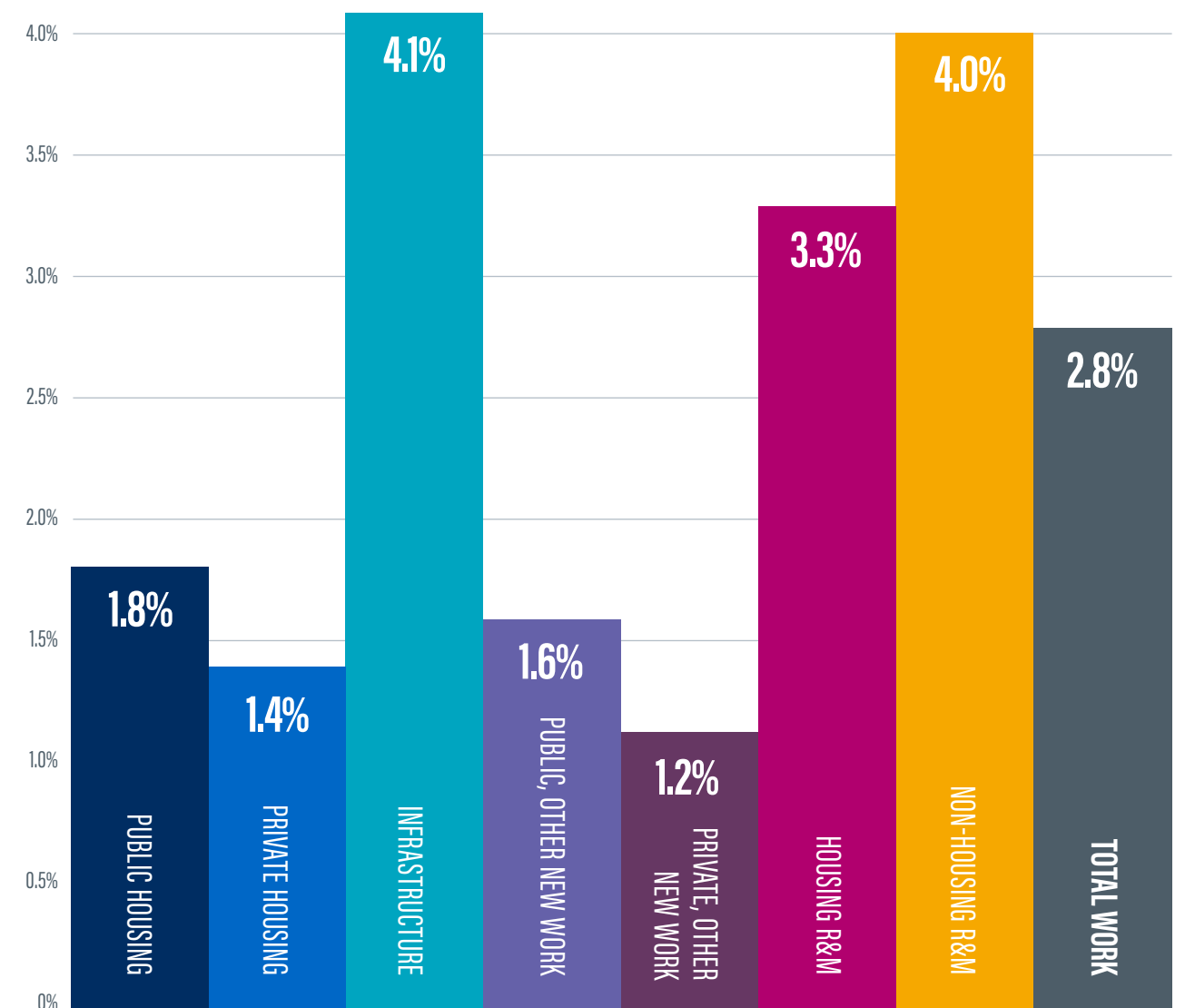
	ACTUAL LEVEL	FORECAST ANNUAL % CHANGE					ANNUAL AVERAGE
		2023	2024	2025	2026	2027	
Public housing	157	-0.9%	2.1%	2.9%	2.6%	2.2%	1.8%
Private housing	591	-9.8%	10.5%	2.3%	2.5%	2.5%	1.4%
Infrastructure	647	-2.1%	5.7%	6.2%	5.5%	5.3%	4.1%
Public, other new work	246	-0.1%	3.3%	2.0%	1.6%	1.3%	1.6%
Private, other new work	441	-2.1%	1.8%	2.0%	2.1%	2.1%	1.2%
New work	2,082	-4.0%	5.6%	3.5%	3.3%	3.2%	2.3%
Housing R&M	399	7.8%	3.4%	1.9%	1.7%	1.6%	3.3%
Non-housing R&M	811	12.3%	2.4%	2.2%	1.8%	1.7%	4.0%
Total R&M	1,210	10.8%	2.7%	2.1%	1.8%	1.7%	3.8%
Total work	3,292	1.5%	4.4%	3.0%	2.7%	2.6%	2.8%

ANNUAL AVERAGE CONSTRUCTION OUTPUT GROWTH 2024-2028

Source: Experian ref. CSN Explained, Section 4, Note 2

NORTHERN IRELAND

FIGURE 4



WORKFORCE FORECAST²

▲ Average annual increase of construction workforce: **0.8%**

The level of output growth in Northern Ireland gives an annual average increase of 0.8% in the construction workforce, which is higher than the UK figure of 0.6%. We forecast that the 2023 workforce of 64,290 will decrease slightly to 63,910 in 2024 before increasing to reach 66,840 by 2028. This is the same pattern seen across the UK with the construction workforce reducing in 2024.³ The figures for the construction workforce are based on the demand for work carried out in Northern Ireland only.

FIGURE 5

TOTAL EMPLOYMENT BY OCCUPATION – NORTHERN IRELAND	ACTUAL 2023	ESTIMATE 2024	FORECAST 2028
Directors, executives and senior managers	3,190	3,240	3,710
Construction project managers	880	820	810
Non-construction professional and technical office based staff	5,960	5,730	5,670
Other non-construction office-based staff	4,240	4,220	4,480
Construction trades supervisors	900	830	790
Carpenters and joiners	7,850	7,800	8,060
Bricklayers and masons	1,380	1,350	1,410
Other construction and building trades	3,220	3,230	3,530
Painters and decorators	1,960	2,020	2,270
Plasterers	2,280	2,430	2,790
Roofers	580	600	660
Floorers and wall tilers	1,070	1,000	960
Glaziers and window trades	220	220	220
Scaffolders	230	220	200
Plant operatives	2,140	2,110	1,930
Plant mechanics/fitters	940	910	850
Steel erectors and metal workers	580	560	540
Labourers	4,350	4,050	3,680
Groundworkers	720	730	740
Electrical installation trades	3,850	3,900	4,170
Plumbing and HVAC trades	4,310	4,330	4,660
Logistics	880	940	1,020
Road and rail construction operatives	750	750	740
Non-construction trades and operatives	1,070	1,040	960
Total (SIC 41-43)	53,550	53,030	54,850
Civil engineers	2,040	1,980	2,090
Other professionals and technical staff working in construction	6,230	6,430	7,210
Architects	650	650	690
Surveyors	1,810	1,830	2,010
Total (SIC 41-43, 71.1, 74.9)	64,290	63,910	66,840

Source: ONS, CSN, Experian. ref. CSN Explained, Section 4, Notes 5 and 6

2. workforce covers construction contracting, SIC 41, 42 & 43 along with supporting technical and professional workers in SIC 71 and 74.9.

3. The 28 occupational groups used in the report have been updated to align with the new Standard Occupational Classification: SOC(2020). Full details are covered in accompanying Technical Annex.

ANNUAL RECRUITMENT REQUIREMENT (ARR)



The average annual recruitment requirement in Northern Ireland is set to average

1.6% PER YEAR

based on 2023 workforce levels, which is slightly lower than the UK figure of 1.9%. This means the construction industry would have to increase current recruitment by 1,040 new workers each year to deliver the expected work between the start of 2024 and end of 2028.

The following occupations have some of the strongest recruitment requirement values:

- Labourers (240 per year)
- Carpenters and joiners (200 per year)
- Non-construction professional and technical office-based staff (180 per year)

There will be pressure on occupations such as labourers (5.5%), civil engineers (5.4%), plant operatives (3.7%), and electrical installation trades (2.6%) where demand is high compared to their workforce level.

For occupations that have no ARR value on the table, indication is that recent levels of recruitment will be able to meet future need if they are maintained.

FIGURE 6

ANNUAL RECRUITMENT REQUIREMENT BY OCCUPATION – NORTHERN IRELAND	% OF 2023 WORKFORCE	VALUE
Directors, executives and senior managers	-	-
Construction project managers	-	<50
Non-construction professional and technical office based staff	3.0%	180
Other non-construction office-based staff	1.4%	60
Construction trades supervisors	-	<50
Carpenters and joiners	2.5%	200
Bricklayers and masons	-	-
Other construction and building trades	-	<50
Painters and decorators	-	<50
Plasterers	-	-
Roofers	-	<50
Floorers and wall tilers	-	<50
Glaziers and window trades	-	-
Scaffolders	-	-
Plant operatives	3.7%	80
Plant mechanics/fitters	-	<50
Steel erectors and metal workers	-	<50
Labourers	5.5%	240
Groundworkers	-	<50
Electrical installation trades	2.6%	100
Plumbing and HVAC trades	-	<50
Logistics	-	<50
Road and rail construction operatives	-	-
Non-construction trades and operatives	-	<50
Civil engineers	5.4%	110
Other professionals and technical staff working in construction	1.1%	70
Architects	-	<50
Surveyors	-	<50
Total (SIC 41-43, 71.1, 74.9)	1.6%	1,040

Source: ONS, CSN, Experian. ONS: "This work contains statistical data from ONS which is Crown Copyright. The use of the ONS statistical data in this work does not imply the endorsement of the ONS in relation to the interpretation or analysis of the statistical data. This work uses research datasets which may not exactly reproduce National Statistics aggregates." ref. CSN Explained, Section 4, Notes 5 and 6.

RECRUITMENT AND TRAINING

Recruitment would have to increase by the equivalent of:

1,040 WORKERS PER YEAR

The current level of recruitment in Northern Ireland's construction industry has seen around 5,000 workers joining, while slightly more have left each year. This gives a slight outflow of workers and explain why the ARR rate is higher than the workforce growth rate.

For the industry to meet expected demand in the nation, the forecast shows that recruitment would have to increase by the equivalent of 1,040 workers per year. This is important to understand because there are still construction vacancies in Northern Ireland that need to be filled in 2024.

Figure 7 shows how trends in construction job vacancies in Northern Ireland compare to the UK trend, faring slightly better. Whilst the UK trend is for job vacancies to be above 2019 (pre-Covid) levels, in Northern Ireland they have been below this in the last six months.

Construction workers are still in demand and relatively low levels of unemployment leads to competition for workers. To fill vacancies and recruit new staff, companies can:

- Attract skilled workers who have left the industry back into construction. This would be either those who have left to work in other industries or those that have become unemployed or inactive.

- Recruit and train new entrants into construction from those leaving school, further education, higher education or migration.
- Improve the retention of workers within the industry.
- Look at how productivity can be improved.

Companies that can understand and meet what workers value the most are the ones that are more likely to be successful at attracting and retaining new staff. That could range from offering long-term career opportunities with support to help development, through to good levels of pay, flexible working to have a positive work life balance and creating a culture of fairness, inclusion, and respect. ■

Training is an important aspect of staff development and recent trends are positive for construction in Northern Ireland.

Construction apprenticeship starts in Northern Ireland had picked up strongly in 2021/22 and indications are that this improvement has continued into 2022/23. At the time of publication, we are not able to show the level of detail that we had in last year's report, however, we will work to provide this in due course.

It is clear that the overall pattern in Northern Ireland is different to what is being seen in England, where construction apprenticeship starts have reduced in 2022/23 by 12%, with a further drop of 5% likely for 2023/24.

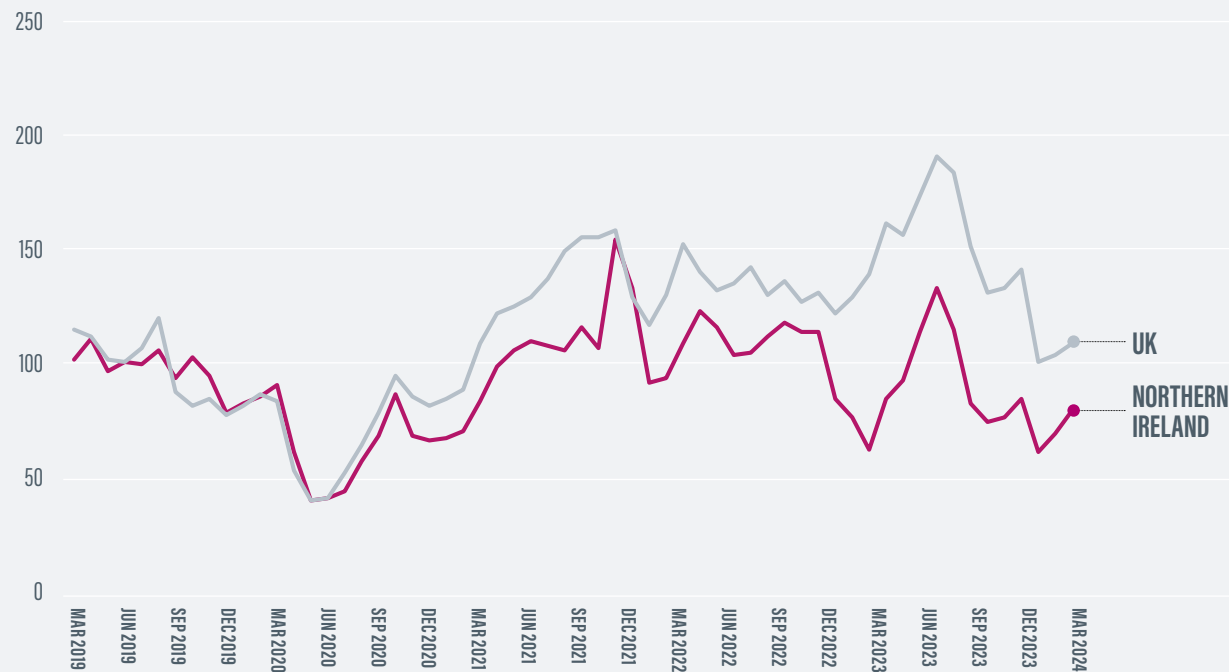
Looking across the range of construction training achieved in Northern Ireland at Level 2 and above, there is also a positive picture. Since 2020, there has been a steady increase in the number of qualification achievements, rising in each of the last four years.

At a time when the construction industry needs additional workers, and when there is a drop in training across Great Britain, Northern Ireland is in a better position with apprenticeships and training increasing. ■

INDEX OF CONSTRUCTION JOB VACANCIES

Source: Lightcast, selected construction occupations, Northern Ireland

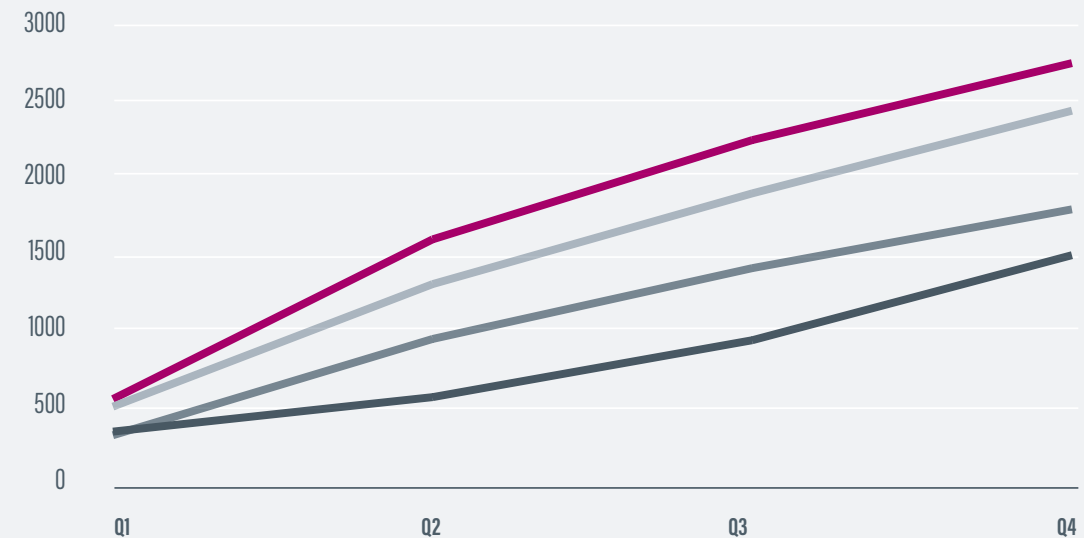
FIGURE 7



CONSTRUCTION SECTOR, OCCUPATIONAL QUALIFICATIONS, CERTIFICATES ISSUED, LEVEL 2+, NORTHERN IRELAND, 2020-2023

Source: CCEA

FIGURE 9



CITB-NI SUPPORT TO INDUSTRY

CITB NI will support the construction industry by investing in three priority areas:

1. Inform and enable diverse and skilled people into construction, by raising the profile of construction careers and help the industry to recruit the workforce it needs.

Through initiatives such as 'Build Your Career – A Future in Construction' strategy delivering construction "Bootcamps" for schools and students on an inhouse simulated site to provide meaningful construction experiences. This initiative has shown the potential to be replicated across the province as a collaboration with construction companies, local partners and Councils. CITB NI continues to support schools delivering construction qualifications by facilitating the Construction Teacher Forum and providing free textbooks to GCSE Construction & the Built Environment schools.

The 'Adopt A School Programme' provides opportunities for construction companies to build relations with post primary schools, in their local area of work. Companies provide direct support for schools with construction industry careers activities including careers talks, events, work experience opportunities and site visits. This links with the careers ambassadors

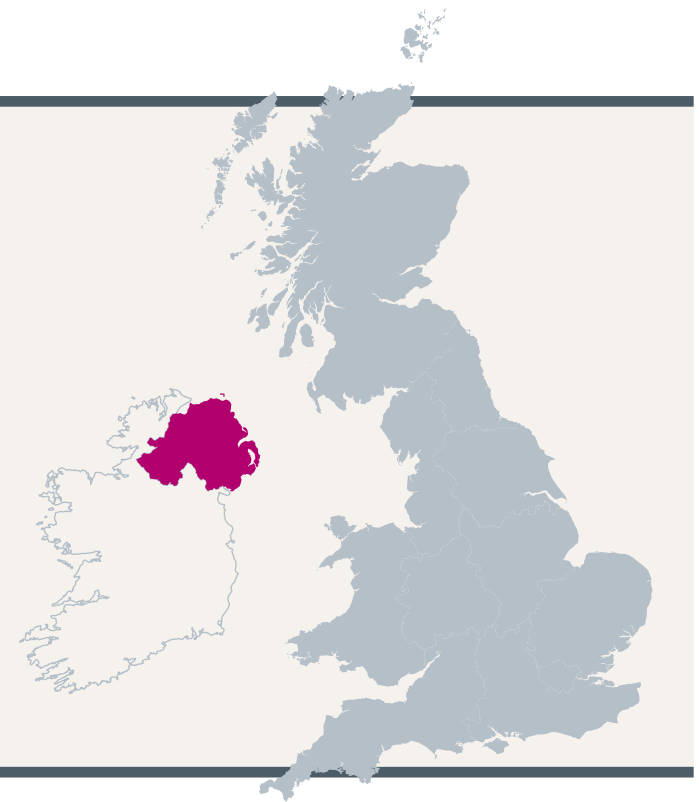
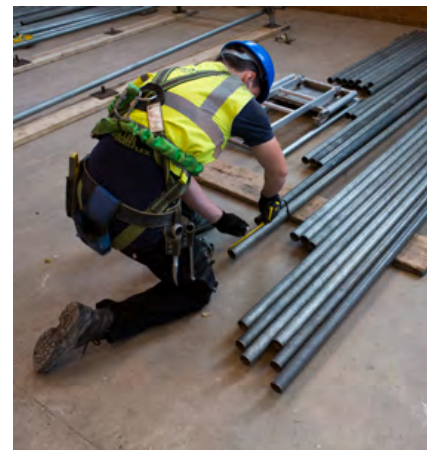
programme, working with industry professionals to help promote construction careers in schools, careers fairs and conferences.

CITB NI partnered with W5 and local construction employers to provide interactive job sampling sessions for year 10 and 12 pupils from across NI, highlighting pathways into apprenticeships and promoting employer apprenticeship opportunities. These events are supported with the supplementary resources on the CITB NI careers web portal; www.citbni.org.uk/Careers.

2. Develop a training and skills system to meet current and future needs, updating standards, to ensure training delivers the skills industry needs, and working with governments to influence apprenticeships on industry's behalf.

Working with the Green Skills Delivery Group, which was tasked by the NI Skills Council to develop proposals on how to meet the skills challenges, not only within the construction sector, but also the energy generation and infrastructure sectors which are inextricably linked. The first outcome of this work is a partnership with NIE and other utilities providers to develop a new entry level programme for long-term infrastructure needs.

Looking at widening the potential entry routes to construction, CITB NI has been working with NIACRO to develop interventions that encourage progression from the justice system into the construction sector, providing benefits for the individual, the economy and industry. This has led to the development of Virtual and Augmented reality interventions that, now tested, can be developed and used in other areas such as careers information and taster sessions. ■



3. Support the industry to train and develop its workforce to meet the skills needs of industry.

CITB NI provides financial incentives such as grant aid to employers to help encourage new entrants into the industry through traineeships and apprenticeships. It is through the BESP Built Environment Sectoral Partnership, which focuses on working with industry representative and providers to identify gaps in supply so that good quality training is available when and where it's needed. It also looks to gather feedback on what local employers specific training needs and skills are for training and the overarching standards and qualifications setting.

CITB NI's Training in Partnership Funding helps the industry develop, innovate recruit, and improve employee productivity through training and examples of such initiatives include Women in Plant, Mental Health Training, BuildHealth NI and Women's Tec #NotJustForBoys Programme.

There is still much to do in joining up the various initiatives that support individuals in their progression into and through their career within the industry. This is at a time where the potential demands on infrastructure,

construction, and the wider built environment industry are mounting. The drive for greater energy efficiency and a net-zero carbon society is a significant challenge. This will require a balance of upskilling the existing workforce in parallel with developing new entrants with the skills and abilities needed not just over the next twenty years or so, but well into the future, and the challenges, ahead that we do not yet know of.

Overcoming skills shortages by supporting training and recruitment in a more competitive labour market at a time when there are still economic challenges requiring combined action from CITB NI, construction companies, training providers and government. Having a workforce that is competent and trained to make the most of the future opportunities is vital to ensuring Northern Ireland has the volume of energy efficient homes it needs, the infrastructure to ensure the economy thrives, and to tackle the retrofit of the built environment to meet net zero targets. As the report sets out, annually the construction industry will continue to support over 66,000 workers and contribute over £3.3bn worth of output from an industry that accounts for 15% of all businesses that employ people in the nation. ■



Annually the construction industry will continue to support over

66,000

WORKERS

NORTHERN IRELAND



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Cover image: The City Hall
Belfast and the 'Belfast Eye'