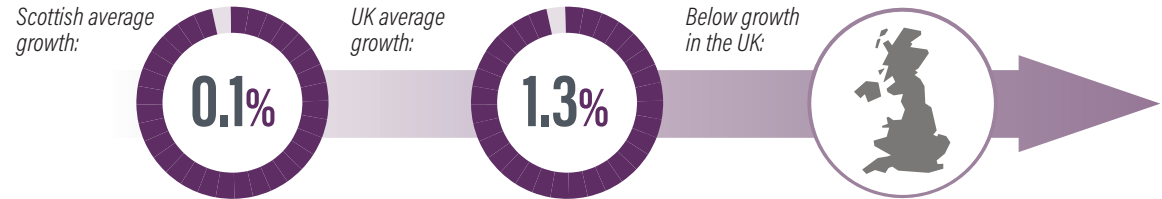


CSN FORECASTS OVER 10,650 NEW WORKERS NEEDED TO MEET DEMAND IN SCOTLAND FROM 2018-2022. PUBLIC AND PRIVATE HOUSING DEVELOPMENTS ARE THE MAIN GROWTH-DRIVERS.

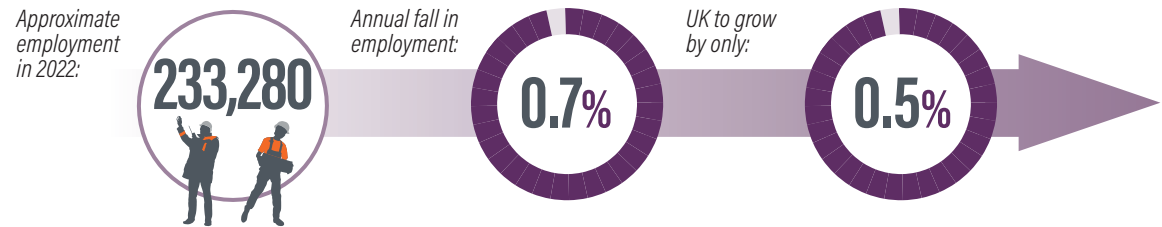
GROWTH RATE:

Scotland's construction output is projected to be stable during 2018-2022, at 0.1% average annual growth per year. The inevitable fall in infrastructure growth, given its previous, exceptional high, will be offset by growth in most of the remaining sectors. In fact if infrastructure was excluded from this forecast, the Scottish sector would grow by an annual average rate of 1.4%.



JOB CREATION:

Roles in demand include: civil engineers, trades supervisors and logistics. Professionals, managerial and administrative occupations are expected to create significant demand highlighting the broad range of jobs available in the construction sector. There is employment demand across all construction occupations as the numbers of workers leaving the industry through issues such as retirement far outstrips the 0.7% annual fall in employment. Employment is expected to be approximately 233,280 in 2022.



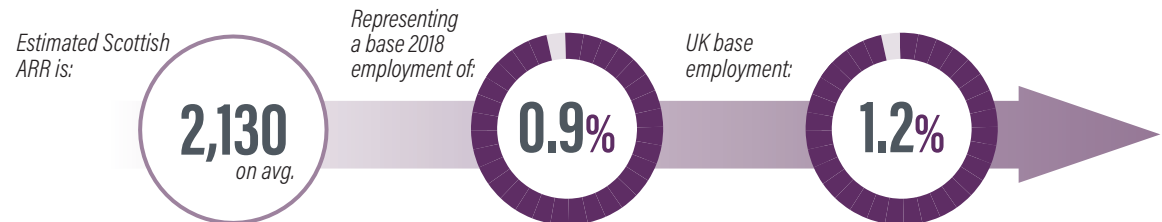
MAIN GROWTH DRIVERS/CONTRACTS:

The short-term outlook for public housing in Scotland is good, with expected growth of 3.7% a year on average in 2018 and 2019. There are a number of housing associations very active in new house building. Aberdeen seems to be seeing significant expansion in new house building, with another long-term residential-led project, Grandhome at the Bridge of Don, now up and running, joining the 3,000-home scheme at Countesswells. This development will contain around 7,000 new homes. Meanwhile Moda Living are taking forward a £105m 400-apartment scheme in the Holland Park area of Glasgow, scheduled to start in the first half of 2018.



ANNUAL RECRUITMENT RATE (ARR):

On this output prognosis, construction employment in Scotland will fall and the decline is estimated at 0.7% a year on average. Despite this, net flows to and from the industry workforce means that Scotland has an average ARR estimated at 2,130, 0.9% of base 2018 employment, a lower ratio than the UK 1.2%.



IN A UK CONTEXT:

CSN predicts UK growth of 1.3% over the next five years, with 158,000 jobs to be created. Although UK growth is slightly down on the 1.7% predicted in 2017, the fall was expected and is not dramatic, when taking into account the economy slowing as a whole and uncertainty around Brexit.



OVERVIEW – SCOTLAND

Over the 2018 to 2022 period construction output in Scotland is expected to remain stable. The inevitable fall in infrastructure – from an extraordinary high in 2015, where it represented 26% of total Scottish output, twice the UK figure – is mitigated by growth in the housing sectors and R&M.

In terms of the industrial construction sector, work is due to start on the Edinburgh International Business Gateway in 2018. This £700m mixed-use development, situated close to Edinburgh Airport, will include a mix of residential, commercial and light industrial facilities. GlaxoSmithKline (GSK) is intending to invest £110m expanding its Montrose site, with a state-of-the-art production facility to manufacture respiratory medicines. Construction on the project is expected to start in mid-2018 and complete at the beginning of 2020. Chivas brothers have recently confirmed that from 2019 all its operations will take place at its Kilmalid site near Dumbarton, which will involve the construction of a new £40m bottling plant and offices.

Construction employment is projected to experience an average annual decline of 0.7% over the forecast period, after four years of growth which took its level to within 4% of its 2008 peak in 2017. While there are no occupations flagged up as having a high requirement, there are three with a medium one (a ratio of between 2.6% and 5% of base employment), civil engineers (4.5%), trades supervisors (4.1%), and logistics (3.8%). Professionals and managerial/administrative occupations are expected to create significant demand.

The full report can be read here: www.citb.co.uk/csn