



UK MEP construction sector insights report

Current trends shaping the
sector's 2025–2030 trajectory

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Executive summary

The UK construction sector enters the second half of 2025 with renewed momentum following a period of economic uncertainty and flat growth. Industry output is expected to grow by 2.1% this year, supported by a strong pipeline of infrastructure investment, housing targets and sustainability mandates. Long-term forecasts point to a market value exceeding £300 billion by 2034, with a compound annual growth rate of 4.3%.

The Mechanical, Electrical and Plumbing (MEP) sector remains a vital pillar of this growth. Contributing around £20 billion to the UK economy annually, MEP contracting continues to expand as building systems become more complex, sustainable, and technology-driven.

Labour market conditions are increasingly tight, with a projected shortage of 225,000 construction workers by 2027. Meanwhile, inflation, material price volatility and wage growth (4.7% YoY) continue to challenge project margins and planning. Despite these pressures, forward-thinking contractors are finding competitive advantage through strong partnerships, digital capabilities and adaptable workforce strategies.

This report provides market intelligence for clients across infrastructure, housing and commercial construction, highlighting how MEP Resourcing supports delivery through high-quality, compliant labour and insight-led workforce solutions.



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UK construction market overview



Ben Leigh

Managing Director

"As the sector evolves, our priority remains clear: to equip our clients with skilled, dependable MEP professionals who can deliver in any climate."

The UK construction sector is projected to grow steadily, with infrastructure and residential markets leading the recovery. Key trends include:

Residential: A 4% rise in private housing output is forecast for 2025, supported by government aims to deliver up to 370,000 homes annually. Long-term growth is estimated at 5.3% CAGR.

Infrastructure: Backed by a £650–700 billion pipeline, projects such as HS2 and Hinkley Point C continue to drive demand for specialist MEP labour.

Commercial: Growth remains moderate at 2.4%, although private commercial developments have seen prolonged declines. Public sector investment, especially in schools and healthcare, is helping offset this trend.

Repair & maintenance (R&M): A consistent contributor to output, R&M activity grew by 9% year-on-year (Feb 2024–Jan 2025) and remains key to compliance and retrofit goals.

These trends reinforce demand for MEP services across both new builds and existing stock upgrades, particularly in sectors requiring energy efficiency improvements and digital system integration.

Economic influences & cost pressures

Despite encouraging forecasts, the construction sector faces cost-side challenges that continue to influence delivery timelines, pricing, and labour requirements.

Inflation & interest rates: With inflation at 3.4% and interest rates held at 4.25% as of mid-2025, financing pressures remain a limiting factor for developers and contractors alike.

Material pricing: While overall inflation on construction materials has declined, price volatility is acute in electrical and mechanical components. Over 286,000 price changes were recorded in the UK electrical industry in 2024 alone, complicating cost certainty for both main contractors and subcontractors.

Wage growth: Labour costs continue to rise. Construction earnings increased by 4.7% over the last year, with further pressure from national wage policy updates and insurance contribution changes.

This economic environment highlights the importance of supply chain stability and accurate cost forecasting. Reliable access to skilled, vetted labour remains one of the most effective levers for mitigating project risk.



Regulation, policy & investment impact



Public policy and investment are playing a transformative role in shaping UK construction priorities – particularly for MEP-related workstreams.

Government investment: Major funding allocations in infrastructure (£650B+), education and energy have reinforced long-term demand for technical services and compliant installation teams.

Net-zero targets: The legal mandate to achieve net-zero emissions by 2050 is accelerating demand for green building systems and low-carbon technologies. Over 70% of contractors now consider sustainability a key factor in securing new work.

Future homes standard (FHS): Implementation from 2025 will require new homes to include low-carbon heating systems, high-efficiency HVAC and modern building controls – all of which increase reliance on skilled MEP professionals.

Building safety act: Introduced in late 2023, this legislation strengthens compliance requirements across all building stages. MEP contractors now face greater accountability for quality, documentation and workforce competency. The global sustainable construction market is forecast to grow at a compound annual growth rate of 8.91% between 2024 and 2031, reflecting both international investor focus and accelerating UK regulatory standards.

MEP Resourcing ensures that all contractors deployed through its network are fully compliant, safety-aware and ready to meet rising expectations in both technical performance and documentation.



Skills & labour market trends

The UK is experiencing a structural shortage in skilled construction labour – especially in specialist MEP roles. Key challenges include:

Aging workforce & EU exit: A shrinking pool of mid-career tradespeople, alongside reduced EU labour inflow, has intensified recruitment pressure.

Emerging skills demand: Green technologies, smart systems and digital construction tools (e.g. BIM) are requiring new training and adaptability from site personnel.

Recruitment & retention: Candidates increasingly prioritise fair pay, flexible scheduling and opportunities to work on sustainable, high-profile projects.

MEP Resourcing addresses these shifts by maintaining a highly engaged contractor base, offering steady placements, clear onboarding and access to work that aligns with modern industry priorities.

How MEP Resourcing supports delivery



At a time when quality, compliance, and speed-to-site are more important than ever, MEP Resourcing delivers dependable labour solutions tailored to today's construction challenges.

Our value to clients:

Specialist M&E focus: Over 500 qualified contractors with mechanical, electrical and plumbing expertise.

Responsive fulfilment: Fast deployment to critical projects across residential, commercial and infrastructure sectors.

Fully vetted workforce: All contractors meet health & safety, right-to-work and regulatory compliance standards.

Alignment with green skills: Labour ready for retrofit, sustainable new build and low-carbon system installation.

On-site reliability: Proven contractor loyalty and retention, reducing project risk and downtime.

Whether for long-term frameworks or short-notice delivery needs, MEP Resourcing ensures your workforce is as capable and future-ready as your build.



Visual summary dashboard

Operating activities	Insight
Construction output growth (2025)	+2.1% forecast
MEP sector value	£20B+ and growing
Labour shortage forecast	225,000 roles by 2027
Average wage growth	+4.7% year on year (to Jan 2025)
Government investment	£650-£700B (10-year pipeline)
Sustainable construction growth	8.91% CAGR (2024-2031)
Key growth segments	Residential, infrastructure, R&M
Risk areas	Labour supply, wage inflation, compliance





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