

Q4  
2024

Savanta:



FEDERATION OF  
**MASTER  
BUILDERS**

# State of Trade Survey

For more than 30 years, the Federation of Master Builders (FMB) State of Trade Survey has monitored key indicators and predicted future short-term developments in the UK construction industry. It is the only survey of its kind to focus exclusively on small and medium-sized (SME) firms throughout the construction sector.

The report looks at activity from **October to December 2024**.  
It casts ahead from **January to March 2025**.



**BRIAN BERRY**, Chief Executive,  
Federation of Master Builders

## View from the Chief Executive

The latest State of Trade Survey looking at the final quarter of 2024, reflects the challenging climate small builders across the UK have faced over the past year, and continue to face going forward, with workloads, enquiries and employment numbers all down. 54% of respondents to the survey noted an increase in material costs in Q4 compared with Q3, a number which was already up significantly on Q2, and around three quarters of FMB members expect that trend to continue into 2025.

The skills shortage is also starting to bite, with almost half of small builders reporting jobs having been delayed, or in some cases even cancelled as a direct result of the lack of available skilled workers. The significant drop off in both workloads and enquiries, down -11% and -23% respectively, are, however, particularly concerning given the Government's push to get Britain building again. This will be the last of the State of Trade Survey in this format, with exciting things to come later in the year, so keep an eye out.



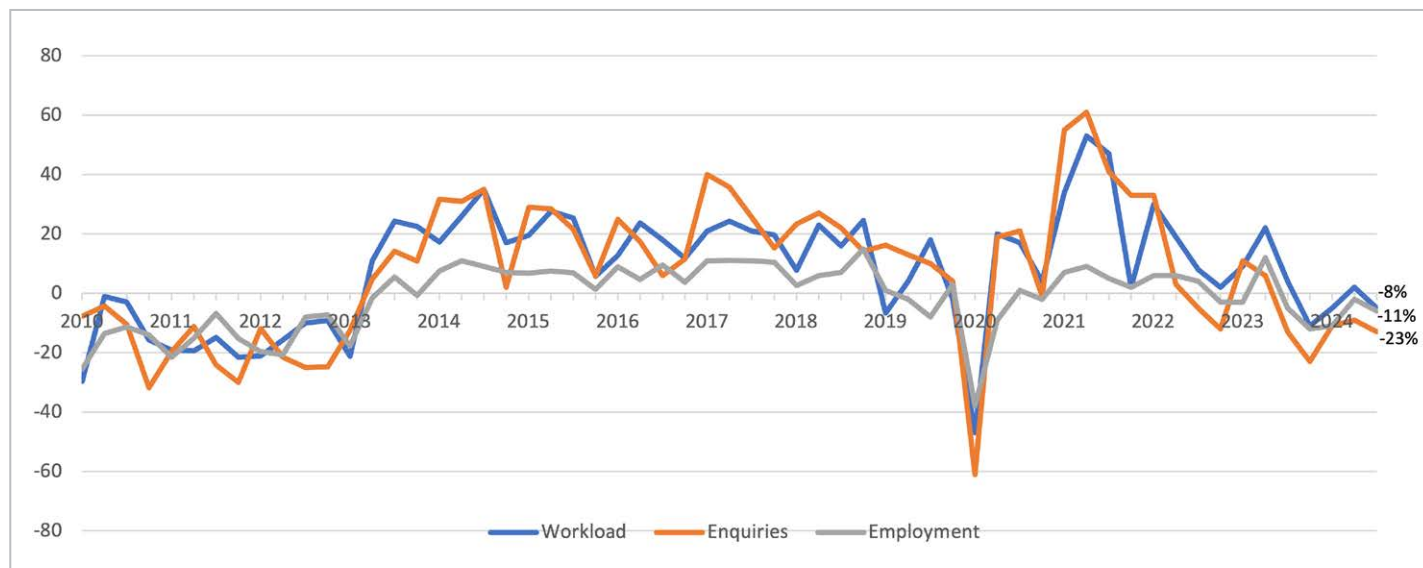
## Key indicators

In the fourth quarter (Q4) of 2024 there were indications of a continued decline across all workloads, enquiries, and employment indicators. This follows the decline noted in the third quarter (Q3) from the second quarter (Q2) of 2024. Prior to Q3 there had been a period of modest improvement in workloads, enquiries, and employment from Q1 to Q2 2024. Members of the FMB have continued to report a decrease in workloads, with a net change of -8% (-5% in Q3 2024). The report indicates that around one in three FMB members (35%) are experiencing a reduction in their workload.

Enquiries have continued to decline sharply in Q4, with a net change of -23%, which is a further drop from the -13% reported in Q3. Additionally, members have reported that nearly half (46%) received fewer enquiries, highlighting the continued downward trend.

Employment levels have also continued to fall, with a net change of -11%, further down from -6% in the previous quarter (Q3). While one in four members (25%) reported experiencing a reduction in employment numbers, more than half (57%) of the members reported no change in their workforce numbers during October to December 2024.

## Key indicators



Graph 1 – Q3. Looking back, how does your company's workload in the period October to December 2024 compare to that in July to September 2024, thinking about total workload, and in the specific sectors of the industry that you work in? Base: Total workload (n=201) Q6. Looking back, how has the level of enquiries regarding future work changed in the period October to December 2024 compared to July to September 2024 thinking about total enquiries, and in the specific sectors of the industry that you work in? Q8. How has the number of employees within your company's workforce changed during October to December 2024, when compared with July to September 2024? (n=201) Net balance of change



## Workload and enquiries by sector

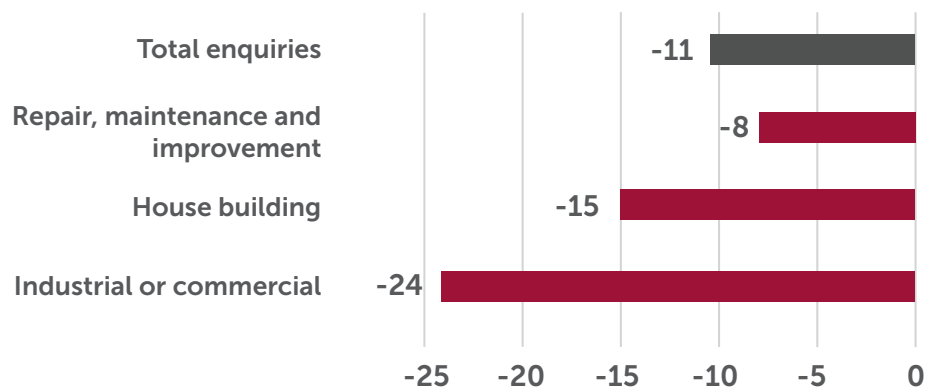
In Q4 of 2024, FMB members have continued to report declines in both total workload and enquiries. The total workload experienced a net decrease of -11%, down from -5% in Q3 2024. Total enquiries saw a notable drop of -23% in Q4 2024, following declines of -9% in Q2 and -13% in Q3.

In the repair, maintenance, and improvement sector, FMB members indicated a notable drop in workload, with a net balance of -8% (a further decrease from the reported -1% in Q3 2024). Enquiries in this sector also saw a sharp decline, from -10% in Q3 to -17% in Q4 2024. The housebuilding sector also reported a continuing decrease in workload, with a net balance of -15%, slightly better than the -17% reported in Q3 2024. However, enquiries in this sector have also continued to decline, with -30% in Q3 to -31% in Q4 2024, similar to the decline seen last quarter.

Members active in the industrial and commercial sectors reported the most significant decline in workload, with a net balance of -24%, a further drop from the -14% reported in Q3 2024. Enquiries in this sector also experienced a sharp decrease, falling to -31% in Q4 from -13% in Q3 2024.

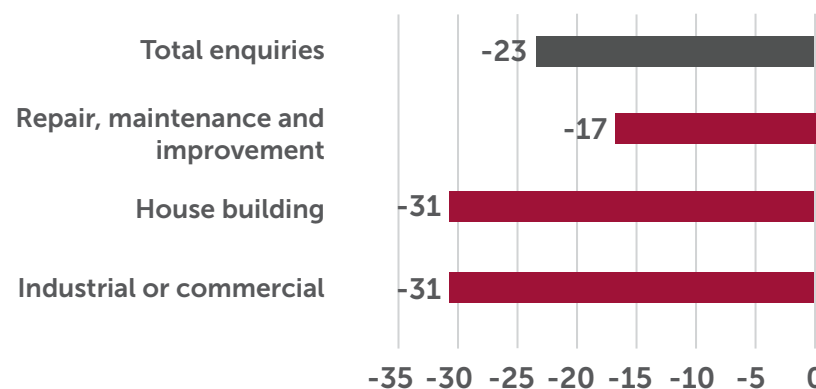


### Workload by sector



Graph 2 - Q3. Looking back, how does your company's workload in the period October to December 2024 compare to that in July to September 2024, thinking about total workload, and in the specific sectors of the industry that you work in? Base: Total workload (n=201); Repair, maintenance and improvement (n=189); House building (n=95); Industrial or commercial (n=107). Excluding N/As

### Enquiries by sector



Graph 3 - Q6. Looking back, how has the level of enquiries regarding future work changed in the period October to December 2024 compared to July to September 2024 thinking about total enquiries, and in the specific sectors of the industry that you work in? Base: Total enquiries (n=201); House building (n=101); Repair, maintenance and improvement (n=191); Industrial or commercial (114) Excluding N/As

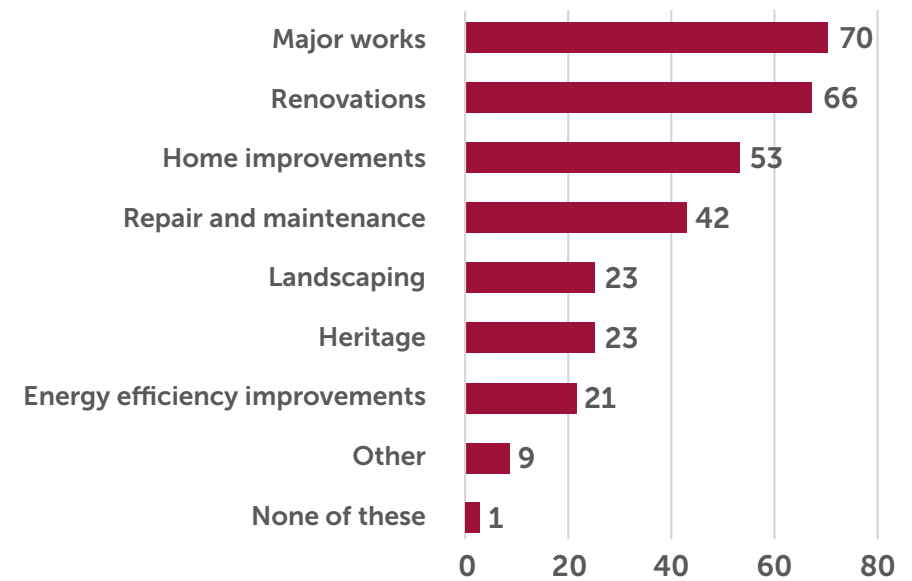
## Type of activity by sector

The top three types of work delivered by FMB members remained unchanged from Q3 2024. Major works became the most common type of work, with 70% of members reporting engagement in this type of work, an increase from 67% in Q3 2024. Renovations came in second, remaining relatively stable at 66% (67% in Q3 2024). Whilst home improvements experienced a substantial drop, with 53% of members involved in this type of work, down from 61% in Q3 of 2024. Around four in ten of members (42%) were engaged in repair and maintenance activities in Q4 2024, and other types of reported work included landscaping (23%), heritage projects (23%), and energy efficiency improvements (21%).

In Q4 2024, the vast majority of FMB members (89%) reported building 1-5 houses during the period from October to December, a slight increase of 2% from Q3 2024. There was a slight increase in the number of members constructing 6-9 houses, with 9% reporting this activity in Q4 2024, up from 4% in Q3 2024. However, the number of members who reported building 10 or more houses dropped significantly, from 9% in Q3 2024 to only 2% in this past quarter.

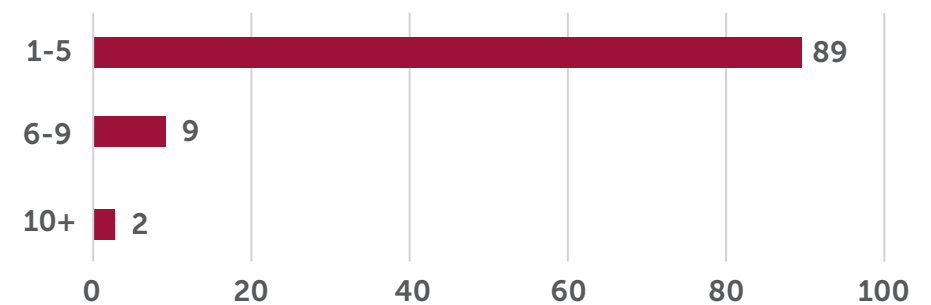


## Types of repairs, maintenance and improvement works that has been delivered in the period of October to December 2024



Graph 4 - Q4. Which of the following repair, maintenance and improvement works has your company delivered for existing domestic dwellings in the period of October to December 2024? Base: Total (n=189), All working in the RMI sector.

## Number of houses that have been built in the period of October to December 2024



Graph 5 - Q5. How many housing starts has your company done in the period of October to December 2024? Base: Total excluding no housing starts and don't know (n=9), All working in the housebuilding sector (n=44)

## Employment and skills shortages

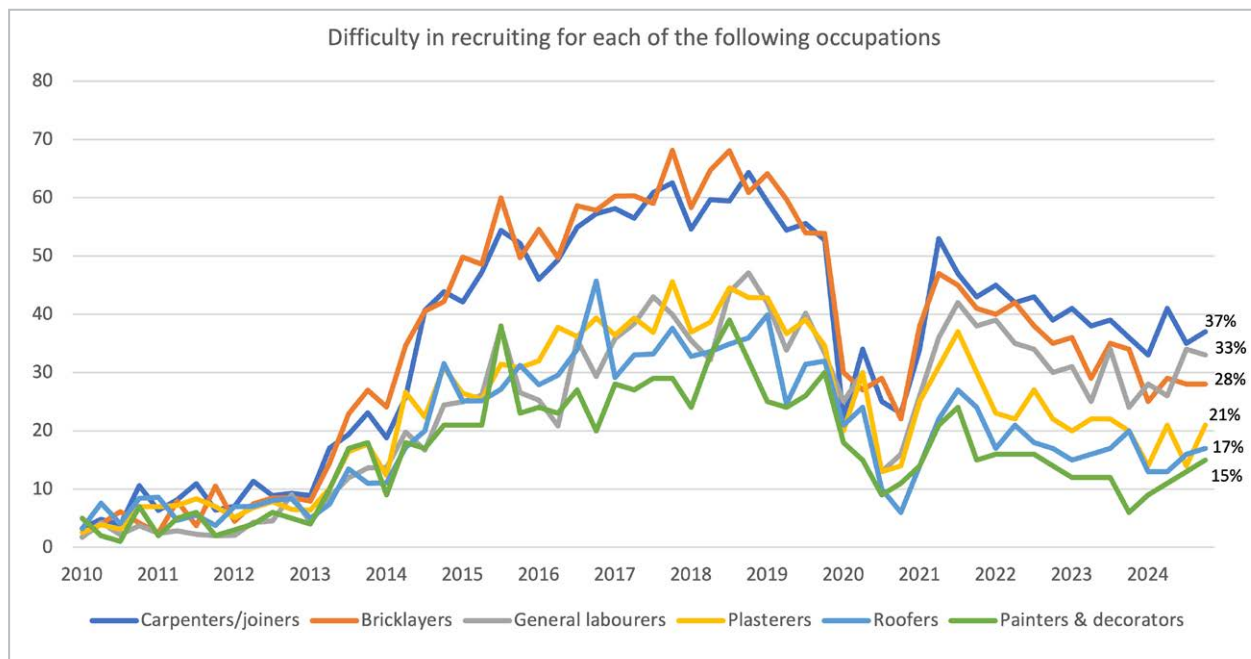
In terms of employment levels in Q4 2024, around three in five FMB members (57%) reported no change, a slight increase from 60% in Q3 2024. Meanwhile, one in four members (25%) reported a reduction in the number of employees. Only 17% of members reported an increase in the number of employees within their companies, consistent with the previous quarter. This resulted in a net workforce change of -8%, continuing the declining trend from -6% in Q3 and -2% in Q2 2024.

In Q4 2024, FMB members continued to face challenges in recruiting for specific occupations, with some roles becoming increasingly difficult to recruit when compared to Q3 2024. Carpenters continues to be the hardest position to recruit, with 37% of members encountering difficulties, the number is up slightly from 35% in Q3 2024.

Similarly, the difficulty in recruiting plasterers rose sharply to 21% in Q4 2024, matching the percentage in Q2, after dropping to 14% in Q3 2024. The recruitment of painters and decorators has also become progressively more difficult, with challenges increasing since Q1 and culminating in a reported difficulty rate of 15% in Q4 2024. A similar trend can be seen with roofers, where the challenge increased from 13% in Q1 and Q2, to 16% in Q3, and 17% in Q4 2024.

The issues with recruiting general labourers remained relatively stable, with 33% of members reporting difficulties, consistent with the figure from Q3. The difficulty in recruiting bricklayers remains relatively stable, with 28% of members facing challenges in both Q3 and Q4, similar to 29% in Q2 2024.

## Difficulty in recruiting for each of the following occupations



Graphs 6 - Q10. For which of the following trades has your company found it difficult to recruit skilled staff over the period of October to December 2024? Base: Total (n=201)



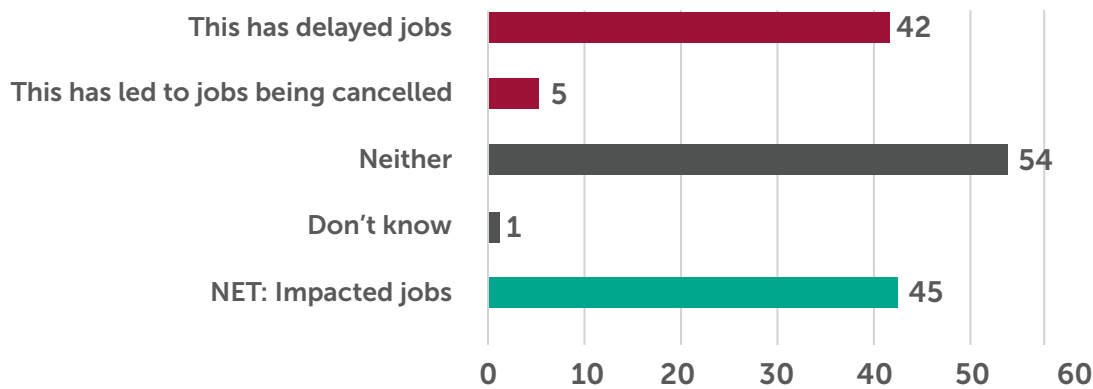
## Impact of lack of skilled tradespeople available

In Q4 of 2024, FMB members reported an increased impact from the shortage of skilled tradespeople, with 45% indicating that their jobs were affected. This marks an increase from 40% in Q3 and brings the percentage back to the 46% reported in Q2 2024, indicating a return to earlier levels. As a result, 42% of members experienced job delays due to the shortages, up from 38% in Q3 2024 and similar to the reported 43% in Q2 2024. The percentage of members reporting job cancellations due to the shortage remains fairly stable at 5%. This indicates that businesses have continued to be resilient, managing to prevent a more significant rise in job cancellations despite ongoing challenges.

Furthermore, 54% of FMB members reported that the shortage of skilled tradespeople neither impacted nor delayed their jobs, a slight decrease from 59% in Q3 2024.



### The impact of a lack of available skilled tradespeople October to December 2024



Graph 7 - Q13. How, if at all, has the lack of skilled trades people impacted your company's work over the period of October to December 2024? Base: Total (n=201)

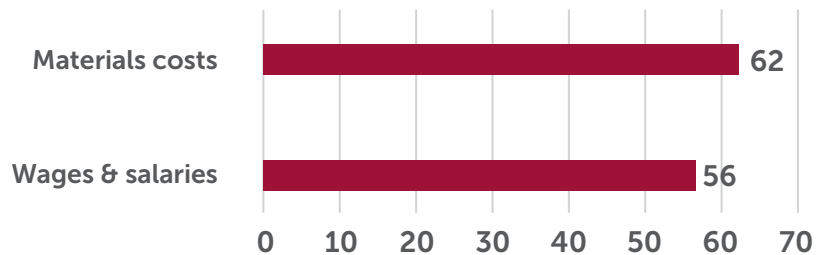
## Prices and costs

In Q4 2024, most FMB members continued to face higher business costs and increased service charges. Specifically, 54% of members reported raising their service prices, up from 51% in Q3 2024. Regarding company expenses, members reported continuing increases in changes in both material costs and employee wages. A notable 64% observed an increase in material costs, and 58% of members reported higher wages and salaries. These ongoing trends in increasing prices and expenses underscore the sustained pressures on the industry's financial structure.

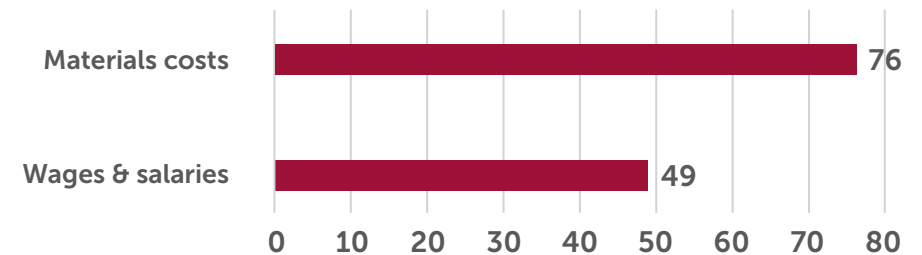
Looking ahead to the upcoming quarter (Q1, January to March 2025), members continue to foresee upward trends in costs, particularly in material expenses. Around three in four members (76%) expect material costs to rise in Q1 2025. While a little over half of members (52%) anticipate an increase in wages and salaries, and a little under half of members (46%) expect these to remain unchanged.



Past quarter costs  
October to December 2024



Expected costs  
January to March 2025



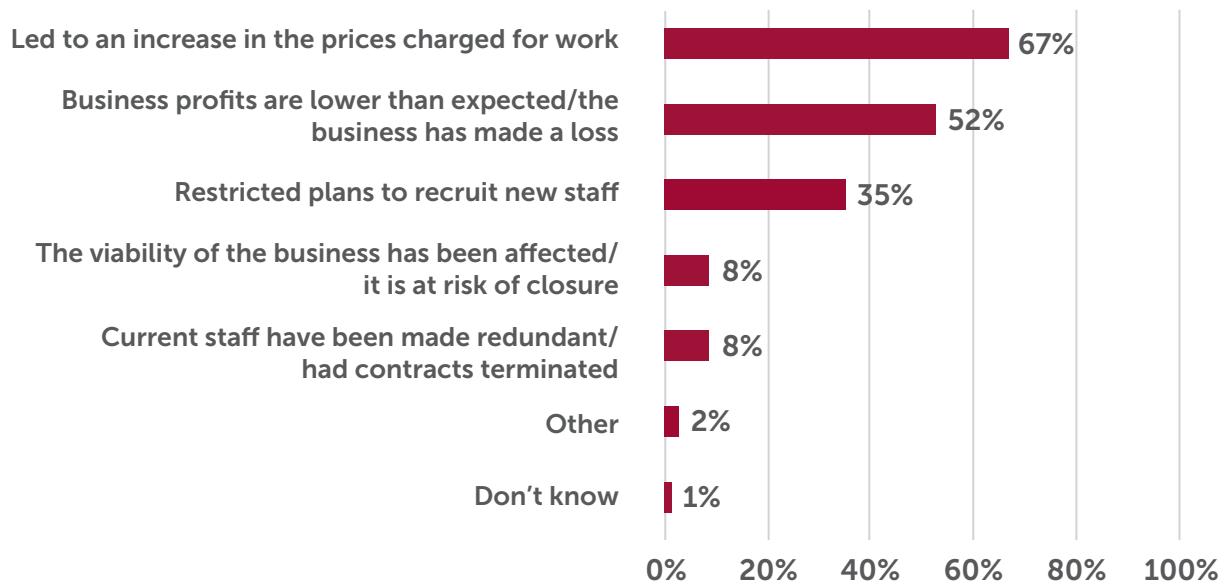
Graph 8 - Q11. How have both the prices that you charge for work, and your outgoing costs changed over the period of October to December 2024? Base: Wages & salaries (n=201); Materials costs (n=198) Excl N/As. Net balance of change Graph 9 - Q12. And how do you expect both the prices that you charge for work, and your outgoing costs to change over the period of January-March 2025? Wages & salaries (n=198); Materials costs (n=196) Excl N/As. Net balance of change, showing only materials costs and wages & salaries.



## Impact of changes in prices and costs

During Q4 2024, FMB members who experienced increased outgoing costs reported various impacts on their businesses. Almost seven in ten members (67%) reported that rising costs resulted in higher service prices, a level consistent with Q2 after a slight dip in Q3 2024 (65%). Additionally, just over half (52%) of FMB members reported lower-than-expected business profits or financial losses. Cost pressures prompted 35% of members to limit their recruitment plans, a notable jump from 26% in Q3 2024. This indicates that over a third of members are now restricting the recruitment of new staff.

### Impact of increase in outgoing costs (materials and/or wages)



Graph 10 - Q11a. You said that your outgoing costs (wages & salaries and/or material costs) have increased over the period of October to December 2024. How, if at all, has this impacted your company? Base: all who report an increase in outgoing costs this quarter (n=157)



## Key indicators in the home nations

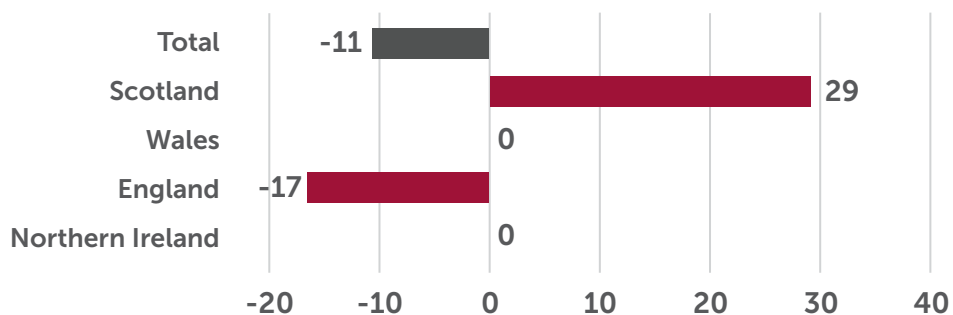
In Q4 2024, the overall workload across the UK experienced a decline of -11%, continuing the downward trend from -5% in Q3 and 2% in Q2 2024. Scotland maintained a positive outcome with a 29% increase in workload, though slightly down from 35% in Q3 2024. Wales remained unchanged in Q4 and Q3, following an 18% increase in Q2 2024. Similarly, Northern Ireland showed no change in Q4 after a significant jump of 33% in Q3 2024. Conversely, England saw a continued decrease, worsening from -4% in Q2, -12% in Q3, to a further decline of -17% in this past quarter.

Regarding enquiries across the UK, there was a gradual decline, reaching a notable drop in Q4 2024 (-23%). Despite this declining trend, both Scotland and Wales reported positive net increases in enquiries, at 19% and 9% respectively. Northern Ireland remained stable with no change in job enquiries. In contrast, England witnessed a further decline in enquiries, from -20% in Q3 to -30% in Q4 2024.

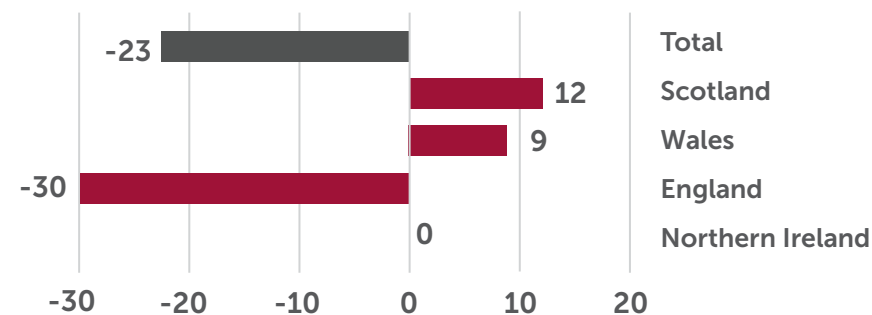
In summary, UK workloads continued to decrease in Q4 2024, with Scotland showing positive results, Wales and Northern Ireland remaining stable, while England experienced further declines. Enquiries similarly saw a continuous decline across the UK, with Scotland and Wales showing positive changes, Northern Ireland stable, and England facing additional decreases.



National Total workload



National Enquiries



Graphs 11 and 12 -. Q3/Q6. Base: England (n=162); Wales\* (n=11); Scotland\* (n=17), Northern Ireland\* (n=11) \*Caution: Results should be interpreted with caution due to very limited base size. Net balance of change.

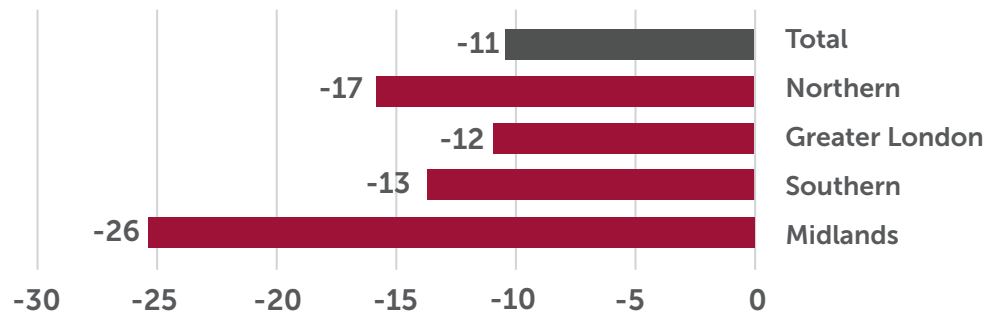
## Key Indicators in the English Regions

The overall regional workload experienced a decline, with a net change of -11% in Q4 2024. The Midlands reported a significant drop, with workload significantly falling to -26% from -8% in Q3 2024. The Northern region at -17%, the Southern region at -13%, and Greater London at -12% also all reported a decline in workload.

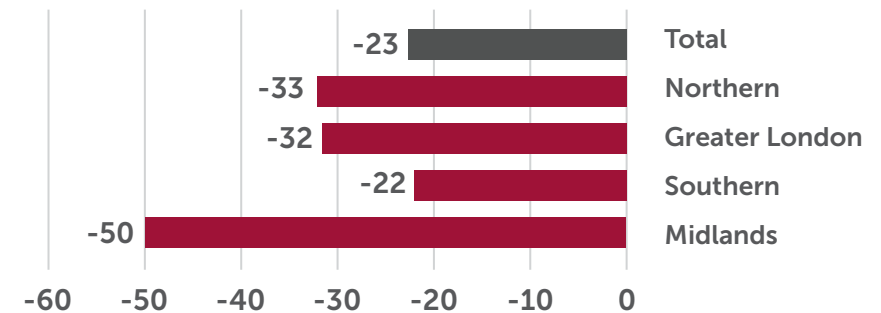
Regarding regional enquiries there was a similar overall decline, with the total net change falling to -23% in Q4 2024, down further from -9% in Q2 and -13% in Q3 2024. The Midlands saw a sharp decrease in enquiries, plummeting to -50% from -14% in Q3 2024. This was followed by the Northern region at -33%, Greater London at -32%, and the Southern region at -22% in Q4 2024.



### Regional Total Workload



### Regional Enquiries



Graphs 13 and 14 - Q3/Q6. Base: Northern\* (n=28); Midlands\* (n=21); Southern (n=76); Greater London\* (n=22). \*Caution: Results should be interpreted with caution due to very limited base size. Net balance of change.

## For more information

This quarter, the survey was issued between 7th January and 3rd February 2025 and received 201 completes. It was published in February 2025.

For more information about the FMB please visit [www.fmb.org.uk](http://www.fmb.org.uk)

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