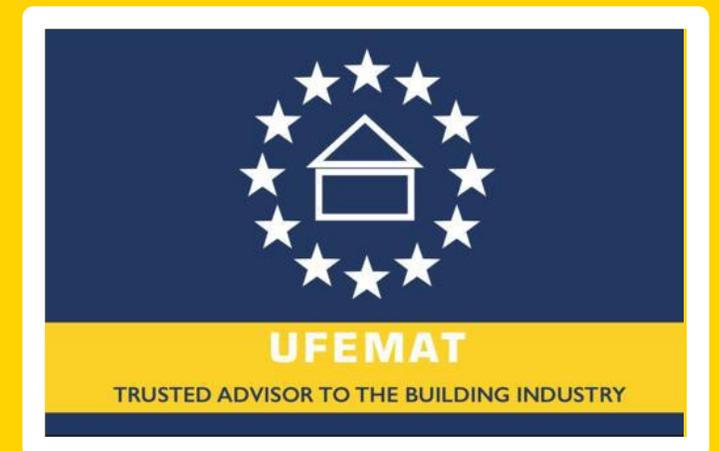




**Friday 12th of
September
2025**

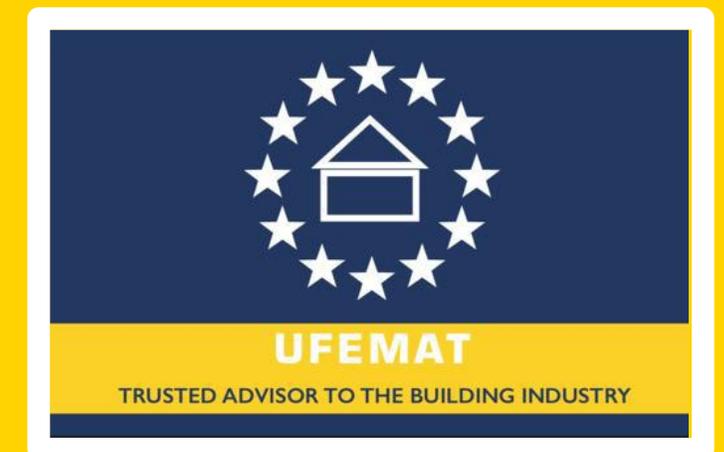
**UFEMAT's 65th Annual
Conference:
Digitalisation, Artificial
Intelligence and Building
Materials in Europe**





**Friday 12th of
September
2025**

MILAN, ITALY



Mrs. Antonella Stemperini – CRESME



**The European construction Market:
between economic trends and
radical changes**



09h30 – 09h45



THE EUROPEAN CONSTRUCTION MARKET: BETWEEN ECONOMIC TRENDS AND RADICAL CHANGES

Antonella Stemperini
CRESME Ricerche



**Friday 12th
September
2025**

- CONTENTS AND DEFINITIONS
- MACROTRENDS
- FORECAST REVISION
- FACTORS OF INFLUENCE
- INSIGHT ANALYSIS BY COUNTRY AND MARKET CHARACTERISTICS
- THE FUTURE OF INNOVATION

CONSTRUCTION MARKET IN THE EUROCONSTRUCT AREA

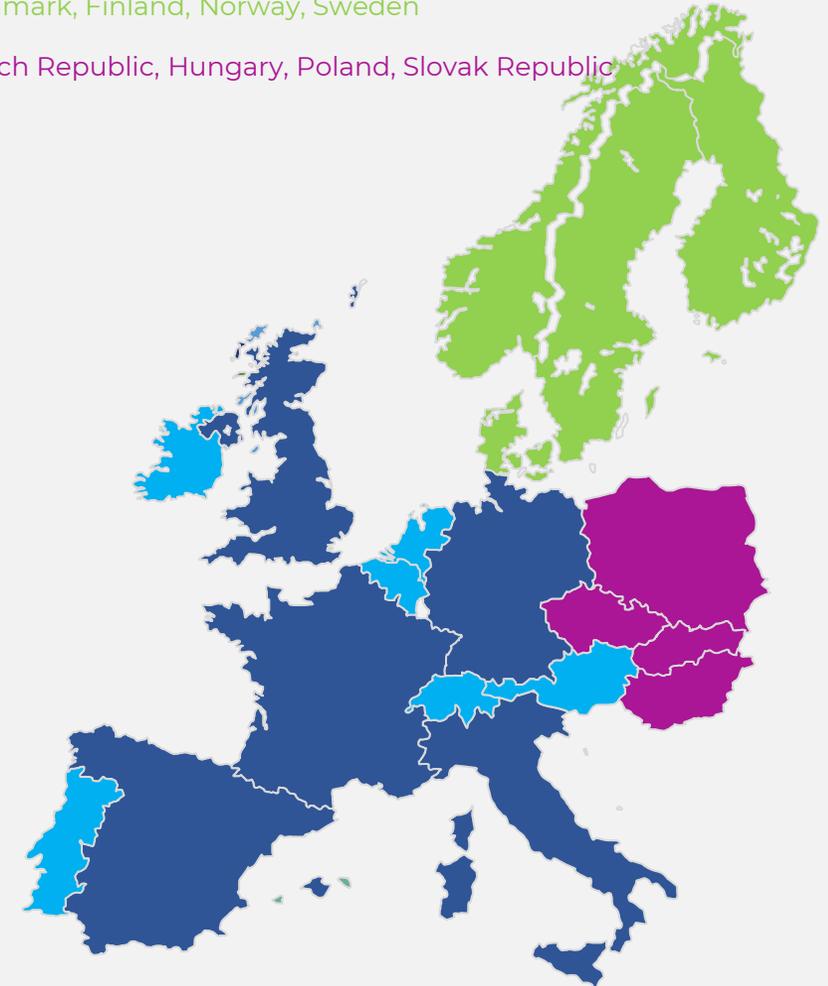
**99th EUROCONSTRUCT CONFERENCE
JUNE 2025**

In 2024 the EUROCONSTRUCT area represents 87.7% of European construction sector

Construction output is worth 11% of GDP in 2024

Total construction output: refers to investments in new construction, extraordinary and current maintenance done by construction firms and by all firms involved in the production process. DIY is included, as well as the black economy.

-  **BIG-5:** France, Germany, Italy, Spain, United Kingdom
-  **Smaller:** Austria, Belgium, Ireland, Netherlands, Portugal, Switzerland
-  **Northern:** Denmark, Finland, Norway, Sweden
-  **Eastern:** Czech Republic, Hungary, Poland, Slovak Republic



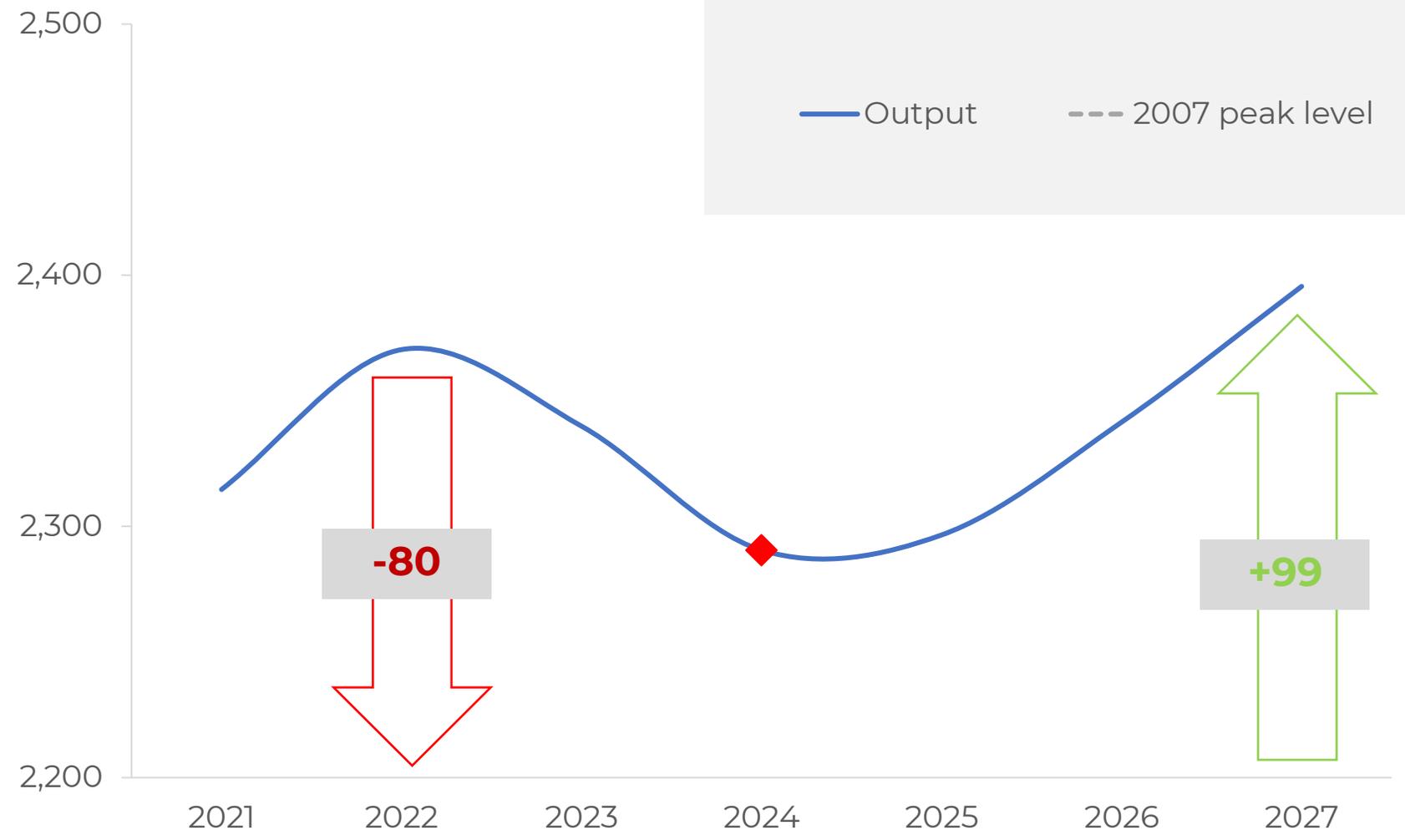
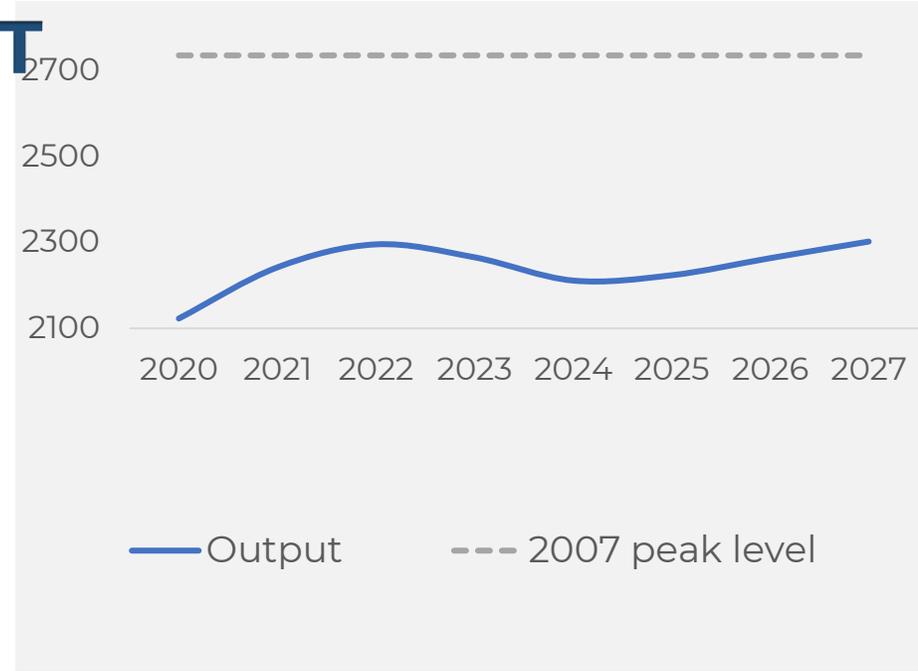
EUROPEAN CONSTRUCTION MARKET

Output and GDP in the long-term development



EUROPEAN CONSTRUCTION MARKET

The new outlook towards 2027

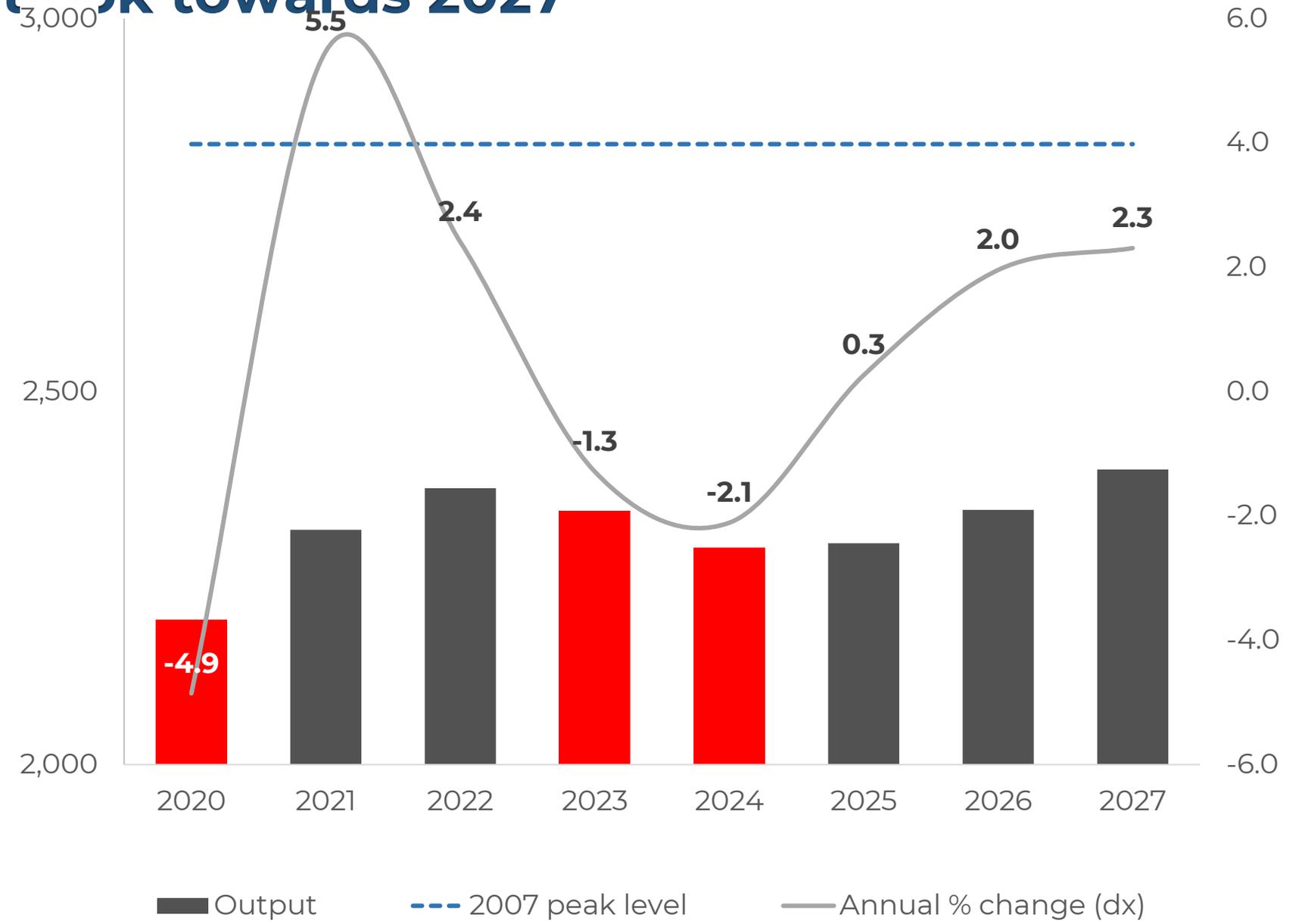


How to read it:

- a turn-round, towards a new growing phase?

EUROPEAN CONSTRUCTION MARKET

The new outlook towards 2027

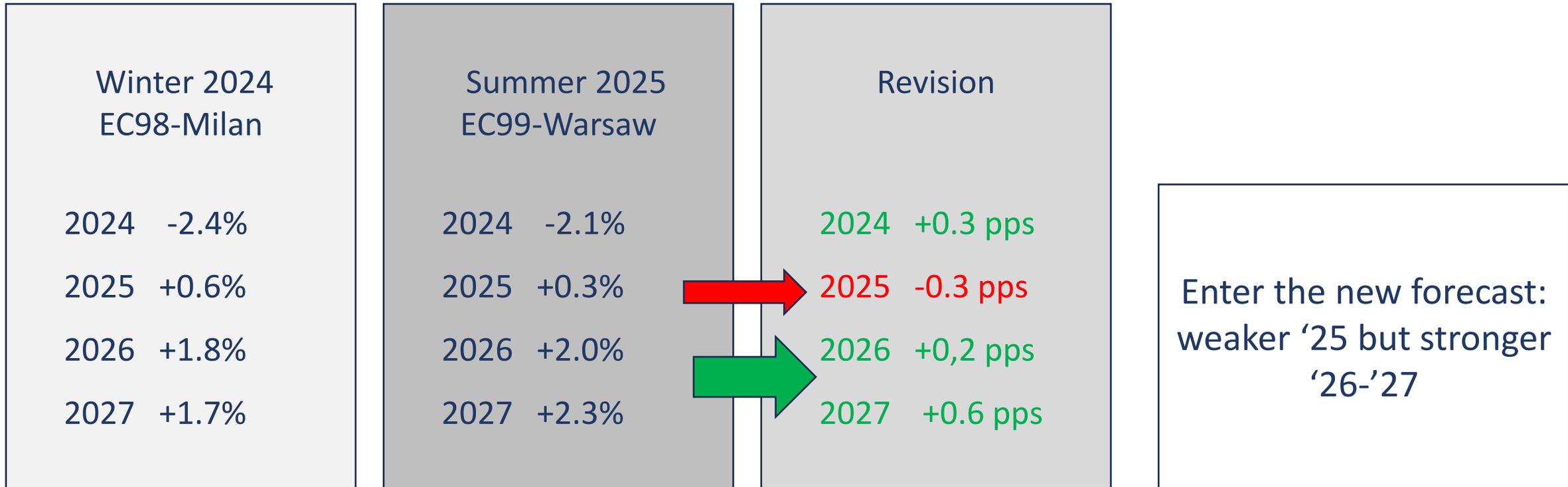


➤ Yes, but on a level which is still very low compared to its capacity (2007 level)

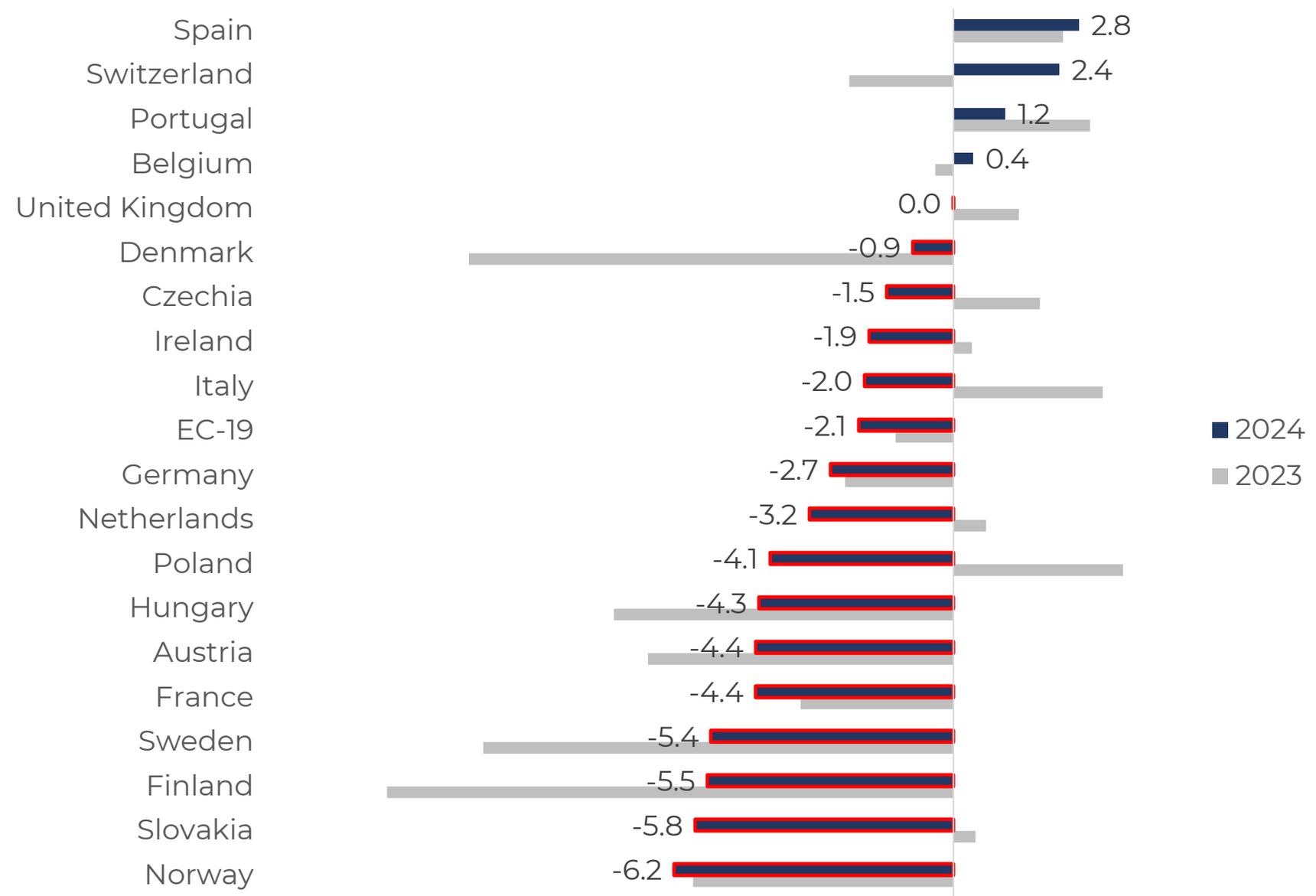
➤ -3.1% 2022-2025, +4.3% 2025-2027: construction crisis ends to be followed by tepid recovery (**+1% 2027 vs 2022**)

EUROPEAN CONSTRUCTION MARKET

Forecast revision

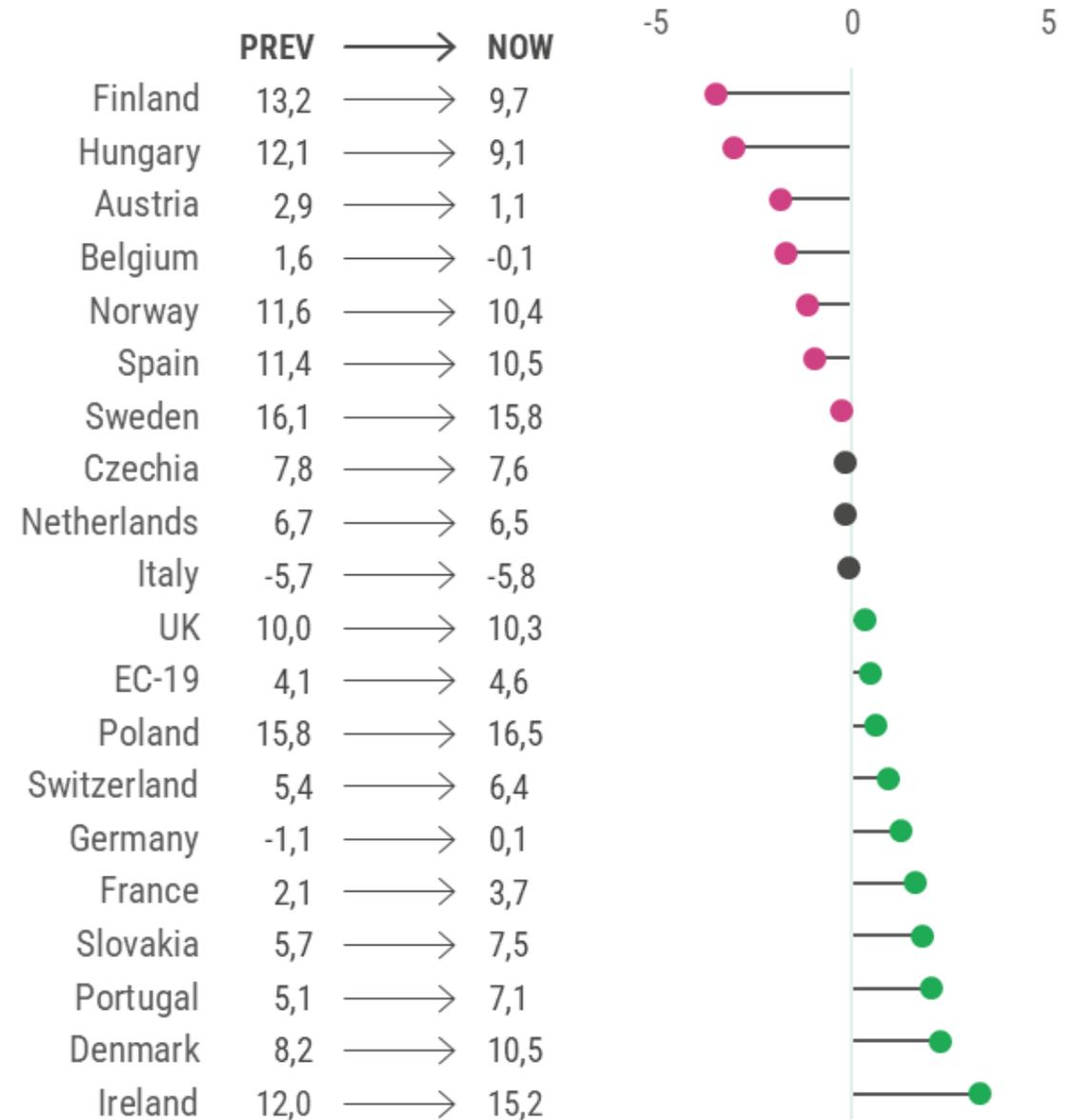


EUROPEAN CONSTRUCTION MARKET 2023-2024 development by country



Forecast revision by country

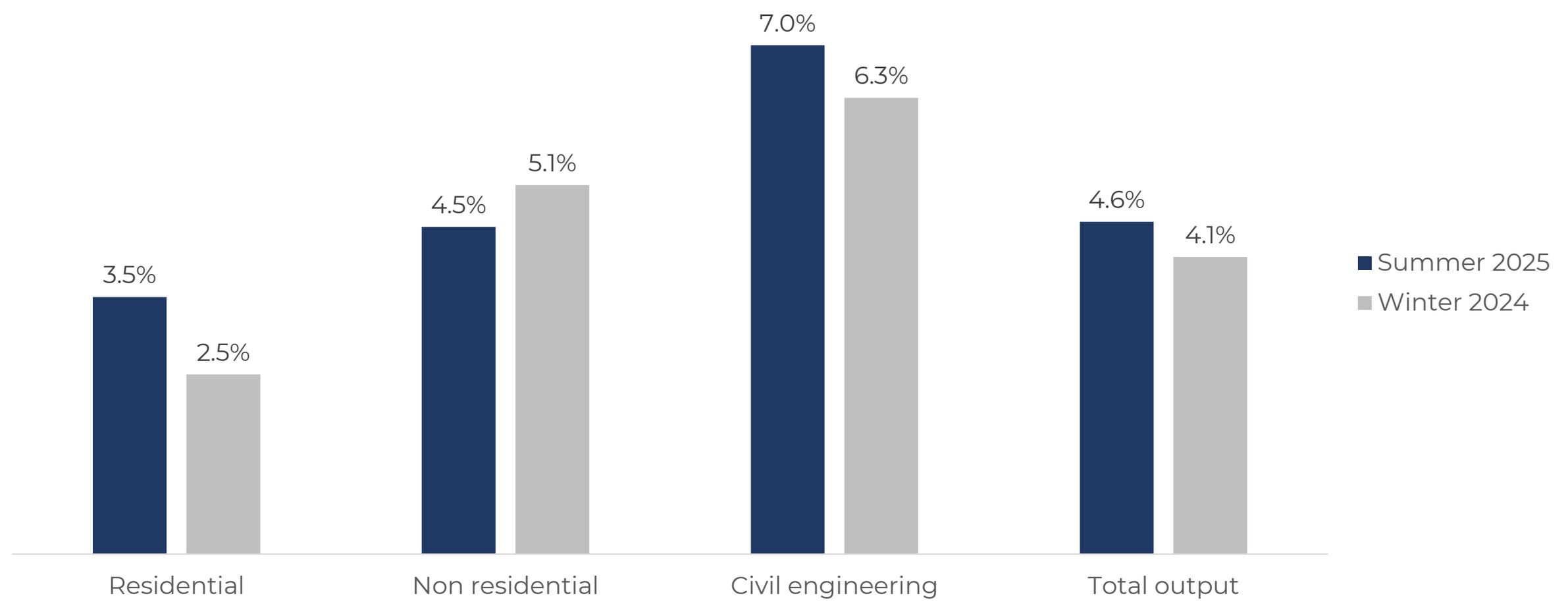
Cumulated growth for 2025-2027 in %, **down** and **upward** revision in pps



EUROPEAN CONSTRUCTION MARKET

Forecast revision by sector

2025-2027 cumulated growth





EUROPEAN CONSTRUCTION MARKET

Influencing factors



General factors

- Economic prospect: GDP has been growing very slowly in many countries in 2024 (after stagnation in 2023), and the new forecast for 2025 is weaker than expected (+1.1% vs +1.5%)
- Monetary policy returned to be supportive, but its trajectory is still unclear
- Financing conditions are easing, but inflation trajectories are not homogeneous among countries
- Geopolitical instability and possible escalation in trade barriers
- Demographic trend

More
construction
linked general
factors

- Environmental regulations and energy transition
- Public funds and new commitments
- Fiscal consolidation of national accounts may burden a strong investment activity
- Extreme weather events
- Changes in work pattern

Construction
specific factors

- Incentives and other national measures for renovation and energy efficiency
- Land protection
- Infrastructural conditions
- Demand for transport
- Energy production
- Real estate price development
- Labour shortage



EUROPEAN CONSTRUCTION MARKET

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EUROPEAN CONSTRUCTION MARKET

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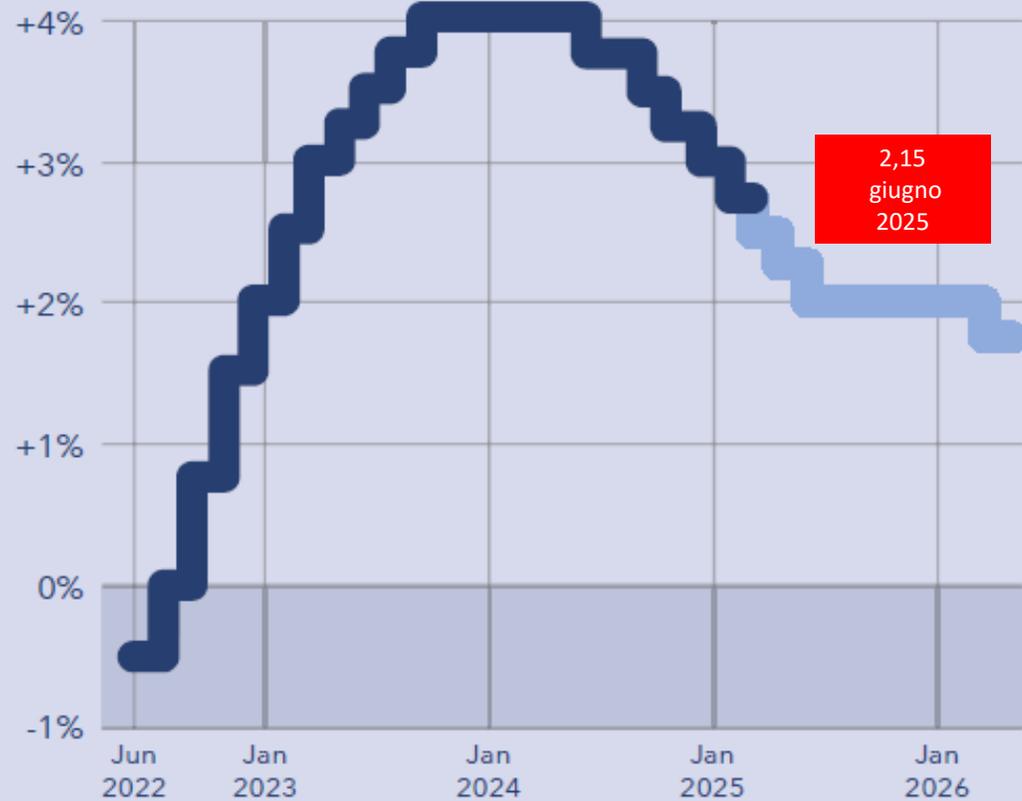
Construction specific factors

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Factors of influence: financial cost

ECB rates may keep falling...

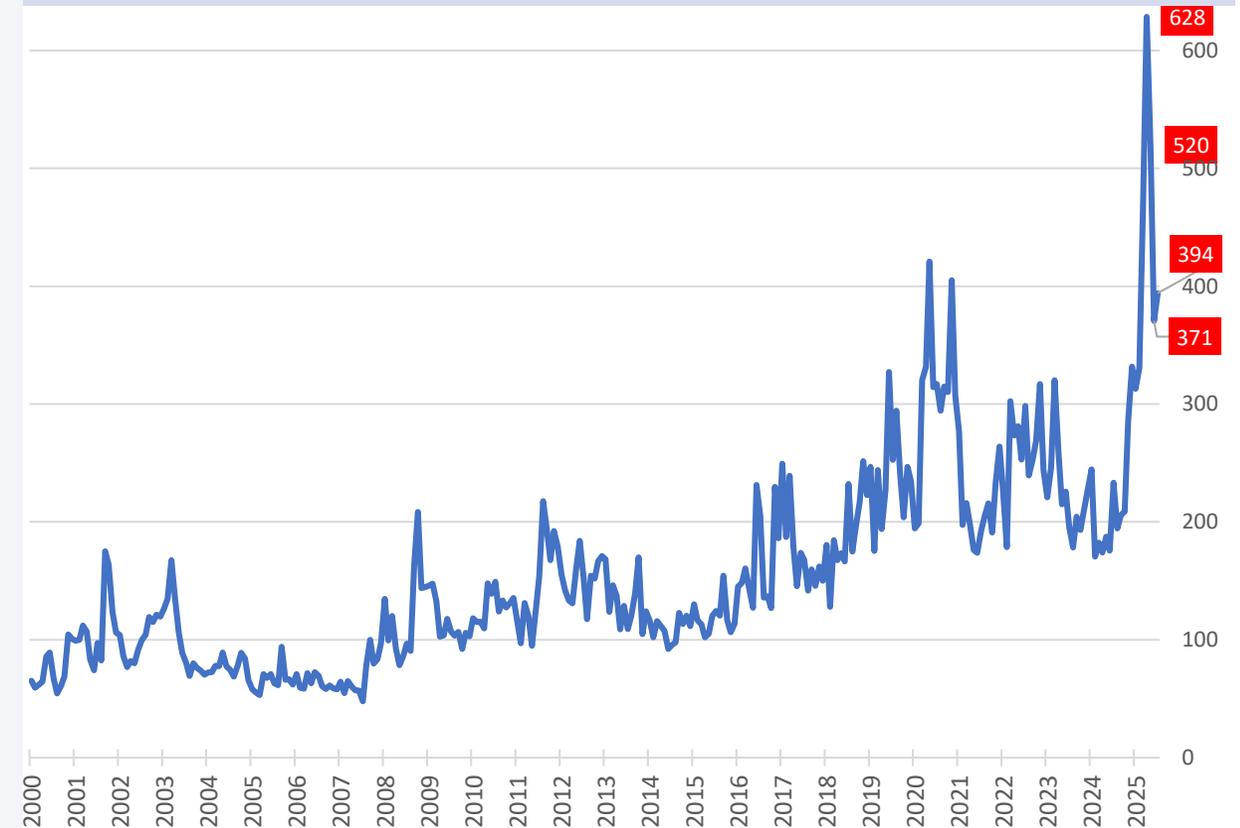
Deposit rate



Source: Bloomberg survey of economists conducted 1Q2025

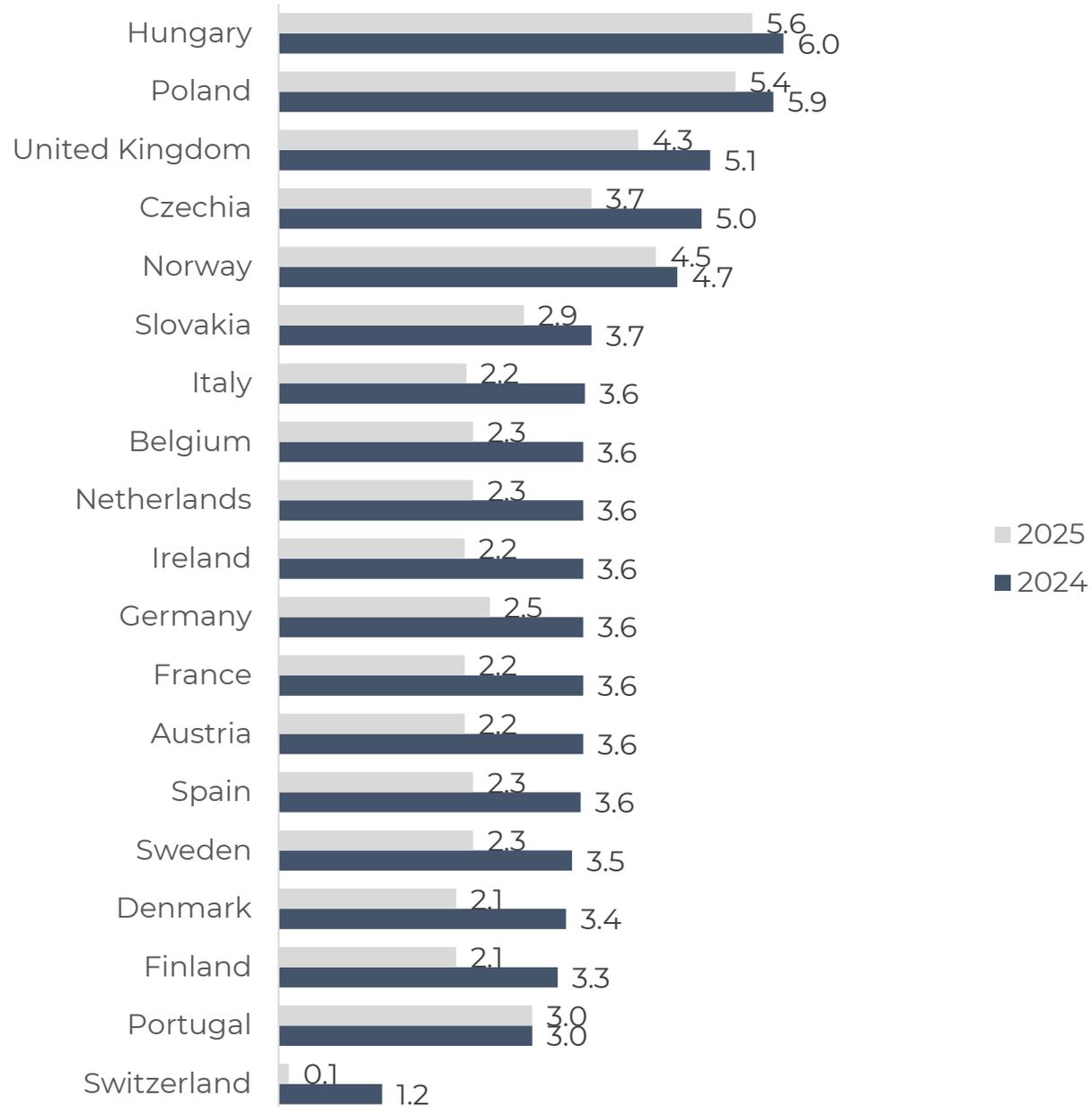
...but anything can happen

GEPU (Global Economic Policy Uncertainty) monthly index



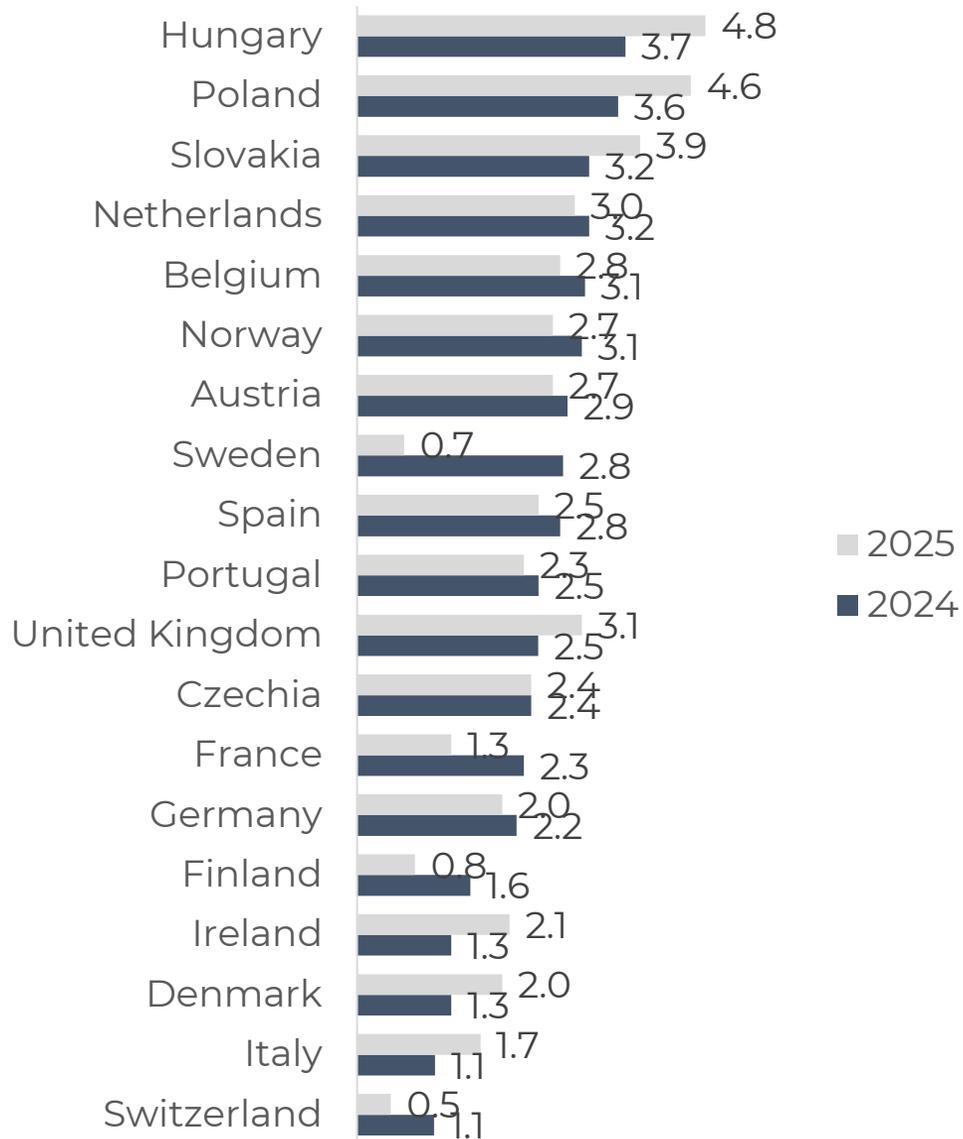
Source: Davis, Steven J

EUROPEAN CONSTRUCTION MARKET

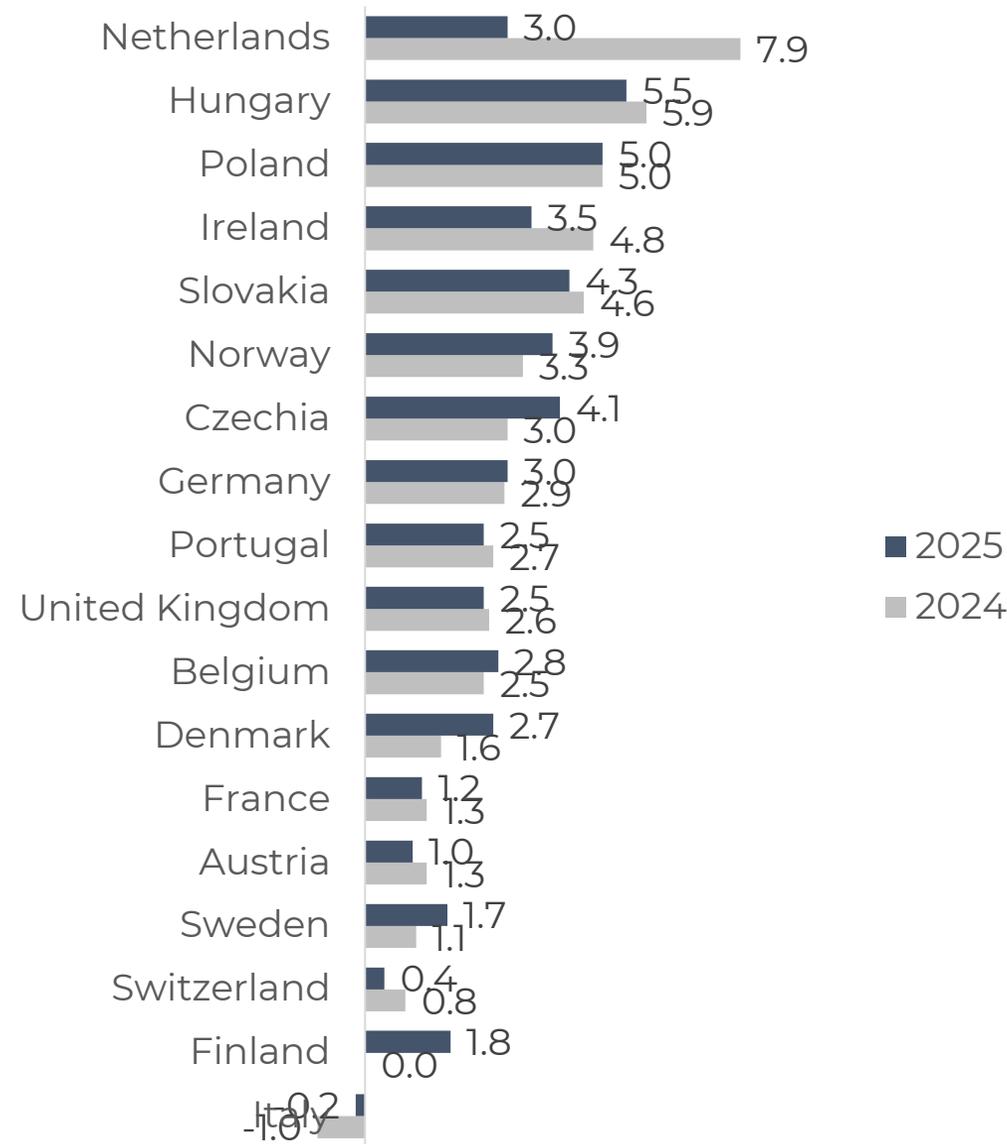


**Factors of influence:
interest rate on
new loans**

Consumer price

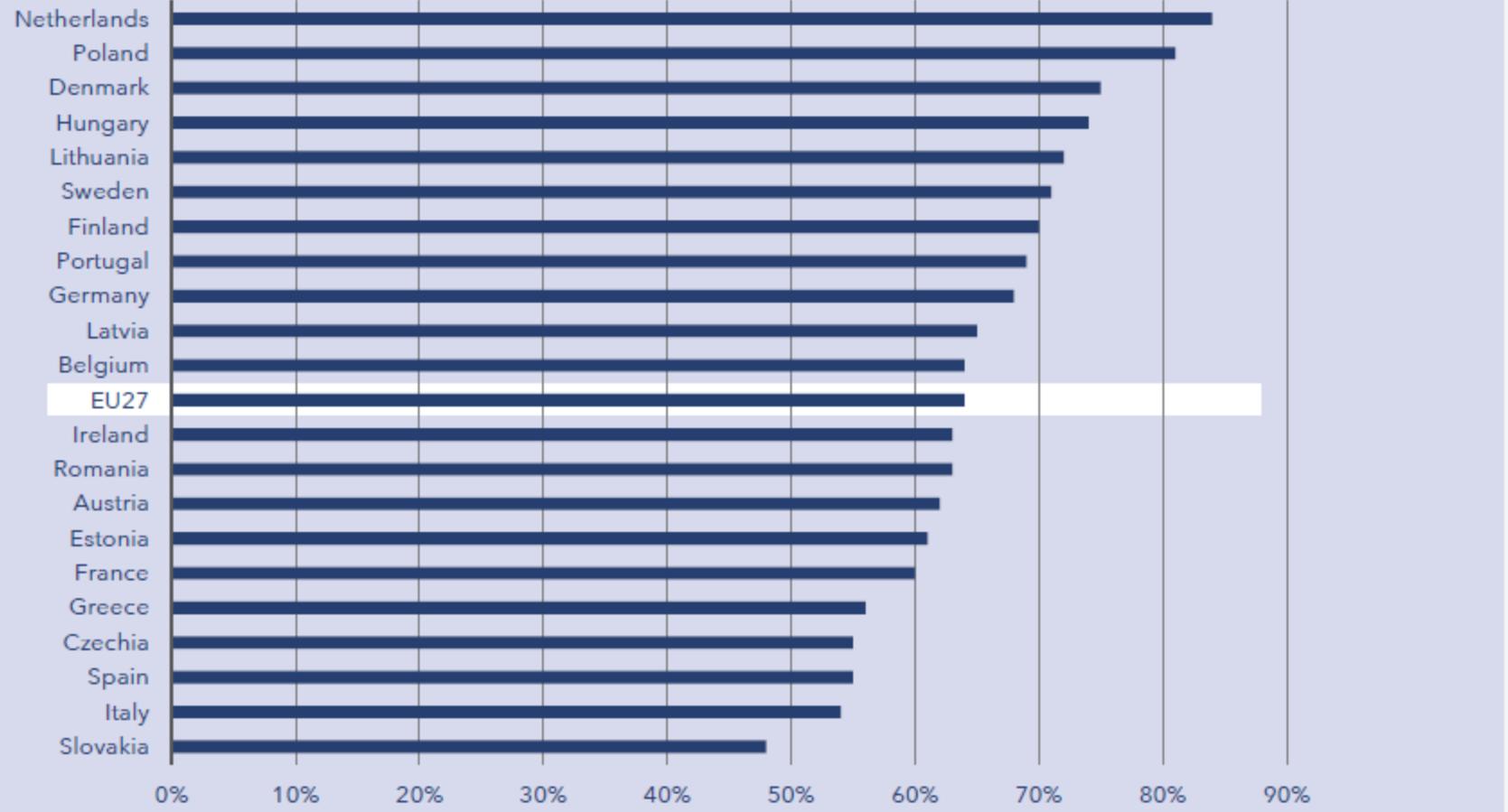


Construction price



Factors of influence: public spending

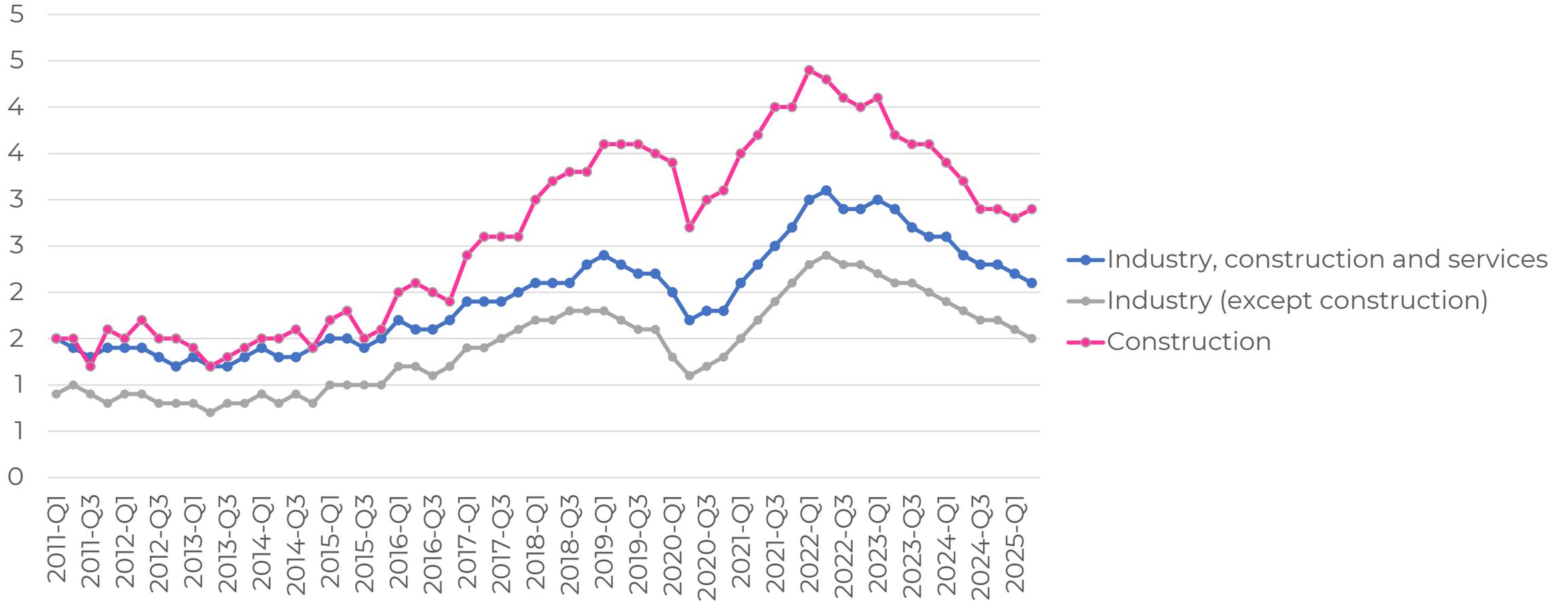
Share of respondents who agree on the statement
“More money should be spent on defence in the EU”



Source: Standard Eurobarometer 102 – Autumn 2024, fieldwork: oct-nov 2024

**Factors of influence:
labour shortage**

Vacancy rates for construction and all sectors in the EU27

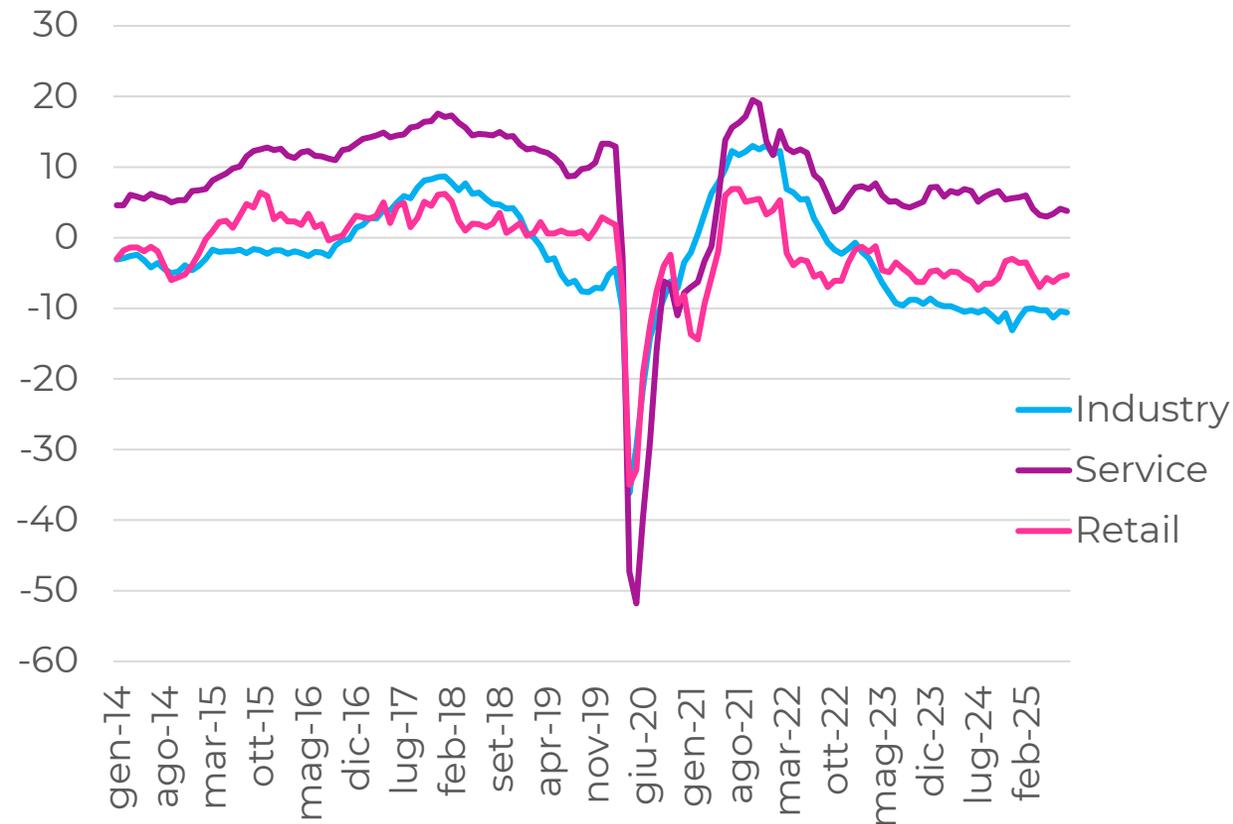


EUROPEAN CONSTRUCTION MARKET

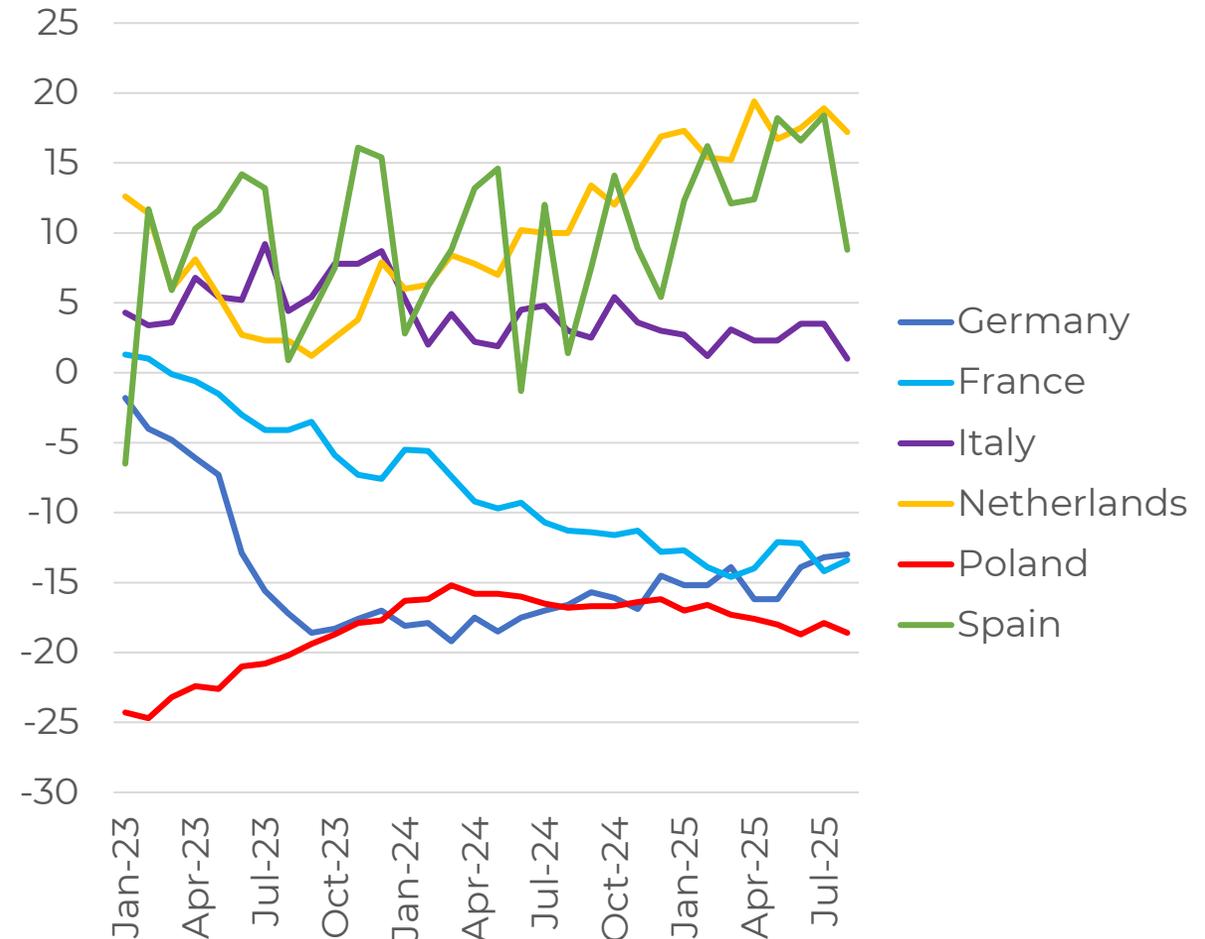
Impact of FOI



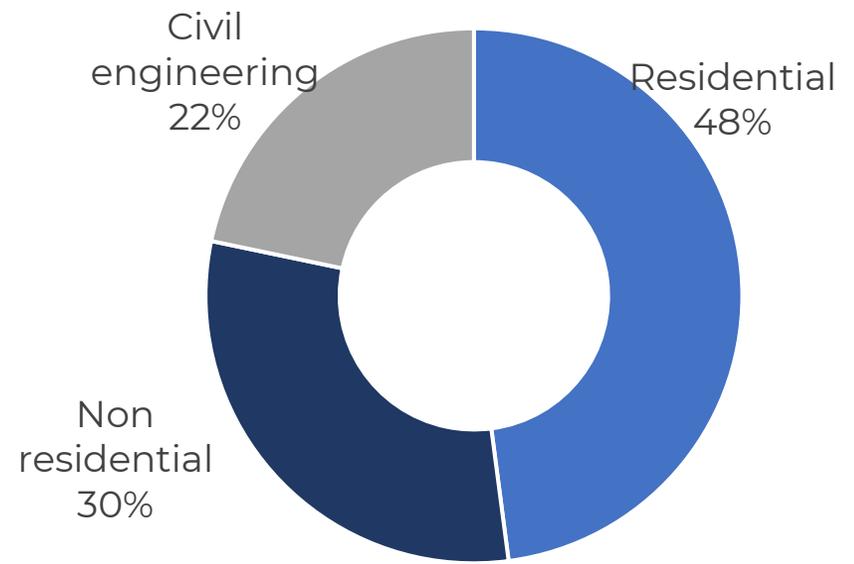
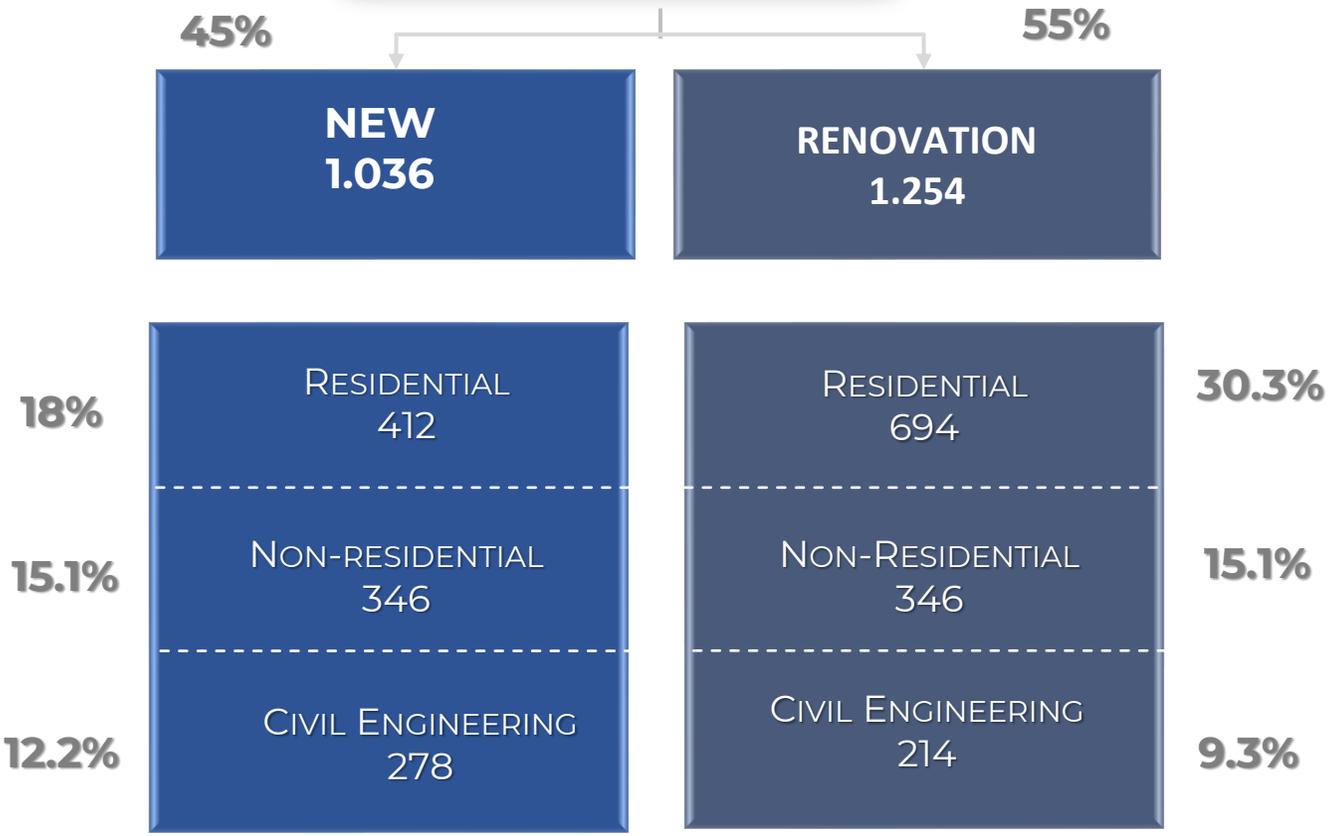
Confidence in **industry**, **service** and **retail** sectors, balance (%), SA



Construction confidence, selected countries



**TOTAL CONSTRUCTION
 OUTPUT 2024
 2.291 BLN €**



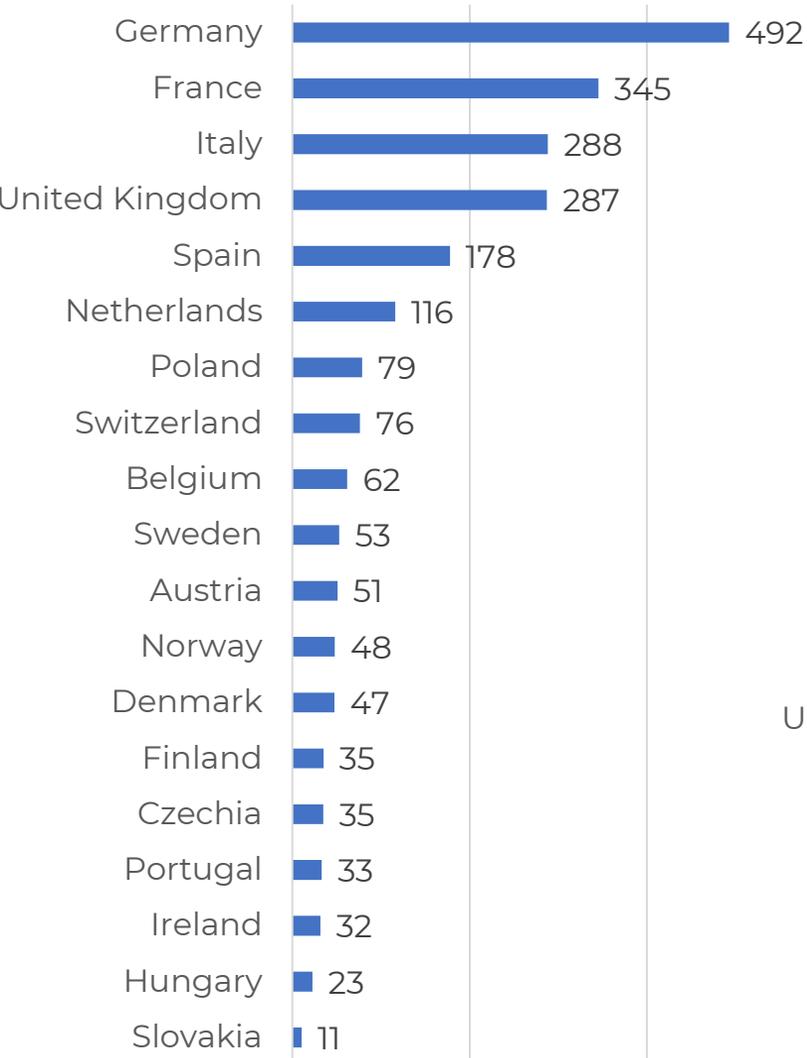


EUROPEAN CONSTRUCTION MARKET

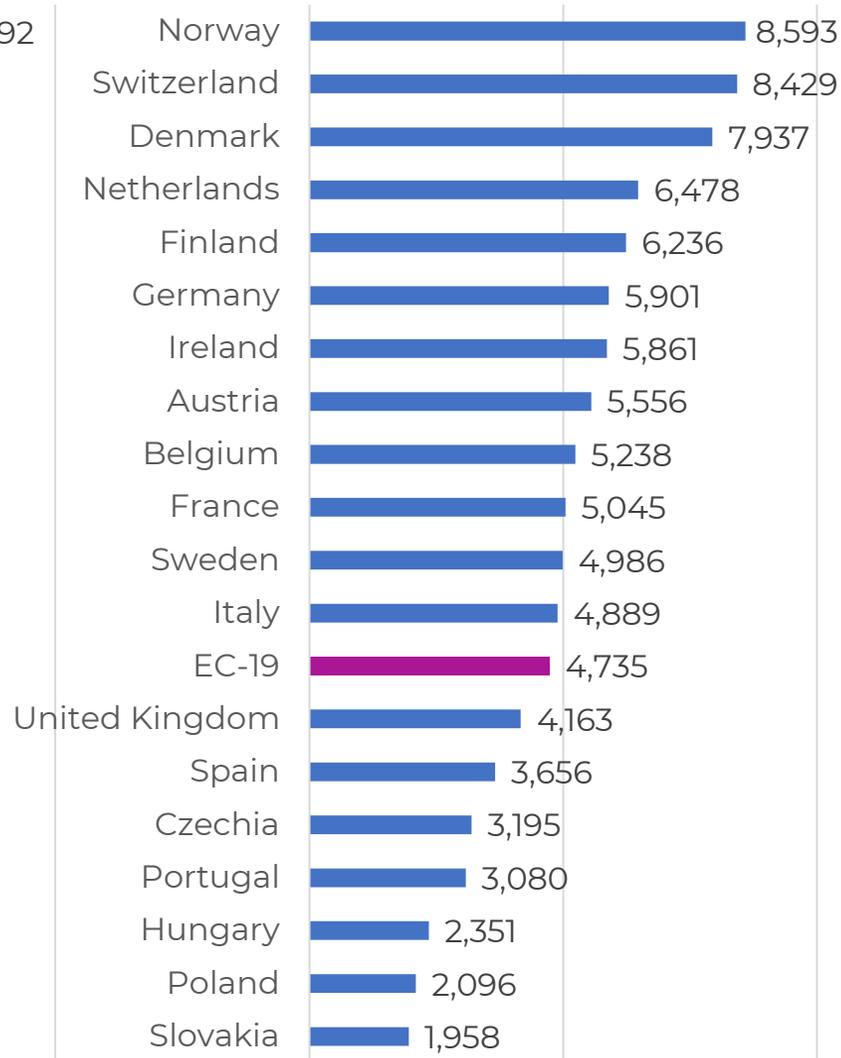
National market size and characteristics - 2024



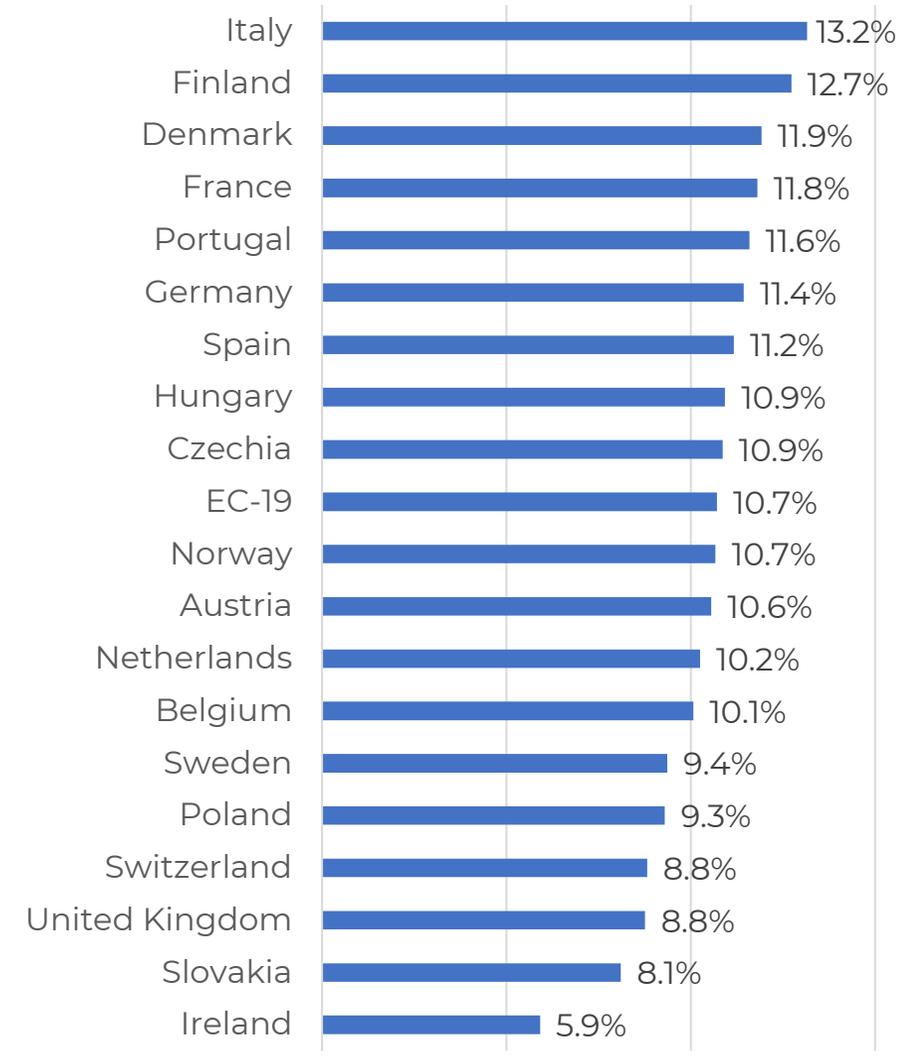
Output, bln euro



Output per capita, euro

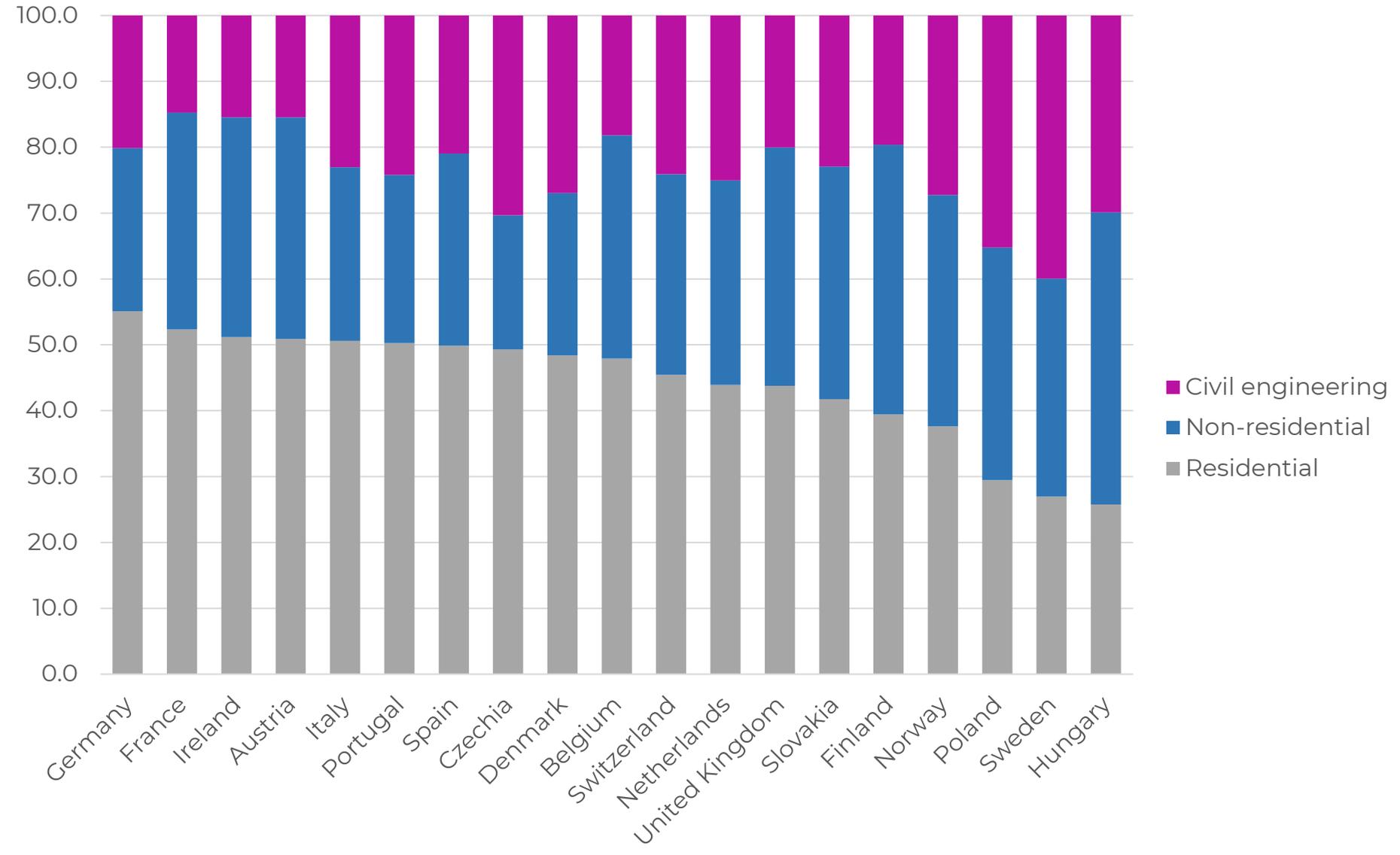


Output per GDP



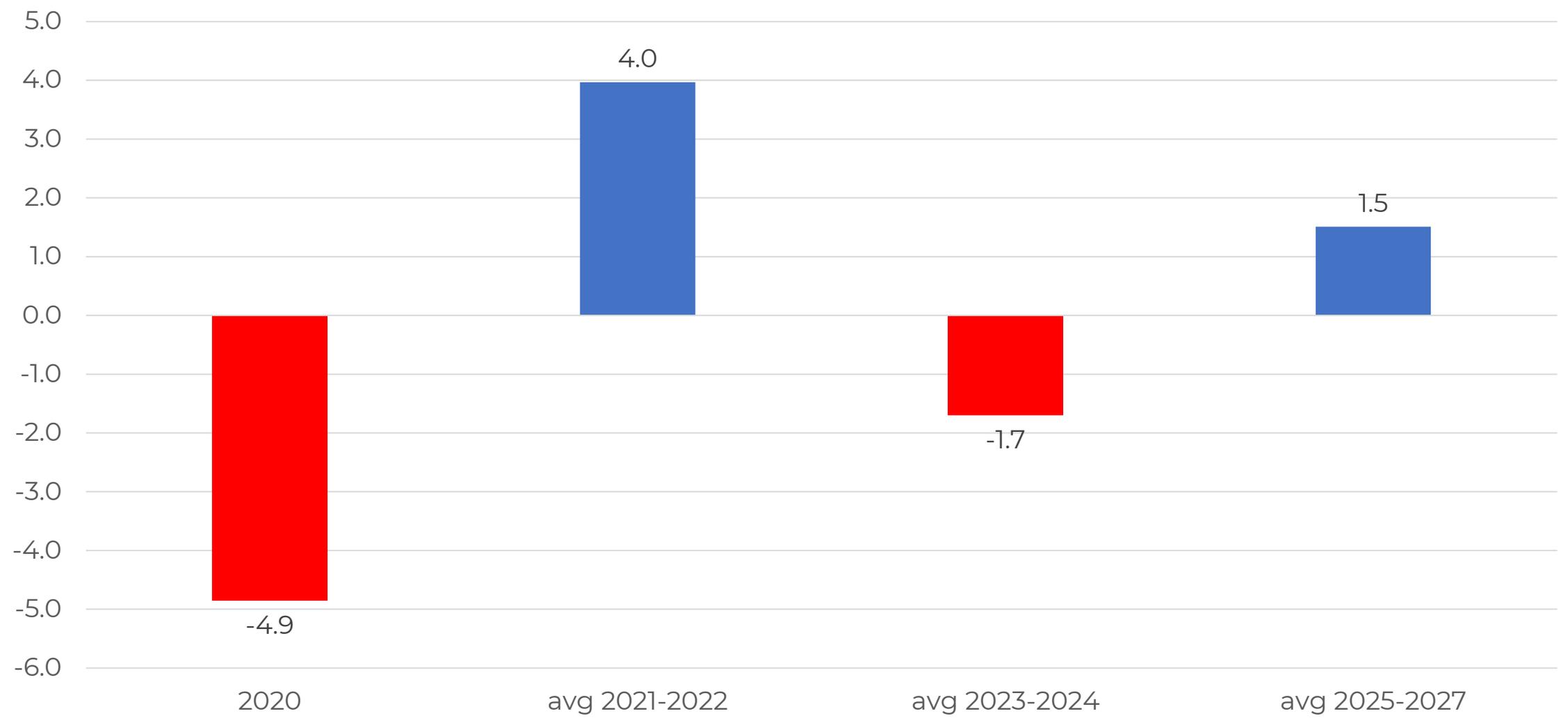
EUROPEAN CONSTRUCTION MARKET

National market composition - 2024



EUROPEAN CONSTRUCTION MARKET

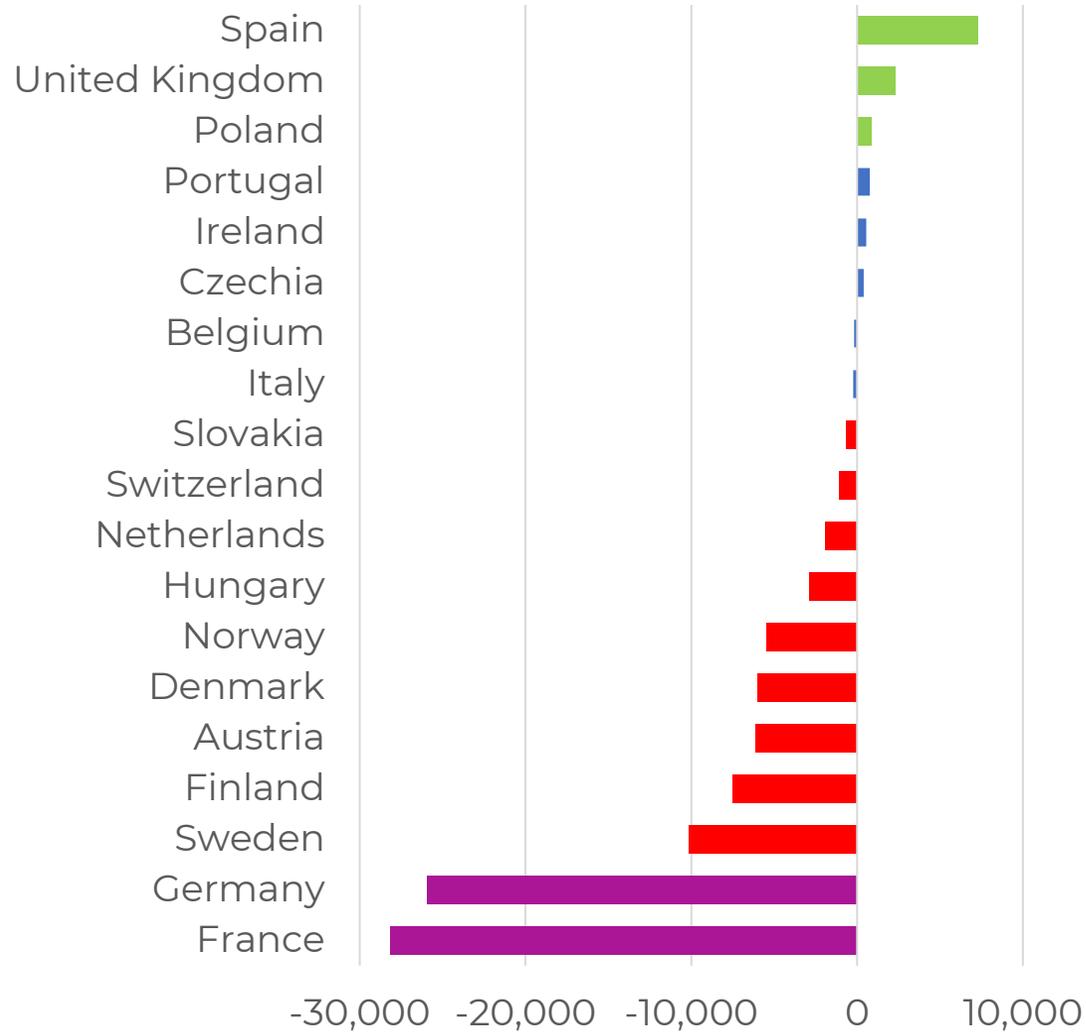
To recap



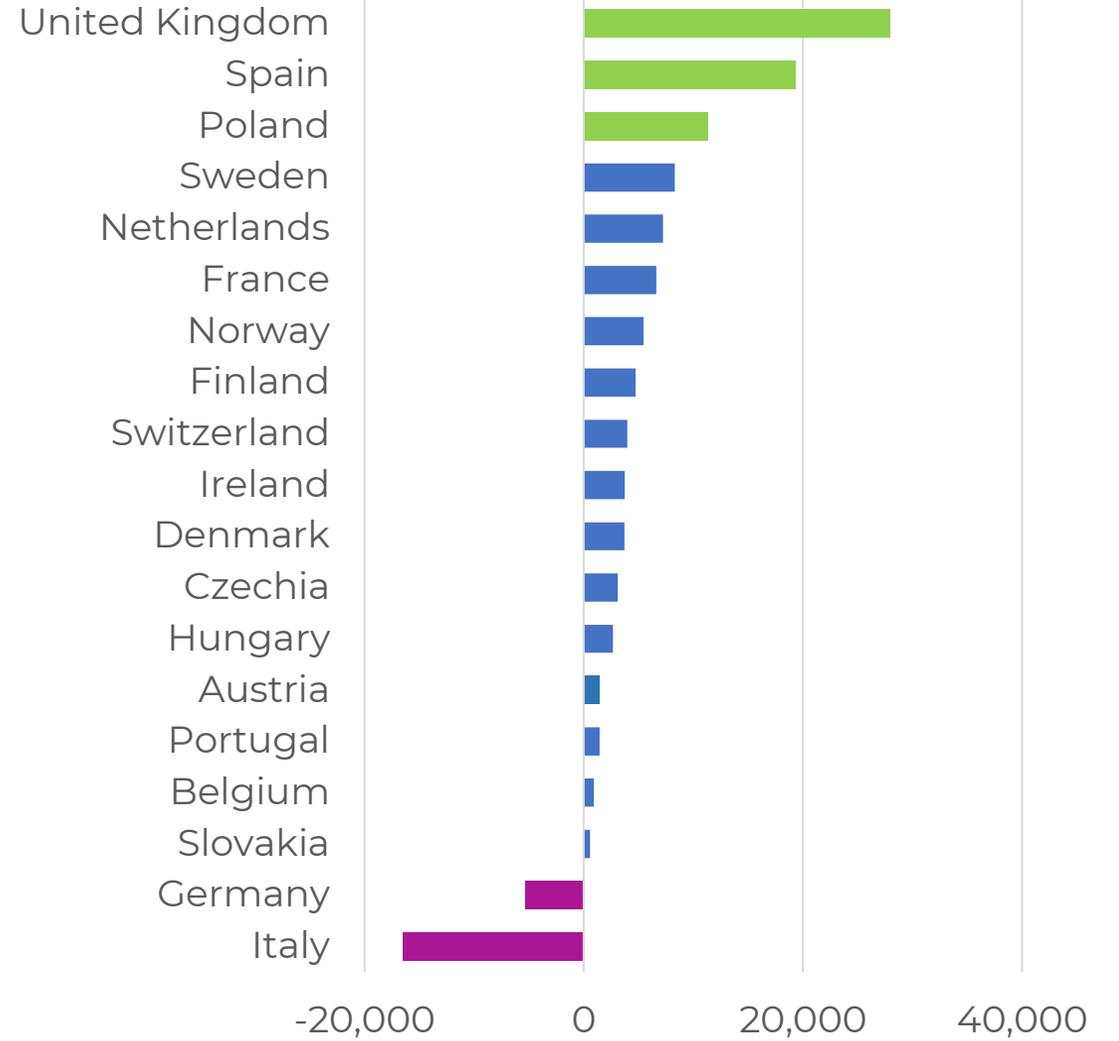
EUROPEAN CONSTRUCTION MARKET

National discrepancies in trend

2024 vs. 2022



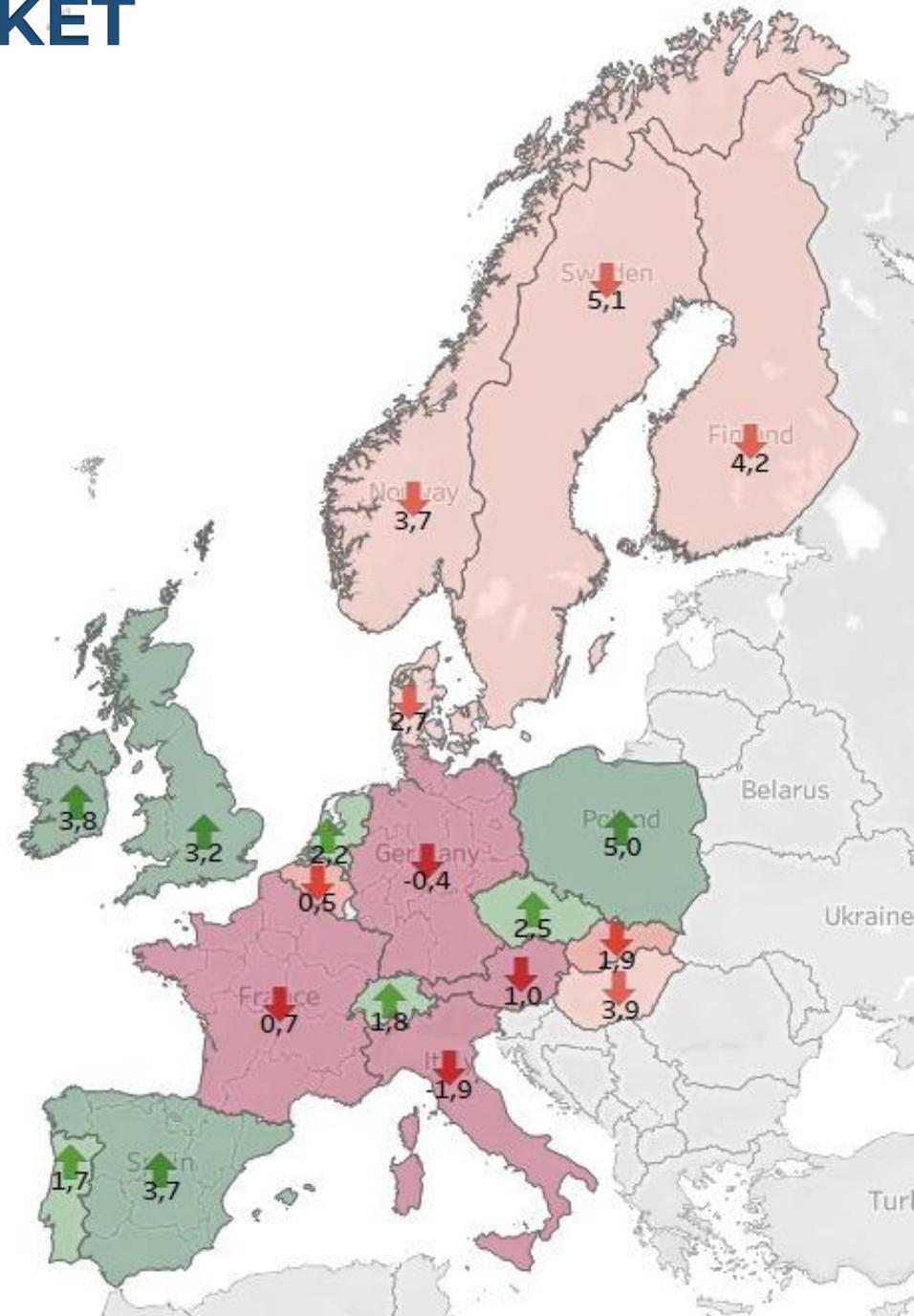
2027 vs. 2024



Country cluster

Construction output growth (total 2025-2027) and gap 2027 vs 2022

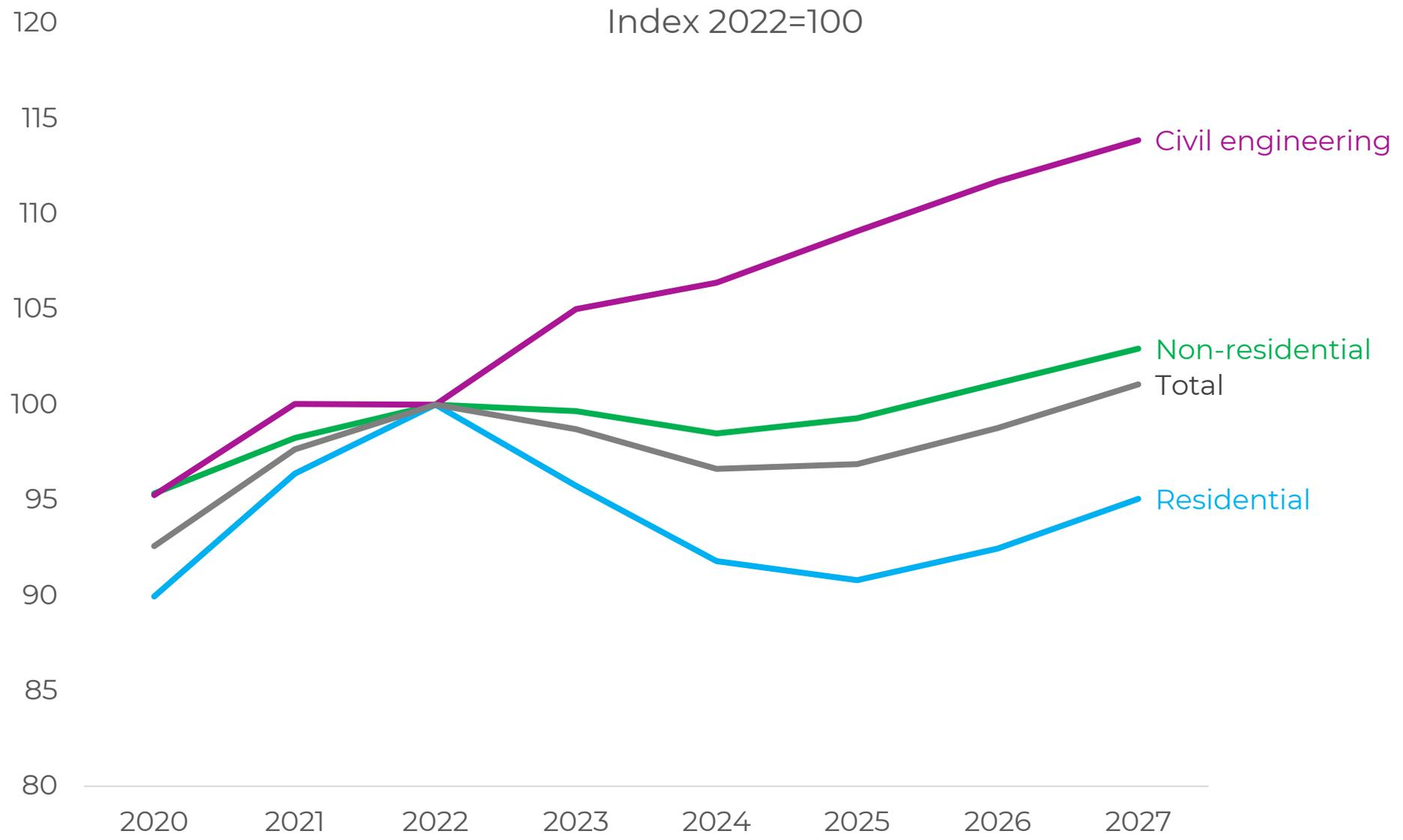
- Ireland, Spain, UK and Poland, fast growing and high level in 2027
- Similarly positive, though slower growth for Czechia, Netherlands, Switzerland and Portugal
- Growing scenario but not sufficient to recover the previous losses for Nordic countries + Hungary
- Stagnating prospects and flat levels in Belgium and Slovakia
- France, Germany, Italy and Austria, declining or flat trend with very low level projected by the end of 2027



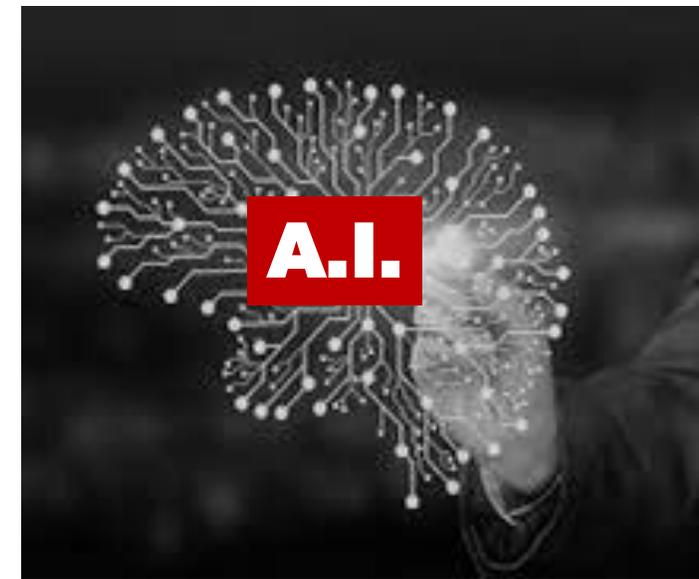
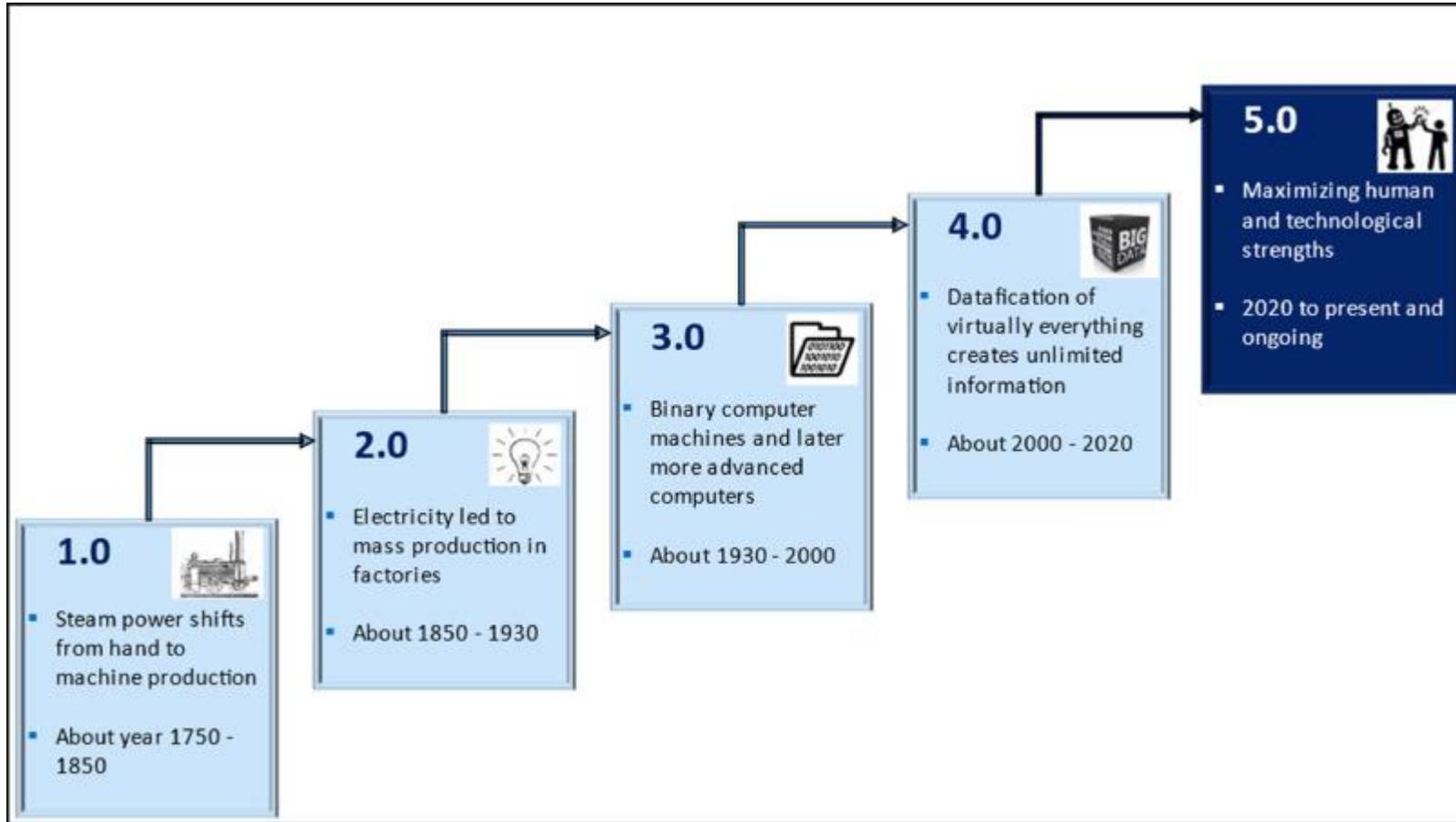


EUROPEAN CONSTRUCTION MARKET

Trend by market segments



DIGITALIZATION



New revolution in production processes and in relationship between supply and demand

St. M. Noble, M. Mende, , D. Grewal , A. Parasuraman

The Fifth Industrial Revolution: How Harmonious Human–Machine Collaboration is Triggering a Retail and Service [R]evolution

« Computers and other digital innovations are doing for our mental strength what the steam engine and its successors did for our muscle power. They are allowing us to overcome previous limitations and taking us into uncharted territory »

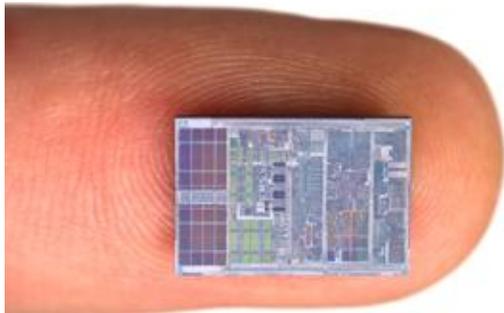
Digit: number, finger



64,000 years ago, 20,000 years before Homo sapiens, the Pasiega, Maltravieso, and Ardales caves were decorated by Neanderthals, featuring depictions of hands, animals, and geometric patterns "Science Advances."

Yesterday

Today





One of the oldest words that has survived the millennia is **mano**, which “has its antecedent in the ancient Akkadian **manù** (to calculate, compute)». And it also recurs in Greek words with meaning related to “to remember“ or “to make sense”: Greek μένοϛ; (spirit, mind), and in Latin mens (mind), in English mean, as well as in West Germanic *mainjan...

Hand: the Anglo-Saxon, English, and Swedish word hand confirms the idea **of the hand as a computational tool:** the word hand appears with a “darkened tone” in English hundred.

It is identified with the Greek penta– kón̄ta (a dual form denoting two hands, “ten”) and with the Greek base ekatón (one hundred).

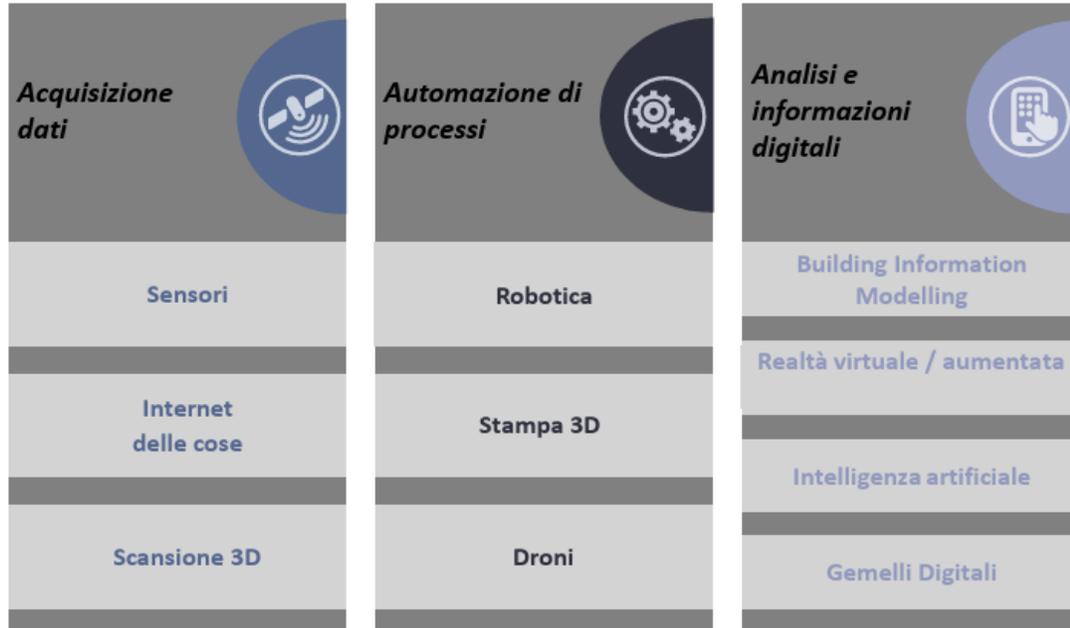
The etymology of hand can be traced through –katón back to the Akkadian qatu, meaning “to represent, compute, measure...”

A history as long as that of humankind

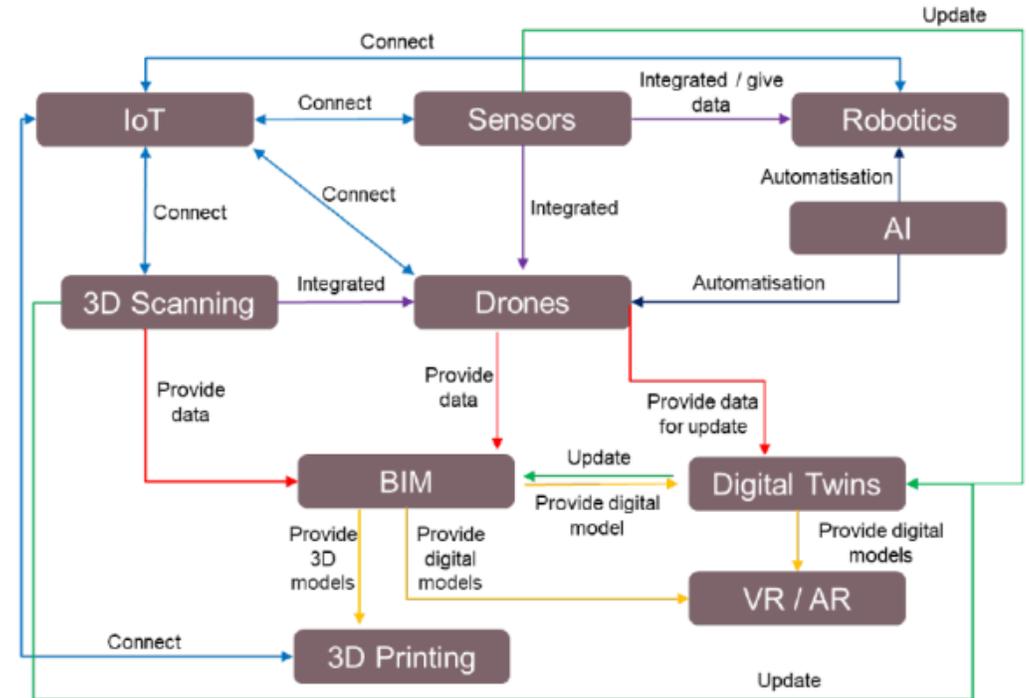
The main obstacles along the road to innovation:

- **The mindset, or the long-term prison**
- **The time lag between innovation and recombinant innovation**

The main categories of digital technologies in the construction sector today

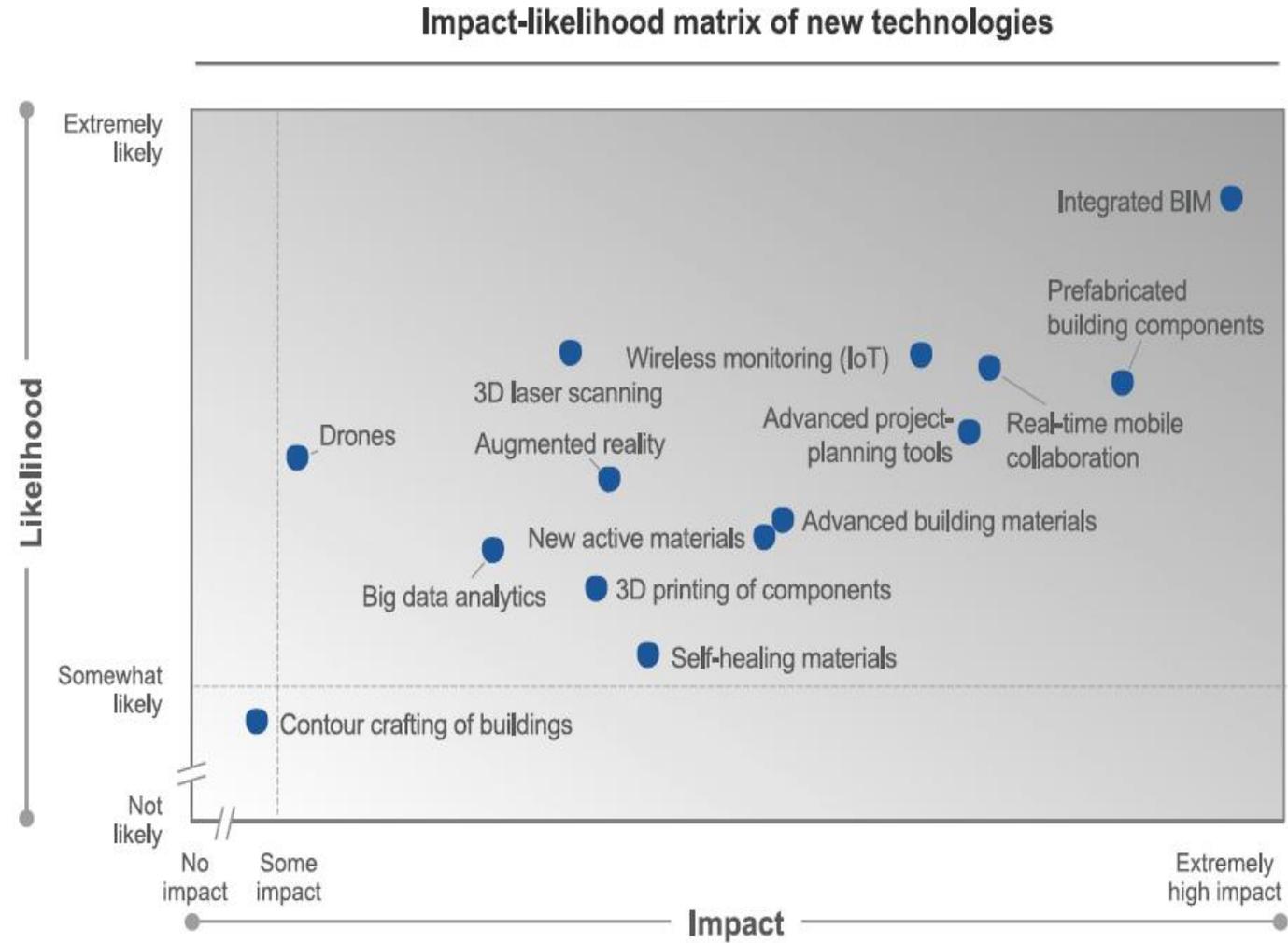


Fonte: elaborazione ECSO (2021) da JRC (2019)



Traceability, transparency and interoperability

Probability and impact of new technologies



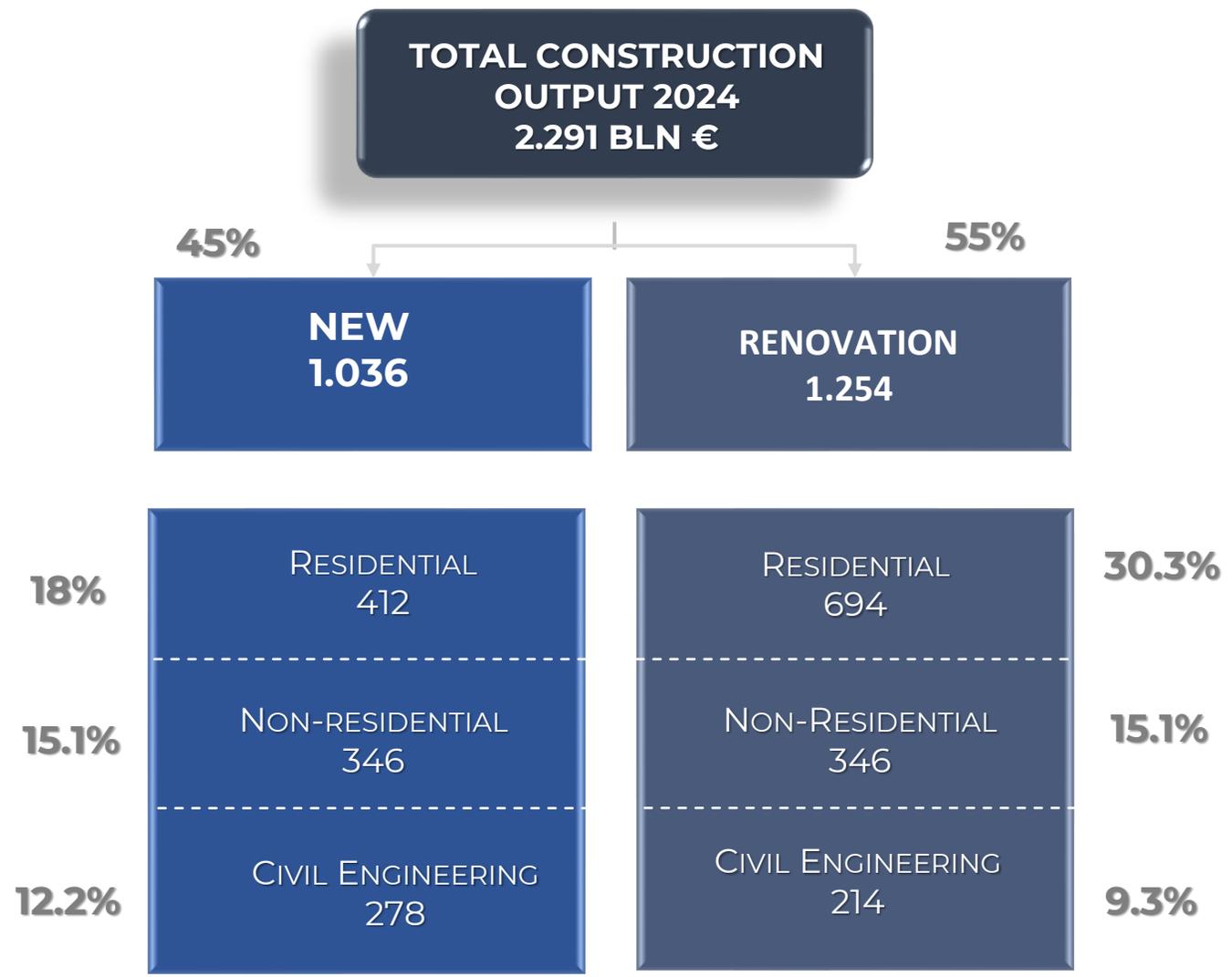
Source: Future of Construction Survey

The costs of errors in construction

International and national studies reports figures of 40%, 30% etc.

While the final cost inevitably varies and product remains complex, targeted intervention is feasible

The cost of errors can reach 30% in new construction



30% of 1.000 billions represents around 300 billions opportunities for better performance

30% of 2.300 billions represents around 690 billion opportunities

a very good target!



**Thank you for your
attention**

Antonella Stemperini
CRESME Ricerche

