

Construction

April 2026



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The global construction industry is at a pivotal juncture. While the market continues to grow, near-term caution persists due to macroeconomic uncertainty and ongoing operational challenges across segments. A similar pattern is evident in Europe, where growth is primarily supported by infrastructure upgrade requirements, alongside increased investment in energy and electrification.

In the U.K., the construction market continues to remain subdued in the near term. Demand across residential and commercial segments is currently weak, compounded by operational constraints including labour shortages, material cost pressures, and protectionist policy measures affecting the broader operating environment. Although interest rates have begun to ease, they remain elevated, with anticipated rate cuts likely to gradually support a recovery in demand.

Looking ahead, government-led infrastructure investment and support for residential new build activity are expected to underpin market recovery. In addition, structural growth in segments such as energy and data centres is likely to drive a more meaningful uplift in construction output from 2027 onwards.

Given the uneven performance across sub-sectors, M&A continues to be a strategic priority for investors seeking exposure to higher-growth areas, including public housing, civil engineering, and infrastructure-related businesses. Additionally, consolidation is enabling companies to enhance operational efficiency and strengthen their negotiating position.

With stronger growth expected from 2027, 2026 is a critical year for market participants to execute growth strategies, particularly through M&A activity.