STARK
UNITED KINGDOM

Q4 2026

THE BUILDING CONFIDENCE INDEX

Ready to build: What the UK's builders and tradespeople need from Government



JEWSON FRAZER MINSTER NORMANS

JEWSON PARTNERSHIP SOLUTIONS JEWSON MAJOR BUILD SOLUTIONS JP CORRY

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WELCOME TO THE BUILDING CONFIDENCE INDEX

Welcome to the first STARK UK Building Confidence Index. Every quarter, we'll ask our trade customers what they expect to see in the months ahead and what support they need to succeed. We'll take what they tell us to Government and the wider industry to help bring about change.

Construction accounts for around 6% of UK economic output, and is key to unlocking growth across the country. Together, we can give the industry a voice that Government can't afford to ignore.

INTRODUCTION FROM JOHN CARTER



Our First Building Confidence Index
The first edition shows the UK's builders and tradespeople are holding their nerve in an extremely challenging market. Almost six out of 10 expect their workload to remain steady or grow over the quieter winter months, with two-thirds expecting their materials purchasing to remain consistent or rise.

The conflict in the Middle East and wider geopolitical instability this year have rippled through the supply chain, with rising energy costs feeding into the price of materials and transport. Materials prices are our customers' biggest challenge, cited by 41%, followed by vehicle fuel (11%). Yet despite the disruption to shipping through the Strait of Hormuz, just 1% said their biggest challenge was availability of materials. As a merchant and materials distributor, we have made it a priority to work closely with our customers, pushing back on price increases where we can and providing transparency around costs.

Let's Get Britain Building NOW!
Through our Let's Get Britain Building NOW! campaign, we are calling on Government to back an urgent programme of pro-building measures, including incentives to help people buy and improve their homes, a faster and simpler planning system, and investment in skills and training. This report shows that these are exactly the measures our customers need to keep building. When we launch this report in Parliament, we'll take that message directly to the politicians and policymakers who can make it happen.

We need more homes, and that means a skilled workforce and a strong pipeline of new talent into the industry. Through our sponsorship of the All Party Parliamentary Group (APPG) for Future Homes, Skills and Innovation, we're proud to help keep skills at the top of the political agenda. Last month we also launched Working at STARK, our new careers platform, showing job seekers at every level the routes into the industry, from apprenticeships to leadership roles.

The Construction Products Association expects construction to return to marginal growth next year, but that won't happen by itself. The UK's builders are ready. Now Government needs to back them.

John Carter
CEO, STARK Building Materials UK

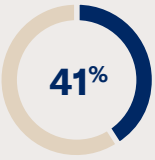
AT A GLANCE

Winter is usually a quieter season for the industry, yet most builders and tradespeople expect to stay busy. Costs are the biggest pressure, housebuilders are hit hardest and the trade has a clear message for Government.

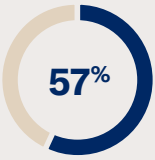
- 59% expect their workload to hold steady or grow over the next three months (43% steady, 16% rise), while 36% expect a fall. 65% expect their materials purchasing to hold steady or rise.
- 41% name materials prices as their biggest challenge, as conflict in the Middle East pushes up energy, fuel and product costs across the economy. However, just 1% name materials availability.
- 57% give a VAT cut on building materials full marks, making it the trade's strongest single ask of Government.
- Housebuilders are the least optimistic, with 41% of firms working primarily in private housebuilding expecting workloads to fall and 10% to rise. Virtually every housebuilder and developer surveyed (97%) rates cutting red tape at 8 or more out of 10.
- Northern Ireland leads the way: it is the only area where more expect a rise than a fall in workload (35% against 10%). In Great Britain, Scotland is the most upbeat, with 72% expecting their workload to hold steady or grow.



Expect their workload to hold steady or grow



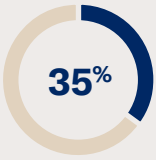
Name materials prices as their biggest challenge



Give a VAT cut on building materials full marks



Of housebuilders and developers rate cutting red tape 8+ out of 10



In Northern Ireland expect their workload to rise (10% to fall)

"Our customers are ready to build. Cut VAT on building materials and retrofit the planning system and help small firms train the next generation and they will deliver the homes and growth this country needs."
- John Carter

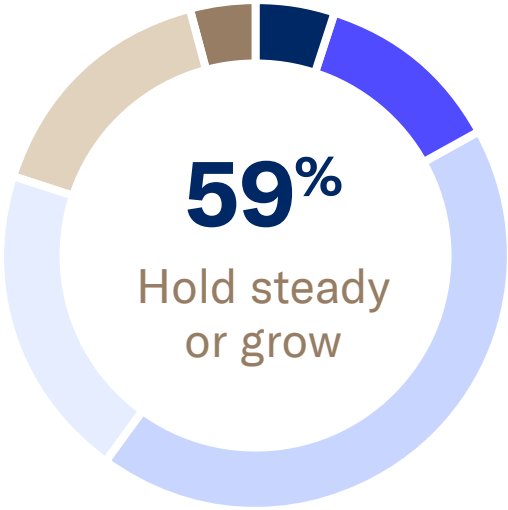
Base: 728 to 731 (all respondents); 60 (housebuilders and developers); 40 (Northern Ireland, fewer than 50 respondents). Building Confidence Index, October 2026.

WORKLOAD EXPECTATIONS

Most builders and tradespeople expect to remain busy this winter
Nearly six out of 10 (59%) trade customers expect their workload to remain consistent or grow over the next three months, while 36% expect a fall.

This reflects the overall resilience of the industry. Winter brings shorter days, bad weather and the Christmas break, so it is usually a quieter period, particularly for outdoor work. The Construction Products Association (CPA) reported that rain held up building work in January and February, before activity picked up between March and June.

Most expect workloads to hold steady or grow this winter
% expecting their workload to change over the next three months.



- Significantly increase 5%
- Moderately increase 12%
- Stay the same 43%
- Moderately decrease 20%
- Significantly decrease 16%
- Don't know 4%

Base: 728. Building Confidence Index, October 2026.

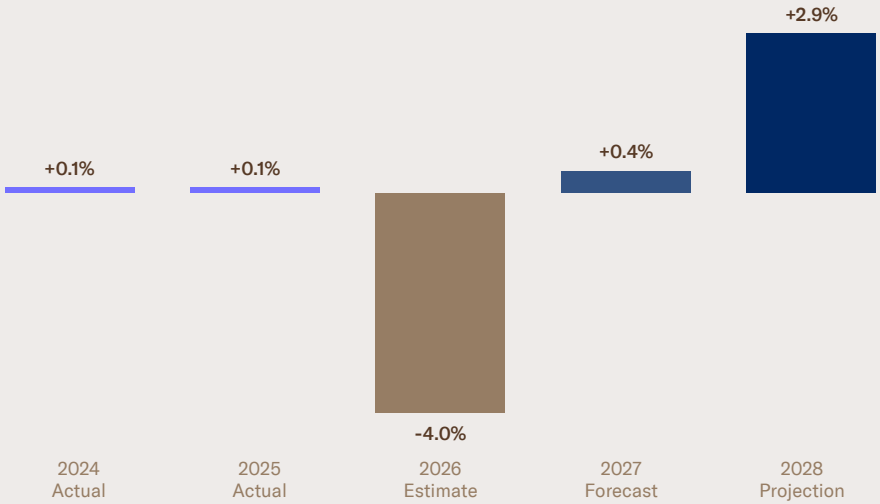
Larger businesses and younger respondents are more upbeat
Optimism rises with business size and falls with age. Just under a quarter (23%) of businesses with four or more people expect their workload to rise, as do a third (33%) of respondents under 35.

Sole traders are the most cautious
Over a third (38%) of sole traders expect their workload to fall, just 10% expect a rise and 45% expect no change. Most work mainly in domestic repair, maintenance and improvement, which depends on household spending. The GfK Consumer Confidence Index fell 11 points to -24 in October, the largest monthly drop since the onset of the pandemic, which has been attributed to cost-of-living pressures and conflict overseas.

Housebuilders face the toughest conditions
Private housebuilding is the least optimistic sector, with 41% of firms expecting a drop in workloads. Higher mortgage rates have hit affordability for buyers and rising build costs are putting site viability at risk in many parts of the country.

The bigger picture
These findings match the wider market. The CPA expects construction output to fall by 4.0% in 2026, before returning to modest growth of 0.4% in 2027 and 2.9% in 2028. There are signs that the downturn may be easing. The S&P Global Construction Purchasing Managers' Index rose to 46.1 in September from 44.3 in August, its strongest reading in eight months, although still below the 50 mark that signals growth.

Construction output is forecast to fall throughout 2026 before recovering
Total construction output, Great Britain, % change on previous year.

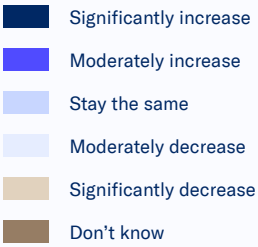


Hatched bars are estimates and forecasts. Source: Construction Products Association, Construction Industry Forecasts, Autumn 2026.

MATERIALS PURCHASING

Materials purchasing is holding up
Two-thirds (65%) of trade customers expect their materials purchasing to remain consistent or rise over the next quarter. More expect a rise (36%) than a drop (31%) and 29% expect no change.

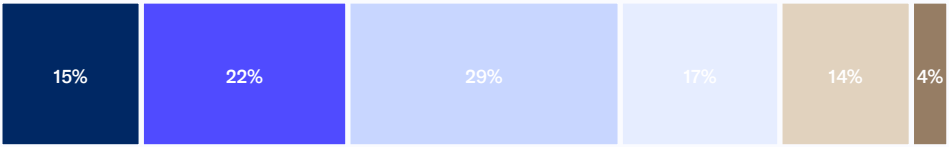
More expect materials purchasing to rise than expect more work
% expecting each to change over the next three months.



Workload



Materials purchasing



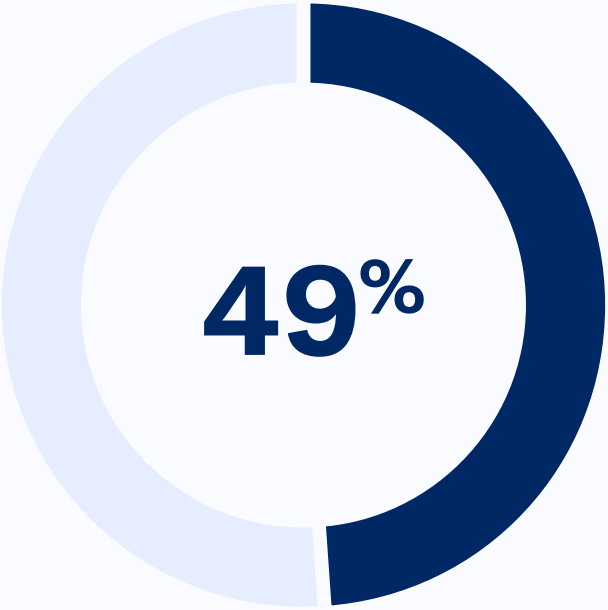
Base: workload 728, materials purchasing 731. Figures may not sum to 100% due to rounding. Building Confidence Index, October 2026.

More expect their materials purchasing to rise (36%) than expect their workload to increase (16%). Rising prices are likely to be part of the reason, with firms spending more as well as, or instead of, buying more. Some may also be buying ahead of further price increases or taking on larger-scale jobs.

Younger respondents and larger businesses are most likely to expect a rise, including nearly half (49%) of under 35s and 40% of businesses with four or more people.

Northern Ireland is the most positive area, with 44% of respondents expecting a rise and just 10% a fall, matched by the North West (44%), followed by Yorkshire (42%) and the South West (42%). Respondents in the Midlands are the most cautious, with 45% anticipating a fall.

Despite disruption to global supply chains, supply has largely held up. Just 1% of respondents name materials availability as their biggest challenge.



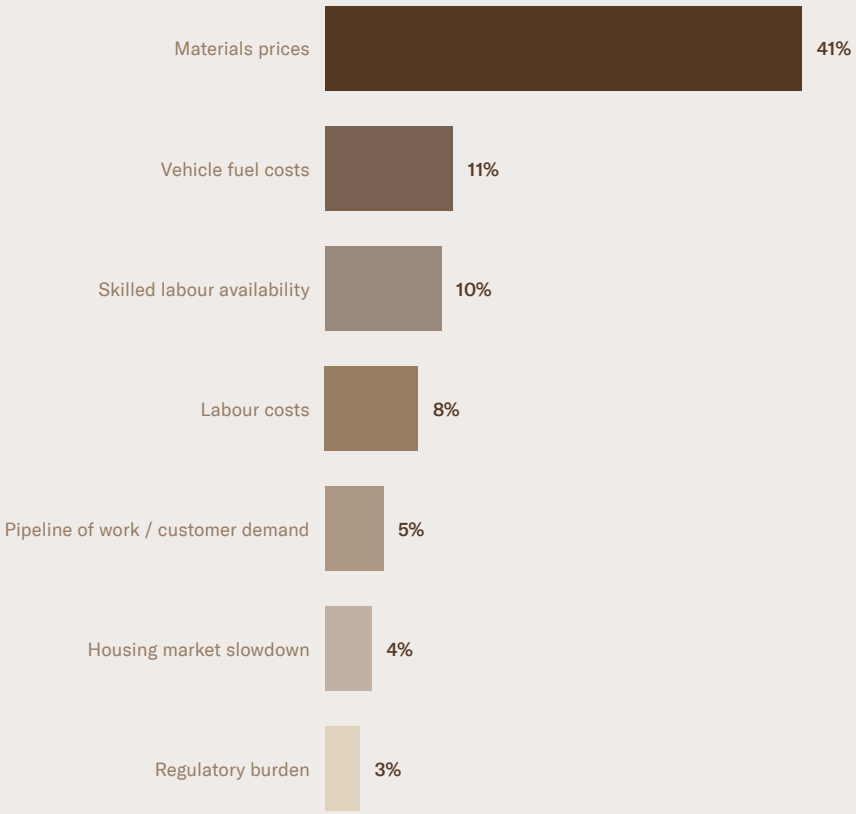
49% of under 35s expect their materials purchasing to increase next quarter

Base: 39 under 35s (fewer than 50 respondents, treat with caution). Building Confidence Index, October 2026.

COSTS AND CAPACITY

Costs and capacity are the biggest pressures on the trade
Six out of 10 respondents say costs of some kind are their biggest concern. Four in 10 respondents (41%) name materials prices as their single biggest challenge, followed by vehicle fuel (11%) and labour costs (8%).

Materials prices are by far the biggest challenge
% naming each as their single biggest challenge (top seven answers).



Base: 728. All other answers 2% or less. Building Confidence Index, October 2026.

This reflects broader economic concerns, with UK inflation rising to 3.5% in September, its highest level in almost a year, driven largely by a 30% annual jump in motor fuel prices. Renewed tensions between the US and Iran pushed Brent crude above $117 a barrel in late October. Higher energy and transport costs feed through to every stage of the supply chain, from manufacturing to delivery. Globally, Currie & Brown estimates that uncertainty has added almost US$2 trillion to construction costs in 2026, increasing project pipeline costs by an average of 12.4%.

Borrowing is also getting more expensive. Concerns over public borrowing drove 30-year gilt yields above 6% in October, their highest level in decades. Lenders have pulled cheaper mortgage deals, putting prospective homebuyers under pressure and leaving many homeowners planning improvements with less to spend.

Smaller firms are feeling these pressures most acutely. Half of sole traders (49%) name materials prices as their biggest challenge. For housebuilders, the Home Builders Federation estimates that new taxes, levies, policy requirements and inflation could be adding up to £76,000 to the cost of building a new home compared with five years ago.

Fuel hits sole traders hardest

% naming vehicle fuel as their biggest challenge.



Skills shortages weigh on the sector

Finding skilled labour is the biggest challenge for one in 10 respondents, rising to over a fifth (22%) in Northern Ireland, 19% in the Midlands and 16% in Scotland. The workforce is also getting older. Two-thirds of respondents are aged 50 or older and just 5% are under 35. As experienced tradespeople and builders leave the industry, bringing in younger workers to replace them is becoming more urgent. Respondents score investment in training and skills at 7.2 out of 10 among the measures that they want to see Government take.

STARK UK is playing its part, having supported more than 500 apprenticeships over the past three years, as well as sponsoring the APPG for Future Homes, Skills and Innovation and launching its new Working at STARK careers platform. But small firms also need Government support. For many sole traders, the cost and administration required to take on a new apprentice is too high.

> **“Tradespeople of my age and experience should be passing on our skills, however, with the cost, regulations and hassle of taking on an apprentice it is not an option.”**
> **General builder, Midlands**

Building Confidence Index, October 2026.

THE REGIONAL OUTLOOK

In eight of the 10 areas, a majority of respondents expect their workload to hold steady or grow over the next quarter. Northern Ireland stands out as the only area where more expect a rise than a fall and 88% expect workloads to remain consistent or grow.

Where confidence is strongest

- Northern Ireland – 35% of respondents expect their workload to rise and 44% expect their materials purchasing to increase. More than a fifth (22%) name skilled labour shortages as their biggest challenge, the highest of any area.
- Scotland – 72% expect workloads to hold steady or grow and just a quarter anticipate a fall.
- South West – two-thirds (66%) expect their workload to remain consistent or grow and three-quarters (75%) expect their materials purchasing to hold steady or rise.

Where the trade is more cautious

- North West – half (49%) expect a fall, the highest of any area, although 44% expect their materials purchasing to rise.
- London and the South East – 43% anticipate a fall, but just over half (52%) still expect their workload to remain consistent or grow. Concerns about demand and the housing market are highest here (15%).
- The Midlands and East of England – 44% and 42% respectively expect a drop. The Midlands has the highest share in Great Britain naming skilled labour as its biggest challenge (19%).

Area	Rise in workload	Fall in workload
North West	15%	49%
Midlands	13%	44%
London and the South East	16%	43%
East of England	13%	42%
Wales	13%	38%
Yorkshire	11%	36%
South West	16%	29%
North East	24%	29%
Scotland	17%	25%
Northern Ireland	35%	10%
All respondents	**16%**	**36%**
Total number of respondents is 729		

Northern Ireland is the only area where more expect a rise than a fall

% expecting their workload to rise and to fall over the next three months.

More expect a fall — Balanced — More expect a rise

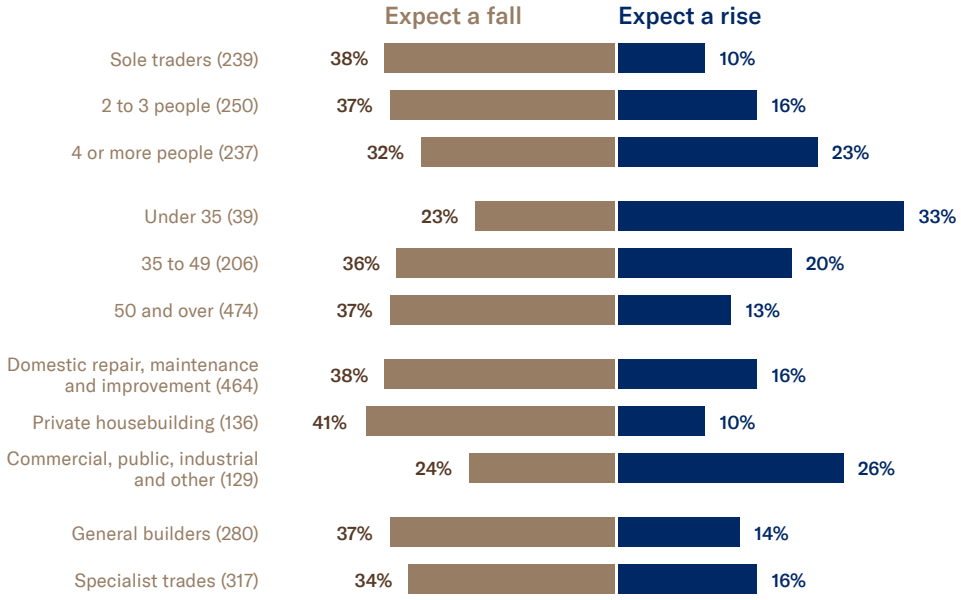


*Fewer than 50 respondents, treat with caution. Labels show approximate locations of STARK UK regional groupings.
Outline: Natural Earth (public domain). Building Confidence Index, October 2026.

CONFIDENCE LEVELS ACROSS THE TRADE

Confidence is strongest among larger businesses, younger respondents and those working mainly in commercial, public and industrial sectors. Sole traders and those working in housebuilding are the least upbeat.

Confidence is strongest among larger firms and younger respondents
% expecting their workload to rise or fall, by business size, age, sector and trade. Respondents in brackets.



> **"Planning delays are my biggest personal issue. The local authority planning teams are underfunded, understaffed and under extreme pressure. Whilst the delays frustrate me I also have some sympathy for planning teams."**
> **Housebuilder, North West**

All respondents: 16% rise, 36% fall. Under 35s: fewer than 50 respondents, treat with caution. Building Confidence Index, October 2026.

- Bigger firms are more confident – 23% of firms with four or more people expect more work, more than twice the share of sole traders (10%).
- Growth beyond housing – commercial, public and industrial firms are the only sector where more expect a rise (26%) than a fall (24%), in line with the CPA's forecasts for public, non-housing work to grow by 4.3% in 2027.
- Most trades are holding steady – 62% of specialist trades and 58% of general builders expect their workload to hold steady or grow.

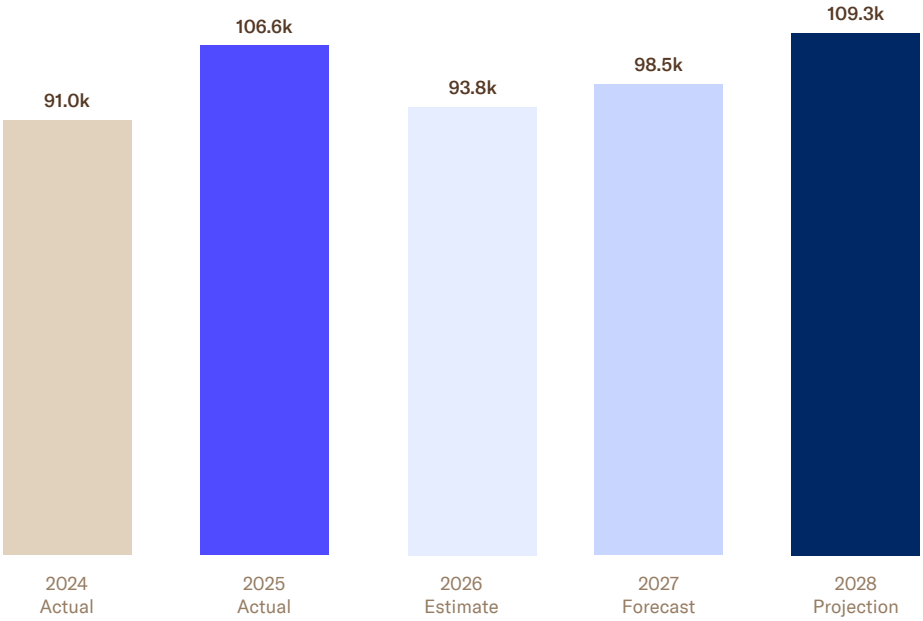
Spotlight: Housebuilders hit hardest

Housebuilding is under more pressure than any other part of the trade. Among respondents who describe their trade as house builders and developers, almost half (47%) expect a fall and the same share (47%) expect their materials purchasing to fall. One in six (16%) name regulation as their biggest challenge, compared with just 3% of the trade overall.

The CPA expects private housing output to fall by 10% this year, as higher mortgage rates and new costs such as the Building Safety Levy and the forthcoming Future Homes Standard, hit viability. However, it forecasts housing starts to recover by 5% in 2027 and 11% in 2028. A faster planning system and lower regulatory costs on new homes would help smaller builders lead that recovery.

New private housing starts are forecast to recover

Private housing starts, Great Britain.



Great Britain. Source: MHCLG, Construction Products Association, Construction Industry Forecasts, Autumn 2026.

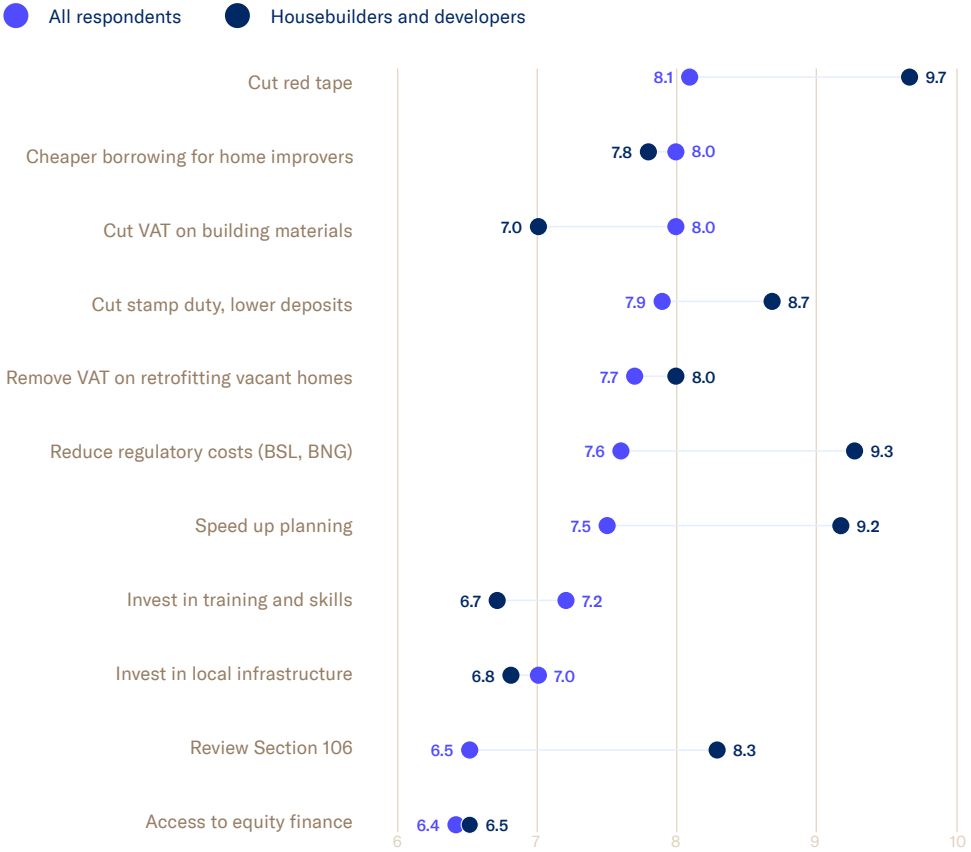
WHAT THE TRADE NEEDS FROM GOVERNMENT

Five things Government should do now

The trade is clear about what would help. Asked to score a range of Government measures out of 10, respondents put cutting red tape (8.1), cheaper borrowing for homeowners who improve their homes (8.0) and a VAT cut on building materials (8.0) at the top. More than half (57%) give a VAT cut full marks, and around six in 10 score each of them at 9 or 10.

Housebuilders put red tape and planning far ahead of everything else

Average importance of each Government measure, out of 10 (ordered by all respondents).



Base: all respondents 652 to 725 per measure; housebuilders and developers 58 to 63.
BSL = Building Safety Levy, BNG = Biodiversity Net Gain. Building Confidence Index, October 2026.

Our recommendations

1. Cut VAT on building materials and home improvement work. This is the trade's strongest single ask, with 57% scoring it 10 out of 10. It would immediately cut costs for builders and their customers.
2. Help homeowners and prospective buyers spend. Cheaper borrowing for homeowners who improve their homes (8.0) and stamp duty relief (7.9) would release the repair, maintenance and improvement work that six in 10 respondents rely on.
3. Fix planning for small sites. Invest in local planning departments and hold councils to decision deadlines so small housebuilders don't have to wait years for a decision. Clearer, rules-based policies would also give small builders more certainty that a scheme meeting the rules will be approved. Housebuilders and developers score faster planning at 9.2 out of 10.
4. Stop piling additional costs onto every new home. Review the combined impact of the Building Safety Levy, Biodiversity Net Gain and other levies. Housebuilders and developers score reducing these costs at 9.3 out of 10 and cutting red tape at 9.7.
5. Make it easier to train the next generation. Give small firms and sole traders practical support to take on and retain apprentices, so experienced tradespeople can pass on their skills.

Let's Get Britain Building NOW!

The findings back the three policy asks at the heart of STARK Building Materials UK Ltd's Let's Get Britain Building NOW! campaign:

1. Financial incentives for people to buy or improve their homes
2. A simpler, faster and cheaper planning system
3. Incentives for careers in building and construction trades, with greater investment in training to bring in new talent

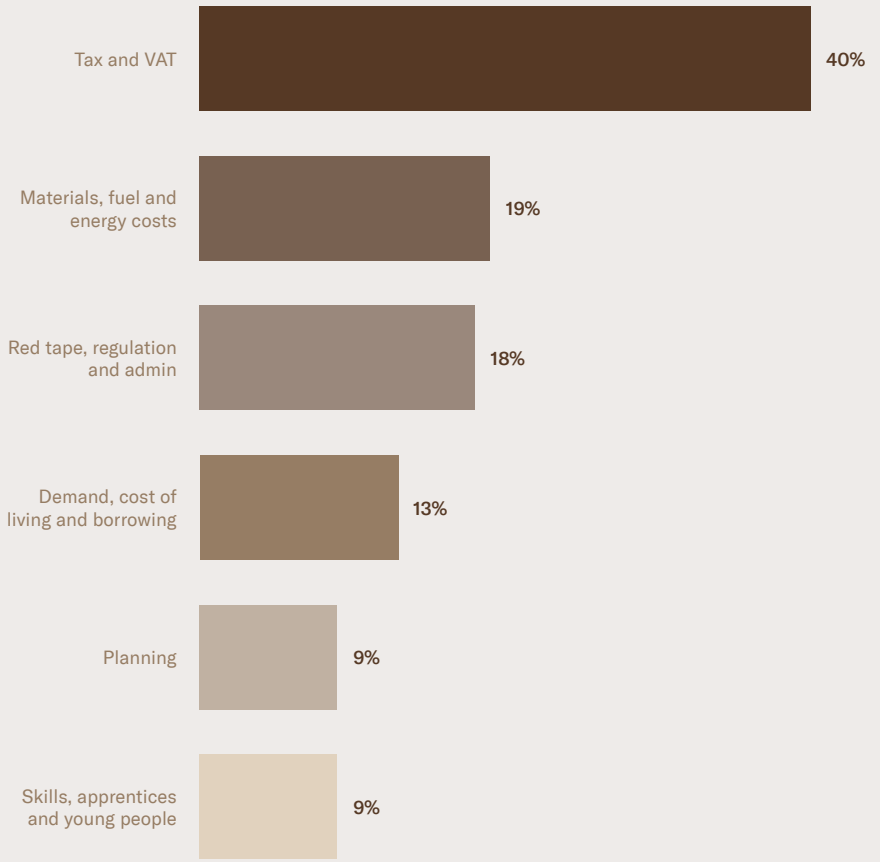
The UK's builders and tradespeople have set out what they need. Government now needs to act.

IN THEIR OWN WORDS AND IN CONCLUSION

We asked respondents what would help improve the pipeline and delivery of construction work. Tax, and VAT in particular, came up most often (in 40% of answers), followed by costs (19%) and red tape (18%). Many offered practical solutions.

Tax and VAT dominate the trade's suggestions

% of open answers mentioning each theme (answers can mention more than one).



Base: 234 substantive answers to "Is there anything else you think could help to improve your pipeline and delivery of construction work?" Building Confidence Index, October 2026.

“These incremental increases are making a lot of jobs not financially viable for the customer.”
Carpenter and joiner, South West

“Make customers feel like they can spend again. Two-thirds of my customers are wealthy retirees, the only ones with disposable income.”
Landscaper, London and the South East

“We spend more time ticking boxes than we do on the day to day running of the business….Just let us do what we do best which is build.”
Main contractor, London and the South East

“For small firms like ours, a steady flow of work, getting paid on time and lower VAT on construction work would make a big difference.”
General builder, London and the South East

“Government to pay contractors to take on apprentices for 3 years.”
General builder, Northern Ireland

Conclusion
The first Building Confidence Index shows that whilst the UK’s builders and tradespeople are under pressure, they are far from defeated.

Despite cost pressures and a difficult market, most builders and tradespeople expect to stay busy this winter, with bigger businesses and younger respondents the most optimistic.

Housebuilders are under the most pressure, held back by planning delays, rising regulatory costs and higher mortgage rates. They build the homes this nation needs and many of them can’t afford to wait.

Construction is forecast to return to growth in 2027, but the strength of that recovery depends on what Government does now. Cutting VAT on building materials and retrofit, giving homeowners and buyers the confidence to spend, fixing planning and backing the next generation of tradespeople and builders would go a long way. The trade has done its part. Now it’s Government’s turn to act.

ABOUT STARK UK AND METHODOLOGY

STARK Building Materials UK
STARK Building Materials UK Ltd is one of the UK's leading builders' merchant groups, with more than 500 branches, hubs and distribution centres. Part of the Denmark-based STARK Group, it was formed in 2023 when STARK Group acquired Saint-Gobain's UK distribution businesses, including Jewson.

Jewson
Founded in 1836, Jewson is one of the UK's best-known builders' merchants and is proud to partner the trades. It offers small and medium builders everything they need for the job, from a broad and deep product range, so they can build more sustainably, more profitably and with less hassle.

JP Corry
JP Corry is one of Northern Ireland's leading suppliers of building materials and timber products, serving trade customers across the province.

Normans
Normans supplies building materials, agricultural equipment and auto marine products to the building industry and related sectors throughout the island of Jersey.

Jewson Partnership Solutions
Jewson Partnership Solutions is STARK UK's public sector specialist. It supports registered providers of social housing, repairs and maintenance contractors, and organisations operating in the public sector.

Frazer
Frazer is a leading provider of specialist civils, infrastructure and utilities products and solutions.

Minster
Minster is STARK UK's specialist distributor of insulation, dry lining, fire protection, facade, roofing and ceiling solutions.

Major Build Solutions
Major Build Solutions provides tailored product and service support for large-scale building projects. Through volume supply and project-specific solutions, it helps major housebuilders deliver efficiently and consistently.

Methodology

The Building Confidence Index is a quarterly survey of trade customers of STARK Building Materials UK's brand between 6 and 22 October 2026.

773 people started the survey and 41 left after the first question. The results are based on the 732 who went on to answer the main questions. The number answering varies slightly from question to question, and percentages are based on those answering each one.

The report looks at house builders in two ways. Private house building as a sector covers the 136 respondents whose work is mainly in private house building, whatever their trade. House builders and developers is a trade group and covers the 68 respondents who describe their trade that way. The two groups overlap but are not the same, so their figures differ.

The North West, Yorkshire, Northern Ireland, the North East and Wales have fewer than 50 respondents, as do under 35s. Five STARK UK regions cross official boundaries: Scotland East, Tyne & Wear is counted in Scotland; Kent & Essex and the Northern Home Counties are counted in London and the South East; Dorset & Hampshire is counted in London and the South East; Yorkshire & Lincolnshire is counted in Yorkshire.

Sources

- Construction Products Association: Construction Industry Forecasts 2026-2028, Autumn 2026
- House of Commons Library, Industries in the UK (CBP-8353), using ONS data, 2022
- GfK Consumer Confidence Barometer, October 2026
- Office for National Statistics, Consumer price inflation, September 2026
- S&P Global Construction PMI, September 2026
- Currie & Brown, Construction Certainty Index 2026
- Home Builders Federation, The Viability Crunch 2026

NOTES

