

2025

# The State of Construction

The questions your organization needs to answer



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Construction is in a moment of flux. While demand continues to rise, challenges around supply chain and labor continue to keep construction firms on their heels as they struggle to keep pace. At the same time, the need to get more out of technology tools remains top of mind – especially as AI is becoming more widely used throughout the industry.

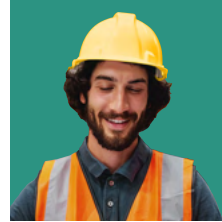
Our own research found a number of challenges that are top of mind for construction leaders as we enter 2025. Top obstacles to project delivery include supply chain disruptions, budget constraints, and labor shortages & skills gaps in the workforce.

But can technology help solve some of these challenges? And what approaches do construction leaders need to take to solving the biggest issues in the industry?

These are the questions that will drive the construction industry in 2025 – and how you can think about answering them.

## Methodology

Quickbase surveyed 411 construction leaders in the US and United Kingdom in October 2024, from Directors up to C-Level executives including CEOs. This survey explored their biggest challenges in the workforce related to labor concerns, the skills gap, budget and project issues, and more. Respondents were decisionmakers at various levels of construction organizations.



# Industry pressures

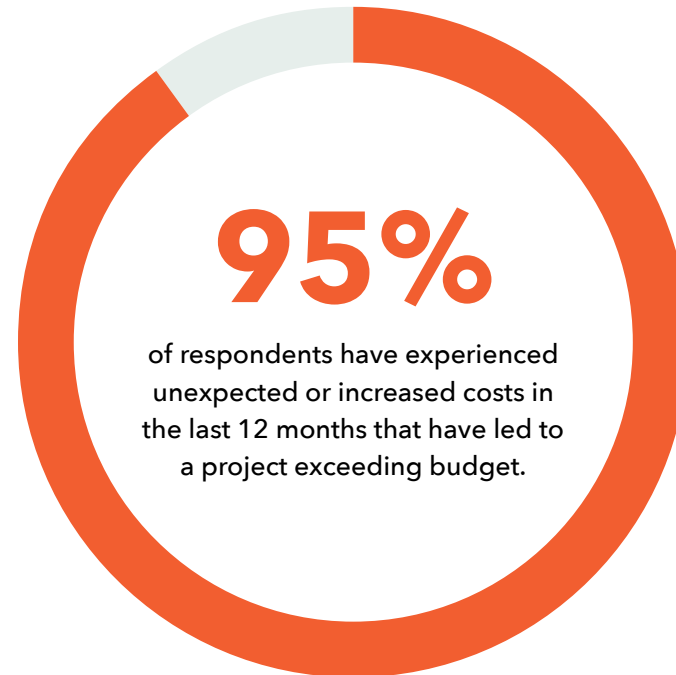
Financial challenges and project management concerns



Staying on budget is always a top concern, but the challenges are more acute as we go into 2025. As our own research found, 95% of respondents have experienced unexpected or increased costs in the last 12 months that have led to a project exceeding budget. Further, staying within budget constraints is the top project management challenge for more than half of survey respondents.

With costs for key parts of the process rising such as preconstruction, you need the right strategies to manage your budget and manage your projects. And some current strategies may not be enough. Time is money – so being effective with any project planning efforts is a necessity.

“Preconstruction and BIM is truly the way projects can see efficiencies, but by moving too many labor hours upstream to model and plan, you run the risk of impacting your cashflow for the project,” said Bob Salaj, Quickbase Customer Advisory Director. “Efficient planning and coordination at the right level of detail is critical.”



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of respondents said staying within budget constraints is challenging.



## Is your project over budget before you even break ground?

How can you fight back against continually creeping budgets? Ultimately, it will come down to getting more out of what you have – so you can adjust for what is out of your control. With data activated from across your entire business, you can come up with the right estimates for your budget, without needing to seek out data from multiple systems at once.

Having the right tools can be the difference between controlling your budget and letting your budget control you. “Having an estimating tool with calculations built in lets our team show how we’re saving money in other parts of the building,” said Marc Rahimzadeh, President & CEO at [Diversakore](#). “If another part of the project is over budget, we can show total estimated savings with our product.”

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**Marc Rahimzadeh**

President & CEO, Diversakore



# Manual processes & technology tools



### So what are those right tools?

The construction industry continues to get more technologically advanced, even outside of the next generation of workers. 91% still use paper in their manual processes, with about half with “moderate paper use.” And only 12% are using fully automated software such as an ERP system.

There’s slowly been recognition in the industry that it’s time to make a change. [Procore found](#) that 32% of respondents say they need new technology to overcome economic and industry volatility, and [McKinsey](#) pointed out the critical nature of digitization in the industry.

AI is also on the precipice of becoming more of a factor - needing the right tools to get the most out of it. “Contractors can start using generative AI to quickly get a picture of a project’s status based on various sources of information: meeting minutes, inspection documents, progress photos, sensor data from the job site, scheduling updates, and even real-time feedback from workers,” said construction innovation agent Aarni Heiskanen.

But barriers remain. There are a lot of obstacles in the industry to deploying new technology effectively.

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## Is technology saving the construction industry, or is it a barrier contractors can't afford to overcome?

Technology can make a major impact – but only when used correctly. The right approach will be reducing the number of tools used, and getting more out of them.

The key to a better tech stack is using fewer tools that do more. Quickbase's latest [IT consolidation study](#) found that over 75% of people across industries are using more than 10 software applications in their work.

With the amount of data and information construction companies need to sort through, that can't fly. The right approach is consolidation, so people can get more done with what they have and actually know how to get work done effectively – without manual processes, but without the gray work of floating between tools, either.

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*The number of tools has created a sprawl and lack of empathy for the best way to do the job for the employee...It is critical now that we map the processes we are asking of our team and maximize the efficiency by connecting tools together and eliminating inefficiency.*

**Jeff Sample**

Construction Expert

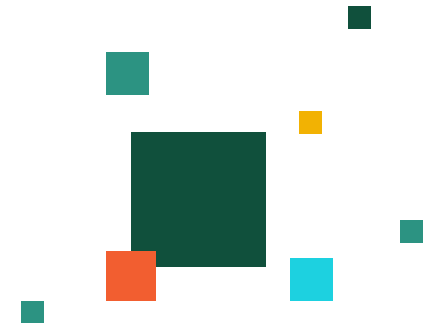


### Is technology saving the construction industry, or is it a barrier contractors can't afford to overcome?

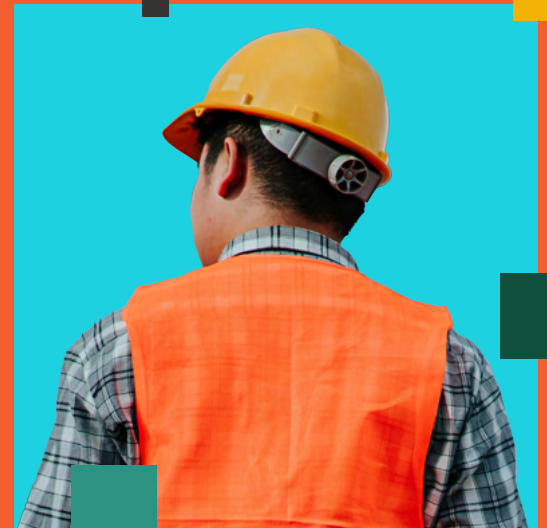
The results of well-deployed, consolidated technology can be profound. Broadband network design and construction firm [Conexon](#) was managing their projects through manual spreadsheets, along with multiple expensive software tools that sprawled across the entire organization. Using Quickbase as a unified platform for project management, safety, and fleet management, they were able to transition multiple siloed tools into one cohesive system.

**The potential savings for Conexon are in the millions. Consolidating tools saved more than \$100,000 in software expenses, and improved productivity by saving users an hour a day.**

"We can tie our apps together to each other, so we're not siloed," said Sarah Griffin, Conexon's Director, Construction Program Management. "Without the flexibility, we would be crushed."



# Labor shortages and the skills gap

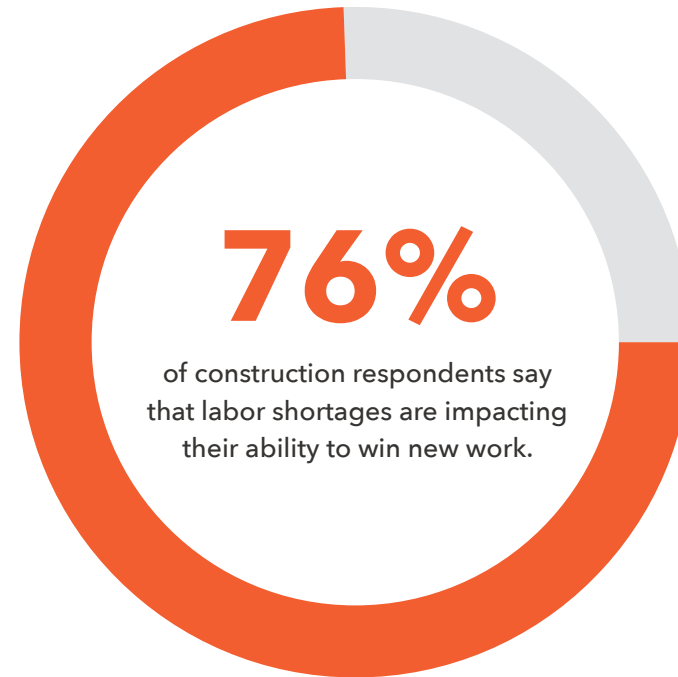


## Labor shortages and the skills gap

The construction industry has been feeling the pain of labor challenges for at least the last couple of years. As of last August, the US Bureau of Labor Statistics noted over 400,000 unfilled construction jobs. And an ABC Forecast found that the industry will need an additional 546,000 workers for 2024's demand.

These missing workers? Money left on the table. As Quickbase's own research found, 76% of construction respondents say that labor shortages are impacting their ability to win new work. This can lead to a ripple effect through the construction process, with work done inconsistently among different project stages from foundation to finishing. 88% of respondents say that labor shortages are impacting their ability to complete work on time.

### Quickbase's research found



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## Labor shortages and the skills gap

Naturally, this all means that construction companies are looking to new sources for labor. Quickbase research found that compared to 1 year ago, 75% of respondents say it has not gotten easier to find the right workers to staff projects – and for 41% of respondents, it’s gotten harder. 27% of respondents claim to have more than 10% annual employee turnover on average. A large reason for this is the amount of people retiring out of the workforce – 82% of respondents are concerned about losing experience and institutional knowledge as skilled workers retire in the next 1-2 years.

Waiting in the wings, though, is a younger generation with an eagerness to join the industry. [Thumbtack's](#) recent study claimed that 93% of Gen Z college graduates, along with 80% of parents surveyed, said that learning a skilled trade such as construction could be a better route to economic security than college. And while there’s eagerness to be involved, there are challenges with integrating a Gen Z workforce into an industry that can skew analog.

### Compared to one year ago



75%

of respondents say it has not gotten easier to find the right workers.



41%

of respondents say finding new labor has gotten harder.



27%

of respondents claim to have more than 10% annual employee turnover.



82%

of respondents are concerned about losing experience and institutional knowledge as skilled workers retire in the next 1-2 years.



## What does a Gen Z construction workforce look like?

Younger generations such as Gen Z may be the answer to the skilled trades, but as a digitally-native workforce, they have different needs - and different skills - than the construction workers of today. 91% of respondents say that they use paper in their manual processes, while Gen Z may not use a piece of paper in their schooling or their work for weeks at a time.

"The kids coming out of college today don't want to dive into paper, or 800,000 spreadsheets," said Tim Douglas, General Manager of Construction at Quickbase. "They want to come in and make a difference."

Done right, the next few years of transition can result in upskilling in BOTH directions - with older workers teaching Gen Z the tricks of the trade out in the field and on jobsites, and Gen Z finding ways to digitize processes and get more out of critical data. Experts agree that technology like AI is going to drive innovation in the industry - but only with the right workforce to take it on.

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**Tim Douglas**

General Manager of Construction, Quickbase





### What does a Gen Z construction workforce look like?

At the center of this will be technology that can cater to the entire workforce at once. Tools that are flexible and customizable enough to solve industry challenges, but easy enough to learn and understand for those who are less technically-advanced out in the field, will be able to cut through the divide and help bring construction into a new age.

One early indicator of success is with mobile. 76% of frontline workers are currently able to complete tasks or make updates on a mobile device in real time. "The idea of being limited to a computer station or an office to manage my projects didn't appeal to me," said a construction employee. "I needed to be able to access this information from home or from the road."

As more technology including AI continues to become more important in the industry, the Gen Z workforce that will be directing construction's future will marry their desire for honest work with their tech-first mindset to push past the challenges of labor shortages.

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**What does all this  
mean? Time to adapt.**



What does all this mean? Time to adapt.

2025 for construction will be a time of transition – and the organizations taking the right steps will be powering the changes in the industry to stay ahead.

To help construction businesses adapt and thrive in 2025, here are the steps you can take to streamline operations, overcome challenges, and future-proof your projects. Here is a guide based on Jeff Sample’s industry insights, and broader industry trends:

1.

Integrate preconstruction with execution

A. Identify and connect fragmented systems

Audit your current pre-construction tools, identifying silos and systems that aren’t sharing information effectively. “If we have disconnected systems and data silos, we are actually just burning precious time in planning – making for tighter construction timelines,” Sample said.

B. Create a unified data hub

Consolidate data into a single source that all teams can access, ideally in real-time.

C. Standardize processes across teams

Develop a set of preconstruction and execution standards that everyone follows. This minimizes miscommunication and allows for more accurate forecasting.

2.

Adopt the right technology to reduce Gray Work

A. Implement tools to automate repetitive tasks

Look for automation solutions that can take on gray work, like manual data entry and reporting, which drain valuable time and resources. And that way, you can eliminate redundant tools as well.

B. Focus on real-time visibility

Equip project managers with real-time insights into project progress to proactively address issues before they affect timelines. Tools like Quickbase can help bridge data gaps and improve visibility from planning to completion.

3.

Build flexibility into your workforce strategy

A. Adapt to labor shortages

Consider innovative workforce solutions, such as rotating shifts, cross-training, and even subcontracting to fill skill gaps as needed.

B. Upskill and train for the future

Invest in employee training programs that build future-ready skills, ensuring that your team can adapt to new technology and evolving project demands.

4.

Streamline your tech stack

A. Consolidate IT solutions

Avoid over-reliance on point solutions that solve specific issues but create complexity when used together. Consider platforms that cover multiple functions under one umbrella, reducing costs and simplifying management.

B. Invest in scalable, cloud-based solutions

As construction projects become more complex, flexible cloud-based systems can grow with your business and integrate with other tools.

5.

Embrace cost-effective budgeting and project planning

A. Prioritize efficiency in budget allocations

Focus on tools and processes that deliver the most value and streamline project delivery. Keeping budgets lean and efficient will improve project ROI.

B. Regularly evaluate your budget

Periodically assess where resources are going and cut unnecessary expenses, ensuring your budget aligns with project priorities and the evolving industry landscape.

2025 in the construction industry is sure to bring new challenges – and new opportunities. By taking these steps to adapt and innovate, construction businesses can stay ahead of the curve, operate more efficiently, and drive the industry forward. Answering these big questions will set the foundation for long-term success.



[quickbase.com](https://quickbase.com)

