



FEDERATION OF  
**MASTER  
BUILDERS**

# Growth from the ground up

The Builders' Manifesto for Wales 2026





## Foreword

“ A strong building sector is fundamental to Wales’ future. It is made up of local, skilled tradespeople who keep our communities thriving and our economy moving. We are the firms that train the next generation, offer secure careers, and provide a ladder of opportunity for people in every corner of Wales.

Builders create and maintain the places that shape our daily lives - our homes, our schools, our hospitals. As Wales faces the task of building more homes and of upgrading our ageing stock, builders are the ones who will turn ambition into reality.

Our contribution is already significant, but with the right support from government, it can be greater still.”

**Gareth Jones**  
FMB Cymru President

# Why does the building sector matter?

## It's the backbone of the economy

- Around 15% of all Welsh businesses operate in the built-environment sector, generating roughly 10% of national economic activity.
- 99% of construction firms are SMEs (vs. 62.6% across the wider economy), most with fewer than 13 employees. This means the sector's economic value is locally rooted, supporting communities across every part of Wales, not just in urban or high-income areas.

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## It's a major employer offering well-paid skilled careers

- The sector provides one in every 14 jobs in Wales.
- Construction roles are well paid (£17.90/hour vs £15.10 economy-wide) and offer structured, paid entry routes that support social mobility.
- Many workers progress from trades into supervisory, managerial or self-employed roles, offering long-term career development.



Image courtesy of Adref Construction Ltd

## It's critical to delivering societal priorities

- Builders deliver and maintain Wales' homes, hospitals, schools and public buildings- the core infrastructure that communities rely on.
- With around 20% of Welsh emissions coming from homes, construction is central to retrofitting, improving the energy efficiency, and decarbonising our housing stock.



Image courtesy of Adref Construction Ltd

# Access to housing: a growing crisis

Access to housing has become one of the most pressing issues of our time. With wages failing to keep pace with house prices, homeownership is increasingly out of reach to many. As a result, the private rented sector has become the first port of call, yet rising demand has driven rents sharply upwards, with an 8.5% increase recorded in 2024-25 alone.

Local SME housebuilders, once responsible for 40% of new homes in the late 1980s, now deliver just 9%. Reversing this decline is essential to tackling the housing crisis. If we want a more balanced and productive housing market, we must support SMEs to navigate and de-risk the planning process so they can deliver more homes.

## KEY ASKS:

- Set ambitious national housing targets across all tenures, exceeding calculated need to address the backlog quickly rather than spreading and locking it in over decades.
- Mandate, monitor and enforce allocation of small sites in Development Plans to enable SME participation.
- Raise the threshold for major developments to 50 units to lessen the burden on SMEs.
- Provide access to finance for the pre-planning phase of house building to encourage new entrants and support innovation in the market.



Image courtesy of NBA Developments Ltd

# Skilled labour shortages: a broken pipeline

Demand for skilled labour in construction far exceeds supply, with SMEs reporting severe and persistent impacts on their businesses. The housing crisis, combined with the need to upgrade Wales' existing housing stock, requires far more skilled workers than the sector currently has. Meeting demand will require 2,200 additional workers per year, yet the workforce is shrinking by around 300 annually.

With one-third of workers over 45 and nearing retirement in the next 10–20 years, and only 20% aged 16–24, the replacement pipeline is dangerously thin without decisive intervention. The core problem is not attracting learners into construction training, but converting them into construction workers.

## KEY ASKS:

- Lead and co-ordinate a national construction skills strategy.
- Rebalance Welsh Government funding by reducing FE construction volumes and redirecting savings into incentives for SMEs to employ apprentices.
- Shift funding towards outcomes rather than inputs, rewarding providers for successfully supporting learners into employment rather than simply for enrolment.
- Diversify entry routes including funding and supporting the expansion of shared apprenticeship schemes across Wales.

# Retrofit & energy efficiency of homes

Wales has one of the oldest and least energy-efficient housing stocks in Europe, with 33% of homes built before 1919- the year the first major housing standards were introduced- compared with 22% in England, 20% in Scotland, and 16% in Northern Ireland. Wales has a legally binding target to reach net zero by 2050, and housing is central to this goal. Our 1.4 million homes account for around 20% of national emissions, yet an estimated 80% of the homes we will live in by 2050 already exist. Decarbonising this existing stock is therefore critical. High-quality retrofit

standards, such as PAS 2030 and PAS 2035, are essential but must be proportionate; excessive bureaucracy and costs risk excluding SMEs.

## KEY ASKS

- Develop a long-term, national retrofit strategy for private homes.
- Introduce a proportionate, tiered quality standard for private-sector retrofit.
- Embed heritage skills across all retrofit activity, rather than treating them as an add-on.

Image courtesy of Atlantic Dwellings Ltd



# Building Safety & Standards



Image courtesy of R&M Williams Ltd

A major challenge for builders is competing with rogue tradespeople. These operators erode trust in the industry, undercut professional builders with unrealistically low quotes, and devalue skilled work, discouraging new entrants into the sector. Anyone in the UK can call themselves a builder, with no minimum standards in place. We are calling for a UK-wide licensing scheme to ensure a baseline level of competence is in place.

In the wake of the Grenfell tragedy, reforms like the Building Safety Act and the Building Safety (Wales) Bill have sought to raise standards. Whilst we support these measures, the Welsh Government must work with industry to raise awareness and provide clear, practical guidance to ensure SMEs can comply effectively.

## KEY ASK

- Lobby and work with the UK Government to develop and implement a UK-wide licensing scheme for the construction sector.
- Provide clear, relevant guidance and advice to help SMEs navigate and comply with new building safety legislation.



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Founded in 1941, the Federation of Master Builders (FMB) is the largest trade association in the UK construction industry representing the interests of micro, small and medium-sized building companies. The FMB is independent and non-profit making, lobbying for members' interests at both national and local level. The FMB is a source of knowledge, professional advice, and support for its members, providing a range of modern and relevant business building services to help them succeed.

Please visit [fmb.org.uk](http://fmb.org.uk)