Construction Industry: Factors Of Influence

Construction industry

Introduction

The development of innovative ideas, modern technologies and products in the form of innovative projects aimed at identifying and popularizing achievements in the field of innovations in construction is one of the main tasks in the development of the construction industry in UK. The introduction of modern technologies in construction will reduce the cost of construction, increase the profitability of work, change the operational characteristics of buildings and structures and increase their energy efficiency (Kunanbayeva, Gorovoy and Butyrin, 2018).

Politics

Factor

- Impact on the industry
- Impact on the enterprise
- Strengthening the political lobby of UK construction and material manufacturers
- Development and adoption of laws that provide preferences to UK enterprises
- Decreased price competitiveness of products of foreign manufacturers
- Changes in customs legislation, the likelihood of an increase in duties, customs duties
- Increase in the cost of customs clearance, customs clearance, increase in terms of concluding contracts with foreign suppliers
- Reduced profitability due to increased overhead costs

Due to political factors, the situation is unfavourable for the company, it may be necessary to change the assortment range, supplementing it with UK goods.

Economy

Factor

- Impact on the industry
- Impact on the enterprise
- Inflation rise
- Increase in prices for foreign goods
- Decline in sales
- Volatility of major currencies
- Exit from the market of small retailers
- Strengthening the position of a retail network with a recognizable brand

The economic situation may give the company additional opportunities - expanding its market segment due to the departure of small sellers. In order not to decrease the demand, UK can

launch advertising in the media and the Internet, targeted at target groups with middle and high income (Ghaffarianhoseini et al, 2017).

Social factors

Factor

- Impact on the industry
- Impact on the enterprise
- Increased fertility
- Increased demand for goods for new-borns, pregnant women
- Growth in house prices and demand
- Decrease in household income
- Changes in the structure of demand - transition to more economical products
- Reduced demand for premium housing, increased sales of low-cost accommodation

The social sphere contributes to an increase in sales of certain housing categories, when adding economy class homes to the assortment, a sharp drop in demand can be avoided.

Technological factors

Factor

- Impact on the industry
- Impact on the enterprise
- Development of automation tools
- Optimization of the construction spend and network
- Reduced construction and service costs.
- Development of new applications
- Improving the efficiency of selection and registration of constructions
- Increased spending in renovation and mortgages

The development of technology has a beneficial effect on the company's activities. Automation allows UK to reduce overhead costs, increase house buying, and relax taxes.

Environmental

Factor

- Impact on the industry
- Impact on the enterprise
- Change regulations
- Change regulations to make clear that properties rented out for less than four months in a year do not need Energy Performance Certificates.

Guidance will also make it well-defined that an EPC is not required where a house is used for short term holiday lets as long as specific conditions are met.

Legal

Factors

- Impact on the industry
- Impact on the enterprise
- Improvement of the regulatory and technical base in the field of construction
- Innovative development of the construction industry
- Development of human resources in construction science, education, technology and innovations of all levels
- Development of human resources laws
- Objectives of the Strategy for the innovative development of the construction industry in the UK
- Integration of the UK into the global processes of creating and using innovations (Illankoon et al, 2017)

Conclusion

Due to lockdown, many offices and hotels have become empty, so their popularity among developers has fallen. Who will need these premises any time soon is a big question, as it is also affected the maintenance services associated with construction? The investors are just not ready to invest in large office project and has no plans to deal with this type of building in the near future because of the current uncertainty.

References:

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