

# OSKA construction sector study

## *Key findings*

The construction sector is one of the largest industries in Estonia, employing more than 8% of the workforce. The sector is strongly affected by the cyclical conditions of the economy and has been hit by several crises in recent years. The development of the construction sector is guided by political decisions, environmental sustainability requirements, and the need to adapt to climate change. At the same time, the sector is undergoing a major developmental leap.

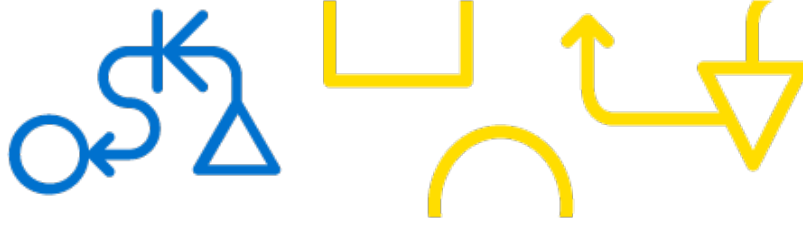
- Digitalisation and new technological solutions are opening up new opportunities in construction, increasing both efficiency and quality and reducing costs.
- AI helps managers and professionals to automate some of their work, such as building inspections and simulations, but does not yet replace workers.
- Increasingly, companies are using prefabricated elements and modules, which reduce the time and materials needed on site.
- The need for construction persists – modern transport connectivity is required, population relocation is continuing, existing buildings need to be renovated, and the requirements for the environmental sustainability and energy use of buildings are getting stricter.
- In addition, there is a growing demand for green energy and the construction of defence facilities.

## Employment forecast

According to OSKA's forecast, the number of jobs as a whole in the main professions of the construction sector will not change significantly over the next decade, but there will be a growing demand for spatial environment planners and landscape architects.

Employment is also expected to increase in the main professions of supervisors, building automation technicians, and utility system technicians. Employers are experiencing a shortage of design project managers and need more technicians with excellent digital skills to assist engineers and architects with model design.

Vocational training graduates in civil engineering specialities are calculated to cover only about half of the labour needs, and due to the under-utilisation and high



turnover of graduates in professional jobs, employers face a severe shortage of skilled workers. Vocational training is disproportionately invested in the training of finishers. As much as 40% of qualified construction workers and more than a fifth of managers and supervisors have a general education. More skilled workers are needed to organise work efficiently and improve quality and productivity.

## Skills

The construction sector is moving towards greater environmental sustainability. The aim is to holistically improve the living environment and reduce the carbon footprint over the lifespan of a building, so those working in the sector need new skills, including digital and green skills.

- Global climate agreements, energy efficiency requirements, and environmental sustainability are shaping a new green mindset in the construction sector.
- At the design stage of a building, the whole lifespan of the building as well as its sustainability and carbon footprint must be considered.
- Due to resource constraints and to reduce the environmental impact of construction, sustainable building solutions must be found and environmentally friendly and recyclable materials and green energy sources must be used. The share of wooden houses and structures is growing.
- The digitalisation of construction information, including the updating and merging of registers, will allow better cooperation and data sharing between different parties.
- The existing building stock is in need of renovation and the energy efficiency must be improved. The holistic renovation of a neighbourhood or a wider area can also transform the public space between buildings.
- The share of factory-built construction will increase and the use of standard solutions will spread. Buildings are already designed to be easy to dismantle and the materials used recyclable.
- Following the principles of the circular economy has also become the new norm in the construction sector, with the increased recycling of construction and demolition waste and the use of new materials technologies.

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