

Trends Impacting the Future of Construction

Global themes with local context

PROCORE



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Primary source: Procore Future State of Construction report (unless stated otherwise)

The Global Paradox



Accelerated Growth

\$13T

GLOBAL
CONSTRUCTION
SPEND IN 2023

\$22T

GLOBAL
CONSTRUCTION
SPEND BY 2040

\$60B

APPROX NZ ANNUAL
PIPELINE FROM 2026

Accelerated Risk

Huge and ongoing
exposure to
economic cycles

751

Construction industry insolvencies
2025
Centrix

40k

resource Gap by 2028
NZES

41%

retired by 2031
McKinsey

81%

Organisations not confident in
project data

\$500B

Annual cost of rework

40%

Increased incidence of work-related
mental health issues
Swinburne Uni

13%

women in construction
NAWIC

46%

time on non-optimal tasks

75%

Projects delayed by people or supply
chain issues

5%

Average net profit margin



The top line is improving...

...the bottom line is not

What is your company's
principal line of work?

NZ Construction Companies' principal line of work

scaffolding land development quantity surveying
residential building roofing
civil engineering plumbing excavation
electrical non-residential building
concreting roading & bridges carpentry
subcontract trades HVAC site preparation
painting project management joinery glazing
structural steel plastering renovation & fit-out
landscaping demolition equipment hire tiling
drainlaying prefabrication building consents



...we are an Industry of

Information Managers

Current Global Trends

Tomorrow in four broad themes



Design



Productivity



Workforce



Decision Making

Design



Collaboration



Automation



Co-ordination



Experience

1.Designers of tomorrow will be builders themselves.

2.Design will be faster & more automated.

3.Compliance, cost, buildability & lifecycle will be integral.

4.Intuitive tools will increase collaboration & reduce frustration.

5.Our past learnings become our future design starts.



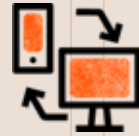
“77% of companies believe BIM adds tangible value to improving project outcomes.”

“Organisations with effective preconstruction struggle with rework 65% less often.”

Productivity



Robotics



Automation



Precon



Humans

1. Machines save people from unsafe, repetitive or brute work.
2. Sensors will augment site supervision.
3. Administrative and data-based processes will be automated.
4. Improved precon reduces inefficiency & rework.
5. Roles will change but humans will remain in control.



“Within 12 months, 60% of companies will be using some form of robotics.”

“55% of construction leaders believe it is likely that site automation will disrupt the industry in the next 5 years.”

Workforce



Development



Skills



Culture



Next-Gen

1. Digitisation & culture change will help make construction a more attractive career choice.
2. Digital training & upskilling will maximise technology's impact on construction.
3. A technology-forward focus will enable better work-life balance, improve mental health & wellbeing & reduce attrition.
4. Intentional two-way knowledge transfer will lead to a culture that is more welcoming to the next generation, while increasing career longevity.



“65% of companies believe the adoption of new technologies can positively influence culture.”

“96% of construction leaders say they have experienced generational issues.”

Decision-Making



Intelligence



Integration

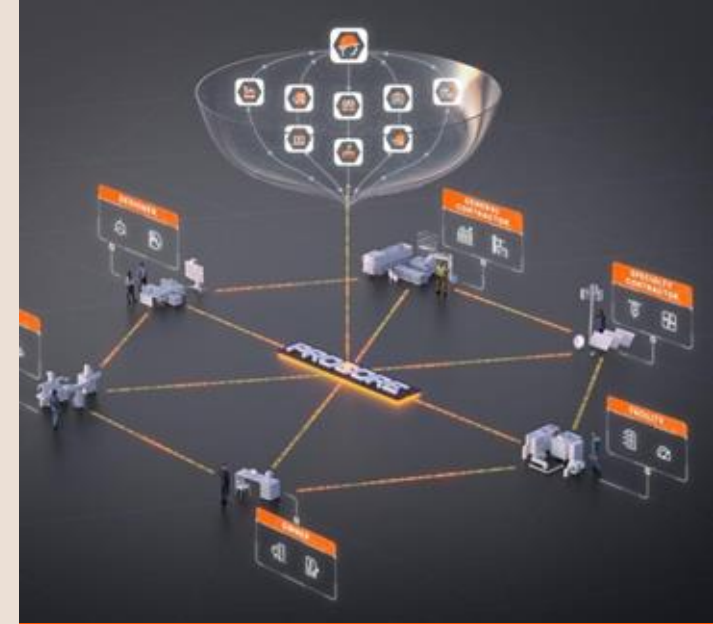


Simulation



Automation

1. Tech and people become partners, shifting decision-making to be real-time & predictive.
2. IoT devices and sensors will automate data collection to provide real-time insights.
3. Simulation will inform how to build and operate, before mobilising people and resources.
4. AI and agents will synthesize historical and real-time data, unlocking actionable recommendations.



“More than 80% of respondents agreed that access to historical data is **CRITICAL** to current and future projects.”

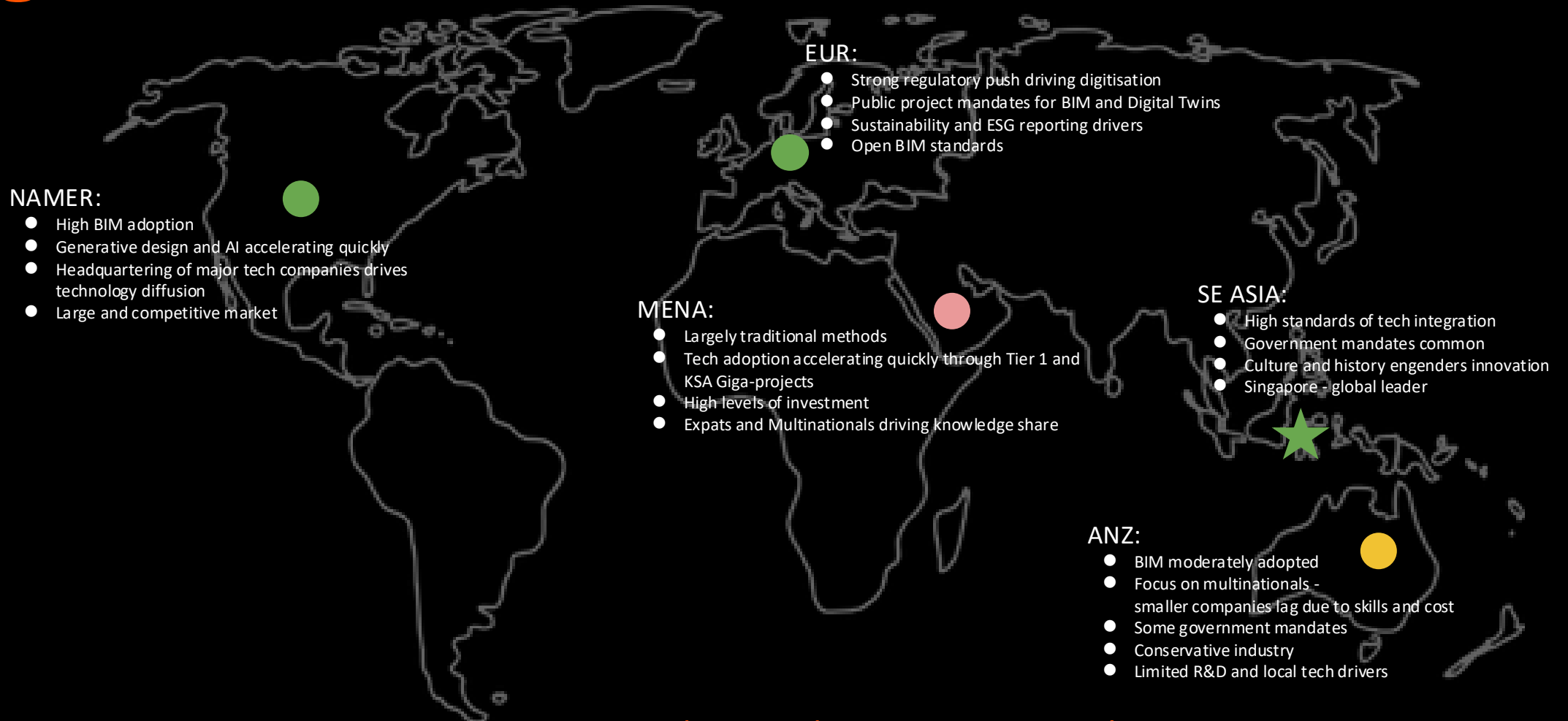
“AI in construction is one of the fastest-growing tech markets (29% CAGR).”

Source: SNS Insider

What's ANZ Telling Us Today?

How are we doing?

Design Automation



ANZ is progressive in adopting design automation but is not as advanced or fast-moving as top-tier global markets.



Front of Mind Today

Biggest impact on Productivity

71%

AI and process automation

Biggest impact on Workforce

36%

Compensation

39%

Work / Life Balance

Biggest impact on Decision-Making

72%

> 50% remains unused

Biggest impact on Design

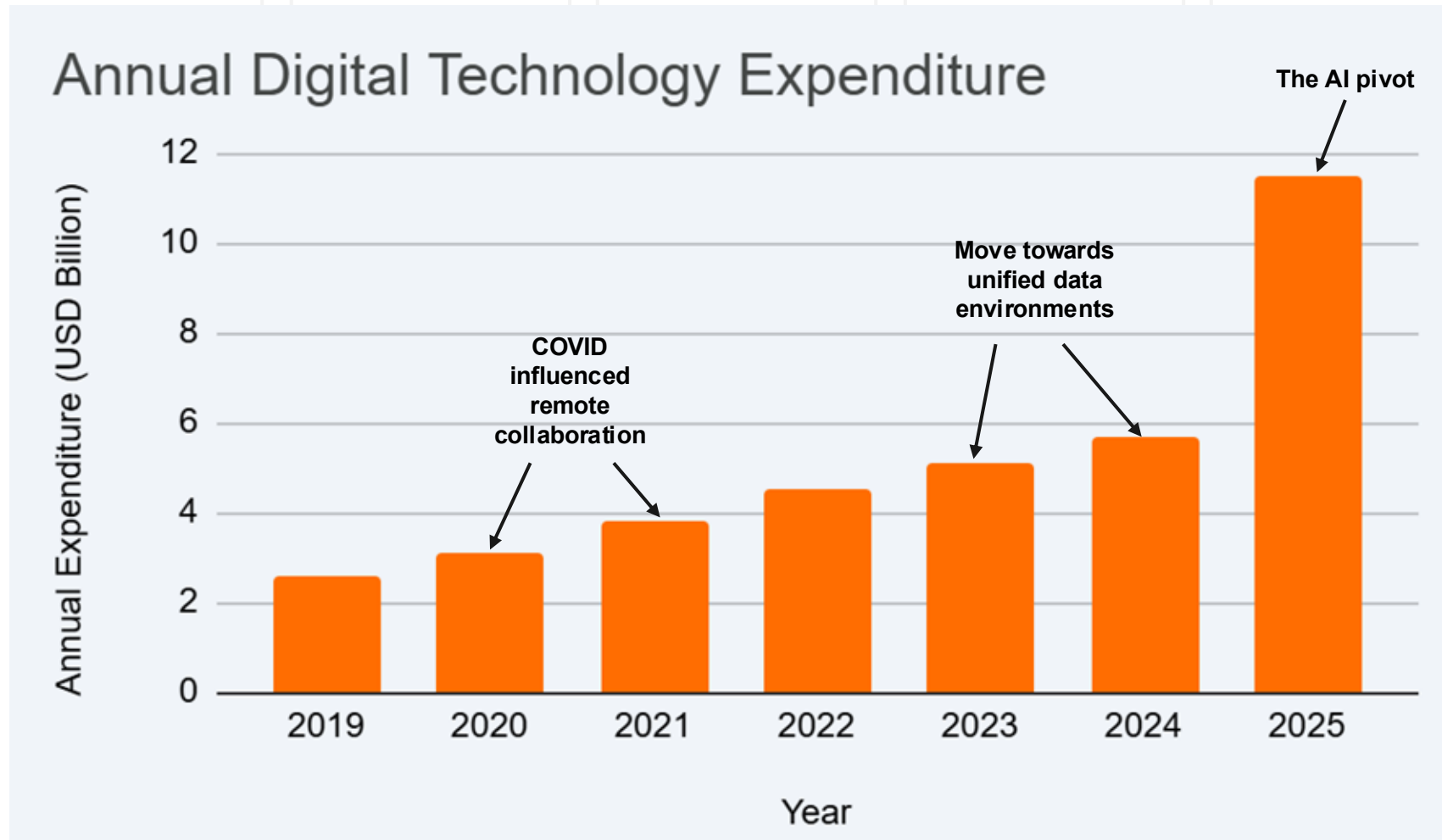
71%

Design Automation

So what?



We are spending more than ever before on tech and data



Construction is recognising the value of digital tech and data

87%

Projects reporting efficiency improvements

88%

Owners & Contractors more confident in project data

28%

More projects completed on time

5.5%

Reduction in site incidents

90%

Projects recognising improved collaboration

5

hours per week time saved per team member.

Tech adoption is becoming a business continuity issue



The Labour Gap

ANZ is currently facing a shortfall of **c 200,000** workers, projected to become a structural shortage of 10-15% by 2029.



The Expertise Exodus

Globally, **41% of the workforce is expected to retire by 2031**, taking decades of intelligence and "gut-feel" risk intuition with them.



Lost Hours

\$500B is lost to rework globally. By shifting the perception of AI from "cool tech", to "reclaiming half a day of work", changes the narrative.



Productivity Mandate

To meet \$22T in global infrastructure demand, the industry growth rate must hit **3.2% - nearly double current levels**.



Market Sentiment

54% construction leaders already believe AI will be the most transformative technology for the industry over the next three years.



Sovereign Edge

Increasing demands for data sovereignty and security; related spending is **anticipated to grow 10% yoy**.

AI IS triggering the long overdue digital transformation of construction

29%

APAC CAGR

AI in construction is one of the fastest growing tech markets globally, with APAC leading the way

\$5Bn → \$33Bn

USD 2026

USD 2033



Machine Learning (Automation) = 45% market share today



Robotics - fastest growth (36%)

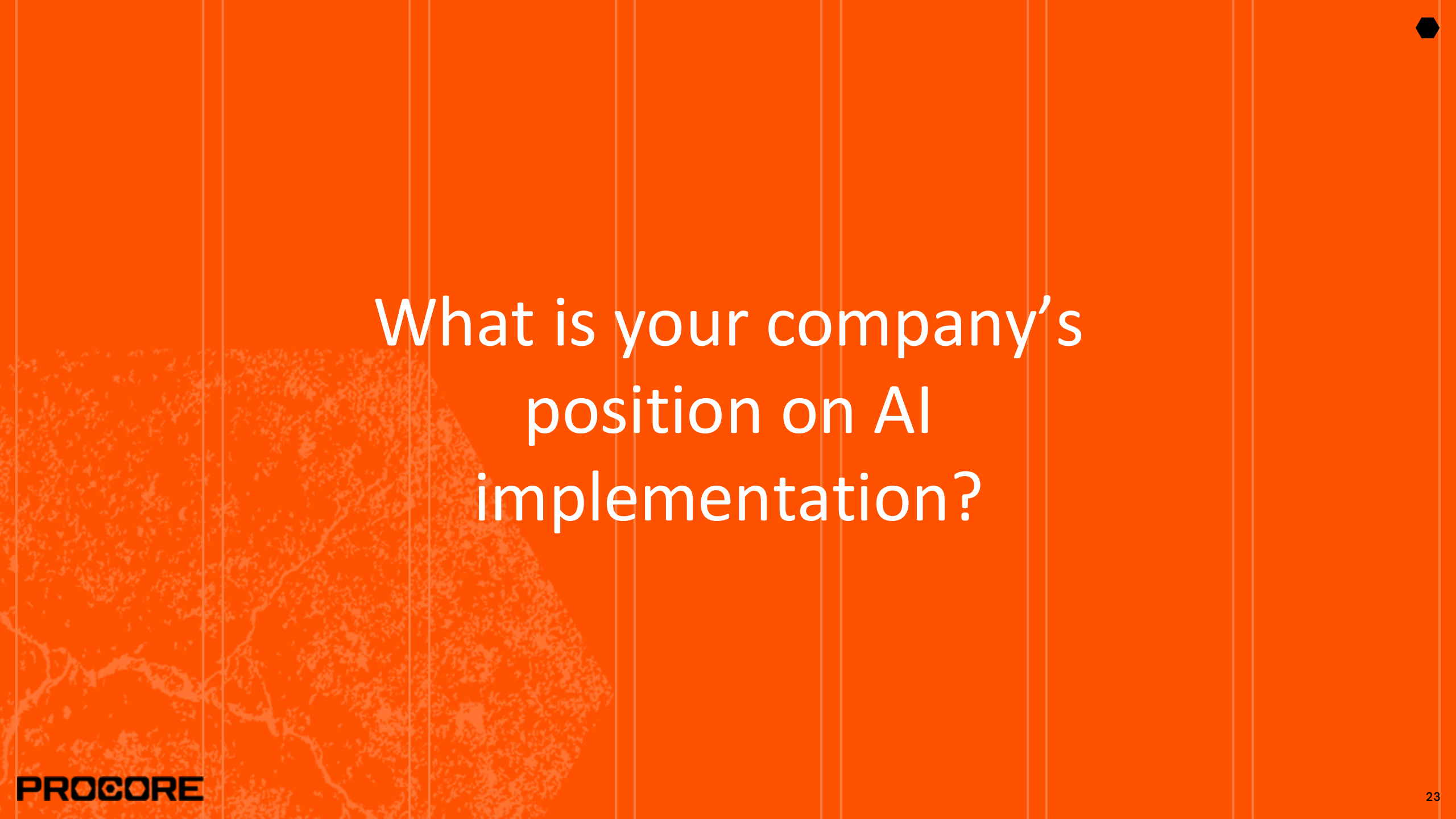


BIM to field applications: safety, visualisation, clash detection, supply chain management, reporting and safety



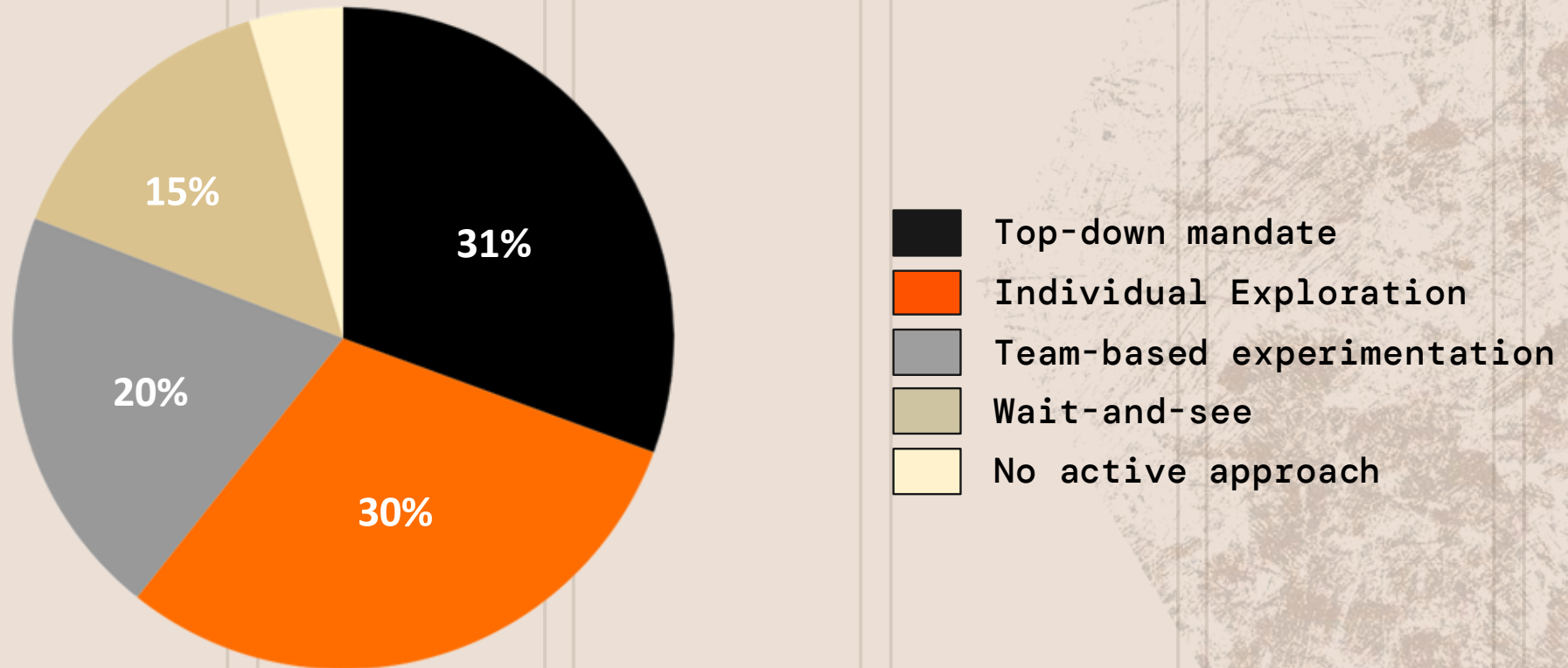
AI in Construction

“Where do I start?”



What is your company's
position on AI
implementation?

81% of construction companies are actively engaged in AI use...



...but 19% are not

Horizon 1: Creating an Efficiency Layer

Objective: eliminate administrative friction and establish a "Single Source of Truth."



Ask finds & summarizes

for intelligent search and find, delivers contextually relevant answers on-demand.



Agentic with Human in the loop

assist with daily tasks, reports, and alerts to simplify repetitive, time-consuming work.

- low-bar introduction with generative AI
- individual and team-based experimentation
- exploration of agents in specific use cases (eg reporting)
- education and reskilling
- data cleansing
- knowledge transfer and workforce rethinking

Horizon 2: Creating an Intelligence Layer

Objective: transition from reactive to predictive



- scale implementation with specific strategy and investment
- full automation of repetitive tasks
- predictive analytics aiding decision-making
- introduction of robotics
- construction specific LLM to increase contextualisation of data



Actions & Triggers to automate workflows

create a system of custom agents that auto-execute workflows to offload work.

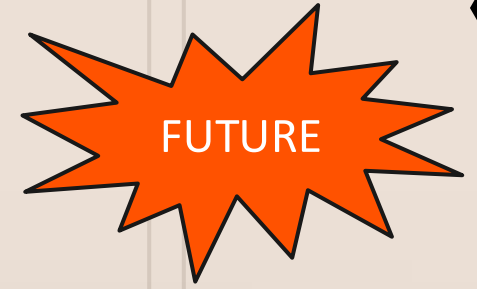


Agentic APIs
develop on top of core platform

with agents that span across data and tools to surface risks and opportunities to improve.

Horizon 3: The Autonomous Layer

Objective: shifting the human to high-level orchestration and ethical oversight



- generative design methods become the norm
- digital twins for everything
- human augmentation
- swarm-robotics
- quantum computing
- multiple site orchestration via the *construction control room*



The CTA

The work is coming back - but margin won't change unless you do

People: are you ready to be data-driven?

Platform: which process would you fix first, and why haven't you already?

Data: what would you do differently tomorrow if you trusted your numbers?