# East Midlands construction sector leaders predict opportunities and challenges for 2025



Business Link Magazine has published insights from regional business leaders in the East Midlands as they look forward to the year 2025. This annual tradition, ongoing for over 30 years, invites predictions that reflect on both anticipated challenges and emerging opportunities within the local economy, particularly in the construction sector.

In an interview with Sam Berry, Managing Director of the Berry Group, it was noted that the construction industry is on the cusp of a significant evolution, driven by both external economic pressures and innovative advancements. Berry highlighted the dual nature of 2025—reflecting on the challenges posed by ongoing economic pressures such as "rising interest rates and inflationary costs for materials." He emphasized the necessity for businesses in the construction sector to remain agile and innovative to navigate these hurdles effectively.

Despite these obstacles, opportunities abound, notably due to government investments aimed at infrastructure, housing development, and sustainability initiatives. Berry pointed out that "the East Midlands is ideally placed to benefit from its strategic location and strong transport links," which serve to enhance its role as a hub for logistics and distribution projects. As a consequence, there is an expected increase in residential developments, particularly in urban regeneration areas such as Derby, Nottingham, and Leicester—meeting the rising demand for affordable housing.

A significant theme for 2025 is the emphasis on sustainability within the construction sector. As societal and regulatory pressures mount in pursuit of net-zero targets, there is a clear shift towards eco-conscious building practices. Berry articulated that "the push for net-zero targets and stricter regulations around energy efficiency and carbon reduction means construction companies must prioritise green building practices, energy-efficient designs, and the use of sustainable materials." This transition not only aligns with broader environmental objectives but also responds to a growing client preference for sustainable projects.

The integration of technology into construction practices was also underscored as a vital aspect of future growth within the sector. Innovations such as Building Information Modelling (BIM), drones, and AI-driven project management tools are set to enhance operational efficiency, reduce costs, and ensure superior project outcomes. Berry stressed the importance of innovation, stating, "technology will play an increasing role in shaping the future of construction."

However, the industry continues to grapple with a skills shortage, suggesting a pressing need for a collaborative approach involving local educational institutions and a focus on apprenticeships. Berry noted the importance of building a skilled workforce capable of addressing the ambitious undertakings in the pipeline.

While the East Midlands is poised for economic growth, challenges surrounding material costs and fluctuating interest rates remain prominent. Berry concluded by reaffirming the commitment of the Berry Group to contribute positively to the region’s economic landscape through high-quality developments that foster vibrant business and community spaces. The region, leveraging its strategic advantages and strong small to medium enterprise (SME) base, reflects a hopeful outlook towards the future.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://ground.news/article/2025-business-predictions-marc-abrams-nottingham-office-senior-partner-at-kpmg-uk-east-midlands-business-link_27b3f2> - Corroborates the annual tradition of Business Link Magazine publishing insights from regional business leaders and their predictions for the year ahead.
2. <https://ground.news/article/2025-business-predictions-marc-abrams-nottingham-office-senior-partner-at-kpmg-uk-east-midlands-business-link_27b3f2> - Supports the mention of economic pressures such as rising interest rates and inflationary costs for materials in the construction sector.
3. <https://ground.news/article/2025-business-predictions-marc-abrams-nottingham-office-senior-partner-at-kpmg-uk-east-midlands-business-link_27b3f2> - Highlights government investments in infrastructure, housing development, and sustainability initiatives as opportunities for the construction sector.
4. <https://ground.news/article/2025-business-predictions-marc-abrams-nottingham-office-senior-partner-at-kpmg-uk-east-midlands-business-link_27b3f2> - Mentions the strategic location and strong transport links of the East Midlands as beneficial for logistics and distribution projects.
5. <https://ground.news/article/2025-business-predictions-marc-abrams-nottingham-office-senior-partner-at-kpmg-uk-east-midlands-business-link_27b3f2> - Discusses the expected increase in residential developments, particularly in urban regeneration areas like Derby, Nottingham, and Leicester.
6. <https://www.noahwire.com> - Serves as the source for the overall article content, including insights from Sam Berry on the construction industry's evolution and challenges.
7. <https://www.noahwire.com> - Supports the emphasis on sustainability within the construction sector due to societal and regulatory pressures for net-zero targets.
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10. <https://muckrack.com/media-outlet/eastmidlandsbusinesslink> - Provides context on East Midlands Business Link's role in publishing business predictions and insights from regional leaders.
11. <https://muckrack.com/media-outlet/eastmidlandsbusinesslink> - Corroborates the involvement of business leaders like Marc Abrams and Sam Berry in providing predictions and insights for the East Midlands region.
12. <https://www.eastmidlandsbusinesslink.co.uk/mag/news/2025-business-predictions-sam-berry-managing-director-of-the-berry-group/> - Please view link - unable to able to access data