Press Release

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102nd EUROCONSTRUCT Conference

European Construction Struggles to Regain Momentum

Construction in Europe is expanding again after three years of decline, but the upturn is weaker than forecasted back in June. Output in the 19 EUROCONSTRUCT countries is estimated to rise by 1.2% in real terms in 2026, while in June this year the member institutes still expected 2.0%. Recovery is set to gain momentum from 2027 on, yet in Austria, France, Italy and Germany activity is predicted to remain below its 2023 level even in 2029. These are the main results of the new forecasts presented at the 102nd EUROCONSTRUCT Conference in Vienna on 20 November 2026, hosted by the Austrian Institute of Economic Research (WIFO), the Austrian partner of the network.

“Recovery is coming, but it is considerably weaker than we expected in June 2026 because both interest rates and construction costs have risen. If inflation stays above target, the upturn in housing construction could be delayed once again,” says WIFO economist Michael Klien.

The economy as a whole has already recovered slightly: real GDP in the 19 countries grew by 1.3% in both 2024 and 2025 and could rise by 1.4% in 2026, a little more than assumed in June (1.1%). Construction, however, is hardly benefiting from this yet and could grow more slowly than the economy in 2026.

From 2027, construction may outpace the economy

The relationship then reverses. Construction output may expand by 1.8% in 2027 and may increase faster than GDP every year up to 2029. Over 2026 to 2029, this amounts to an average annual increase of 1.6% anticipated for construction and 1.3% for the economy as a whole. GDP may follow a steadier path: its rate of change barely moves, while construction shifts from contraction into a catch-up phase.

Large differences between countries

Across the 19 countries, construction output is projected to pass its 2023 level again in 2027 and to exceed it by 4.1% in 2029. This aggregate, however, conceals marked regional contrasts. In the four Eastern European countries, activity should

expand by an average of 3.0% a year between 2026 and 2029, about twice the pace of Western Europe (1.5%). The strongest increases are expected in Ireland (+5.0%), Czechia (+4.2%), Portugal (+3.6%) and Sweden (+3.2%) (per year). In five of the 19 countries, by contrast, output could still shrink in 2026, Austria being among them.

Several large markets are to only partially take part in the recovery. Germany, France and Italy, three of the four largest construction markets in the EUROCONSTRUCT network, could remain short of their 2023 volume in 2029.

Austria, the host country of the 102nd EUROCONSTRUCT Conference, is in a similar position. Its construction output could decline by 0.6% in 2026, the fifth fall in a row, whereas the June forecast pointed to stagnation. Activity should pick up again in 2027, but, unlike in Europe as a whole, lags behind the wider economy (an average of 0.7% in construction against 1.2% p.a. in GDP growth from 2026 to 2029). Even in 2029, Austrian output could be 5.8% below its 2023 level, the widest gap among the 19 countries.

The main forecast risk lies in the timing. The current estimate for 2026 is already well below the June figure. If inflation remains above target, as Michael Klien cautions, the acceleration expected from 2027 on could also be held back again. Investment and financing decisions that rely on this upturn should therefore also be tested against a further postponement.

About the conference and EUROCONSTRUCT

The 102nd EUROCONSTRUCT Conference took place on 19 and 20 November 2026 at the House of Industry in Vienna under the motto "Understanding What Moves the Market". The complete projections to 2029 for all 19 countries are published in the conference reports and can be purchased from our EUROCONSTRUCT network members. More info on www.euroconstruct.org

EUROCONSTRUCT was founded in the mid-1970s and is a network of research institutes from 19 European countries that publishes forecasts for the European construction market twice a year. WIFO is the Austrian partner and hosted the 102nd meeting.