PROJECT MANAGEMENT GLOBAL
The Place for People in Projects

From Potential to Performance: Bridging the UK's AI Adoption Gap in Construction

February 18, 2026

Exploring A Widening Gap Between Capability and Execution That Could Stall the Nation's Productivity Ambitions – Insight from Yoshi Soornack, Project Flux

The UK stands at a critical juncture. A recent government assessment reveals a startling paradox: while the nation's economy is one of the most exposed to artificial intelligence in the world, its businesses are slow to adopt the technology.

This gap between potential and reality is particularly pronounced in the construction and project delivery sectors, creating a ticking time bomb that threatens to undermine the UK's future productivity and competitiveness.

The government's "Assessment of AI capabilities and the impact on the UK labour market" is a much-needed reality check amidst the relentless AI hype. The report contains a number of striking findings, but two in particular stand out.

First, the astonishing pace of AI development, with the capabilities of autonomous AI agents in domains like coding and cybersecurity doubling approximately every seven months.

Second, the UK's unusually high exposure to AI, with an estimated 70% of workers in occupations containing tasks that AI could potentially perform or enhance, a figure significantly higher than that of the US (60%).

The £55-140 Billion Opportunity

This high exposure, a result of the UK's service-sector-intensive economy, presents both a massive opportunity and a significant risk. The OECD estimates that AI adoption could add between 0.4 and 1.3 percentage points to the UK's annual labour productivity growth over the next decade.

The UK Department for Science, Innovation & Technology (DSIT) has modelled this impact in economic terms, finding that the estimated productivity growth from AI adoption could add between £55 billion and £140 billion to UK GVA by 2030, depending on adoption rates and the development of complementary software.

For a country that has struggled with a persistent productivity gap for years, this is a tantalising prospect. The potential to enhance efficiency, streamline processes, and unlock new sources of value is immense, particularly in knowledge-intensive sectors like project delivery.

Why the UK is Uniquely Positioned

The UK's service-sector economy creates both advantages and vulnerabilities:

- **Advantages:** Service sectors are often more amenable to AI augmentation; knowledge work can be enhanced through AI-powered tools
- **Vulnerabilities:** A high proportion of the workforce is in roles that could be disrupted if adoption is not managed carefully
- **Opportunity:** The 30-year productivity gap could be closed through strategic AI deployment

However, the report delivers a crucial caveat, a phrase that should be ringing in the ears of every business leader in the country: "exposure is not adoption." The fact that a job can be automated does not mean that it will be.

The reality on the ground is that UK businesses are lagging in the race to adopt AI. The report reveals that only around one in five firms are currently using or are planning to use AI, and within those that are, less than a third of employees are actually using the tools.

The Construction Conundrum: A Laggard in the Digital Race

This adoption gap is nowhere more apparent than in the construction sector. An industry that is notoriously slow to embrace new technologies is now faced with a technology that is evolving at an exponential rate.

While other sectors are experimenting with AI-powered tools to automate tasks and enhance decision-making, many construction firms are still grappling with the basics of digital transformation.

The Skills and Infrastructure Gap

The construction industry faces several interconnected challenges:

- **Digital maturity:** Many firms are still in early stages of BIM adoption, let alone AI integration. This means they lack the foundational digital infrastructure and data governance practices necessary for AI deployment.
- **Skills shortage:** There is a lack of in-house expertise in AI and data analytics. Construction firms have historically not invested in technical talent, creating a significant barrier to adoption.
- **Fragmentation:** The supply chain is highly fragmented, making coordinated adoption difficult. Unlike other industries with consolidated players, construction involves numerous small and medium-sized firms with limited resources.
- **Risk aversion:** The industry's conservative culture resists unproven technologies. The construction sector's focus on predictability and risk mitigation makes it naturally cautious about adopting cutting-edge technologies.
- **Capital constraints:** Many firms lack the capital to invest in new infrastructure. The construction industry operates on thin margins, leaving little room for speculative technology investments.

As Judd Fuoto of Southland Industries candidly admits:

> "Perhaps I'm too pessimistic, but I don't believe AI will be terribly transformative in construction in 2026. I regularly tell people that training AI is akin to educating a child – and AI for construction is still, in my opinion, too early in its training to fulfill the big promises being made by the tech sector."

This sentiment, while understandable, is also dangerous. The "wait and see" approach that has characterised the industry's response to previous technological shifts will not work with AI. The pace of change is simply too fast.

The Competitive Threat

As Ben Cochran of Autodesk warns:

"2026 marks the shift from AI as a 'future trend' to 'industry baseline.' Firms that fail to adopt risk losing contracts to competitors who deliver faster, safer, and more sustainably"

This is not hyperbole. The firms that move first will gain a competitive advantage that will be difficult for laggards to overcome. They will be able to deliver projects faster, with fewer errors, and at lower cost.

Over time, this advantage will compound, creating a two-tier industry: the AI-enabled leaders and the struggling followers.

Mind the Gap: From Potential to Performance

So, what is holding the UK, and the construction sector in particular, back?

The challenges are multifaceted. They range from a lack of in-house expertise and a fragmented supply chain to concerns about data security and the high cost of implementation.

However, we believe the biggest barrier is cultural. There is a deep-seated resistance to change and a failure to grasp the strategic importance of AI.

A Roadmap for Adoption

To bridge this gap, we need a concerted effort from all stakeholders:

- **Government:** Create a more supportive environment for innovation, with targeted investments in skills and infrastructure. This could include tax incentives for firms that invest in AI, funding for training programmes, and regulatory clarity on AI governance.
- **Industry bodies:** Champion the benefits of AI and provide practical guidance on how to adopt it. Professional associations and industry groups can play a critical role in disseminating best practices and reducing the perceived risk of adoption.
- **Individual firms:** Invest in the technology and, more importantly, in the people who will use it. Success requires not just purchasing tools, but building internal capability and creating a culture that embraces continuous learning and experimentation.
- **Educational institutions:** Develop curricula that prepare the next generation for an AI-enabled construction industry. Universities and vocational colleges must begin integrating AI literacy into their programmes now.

The Human-Centric Future of Construction

Ultimately, the successful adoption of AI in construction will not be about replacing humans with machines. It will be about augmenting human expertise with the power of AI.

It will be about freeing up project professionals from the drudgery of administrative tasks so they can focus on what they do best: solving complex problems, managing relationships, and delivering exceptional projects.

The Role of the Project Professional in an AI-Enabled Future

The project manager of the future will need to:

- **Understand AI capabilities and limitations:** Know what AI can and cannot do. This requires ongoing education and a willingness to experiment with new tools to develop practical, hands-on knowledge.
- **Manage AI tools effectively:** Integrate AI into workflows and processes. This is not just a technical challenge; it requires rethinking how work is organised and how teams collaborate.
- **Maintain human oversight:** Ensure that critical decisions remain under human control. AI should augment human decision-making, not replace it, particularly for decisions with significant consequences.
- **Adapt and learn:** Continuously evolve as the technology landscape changes. The pace of AI development means that today's cutting-edge tool will be tomorrow's baseline, requiring a commitment to lifelong learning.

The UK's AI paradox is a challenge, but it is also an opportunity. By embracing a more proactive and strategic approach to AI adoption, the construction sector can transform itself from a digital laggard into a global leader in innovation.

The time for hesitation is over. The future of our industry depends on it.

Is your firm ready for the AI revolution? Subscribe to Project Flux for the insights you need to navigate the challenges and opportunities ahead.