



# Press release

## Researchers find no negative consequences for construction projects despite a high number of future business closures in the construction industry

**Bonn/Berlin, 05.05.2022.** Every second owner of a business in the construction industry will retire in the next 10 years; that is, 163,000 companies. This is a key finding of the study "Company Succession in the Construction Industry" published today by the Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR).

The study is based on a nationwide survey of more than 2500 building contractors. For the first time, it is possible to provide reliable information on the specifics of succession in the construction industry; also differentiated for the main construction and finishing trades.

According to the findings, only 12,000 to 15,000 of the 163,000 companies which plan to hand over their business will be continued. Most companies will probably be closed because of a lack of successors; this applies primarily to small companies.

### Considering the consequences for construction projects

The researchers find fewer serious negative economic consequences for construction projects in Germany. Most of the jobs and orders at risk are likely to be absorbed by other companies in the construction industry, from different sectors, and abroad. Nevertheless, the researchers calculated that unplanned closures account for a loss of jobs and a value-added of around 6 % in the construction industry. "Regional effects should also not be underestimated if closures are concentrated in certain regions. The chambers of industry and commerce and

the chambers of handicrafts should keep an eye on this through monitoring," says the head of the BBSR, Dr Markus Eltges.

### **Family-internal successions are preferred**

The survey also provides information on realised successions. Company owners in the construction industry, like companies in other sectors, favour family-internal succession. Family members have been continuing almost 60 % of handed over companies in the past ten years. At the time of the handover, the acquired companies employed an average of eight people.

"It needs precise information and good preparation to hand over a business beyond one's own family successfully," says Eltges. "The owners of businesses should deal with the strategically important issue of succession in time. Making use of advisory services and approaches that bring owners and potential successors together can make the long-term preservation of the business attractive."

BBSR commissioned the Institut für Mittelstandsforschung (IfM) in Bonn and DIW Econ with the study. It is available on the BBSR website ([www.bbsr.bund.de](http://www.bbsr.bund.de)).