

# Monthly Construction Update

Business Statistics Team  
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Department for  
Business & Trade

## Construction output increased by 0.5% in March 2025

The **Office for National Statistics** published estimates of Construction Output for [March 2025 and new orders January to March 2025](#) this morning.

### Main points:

- Total construction output is estimated to have shown no growth (0.0%) in Quarter 1 (Jan to Mar) 2025 compared with Quarter 4 (Oct to Dec) 2024; over the period new work increased by 0.9%, while repair and maintenance fell by 1.2%.
- Monthly construction output is estimated to have grown by 0.5% in March 2025; this follows a downwardly revised increase of 0.2% in February 2025, and an unrevised decrease of 0.3% in January 2025.
- The increase in monthly output in March 2025 came from increases in both new work, and repair and maintenance, which grew by 0.6% and 0.4%, respectively.
- Anecdotal evidence from survey returns noted the positive effects of warmer and milder weather.
- At the sector level, five out of the nine sectors grew in March 2025; the main contributors to the monthly increase were private housing and infrastructure new work, which rose by 2.3% and 2.5%, respectively.
- Total construction new orders grew by 26.6% (£2,447 million) in Quarter 1 2025 compared with Quarter 4 2024; this quarterly increase came mainly from infrastructure new work and private industrial new work.

## Gross Domestic Product increased by 0.2% in March 2025

The **Office for National Statistics** published estimates of GDP (Gross Domestic Product) for [March 2025](#) this morning.

### Main points:

- Monthly real gross domestic product (GDP) is estimated to have grown by 0.2% in March 2025, following unrevised growth of 0.5% in February 2025.
- Real GDP is estimated to have grown by 0.7% in the three months to March 2025, compared with the three months to December 2024; this is mainly because of widespread growth in the services sector in this period.
- Monthly services output rose by 0.4% in March 2025, following unrevised growth of 0.3% in February 2025, and was the largest contributor to the growth in GDP in the month; services also grew by 0.7% in the three months to March 2025.
- Production output fell by 0.7% in March 2025, following growth of 1.7% in February 2025 (revised up from 1.5% growth in our previous publication), but grew by 1.1% in the three months to March 2025.

## S&P Global / CIPS UK Construction Purchasing Managers Index for April 2025

Figure 1: Monthly Construction Total Activity Index, start of series to April 2025.

S&P Global UK Construction PMI Total Activity

Index, sa, >50 = growth m/m



Data were collected 9-29 April 2025.

Source: S&P Global PMI. ©2025 S&P Global.

**S&P Global CIPS** published their latest [construction purchasing managers index](#) for April 2025 on 7<sup>th</sup> May 2025.

### Main Points:

- Construction activity decreased for the fourth consecutive month, with increasing business uncertainty delaying decision-making on new projects.
- The S&P Global UK Construction PMI registered at 46.6 in April, representing a fourth consecutive month below the 50.0 no-change threshold albeit at a slightly slower pace of decline than in March (46.4).
- Residential work showed resilience as the best-performing sub-category at 47.1, with the rate of decline slowest since the start of 2025. Civil Engineering activity remained the weakest-performing area at 43.1, another sharp rate of decline amid a lack of new work. Commercial Work declined for the fourth consecutive month (45.5) and at the fastest pace since May 2020, with poor economic outlook and business uncertainty weighing on client demand.
- Total new work also declined at the second fastest pace since May 2020, with survey respondents commenting on the impact of subdued business and consumer confidence.
- Purchasing activity declined at the fastest pace for nearly five years in April, while reduced demand for construction products contributed to an improvement in wait times for supplier deliveries.
- Construction companies noted that many items have risen in price, including concrete products, insulation and timber, while fuel costs have gone down. Many suppliers have also sought to pass on rising payroll costs.
- Staffing numbers decreased for the fourth consecutive month, albeit at a slower pace compared to March. Many respondents have cited subdued demand and rising pay pressures.
- On balance, construction companies generally have an optimistic outlook for the next 12 months, with 41% of respondents predicting an increase in output (18% predicting a decrease). This is the highest level of business optimism since December 2024.

## Building Materials and Components

Figure 2: Monthly seasonally adjusted deliveries of bricks (in millions), Great Britain, 2007 to March 2025



The latest [Monthly Statistics of Building Materials and Components](#) were published on 7 May 2025.

Headline findings:

- Deliveries of bricks increased by 8.8% in March 2025 compared with March 2024
- Deliveries of blocks decreased by 2.3% in March 2025 compared with March 2024
- Due to the [Office for National Statistics pausing the publication of producer price indices](#) (PPIs), publication of construction material price indices also had to be paused, leading to no new data for March 2025.

## Business Insights and Impact on the UK economy

The **Office for National Statistics** published further information from their fortnightly [Business insights and impact on the UK economy](#) publication on 8 May 2025, summarising information on the overall UK business population. The survey was live from 22 April to 4 May 2025.

### Key Points:

- In late April 2025, 22% of businesses with 10 or more employees reported that they had exported goods, services, or both in the last 12 months; of these businesses, 19% reported that they exported more in March 2025 compared with March 2024, while 23% exported less.
- Of those that had exported, 36% of businesses with 10 or more employees reported that the cost of exporting in March 2025 was higher than in March 2024; this is up 7 percentage points from December 2024.
- In late April, 26% of businesses with 10 or more employees reported that they had imported goods, services, or both in the last 12 months; of these businesses, 18% reported they had imported more in March 2025 compared with March 2024; this is up 5 percentage points from December 2024 and the largest proportion reported since March 2023.
- Of those that had imported, 40% of businesses with 10 or more employees reported that the cost of importing in March 2025 was higher than in March 2024; this is up 7 percentage points from December 2024 and the largest proportion recorded since June 2023.
- In late April, 17% of businesses with 10 or more employees reported that they expect to be impacted by the United States tariffs in the next month; the most reported expected impacts were reduced demand and having to pass on additional costs to customers, both at 7%.

## Construction Output Forecasts

**Experian** published their Winter 2024 [forecasts](#) for the construction sector in January 2025.

### Key points:

- Total construction output is projected to decline by 1.1% in 2024, then grow by 3.5% in 2025 and 4.8% in 2026.
- The new housing sector is expected to decline by 7.1% in 2024, then grow by 4.6% in 2025 and 11.2% in 2026.
- Total repair, maintenance, and improvement (RM&I) is forecast to grow by 4.2% in 2024, 3.0% in 2025 and 2.8% in 2026.
- The new infrastructure sector is expected to decline by 7.0% in 2024, then grow by 2.7% in 2025 and 2.5% in 2026.
- The private industrial sector is expected to decline by 2.0% in 2024, then grow by 2.0% in 2025 and 4.5% in 2026.
- The private commercial sector is expected to decline by 1.1% in 2024, then grow by 4.4% in 2025 and 2.7% in 2026.
- The public non-residential sector is forecast to grow by 3.0% in 2024, 3.8% in 2025 and 3.9% in 2026.

The **Construction Products Association** (CPA) published their [Spring construction industry forecast](#) on 25 April 2025.

Key points:

- The CPA forecasts construction output to grow by 1.9% in 2025 and 3.7% in 2026.
- Private new housing is expected to grow by 4.0% in 2025 and 7.0% in 2026.
- Private housing repair, maintenance, and improvement (rm&i) is expected to grow by 3.0% in 2025 then 4.0% in 2026.

### Gross Domestic Product Forecasts

The latest monthly **Consensus Economics** [Forecast Survey](#) (which uses an average of private sector forecasts) results were published in April 2025.

- The mean GDP forecast for 2025 is 0.7%, down from 0.9% in previous month's forecast.
- The mean GDP forecast for 2026 is 1.1%, down from 1.2% in previous month's forecast.

The **OECD** published their latest [Economic Outlook](#) in March 2025:

- UK GDP is projected to grow by 1.4% in 2025, down from 1.7% in the previous forecast in December, and to grow by 1.2% in 2026.
- Global GDP growth is projected to increase by 3.1%, down from 3.3% from the previous forecast in December, and 3.0% in 2026.

### Bank of England Summary of Business Conditions

The **Bank of England** published its most recent update to the [Agents' Summary of Business Conditions](#) on 20 March 2025, covering intelligence gathered in the 6 weeks to end February 2025.

Key points:

- There is further easing in the rate of decline in construction output compared to a year ago.
- Contacts expect modest growth in output in the second half of 2025, heavily influenced by expectations of interest rate cuts and increased government spending materialising.
- Private housing construction has continued to pick up at a modest rate, with output marginally ahead of a year ago. Overall repair and maintenance output is up slightly, driven by commercial renovations.
- Some private commercial developments, including data centres and warehouses, are progressing, but the sector overall is declining hindered by high funding and construction costs.
- Across construction as a whole, planning delays, a lack of utility connections, high costs and labour shortages are cited as future constraints on development.

## Builders Merchant Building Index

The [Builders Merchant Building Index](#) for February 2025 was published by the **Builders Merchants Federation**, **GfK** and **MRA Research** on 28 April 2025.

### *February 2025 vs January 2025*

- Total Builders' Merchants value sales were 4.4% higher in February 2025 than in January 2025. Volume sales were up 8.0% and prices were down 3.4%. With 2 extra trading days last month, like-for-like value sales were up 14.8%.
- Three categories performed better than Total Merchants this month, with Landscaping (+15.1%) by far the most successful followed by Services (+6.1%). Workwear & Safetywear (-8.3%), Ironmongery (-2.8%) and Plumbing, Heating & Electrical (-0.4%) all declined this month.

### *February 2025 vs February 2024*

- Total Builders' Merchants value sales were 2.7% lower in February 2025 than in February 2024. Volume sales were flat (-0.1%) and prices were down -2.6%. With one fewer trading day this year than last year, like-for-like sales were up 2.2%.
- Five categories performed better than Total Merchants, with Services (+3.0), Tools (+2.6%) and Miscellaneous (+2.3%) performing best. Renewables & Water Saving (-6.6%), Decorating (-6.4%) and Workwear & Safetywear (-6.0%) were the worst performing categories.

Expected dates for future construction output releases	
<i>Release for:</i>	<i>Publication date:</i>
April 2025	12 June 2025
May 2025	11 July 2025
June 2025	14 August 2025

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