

Monthly Construction Update

Business Statistics Team
13 November 2025



Department for
Business & Trade

Construction output grew by 0.2% in September 2025

The **Office for National Statistics** published estimates of Construction Output for [September 2025 and Quarter 3 2025](#) this morning.

Main points:

- Total construction output is estimated to have grown by 0.1% in Quarter 3 2025 compared with Quarter 2 2025; new work decreased by 0.2%, while repair and maintenance grew by 0.6%.
- At the sector level, four out of the nine sectors grew in Quarter 3 2025; the main positive contributor to the increase was private housing repair and maintenance, which grew by 2.9%; the main negative contributor was private new housing, which fell by 1.9%.
- Monthly construction output is estimated to have grown by 0.2% in September 2025; this follows a revised decrease of 0.5% in August 2025 and a revised increase of 0.2% in July 2025.
- The increase in monthly output in September 2025 came solely from an increase in new work (0.7%), as repair and maintenance decreased by 0.5% on the month.
- Total construction new orders grew by 9.8% (£1,078 million) in Quarter 3 2025 compared with Quarter 2 2025; this quarterly increase came mainly from private commercial new work and private industrial new work.
- The annual rate of construction output price growth was 2.7% in the 12 months to September 2025.

Gross Domestic Product fell by 0.1% in September 2025

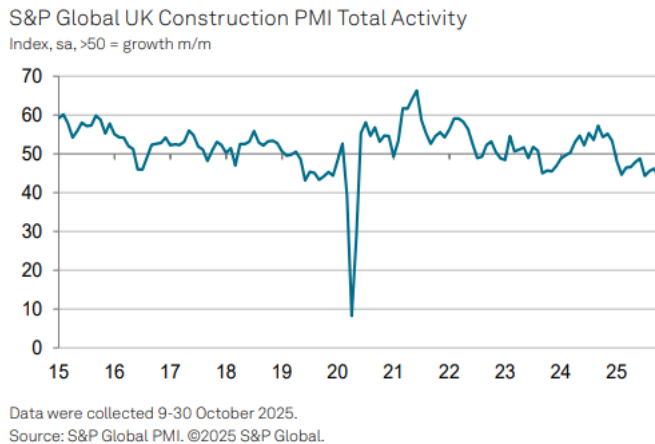
The **Office for National Statistics** published estimates of GDP (Gross Domestic Product) for [September 2025](#) this morning.

Main points:

- Real gross domestic product (GDP) grew by 0.1% in the three months to September 2025, following growth of 0.2% in the three months to August 2025.
- Services output grew by 0.2% in this period compared with growth of 0.3% in the three months to August 2025, while production output fell by 0.5% following a fall of 0.1% in the three months to August 2025.
- Monthly GDP is estimated to have fallen by 0.1% in September following no growth in August 2025 and a fall of 0.1% in July 2025.
- Production fell by 2.0%, while services grew by 0.2% in September 2025; this fall in production was largely because of a fall in the manufacture of motor vehicles, trailers and semi-trailers.

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

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



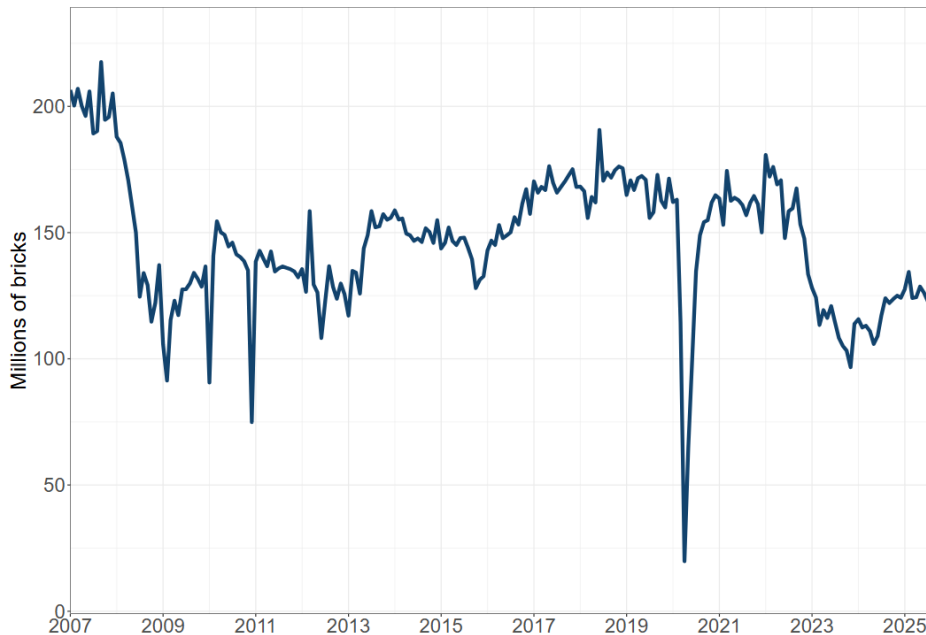
S&P Global CIPS published their latest [construction purchasing managers index](#) for October 2025 on 6 November 2025.

Main Points:

- The S&P Global UK Construction PMI registered at 44.1 in October 2025, down from 46.2 in September and representing the steepest monthly decline since May 2020 and the tenth consecutive month of decline since the 2008 economic crisis.
- Civil engineering remained the weakest category (35.4), suffering another steep decline due to lack of new projects. Residential (43.6) also declined markedly, while the comparatively resilient non-residential index only showed a slight decrease (46.3).
- New work declined across the sector, with the pace of decline faster than in September but still slower compared to the first half of 2025. Respondents noted sluggish market conditions, fewer tender opportunities and political uncertainty stemming client spending.
- Staffing numbers fell again in October due to shrinking activity and increased payroll costs, with the rate of job shedding greatest in five years, while subcontractor usage also fell.
- Reduced activity led to a reduction in demand for building products, which had the effect of improving lead times and supply chain conditions. Input cost inflation has moderated to its weakest since October 2024.
- Business expectations for the year ahead, while historically subdued, were more optimistic than previous months with 34% of respondents predicting an increase in activity and 20% predicting a decrease. Respondents are hopeful that decreased borrowing costs, increased client risk appetite and increase in demand in areas such as renewable energy will help boost future business.

Building Materials and Components

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



Source: Monthly statistics of building materials and components, table 9

The latest [Monthly Statistics of Building Materials and Components](#) were published on 5 November 2025.

Headline findings:

- Deliveries of bricks decreased by 0.5% in September 2025 compared with September 2024
- Deliveries of blocks decreased by 4.2% in September 2025 compared with September 2024
- Following the [ONS resuming publication of Producer Price Indices](#), the construction Material Price Indices included in this publication will resume as soon as possible.

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 6 November 2025, summarising information on the overall UK business population. The survey was live from 20 October to 2 November 2025.

Key Points:

- In late October 2025, 22% of trading businesses with 10 or more employees reported that they had exported goods, services, or both in the last 12 months; of these businesses, 20% reported that they exported more in September 2025 compared with September 2024.
- Of those trading businesses with 10 or more employees that had exported, 34% reported that the cost of exporting in September 2025 was higher than in September 2024; this is broadly stable from June 2025 compared with June 2024.
- In late October 2025, 27% of trading businesses with 10 or more employees reported that they had imported goods, services, or both in the last 12 months; of these businesses, 15% reported that they had imported more in September 2025 compared with September 2024, while 17% imported less.
- Of those trading businesses with 10 or more employees that had imported, 34% reported that the cost of importing in September 2025 was higher than in September 2024; this is broadly stable from June 2025 compared with June 2024.
- In late October 2025, 34% of businesses with 10 or more employees that had exported goods in the last 12 months reported that they were affected by US tariffs in the last month; the most reported impact was businesses experiencing additional costs at 22%.
- In late October 2025, 33% of businesses with 10 or more employees that had exported goods in the last 12 months reported that they expect to be affected by US tariffs in the next month; the most reported expected impact was having to pass additional costs to customers, at 14%.

Construction Output Forecasts

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

Key points:

- Total construction output is projected to increase by 1.9% in 2025, 2.8% in 2026 and 4.2% in 2027.
- The new housing sector is expected to increase by 2.1% in 2025, 4.9% in 2026 and 8.8% in 2027.
- Total repair, maintenance, and improvement (RM&I) is forecast to grow by 1.3% in 2025, 2.2% in 2026 and 2.4% in 2027.
- The new infrastructure sector is expected to increase by 3.9% in 2025, 2.4% in 2026 and 4.6% in 2027.
- The private industrial sector is expected to increase by 9.6% in 2025, 2.2% in 2026 and 3.5% in 2027.
- The private commercial sector is expected to increase by 4.1% in 2025, 3.0% in 2026 and 3.4% in 2027.
- The public non-residential sector is forecast to decrease by 6% in 2025 then grow by 1.1% 2026, then 3.0% in 2027.

The **Construction Products Association** (CPA) published their [Autumn construction industry forecast](#) on 26 October 2025.

Key points:

- The CPA forecasts construction output to grow by 1.1% in 2025 and 2.8% in 2026.
- Private new housing is expected to remain flat in 2025 and grow by 2.0% in 2026.
- Private housing repair, maintenance, and improvement (rm&i) is expected to grow by 2.0% in 2025 then 3.0% 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 October 2025.

- The mean GDP forecast for 2025 is 1.3%, up from 1.2% in the previous month's forecast.
- The mean GDP forecast for 2026 is 1.0%, showing no change from the previous month's forecast.

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

- UK GDP is projected to grow by 1.4% in 2025, up from 1.3% in the previous forecast in June, and to grow by 1.0% in 2026.
- Global GDP growth is projected to increase by 3.2%, up from 2.9% from the previous forecast in June, and 2.9% 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 18 September 2025, covering intelligence gathered in 6 weeks to mid-August 2025.

Key points:

- Construction activity remains modestly down on last year, but signs suggest that new public projects and a small uptick in housing investment will help support output growth in 2026.
- Contacts report lower commercial construction as projects are delayed and phased due to cost increases. Private activity is focused on refurbishment of existing stock, new office spaces, data centres and renewable energy.
- Larger contractors are pivoting towards large public projects, but output there is lower than expected due to delays on major projects such as HS2.
- Large house builders report volume growth of around 3% compared to 2024, with smaller builders less so. All have reported building more social housing to improve volume growth.
- Refurbishment of social and private rental stock continues, while the Building Safety Act is slowing most new high-rise projects. Problems with utility connections, labour supply and delays in the consents process continue to weigh on confidence.

Builders Merchant Building Index

The [Builders Merchant Building Index](#) for August 2025 was published by the **Builders Merchants Federation, GfK and MRA Research** on 24 October 2025.

August 2025 vs August 2024

- Total Builders Merchants value sales were down 5.0% in August 2025 compared with August 2024. Volume sales were down 4.1% and prices were down 1.0%. With one less trading day this year, like-for-like value sales were down 0.3%.
- Only Workwear & Safetywear (+2.7%) sold more, while Decorating (-7.8%) and Heavy Building Materials (-6.6%) were the worst performing.

August 2025 vs July 2025

- Total Builders Merchants value sales were 12.7% lower in August 2025 than July 2025. Volume sales were down 13.4% and prices were up 0.8%. With three trading days fewer this month, like-for-like value sales were up 0.3%.
- All categories sold less, with Ironmongery (-14.5%) and Miscellaneous (-15.0%) performing worst.

Expected dates for future construction output releases	
<i>Release for:</i>	<i>Publication date:</i>
October 2025	12 December 2025
November 2025	15 January 2026
December 2025	12 February 2026

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