

# Monthly Construction Update

Business Statistics Team  
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Department for  
Business & Trade

## Construction output increased by 1.8% in 2025

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

Main points:

- Total construction output is estimated to have fallen by 2.1% in Quarter 4 (Oct to Dec 2025) compared with Quarter 3 (July to Sept 2025); new work and repair and maintenance both fell by 2.6% and 1.5%, respectively.
- Monthly construction output is estimated to have fallen by 0.5% in December 2025, this follows an upwardly revised decrease of 0.8% in November 2025 and a downwardly revised decrease of 1.6% in October 2025.
- Annual construction output increased by 1.8% in 2025 compared with 2024; this is the fifth consecutive year of annual growth.
- Total construction new orders fell by 3.8% (£469 million) in Quarter 4 2025 compared with Quarter 3 2025; this quarterly decrease came mainly from private commercial new work and private industrial new work.

## Gross Domestic Product grew by 1.3% in 2025

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

Main points:

- Real gross domestic product (GDP) grew by 0.1% in the three months to December 2025, after a fall of 0.1% in the three months to November, and a fall of 0.1% in the three months to October 2025
- Production output grew by 1.2%; this follows an unrevised fall of 0.1% in the three months to November 2025.
- Monthly GDP is estimated to have grown by 0.1%, following a growth of 0.2% in November 2025 (revised down from a growth of 0.3% in our previous bulletin) and an unrevised fall of 0.1% in October 2025.
- Services grew by 0.3% and production fell by 0.9%.
- GDP is estimated to have grown by 1.3% in 2025, compared with 2024. This was driven by 1.4% growth in services output, 0.2% growth in production and 1.8% growth in construction.

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

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

S&P Global UK Construction PMI Total Activity

Index, sa, >50 = growth m/m



Data were collected 12-29 January 2026.

Source: S&P Global PMI. ©2026 S&P Global.

**S&P Global CIPS** published their latest [construction purchasing managers index](#) for January 2025 on 5 February 2026.

### Main Points:

- The S&P Global UK Construction PMI registered at 46.4 in January 2026, showing a significant easing in the rate of shrinkage and the highest index score since June 2025. The easing was seen in all three sub-sectors, boosted by a more stable demand environment and gradual turnaround in sales pipelines.
- Housebuilding was the weakest performing category at 39.3, shrinking at a slower pace than in the past 3 months. Respondents cited lack of new projects and subdued demand conditions.
- Civil engineering activity was at 40.6, but commercial activity registered at 48.4, the slowest rate of shrinkage at 48.4. Some respondents suggested post-budget clarity and improved investment sentiment as stabilisers of the commercial subcategory.
- Total new work decreased at the slowest pace for three months, with the decreases being attributed to risk aversion and fragile client confidence. There was some evidence of a turnaround in public and commercial work.
- Business activity expectations rebounded from the 35 month low seen in November, with 38% of the panel predicting an increase in activity in the next 12 months and 17% predicting a decrease. This shows the highest level of optimism since May 2025, although still well below the survey average.
- Input prices increased at the highest rate since September 2025, with suppliers passing on higher material and wage costs. Subcontractor charges also increased despite decreased demand.
- Construction staffing numbers decreased, extending the current period of job losses to 13 months.
- Purchasing activity decreased sharply in January reflecting decreased activity, which led to improvement in vendor delivery times for the sixth consecutive month.

## Building Materials and Components

Figure 2: Monthly deliveries of bricks, Great Britain, 2008 to December 2025

Figure 1: seasonally adjusted deliveries of bricks, GB

Unit: number of bricks, millions

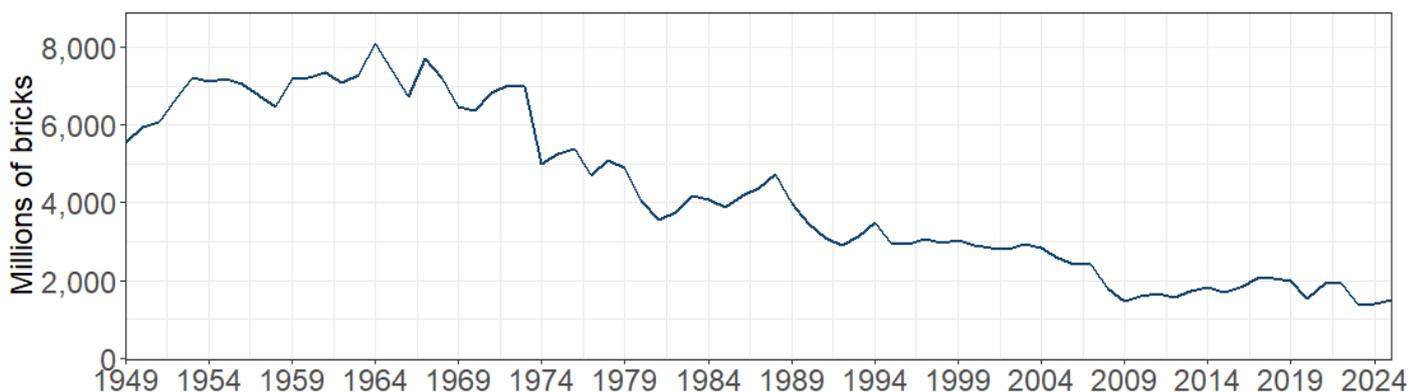


Source: monthly statistics of building materials and components, table 9

The latest [Monthly Statistics of Building Materials and Components](#) were published on 4 February 2026. Headline findings:

- Deliveries of bricks decreased by 6.7% in December 2025 compared with December 2024
- Deliveries of blocks decreased by 17.3% in December 2025 compared with December 2024
- The material price index for 'All Work' increased by 3.3% in December 2025 compared with December 2024

Figure 3: Annual deliveries of bricks, 1949 to 2025.



- Historically, deliveries of bricks hit a peak during the post-war construction boom, and have steadily declined since.
- Brick deliveries are a useful gauge of housebuilding activity, dropping in response to financial crises as seen in 2008.

## 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 5 February 2026, summarising information on the overall UK business population. The survey was live from 19 January to 1 February 2025.

### Key Points:

- In late January 2026, 22% of trading businesses with 10 or more employees reported that they had exported goods, services, or both in the last 12 months; this was broadly stable with late December 2025 and late January 2025.
- Just over a quarter (26%) of trading businesses with 10 or more employees that had exported reported that they had exported less when compared with the same month a year ago, which was the highest proportion since December 2022; 17% reported they exported more during the same period.
- In late January 2026, 27% of trading businesses with 10 or more employees reported that they had imported goods, services, or both in the last 12 months; this was broadly stable with late December 2025 and when compared with the same time last year.
- Around one in five (20%) trading businesses with 10 or more employees that had imported reported that they had imported less when compared with the same month a year ago; 49% reported their importing stayed the same, down 4 percentage points from September 2025.
- Less than a third (31%) of businesses with 10 or more employees that exported in the last 12 months reported in late January 2026 that they were impacted by US tariffs in the last month, with 19% reporting having to absorb costs.
- Nearly a quarter (23%) of businesses with 10 or more employees that imported in the last 12 months reported in late January 2026 that they were impacted by US tariffs in the last month, with 14% reporting having to absorb costs.

## 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 [Winter construction industry forecast](#) on 26 January 2026.

Key points:

- The CPA forecasts construction output to grow by 1.7% in 2026.
- Private new housing is expected to grow by 1.5% in 2026.
- Private housing repair, maintenance, and improvement (rm&i) is expected to decrease by 1.0% 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 January 2025.

- The mean GDP forecast for 2026 is 1.3%, showing no change from the previous month's forecast.
- The mean GDP forecast for 2027 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, with no change from the previous forecast in September, and to grow by 1.7% in 2026.
- Global GDP growth is projected to increase by 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 December 2025, covering intelligence gathered in the 6 weeks to late November 2025.

Main points:

- Construction sector output continues to contract on last year, with contacts expecting modest positive output growth by mid-2026 as new work picks up.
- Housebuilding and commercial projects remain below last year's levels due to high build and funding costs.
- Larger infrastructure projects and repair and maintenance are steadily increasing, with office, hotel and retail refurbishments continuing and renovations being driven by post-Grenfell regulation.
- Planning delays and budget uncertainty have been slowing activity across the sector.

## Builders Merchant Building Index

The [Builders Merchant Building Index](#) for November 2025 was published by the **Builders Merchants Federation, GfK and MRA Research** on 4 February 2026.

*November 2025 vs November 2024*

- Total Builders Merchants value sales were down 5.1% in November 2025 compared to November 2024. Volume sales were down 8.5% and prices were up 3.7%. With one less trading day this month, like-for-like sales were down 0.4%.
- Five of twelve categories sold more, with Renewables & Water Saving (+5.1) and Workwear & Safetywear (4.0%) performing best.

*November 2025 vs October 2025*

- Total Builders Merchants value sales were down 14.8% in November 2025 compared to October. Volume sales down 19.3% but prices were up 5.7%. With three less trading days this month, like-for-like value sales were down 2.0%.
- All twelve categories sold less, with Workwear & Safetywear (-0.2%) and Kitchens & Bathrooms (-3.8%) falling less than other categories.

Expected dates for future construction output releases	
<i>Release for:</i>	<i>Publication date:</i>
January 2026	13 March 2026
February 2026	16 April 2026
March 2026	14 May 2026

Business Statistics team | Analysis Group | Department for Business and Trade