

Monthly Construction Update

Business Statistics Team
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Department for
Business & Trade

Construction output increased by 0.4% in November 2024

The **Office for National Statistics** published estimates of Construction Output for [November 2024](#) this morning.

Main points:

- Monthly construction output is estimated to have grown by 0.4% in volume terms in November 2024; this follows an upwardly revised decrease of 0.3% in October 2024.
- This increase in monthly output came from rises in both new work (0.3%) and repair and maintenance (0.5%).
- At the sector level, five out of the nine sectors grew in November 2024; the main contributors to the monthly increase were private commercial new work and non-housing repair and maintenance, which grew by 3.1% and 1.1%, respectively.
- Construction output is estimated to have increased by 0.2% in the three months to November 2024; this came solely from an increase in new work (0.4%), as repair and maintenance was flat (0.0%) over the period.

Gross Domestic Product increased by 0.1% in November 2024

The **Office for National Statistics** published estimates of GDP (Gross Domestic Product) for [November 2024](#) this morning.

Main points:

- Monthly real gross domestic product (GDP) is estimated to have grown by 0.1% in November 2024 largely because of a growth in services, following an unrevised fall of 0.1% in October 2024.
- Real GDP is estimated to have shown no growth in the three months to November 2024, compared with the three months to August 2024.
- Monthly services output grew by 0.1% in November 2024, after falling by 0.1% in October 2024, but showed no growth in the three months to November 2024.
- Production output fell by 0.4% in November 2024, following an unrevised fall of 0.6% in October 2024; production fell by 0.7% in the three months to November 2024, driven by a decline in manufacturing.

S&P Global / CIPS UK Construction Purchasing Managers Index for December 2024

Figure 1: Monthly Construction Total Activity Index, start of series to December 2024.

S&P Global UK Construction PMI Total Activity

Index, sa, >50 = growth m/m



Data compiled 05-20 December 2024.

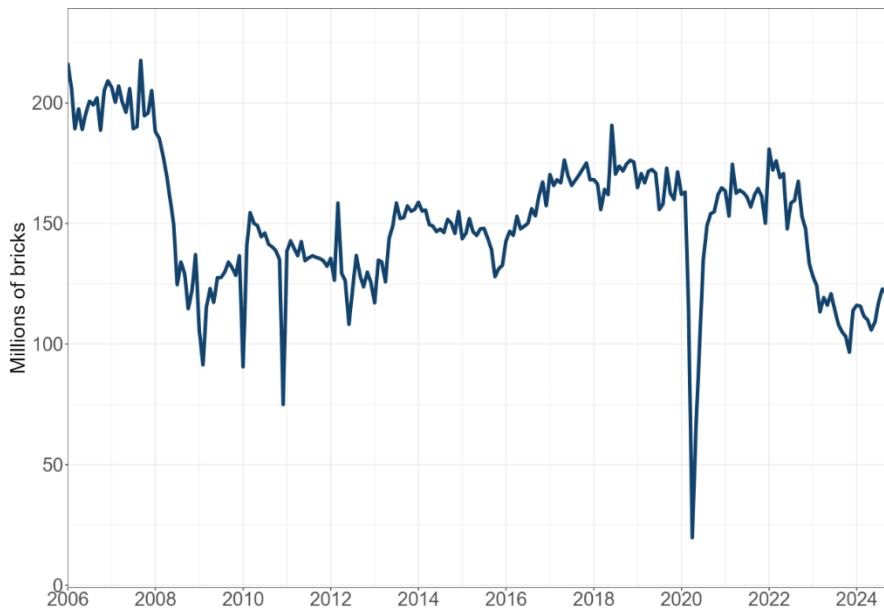
Source: S&P Global PMI. ©2025 S&P Global.

S&P Global CIPS published their latest [construction purchasing managers index](#) for December 2024 on 7 January 2025.

- December construction industry growth slowed to an eight-month low, while new order growth slowed for the third month running.
- The S&P Global UK Construction PMI registered 53.3 in December, down from 55.2 in November and the lowest for six months. Nevertheless, it remains above the 50.0 no-change mark, representing continued growth since March 2024.
- Commercial activity represented the fastest-growing category of the construction sector (index at 55.0), while civil engineering activity also grew steadily (52.9) despite both sectors showing month-on-month decline. Residential work continued to register an overall decline at 47.6 for the third month running. Survey respondents suggested that reduced demand, increased borrowing costs and weak consumer confidence all contributed to this decline.
- Total new work also expanded at the slowest rate since June 2024. Anecdotal evidence suggests that cutbacks to residential development projects offset improving tender opportunities in the commercial sector, while little new business was found to replace completed infrastructure work.
- Construction companies responded to weaker new order growth by reducing their input buying for the first time in eight months. Despite this, delivery times remained broadly unchanged, there were reports that shipping delays had led to longer lead times for imported items.
- Sub-contractor usage declined for the fourth time in five months, while sub-contractor costs rose to the highest level for 20 months. Increased cost inflation and rising salaries were cited as factors holding back hiring of new staff, while the pace of job creation remained lower than the pre-pandemic average.
- Around 48% of the survey panel predicted a rise in output over the course of 2025, while only 15% forecast a decline. This represents a sharp increase in positive sentiment since November, but still much lower than in the first half of 2024. Construction firms typically commented on optimism due to long-term business plans, some cited worries about the general UK economic outlook and tighter budgets for capital spending.

Building Materials and Components

Figure 2: Monthly seasonally adjusted deliveries of bricks (in millions), Great Britain, 2006 to November 2024



The latest [Monthly Statistics of Building Materials and Components](#) were published on 10 January 2025.

Headline findings:

- Deliveries of bricks increased by 28.4% in November 2024 compared with November 2023.
- Deliveries of blocks increased by 13.7% in November 2024 compared with November 2023.
- The material price index for 'All Work' was unchanged (0.0%) in November 2024 compared with November 2023.

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 9 January 2025, summarising information on the overall UK business population. The survey was live from 16 to 29 December 2024.

Key Points:

- In late December 2024, nearly three in five (59%) businesses reported that they were not concerned about the impact climate change may have on their business; this is up 3 percentage points from late September 2024 and is the highest proportion reported since the question was first introduced into the Business Insights and Conditions Survey (BICS) in September 2022.
- When asked in late December 2024, 17% of businesses reported that they had taken at least one action to protect the environment, up 3 percentage points from late September 2024, but in line with late June 2024; the most commonly reported action was monitoring climate-related risks at 7%, broadly stable over the same period.
- In late December 2024, more than half (51%) of businesses reported that they had taken at least one action to reduce their carbon emissions, up 3 percentage points from late September 2024; the most reported actions taken were switching to LED bulbs (34%), adjusting heating and cooling systems (24%), and installing a smart meter (15%).
- Approximately one in six (16%) businesses reported that they are currently using some form of artificial intelligence (AI) technology in late December 2024, broadly stable with late September 2024; for businesses with 250 or more employees this percentage was higher at 28%, down 2 percentage points over the same period.
- In late December 2024, 23% of businesses reported that they had some form of concern about their supply chains over the next 12 months, up 3 percentage points from late September 2024; the most commonly reported concern was increased barriers to trade at 11%, up 3 percentage points over the same period.
- Of the 23% of businesses that reported having at least one concern about their future supply chains, 44% reported that they expect to be impacted by the increased costs of sourcing materials, up 8 percentage points from late September 2024; other impacts reported include increased transportation costs (31%) and increased labour costs (24%), up 3 and 8 percentage points, respectively, over the same period.

Construction Output Forecasts

Experian published their Autumn 2024 [forecasts](#) for the construction sector in October 2024.

Key points:

- Total construction output is projected to decline by 1.2% in 2024, then grow by 2.7% in 2025 and 3.6% in 2026.
- The new housing sector is expected to decline by 6.0% in 2024, then grow by 3.8% in 2025 and 8.0% in 2026.
- Total repair, maintenance, and improvement (RM&I) is forecast to grow by 4.5% in 2024, 3.0% in 2025 and 2.8% in 2026.
- The new infrastructure sector is expected to decline by 8.0% in 2024, then grow by 1.5% in 2025 and 0.5% in 2026.
- The private industrial sector is expected to decline by 4.0% in 2024, the grow by 0.1% in 2025 and 5.7% in 2026.
- The private commercial sector is expected to decline by 2.8% in 2024, then grow by 1.5% in 2025 and 2.2% in 2026.
- The public non-residential sector is forecast to grow by 0.9% in 2024, then 3.1% in 2025 and 2026.

The **Construction Products Association** (CPA) published their [Autumn construction industry forecast](#) on 28 October 2024.

Key points:

- The CPA forecasts construction output to fall by 2.9% in 2024, before growing by 2.5% in 2025 and 3.8% in 2026.
- Private new housing is expected to fall by 9.0% in 2024 and grow by 8.0% in 2025.
- Private housing repair, maintenance, and improvement (rm&i) is expected to fall 4.0% in 2024.

Gross Domestic Product Forecasts

The latest monthly **Consensus Economics** [Forecast Survey](#) (which uses an average of private sector forecasts) results were published in December 2024.

- The mean GDP forecast for 2024 is 0.9%, showing no change from previous month's forecast.
- The mean GDP forecast for 2025 is 1.3%, showing no change from previous month's forecast.

The **OECD** published their latest [Economic Outlook](#) in December 2024:

- UK GDP is projected to grow by 0.9% this year, down from 1.1% in the previous forecast in September, and to grow by 1.7% in 2025, up from 1.2% forecasted in September.
- Global GDP growth is projected to increase by 3.2% this year, with no change to September's forecast, and 3.3% in 2025, up from the 3.2% forecasted in September.

Bank of England Summary of Business Conditions

The **Bank of England** published its most recent update to the [Agents' Summary of Business Conditions](#) on 19 December 2024, covering intelligence gathered in the 6 weeks to late November 2024.

Key points:

- The rate of decline in construction output continues to ease compared to a year ago. Despite the budget weakening sentiment, contacts expect modest growth to return in the first half of 2025.
- Private housing building rates have picked up, with output close to where it was one year ago. Social housing providers are struggling to buy their share of private development, causing a constraint.
- Repair and maintenance has seen ongoing growth, with office refits increasing and housing associations focused on improving existing stock. However, spending on home improvements has fallen and some public sector projects have been delayed or cancelled.
- While recent and current drivers of the construction industry relate to demand factors, some contacts are concerned that supply constraints such as planning and limited labour availability could limit future output growth.

Builders Merchant Building Index

The [Builders Merchant Building Index](#) for October 2024 were published by the **Builders Merchants Federation, GfK and MRA Research** on 20 December 2024.

October 2024 vs October 2023

- Total Builders Merchants value sales for the month increased by 1.2% in October 2024 compared to October 2023. Volume sales were up by 2.7%, while prices were down by 1.4%. With one more trading day this year, like-for-like value sales were down by 3.2%.
- Six of the twelve categories performed better than Total Merchants, with Tools (+14.3%) and Workwear & Safetywear (+10.1%) performing best. Heavy Building Materials (+1.1%) performed slightly better than Total Merchants, while Timber & Joinery Products (-1.0%) was weakest.

October 2024 vs September 2024:

- Total Builders' Merchants Value Sales were 7.3% higher in October than in September 2024. Volume sales were up 6.5% and prices were slightly higher (0.7%). With two more trading days this month, like-for-like value sales were down 2.1%.
- Ten of the twelve categories sold more than Total Merchants, with Renewables & Water Saving (+33.3%), Miscellaneous (+16.0%) and Plumbing Heating & Electrical (+15.3%) were the top performing categories. The two largest categories, Heavy Building Materials and Timber & Joinery Products, were marginally ahead of Total Merchants at 7.4%. Landscaping (-2.9%) was the only category to record a decrease in value sales.

Expected dates for future construction output releases	
<i>Release for:</i>	<i>Publication date:</i>
December 2024	13 February 2025
January 2025	14 March 2025
February 2025	11 April 2025