

Monthly Construction Update

Business Statistics Team

14 August 2025



Department for
Business & Trade

Construction output grew by 1.2% in Q2 2025

The **Office for National Statistics** published estimates of Construction Output for [June 2025, along with New Order and Construction Output Price Indices for Quarter 2 2025](#) this morning.

Main points:

- Total construction output is estimated to have grown by 1.2% in Quarter 2 (Apr to June) 2025 compared with Quarter 1 (Jan to Mar) 2025; new work increased by 1.1%, and repair and maintenance grew by 1.4%.
- Monthly construction output is estimated to have grown by 0.3% in June 2025; this follows a fall of 0.5% in May 2025 and an increase of 0.9% in April 2025.
- The increase in monthly output in June 2025 came solely from an increase in repair and maintenance (1.2%), as new work decreased by 0.4%.
- At the sector level, five out of the nine sectors grew in June 2025; the main contributors to the monthly increase were private housing repair and maintenance and non-housing repair and maintenance, which grew by 3.7% and 0.8%, respectively.
- Total construction new orders fell by 8.3% (£976 million) in Quarter 2 2025 compared with Quarter 1 2025; this quarterly decrease came mainly from infrastructure new work and private commercial new work.

Gross Domestic Product grew by 0.4% in June 2025

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

Main points:

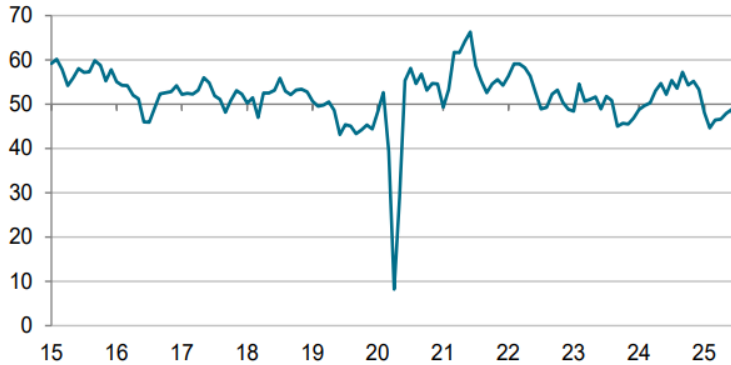
- Monthly real gross domestic product (GDP) is estimated to have grown by 0.4% in June 2025, following an unrevised fall of 0.1% in May 2025 and a fall of 0.1% in April 2025 (revised up from a 0.3% fall in our previous publication).
- Real GDP is estimated to have grown by 0.3% in the three months to June 2025, compared with the three months to March 2025, largely driven by growth in the services sector in this period.
- Monthly services output grew by 0.3% in June 2025, following unrevised growth of 0.1% in May 2025 and a fall of 0.2% in April 2025 (revised up from a 0.3% fall in our previous publication).
- Production output grew by 0.7% in June 2025, following a fall of 1.3% in May 2025 (revised down from a 0.9% fall in our previous publication) and no growth in April 2025 (revised up from a 0.6% fall in our previous publication).

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

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

S&P Global UK Construction PMI Total Activity

Index, sa, >50 = growth m/m



Data were collected 10-30 July 2025.

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

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

Main Points:

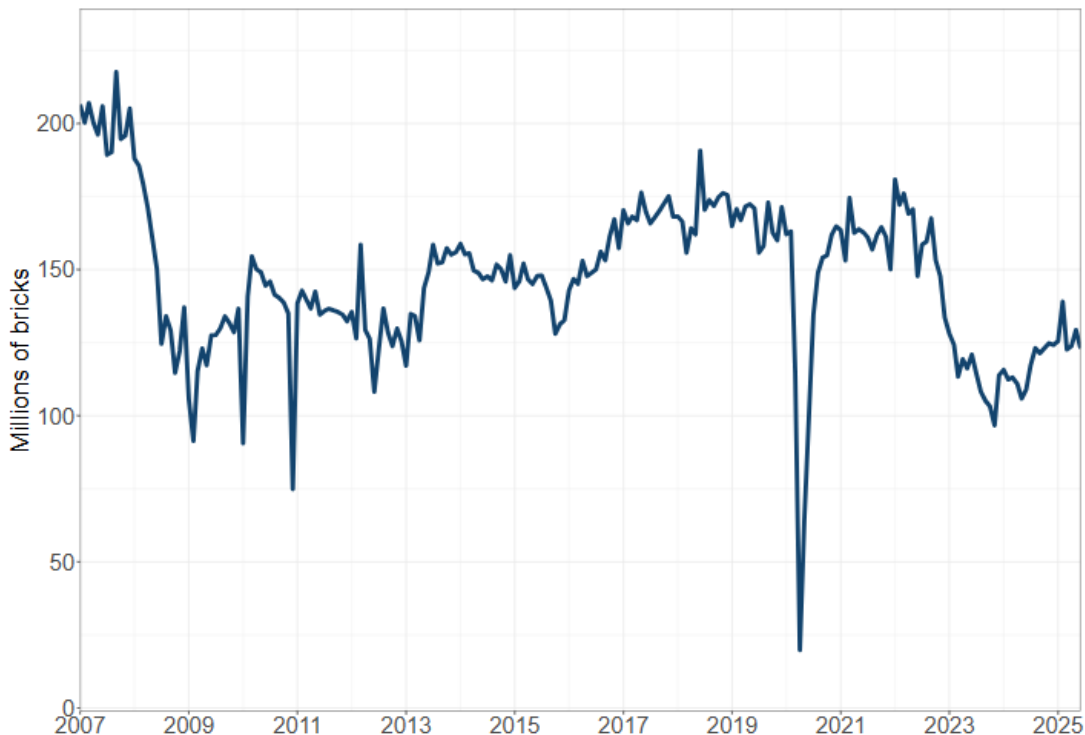
- There was a considerable slump in the UK construction sector at the start of the third quarter, with total industry activity levels falling at the steepest pace since May 2020.
- The headline S&P Global UK Construction PMI posted at 44.3 in July, down from 48.8 in June. This is the sharpest contraction in five years.
- This decrease was mainly driven by a decrease in the Residential sub-sector, while Civil Engineering activity also fell significantly. A marked but softer fall was seen for commercial construction.
- UK Construction companies remained challenged by subdued demand conditions, with the volume of incoming work decreasing for a seventh month running at the most pronounced pace since February. This came along with a decrease in tender opportunities as reported by panellists.
- The volume of construction materials also declined in July, though at the softest pace since the start of 2025. Delivery times from vendors have increased for the first time in 2025.
- UK Construction companies reported higher charged from supplier, underpinned by a sharp rise in operating expenses. However, the overall rate of inflation was weakest since January.
- July continued the downward trend in payroll numbers, extending the current period of falling employment to seven months.
- While contractor usage also decreased, rates charged by contractors increased sharply, in line with the trend seen since late last year.
- Despite the worsening business environment, business confidence ticked up slightly from the two-and-a-half low seen in June. However, concerns over broader economic growth had an effect on company growth projections.

Building Materials and Components

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

Figure 1: seasonally adjusted deliveries of bricks, GB

Number of bricks



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

The latest [Monthly Statistics of Building Materials and Components](#) were published on 6 August 2025.

Headline findings:

- Deliveries of bricks increased by 12.8% in June 2025 compared with June 2024.
- Deliveries of blocks decreased by 4.6% in June 2025 compared with June 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 June 2025. The publication contains data up to January 2025, the latest data available.

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 7 August 2025, summarising information on the overall UK business population. The survey was live from 21 July to 1 August 2025.

Key Points:

- In late July 2025, 21% 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, 22% reported that they exported more in June 2025 compared with this time last year (the highest proportion reported since this response option was introduced in March 2022).
- Of those trading businesses with 10 or more employees that had exported, 34% reported that the cost of exporting in June 2025 was higher than in June 2024; this is down 2 percentage points from March 2025 compared with March 2024.
- In late July 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, 17% reported they had imported more in June 2025 compared with June 2024, while 14% imported less.
- Of those trading businesses with 10 or more employees that had imported, 35% reported that the cost of importing in June 2025 was higher than in June 2024; while this is down 5 percentage points from March 2025 compared with March 2024, it is broadly stable with December 2024 compared with December 2023.
- In late July 2025, 32% of businesses with 10 or more employees that had exported goods in the last 12 months reported they were impacted by US tariffs in the last month; the most-reported impact was businesses experiencing additional costs (18%).
- In late July 2025, 31% of businesses with 10 or more employees that had exported goods in the last 12 months reported they expect to be impacted by US tariffs in the next month; the most-reported expected impact was having to pass on additional costs to customers (13%).

Construction Output Forecasts

Experian published their Summer 2024 [forecasts](#) for the construction sector in July 2025.

Key points:

- Total construction output is projected to increase by 2.1% in 2025, 3.4% in 2026 and 4.3% in 2027.
- The new housing sector is expected to increase by 1.4% in 2025, 6.5% in 2026 and 9.8% in 2027.
- Total repair, maintenance, and improvement (RM&I) is forecast to grow by 2.1% in 2025, 2.5% in 2026 and 2.6% in 2027.
- The new infrastructure sector is expected to increase by 1.0% in 2025, 1.9% in 2026 and 3.1% in 2027.
- The private industrial sector is expected to increase by 0.8% in 2025, 4.1% in 2026 and 3.8% 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 grow by 3.7% in 2025 and 2026, then 3.6% in 2027.

The **Construction Products Association** (CPA) published their [Summer construction industry forecast](#) on 28 July 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 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 July 2025.

- The mean GDP forecast for 2025 is 1.0%, showing no change from 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 June 2025:

- UK GDP is projected to grow by 1.3% in 2025, down from 1.4% in the previous forecast in March, and to grow by 1.0% in 2026.
- Global GDP growth is projected to increase by 2.9%, down from 3.1% from the previous forecast in March, 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 19 June 2025, covering intelligence gathered in the 6 weeks to mid-May 2025.

Key points:

- Construction output remains modestly down on the same period last year, with uncertainty weighing more on expectations. Any meaningful pickup is now expected in 2026.
- New private commercial development is slowing on last year due to increased uncertainty.
- Industrial development continues for projects such as data centres, renewable energy and waste-to-energy schemes.
- The infrastructure sector remains subdued, but water and defence projects are a source of growth.
- Private housebuilding is gradually improving and marginally ahead of last year.
- Public residential activity remains focused on repair and maintenance.
- Public residential activity remains positive. Contacts continue to cite planning, utility connections and relative costs as constraints on future growth.

Builders Merchant Building Index

The [Builders Merchant Building Index](#) for May 2025 was published by the **Builders Merchants Federation, GfK** and **MRA Research** on 25 July 2025.

May 2025 vs May 2024

- Total Builders Merchants value sales were flat (0.0%) in May 2025 compared with May 2024. Volume sales were up 2.1% and prices were down 2.1%. With one trading day less this year, like-for-like value sales were up 5.0%.
- Looking at value sales by category, five of the twelve categories sold more, with Renewables & Water Saving (+23.4%) performing best by far and Workwear & Safetywear was weakest (-7.0%).

May 2025 vs April 2025

- Total Builders Merchants value sales were unchanged (0.0%) in May 2025 compared with April 2025. Volume sales were up 1.0% and prices were down 1.0%. There was no difference in trading days.
- Four of the twelve categories sold more than Total Merchants, with Timber & Joinery Products (1.4%) and Decorating/Landscaping (both +1.3%) performing best. Workwear & Safetywear was weakest at -12.0%.

Expected dates for future construction output releases	
<i>Release for:</i>	<i>Publication date:</i>
July 2025	12 September 2025
August 2025	16 October 2025
September 2025	13 November 2025

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