

Monthly Construction Update

Business Statistics Team

12 September 2025



Department for
Business & Trade

Construction output grew by 0.2% in July 2025

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

Main points:

- Total construction output is estimated to have grown by 0.6% in the three months to July 2025.
- Over the three-month period, new work increased by 1.0%, and repair and maintenance grew by 0.1%.
- At the sector level, four out of the nine sectors grew in the three months to July 2025; the main contributors to the increase were private housing repair and maintenance, and infrastructure new work, which grew by 3.8% and 2.1%, respectively.
- Monthly construction output is estimated to have grown by 0.2% in July 2025; this follows a rise of 0.3% in June 2025.
- The increase in monthly output in July 2025 came solely from an increase in new work (0.3%), as repair and maintenance was flat on the month (0.0%).

Gross Domestic Product showed no change in July 2025

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

Main points:

- Real gross domestic product (GDP) grew by 0.2% in the three months to July 2025 compared with the three months to April 2025, down from three-month-on-three-month growths of 0.3% in June 2025 and 0.6% in May 2025.
- Services output grew by 0.4% in the three months to July 2025, compared with the three months to April 2025, and was the main contributor to GDP growth over this period, after growing 0.4% in the three months to June 2025.
- Production output fell by 1.3% in the three months to July 2025, compared with the three months to April 2025, following a fall of 0.3% in the three months to June 2025.
- Monthly GDP is estimated to have shown no growth in July 2025, following growth of 0.4% in June 2025 and a fall of 0.1% in May 2025.
- Services and construction both grew in July 2025, growing by 0.1% and 0.2% respectively, while production fell by 0.9% in July 2025.

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

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

S&P Global UK Construction PMI Total Activity

Index, sa, >50 = growth m/m



Data were collected 12-28 August 2025.

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

S&P Global CIPS published their latest [construction purchasing managers index](#) for August 2025 on 4 September 2025.

Main Points:

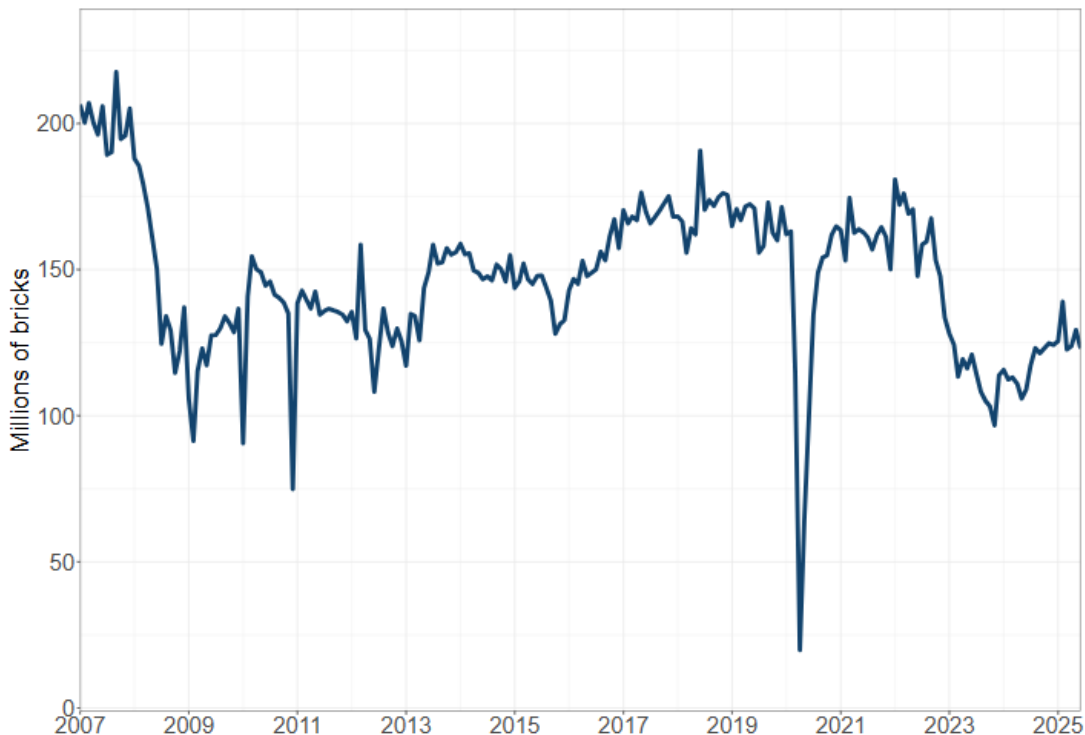
- The S&P Global UK Construction PMI registered at 45.5 in August, up from 44.3 in July which was the lowest reading in over five years.
- The August index represents a fall in business activity for the eighth consecutive month, despite the month-on-month increase.
- A slower reduction in commercial building activity (47.8) helped to offset more significant declines in residential (44.2) and civil engineering (38.1) activity.
- The reduction in housebuilding activity represents the sharpest drop since February, while the civil engineering category is decreasing at the fastest pace since October 2020. Survey respondents commented on the lack of new projects to replace completed work.
- Total new orders declined for the eighth month running in August, however, at the slowest rate of decline since January. Respondents commented on challenging market conditions, price competition and headwinds from the UK economic activity.
- Reductions in new work and construction output have led to hiring freezes and non-replacement of departing staff in August, with employment numbers falling at the fastest rate since May. Every month in 2025 so far has seen a reduction in staff numbers. Subcontractor usage also fell markedly, at one of the fastest rates seen in the past five years.
- Purchasing activity has also decreased due to reduced activity, leading to shorter wait times for supplier deliveries. Purchasing prices have increased at the slowest rate since October 2024, despite reports of suppliers seeking to pass on higher wages and transport costs.
- The latest survey data revealed that 34% of the panel predicted a rise in output during the year ahead and 22% forecasting a reduction, which is the lowest degree of business confidence since December 2022.

Building Materials and Components

Figure 2: Monthly seasonally adjusted deliveries of bricks (in millions), Great Britain, 2007 to August 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 9.0% in July 2025 compared with July 2024
- Deliveries of blocks decreased by 0.1% in July 2025 compared with July 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 August 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 4 September 2025, summarising information on the overall UK business population. The survey was live from 18 to 31 August 2025.

Key Points:

- In late August 2025, 48% of businesses with 10 or more employees reported that their staffing costs (including wages, bonuses, national insurance (NI), and pension contributions) had increased over the last three months; this is down 29 percentage points compared with late May, but up 12 percentage points compared with late August 2024.
- 17% of businesses with 10 or more employees reported that their employees' hourly wages increased in July 2025 compared with June, which is a 38 percentage point fall compared with April, but is broadly in line with July 2024; the seasonal pattern of peaks in April followed by falls has been observed every year since the question was introduced in 2022.
- In late August 2025, 31% of businesses with 10 or more employees expected staffing costs to increase over the next three months; this is a 10 percentage point decrease compared with late May 2025 and a 3 percentage point increase compared with this time last year.
- 31% of businesses with 10 or more employees reported experiencing difficulties recruiting employees in July 2025, which is broadly stable with April; around half (51%) of those businesses reported a lack of qualified applicants for the roles on offer, while nearly a third (32%) cited a low number of applications for the roles on offer.
- 19% of private sector businesses reported in late August 2025 that they are using or planning to use increased homeworking as a permanent business model going forward; this has been broadly stable since late November 2024.
- In late August 2025, 33% of businesses with 10 or more employees that had exported goods in the last 12 months reported they were affected by US tariffs in the last month; 31% expected an impact in the next month, while the most reported expected impact was having to pass on additional costs to customers (13%).

Construction Output Forecasts

Experian published their Summer 2025 [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 September 2025.

- The mean GDP forecast for 2025 is 1.2%, up from 1.0% 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 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 June 2025 was published by the **Builders Merchants Federation**, **GfK** and **MRA Research** on 4 September 2025.

June 2025 vs June 2024

- Total Builders Merchants value sales were up 5.6% in June 2025 compared to June 2024. With one more trading day this month, like-for-like sales were up 0.6%.
- Eleven of the twelve categories sold more compared to last year, with Renewables & Water Saving (14.1) and Plumbing Heating & Electrical (12.2%) performing best. The only category to register a real-terms fall was Decorating (-0.5%).

June 2025 vs May 2025

- Total Builders Merchants value sales were 0.9% lower in June 2025 compared to May 2025. With one more trading day this month, like-for-like sales were down 5.6%. Volume sales were down 0.1% and prices were down 0.8%.
- Four categories sold more compared to last month, with Kitchens & Bathrooms (+6.1%) leading. Landscaping showed the biggest decrease at -7.9%.

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

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