Monthly Construction Update

Business Statistics Team

13 November 2025

Department for Business & Trade

Construction output fell by 0.6% in October 2025

The **Office for National Statistics** published estimates of Construction Output for October 2025 this morning.

Main points:

- Total construction output is estimated to have fallen by 0.3% in the three months to October 2025.
- Over the three-month period, repair and maintenance fell by 1.0%, while new work grew by 0.1%.
- At the sector level, four out of the nine sectors fell in the three months to October 2025; the main negative contributor to the decrease was private housing repair and maintenance, which fell by 2.3%.
- Monthly construction output is estimated to have fallen by 0.6% in October 2025; this follows an increase of 0.2% in September 2025.
- The decrease in monthly output in October 2025 came from decreases in both new work, and repair and maintenance, which fell by 0.7% and 0.6%, respectively.

Gross Domestic Product fell by 0.1% in October 2025

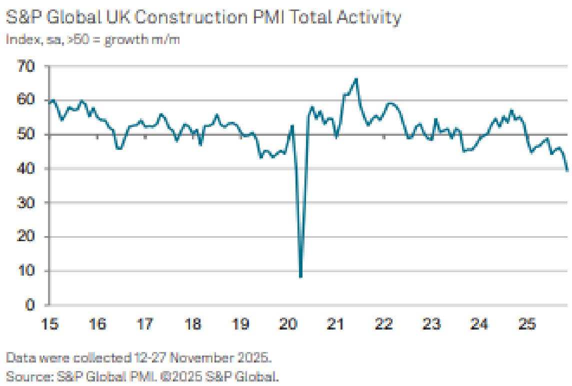
The **Office for National Statistics** published estimates of GDP (Gross Domestic Product) for October 2025 this morning.

Main points:

- Real gross domestic product (GDP) fell by 0.1% in the three months to October, following growth of 0.1% in the three months to September 2025.
- Services output experienced no growth, compared with growth of 0.2% in the three months to September 2025, continuing the recent trend of slowing growth in the service sector.
- Production output fell by 0.5% in the three months to October, largely because of a fall in the manufacture of motor vehicles, trailers and semi-trailers in this period; this follows a fall of 0.5% in the three months to September 2025.
- Monthly GDP is estimated to have fallen by 0.1% in October, following a fall of 0.1% in September 2025 and no growth in August 2025.
- Services fell by 0.3% and construction fell by 0.6%, whereas production grew by 1.1%, in October 2025.

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

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



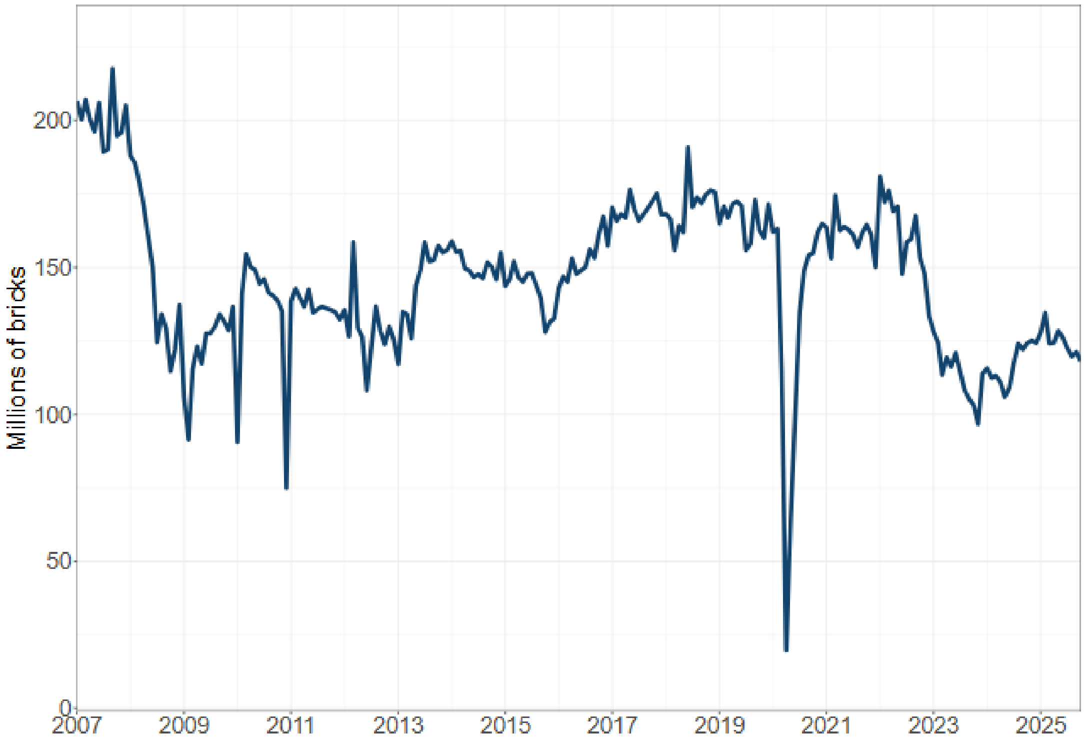
S&P Global CIPS published their latest construction purchasing managers index for November 2025 on 4 December 2025.

Main Points:

- The S&P Global UK Construction PMI registered at 39.4 in November, down from 44.1 in October, signalling the sharpest decrease in construction output since May 2020. This is the eleventh month in a row of decreasing construction output.
- These downturns happened in all of the subsectors, with housing activity at 35.4, commercial construction at 43.8 and civil engineering at 30.0. Survey respondents commented on fragile market confidence, delays with new projects and lack of incoming new work.
- Total new work decreased rapidly in November, with 44% of the survey panel reporting a fall in new orders and 17% reporting an increase. Aside from the pandemic, this is the biggest downturn in new work since early 2009. Construction companies have suggested risk aversion among clients, worries about UK economic outlook and elevated business uncertainty ahead of the budget.
- Employment also decreased for the eleventh consecutive month in November, reflecting a lack of new work to replace completed projects and elevated wage pressures. This is the steepest fall since August 2020.
- Supplier performance improved solidly in November, to the greatest extent since June 2024. Respondents noted softer demand for construction products and materials helped to alleviate construction chain pressures, though some have cited ongoing shipping delays. Overall buying activity decreased at the steepest pace since May 2020.
- Cost burdens increased in November, but inflation remained below the long-run survey average. Anecdotal evidence pointed to higher prices paid for some items, especially electrical components, copper products and insulation.
- The proportion of construction companies expecting an upturn in activity in the next 12 months (31%) is only slightly higher than those expecting a decrease (25%). This represents the lowest degree of optimism since December 2022. Some firms commented on hopes of improvement of market conditions and support from lower borrowing costs.

Building Materials and Components

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



The latest Monthly Statistics of Building Materials and Components were published on 3 December 2025.

Headline findings:

- Deliveries of bricks decreased by 4.9% in October 2025 compared with October 2024
- Deliveries of blocks decreased by 7.1% in October 2025 compared with October 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 4 December 2025, summarising information on the overall UK business population. The survey was live from 17 to 30 November 2025.

Key Points:

- In late November 2025, 35% 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 13 percentage points compared with late August, but a 3 percentage point rise compared with late November 2024.
- Around one in eight (12%) businesses with 10 or more employees reported that their employees' hourly wages increased in October 2025 compared with September; this is a 5 percentage point fall compared with July, and a 2 percentage point fall compared with October 2024.
- In late November 2025, 61% of businesses with 10 or more employees reported they had not been affected by worker shortages, broadly stable with late August 2025; this proportion has ranged between 59% and 62% since the question was introduced in late February 2024.
- Around 3 in 10 (29%) businesses with 10 or more employees reported experiencing recruitment difficulties in October 2025, down 3 percentage points from July; of these businesses, 50% cited a lack of qualified applicants for the roles on offer, while 33% cited a low number of applications.
- In late November 2025, 19% of private sector businesses reported that they are using or planning to use increased homeworking as a permanent business model going forward; this proportion has ranged between 18% and 22% since late February 2023.
- In late November 2025, 37% 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; 34% expect an impact in the next month, with 46% of these reporting they would have to pass on additional costs to customers as a result.

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 December 2025.

- The mean GDP forecast for 2025 is 1.4%, up from 1.3% 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, 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 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 due to cost increases. Private activity focusing on refurbishment of existing stock, 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.

Builders Merchant Building Index

The Builders Merchant Building Index for September 2025 was published by the **Builders Merchants Federation**, **GfK** and **MRA Research** on 4 December 2025.

September 2025 vs September 2024

- Total Builders Merchants value sales were up 4.6% in September 2025 compared to September 2024. With one more trading day this month compared to last year, like-for-like value sales were down 0.1%.
- Eleven of the twelve categories sold more, with Renewables and Water Saving (+16.0%) and Miscellaneous (+15.6%) performing the strongest. Workwear & Safetywear (-2.9%) was the only category with a decrease.

September 2025 vs August 2025

- Total Builders Merchants value sales were up 8.2% in August 2025. Volume sales were up 9.3% and prices were down 0.9%. With two more trading days this month, like-for-like value sales were down 1.6%.
- All categories showed an increase, with Landscaping (-2.4%) the only category to show a decrease. Plumbing, Heating & Electrical (+22.1%) performed the strongest.

Expected dates for future construction output releases	
Release for:	*Publication date:*
November 2025	15 January 2026
December 2025	12 February 2026
January 2025	13 March 2026