

Monthly Construction Update

Business Statistics Team

15 January 2026



Department for
Business & Trade

Construction output fell by 1.3% in November 2025

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

Main points:

- Total construction output is estimated to have fallen by 1.1% in the three months to November 2025; this is the largest fall since March 2023 (1.4% fall).
- Over the three-month period, both new work and repair and maintenance fell by 1.0% and 1.1%, respectively.
- At the sector level, four out of the nine sectors fell in the three months to November 2025; the main negative contributor to the decrease was private housing repair and maintenance, which fell by 3.7%.
- Monthly construction output is estimated to have fallen by 1.3% in November 2025; this follows a downwardly revised decrease of 1.2% in October 2025 and a 0.3% increase in September 2025.
- The decrease in monthly output in November 2025 came from decreases in both new work and repair and maintenance, which fell by 1.9% and 0.4%, respectively.
- Anecdotal evidence suggests that delays in work and customer spending were affected by economic uncertainty ahead of the autumn budget announcement.

Gross Domestic Product grew by 0.3% in November 2025

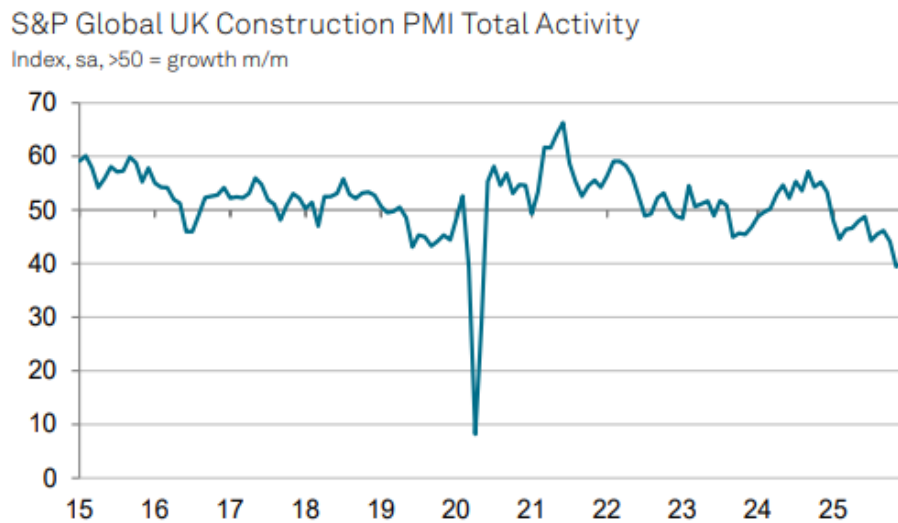
The **Office for National Statistics** published estimates of GDP (Gross Domestic Product) for [November 2025](#) this morning.

Main points:

- Real gross domestic product (GDP) grew by 0.1% in the three months to November, after showing no growth in the three months to October.
- Services output increased by 0.2%, after rising by 0.1% in the three months to October 2025
- Production output fell by 0.1%; the fall in the three months to November follows a fall of 0.1% in the three months to October 2025.
- Monthly GDP is estimated to have grown by 0.3% in November, following an unrevised fall of 0.1% in October 2025 and a growth of 0.1% in September 2025 (revised up from our initial estimate of a fall of 0.1%).
- Services grew by 0.3%, production grew by 1.1%, and construction fell by 1.3% in November 2025.

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

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



Data were collected 4-22 December 2025.

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

S&P Global CIPS published their latest [construction purchasing managers index](#) for December 2025 on 7 January 2026.

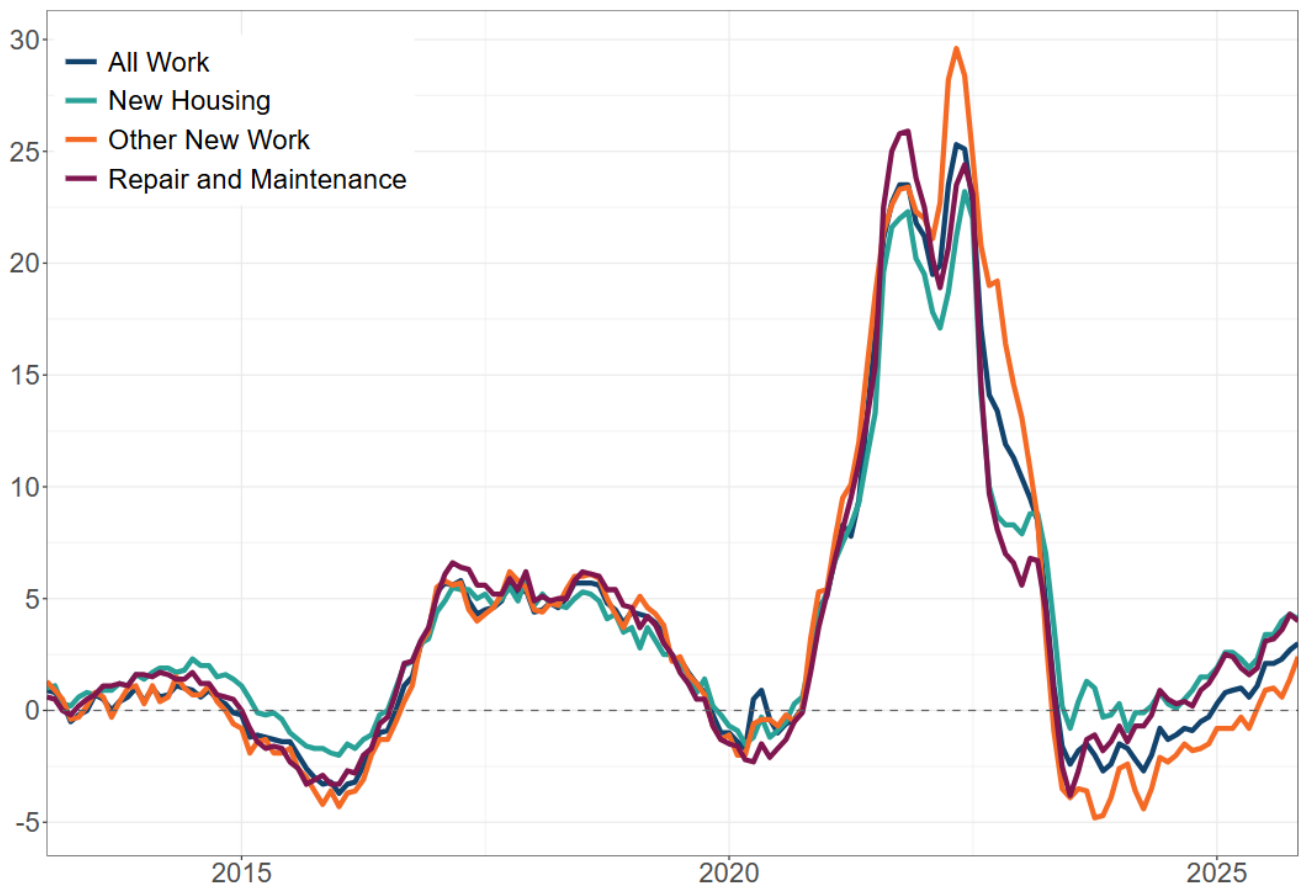
Main Points:

- The S&P Global UK Construction PMI registered at 40.1 in December 2025, a slight increase on November but the twelfth continuous month of decline below the 50.0 no-change mark.
- Civil Engineering was the weakest category at 32.9, despite a lower rate of contraction than November. Housing activity was at 33.5 and Commercial construction was 42.0, their lowest rates since May 2020.
- Anecdotal evidence suggests poor business confidence and subdued demand resulted in low workloads. Many firms noted delayed decision-making ahead of the budget weighed on sales pipelines, reflecting concerns reported for several months now.
- December data signalled a sharp decline in total new work, with every month of 2025 showing decreasing new work, albeit the rate of decline in December improved relative to November.
- Sharp decreases in employment and input buying were reported, moderated compared to November, partly due to improved projections for 2026. Softened demand for materials contributed to an improvement in delivery times and led to lowest cost burdens increases since October 2024. A similar trend was seen for subcontractor rates.
- Business optimism has recovered slightly despite poor performance, with 37% of the survey panel predicting a rise in output levels and 20% predicting a decline, the highest rate of optimism for 5 months. Many respondents cited new work in utilities related to water and energy infrastructure investments.
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Building Materials and Components

Figure 2: Monthly construction material price indices, Great Britain, 2013 to November 2025

Figure 1: construction material annual price inflation, UK



The latest [Monthly Statistics of Building Materials and Components](#) were published on 14 January 2026.

Headline findings:

- Deliveries of bricks decreased by 6.1% in November 2025 compared with November 2024.
- Deliveries of blocks decreased by 11.5% in November 2025 compared with November 2024.
- The material price index for 'All Work' increased by 3.0% in November 2025 compared with November 2024.
- A time series of back data was released for Producer Price Indices (PPIs) in this edition, showing revised index data going back to 2009.

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 8 January 2026, summarising information on the overall UK business population. The survey was live from 15 to 28 December 2025.

Key Points:

- Approximately a quarter (25%) of businesses reported that they are currently using some form of artificial intelligence (AI) technology in late December 2025, up 15 percentage points since the question was first introduced in late September 2023; for businesses with 250 employees or more, the proportion was higher at 44%.
- When asked in late December 2025, around one in seven (15%) businesses reported they were planning to adopt some form of AI technology within the next three months; this is up 2 percentage points from late September 2025 and is the largest proportion reported since the question was introduced in late September 2023.
- In late December 2025, 4% of businesses that currently use some form of AI technology reported that their overall workforce headcount had decreased as a result of using those technologies; 5% of businesses that were planning to adopt AI technology within the next three months reported that they expect headcount to decrease as a result.
- Almost a quarter (23%) of businesses reported in late December 2025 that they were concerned about the impact climate change may have on their business; down 2 percentage points from late September 2025 and the lowest proportion recorded since the question was introduced in September 2022.
- More than a quarter (27%) of businesses reported in late December 2025 that they currently have no debt obligations, which is broadly stable with late September 2025; of those that do have debt obligations, 3% reported they have low or no confidence that they will meet their debt obligations and 58% reported they have high or moderate confidence.
- Approximately one in seven (14%) trading businesses reported they had no cash reserves in late December 2025; this is down 3 percentage points from late September 2025, which was the highest proportion reported since the question was introduced in late June 2020.

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 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 October 2025 was published by the **Builders Merchants Federation, GfK and MRA Research** on 9 January 2026.

October 2025 vs October 2024

- Total Builders Merchants value sales were up 0.2% compared to last year. Volume sales were up 0.8% and prices were down 0.6%. There was no difference in trading days.
- Five categories performed better than builders' merchants, with Landscaping (+6.7%) and Miscellaneous (+7.7%) performing best.

October 2025 vs September 2025

- Total Builders Merchants value sales were up 2.8% in October 2025 compared to September 2025. Volume sales were up 1.7% and prices were up 1.0%. With one more trading day this month, like-for-like value sales were down 1.7%.
- Only two categories, Landscaping (-2.9%) and Kitchens & Bathrooms (-1.3%), showed a decrease in uncorrected value sales.

Expected dates for future construction output releases	
<i>Release for:</i>	<i>Publication date:</i>
December 2025	12 February 2026
January 2026	13 March 2026
February 2026	16 April 2026

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