

Monthly Construction Update

Business Statistics Team
13 March 2026



Department for
Business & Trade

Construction output grew by 0.2% in January 2026

The **Office for National Statistics** published estimates of Construction Output for [January 2026](#) this morning.

Main points:

- Total construction output is estimated to have fallen by 2.0% in the three months to January 2026; this is the fourth consecutive fall in the three-monthly series.
- Over the three-month period, both new work, and repair and maintenance, fell by 3.2% and 0.4%, respectively.
- At the sector level, seven out of the nine sectors fell in the three months to January 2026; the main negative contributor to the decrease was private new housing, which fell by 6.3%.
- Monthly construction output is estimated to have grown by 0.2% in January 2026; this follows three consecutive falls in the monthly series.
- The increase in monthly output in January 2026 came solely from an increase in repair and maintenance, which grew by 3.3% as new work fell by 2.0%.

Gross Domestic Product showed no growth in January 2026

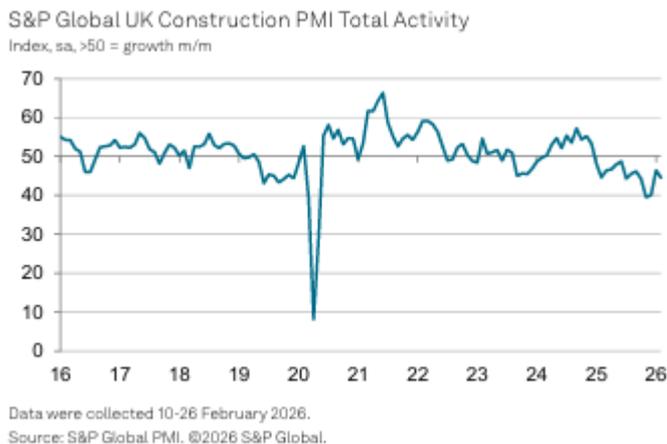
The **Office for National Statistics** published estimates of GDP (Gross Domestic Product) for [January 2026](#) this morning.

Main points:

- Real gross domestic product (GDP) grew by 0.2% in the three months to January, following a growth of 0.1% in the three months to December, and no growth in the three months to November 2025
- Services output grew by 0.2% in the three months to January, after showing no growth in the three months to December 2025.
- Production output grew by 1.3% in the three months to January; this follows a growth of 1.2% in the three months to December 2025.
- Monthly GDP showed no growth, following growths of 0.1% in December and 0.2% in November 2025.

S&P Global / CIPS UK Construction Purchasing Managers Index for February 2026

Figure 1: Monthly Construction Total Activity Index, start of series to February 2026.



S&P Global CIPS published their latest [construction purchasing managers index](#) for February 2026 on 5 March 2026.

Main Points:

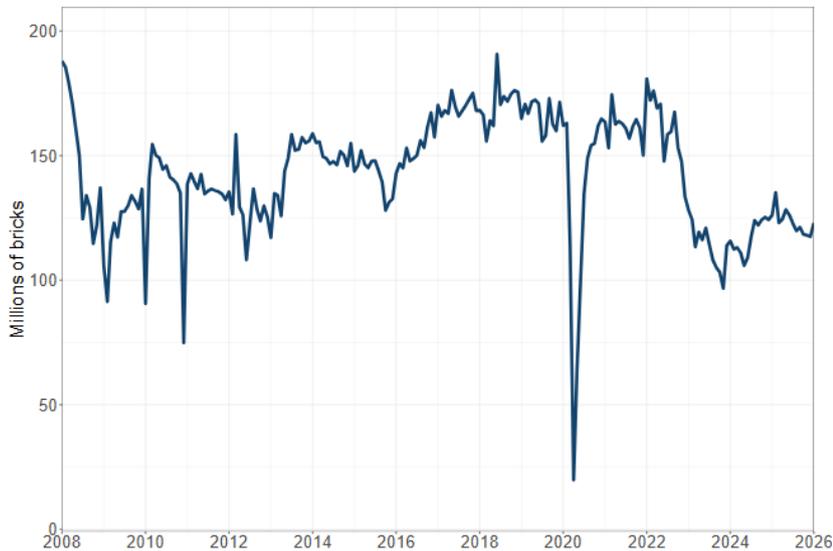
- The S&P Global UK Construction PMI registered at 44.5 in February 2026, down from 46.4 in January representing an accelerated shrinkage of the construction industry. This latest fall represents the fourteenth consecutive month of decline.
- Residential building remained the weakest segment (37.0), with an accelerated rate of decline from last month. Commercial construction (46.5) also decreased at a faster pace, while civil engineering activity (41.0) decreased at a slower pace compared to last month.
- Total construction new work declined at an accelerated rate in February, with decreasing volumes of new work being recorded every month since January 2025. The decline was linked to sluggish demand conditions, though there have been reports of a turnaround in tender opportunities for infrastructure and energy work.
- Business activity expectations improved to the highest since December 2024, with 42% of survey respondents forecasting a rise in construction output compared to 12% a decline. This was attributed to expectations of new contract wins and turnaround in demand conditions.
- Overall staffing numbers were close to stable for the month, following steep job losses at the end of 2025, signalling business confidence. However, purchasing activity fell sharply, shortening supplier lead times for the seventh consecutive month.
- Input costs increased at the steepest rate since July 2025, with many firms noting higher prices for concrete, copper, insulation and steel.

Building Materials and Components

Figure 2: Monthly deliveries of bricks, Great Britain, 2008 to January 2026

Figure 1: Seasonally adjusted deliveries of bricks, GB

Number of bricks



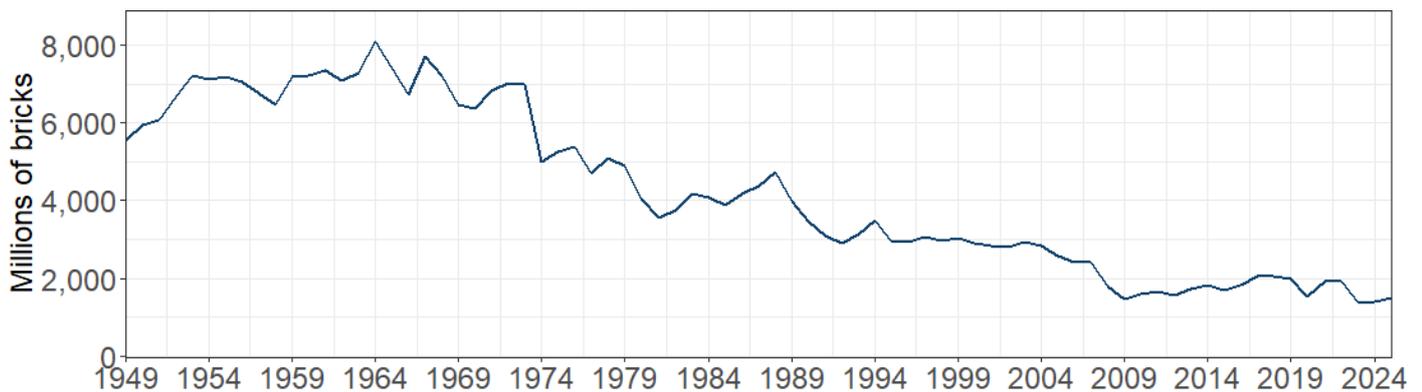
Source: monthly statistics of building materials and components, table 9

The latest [Monthly Statistics of Building Materials and Components](#) were published on 4 March 2026.

Headline findings:

- Deliveries of bricks decreased by 2.5% in January 2026 compared with January 2025.
- Deliveries of blocks decreased by 5.7% in January 2026 compared with January 2025.
- The material price index for 'All Work' increased by 2.0% in January 2026 compared with January 2025.

Figure 3: Annual deliveries of bricks, 1949 to 2025.



- Historically, deliveries of bricks hit a peak during the post-war construction boom, and have steadily declined since.
- Brick deliveries are a useful gauge of housebuilding activity, dropping in response to financial crises as seen in 2008.

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 5 March 2026, summarising information on the overall UK business population. The survey was live from 16 February to 1 March 2025.

Key Points:

- In February 2026, 41% 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 up 6 percentage points compared with November 2025, and up 5 percentage points compared with February 2025.
- In February 2026, 55% of businesses with 10 or more employees reported that they expect staffing costs to increase over the next three months; this is up 20 percentage points compared with November 2025, but down 11 percentage points compared with February 2025.
- Less than one in five (18%) businesses with 10 or more employees reported that their employees' hourly wages increased in January 2026 compared with December 2025; this is broadly stable with January 2025 and January 2024.
- In February 2026, 17% of businesses with 10 or more employees reported they had been affected by worker shortages; this proportion has been broadly stable since November 2024.
- One in five (20%) businesses with 10 or more employees reported experiencing recruitment difficulties in January 2026, down 9 percentage points from October 2025; of these businesses, 47% cited a lack of qualified applicants for the roles on offer, while 29% cited a low number of applications.
- In February 2026, 20% of private sector businesses reported that they are using or planning to use increased homeworking as a permanent business model going forward; this has been broadly stable since January 2023.

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 [Winter construction industry forecast](#) on 26 January 2026.

Key points:

- The CPA forecasts construction output to grow by 1.7% in 2026.
- Private new housing is expected to grow by 1.5% in 2026.
- Private housing repair, maintenance, and improvement (rm&i) is expected to decrease by 1.0% 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 January 2025.

- The mean GDP forecast for 2026 is 1.3%, showing no change from the previous month's forecast.
- The mean GDP forecast for 2027 is 1.0%, showing no change from the previous month's forecast.

The **OECD** published their latest [Economic Outlook](#) in December 2025:

- UK GDP is projected to grow by 1.2% in 2026, then 1.3% in 2027.
- Global GDP growth is projected to increase by 2.9% in 2026 and 3.1% in 2027.

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 December 2025 was published by the **Builders Merchants Federation, GfK and MRA Research** on 11 March 2026.

December 2025 vs December 2024

- Total Builders Merchants value sales were up 3.3% in December 2025 compared to last year. Volume sales were down 5.8% and prices were up 3.6%. With one more trading day this month, like-for-like value sales were down 2.5%.
- Renewables & Water Saving (+10.3%), Kitchens & Bathrooms and Plumbing, Heating & Electrical (both +3.7%) were the strongest categories.

December 2025 vs November 2025

- Total Builders Merchants value sales were down 26.3% in December 2025 compared to November. Volume sales were down 20.6% and prices were up 3.1%. With two fewer trading days this month, like-for-like value sales were down 18.2%.
- All twelve categories sold less, with Services (-4.2%) and Plumbing, Heating & Electrical (-12.8%) experiencing the smallest decline.

Expected dates for future construction output releases	
<i>Release for:</i>	<i>Publication date:</i>
February 2026	16 April 2026
March 2026	14 May 2026
April 2026	12 June 2026

Business Statistics team | Analysis Group | Department for Business and Trade