

Monthly Construction Update

Business Statistics Team
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Department for
Business & Trade

Construction output grew by 1.5% in March 2026

The **Office for National Statistics** published estimates of Construction Output for [March 2026, along with new orders and Construction Output Price Indices for Q1 2026](#) this morning.

Main points:

- Total construction output is estimated to have grown by 0.4% in Quarter 1 (Jan to Mar) 2026 compared with Quarter 4 (Oct to Dec) 2025; repair and maintenance grew by 3.4%, while new work fell by 1.9%.
- At the sector level, four out of the nine sectors grew in Quarter 1 2026. The main positive contributor was private housing repair and maintenance at 4.1%.
- Monthly construction output is estimated to have grown by 1.5% in March 2026; anecdotal evidence from businesses suggested notable financial year-end pushes increased output.
- The increase in March 2026 came from increases in new work and repair and maintenance, which grew by 2.0% and 0.8%, respectively.
- Total construction new orders fell by 10.5% (£1,238 million) in Quarter 1 2026. This decrease came mainly from private commercial new work and infrastructure new work.
- The annual rate of construction output price growth was 0.8% in the 12 months to March 2026.

Gross Domestic Product grew by 0.3% in March 2026

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

Main points:

- Real gross domestic product (GDP) grew by 0.6% in the three months to March, following a growth of 0.5% in the three months to February 2026.
- Services output grew by 0.8%, after showing growth of 0.6% in the three months to February 2026.
- Production output grew by 0.2%; this follows a growth of 1.1% in the three months to February 2026.
- Monthly GDP grew by 0.3% in March 2026, following a growth of 0.4% in February 2026 and no growth in January 2026.
- Services and construction output both grew, by 0.3% and 1.5%, respectively - these growths were partially offset by a 0.2% fall in production.

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

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

S&P Global UK Construction PMI Total Activity
Index, sa, >50 = growth m/m



Data were collected 9-29 April 2026.

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

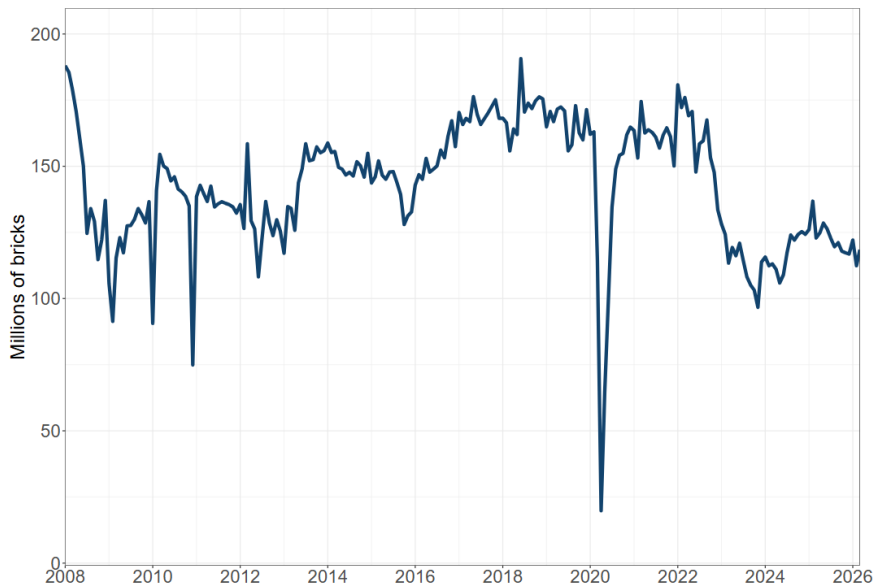
S&P Global CIPS published their latest [construction purchasing managers index](#) for April 2026 on 7 May 2026.

Main Points:

- The S&P Global UK Construction PMI registered at 39.7 in April, down from 45.6 in March, representing the sharpest fall in construction activity since November 2025.
- Reduced output has been seen every month since January 2025, and the latest reading was the weakest for five months.
- Civil Engineering activity registered the steepest decline at 35.3, followed by Housebuilding (38.2) while Commercial work (42.7) showed some resilience compared to the other sectors.
- Survey respondents reported subdued demand conditions and a lack of new work to replace completed projects, signalled by the sharpest decline in total new business since November 2025. Respondents noted that elevated business uncertainty due to conflict in the Middle East has led to fewer tender opportunities.
- Staffing levels also fell in April, at the fastest pace of job shedding since November 2025. A number of firms noted that fewer project starts and wage pressured led to the non-replacement of voluntary leavers.
- Purchasing activity fell at an accelerated pace across the sector, though some firms noted advance purchasing of raw materials due to concerns about potential supply disruptions.
- Vendor performance deteriorated for the second month running, with the sharpest increase in lead times since December 2022. This was mainly due to international shipping delays and difficulties importing materials from the GCC region.
- Business activity expectations softened in April, and were the least optimistic since November 2025. Some firms noted confidence linked to long term infrastructure projects and hopes of a rebound if the Middle East conflict subsides.

Building Materials and Components

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

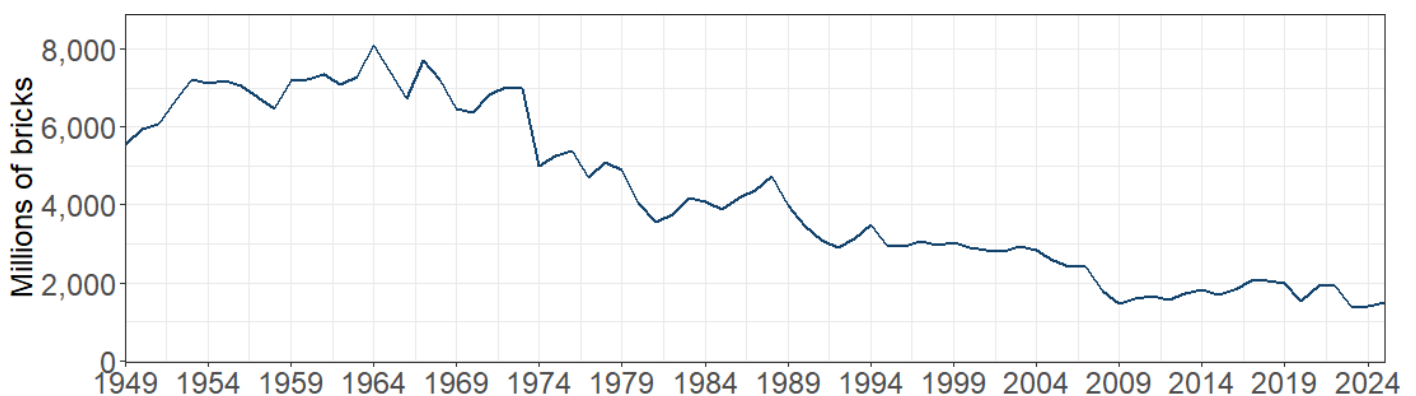


Source: monthly statistics of building materials and components, table 9

The latest [Monthly Statistics of Building Materials and Components](#) were published on 6 May 2026. Headline findings:

- Deliveries of bricks decreased by 3.6% in March 2026 compared with March 2025.
- Deliveries of blocks decreased by 3.3% in March 2026 compared with March 2025.
- The material price index for 'All Work' increased by 2.6% in March 2026 compared with March 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 7 May 2026, summarising information on the overall UK business population. The survey was live from 20 April to 3 May 2026.

Key Points:

- In late April 2026, 38% of businesses with 10 or more employees reported that they were concerned about international conflict impacting supply chains over the next year, broadly stable from March, but a 28 percentage point rise from December 2025; 25% were concerned about the impact of shipping disruption, a rise of 4 percentage points from March, and 18 percentage points from December 2025.
- In late April 2026, 22% of trading businesses with 10 or more employees reported that they had exported goods, services, or both in the last 12 months; 28% reported that they had imported goods, services, or both in the last 12 months.
- Around two in five (39%) trading businesses with 10 or more employees that had exported reported that their exporting costs had increased in March 2026 compared with March 2025; this was an increase of 9 percentage points from December 2025, and the highest proportion since September 2023.
- More than two in five (44%) trading businesses with 10 or more employees that had imported reported that their importing costs had increased in March 2026 compared with March 2025; this was an increase of 14 percentage points since December 2025, and the highest proportion since June 2023.
- In late April 2026, of the 17% of trading businesses that reported that they had sold goods or services to customers in other UK nations in the last 12 months, 19% cited transport costs as a challenge experienced while doing so, a rise of 7 percentage points from January 2026 and the highest proportion since January 2023; a number of businesses cited increased fuel costs as a reason for this when invited to comment.

Construction Output Forecasts

Experian published their Summer 2026 [forecasts](#) for the construction sector in May 2026.

Key points:

- Total construction output is projected to increase by 2.4% in 2026, 4.3% in 2027 and 5.0% in 2028.
- The new housing sector is expected to increase by 4.4% in 2026, 9.0% in 2027 and 10.1% in 2028.
- Total repair, maintenance, and improvement (RM&I) is forecast to grow by 0.9% in 2026, 2.3% in 2027 and 2.6% in 2028.
- The new infrastructure sector is expected to increase by 2.3% in 2026, 4.0% in 2027 and 6.1% in 2028.
- The private industrial sector is expected to increase by 5.9% in 2026, 5.2% in 2027 and 6.4% in 2028.
- The private commercial sector is expected to increase by 0.9% in 2026, 2.5% in 2027 and 2.4% in 2028.
- The public non-residential sector is forecast to grow by 5.5% in 2026, 2.4% in 2027 and 2.1% in 2028.

The **Construction Products Association** (CPA) published their [Spring construction industry forecast](#) on 5 May 2026.

Key points:

- The CPA forecasts construction output to contract by 2.5% in 2026.
- Private new housing is expected to shrink by 7.0% in 2026.
- Private housing repair, maintenance, and improvement (rm&i) is expected to decrease by 8.0% 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 April 2026.

- The mean GDP forecast for 2026 is 0.6%, down from 0.9% in the previous month's forecast.
- The mean GDP forecast for 2027 is 1.1%, down from 1.3% in the previous month's forecast.

The **OECD** published their latest [Economic Outlook](#) in March 2026:

- UK GDP is projected to grow by 0.7% in 2026, then 1.3% in 2027.
- Global GDP growth is projected to increase by 2.9% in 2026 and 3.0% 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 15 February 2026, covering intelligence gathered in the 6 weeks to mid-April 2026.

Main points:

- Construction output continues to fall on an annual basis, reflecting temporary effects from exceptionally wet weather in January and February.
- Residential construction is being reduced due to weak demand and elevated costs.
- Public sector spending on infrastructure is flat and lower than expected, and commercial work remains weak.
- Residential repairs and maintenance are showing modest growth.
- Confidence overall has dipped further, with contacts fearing the conflict in the Middle East will lead to higher interest rates and reduce demand.

Builders Merchant Building Index

The [Builders Merchant Building Index](#) for February 2026 was published by the **Builders Merchants Federation, GfK and MRA Research** on 28 April 2026.

February 2026 vs February 2025

- Total Builders Merchants value sales were 4.3% lower compared with February 2025. With There was no difference in trading days between the months. Volume sales were down 10.6% and prices were up 7.0%.
- Services (+2.2%), Kitchens & Bathrooms (+2.2%), Workwear & Safetywear (+8.3%) and Renewables & Water Saving (+19.6%) all showed an increase of more than 1%, bucking this trend.

February 2026 vs January 2026

- Total Builders Merchants value sales were up 7.4% in February 2026 compared to last month. Volume sales were up 14.6% and prices were down 1.6%. With one trading day fewer this month, like-for-like value sales were up 12.8%.
- Landscaping (+22.7%), Renewables & Water Saving (+19.8%) and Kitchens & Bathrooms (+15.0%) were the strongest performing categories.

Expected dates for future construction output releases	
<i>Release for:</i>	<i>Publication date:</i>
April 2026	12 June 2026
May 2026	16 July 2026
June 2026	13 August 2026

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