Monthly Construction Update

12 November 2026; Microdata, Business Surveys and Corporate Stats Team

Department for Business, Innovation, Science and Trade

Construction output grew by 0.8% in September 2026 but fell overall by 0.7% in Quarter 3 2026.

The **Office for National Statistics** published estimates of Construction Output for September 2026 and Quarter 3 2026 this morning.

Main points:

- Total construction output is estimated to have fallen by 0.7% in Quarter 3 (July to Sept) 2026 compared with Quarter 2 (Apr to Jun) 2026; new work fell by 1.6%, while repair and maintenance grew by 0.5%.
- At the sector level, five out of the nine sectors fell in Quarter 3 2026; the main negative contribution to the decrease was private new housing, which fell by 4.7%.
- Monthly construction output is estimated to have grown by 0.8% in September 2026; this follows four consecutive decreases in the monthly series, including a revised decrease of 0.5% in August 2026 and a revised decrease of 0.2% in July 2026.
- The increase in monthly output in September 2026 came from increases in both new work and repair and maintenance, which grew by 0.9% and 0.6%, respectively; the main contribution to the monthly increase in new work was infrastructure new work, which grew by 3.3%.
- Total construction new orders grew by 1.2% (£107 million) in Quarter 3 2026 compared with Quarter 2 2026; this quarterly increase came mainly from public other new work and private commercial new work.

Gross Domestic Product grew by 0.2% in September 2026

The **Office for National Statistics** published estimates of GDP (Gross Domestic Product) for September 2026 this morning.

Main points:

In the three months to September 2026, compared with the three months to June 2026:

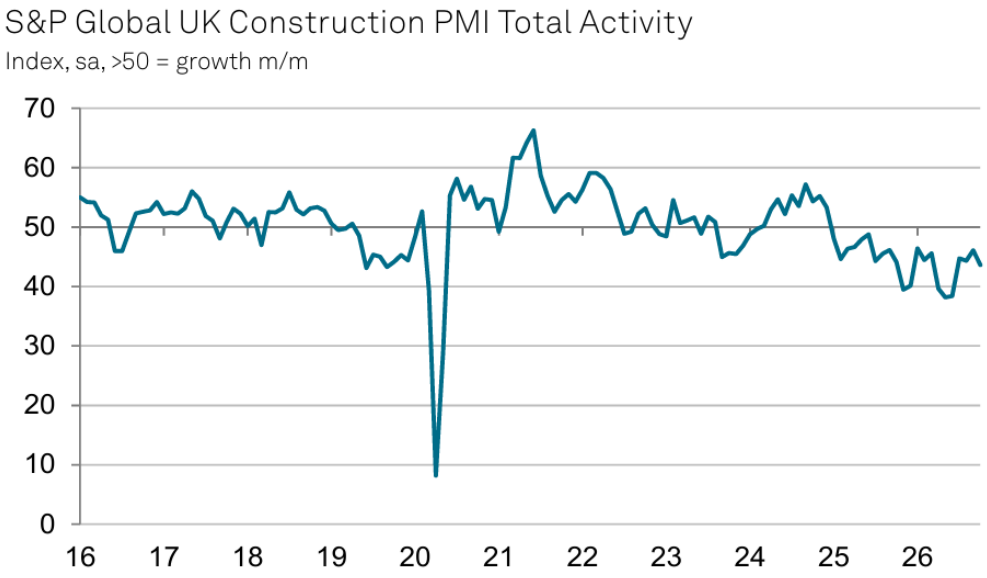
- Real gross domestic product (GDP) grew by 0.7%, following a growth of 0.6% in the three months to August 2026 (revised down from a 0.7% growth in our previous publication), and an unrevised growth of 0.5% in the three months to July 2026.
- Services output grew by 0.9%, after an unrevised growth of 0.9% in the three months to August 2026.
- Production output grew by 0.1%, following a fall of 0.5% in the three months to August 2026 (revised down from a fall of 0.2% in our previous publication).
- Construction output fell by 0.7%; this follows a fall of 0.9% in the three months to August 2026 (revised up from a fall of 1.0% in the previous publication).

In the month to September 2026:

- Monthly GDP grew by 0.2% in September 2026, after showing no growth in August 2026 (revised down from a 0.1% growth in the previous publication), and an unrevised growth of 0.4% in July 2026.
- The growth in September 2026 was driven by a 0.2% growth in services, with production growing by 0.3%, and construction rising by 0.8% in September 2026.

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

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



Data were collected 12-29 October 2026.
Source: S&P Global PMI. ©2026 S&P Global.

S&P Global CIPS published their latest construction purchasing managers index for October 2026 on 5 November 2026.

Main Points:

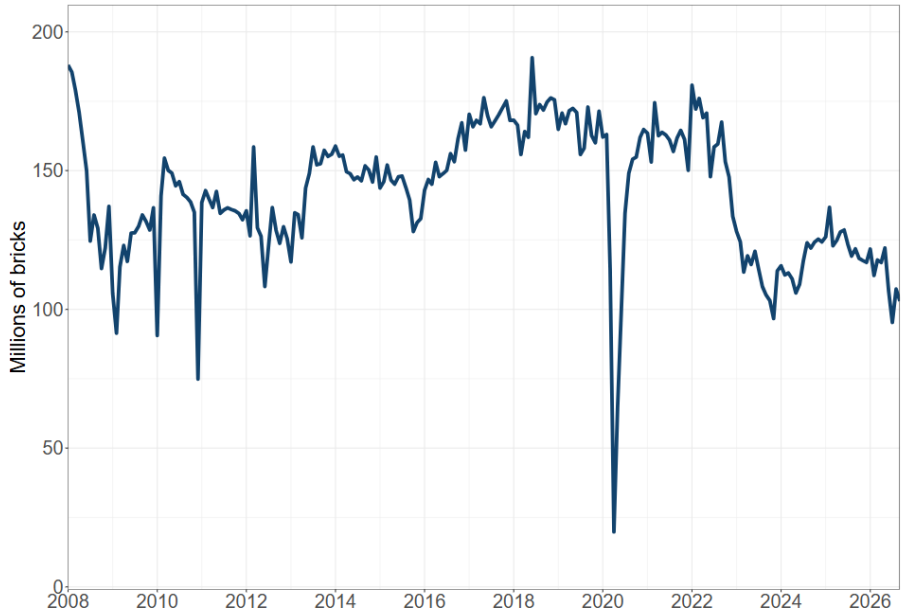
- UK construction companies signalled a sharp and accelerated reduction in business activity during October. At 43.6, down from 46.1 in September, the headline seasonally adjusted S&P Global UK Construction Purchasing Managers' Index™ (PMI®) – an index tracking changes in total industry activity – registered below the neutral 50.0 value for the twenty-second month running. Moreover, the rate of contraction was the steepest since June.
- Residential activity (index at 35.1) was by far the weakest performing segment, with the latest reading the lowest since December 2025 and indicative of a steep drop in house building. Anecdotal evidence cited low consumer confidence, elevated risk aversion and headwinds from rising borrowing costs.
- Civil engineering work (45.9) decreased in October, but the pace of contraction was the slowest since May 2025. Commercial activity (46.3) also showed some resilience, although the latest reading eased from September's 16-month high.
- Total new work received by construction companies fell at the sharpest pace since June, reflecting subdued market conditions and fragile customer demand. A number

of firms commented on more cautious budget setting among clients and fewer opportunities to tender. However, there were some reports of improved order books due to higher infrastructure spending (data centres, energy networks and utilities projects).

- October data pointed to another sharp reduction in purchasing activity across the construction sector, largely due to a lack of new work to replace completed projects. Despite weaker demand for construction products and materials, supplier performance deteriorated for the third month running. Moreover, the latest lengthening of vendor lead times was the greatest since May. This was linked to low stocks, transport delays and spillovers from stretched manufacturing supply chains.
- Input cost inflation meanwhile accelerated sharply from the seven-month low seen in September. The latest rise in purchasing prices was the steepest since June and well above.

Building Materials and Components

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



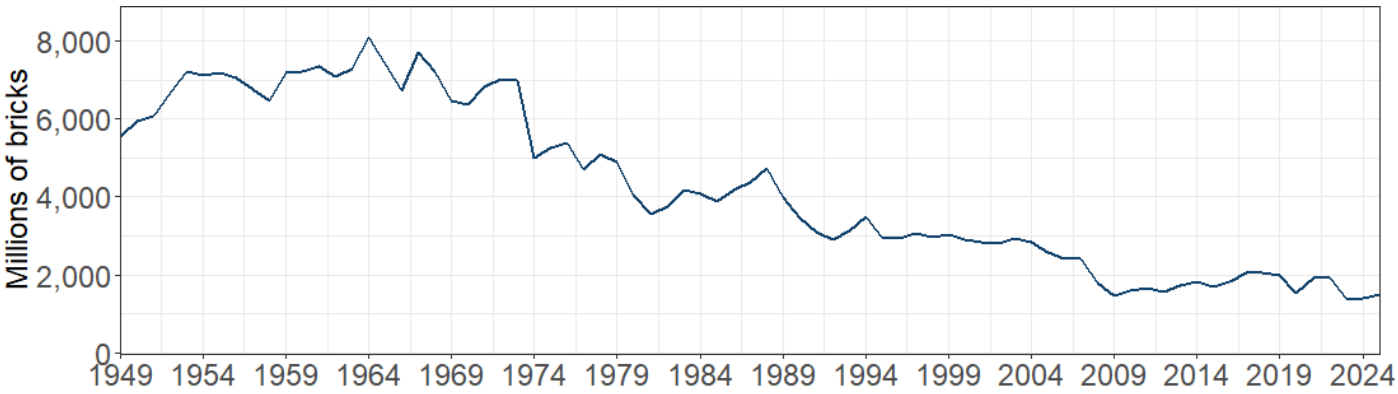
Source: monthly statistics of building materials and components, table 9

The latest Monthly Statistics of Building Materials and Components were published on 4 November 2026.

Headline findings:

- Deliveries of bricks decreased by 15.4% in September 2026 compared with September 2025
- Deliveries of blocks increased by 0.5% in September 2026 compared with September 2025
- the material price index for ‘All Work’ increased by 7.2% in September 2026 compared with September 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 November 2026, summarising information on the overall UK business population. The survey was live from 19 October to 1 November 2026.

Key Points:

- In October 2026, 21% of businesses with 10 or more employees reported that they were concerned about cyber attacks impacting supply chains over the next 12 months, while 12% were concerned about artificial intelligence; both proportions are the highest since the question was introduced, in September 2024.
- In October 2026, 31% of businesses with 10 or more employees reported that they were concerned about international conflict impacting supply chains over the next year, while 21% were concerned about the impact of shipping disruption; these proportions were broadly stable with September 2026 but up 20 and 13 percentage points, respectively, from September 2025.
- Of businesses with 10 or more employees that reported on their supply chain concerns in October 2026, 64% expected the cost of sourcing materials to be impacted, up 9 percentage points from September 2026; 60% expected transportation costs to be impacted, up 9 percentage points from September 2026 and 27 percentage points from September 2025.
- Almost 7 in 10 (69%) businesses expressed some degree of concern regarding energy prices in late October 2026, broadly stable from early October 2026, but up 6 percentage points from August 2026; for businesses with 10 or more employees, the proportion was 77%, also broadly stable from early October 2026.
- 7 in 10 (70%) businesses expressed some degree of concern regarding fuel prices in late October 2026, broadly stable with early October, but up 8 percentage points from August 2026; for businesses with 10 or more employees, the proportion was higher, at 76%, again broadly stable compared with early October 2026.

- In late September 2026, 21% of trading businesses with 10 or more employees reported that they had exported goods, services, or both in the last 12 months; of these businesses, 40% reported that their exporting costs increased in September 2026 compared with this time last year, broadly stable with June 2026 but the highest proportion reported since June 2023 (43%).

Construction Output Forecasts

The **Construction Products Association** (CPA) published their Autumn construction industry forecast on 26 October 2026.

Key points:

- The CPA forecasts construction output to shrink by 4.0% in 2026, and rise only 0.4% in 2027
- Private new housing is expected to shrink by 10.0% in 2026, and by 3.0% in 2027
- Private housing repair, maintenance, and improvement (RM&I) is expected to decrease by 8.0% in 2026, and a further 2.0% in 2027

Gross Domestic Product Forecasts

The latest monthly **Consensus Economics** Forecast Survey (which uses an average of private sector forecasts) results were published in October 2026.

- The mean GDP forecast for 2026 is 1.3%, up from 1.2% from the previous month's forecast.
- The mean GDP forecast for 2027 is 1.1%, unchanged from the previous month's forecast.

The **OECD** published their latest Economic Outlook in September 2026:

- UK GDP is projected to grow by 1.1% in 2026, then 1.0% 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 30 October 2026, covering intelligence gathered in the 6 weeks to early-October 2026.
Main points:

- Construction output growth remains slightly negative on the same period last year, with uncertainty and ongoing cost pressures still reported as inhibiting confidence and delaying projects.
- Private housebuilding activity is particularly weak, especially in London owing to weak final demand.
- The pipeline of infrastructure work in nuclear and other energy, utilities, and defence is substantial, but some contacts are worried about delivery given cost constraints and wider economic uncertainty.
- The recent announcement of the 'Your First Home' scheme in England is a source of tentative optimism for some about activity in 2027, but they are highly uncertain as to the extent and timing, especially given ongoing geopolitical risks.

Builders Merchant Building Index

The Builders Merchant Building Index for August 2026 was published by the **Builders Merchants Federation**, **GfK** and **MRA Research** on 28 October 2026.

August 2026 vs August 2025

- With no difference in trading days in the latest month, unadjusted value sales were 0.5% higher in August 2026 than in August 2025. By value, nine of the twelve categories sold more, led by Workwear & Safetywear (+22.8%). Ironmongery (-1.5%), Heavy Building Materials (-0.8%) and Tools (-0.6%) decreased.
  With no difference in trading days, unadjusted volume sales were -5.4% lower in August 2026 than in August 2025 but prices were up +6.2%. By volume, four of the twelve categories sold more. Services (+15.2%), Workwear & Safetywear (+9.5%), and Kitchens & Bathrooms (+9.1%) were the top performing categories. Timber & Joinery Products (-0.2%) fell less than Total Builders Merchants, but Heavy Building Materials volume was down -8.2%.

August 2026 vs July 2026

- Total Builders Merchants value sales were 11.8% lower in August 2026 compared to July 2026. Like-for-like volumes were up 1.9% and prices down 0.4%. With three less trading days this month, like-for-like value sales were up 1.5%.
  Workwear & Safetywear was the strongest performing category (-3.5% total value sales and +11.0% like-for-like value sales).

Expected dates for future construction output releases	
Release for:	*Publication date:*
October 2026	11 December 2026
November 2026	15 January 2027
December 2026	12 February 2027

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