

# Monthly Construction Update

Business Statistics Team  
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Department for  
Business & Trade

## Construction output increased by 0.9% in April 2025

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

### Main points:

- Monthly construction output is estimated to have grown by 0.9% in April 2025; this is the third consecutive period of positive growth, following an increase of 0.5% in March 2025.
- The increase in monthly output in April 2025 came from increases in both new work and repair and maintenance, which grew by 1.4% and 0.3%, respectively.
- At the sector level, six out of the nine sectors grew in April 2025; the main contributors to the monthly increase were infrastructure new work and private housing repair and maintenance, which rose by 2.0% and 1.5%, respectively.
- Total construction output is estimated to have grown by 0.5% in the three months to April 2025; new work increased by 0.9%, and repair and maintenance grew by 0.1%.

## Gross Domestic Product decreased by 0.3% in April 2025

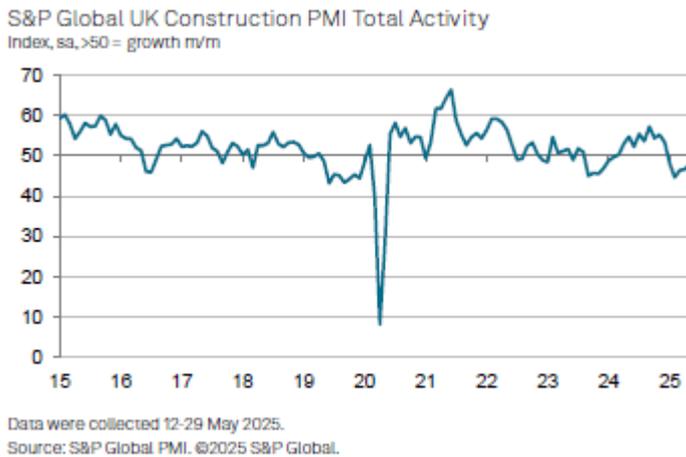
The **Office for National Statistics** published estimates of GDP (Gross Domestic Product) for [April 2025](#) this morning.

### Main points:

- Monthly real gross domestic product (GDP) is estimated to have fallen by 0.3% in April 2025, following growth of 0.2% in March 2025.
- Real GDP is estimated to have grown by 0.7% in the three months to April 2025, compared with the three months to January 2025, largely driven by growth in the services sector in this period.
- Monthly services output fell by 0.4% in April 2025, following growth of 0.4% in March 2025, and was the largest contributor to the fall in GDP in the month; but grew by 0.6% in the three months to April 2025.
- Production output fell by 0.6% in April 2025, following a fall of 0.7% in March 2025, but grew by 1.1% in the three months to April 2025.
- An error has been identified in the consumer price inflation measures for April 2025; this error has no impact on the monthly GDP estimate for April 2025.

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

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



S&P Global CIPS published their latest [construction purchasing managers index](#) for May 2025 on 5<sup>th</sup> June 2025.

### Main Points:

- The recent downturn in the UK construction sector eased in May, with construction activity decreasing at the lowest level in 2025.
- The S&P Global Construction PMI posted at 47.9 in May, up from 46.6 in April, but still below the 50.0 no-change threshold. This result represents the lowest rate of decline since the start of 2025.
- All three subsectors showed some decline, with House building (45.1) the weakest performing with respondents citing subdued demand conditions. Civil engineering also declined significantly (45.9), while commercial work (49.5) declined only marginally.
- Total new work decreased again but at the lowest rate in this period of decline, with respondents again citing delayed decision-making and cutbacks to capital spending budgets among clients.
- Employment levels fell at the fastest pace in the last five years, with firms reluctant to backfill vacancies due to a lack of new work coupled with increased labour costs. Subcontractor usage decreased to the greatest extent since May 2020.
- Purchasing activity declined in response to decreasing workloads, for the sixth month running. This has however led to fewer pressures on supplier capacity, improving delivery times.
- While input cost inflation increased in May, overall cost pressures decreased compared to the 26-month high seen in March. Despite this, construction companies have noted efforts from suppliers to pass on higher employment costs, with the price of aggregates, concrete, insulation and timber especially increasing. Some firms noted a decrease in fuel prices.
- Business expectations for the year ahead increased to the highest since December 2024, with 39% of respondents predicting an increase in output (16% predicting a decrease). Positive projections were attributed to hopes of a turnaround in housing market conditions, increased infrastructure work and decreasing borrowing costs.

## Building Materials and Components

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



Source: Monthly statistics of building materials and components, Table 9

The latest [Monthly Statistics of Building Materials and Components](#) were published on 4 June 2025.

Headline findings:

- Deliveries of bricks increased by 10.4% in April 2025 compared with April 2024.
- Deliveries of blocks increased by 13.4% in April 2025 compared with April 2024.
- Due to the [Office for National Statistics pausing the publication of producer price indices](#) (PPIs), publication of construction material price indices also had to be paused, leading to no new data for April 2025.

## 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 June 2025, summarising information on the overall UK business population. The survey was live from 19 May to 1 June 2025.

### Key Points:

- In late May 2025, over three quarters (77%) 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; up 41 percentage points compared with late February 2025, and up 17 percentage points compared with a year ago.
- Over half (55%) of businesses with 10 or more employees reported that their employees' hourly wages increased in April 2025 compared with March, a rise of 38 percentage points compared with January; this was also an increase of 6 percentage points compared with April 2024 and the highest proportion reported since the question was introduced in June 2022.
- Approximately a third (33%) of businesses with 10 or more employees reported experiencing difficulties recruiting employees in April 2025, broadly stable with January; nearly half (49%) of those businesses reported a lack of qualified applicants for the roles on offer.
- 1 in 5 (20%) private sector businesses reported that they are using, or planning to use, increased homeworking as a permanent business model; this has been broadly stable since late March 2023.
- In late May 2025, 12% of businesses with 10 or more employees reported that they experienced an impact from the United States tariffs in the previous month, broadly stable compared with late April.
- 13% of businesses with 10 or more employees reported that they expect to be affected by the United States tariffs in the next month, 4 percentage points lower compared with late April; please note most responses to the Business Insights and Conditions Survey (BICS) were received before the US supreme court ruling on reciprocal tariffs on 29 May.

## Construction Output Forecasts

Experian published their Winter 2024 [forecasts](#) for the construction sector in January 2025.

Key points:

- Total construction output is projected to decline by 1.1% in 2024, then grow by 3.5% in 2025 and 4.8% in 2026.
- The new housing sector is expected to decline by 7.1% in 2024, then grow by 4.6% in 2025 and 11.2% in 2026.
- Total repair, maintenance, and improvement (RM&I) is forecast to grow by 4.2% in 2024, 3.0% in 2025 and 2.8% in 2026.
- The new infrastructure sector is expected to decline by 7.0% in 2024, then grow by 2.7% in 2025 and 2.5% in 2026.
- The private industrial sector is expected to decline by 2.0% in 2024, then grow by 2.0% in 2025 and 4.5% in 2026.
- The private commercial sector is expected to decline by 1.1% in 2024, then grow by 4.4% in 2025 and 2.7% in 2026.
- The public non-residential sector is forecast to grow by 3.0% in 2024, 3.8% in 2025 and 3.9% in 2026.

The **Construction Products Association** (CPA) published their [Spring construction industry forecast](#) on 25 April 2025.

Key points:

- The CPA forecasts construction output to grow by 1.9% in 2025 and 3.7% in 2026.
- Private new housing is expected to grow by 4.0% in 2025 and 7.0% in 2026.
- Private housing repair, maintenance, and improvement (rm&i) is expected to grow by 3.0% in 2025 then 4.0% 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 May 2025.

- The mean GDP forecast for 2025 is 0.8%, up from 0.7% in previous month's forecast.
- The mean GDP forecast for 2026 is 1.0%, down from 1.1% in previous month's forecast.

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

- UK GDP is projected to grow by 1.3% in 2025, down from 1.4% in the previous forecast in March, and to grow by 1.0% in 2026.
- Global GDP growth is projected to increase by 2.9%, down from 3.1% from the previous forecast in March, and 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 20 March 2025, covering intelligence gathered in the 6 weeks to end February 2025.

Key points:

- There is further easing in the rate of decline in construction output compared to a year ago.
- Contacts expect modest growth in output in the second half of 2025, heavily influenced by expectations of interest rate cuts and increased government spending materialising.
- Private housing construction has continued to pick up at a modest rate, with output marginally ahead of a year ago. Overall repair and maintenance output is up slightly, driven by commercial renovations.
- Some private commercial developments, including data centres and warehouses, are progressing, but the sector overall is declining hindered by high funding and construction costs.
- Across construction as a whole, planning delays, a lack of utility connections, high costs and labour shortages are cited as future constraints on development.

## Builders Merchant Building Index

The [Builders Merchant Building Index](#) for April 2025 and Q1 2025 was published by the **Builders Merchants Federation, GfK and MRA Research** on 27 May 2025.

*Q1 2025 vs Q4 2024*

- Total builders' Merchants value sales were up 5.2% in Q1 2025 compared to Q4 2024. With two more trading days this quarter, like-for-like value sales were up 1.9%.
- All but one category saw an increase this quarter, with Landscaping (+14.1%) coming out on top. Workwear & Safetywear (-0.8%) was the only category to register a decrease.

*Q1 2025 vs Q1 2024*

- Total Builders' Merchants value sales were up 0.9% in Q1 2025 compared to Q1 2024. Volume sales were up 3.9% and prices were down 2.9%. There was no difference in trading days.
- Seven categories performed better than Total Merchants, with Services (5.3%) showing the biggest increase. Workwear & Safetywear (-3.3%), Decorating (-3.2%) and Kitchens & Bathrooms (-2.7%) showed the most significant decreases.

Expected dates for future construction output releases	
<i>Release for:</i>	<i>Publication date:</i>
May 2025	11 July 2025
June 2025	14 August 2025
July 2025	12 September 2025