Monthly Construction Update

Business Statistics Team
16 April 2026

Department for Business & Trade

Construction output fell by 2.0% in the three months to February 2026

The **Office for National Statistics** published estimates of Construction Output for February 2026 this morning.

Main points:

- Total construction output is estimated to have fallen by 2.0% in the three months to February 2026; this is the fifth consecutive fall in the three-monthly series.
- Over the three-month period, new work fell by 3.4%, while repair and maintenance showed no growth (0.0%).
- At the sector level, six out of the nine sectors fell in the three months to February 2026; the main negative contributor to the decrease was private new housing, which fell by 6.5%.
- Monthly construction output is estimated to have grown by 1.0% in February 2026; this follows an upwardly revised increase of 0.5% in January 2026, and a downwardly revised decrease of 1.3% in December 2025.
- The increase in monthly output in February 2026 came from increases in both new work, and repair and maintenance, which grew by 1.0% and 0.9%, respectively.

Gross Domestic Product grew by 0.5% in the three months to February 2026

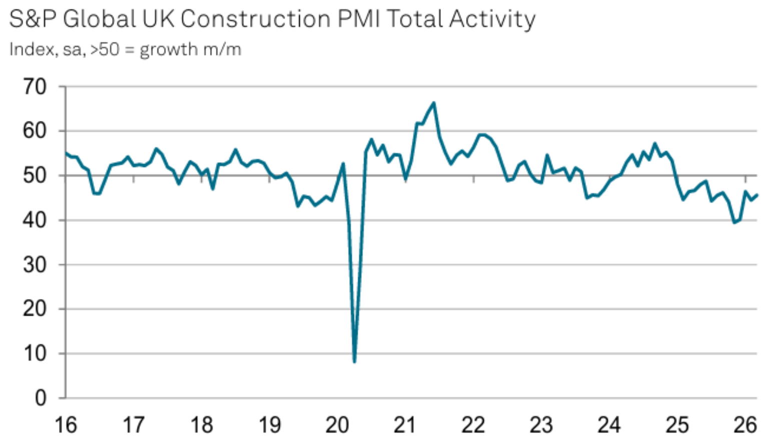
The **Office for National Statistics** published estimates of GDP (Gross Domestic Product) for February 2026 this morning.

Main points:

- Real gross domestic product (GDP) grew by 0.5% in the three months to February, following a growth of 0.3% in the three months to January 2026, and no growth in the three months to December 2025.
- Services output grew by 0.5% in the three months to February, after showing a growth of 0.3% in the three months to January 2026
- Production output grew by 1.2% in the three months to February; this follows a growth of 1.7% in the three months to January 2026
- Construction output fell by 2.0% in the three months to February, following falls of 2.8% in the three months to both January 2026 and December 2025 (these falls were revised down from falls of 2.0% and 2.1% respectively, in the previous publication).
- Monthly GDP grew by 0.5% in February 2026, following a growth of 0.1% in January 2026 (revised up from showing no growth in the previous publication) and 0.1% in December 2025.
- Services and production both grew by 0.5% in February.

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

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



Data were collected 12-30 March 2026.
Source: S&P Global PMI. ©2026 S&P Global.

S&P Global CIPS published their latest construction purchasing managers index for March 2026 on 8 April 2026.

Main Points:

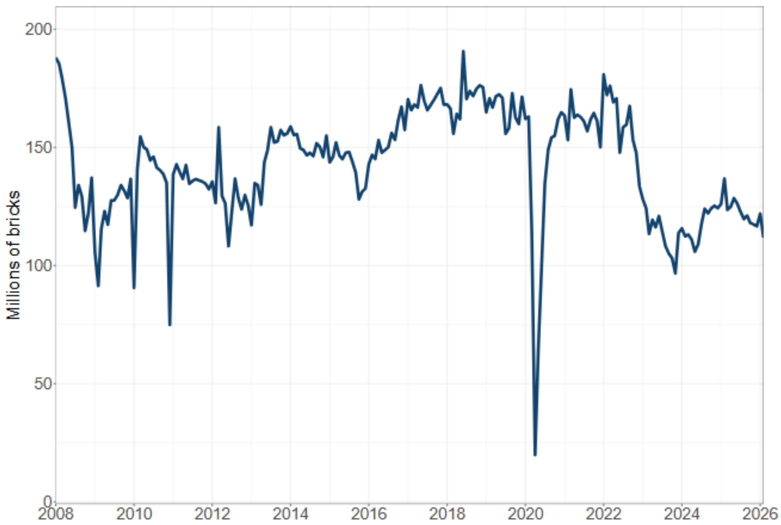
- The S&P Global UK Construction PMI registered at 45.6 in March, up from 44.5 in February.
- This represents the fifteenth month of decline in construction activity, which started in late 2024, albeit at a slower pace than last month. Respondents cited falling confidence among clients and a lack of new project starts, despite resilient energy sector demand and better weather than in March.
- The latest survey also suggested that operating margins were under pressure in input cost inflation, with the war in the Middle East pushing up fuel, transportation and raw material prices.
- Housebuilding activity (38.2) declined more quickly than the Commercial (47.1) and Civil Engineering (44.8) sectors, the latter of which experienced the least marked rate of decline since May 2025. All three sectors declined at a slower pace than in February.
- Total new business decreased at the fastest pace for four months in March, with decreasing rates of new business seen since January 2025. The latest decrease was attributed to rising risk aversion among clients in response to global economic uncertainty.
- Construction companies recorded a faster decline in employment in March, as well as cuts to subcontractor usage and purchasing activity in response to reduced workloads.
- Despite the reduced purchasing activity, March data also pointed to a downturn in supplier performance. Average lead times lengthened for the first time since July 2025, attributed to longer international shipping times and tighter supply of some raw materials.
- Nearly half of the survey panel (48%) reported an increase in their average cost burdens in March, while only 3% signalled a decline. The Input Prices Index was recorded at its highest level since November 2022.
- Although still upbeat overall, business confidence fell to the lowest level for three months in March, driven by concerns about inflation outlook, higher borrowing costs and the prospect of a protracted war in the Middle East.

Building Materials and Components

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

Figure 1: Seasonally adjusted deliveries of bricks, GB

Number of bricks

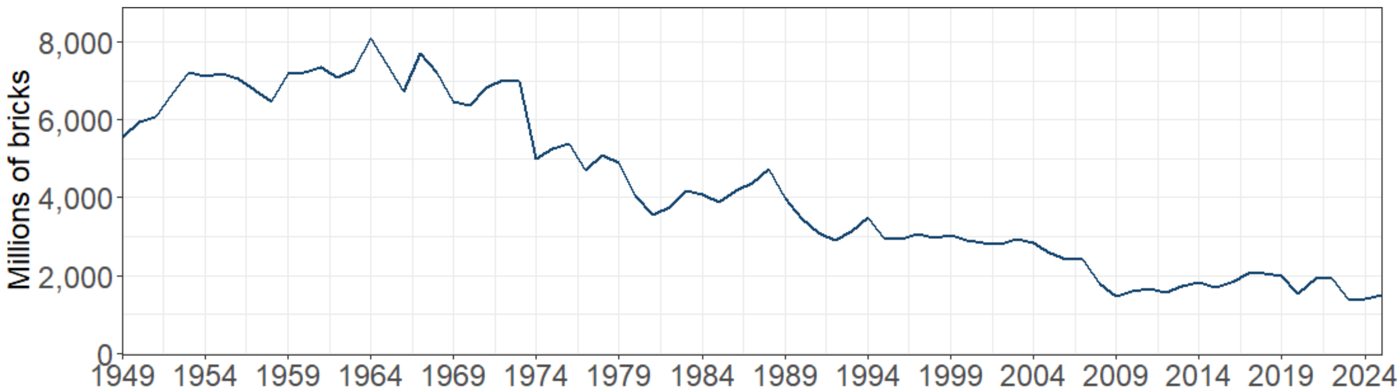


Source: monthly statistics of building materials and components, table 9

The latest [Monthly Statistics of Building Materials and Components] were published on 8 April 2026. Headline findings:

- Deliveries of bricks decreased by 18.3% in February 2026 compared with February 2025.
- Deliveries of blocks decreased by 17.4% in February 2026 compared with February 2025.
- The material price index for 'All Work' increased by 2.1% in February 2026 compared with February 2025. This is based on data obtained prior to the start of the current Middle East conflict, which started on 28 February 2026.

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 2 April 2026, summarising information on the overall UK business population. The survey was live from 16 to 29 March 2026.

Key Points:

- In March 2026, 37% of businesses with 10 or more employees reported they were concerned about international conflict impacting supply chains over the next year, while 21% were concerned about the impact of shipping disruption; these are up 27 and 14 percentage points, respectively, from December 2025 and the largest proportions reported since the question was introduced in September 2024.
- More than half (56%) of businesses with 10 or more employees that were concerned about impacts on supply chains over the next year are expecting the costs of sourcing materials to increase, up 10 percentage points from late December 2025; additionally, 50% expect transportation costs to increase, up 17 percentage points from late December 2025.
- When asked in March 2026, over half (55%) of businesses expressed some level of concern about energy prices; this proportion rose to 74% for businesses with 10 or more employees.
- More than a quarter (26%) of businesses reported using at least one type of artificial intelligence (AI) technology, up 8 percentage points from late March 2025; for businesses with 250 or more employees, the proportion was higher, at 45%, up 13 percentage points over the same period.
- Nearly 1 in 5 (18%) businesses reported that they are planning to adopt at least one type of AI technology in the next 3 months, up 6 percentage points from late March 2025; this is the highest proportion reported since the question was introduced in late September 2023.
- In late March 2026, 5% of businesses that are using some form of AI technology reported that there had been a reduction in their workforce headcount because of AI technologies, broadly stable with late December 2025; this proportion rose to 7% for businesses with 10 or more employees, also broadly stable over the same period.

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 March 2026.

- The mean GDP forecast for 2026 is 0.9%, down from 1.0% in the previous month’s forecast.
- The mean GDP forecast for 2027 is 1.3%, showing no change from 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 early January 2026.

Main points:

- Contacts report that new-build housing activity has stalled, held back by weak demand, elevated build/funding costs and persistent planning delays.
- Commercial development remains largely paused due to high build and funding costs.
- Infrastructure activity is modestly positive with schemes subject to delay, while pockets of activity can be found in industrial and data centre projects, energy schemes and public sector work.
- Repair and maintenance activity is rising steadily compared to the same period last year, driven by post-Grenfell regulations.
- Firms expect conditions to remain subdued to mid-2026, with recovery dependent on lower financing costs, improved planning and pipeline conditions.

Builders Merchant Building Index

The Builders Merchant Building Index for January 2026 was published by the **Builders Merchants Federation**, **GfK** and **MRA Research** on 1 April 2026.

January 2026 vs January 2025

- Total Builders Merchants value sales were down 7.0% in January 2026 compared to last year. Volume sales were down 7.2% and prices were up 5.0%. With one trading day fewer this year, like-for-like value sales were down 2.6%.
- Renewables & Water Saving (+8.5%), Workwear & Safetywear (-0.8%), and Services(-0.9%) were the strongest categories.

January 2026 vs December 2025

- Total Builders Merchants value sales were up 20.2% in January 2026 compared to last month. Volume sales were up 2.0% and prices were up 0.9%. With three more trading days this month, like-for-like value sales were up 3.0%.
- Ten of the twelve categories sold more, except for Services (-11.1%) and Landscaping (-0.5%).

Expected dates for future construction output releases	
Release for:	*Publication date:*
March 2026	14 May 2026
April 2026	12 June 2026
May 2026	16 July 2026