

Monthly Construction Update

Business Statistics Team

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Department for
Business & Trade

Construction output grew by 0.1% in April 2026

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

Main points:

- Total construction output is estimated to have grown by 1.6% in the three months to April 2026; this is the second consecutive increase in the three-monthly series.
- Over the three-month period, both new work, and repair and maintenance, grew by 0.3% and 3.4%, respectively.
- At the sector level, six out of the nine sectors grew in the three months to April 2026; the main positive contributor to the increase was non-housing repair and maintenance, which grew by 3.5%.
- Monthly construction output is estimated to have grown by 0.1% in April 2026; this follows an increase of 1.5% in March 2026, and an increase of 0.5% in February 2026.
- The increase in monthly output in April 2026 came solely from an increase in repair and maintenance, which grew by 0.6%, while new work fell by 0.3%.

Gross Domestic Product shrunk by 0.1% in April 2026

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

Main points:

- Real gross domestic product (GDP) grew by 0.7% in the three months to April 2026 compared with the three months to January 2026, following growth of 0.6% in the three months to March 2026.
- Services output grew by 0.8% in the three months, after growing another 0.8% in the three months to March 2026, while production output contracted by 0.1% following growth of 0.2% in the three months to March 2026.
- Monthly GDP contracted by 0.1% in April 2026, following growth of 0.3% in March and 0.4% in February.
- This was driven by a 0.2% fall in services which offset the 0.1% rise in construction output. Production showed no growth.

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

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

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



Data were collected 12-28 May 2026.
Source: S&P Global PMI. ©2026 S&P Global.

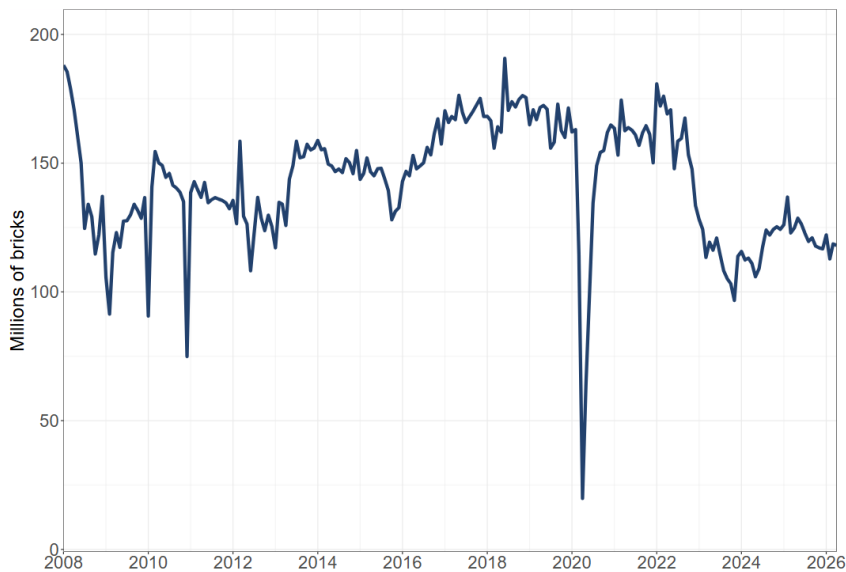
S&P Global CIPS published their latest [construction purchasing managers index](#) for May 2026 on 4 June 2026.

Main Points:

- The S&P Global UK Construction PMI registered at 38.2 in May, down from 39.7 in April, representing the fastest pace of decline for six years and the seventeenth consecutive month of overall decline in construction output.
- All three categories of work showed sharp declines, with Residential work as the weakest performing category (36.0) driven by unfavourable market conditions and elevated borrowing costs.
- Civil engineering fell at a slightly less marked rate than in April (36.2), while commercial construction (39.0) saw a steeper reduction in May, reflecting risk aversion due to geopolitical tensions and rising inflationary pressures.
- Total new orders decreased at a sharp and accelerated pace in May, at the fastest pace for six years. Construction companies suggested that project delays, deferred investment decisions and general cutbacks to budgets have resulted in fewer tender opportunities. Other firms suggested that domestic political uncertainty impacted demand conditions.
- Employment numbers fell in May, as did input buying, which decreased at the fastest pace since November 2025.
- Supplier delivery times lengthened for the third month running in May, despite decreased buying activity. Almost two thirds of the survey panel signalled an increase in input prices, showing the fastest pace of inflation since June 2022. This was mostly linked to fuel surcharges, rising energy costs and higher transportation costs. Subcontractor charges increased to the greatest extent for nearly three-and-a-half years.
- Business activity expectations remained positive in May, but the degree of optimism was lowest since December 2022. 31% of the survey panel predicted a rise in activity, while 25% predict a downturn. This was mostly attributed to concerns about rising inflation, borrowing costs and unfavourable predictions for domestic economic conditions.

Building Materials and Components

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

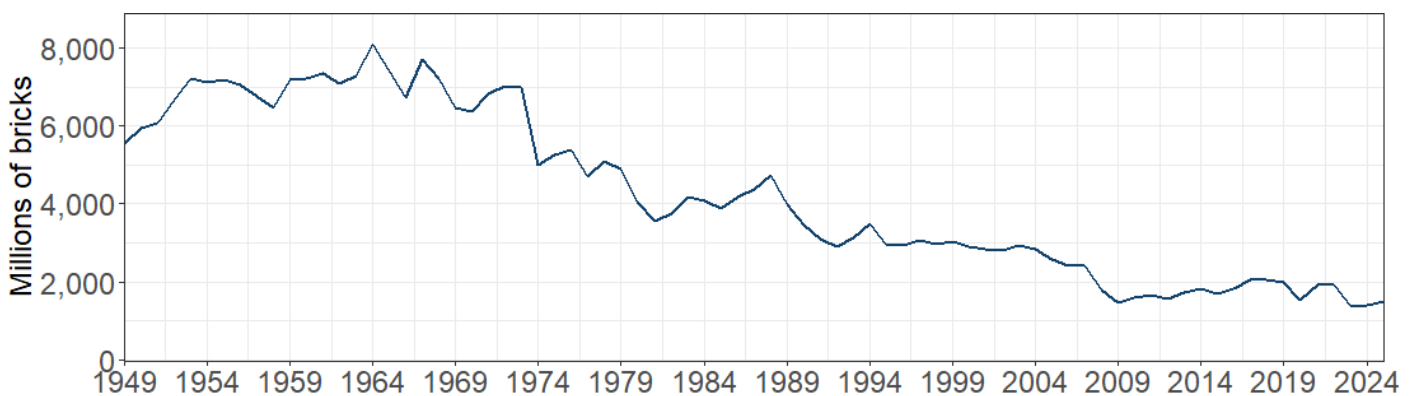


Source: monthly statistics of building materials and components, table 9

The latest [Monthly Statistics of Building Materials and Components](#) were published on 3 June 2026. Headline findings:

- Deliveries of bricks decreased by 5.4% in April 2026 compared with April 2025.
- Deliveries of blocks decreased by 10.7% in April 2026 compared with April 2025.
- The material price index for 'All Work' increased by 3.2% in April 2026 compared with April 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 4 June 2026, summarising information on the overall UK business population. The survey was live from 18 to 31 May 2026.

Key Points:

- In May 2026, 66% 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, which is up 25 percentage points compared with February 2026, but down 11 percentage points compared with May 2025; large quarterly movements are typically seen at this time because of the change in the financial year.
- In May 2026, 44% of businesses with 10 or more employees reported they would adapt to future rises in employment costs by increasing prices, which is down 3 percentage points compared with May 2025; 38% reported they would absorb the costs within profit margins, while 23% reported they would reduce the number of employees.
- More than half (54%) of businesses with 10 or more employees reported that their employees' hourly wages increased in April 2026 compared with March 2026, which is broadly stable from April 2025, but up 36 percentage points from January 2026; the change compared with January 2026 is likely because of the April 2026 minimum wage rise.
- 62% of businesses reported at least some level of concern about energy prices in late May 2026, rising to 73% for businesses with 10 or more employees, which are both broadly stable compared with early May; please be aware that the majority of responses to the Business Insights and Conditions Survey (BICS) were received before the July 2026 energy price cap announcement on 27 May.
- Over two-thirds (68%) of businesses reported at least some level of concern about fuel costs in late May 2026, rising to 74% for businesses with 10 or more employees; the transportation and storage industry reported the highest proportion of concern (84%), followed by the accommodation and food service activities industry (82%).
- In May 2026, 34% of businesses with 10 or more employees reported they were concerned about international conflict impacting supply chains over the next year, which is down 4 percentage points from April 2026 but up 25 percentage points from December 2025; 25% were concerned about the impact of shipping disruption, which was broadly stable from April but up 18 percentage points from December 2025.

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 May 2026.

- The mean GDP forecast for 2026 is 0.9%, up from 0.6% in the previous month's forecast.
- The mean GDP forecast for 2027 is 1.0%, down from 1.1% 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 24 April 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 March 2026 was published by the **Builders Merchants Federation, GfK and MRA Research** on 29 May 2026.

March 2026 vs March 2025

- Total Builders Merchants value sales were 1.0% higher in March 2026 compared to last year. Volume sales were down 3.4% and prices were up 4.6%.
- Renewables & Water Saving was the strongest performing category in terms of values (+8.5%, prices up 13.1%) while Heavy Building Materials were the weakest performing category (value sales down 2.4%).

March 2026 vs February 2026

- Total Builders Merchants value sales were 21.3% higher in March 2026 compared to February 2026. Volume sales were up 14.8% and prices were down 3.9%. With two more trading days this month, like-for-like value sales were up 10.3%.
- Landscaping was the strongest performing category (+39.2% value sales).

Expected dates for future construction output releases	
<i>Release for:</i>	<i>Publication date:</i>
May 2026	16 July 2026
June 2026	13 August 2026
July 2026	11 September 2026

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