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Latest ONS Construction Figures Highlight Growth in Private Housing but Sharp Falls in Public Housing

Today's figures from the ONS state that total construction output rose by 0.2% in October compared with September and was 1.0% higher than a year ago. The figures also clearly highlight the rise in private housing and the sharp fall in public housing.

Dr Noble Francis, Economics Director of the CPA, commented: "After the slowdown in construction activity in Q3, it was good to see an acceleration in activity for the construction industry on both a monthly and an annual basis. However, the figures also highlight contrasting fortunes for private and public house building. Private housing output rose 2.3% in October compared with September and was 4.6% higher than a year ago. Going forward, policies announced by the Chancellor in his recent Autumn Statement, such as London Help to Buy, should ensure further growth in private housing output by incentivising major house builders to increase building rates over the next 12 months. However, there are mounting concerns regarding affordability in the housing market, especially in London where average house prices are already 9.6 times average earnings."

"The falls in public housing are a major concern, despite the Chancellor's announcement of '400,000 new affordable homes' in November's Autumn Statement. Public housing output in October was 3.0% lower than September and 25.9% lower than a year ago. The ONS figures also highlight that new orders for public housing in Q3 were 26.7% lower than a year ago due to funding issues for housing associations as they face falling public sector funding, cuts in social rent and the extension of Right to Buy. As a result, the trend for public house building appears to be sharply negative over the next 12 months."

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NOTE TO EDITORS:

The [Construction Products Association](#) represents the UK's manufacturers and distributors of construction products and materials. The sector directly provides jobs for 313,000 people across 21,000 companies, and has an annual turnover of more than £50 billion. The Association acts as the leading voice to promote and campaign for this vital UK industry.

The Construction Industry Forecasts is one of a range of economic publications produced by the Association, including the Construction Trade Survey and the State of Trade Survey.

FOR FURTHER INFORMATION CONTACT:

Noble Francis Economics Director
Construction Products Association
Tel : 020 7323 3770
Mobile : 0791 261 2882
E-mail : noble.francis@constructionproducts.org.uk

Jeff May Marketing and Communications Manager
Construction Products Association
Tel : 020 7323 3770
Mobile : 0790 447 6166
E-mail : jeff.may@constructionproducts.org.uk

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