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Latest Construction New Orders A Worrying Sign for Housing

The latest quarterly ONS figures for construction new orders released today show that construction orders in Q1 were 3.6 per cent lower than the same quarter one year ago and new orders for housing were 21 per cent lower than a year earlier. However, there were some positive signs in some sectors.

Commenting on the new orders data, Noble Francis, Economics Director at the Construction Products Association said “With government cuts impacting sharply upon construction, it is no surprise to see that public sector construction new orders were hit hard in Q1. Of even greater concern was that new orders for housing were so badly hit in Q1. Public housing new orders in Q1 were 41 per cent lower than a year earlier and private housing new orders in Q1 were 14% lower than a year earlier. Yet, with large house builders reporting good results recently and expressing optimism over the next 12 months, this suggests that it is SMEs who are suffering.”

“However, it was not all bad news in the new orders for Q1. There were some positive signs. Infrastructure new orders in Q1 were 60% higher than a year ago and commercial new orders in Q1 were surprisingly strong given the current economic uncertainty, 8.4% higher than a year ago. Although new orders in sectors like this can take more than a year to feed through into work on the ground and may be postponed, as happened in 2009, this is still good news for the industry.”

“Overall, however, the new orders figures are undeniably poor and reinforces views from across the industry that contractors in some key sectors will be suffering from sharp falls in work over the next 12-18 months.”

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NOTE TO EDITORS:

CONSTRUCTION PRODUCTS ASSOCIATION:

The Construction Products Association represents the UK's manufacturers and suppliers of construction products, components and fittings. The Association acts as a single voice for the construction products sector, representing the industry-wide view of its members. The sector has an annual turnover of £50 billion and accounts for 40% of total construction output.

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