

Friday, 10 November 2017

Construction Output Falls for a Second Quarter

ONS figures published today show that construction output contracted 0.9% in the third quarter of 2017. This is a downward revision from the preliminary estimate of a 0.7% decline released in October and follows the 0.5% fall in output recorded in Q2.

Rebecca Larkin, Senior Economist at the Construction Products Association, commented: “At a headline level, today’s data shouts ‘construction recession’, marked by two consecutive quarters of falling output. However, output remains at relatively high levels – 1.1% higher than a year ago and 7.1% higher than 2015 Q3.

“There is also a clear variation in performance by sector, as highlighted in the CPA’s forecasts. Private housing output rose 1.8% to a record high during the quarter, with demand and confidence sustained by the Help to Buy equity loan. The £10 billion extra funding for the policy announced last month will maintain impetus in house building, with greater certainty over affordable rent-setting also supporting building by housing associations.

“Nevertheless, areas of weakness include private commercial, where new orders have fallen for three quarters and signal a lack of offices and retail projects to replace those now coming to an end. This is echoed in the public non-housing sector, which is suffering from lower volumes of work on schools and a dearth of new large hospitals projects.”

ENDS

NOTE TO EDITORS:

The data for construction output and new orders from the ONS can be found [here](#).

The [Construction Products Association](#) represents the UK’s manufacturers and distributors of construction products and materials. We are committed to raising the profile of our industry and members’ businesses, helping grow the market and reducing regulatory risk. The sector directly provides jobs for 288,000 people across 22,000 companies and has an annual turnover of more than £55 billion. The CPA is the leading voice to promote and campaign for this vital UK industry.

The CPA produces a range of economic reports including the quarterly Construction Industry Forecasts, Construction Trade Surveys and the State of Trade Surveys. All are available to members or subscribers via our website.

Much of the CPA’s work is focused on serving as the first point of contact for politicians and policy makers requiring advice and information about matters that affect construction products or the wider construction industry. This includes understanding the need for investment into manufacturing or the built environment,

new housing and energy-saving retrofitting of the existing housing stock; helping to develop effective, UK and EU legislation, regulations and product standards; and promoting the role of manufacturers in delivering a resource efficient built environment.

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