

Output in the Construction Industry, September and Q3 2012



Coverage: GB

Date: 09 November 2012

Geographical Area: GB

Theme: Business and Energy

Headline Figures (constant (2005) prices, seasonally adjusted)

- The estimated total volume of construction output in the third quarter of 2012 fell by 2.6 per cent compared with the second quarter of 2012. The fall in the total volume of construction output continues the decline first seen in the third quarter of 2011. The private commercial sector provides the largest contribution to the decline in the third quarter of 2012, but is offset somewhat by an increase in new infrastructure work
- There were widespread falls in the volume of construction output in the third quarter of 2012 when compared with the second quarter. There were falls in seven of the nine sectors, with the largest decrease being in private commercial, which fell by 8.2 per cent
- New infrastructure showed the largest quarter on quarter increase with a growth of 9.9 per cent. However, the latest quarter-on-quarter growth has not brought the output of this sector back to the levels seen in late 2011
- The estimated level of the total volume of construction output in the third quarter of 2012 was the lowest since the second quarter of 1999
- The estimated volume of all new work fell by 2.2 per cent and repair and maintenance fell by 3.2 per cent in the third quarter compared with the second quarter of 2012
- The estimated total volume of construction output in the third quarter of 2012 fell by 11.3 per cent compared with the same quarter of 2011
- The estimated volume of all new work fell by 14.5 per cent in the third quarter compared with the same quarter in 2011 while repair and maintenance fell by 4.8 per cent over the same period

Introduction

This bulletin shows output in the construction industry for the third quarter of 2012. Most figures are estimates in constant (2005) prices, seasonally adjusted. The overall estimate for construction output this quarter was 2.6 per cent lower compared with the previous quarter, with volume reductions in seven of the nine sectors. The largest of these reductions, both in value and percentage terms, was in private commercial, which fell by £452 million and 8.2 per cent respectively.

Further breakdowns, including non-seasonally adjusted and current price series, can be found in the [data tables \(625.5 Kb Excel sheet\)](#). This publication focuses on the latest quarterly figures, but also includes the latest annual and monthly estimates as well as revisions to earlier periods in line with our revisions policy.

Changes since the forecast used in Q3 2012 Gross Domestic Product Preliminary Estimate

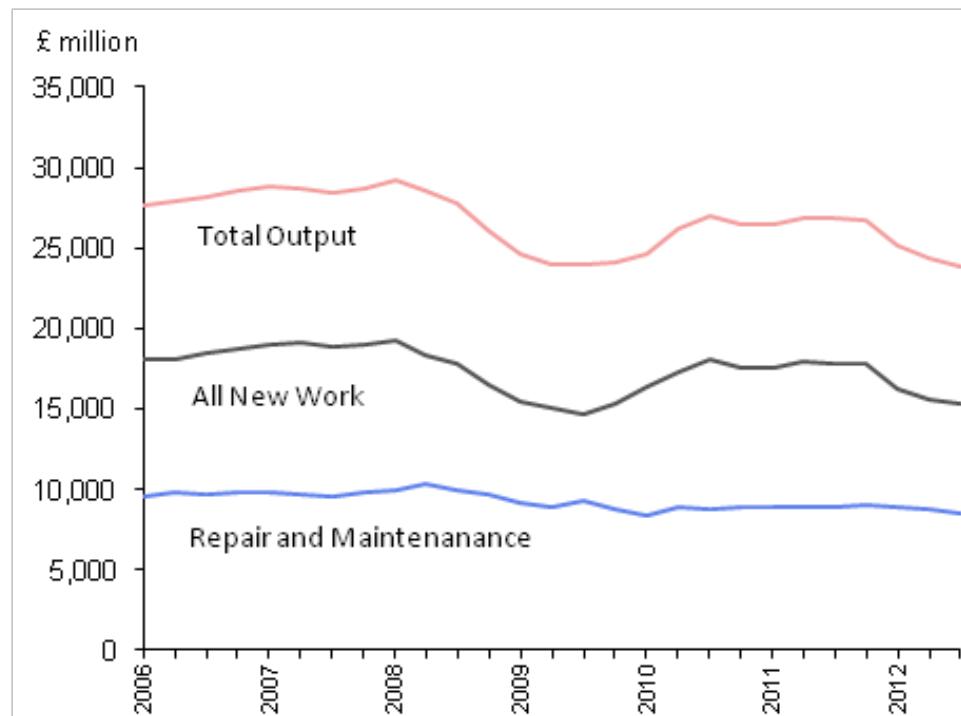
The preliminary estimate of [quarter three 2012 Gross Domestic Product \(GDP\)](#) included a nowcast fall of 2.5 per cent in construction output in the third quarter of 2012 compared with the previous quarter.

The estimate released in this publication show that construction output fell by 2.6 per cent in the third quarter.

There is, therefore, a negligible impact on the preliminary quarter three 2012 GDP estimate from this release of construction output estimates.

Output in the Construction Industry

Construction Output (constant (2005) prices, seasonally adjusted)



Source: Construction: Output & Employment - Office for National Statistics

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New work in the third quarter of 2012 fell by 2.2 per cent compared with quarter two. The largest fall was in private commercial which fell by 8.2 per cent. The only sectors that increased were infrastructure and private industrial which increased by 9.9 per cent and 0.3 per cent respectively, although the latter sector is small (approximately 5 per cent of total new work). The private commercial sector, however, accounts for approximately 34 per cent of new work while the infrastructure sector accounts for approximately 18 per cent. Thus, the larger growth in infrastructure did not offset the smaller decline in private commercial.

Repair and maintenance work fell by 3.2 per cent with falls in all sectors except public housing.

Over the year from the third quarter of 2011 to the third quarter of 2012, there was an 11.3 per cent fall in total construction output. New work fell by 14.5 per cent with decreases in all sectors other than private industrial, but this is a small sector. The largest falls in new work were seen in public non-housing (19.7 per cent) and private commercial (17.4 per cent). Repair and maintenance output fell by 4.8 per cent over the same period. The only sector of repair and maintenance that grew in this period was public housing (2.6 per cent).

Since the fourth quarter of 2010, new work in the public sectors (public housing and public non-housing) have seen almost continuous decline. Whereas some new work in the private sectors have shown growth in certain quarters since the fourth quarter of 2010, overall new work has fallen every quarter from Q3 2011.

Construction output (constant (2005) prices, seasonally adjusted)

Great Britain	£ million				
	Housing new work	Non housing new work	Housing repair and main- tenance	Non housing repair and maintenance	Total output
2008	18,634	53,079	17,488	22,458	111,658
2009	13,736	46,757	15,976	20,169	96,639
2010	17,140	52,273	17,031	17,843	104,288
2011 (R)	18,440	52,711	16,639	19,103	106,893
2008 Q1	5,418	13,777	4,395	5,584	29,174
Q2	4,919	13,383	4,475	5,822	28,599
Q3	4,436	13,329	4,299	5,679	27,744
Q4	3,861	12,590	4,318	5,372	26,141
2009 Q1	3,481	11,930	4,081	5,139	24,632
Q2	3,349	11,674	3,963	4,994	23,979
Q3	3,346	11,356	4,193	5,054	23,948
Q4	3,560	11,797	3,739	4,983	24,079
2010 Q1	3,834	12,483	4,060	4,267	24,645
Q2	4,188	13,168	4,244	4,609	26,209
Q3	4,489	13,652	4,388	4,432	26,961
Q4	4,629	12,970	4,339	4,535	26,473
2011 Q1	4,598	12,962	4,211	4,703	26,475
Q2 (R)	4,636	13,338	4,151	4,720	26,844
Q3 (R)	4,624	13,235	4,112	4,833	26,804
Q4 (R)	4,581	13,176	4,165	4,847	26,769
2012 Q1 (R)	4,448	11,770	4,152	4,775	25,146
Q2 (R)	4,182	11,435	3,999	4,796	24,412
Q3	4,046	11,227	3,962	4,550	23,784

Table source: Office for National Statistics

Table notes:

1. R - Revised since July 2012 publication

Download table

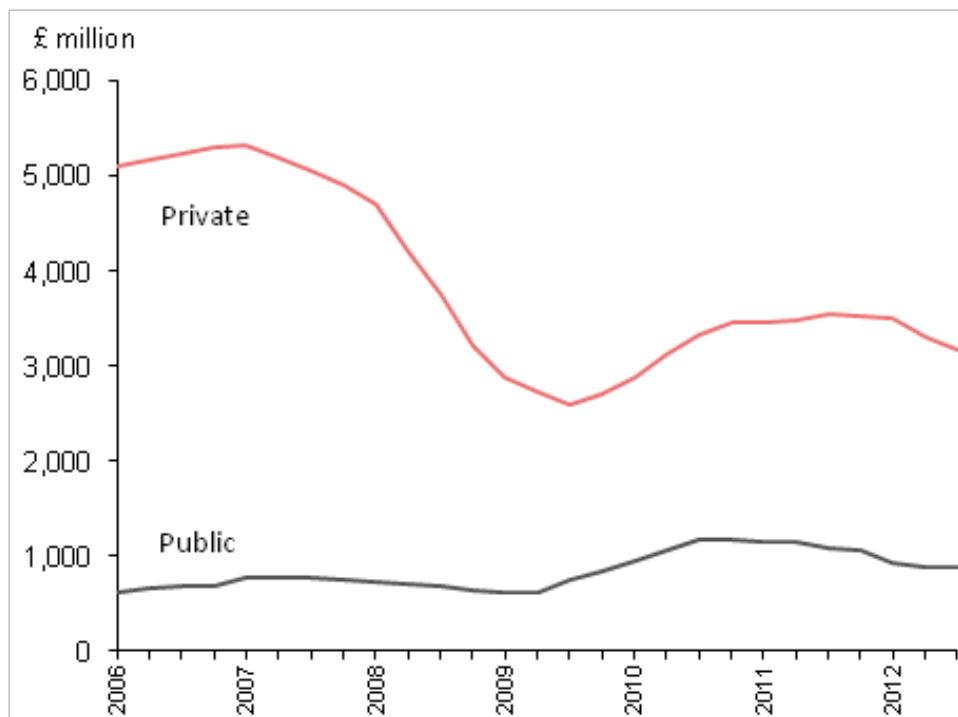
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New housing

The volume of new private housing work in the third quarter of 2012 was 4.0 per cent lower compared with the previous quarter and 10.6 per cent lower than the same quarter in 2011.

The volume of new public housing work in the third quarter of 2012 was 0.5 per cent lower compared with the previous quarter and 18.7 per cent lower than the same quarter in 2011. There has been a downward trend in this sector since the fourth quarter of 2010.

New Housing (constant prices (2005), seasonally adjusted)



Source: Construction: Output & Employment - Office for National Statistics

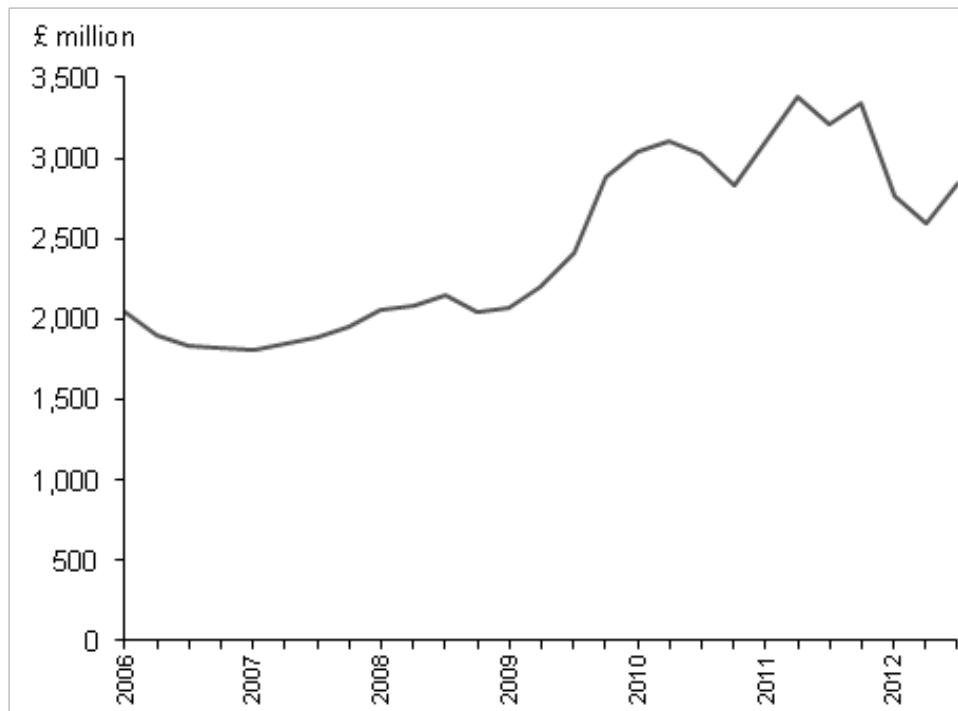
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New public and private infrastructure

Following two quarters of falls in output the volume of new infrastructure output in the third quarter of 2012 was 9.9 per cent higher compared with the previous quarter. Compared with the same quarter a year ago, infrastructure new work fell by 11.3 per cent.

New Public and Private Infrastructure (constant (2005) prices, seasonally adjusted)



Source: Construction: Output & Employment - Office for National Statistics

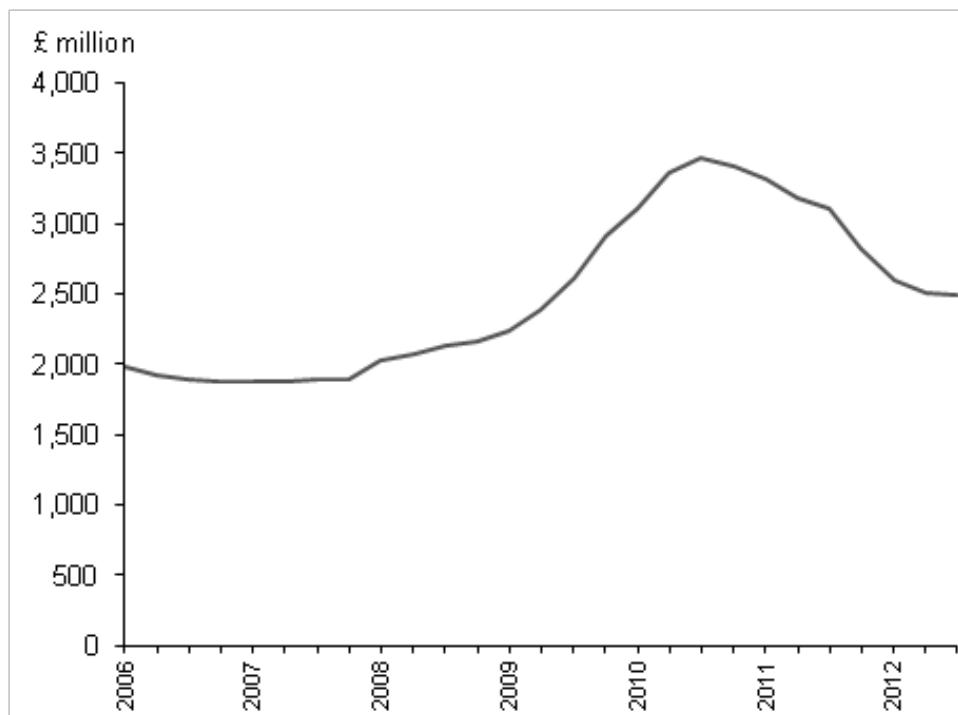
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New public non-housing (excluding infrastructure)

The volume of new work in the public non-housing (excluding infrastructure) sector in the third quarter of 2012 was 0.6 per cent lower compared with the previous quarter and 19.7 per cent lower compared with the same quarter in 2011. This sector has been declining since the fourth quarter of 2010, although the latest quarter-on-quarter decline is less sharp than in earlier quarters.

New Public Non-Housing Excluding Infrastructure (constant (2005) prices, seasonally adjusted)



Source: Construction: Output & Employment - Office for National Statistics

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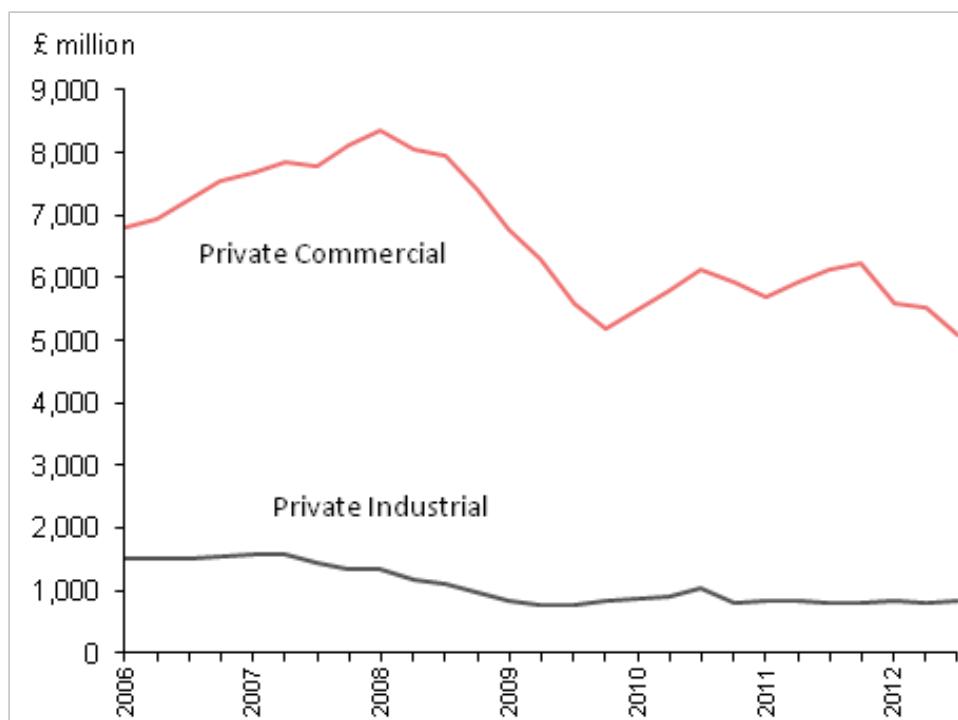
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New private non-housing (excluding infrastructure)

The volume of new construction in the private industrial sector in the third quarter of 2012 grew by 0.3 per cent compared with the previous quarter and was 4.1 per cent higher than the same period in 2011. This sector has been reasonably flat from the fourth quarter of 2010.

The volume of new construction in the private commercial sector in the third quarter of 2012 fell by 8.2 per cent compared with the previous quarter and was 17.4 per cent lower than the same period in 2011.

New Private Non-Housing Excluding Infrastructure (constant (2005) prices, seasonally adjusted)



Source: Construction: Output & Employment - Office for National Statistics

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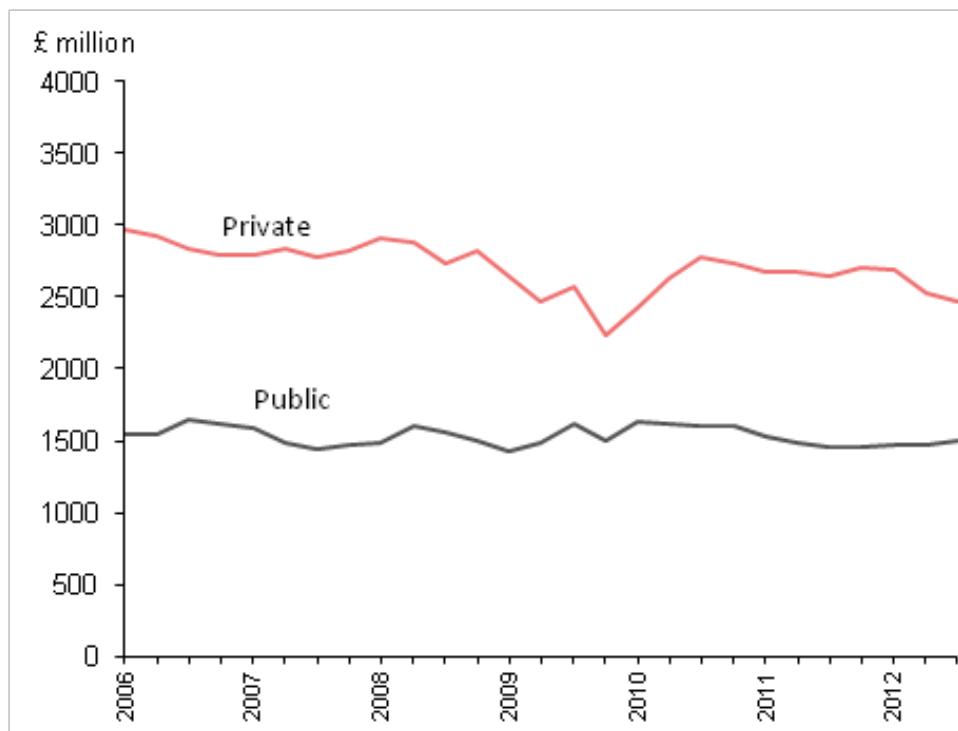
Housing repair and maintenance

The volume of housing repair and maintenance work (including improvement work) in the public sector in the third quarter of 2012 was 2.2 per cent higher compared with the previous quarter and 2.6 per cent higher than the same quarter in 2011. This sector has been reasonably flat from the beginning of 2011.

The volume of housing repair and maintenance work (including improvement work) in the private sector in the third quarter of 2012 was 2.8 per cent lower compared with the previous quarter and 7.1 per cent lower compared with the same quarter in 2011. The quarter-on-quarter decline continues the trend seen in recent quarters.

As public housing is approximately 37 per cent of housing repair and maintenance and private housing is approximately 63 per cent, the relative growths in these sectors do not offset one another.

Housing Repair and Maintenance (constant (2005) prices, seasonally adjusted)



Source: Construction: Output & Employment - Office for National Statistics

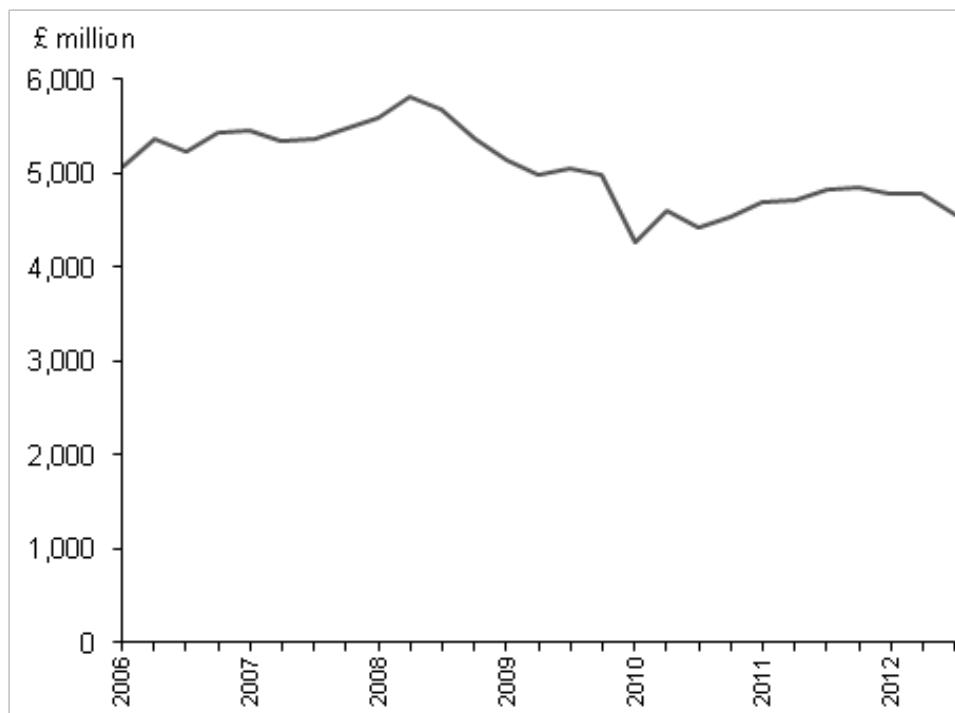
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Non-housing repair and maintenance

The volume of repair and maintenance in the non-housing sector in the third quarter of 2012 was 5.1 per cent lower compared with the previous quarter and 5.9 per cent lower compared with the same quarter in 2011. The introduction of an infrastructure repair and maintenance question in only 2010 means that we do not yet have sufficient data to produce seasonally adjusted estimates for the components of this series.

Non-Housing Repair and Maintenance (constant (2005) prices, seasonally adjusted)



Source: Construction: Output & Employment - Office for National Statistics

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Revisions

In general revisions will follow the standard revisions policy for construction statistics shown in the table below

Revisions Policy

Source of revisions	Revision periods
New survey data	New month + revised 12 previous months
Revised deflators from BIS*	New quarter + revised 2 previous quarters
Seasonal factors	New quarter + revised 5 previous quarters

Table source: Office for National Statistics

Table notes:

1. * BIS - Department for Business, Innovation and Skills

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Revisions to the output series for the last 12 months were also due to revised and late responses from respondents.

Revisions Table (constant (2005) prices, seasonally adjusted)

	New work published in this release	New work estimates previously published*	New work revisions	R&M published in this release	R&M estimates previously published*	R&M revisions
2011 Q2	2.4	2.5	-0.1	-0.5	-0.1	-0.4
2011 Q3	-0.6	-0.7	0.1	0.8	0.0	0.8
2011 Q4	-0.6	-0.2	-0.3	0.7	1.2	-0.4
2012 Q1	-8.7	-8.6	-0.1	-0.9	-0.6	-0.3
2012 Q2	-3.7	-3.8	0.1	-1.5	-1.6	0.1

	Total Output published in this release	Total Output estimates previously published*	Total Output revisions
2011 Q2	1.4	1.6	-0.2
2011 Q3	-0.1	-0.5	0.3
2011 Q4	-0.1	0.2	-0.4
2012 Q1	-6.1	-5.9	-0.2
2012 Q2	-2.9	-3.0	0.1

Table source: Office for National Statistics

Table notes:

- * Revised since July 2012 publication

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Background notes

- Special Events Policy

The Olympics took place from 27 July to 12 August 2012 (with a few events starting on 25 July), and the Paralympics from 29 August to 9 September. For most economic statistics, any direct effect of the Olympics was mainly reflected in the [August estimate](#), although some of the Paralympics-associated activity took place in September. Wider effects, for example, if the presence of the Olympics has influenced the number of non-Olympics tourist visits, may of course affect any of the summer months.

This commentary is intended to help users to interpret the statistics in the light of events. As explained in ONS's [Special Events policy](#). It is not possible to make an estimate of the effect of the Olympics and Paralympics on particular series only on the basis of information collected in those series. More details of how certain series are affected are in an [Information Note](#), and an [article](#) explaining how various elements are reflected in the National Account was published in July 2012

2. Changes to Construction Statistics

In June 2009 ONS [announced major changes](#) to the arrangements for producing construction statistics and indicated that the changes would take effect from the beginning of 2010. From January 2010, a new Monthly Business Survey replaced the quarterly output surveys for construction, and a quarterly new orders survey replaced the previous monthly new orders survey.

3. Relevance to users

The statistical bulletin brings together information on the output of the construction industry in Great Britain. It draws on data compiled from the Monthly Business Survey, with businesses selected from the Inter-Departmental Business Register (IDBR). The construction industry, which contributes to the overall estimate of Gross Domestic Product (GDP) by approximately 6.8 per cent, covers Sections 41, 42 and 43 of the Standard Industrial Classification 2007 (excluding section 41.1 (property developers)).

Similar data for Northern Ireland is provided by the [Northern Ireland Statistics and Research Agency](#).

Information relating to employment in the construction industry is available in the [Labour Market Statistics Statistical Bulletin](#).

4. Accuracy

Revisions to previous periods: Figures for the recent months are provisional and subject to revision as later information becomes available.

5. Deflation and seasonal adjustment

'Value' of construction output is also known as 'current price' or 'nominal price' construction output. 'Volume' of construction output is also known as 'constant price' construction output. A volume series aims to measure the level of construction output, adjusting for price inflation,

allowing comparisons of activity to be made between periods. Deflators adjust the value series to take out the effect of price changes to give the volume series. Deflation of output is carried out sectorally, and a range of relevant tender price and output price indices are used.

The headline data are given in constant 2005 prices, seasonally adjusted. Seasonal adjustment aids interpretation by removing annually recurring fluctuations, for example, due to climate, hours of daylight, holidays or other regular seasonal patterns. Unadjusted data are also available.

Seasonally adjusted monthly estimates will not be available until enough monthly data are available for this to be done reliably. After three years of estimates are available, ONS will review if it is feasible at that point.

6. User feedback

As a user of our statistics, we would welcome your feedback on this release, in particular on the content, format and structure. Please send feedback to the following postal or e-mail address:

Construction Statistics, Room 1227, Office for National Statistics, Government Buildings, Cardiff Road, Newport, Gwent, NP10 8XG

E-mail: construction.statistics@ons.gsi.gov.uk

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8. Pre-release access

A list of the names of those given 24 hour pre-release access to the information contained within this summary is available on the [Output in the Construction Industry: Pre-Release Access List. \(82.2 Kb Pdf\)](#)

9. Quality

A report on basic quality information (response rates, standard errors etc.) is published in table 11 of the construction output spreadsheet.

A [Quality Report](#) for the construction output survey can be found on the National Statistics web site.

10. Publication timetable

The content of the construction output monthly publication varies as shown in the table below:

Period	What is published	Timing of publication
End of quarter month (March, June, September and December)	Statistical release plus excel spreadsheet consisting of tables 1, 2, 3, 4, 7, 8, 9 and 11	Second Friday, two months after the end of the reference month
One month after the end of quarter month (April, July, October and January)	Output summary plus excel spreadsheet consisting of tables 1 to 11	Second Friday, two months after the end of the reference month
Two months after the end of quarter month (May, August, November and February)	Output summary plus excel spreadsheets consisting of tables 3, 4, 5, 6, 8, 9 and 11	Second Friday, two months after the end of the reference month

Table 1	Volume of construction output in Great Britain: constant (2005) prices, seasonally adjusted index numbers - by sector
Table 2	Volume of construction output in Great Britain: constant (2005) prices, seasonally adjusted - by sector
Table 3	Volume of construction output in Great Britain: constant (2005) prices, non seasonally adjusted - by sector
Table 4	Value of construction output in Great Britain: current prices, non seasonally adjusted - by sector
Table 5	Value of new construction output in Great Britain: current prices - by type of work
Table 6	Value of new construction output in Great Britain: current prices - by region
Table 7	Volume of construction output in Great Britain: constant (2005) prices, seasonally adjusted growth rates - by sector
Table 8	Volume of construction output in Great Britain: constant (2005) prices, non seasonally adjusted growth rates - by sector
Table 9	Output price indices (2005 = 100)
Table 10	Value of construction output in Great Britain: current prices - by size band
Table 11	Basic quality report
Table 12	Matched-pairs analysis

11. Further information

Spreadsheets containing the data published in this Statistical Bulletin, as well as further breakdowns, basic quality information, matched pairs analysis and previous ONS releases can be found on the ONS website.

Releases on construction output and employment prior to the transfer to ONS can be found on the [BIS website](#).

Related releases on [new orders for construction](#) in Great Britain are published on the ONS website.

The [Construction Statistics Annual](#) publication brings together a wide range of statistics that are currently available on the construction industry from a number of different sources.

ONS launched a new website on 28 August 2011 which has improved the way users can access our statistics. However, many existing bookmarks and links no longer work and users will need to update them.

12. Following ONS

Follow ONS on [Twitter](#) (@statisticson) and [Facebook](#) (statisticson).

View the latest podcasts on [Youtube](#) (ONSstats)

13. Publication policy

Details of the policy governing the release of new data are available from the Media Relations Office.

National Statistics are produced to high professional standards set out in the Code of Practice for Official Statistics. They undergo regular quality assurance reviews to ensure that they meet customer needs. They are produced free from any political interference.

Results of the survey held in April 2011 regarding users' satisfaction and use of the construction output and new orders surveys can be found on the [ONS website](#).

The Consultative Committee on Construction Industry Statistics (CCCIS) is a forum that meets, usually twice a year, under the auspices of BIS. ONS is a member of this forum. [Agenda and minutes of CCCIS meetings](#) can be found on the BIS web site.

14. Details of the policy governing the release of new data are available by visiting www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html or from the Media Relations Office email: media.relations@ons.gsi.gov.uk

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This document is also available on our website at www.ons.gov.uk.

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