

Output in the Construction Industry, December and Q4 2012



Coverage: **GB**

Date: **08 February 2013**

Geographical Area: **GB**

Theme: **Business and Energy**

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

- The estimated total volume of construction output in the fourth quarter of 2012 grew by 0.9% compared with the third quarter of 2012. The small rise in the total volume of construction output halts the decline first seen in the third quarter of 2011. The private housing and infrastructure sectors provided the greatest contribution to the increase in the fourth quarter, growing by 5.9% and 4.2% respectively, but are partially offset by decreases in new public non-housing work and private housing repair and maintenance, which fell by 4.9% and 4.8% respectively.
- The estimated volume of all new work grew by 1.6% and repair and maintenance fell by 0.3% compared with the third quarter of 2012.
- The estimated total volume of construction output in the fourth quarter of 2012 fell by 9.3% compared with the same quarter of 2011 continuing the trend of year-on-year falls started in quarter three 2011.
- The estimated volume of all new work fell by 11.6% in the fourth quarter compared with the same quarter in 2011, while repair and maintenance fell by 4.7%.
- The non-seasonally adjusted output for the fourth quarter (months of October, November, December) showed a somewhat different pattern to previous years (although the survey has been running for only three years). Although December has shown large falls compared with November for all three years, in 2012 the fall was bigger. In addition, output has fallen between September and October in the two previous years but rose by 8.8% this year. Finally output has risen between October and November in the previous two years but fell by 3.1% this year.

Introduction

Construction output is a measure of the activity of businesses in Great Britain (Northern Ireland conduct their own equivalent survey) that are classified to the Construction Industry. 'Output' differs

from 'turnover' in that it is net of payments made to subcontractors and to suppliers of purchased services (architects, quantity surveyors, etc). By measuring 'output' double counting of activity within the construction industry is avoided. Construction contributes approximately 6.8% to the UK's GDP.

This bulletin shows output in the construction industry for the fourth quarter of 2012. Most figures are estimates in constant (2005) prices, seasonally adjusted. The overall estimate for construction output this quarter was 0.9% higher when compared with the previous quarter and 9.3% lower when compared with the same quarter in 2011. Compared with the same quarter in 2011, there were falls in seven of the nine published sectors. Growths were seen only in private industrial and public housing repair and maintenance, but these are relatively small sectors (approximately 3% and 6% of total output respectively).

Further breakdowns, including non-seasonally adjusted and current price series, can be found in the [data tables \(627 Kb Excel sheet\)](#). This publication focuses on the latest quarterly figures, but also includes latest annual and monthly estimates as well as revisions to earlier periods in line with our revisions policy.

Changes since the forecast used in Q4 2012 Gross Domestic Product Preliminary Estimate

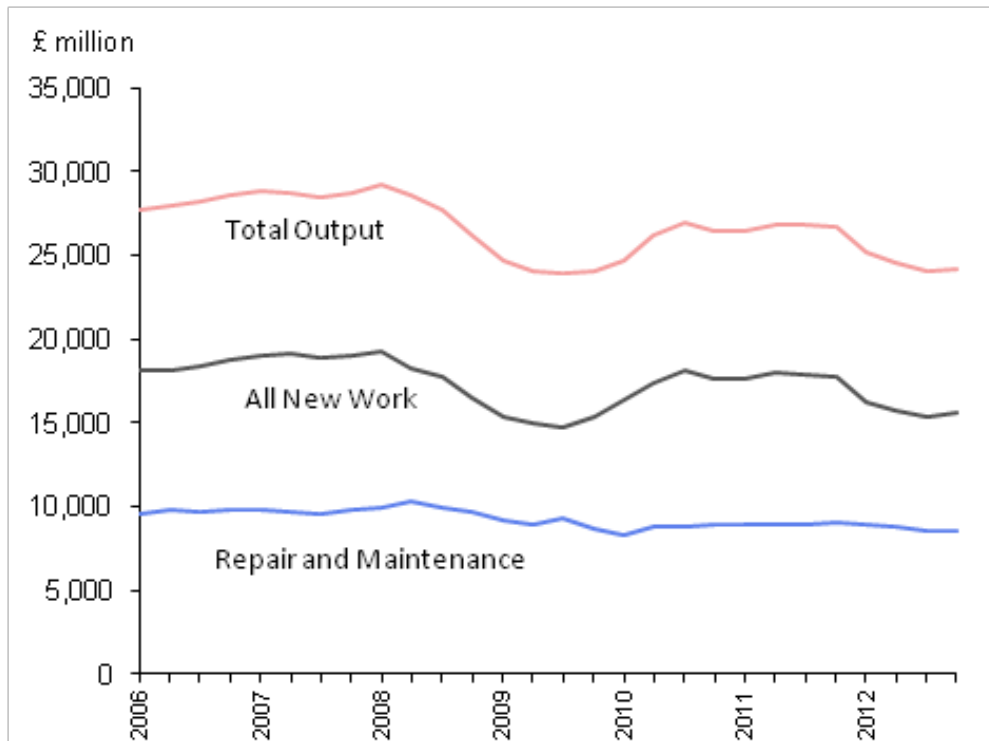
The preliminary estimate of [quarter four 2012 Gross Domestic Product \(GDP\)](#) included a nowcast of a rise of 0.3% in construction output in the fourth quarter of 2012 compared with the previous quarter.

The estimate released in this publication shows that construction output grew by 0.9% in the fourth quarter.

There is, therefore, no impact at one decimal place on the preliminary quarter four 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 fourth quarter of 2012 grew by 1.6% compared with quarter three. The largest rises were in private housing (5.9%) and infrastructure (4.2%) partially offset by falls in public non-housing and private housing repair and maintenance (4.9% and 4.8% respectively).

Over the year from the fourth quarter of 2011 to the fourth quarter of 2012, there was a 9.3% fall in total construction output. The overall fall in new work was 11.6%. There were decreases in all types of new work other than private industrial, but this is a small sector. The largest falls in new work were seen in public non-housing (18.5%) and private commercial (17.0%). Repair and maintenance output fell by 4.7% over the same period. The only sector of repair and maintenance that grew in this period was public housing (3.4%).

The fourth quarter of 2012 sees the continuation of the decline in public new work sectors (public housing and public non-housing) which, as reported last quarter, have seen an almost continuous decline since the fourth quarter of 2010.

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)	18,430	52,661	16,637	19,043	106,770
2012		16,973	45,946	15,964	18,945	97,829
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	4,634	13,313	4,150	4,719	26,817
	Q3 (R)	4,631	13,245	4,093	4,815	26,784
	Q4 (R)	4,566	13,141	4,182	4,806	26,694
2012	Q1 (R)	4,432	11,762	4,147	4,777	25,119
	Q2 (R)	4,208	11,473	4,003	4,834	24,518
	Q3 (R)	4,081	11,315	3,972	4,614	23,983
	Q4	4,252	11,395	3,842	4,720	24,210

Table source: Office for National Statistics

Table notes:

1. R - Revised since October 2012 publication

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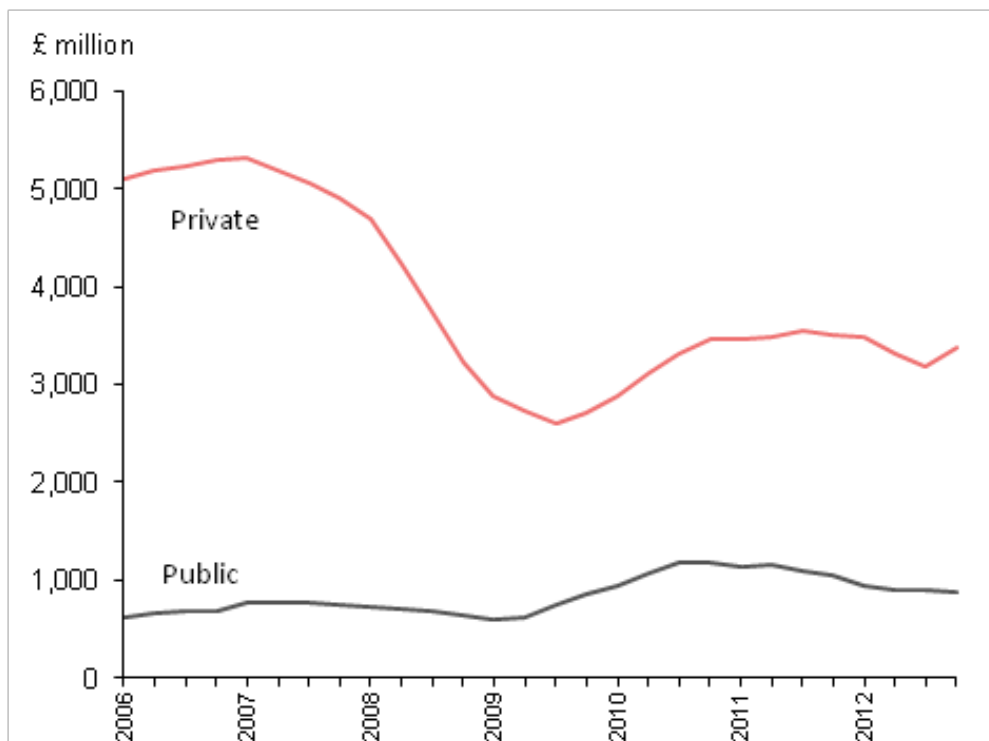
New housing

The volume of new private housing work in the fourth quarter of 2012 was 5.9% higher compared with the previous quarter but 3.8% lower than the same quarter in 2011.

The volume of new public housing work in the fourth quarter of 2012 was 1.9% cent lower compared with the previous quarter and 17.0% lower than the same quarter in 2011. There has been a downward trend in this sector since the fourth quarter of 2010.

During the last year private housing output volumes have been approximately three times bigger than public housing output volumes.

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



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

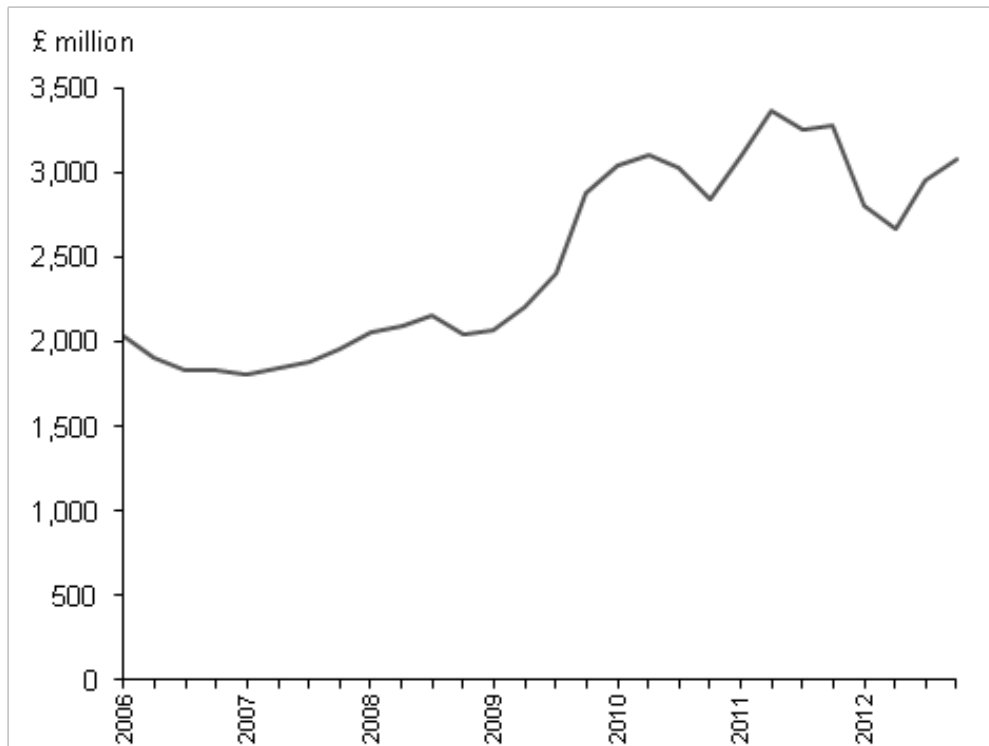
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New public and private infrastructure

The volume of new infrastructure output in the fourth quarter of 2012 was 4.2% higher compared with the previous quarter. Compared with the same quarter a year ago infrastructure new work fell by 6.1%.

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



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

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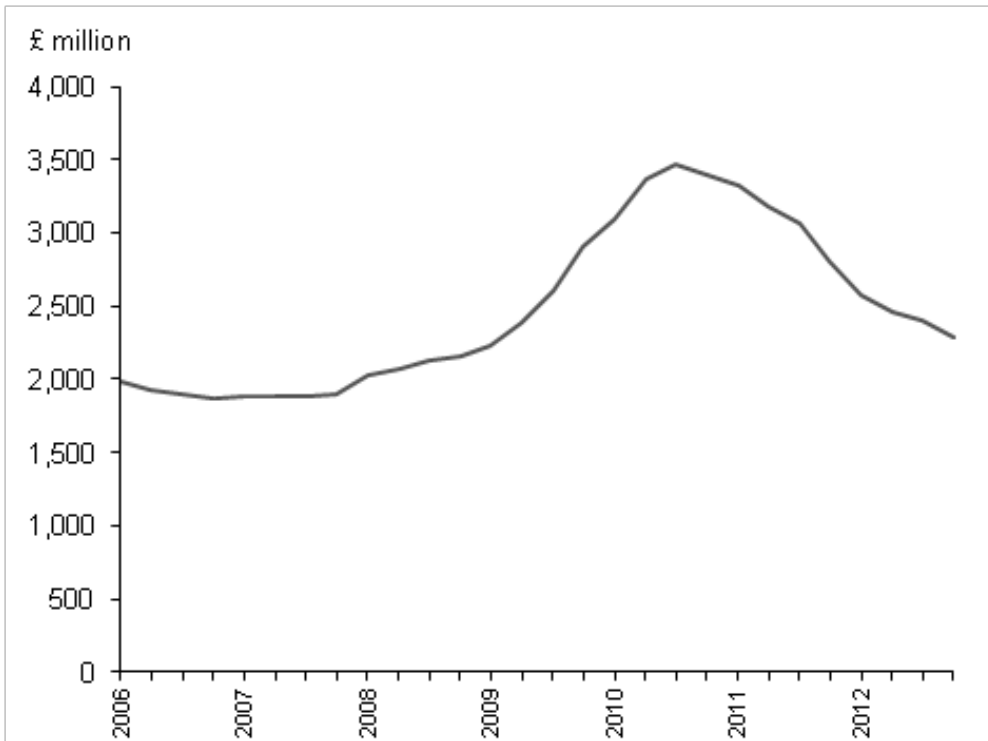
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New public non-housing (excluding infrastructure)

The volume of new work in the public non-housing (excluding infrastructure) in the fourth quarter of 2012 was 4.9% lower compared with the previous quarter and 18.5% lower compared with the same quarter in 2011. This sector has been declining since the fourth quarter of 2010.

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



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

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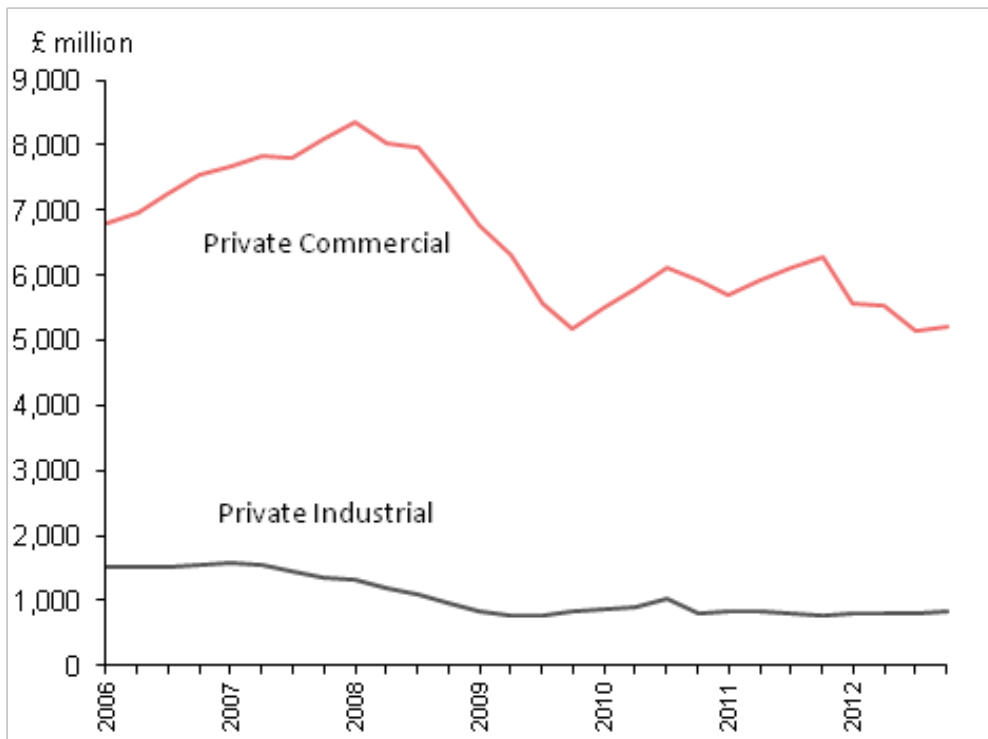
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New private non-housing (excluding infrastructure)

The volume of new construction in the private industrial sector in the fourth quarter of 2012 grew by 2.5% compared with the previous quarter and was 5.4% higher than the same period in 2011.

The volume of new construction in the private commercial sector in the fourth quarter of 2012 grew by 1.0% compared with the previous quarter but was 17.0% 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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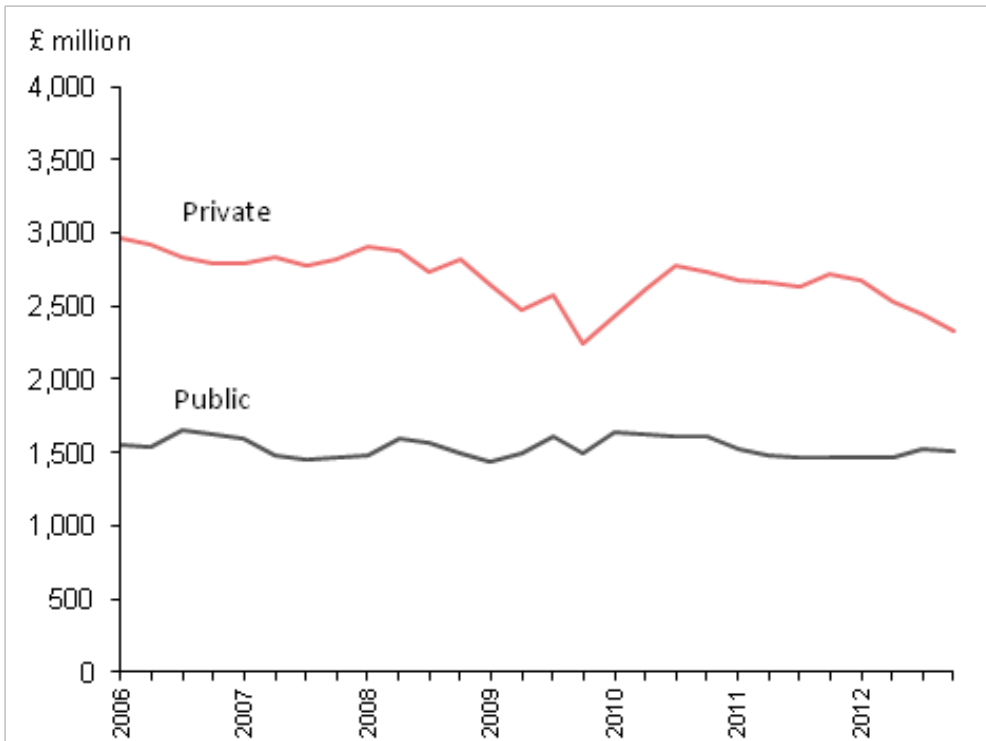
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Housing repair and maintenance

The volume of housing repair and maintenance work (including improvement work) in the public sector in the fourth quarter of 2012 was 0.8% lower compared with the previous quarter but 3.4% higher than the same quarter in 2011. This sector has been broadly flat from the beginning of 2011.

The volume of housing repair and maintenance work (including improvement work) in the private sector in the fourth quarter of 2012 was 4.8% lower compared with the previous quarter and 14.3% lower compared with the same quarter in 2011. The quarter-on-quarter decline continues the trend seen in recent quarters.

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



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

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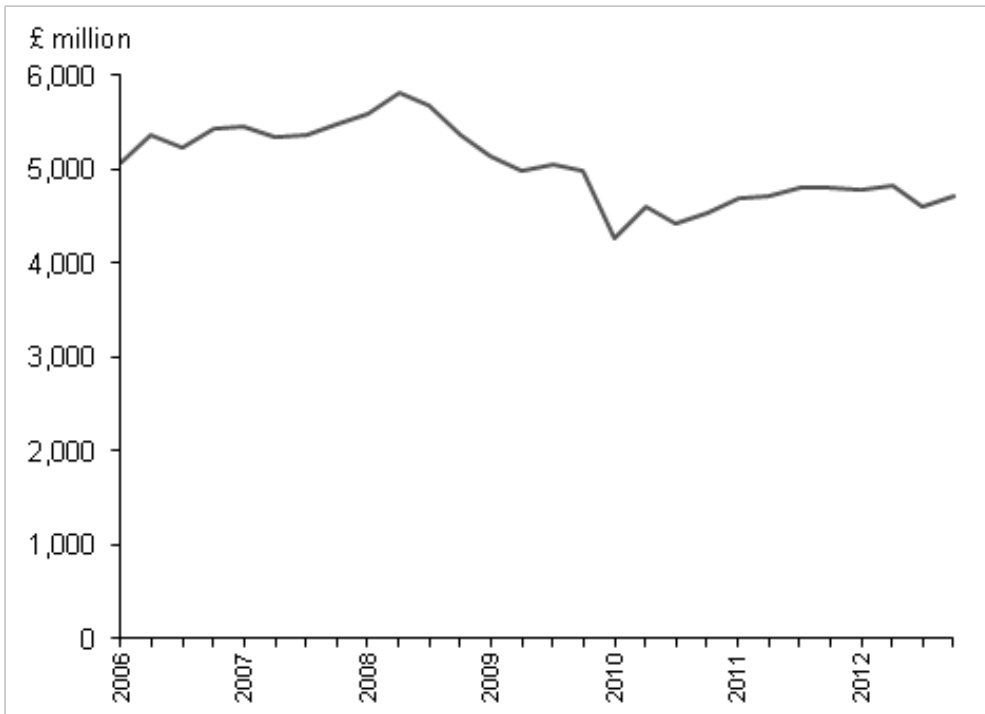
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Non-housing repair and maintenance

The volume of repair and maintenance in the non-housing sector in the fourth quarter of 2012 was 2.3% higher compared with the previous quarter and 1.8% lower compared with the same quarter in 2011. The introduction of an infrastructure repair and maintenance question in 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:

- * 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 Q3	-0.4	-0.6	0.2	0.4	0.7	-0.3
2011 Q4	-0.9	-0.1	-0.8	0.9	0.5	0.4
2012 Q1	-8.5	-9.3	0.8	-0.7	-0.6	-0.1
2012 Q2	-3.2	-3.6	0.5	-1.0	-1.3	0.3
2012 Q3	-1.8	-2.4	0.6	-2.8	-2.7	-0.1
	Total Output published in this release	Total Output estimates previously published*	Total Output revisions			
2011 Q3	-0.1	-0.1	0.0			
2011 Q4	-0.3	0.1	-0.4			
2012 Q1	-5.9	-6.4	0.5			
2012 Q2	-2.4	-2.8	0.4			
2012 Q3	-2.2	-2.5	0.3			

Table source: Office for National Statistics

Table notes:

- * Revised since October 2012 publication

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Background notes

1. In December 2012, as part of its [Statistical Continuous Improvement](#) programme, ONS published a [Review of Sample Design and Estimation Methodology for Construction Output](#).

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. 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. The headline data are given in constant 2005 prices, seasonally adjusted. 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.

Seasonally adjusted monthly estimates will not be available until enough monthly data are available for this to be done reliably. After 3 years of estimates are available, ONS will review if it is feasible to introduce a seasonally adjusted series.

4. Further information and user feedback

As a user of our statistics, we would welcome feedback on this release, in particular on the content, format and structure. For further information about this release, or to send feedback on our publications, please contact Kate Davies:

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5. Next publication

Date of next Output in the Construction Industry publication: 8 March 2013.

6. Following ONS

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

You can also view the latest podcasts on [Youtube](#) (ONSstats).

7. Questionnaires

The [user engagement](#) section of the ONS website contains copies of the survey questionnaire.

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. \(61.9 Kb Pdf\)](#)

9. Quality

More details can be found in the Quality and Methodology Information paper on the [ONS website](#).

10. 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

These National Statistics are produced to high professional standards and released according to the arrangements approved by the UK Statistics Authority.

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

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