

Statistical bulletin

# Construction Output Price Indices (OPIs), UK: January to March 2020

A summary of the Construction output Price indices (OPI's) in the UK for Quarter 1 (January to March) 2020.



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# 1 . Main points

- The Construction Output Price Index (OPI) for all construction rose 1.3% in the year to March 2020, which is unchanged from February 2020.
- The OPI for all new work increased by 1.3% in the year to March 2020, also unchanged from February 2020.
- The OPI for all repair and maintenance increased by 1.1% in the year to March 2020, slightly slowing down from 1.2% in February 2020.
- Housing provided the largest contribution to the annual rate for new work, while non-housing repair and maintenance provided the largest contribution to the repair and maintenance annual rate.

## 2 . Things you need to know about this release

### Coronavirus (COVID-19)

During the coronavirus (COVID-19) pandemic, we are working to ensure that we continue to publish the Construction Output Prices Index (OPIs).

The price collection for this quarter's publication has been largely unaffected. However, we have streamlined our bulletin so that we can focus on coronavirus-related analysis to support decision-making across the UK. For this reason, this quarter's Construction OPI bulletin does not include its regular detailed analysis. The [Construction OPI datasets](#) continue to be published as usual.

As this situation evolves, we are developing a contingency plan for potential scenarios, depending on the amount of data that are able to be collected through our in-house surveys, to ensure we are still able to produce the Construction OPIs over the coming months. These include considering incorporating fewer prices into the indices, using the previous month's movements to construct the latest estimates and reducing the level of detail published. Users will be informed of any changes to how the Construction OPIs are derived.

### Methodology changes

This publication includes minor revisions to historic data due to the introduction of the following improvements:

- revised weights from 2016 onwards
- revised mark-up values from 2017 onwards
- improvements to the linking methodology from 2014 onwards

The Office for National Statistics (ONS) will be implementing important methodological improvements to the Producer Price Index (PPI) and Services Producer Price Index (SPPI) later in 2020. These include moving from fixed-base weights to annual chain-linking, which will improve the accuracy of these statistics. These changes may also impact on the Construction OPI, which use PPI and SPPI as data sources. We will pre-announce the exact date when these changes will be implemented over the coming months in order to give users as much notice as possible. Detailed technical information, including impact analysis, will be made available in advance of this change.

## Publication changes

As announced in the article [Coronavirus and the effects on UK prices](#), this is the last time the Construction output Price Indices are published as a separate statistical bulletin; Construction OPI(s) data will form part of the quarterly Construction output in Great Britain bulletin. This change will be introduced from the April to June 2020 reference period which will be published in August 2020.

## About Construction OPIs

The Construction Output Price Index is designated as a [National Statistic](#), in accordance with the [Statistics and Registration Service Act 2007](#) and signifying compliance with the [Code of Practice for Statistics](#).

Since taking responsibility for the Construction Price and Cost Indices (CPCIs) on 1 April 2015, we have developed the [Construction Output Price Indices \(OPIs\)](#). The indices use our existing data sources, all of which are [National Statistics](#), so that users can be assured of the quality of the source data.

Improvements to the OPIs were made in September 2017 and have been published in the article [Construction development: impact of improvements to construction statistics](#).

Prior to the Quarter 3 (July to Sept) 2017 release, the OPIs were calculated on a base year of 2010 (2010 equals 100). As of the Quarter 3 2017 release, the base year has been updated to 2015 (2015 equals 100).

In addition, there were further improvements implemented in the Quarter 3 2017 release. Further details can be found in Section 5 of the [Construction development article](#) released on 29 September 2017.

Revisions are subject to the revisions policies of component series; for routine revisions the series will remain open for a period of five months, in line with the Producer Price Index (PPI), its main component.

The OPI will also be revised on an annual basis to account for the profit mark-up margin update, introduced as part of the methodological improvements in the July to September 2017 release. It would be expected that these changes would take effect in the April to June publication each year, although this may depend on the availability of the data. Alternative sources for profit mark-up data are currently being investigated as a future possibility to improve the timeframe and provide data continuity.

Due to the improvements made to the Construction Output Price Indices publication in Quarter 3 (July to Sept) 2017, this publication is now a statistical bulletin. [Previous releases](#) prior to this were published as articles.

## 3 . Quality and methodology

The [Construction Output Price Indices \(OPIs\) Quality and Methodology Information report](#) contains important information on:

- the strengths and limitations of the data and how it compares with related data
- uses and users of the data
- how the output was created
- the quality of the output including the accuracy of the data

Information on the impact of further improvements implemented in the Quarter 3 (July to Sept) 2017 release, including the impact of rebasing and the addition of annual updates to weights, are highlighted in [Section 7 of the Quarter 3 2017 bulletin](#).

Further [guidance on using indices in indexation clauses \(PDF, 197KB\)](#) is also available.