

Article

Construction statistics, Great Britain: 2021

Statistics on the construction industry, including value of output, new orders by sector, number of firms and total employment, insolvencies and construction Output Price Indices.

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Release date:
18 November 2022

Next release:
To be announced

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1 . Main points

- The value of construction new work in current prices in Great Britain in 2021 experienced strong growth (15.3%) to £115,579 million, after a 15.9% fall to £100,199 million in 2020, as the impact of the recovery from the coronavirus (COVID-19) pandemic took hold; there were similar strong percentage increases in both private and public new work.
- Construction new orders rose 30.5% in 2021 to £72,578 million, recovering to the highest level in over 45 years, driven by private industrial, private housing and private commercial; the only sector with negative growth was infrastructure, with the notable negative growth in electricity and roads partially offset by railways.
- In 2021, 353,365 Value Added Tax (VAT) and Pay As You Earn (PAYE) registered firms were operating in the construction industry in Great Britain, a 3.2% growth compared with 2020; pandemic-related administrative lags in deregistering and closing firms may have occurred and be recorded in 2021.
- The number of construction-related employees (excluding self-employment) in Great Britain remained broadly unchanged in the third quarter of 2021 compared with 2020, totalling 1.4 million workers; the number of self-employed workers fell 3.7% in 2021, while total construction employment in VAT and PAYE registered businesses remained at 2.15 million workers in 2021.
- The construction industry saw a 25.7% annual increase in the number of recorded company insolvencies in 2021.
- The all-work construction Output Price Index saw strong annual price growth of 5.9% in November 2021; there was consistent price growth across all sub-sectors throughout the year.

Alongside this release, we have also released an additional document, which provides further information on the suite of [construction sources and outputs](#) from a range of sources.

This release may be subject to more uncertainty than usual because of the challenges faced because of the pandemic and the economic recovery that has followed.

2 . Construction output

This annual publication focuses on short-term measures of output value in current prices, that is, the impact of price changes not removed (see our [accompanying dataset](#)). This is opposed to volume (the value of work deflated by measures of inflation), which is the lead measure in our [monthly statistics](#) on construction output in Great Britain.

Figure 1: Total new work grew by 15.3% in 2021, however annual construction output is still below the 2019 pre-coronavirus (COVID-19) pandemic level in current prices

Types of construction work, current prices, non-seasonally adjusted, Great Britain, 2010 to 2021

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Overall, total new work has risen £15,380 million in 2021 to £115,579 million and has partially recovered from the losses from the impact of the coronavirus (COVID-19) pandemic that occurred in 2020.

Private housing, private infrastructure and public infrastructure new work were the main contributors to the annual rise increasing by 23.7%, 28.1% and 37.4%, respectively.

Private commercial new work was the only sector to have negative output growth of 4.2%, however this had still improved from 2020, where it had fallen 21.3% from the previous year.

Table 1: Construction new work output value broken down by type: change from 2020 to 2021

Types of construction work, current prices, non-seasonally adjusted, Great Britain, annual percentage change, £million change and value for 2021

| Type of work | (%) | Annual change (£ Million) | 2021 Value (£ Million) |
|-----------------------------|------|------------------------------|------------------------------|
| Total new work | 15.3 | 15,380 | 115,579 |
| Total private | 13.8 | 10,162 | 83,892 |
| Total public | 19.7 | 5,218 | 31,687 |
| New housing | 22.4 | 8,508 | 46,545 |
| Public | 13.0 | 620 | 5,396 |
| Private | 23.7 | 7,887 | 41,149 |
| Total Infrastructure | 33.0 | 7,415 | 29,911 |
| Public Infrastructure | 37.4 | 4,400 | 16,151 |
| Private Infrastructure | 28.1 | 3,015 | 13,760 |
| Other new work | | | |
| Public | 2.0 | 198 | 10,140 |
| Private Industrial | 6.1 | 299 | 5,197 |
| Private commercial | 23.7 | -1,039 | 23,786 |

Source: Office for National Statistics – Construction statistics, Great Britain: 2021 (Table 1.1, 1.2, 1.3)

Notes

1. See our monthly statistics on construction output in Great Britain for more information on repair and maintenance statistics.

3 . Construction new orders

We publish quarterly [construction new orders data](#), using data sourced from Barbour ABI, which provide an indication of both current confidence and the future health of the construction industry. Annual data are provided in our [accompanying dataset](#).

Figure 2: Annual new orders rose 30.5% in 2021 to £72,578 million, recovering to its highest level in over 45 years in current prices

New orders value, current prices, non-seasonally adjusted, Great Britain, 2010 to 2021

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Annual new orders in 2021 saw their second largest increase in growth of 30.5% (only exceeded by 1973 with 31.0%) since records began in 1958, however the lower base value in 2020 is a major factor here. The level of new orders in 2021 is up on not only 2020, but also 16.9% above its 2019 pre-coronavirus (COVID-19) pandemic level of new orders.

The main contributors for the recovery in new orders in 2021 after the pandemic were private housing, private commercial and private industrial. These increased 37.2% (£6,107 million), 36.8% (£5,073 million) and 101.2% (£4,067 million), respectively.

Figure 3: Warehouses, entertainment venues, offices and factories were the main sub-sectors contributing to the annual increase in new orders in 2021

Contributions to year-on-year growth by sector, current prices, non-seasonally adjusted, Great Britain, 2021

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At the sub-sector level, private industrial new orders were largely driven by new orders in warehouses, which were up by 144.7% between 2020 and 2021, to £5,589 million. The shift in demand to online retail is partially a result of the pandemic. The [increased demand for warehousing](#) may have occurred because of shortages and a rise in price for raw materials.

4 . Structure of the industry

Our data on the structure of the construction industry include breakdowns on employment, trade, size and number of firms, using our [Inter-Departmental Business Register \(IDBR\) data](#) (see the [accompanying dataset](#)).

There can be notable lags in the removal of a business from the IDBR because of economic, legal and statistical processes. These data are as of Quarter 3 (July to Sept) 2021.

These statistics are also based on the location of construction firm on the IDBR. Construction firms may operate and employ people across wider geographical areas, not just in the region in which they are registered on the IDBR. The IDBR also classifies businesses based on their main economic activity and therefore some construction activity may be classified elsewhere in other industries.

Number of firms and employees

Figure 4: Approximately 3 in 10 construction firms and employees were concentrated around London and the South East of England

Proportion of total construction firms and employees in Great Britain, by ITL1 region of registration, classified as of Quarter 3 (July to Sept) 2021

Notes:

1. These firm and employees data are point in time estimates classified in the third quarter of 2021 on the Inter-Departmental Business Register (IDBR). In October 2022 the Department for Business, Energy & Industrial Strategy (BEIS) also published estimates of the wider business population in the UK.
2. Self-employment data are not included because they are unavailable at an ITL1 level.

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Figure 5: In 2021, there was annual growth in the number of firms in Great Britain (3.2%) while the number of employees remained relatively flat (0.0%), which suggests a change in the composition of businesses within construction

Year-on-year growth in the total number of construction firms and employees, Great Britain, 2015 to 2021, classified as of Quarter 3 (July to Sept) 2021

Notes:

1. These firm and employees data are point in time estimates classified in Quarter 3 2021 compared with Quarter 3 2020.
2. Self-employment data are not included because they are unavailable at an ITL1 level.

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Firms

There were 353,365 Value Added Tax (VAT) and Pay As You Earn (PAYE) registered construction firms operating in the construction industry across Great Britain in 2021. The number of registered firms grew 3.2% in Quarter 3 2021 compared with Quarter 3 2020, although administrative lags in deregistering and closing firms may have affected these figures to a different extent compared with other years. In 2021, the rate of growth has started to increase, after five consecutive years of a slowing rate in the annual rate of growth.

Wales saw the largest increase, with 3.9% (525) more registered firms. England had 3.3% (10,059) more registered firms, while Scotland had a more gradual increase, with 1.6% (325) more registered firms.

Employees and self-employment

Using data from our [Workforce jobs dataset](#) (these data are different to the Inter-Departmental Business Register (IDBR) data and are unavailable at the granularity required to publish Tables 3.4, 3.5 and 3.6) total employment (employees and self-employment) in the construction industry was relatively unchanged. There were 2.15 million workers throughout 2021 after an uptick in Quarter 2 (Apr to June) 2021, which may be explained by the [easing of lockdown restrictions](#).

Self-employment

The IDBR employees data in Figures 4 and 5 do not account for self-employment within the construction industry. The Office for National Statistics (ONS) workforce jobs estimates include employees and those who are self-employed. According to our [Self-employment jobs by industry data](#), sourced from the Labour Force Survey, there was an average of 698,000 self-employed construction workers in Great Britain in 2021, a decrease of 27,000 (3.7%) compared with 2020.

Self-employment remained concentrated in [Standard Industrial Classification \(SIC\) 2007 divisions 41 and 43](#), the construction of buildings and specialised construction activities. Despite this, the construction sector had the highest level of self-employed jobs across the whole economy (17.3%).

Employees (excluding self-employment)

Sourced from IDBR estimates, construction-related employees (excluding self-employment) in Great Britain (as shown in Figures 4 and 5) remained broadly unchanged in the third quarter of 2021 compared with 2020, totalling 1.4 million workers. Wales increased 2.8% and Scotland increased 1.7%, while England fell 0.2%.

Insolvencies

There were 14,809 new company insolvencies in Great Britain in 2021 across all sectors, an increase of 11.6% compared with 2020.

Construction accounted for 18.5% (2,733) of total insolvencies in 2021 across the overall economy. This increased from 2020 in both the number of insolvencies in construction, which was up 25.7% (2,175 insolvencies in 2020), and its share of total insolvencies (16.4% in 2020).

For a full account of business death counts, see our [Business demography, quarterly experimental statistics bulletin](#).

Figure 6: Construction has seen a 25.7% increase in the number of company insolvencies in 2021; the third highest across all industries

Number of insolvencies by industry, Index 2020 average = 100, non-seasonally adjusted, Great Britain, 2021

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Figure 7: Although the construction sector contributed the highest of any industry at 18.5% of all insolvencies, construction had the third largest proportion of insolvencies to number of firms

Number of insolvencies by industry as a proportion of number of firms, non-seasonally adjusted, Great Britain, 2021

Notes:

1. The “proportion of total industry” rates are calculated using two different company registers, the number of company insolvencies listed on the Companies House register over companies registered to the Inter-Departmental Business Register (IDBR).

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Figure 8: Electrical, plumbing and other construction installation activities accounted for most construction company insolvencies in 2021

Number of construction insolvencies by three-digit Standard Industrial Classification (SIC) 2007, non-seasonally adjusted, Great Britain, 2021

Notes:

1. The construction industry is categorised as section F of the UK Standard Industrial Classification (SIC) 2007.
2. The two-digit codes are defined as: 41 (Construction of buildings); 42 (Civil engineering), 43 (Specialised construction activities).
3. For the three-digit SIC codes please see the [Companies House guidance](#).

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5 . Construction Output Price Indices

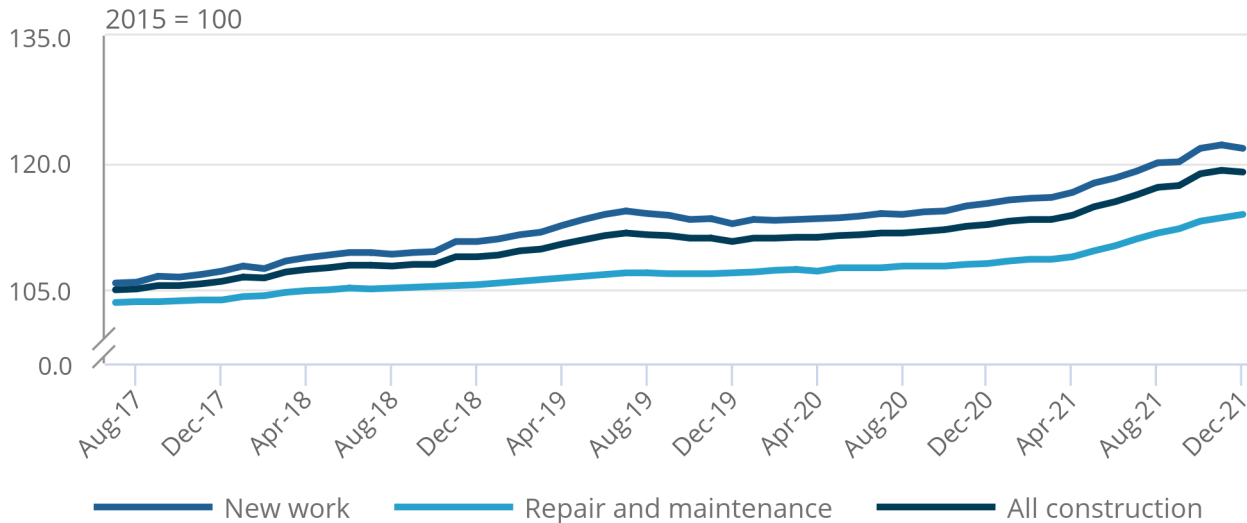
Our [Construction Output Price Indices \(OPIs\) dataset](#) provides our best estimate of inflation within the UK construction industry.

Figure 9: In 2021, all construction Output Price Indices saw an upward trend from the latter part of 2020

Monthly index 2015=100, non-seasonally adjusted, Great Britain, July 2017 to December 2021

Figure 9: In 2021, all construction Output Price Indices saw an upward trend from the latter part of 2020

Monthly index 2015=100, non-seasonally adjusted, Great Britain, July 2017 to December 2021



Source: Office for National Statistics – Construction Output Price Indices

In the 12 months to December 2021, there was annual growth in the all construction Output Prices Index of 5.6%.

At the lower level, repair and maintenance and new work output prices increased across the 12 months to December 2021 by 5.3% and 5.7%, respectively.

Figure 10: All sectors except infrastructure saw their highest growth rates since records began in 2014 towards the end of 2021

Construction output price growth, annual percentage change, non-seasonally adjusted, Great Britain, July 2017 to December 2021

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In 2021, the increase construction output price growth is evident, with increasing growth across all sub-sectors throughout the year. Most notably, the housing sector had an annual price growth of 9.0% in the 12 months to December 2021.

For more information on how construction material and plant hire price inputs affected construction output prices over the coronavirus (COVID-19) pandemic period, see our [Price movements in construction materials and plant hire: 2019 to 2021 article](#).

6 . Construction data

[Construction statistics annual tables](#)

Dataset | Released 18 November 2022

The construction industry in Great Britain, including value of output and type of work, new orders by sector, number of firms and total employment.

[Construction output in Great Britain: September 2022, new orders and Construction Output Price Indices, July to September 2022](#)

Dataset | Released 11 November 2022

Monthly construction output for Great Britain at current price and chained volume measures, seasonally adjusted by public and private sector.

[Construction Output Price Indices](#)

Dataset | Released 11 November 2022

A summary of the construction output price indices (OPIs), UK.

[New orders in the construction industry](#)

Dataset | Released 11 November 2022

Quarterly new orders at current price and chained volume measures, seasonally adjusted by public and private sector. Quarterly non-seasonally adjusted type of work and regional data.

[Output in the construction industry: sub-national and sub-sector](#)

Dataset | Released 11 November 2022

Quarterly non-seasonally adjusted sub-national and sub-sector data at current prices, Great Britain.

7 . Glossary

Construction output estimates

Construction output estimates are monthly estimates of the amount of output chargeable to customers for building and civil engineering work done in the relevant period, excluding Value Added Tax (VAT) and payments to subcontractors.

Construction Output Price Indices (OPIs)

The construction OPIs are compiled using input costs, which are material, labour and plant, weighted together for a selection of types of construction projects, with a markup being applied to account for profit by the construction firm. The result is considered a proxy for output prices.

Inter-Departmental Business Register

The Inter-Departmental Business Register (IDBR) is a comprehensive list of UK businesses registered for VAT and Pay As You Earn (PAYE) used by government for statistical purposes. The IDBR provides the main sampling frame for surveys of businesses carried out by the Office for National Statistics (ONS) and other government departments. It is also an important data source for analysis of business activities.

The two main sources of input are VAT and PAYE records from HM Revenue and Customs (HMRC). Additional information comes from Companies House, Dun and Bradstreet and the ONS business surveys.

New orders

The new orders data measure the value and volume of new orders of main contractors by type of work and region.

Seasonally adjusted estimates

Seasonally adjusted estimates are derived by estimating and removing calendar effects (for example, leap years such as this year) and seasonal effects (for example, decreased activity at Christmas because of site shutdowns) from the non-seasonally adjusted estimates.

Value estimates

The value estimates reflect the total value of work that businesses have completed over a reference month. Value estimates are also referred to as the data in current prices.

Volume estimates

The volume estimates are calculated by taking the value estimates and adjusting to remove the impact of price changes. Where [chain-linking](#) is applied, volume estimates are referred to as chained volume measures.

8 . Data sources and quality

This annual publication brings together a range of statistics currently available on the construction industry from the Office for National Statistics (ONS) and other government departments.

The construction industry is categorised as section F of the Companies House [UK Standard Industrial Classification \(SIC\) 2007](#), which is defined as:

- division 41: Construction of buildings
- division 42: Civil engineering
- division 43: Specialised construction activities

The table numbers in our updated [Construction statistics annual tables](#) have recently changed but the data within each table remain consistent with previously published datasets.

All data published are in current prices and, unless otherwise stated, non-seasonally adjusted and correct at the time of release, however, are subject to revisions as per the respective revisions policy.

The following links provide the annual data sources published previously, externally, or elsewhere by ONS.

- [Average weekly earnings](#)
- [Building materials and components: monthly statistics](#)
- [Business demography, quarterly experimental statistics, UK](#)
- [Business insights and impact on the UK economy](#)
- [Construction Industry Training Board \(CITB\)](#)
- [Department for Business, Energy and Industrial Strategy: Business population estimates for the UK and regions 2022](#)
- [Department for Communities \(Northern Ireland\): Housing statistics](#)
- [Department for Levelling Up, Housing and Communities and Ministry of Housing, Communities and Local Government: Planning application statistics](#)
- [Employees and self-employed by industry](#)
- [Health and Safety Executive: Reporting of Injuries, Diseases and Dangerous Occurrences Regulations \(RIDDOR\)](#)
- [House building data, UK](#)
- [LABD: Labour disputes in the UK](#)
- [Migrant labour force within the UK's construction industry](#)
- [Non-financial business economy, UK and regional \(Annual Business Survey\)](#)
- [Northern Ireland Statistics and Research Agency: Construction output statistics](#)
- [Organisation for Economic Co-operation and Development \(OECD\): International comparisons](#)
- [Regional economic activity by gross domestic product estimates](#)
- [The Insolvency Service: Insolvency Statistics](#)
- [UK business: activity, size and location](#)
- [Workforce jobs by region and industry](#)

Quality and methodology information (QMI)

- [Business demography QMI](#) (last revised 18 November 2021)
- [Construction output QMI](#) (last revised 8 August 2019)
- [Construction Output Price Indices \(OPIs\) QMI](#) (last revised 1 October 2018)
- [Income and earnings statistics guide](#)
- [New orders in construction QMI](#) (last revised 8 August 2019)
- [The Insolvency Service Monthly Insolvency Statistics - Methodology and Quality Document](#) (last updated 14 July 2020)
- [Multi-factor productivity \(MFP\) QMI](#) (last revised 13 March 2020)
- [UK business: activity, size and location QMI](#) (last revised 28 September 2022)

9 . Related links

[Price movements in construction materials and plant hire, UK: 2019 to 2021](#)

Article | Released 20 October 2021

Price movements of construction materials and plant hire between 2019 and 2021 and their causes: a brief overview of construction in the UK, construction output indices and how these are computed, and construction inputs and their price movements and the factors behind them.

[How has UK construction performed over the pandemic?](#)

Blog | Released 19 October 2021

Recent drivers of output, new orders and productivity and the challenges currently facing the sector.

[Construction output in Great Britain](#)

Bulletin | Released monthly

Short-term measures of output by the construction industry in Great Britain and contracts awarded for new construction work in the UK. Also, quarterly new orders and sub-national and sub-sector data.

[Productivity in the construction industry](#)

Article | Released 19 October 2021

Productivity in the construction industry, construction output, labour market data, capital stocks, gross fixed capital formation

[Construction development: improvements to regional and sub-sector level estimates, UK: July 2021](#)

Article | Released 20 July 2021

Latest improvements to input data used to model sub-national and sub-sector level construction output estimates, including the impact of the changes.

[Housing in construction output, Great Britain: 2010 to 2019](#)

Article | Released 30 January 2020

An overview of the housing sector using construction output estimates, including the differences in public and private sector housing and size and geographical location of firms in the industry.

[Construction statistics development: improving the understanding of new orders in the construction industry and the gap between output and new orders](#)

Article | Released 30 October 2018

Explanation and analysis as to the possible causes to explain the differences in Office for National Statistics construction output and new orders data.

[Construction statistics: sources and outputs](#)

Methodology | Released 2 October 2017

A list of the known sources of information available on the construction industry and their outputs.

10 . Cite this article

Office for National Statistics (ONS), released 18 November 2022, ONS website, article, [Construction statistics, Great Britain: 2021](#)