

Article

Construction statistics, Great Britain: 2023

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

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1. Main points

- The value of construction new work in current prices in Great Britain in 2023 increased by 4.2% to a record high of £139,029 million; this was caused by growth in both private sector work of £2,050 million and in the public sector of £3,578 million.
- Construction new orders fell by 16.0% in 2023 to £67,885 million, mainly caused by falls in public infrastructure, private commercial and private housing; the only sector that increased was public housing.
- In Quarter 3 (July to Sept) 2023, 364,514 Value Added Tax (VAT) and Pay As You Earn (PAYE) registered
 construction firms were operating in the construction industry across Great Britain, which is a 2.6%
 decrease compared with 2022.
- Construction-related employees (excluding self-employment) in Great Britain increased by 0.2% in 2023 compared with 2022, totalling 1.4 million workers; the biggest contributor to the growth in 2023 was Scotland with growth of 1.4%, Wales increased by 0.7% and England showed no growth on the year.
- The all-work construction Output Price Index saw annual price growth of 2.6% in December 2023.

2. Construction output

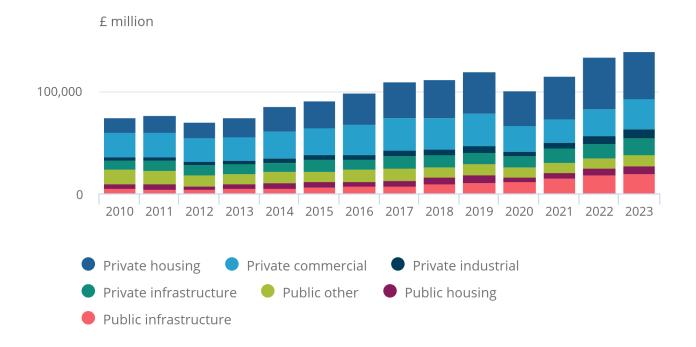
This article focuses on short-term measures of output value in current prices, that is not adjusted for the effect of price changes. This is opposed to volume (the value of work deflated by measures of inflation), which is the lead measure in our <u>Construction output in Great Britain bulletin</u>.

Figure 1: Total new work construction output increased by 4.2% in 2023, reaching a record high value of £139,029 million.

Types of construction work, current prices, non-seasonally adjusted, Great Britain, 2010 to 2023.

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Types of construction work, current prices, non-seasonally adjusted, Great Britain, 2010 to 2023.



Source: Construction statistics, Great Britain: 2023 (Table 1.1, 1.2, 1.3) from the Office for National Statistics

Total new work increased by £5,628 million in 2023, with growth in both private and public new work, which increased by 2.1% and 10.2%, respectively. The main contributors to this growth were private commercial, private infrastructure and public other new work increasing by 13.1%, 18.3% and 18.1%, respectively. The only sector to decrease was private new housing which fell by 8.4% (£4,224 million).

Table 1: Construction new work output value broken down by type: change from 2022 to 2023

Types of construction work, current prices, non-seasonally adjusted, Great Britain, annual percentage change, £

million change and value for 2023.

Type of work	(%)	Annual change (£ Million)	2023 Value (£ Million)
Total new work	4.2	5,628	139,029
Total private	10.2	3,578	38,611
Total public	2.1	2,050	100,418
New housing	-6.2	-3,521	53,105
Public	11.4	702	6,850
Private	-8.4	-4,224	46,255
Total Infrastructure	11.0	3,649	36,696
Public Infrastructure	5.7	1,078	20,053
Private Infrastructure	18.3	2,571	16,643
Other new work	12.6	5,500	49,227
Public	18.1	1,798	11,708
Private Industrial	4.1	338	8,509
Private commercial	13.1	3,365	29,010

Source: Construction statistics, Great Britain: 2023 (Table 1.1, 1.2, 1.3) from the Office for National Statistics

Notes

- 1. See our monthly statistics on construction output in Great Britain for more information on repair and maintenance statistics.
- 2. Types of construction work may not sum exactly to the totals because of rounding.

3. Construction new orders

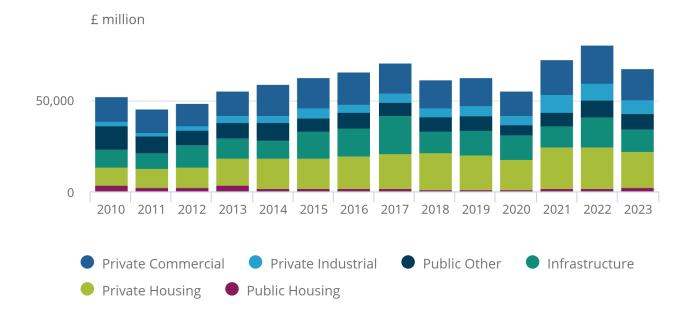
We publish quarterly <u>construction new orders data</u>, using data sourced from Barbour ABI, which provide an indication of current confidence and future health of the construction industry. Annual data are provided in our <u>accompanying dataset</u>.

Figure 2: Annual new orders fell by 16.0% in 2023 to £67,885 million

New orders value, current prices, non-seasonally adjusted, Great Britain, 2010 to 2023

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New orders value, current prices, non-seasonally adjusted, Great Britain, 2010 to 2023



Source: Construction statistics, Great Britain: 2023 and Barbour ABI (Table 2.1) from the Office for National Statistics

Annual new orders in 2023 fell by 16.0% to £67,885 million. The main contributors were public infrastructure, private commercial and private housing, which fell by 46.5%, 17.9% and 13.3% respectively. The only sector to increase was public housing, which increased by 27.3%.

For more information on new orders please see our recent Construction output in Great Britain publication.

4. Structure of the industry

Our data include breakdowns on employment, trade, size and number of firms, using our <u>Inter-Departmental Business Register (IDBR) data</u>.

There can be lags in the removal of businesses from the IDBR because of economic, legal, and statistical processes and the data included in this release represent the period Quarter 3 (July to Sept) 2023.

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

Firms

There were 364,514 Value Added Tax (VAT) and Pay As You Earn (PAYE) registered construction firms operating in the construction industry across Great Britain in 2023. The number of registered firms fell by 2.6% in Quarter 3 2023 compared with Quarter 3 2022. This was the first fall since 2012 (2.4% fall).

England saw the largest decrease, with 2.8% (9,476) fewer registered firms. The number of registered construction firms in Wales and Scotland decreased by 2.1% (300) and 0.2% (42) respectively.

Employees (excluding self-employment)

Sourced from IDBR estimates, the number of construction-related employees (excluding self-employment) in Great Britain increased by 0.2% in 2023 compared with 2022, totalling 1.4 million workers. The biggest contributor to the growth in 2023 was Scotland with growth of 1.4%, while Wales increased by 0.7% and England showed no growth on the year.

Employees and self-employment

Information on total employment (employees and self-employment) is available in our <u>Workforce jobs dataset</u>, and information on self-employment specifically is available in our <u>Self-employment jobs by industry dataset</u>, sourced from the Labour Force Survey.

Insolvencies

Information on construction company insolvencies is available in the <u>Company Insolvency Statistics releases</u>, published by The Insolvency Service.

For a full account of business death counts, see our Business demography, quarterly bulletin.

5. Construction Output Price Indices

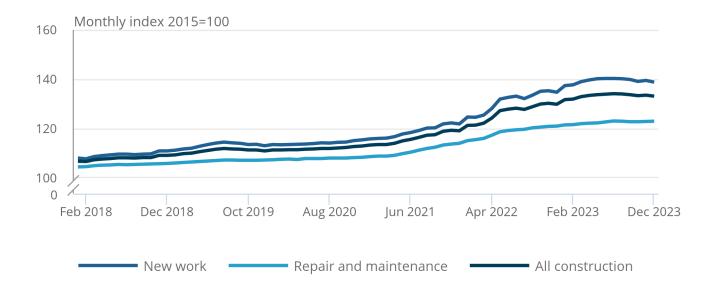
Our <u>Construction Output Price Indices (OPIs)</u> dataset provides our best estimate of inflation within the UK construction industry.

Figure 3: All construction output price indices showed an upward trend since the start of 2021, then stopped increasing and remained steady towards the latter part of 2023

Monthly index, 2015=100, non-seasonally adjusted, Great Britain, January 2018 to December 2023

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Monthly index, 2015=100, non-seasonally adjusted, Great Britain, January 2018 to December 2023



Source: Construction output price indices from the Office for National Statistics

In the 12 months to December 2023, there was annual growth in the all-construction Output Prices Index of 2.6%.

At the lower level, repair and maintenance, and new work output prices increased across the 12 months to December 2023 by 1.7% and 3.0%, respectively.

6. Data on construction

Construction statistics annual tables

Dataset | Released 22 November 2024

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

Output in the construction industry

Dataset | Released 15 November 2024

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

Construction output price indices

Dataset | Released 15 November 2024

A summary of the Construction Output Price Indices (OPIs) from January 2014 to September 2024, UK.

New orders in the construction industry

Dataset | Released 15 November 2024

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 15 November 2024

Quarterly non-seasonally adjusted type of work and regional 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 2024) 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 <u>Standard Industrial</u> <u>Classification (SIC) 2007</u>, which is defined as:

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

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 the ONS.

- Average weekly earnings
- Building materials and components: monthly statistics
- Business demography, quarterly, 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 2023
- 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
- 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)

- Construction output QMI (last revised 8 August 2019)
- Construction Output Price Indices (OPIs) QMI (last revised 10 May 2023)
- New orders in construction QMI (last revised 8 August 2019)
- <u>UK business</u>; activity, size and location <u>QMI</u> (last revised 25 September 2024)

9. Related links

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, guarterly new orders and sub-national and sub-sector data.

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.

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 18 November 2022

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

10. Cite this article

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