

Wednesday, 11 January 2017

House Building Defies Overall Construction Decline

ONS figures published today show that construction output declined 0.2% in November 2016. This follows a 0.6% fall in October and a 0.8% contraction recorded in the third quarter of 2016.

Rebecca Larkin, Senior Economist at the Construction Products Association, commented: “Overall weakness in official construction output data looks to have persisted in the final three months of 2016, which stands in contrast to other industry surveys. One common theme reported in recent months, however, is the outperformance of private housing relative to other sectors such as commercial, industrial and repair and maintenance. In November, private housing output rose 0.5% to reach the highest level since 2010 and compared to a year earlier, output increased 12.5%. Activity has no doubt been sustained by government support measures such as Help to Buy, strong growth in house prices and the availability of low-interest mortgages.

“Economic and political uncertainty is expected to intensify this year and combined with rising inflation denting confidence, means we are unlikely to see similar growth rates in private housing in 2017. Public housing, on the other hand, increased 5.6% in November and whilst monthly data can be volatile, this could signal a pickup in public sector house building after activity has been disrupted by two years of changes to funding programmes.”

ENDS

NOTE TO EDITORS:

A full copy of the ONS Construction Output in Great Britain data release can be [found here](#).

The [Construction Products Association](#) represents the UK’s manufacturers and distributors of construction products and materials. The sector directly provides jobs for 288,000 people across 22,000 companies and has an annual turnover of more than £55 billion. The CPA is the leading voice to promote and campaign for this vital UK industry.

Much of the CPA’s work is focused on serving as the first point of contact for politicians and policy makers requiring advice and information about matters that affect construction products or the wider construction industry. This includes understanding the need for investment into manufacturing or the built environment, new housing and energy-saving retrofitting of the existing housing stock; helping to develop effective, UK and EU legislation, regulations and product standards; and promoting the role of manufacturers in delivering a low carbon, resource efficient built environment.

FOR FURTHER INFORMATION CONTACT:

Rebecca Larkin, Senior Economist

Tel: 020 7323 3770

E-mail: rebecca.larkin@constructionproducts.org.uk

Emma Salmon, CPA Marketing and Communications Executive

Tel: 020 7323 3770

E-mail: emma.salmon@constructionproducts.org.uk

Follow the Construction Products Association on Twitter: https://twitter.com/CPA_Tweets.