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Private Housing Fuels Construction Growth

The latest figures from ONS published today confirmed that the construction industry is generally improving. Overall, construction output in August was 4.0 per cent higher than it was one year ago.

Commenting on the figures, Construction Products Association Economics Director, Noble Francis said: “These figures add further confidence to our view that the industry is gradually exiting from one of the worst downturns in its history. Private housing is clearly leading the activity, showing a significant year-on-year rise of 18.0 per cent.

“Even excluding private housing, the overall industry was up 1.7 per cent from this time a year ago. Other areas of strength included the largest sector – commercial offices and retail – which rose 8.4 per cent year-on-year, and the repair and maintenance sectors for both non-housing and private housing, which saw year-on-year growth of 4.1 per cent and 5.6 per cent, respectively.

“Infrastructure, however, remains a major concern as year-on-year output fell 5.5 per cent. Despite repeated government announcements of capital investment for the sector, infrastructure output has in fact fallen 11.0 per cent since the Coalition came to power.

“The Association forecasts construction output growth of 2.2% in 2014 and 4.5% in 2015. The recovery will be led primarily by private housing in the short-term, but will only be sustained in the long-term with broader growth from other sectors and most notably the vital infrastructure sector, where government announcements will need to translate into real activity on the ground.”

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NOTE TO EDITORS:

The [Construction Products Association](#) represents the UK's manufacturers and suppliers of construction products, components and fittings. The Association acts as the voice of the construction products sector, representing the industry-wide view of its members. The sector has an annual turnover of more than £40 billion, accounts for over 1/3 of total construction output and directly provides jobs for more than 300,000 people.

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