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Construction Recovery Ahead

Today's data from the Office for National Statistics highlight a dramatic increase in construction new orders during the second quarter of 2013. Overall, new orders in the four quarters to Q2 were 12.0% higher than a year earlier, worth £5 billion, with double-digit growth in almost every sector.

Commenting on the ONS figures, Dr Noble Francis, Economics Director at the Construction Products Association said; 'Although construction output grew in the second quarter of 2013, this was purely driven by housing, which in turn has been boosted considerably by Help to Buy. However, the latest figures on new orders show that the £111 billion construction industry is ready to enjoy a sustained recovery over the next two years.'

'A rise in house building has been augmented by increases in major infrastructure and a return to growth in schools and hospitals construction. Infrastructure new orders in the four quarters to Q2 were 19.8% higher than a year earlier and new orders for public non-housing, which primarily covers schools and hospitals, grew 12.6% over the same period.'

'New orders in private commercial, the largest construction sector worth £21 billion each year, fell 4.9% in the four quarters to Q2. However, new orders in the second quarter were higher than in the previous quarter and appear to have passed the nadir, suggesting growth in private commercial medium-term.'

'Overall, there are strong positive signs of a sustained recovery in construction output, not just in housing but also in private and public construction sectors. Our forecasts anticipate that construction output will grow 12.2% by 2016 as these new orders feed through into activity on the ground, providing an additional £11.8 billion for the industry and the wider economy.'

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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 a single voice for the construction products sector, representing the industry-wide view of its members. The sector has an annual turnover of more than £40 billion and accounts for over 1/3 of total construction output.

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