

Statistical bulletin

# Output in the Construction Industry: February 2015

Short-term measures of output by the construction industry in Great Britain and contracts awarded for new construction work in the UK.

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# 1 . Main points

- This statistical bulletin provides users with the latest estimates of output in the construction industry for February 2015. Output is defined as the amount charged by construction companies to customers for value of work (produced during the reporting period) excluding VAT and payments to sub-contractors
- In February 2015, output in the construction industry was estimated to have decreased by 0.9% compared with January 2015. Both all new work and repair and maintenance contributed to the fall
- All new work decreased by 0.6%, with all types of new work except public new housing and public other new work reporting decreases: infrastructure (-2.5%), private new housing (-1.6%), private industrial (-0.9%), private commercial (-0.1%)
- Repair and maintenance (R&M) decreased by 1.4%. All work types reported decreases: private housing (-2.7%), public housing (-2.2%), non-housing R&M (-0.2%)
- Compared with February 2014, output in the construction industry showed a decrease of 1.3%. Repair and maintenance fell by 4.3% while all new work increased by 0.5%
- Comparing the 3 months, December 2014 to February 2015, with the previous 3 months, September to November 2014, construction output fell by 3.2%. Repair and maintenance and all new work decreased by 7.7% and 0.3% respectively
- When comparing the 3 months, December 2014 to February 2015 with the same 3 months a year ago, construction output was estimated to have increased by 0.3%. All new work increased by 1.3% while repair and maintenance decreased by 1.4%
- The only period open for revision is January 2015 which has been revised upwards 0.1%, from a fall of 2.6% to a fall of 2.5%. This was caused by the incorporation of late data. More information on revisions can be found in the background notes

## 2 . Additional information

On 11 December 2014 the UK Statistics Authority announced its decision to suspend the designation of [Construction Price and Cost Indices](#) including output and new orders as National Statistics in respect of the Code of Practice for Official Statistics. Taken as a whole, the Code aims to ensure that official statistics meet the needs of users; are produced, managed, and disseminated to a high standard; and that statistics are well explained. The Authority has concluded that, despite the steps taken by the Office for National Statistics (ONS), this overall objective of the Code has not been met. The quality of the data in this release has not been affected.

Construction output estimates are a short-term indicator of construction output by the private sector and public corporations within Great Britain and are produced from a monthly survey of 8,000 businesses in Great Britain. The estimates are produced and published at current prices (including inflationary price effects) and at chained volume estimates (with inflationary effects removed) both seasonally adjusted and non-seasonally adjusted.

Detailed estimates along with a longer run of time series data are available to download in the output in the construction industry, February 2015 reference tables. In these tables, users will find chained volume estimates back to quarter 1, January to March 1997, and monthly estimates back to January 2010. Current price non-seasonally adjusted data are available back to quarter 1, January to March 1955. More information on these statistics can be found in the "definitions and explanations" section in the background notes.

## The quality of the estimate of output in the construction industry

Output in the construction industry estimates are produced from the monthly business survey on the second Friday of the month, 2 months after the reporting month. Revised results, for previously published periods, are published in line with the national accounts revisions policy. More information about the data content for this release can be found in the background notes. Revisions are an inevitable consequence of the trade-off between timeliness and accuracy. The response rate in February 2015 was 70.6% of questionnaires, accounting for 80.9% of registered turnover in the construction industry. Therefore the estimate is subject to revisions as more data become available.

The monthly output in the construction industry time series now spans 62 months, however, users should note that 60 months is the minimum time span recommended by Eurostat for seasonal adjustment. While the seasonal pattern is generally established after 60 months in a monthly time series, there is still potential for increased revisions until the seasonal pattern has matured.

Users should note that the deflators used in the production of chained volume estimates of output in the construction industry have been created using a statistical model of the quarter 3, July to September 2014 tender price indices (TPIs) and output price indices (OPIs). This is the second quarter where these deflators have been created using this statistical model and users should note that the confidence intervals surrounding these models are wide and caution should be taken when using the deflated estimates. More information on these statistical models can be found in the updated article [modelling construction statistics deflators](#).

All estimates, by definition, are subject to statistical uncertainty and for many well-established statistics we measure and publish the sampling error associated with the estimate, using this as an indicator of accuracy. For construction output we publish sample and non-sample errors in table 11 of the main reference tables. It should be noted that we are continually working on methodological changes to improve the accuracy of the construction output estimates; progress on these can be found on the [ONS continuous improvement](#) page on our website.

## 3 . Economic context

Construction output was 1.3% lower in February 2015 than in the same month a year earlier. While the fall in output on the year was the second successive annual reduction following continuous growth since mid-2013, it was a smaller contraction than in January 2015, when output fell by 3.0%. The slowdown is broadly consistent with external indicators such as the [Agents' Summary of Business Conditions for March 2015](#), which noted that the easing in construction output reflected the strength of activity the same time a year ago.

On a monthly basis, construction output fell by 0.9%. Output from both major categories: new work, and repair and maintenance was lower in February 2015. The contraction in new work was driven by private housing, the output from which fell by 1.6% and this weakness was reflected by a range of external surveys. The Agents' Summary of Business Conditions for March noted that major house builders expected to raise output at a slightly slower rate in 2015 than in 2014. The report also suggested that demand and supply in the housing market are now more balanced and this may also be reflected in the easing of mortgage demand and house price growth.

The [Credit Conditions Survey for quarter 1 Jan to Mar 2015](#) also indicated that demand for secured lending for house purchases fell significantly. The survey cited 3 reasons for falling demand: changes in regulatory policy, concerns about housing affordability and concerns about the outlook for the housing market. Our [House Price Index](#) showed that UK house prices increased by 8.4% in January 2015 on the same month a year earlier, compared to growth of 9.8% in December 2014. All of these factors may have contributed to a slight slowdown in housing market activity which may also have had an impact on new work for housing.

The weakness of new work was also reflected in the repairs and maintenance components, which contracted by 1.4% in February 2015. This fall was broadly based but the housing components were particularly weak. Repair and maintenance output on housing fell by 2.5%.

On an annual basis, this fall in repair and maintenance was a key driver of the fall in aggregate construction output. All sub-components of repair and maintenance contracted over this period, but consistent with the picture on the month, the main driver was repair and maintenance on private housing, which fell by 7.9%. The Agents' noted that recent weakness in repair and maintenance was a reason for the slowdown in construction output growth. Our [Consumer Trends quarter 4 Sep to Dec 2014](#) publication showed that household spending on repair and maintenance fell sharply in the latter half of 2014. This was driven by spending on services which fell 23.5% in quarter 4 Sep to Dec 2014 on the same quarter a year earlier. In contrast, household spending on materials grew in quarter 4 Sep to Dec 2014.

## **4 . Output in the Construction Industry – February 2015**

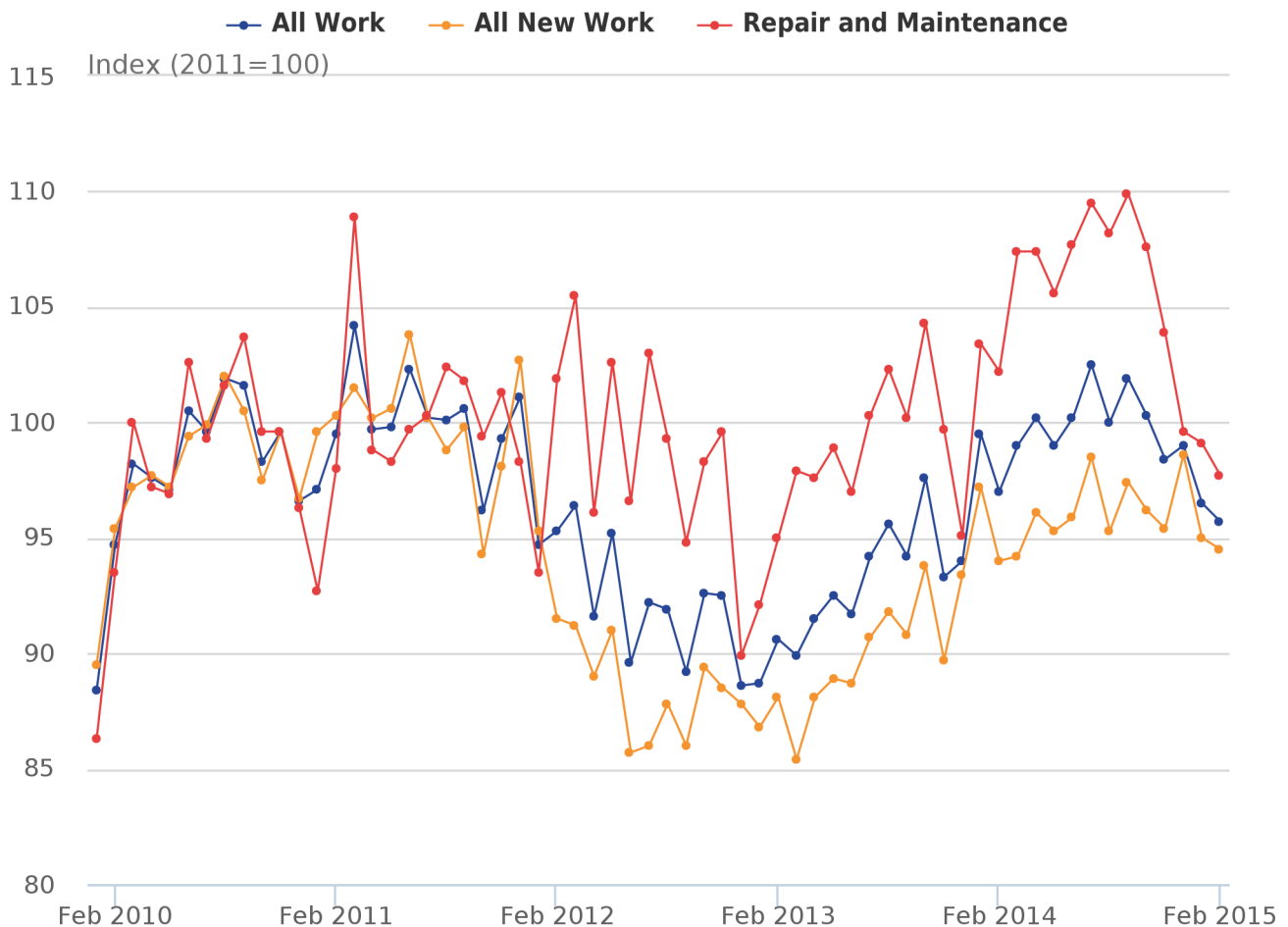
### **All work**

In February 2015 all work:

- decreased by 0.9% compared with January 2015
- decreased by 1.3% compared with February 2014
- in the 3 months (December 2014, January 2015, February 2015) compared with the previous 3 months (September 2014, October 2014, November 2014) construction output fell by 3.2%

**Figure 1: All Work – monthly time series, chained volume measure, seasonally adjusted (SA), index (2011 = 100)**

Great Britain, January 2010 to February 2015



Source: Construction: Output & Employment - Office for National Statistics

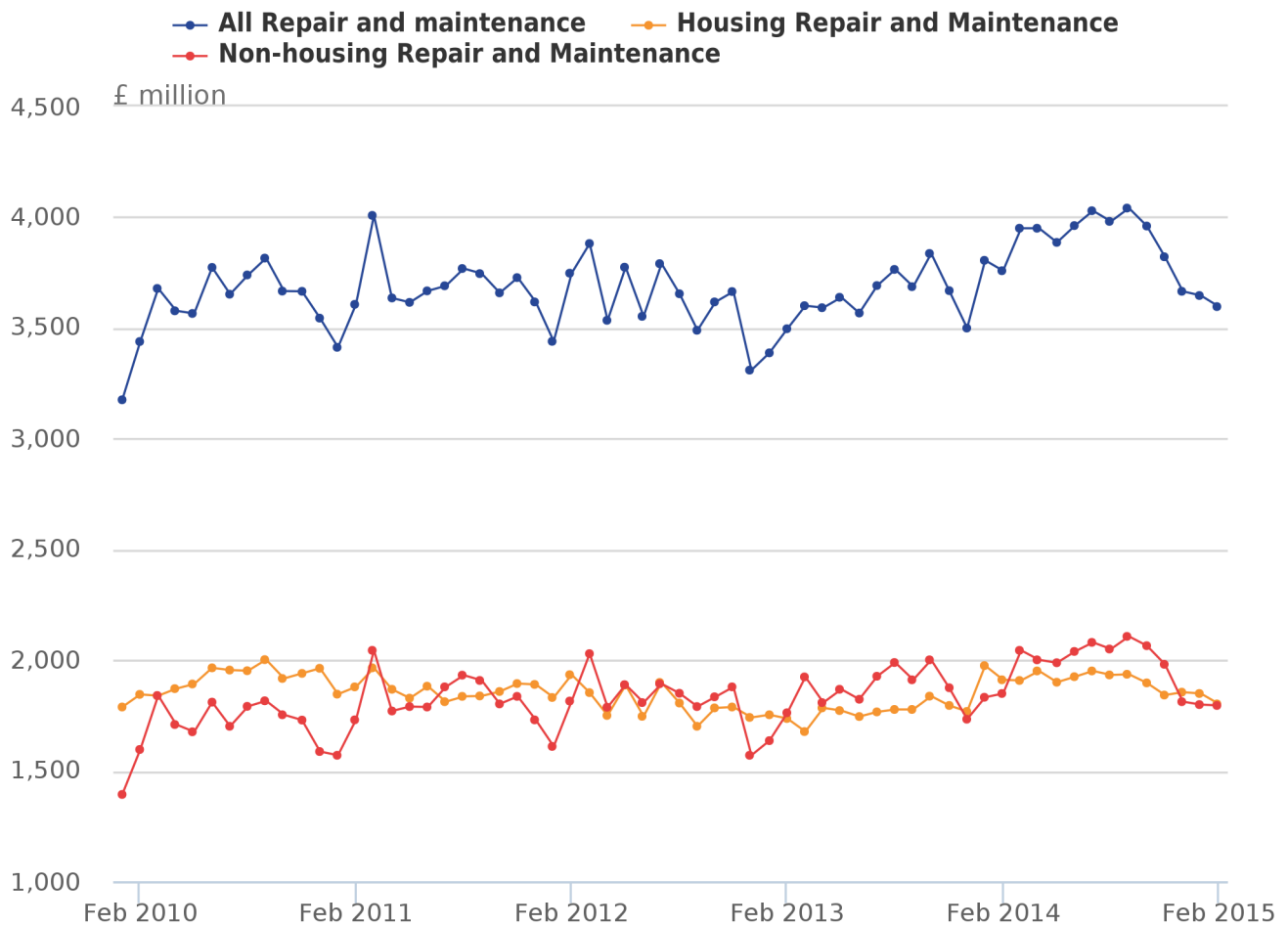
Figure 1 shows the 2 main components of all work. It is clear that the monthly path for construction output is a volatile one. Continuing on from the growth seen throughout 2013, construction output grew at a similar rate until the middle part of 2014. After this it fell and in more recent months the decline seen in construction output has now almost cancelled out all of the gains seen in early 2014.

Figure 2 looks at new work and repair and maintenance; we saw that the level of all new work has remained relatively flat with a slight decline in recent periods. However, repair and maintenance shows a different picture and it is this component that is behind the recent fall in all work.

Repair and maintenance work towards the end of each year normally falls, and picks up again in the early months of the year. This year has seen a different pattern and the fall in February 2015 of 1.4% compared with January 2015 is the fifth consecutive month where there has been a fall in all repair and maintenance. Since the introduction of the monthly series in 2010, this is the first time that there has been 5 consecutive falls.

**Figure 2: Components of repair and maintenance, monthly time series, chained volume measure, seasonally adjusted (SA), £ million**

Great Britain, January 2010 to February 2015

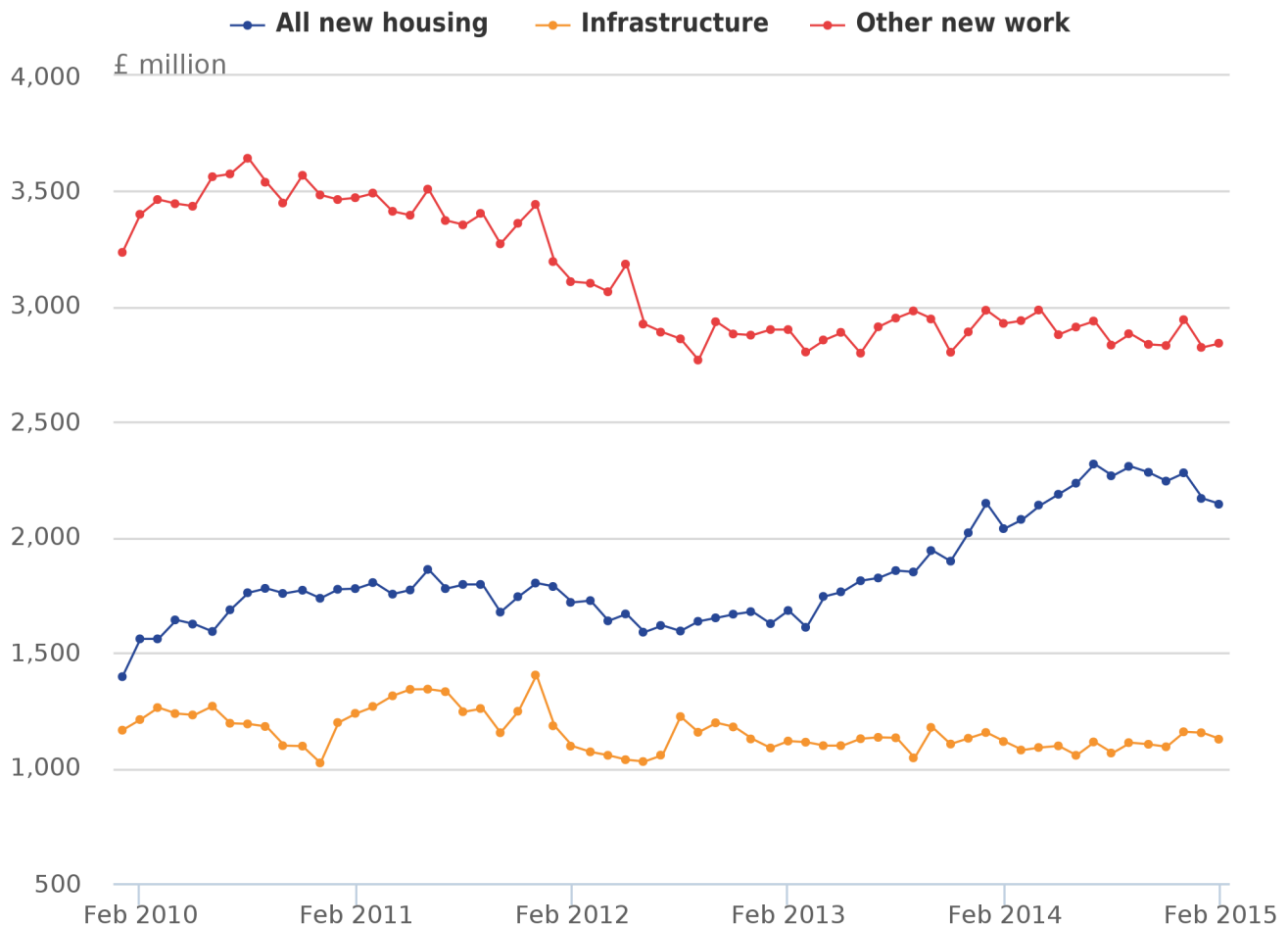


Source: Construction: Output & Employment - Office for National Statistics

Figure 2 shows the 2 components of repair and maintenance. Housing repair and maintenance and non-housing are of similar size, however, it is also clear that the non-housing component is more volatile than housing and the fall in recent months in non-housing provided the main contribution to the fall in repair and maintenance and all work.

**Figure 3: Components of all new work, monthly time series, chained volume measure, seasonally adjusted (SA), £ million**

Great Britain, January 2010 to February 2015



Source: Construction: Output & Employment - Office for National Statistics

All new housing, while not the largest component of all new work, has provided the main contribution towards growth in all new work from 2013 onwards. In contrast, over the same period infrastructure and other new work have been relatively flat.

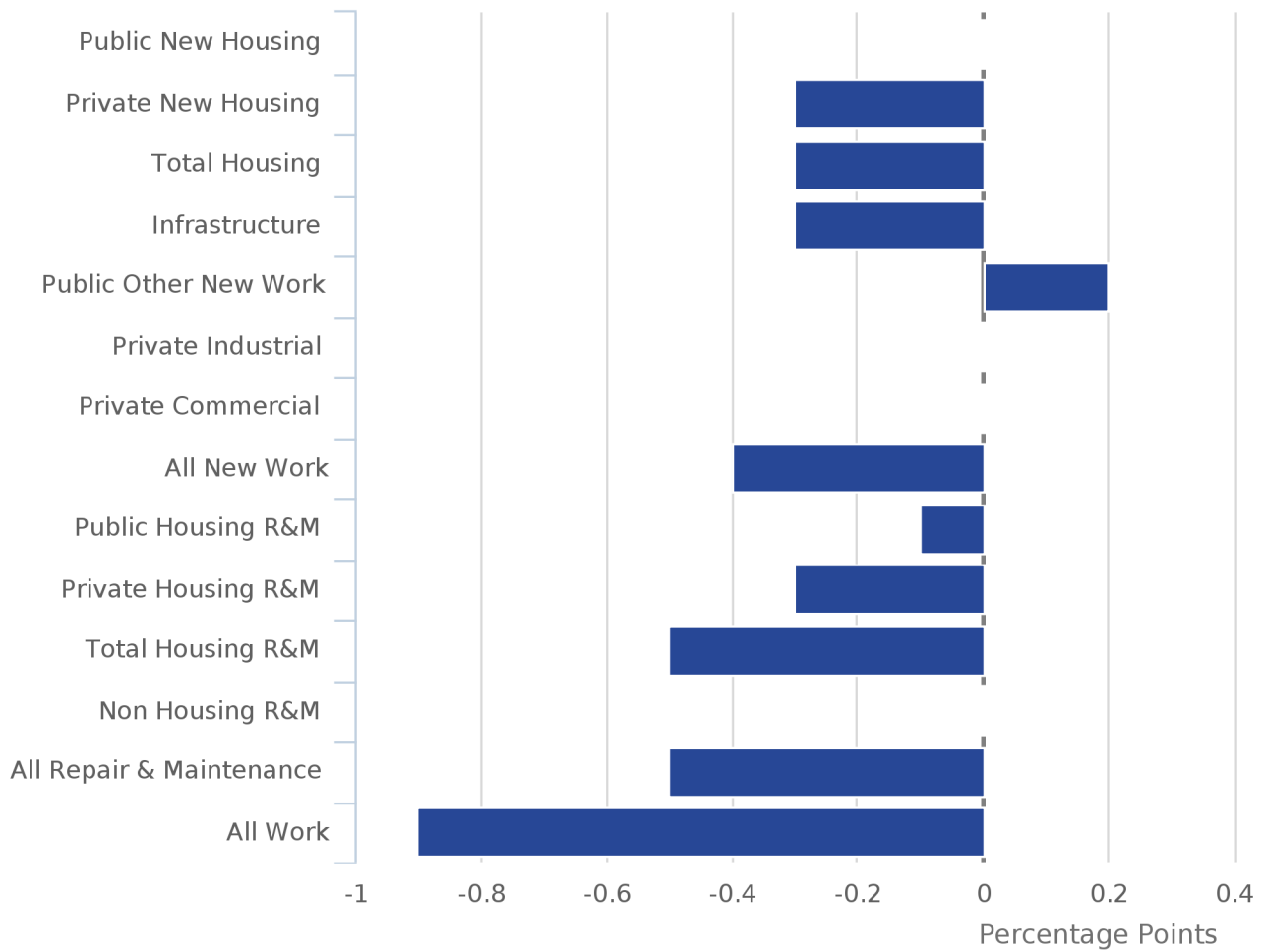
With non-housing repair and maintenance and all new housing providing the main contribution towards the longer-term pattern in all new work, these types of work provide the main contribution towards the contraction in growth in February 2015.

Figure 4 shows all types of work and their contributions to the contraction in all work. It shows that, other than public other and public housing, all types of work provided a negative contribution in February 2015.

The largest contribution came from private new housing, infrastructure and private housing repair and maintenance which fell by 1.6%, 2.5% and 2.7% respectively compared with January 2015. All provided 0.3 percentage points to the 0.9% contraction in all new work. The growth seen in public other new work, and public housing repair and maintenance negated the contractions seen in private industrial, private commercial, non-housing repair and maintenance, and private housing repair and maintenance.

**Figure 4: Contributions to volume growth output in construction (February 2015 compared with January 2015)**

**Great Britain**



**Source: Construction: Output & Employment - Office for National Statistics**

**Notes:**

1. R&M = Repair and maintenance

**Table 1: Component comparison to previous levels**

	Current volume £million	Lowest Date volume £million	Highest Date volume £million	Percentage change from lowest volume	Percentage change from highest volume
<b>New Housing</b>					
Public	433	313 Jan-13	494 Dec-14	38.3	-12.3
Private	1,710	1,081 Jan-10	1,837 Jul-14	58.2	-6.9
Total	2,143	1,395 Jan-10	2,317 Jul-14	53.6	-7.5
<b>Other New Work</b>					
Infrastructrue	1,124	1,021 Dec-10	1,402 Dec-11	10.1	-19.8
<b>Excluding Infrastructure</b>					
Public	743	719 Jan-15	1,248 Nov-10	3.3	-40.5
Private Industrial	305	238 Sep-13	373 Aug-10	28.2	-18.2
Private Commercial	1,793	1,625 Sep-12	2,104 Dec-11	10.3	-14.8
All New Work	6,108	5,524 Mar-13	6,709 Jun-11	10.6	-9

Notes:

1. Monthly time series for these components begins in January 2010

## Summary of growth rates for all work types

Table 2 provides a summary of growth rates across the different types of construction work in February 2015. Some main points from this table are as follows:

- all work types except public new housing and public corporations saw a decrease in the month-on-month growth rate; the main contribution to the fall was housing repair and maintenance
- the month-on-month fall was due to a fall in all three sub-sectors; however, year-on-year only repair and maintenance decreased with all new work and infrastructure increasing
- year-on-year the decrease in all work was due to a fall in repair and maintenance; this was partly offset by a small rise in all new work

**Table 2: Construction output summary tables, chained volume measures, seasonally adjusted**

Great Britain

	Percentage change					Most recent level
	Most recent 3 months on a year earlier	Most recent 3 months on 3 months earlier	Most recent month on the same month a year ago	Most recent month on the previous month		
<b>Construction</b>						
Total All Work	0.3	-3.2	-1.3	-0.9	9,704	
Total All New Work	1.3	-0.3	0.5	-0.6	6,108	
Total Repair & Maintenance	-1.4	-7.7	-4.3	-1.4	3,596	
<b>All New Work</b>						
Total All New Work	1.3	-0.3	0.5	-0.6	6,108	
<b>New Housing</b>						
Public Corporations	2.6	-3.3	-4.5	0.7	433	
Private Sector	7.2	-3.6	7.9	-1.6	1,710	
<b>Other New Work</b>						
Infrastructure	1.1	4.0	0.8	-2.5	1,124	
<b>Excl Infrastructure</b>						
Public Corporations	-3.0	-3.1	-0.8	3.3	743	
Private Sector	10.9	-0.9	6.5	-0.9	305	
Private Sector - Industrial	-3.8	2.6	-5.1	-0.1	1,793	
<b>Repair &amp; Maintenance</b>						
Total Repair & Maintenance	-1.4	-7.7	-4.3	-1.4	3,596	
<b>Housing</b>						
Public Corporations	-2.7	-1.2	-0.6	-2.2	575	
Private Sector	-2.5	-3.8	-7.9	-2.7	1,226	
Non-Housing	-0.2	-12.1	-2.9	-0.2	1,794	

## International perspective

Output in the construction industry follows the [Eurostat short term statistics \(STS\)](#) regulation for production in construction. Before any comparisons are made with the euro area or EU28, it is worth noting that the UK is the only member state to follow the A method for compiling [production in construction statistics](#).

The latest release of [production in construction](#) showed that construction output in the euro area (EA19) increased by 1.9% and by 1.0% in the EU28 in January 2015 compared with December 2014. The GB estimate for January 2015 showed that construction output decreased by 2.5%. It should be noted that an accurate comparison cannot be made as Eurostat data are calculated on a 2010 = 100 basis, while GB data are calculated on a 2011 = 100 basis.

Outside of the EU, the US Census Bureau release [Value of construction put in place](#) showed provisional estimates of construction output decreased by 0.1% in February 2015 compared with January 2015 and increased by 2.1% compared with February 2014.

## 5 . Construction estimates in gross domestic product (GDP)

Construction estimates are a key component of the output approach to measuring GDP along with the estimates of services, production and agriculture. As an aid to users, the short-term economic indicator releases that directly feed into GDP include an additional table of the GDP components. It is anticipated that this table will inform users of the relationship between the individual components which comprise GDP output. The publication dates and the quarterly growths of the individual GDP components are shown below.

Each component of GDP has a weight within GDP based on its value in 2011. Construction has a weight of 64, which means that it is 64 parts of the 1,000 that make up total GDP.

To determine the effect each component has on GDP multiply the component growth by its weight in GDP.

An example using quarter 2, April to June 2014 data:

Construction growth = 0.7  
Weight in GDP = 0.064 (64/1000)  
Effect on GDP =  $0.7 * 0.064 = 0.0448$  or 0.0 to 1 decimal place (dp)

Revisions to components and the effect on GDP can be calculated using the same process. As a general rule there are no revisions to GDP when the component revisions are:

IoP = between 0.3 and -0.3  
Construction = between 0.7 and -0.7  
IoS = 0.0 (all values above or below 0.0 effect GDP due to the high weight of IoS in GDP).

Because;

IoP =  $0.146 * 0.4 = 0.0584$  or 0.1 to 1 dp  
Construction =  $0.064 * 0.8 = 0.0512$  or 0.1 to 1 dp  
IoS =  $0.784 * 0.1 = 0.0784$  or 0.1 to 1 dp

Table 3 shows the latest monthly and revised quarterly output figures that fed into the quarterly national accounts release for quarter 4, October to December 2014 published on 31 March 2015.

**Table 3: GDP component tables, chained volume measures, seasonally adjusted**

Great Britain

Publication	Weight in GDP	Publication date	Latest periods	Percentage Change	
				Most recent period on a year earlier	Most recent period on the previous period
GDP	1000	31-Mar	Q4 2014	3.0	0.6
			Q3 2014	2.7	0.6
Index of Production	146	10-Apr	Q4 2014	1.0	0.2
			Q3 2014	1.2	0.1
Construction output	64	10-Apr	Q4 2014	4.5	-2.2
			Q3 2014	7.2	1.7
Index of Services	784	31-Mar	Q4 2014	3.4	0.9
			Q3 2014	3.1	0.7
Agriculture	6	31-Mar	Q4 2014	1.6	0.4
			Q3 2014	1.9	0.6

The quarterly national accounts published on 31 March 2015 contained an estimate for quarterly construction of a fall of 2.2%. This estimate has not been revised within this release.

## 6. Background notes

### 1. About this release

Construction output estimates are a short-term indicator of construction output by private sector and public corporations within Great Britain. Output estimates are produced and published at current prices (including inflationary price effects) and at chained volume estimates (with inflationary effects removed) both seasonally adjusted and non-seasonally adjusted. Chained volume measures are also described as volume. Construction output is used in the compilation of the output approach to measuring [gross domestic product \(GDP\)](#).

The data published in this release cover construction estimates for Great Britain. Construction output estimates for Northern Ireland can be obtained from the [Central Survey Unit](#).

### 2. Revision policy

Construction output conforms to the standard [national accounts revision policy \(43.3 Kb Pdf\)](#), which can be found on our website. In line with this, the construction output release for February 2015 has a revision period back to January 2015.

Figures for the most recent months are provisional and subject to revision in light of (a) late responses to the monthly business survey (MBS) and (b) revisions to seasonal adjustment factors which are re-estimated every period.

### 3. Statistical continuous improvement

In March 2012, as part of our [statistical continuous improvement programme](#), we published a review of [sample design and estimation methodology for construction output](#). This report evaluated the sample design and estimation methods used on the construction output survey. The conclusions of the review were that the current sample is performing well and that the current methodology for estimation within the survey produces the smallest standard error.

In response to user feedback and in line with the announcement made in the article [improvements to the methods used to compile output in the construction industry statistics](#), this statistical bulletin now contains monthly seasonally adjusted chained volume estimates. Due to the potential for confusion when comparing constant price (volume) and chained volume measures, all references to constant price series for construction output have been removed from this, and future bulletins.

A work plan for construction output statistics will be published shortly and will align with the [national accounts and related statistics work plan](#).

### 4. Use of the data

Output in the construction industry estimates are widely used both internally and externally and have been identified by legal requirement and user engagement surveys.

The main users of data from the output of the construction industry dataset are:

- United Kingdom national accounts
- Eurostat, the statistical office of the European Union, in order to comply with statutory legislation on short-term business statistics (STS). Short-term business statistics provide information on the economic development of four major domains: industry, construction, retail trade and other services
- industry analysts requiring estimates of the construction industry output of Great Britain
- trade associations making UK and international comparisons and to forecast trends in the construction industry
- other government departments including: the Department for Business, Innovation and Skills (BIS), HM Treasury (HMT), Department for Communities and Local Government (DCLG) and the Office for Budgetary Responsibility (OBR)

As well as being a key indicator of the performance of construction companies, the results of the survey also contribute to the estimate of the gross domestic product of the UK, contributing approximately 6.4% of GDP.

More information on the uses made of [short-term economic statistics](#) is available on our website.

### 5. Methods

Our monthly construction output survey measures output from the construction industry in Great Britain. It samples 8,000 businesses, with all businesses employing over 100 people or with an annual turnover of more than £60 million receiving a questionnaire by post every month.

### 6. Quality

The latest [quality and methodology report for the output of the construction industry estimates \(100.2 Kb Pdf\)](#) can be found on our website.

### 7. Revisions

One indication of the reliability of the key indicators can be obtained by monitoring the size of revisions. Analysis of the previously published quarterly seasonally adjusted chained volume measure series has shown that revisions to construction data are small. Generally these quarterly revisions are less than 1

percentage point when compared with the final revised period 5 quarters after initial publication. This indicates that the published estimates are a reliable snapshot of the output in the industry at the date of publication.

The size and pattern of revisions for both output and new orders data which have occurred in the open period can be found in the new revision triangles on the construction web page. Please note that these indicators only report summary measures for revisions. The revised data may be subject to sampling or other sources of error. Details about this revisions material can be found in the document "revisions information in ONS first release".

It should be noted that, due to seasonal adjustment taking place on a short span of data points used to interpret the seasonal effects, there is potential for increased revisions until the seasonal pattern is established within the time series. The seasonal pattern is generally established after 60 months in a monthly time series.

Please note that a monthly seasonally adjusted chained volume series is not available pre-2010. This is due to monthly data not being available for this period. These data are a requirement for creating previous year's prices from which chain-linked volume measures are created.

## 8. Relevant links

[Modelling Construction Statistics Deflators \(84.5 Kb Pdf\)](#)

[Impact of quarterly employment question on monthly survey response \(163.7 Kb Pdf\)](#)

[Government Statistical Service \(GSS\) uncertainty guidance](#)

[Annual Construction publication Construction Statistics, No. 15, 2014 Edition](#)

### International comparisons

International construction comparisons are compiled by Eurostat. The estimates produced in this bulletin are included in these comparisons. Further information can be found on the [Eurostat](#) web page.

### Analysis of the construction industry

An [article](#) on the UK construction industry was published by BIS in 2013.

### UK Statistics Authority assessment

[Assessment of the Construction Output and New Orders statistical bulletin](#)

### Disclosure control policy

The [Disclosure control policy \(337 Kb Word document\)](#) for tables produced from surveys.

### The circular flow of income

[14 ways ONS statistics help you understand the economy - A closer look at the circular flow of income](#)

## 9. Further information

Releases on construction output and employment prior to the transfer to us can be found on the [BIS website](#).

## 10. User engagement

The [user engagement](#) section of our website contains preliminary results of the survey held in regarding users' satisfaction and use of the new orders and construction output surveys.

We published a summary of [initial responses \(51 Kb Excel sheet\)](#) to the short-term indicators national accounts survey on 9 February 2015.

## 11. General information

### Understanding the data

#### Interpreting the data

When making comparisons it is recommended that users focus on chained volume measures or constant price (volume), seasonally adjusted estimates as these show underlying movements rather than seasonal movements.

Construction output estimates are subject to revision because of:

- late responses to the construction output survey
- revisions to seasonally adjusted factors which are re-estimated every quarter

- annual updating of the inter-departmental business register (IDBR) that forms the basis of the sampling for the construction output survey. This occurs in April and can have an effect on the results published in May

## **Definitions and explanations**

Definitions of terminology found within the main statistical bulletin are detailed below:

### **Output**

Output is defined as the amount chargeable to customers for building and civil engineering work done in the relevant period excluding VAT. As well as work charged to customers, businesses are asked to include the value of work done on their own initiative on buildings such as dwellings or offices for eventual sale or lease, and of work done by their own operatives on the construction and maintenance of their own premises. The value of goods made by businesses themselves and used in the work is also included.

In all returns, work done by sub-contractors is excluded to avoid double counting, since sub-contractors are also sampled. Output does not include payments made to architects or consultants from other firms – this would also cover engineers and surveyors. It would include wages paid to such people if they were directly employed by the business.

### **Current price (value) (CP)**

Current prices are the actual or estimated recorded monetary value over a defined period. They show the value for each item expressed in terms of the prices of that period.

### **Constant price (volume) (KP)**

A constant price or volume measure is a series of economic data from successive years expressed in real terms by computing the production volume for each year in the prices of a reference year. The resultant time-series of production figures has the effects of price changes removed (that is, monetary inflation or deflation). In other words, from the raw data a series is obtained which reflects only production volume. See the "Deflation" section. Constant price series in this bulletin are based on the reference year 2005.

### **Chained volume measures (CVM)**

A chained volume series is a series of data from successive years, put in constant price terms by computing the production volume for each year in the prices of the preceding year, and then chain-linking the data together to obtain a time-series of production figures from which the effects of price changes (that is, monetary inflation or deflation) have been removed. Further information on chain-linking can be found in the methodological article [Annual chain-linking \(58 Kb Pdf\)](#) .

### **Seasonal adjustment (SA)**

Seasonal adjustment aids interpretation by removing effects associated with the time of the year or the arrangement of the calendar, which could obscure movements of interest.

### **Deflation**

It is common for the value of a group of financial transactions to be measured in several time periods. The values measured will include both the change in the volume sold and the effect of the change of prices over that year. Deflation is the process whereby the effect of price change is removed from a set of values. The current reference year is 2010 for CVM data.

### **Sectors**

Institutional sectors are defined in the System of National Accounts (SNA) glossary as;

- Units that are grouped together to form institutional sectors on the basis of their principal functions, behaviour, and objectives

The resident institutional units that make up the total economy are grouped into five mutually exclusive sectors:

- non-financial corporations
- financial corporations

- general government
- non-profit institutions serving households

- households

In the case of non-financial and financial sectors these can be further broken down into public sector, those units either controlled by the state or funded from the public purse and include general government, local authorities, housing associations and nationalised industries and private sector, those units controlled by private individuals or groups and not by the public sector.

### **Gross domestic product (GDP)**

GDP is an integral part of the UK national accounts and provides a measure of the total economic activity in a region.

GDP is often referred to as one of the main "summary indicators" of economic activity and references to "growth in the economy" are quoting the growth in GDP during the latest quarter.

Construction estimates are a component of GDP from the output or production approach (GDP(O)) which measures the sum of the value added created through the production of goods and services within the economy (our production or output as an economy). This approach provides the first estimate of GDP and can be used to show how much different industries (for example, agriculture) contribute within the economy.

### **Housing**

Housing is generally defined as "all buildings that are constructed for residential use". Within the public sector this classification includes construction items such as local authority housing schemes, hostels (except youth hostels), married quarters for the services and police, old peoples' homes, orphanages and children's remand homes and the provision within housing sites of roads and services for gases, water, electricity, sewage and drainage.

Private sector housing includes all privately owned buildings for residential use, such as houses, flats and maisonettes, bungalows, cottages, vicarages, and the provision of services to new developments.

### **Infrastructure**

Infrastructure is the generic term for the basic physical and organisational structures and facilities needed for the operation of a society or enterprise. These construction items include buildings, roads, power supplies, etc.

### **Other new work**

Other new work excludes the housing and infrastructure sectors. This classification includes construction items such as factories, warehouses, schools and offices, etc.

### **Non-housing**

Within the public sector, non-housing is classified as the construction of building such as schools and colleges, hospitals, universities, fire stations, prisons and museums. Private sector non-housing is comprised of the private /industrial and private/commercial classifications. Private - industrial is the economic activity concerned with the processing of raw materials and manufacture of goods in factories and includes construction items such as factories and shipyards while private – commercial includes all items not included in the previous categories such as embassies, theatres, retail units, warehouses and garages, etc.

### **Repair and maintenance**

The repair and maintenance heading in the construction estimates comprises of housing, infrastructure and other new work. This concerns work which is either repairing something that is broken, or maintaining it to an existing standard. For housing output this includes repairs, maintenance, improvements, house/flat conversions, extensions, alterations and redecoration, etc. on existing housing. For non-housing this includes repairs, maintenance, redecoration, etc. on existing buildings/structures, which are not housing, for examples schools, offices, roads, shops.

Table 2 of this bulletin aggregates infrastructure and other new work into non-housing.

## 12. Code of Practice for Official Statistics

National Statistics are produced to high professional standards which are set out in the [Code of Practice for Official Statistics](#). They undergo regular quality assurance reviews to ensure that they meet customer needs and are produced free from any political interference.

## 13. Publication policy

Details of the policy governing the release of new data are available from the Media Relations Office.

## 14. Accessing data

The output in the construction industry statistical bulletin and relevant time series datasets are available to download free from [our website](#) at 9.30 am on the day of publication.

We allow a list of agreed officials to have access to data 24 hours before publication, which is available on the [output in the construction industry: pre-release page](#).

## 15. Further information and user feedback

As a user of our statistics, we would welcome feedback on this release, in particular on the content, format and structure. For further information about this release, or to send feedback on our publications, please contact us using the following information.

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16. Details of the policy governing the release of new data are available by visiting [www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html](http://www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html) or from the Media Relations Office email: [media.relations@ons.gsi.gov.uk](mailto:media.relations@ons.gsi.gov.uk)