

# S&P Global UK Construction PMI<sup>®</sup>

## Fastest downturn in construction output since May 2020

Steep declines in housing and civil engineering activity during February

New work and input buying fall at fastest pace for almost five years

Input cost inflation accelerates to the highest since March 2023

February PMI<sup>®</sup> data highlighted another fall in UK construction output, with the speed of decline accelerating considerably since the start of 2025.

At 44.6 in February, down from 48.1 in January, the headline S&P Global UK Construction Purchasing Managers' Index<sup>™</sup> (PMI<sup>®</sup>) – a seasonally adjusted index tracking changes in total industry activity – registered below the neutral 50.0 threshold for the second month running. The latest reading was also the lowest for nearly five years and signalled a steep decline in total construction activity.

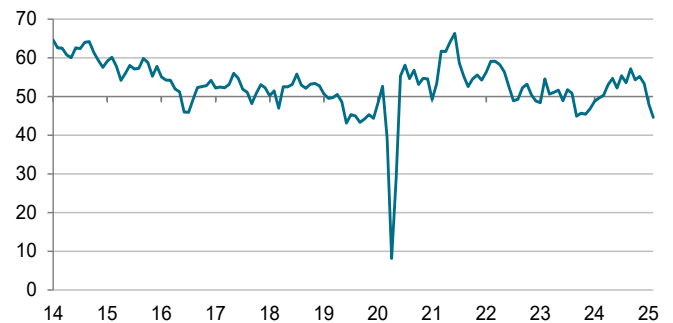
Residential building (index at 39.3) decreased for the fifth month in a row and was the weakest-performing area of construction activity in February. Aside from the pandemic, the rate of decline was the fastest since early-2009. Survey respondents often cited weak demand conditions, headwinds from elevated borrowing costs and a lack of new work to replace completed projects.

Civil engineering activity (39.5) also registered a steep decline in February. The respective seasonally adjusted index was the lowest since October 2020. Commercial construction (49.0) displayed a degree of resilience, with output levels falling only marginally and at a similar pace to that seen in the previous survey period.

February data pointed to worsening demand conditions across the construction sector. New order intakes decreased sharply and to the greatest extent since May 2020. Survey respondents noted delayed decision-making among clients, reflecting squeezed budgets and concerns about the economic outlook. Some firms also noted the impact of cutbacks to business investment spending plans.

Construction companies indicated a reduction in their staffing numbers for the second consecutive month. Although only modest, the pace of job shedding was the sharpest recorded since November 2020. Lower workforce numbers were typically linked to the non-replacement of voluntary leavers in response to cost constraints and fewer new project starts. This also led to the steepest fall in sub-contractor usage since May 2020.

S&P Global UK Construction PMI Total Activity  
Index, sa, >50 = growth m/m



Data were collected 10-27 February 2025.

Source: S&P Global PMI. ©2025 S&P Global.

### Comment

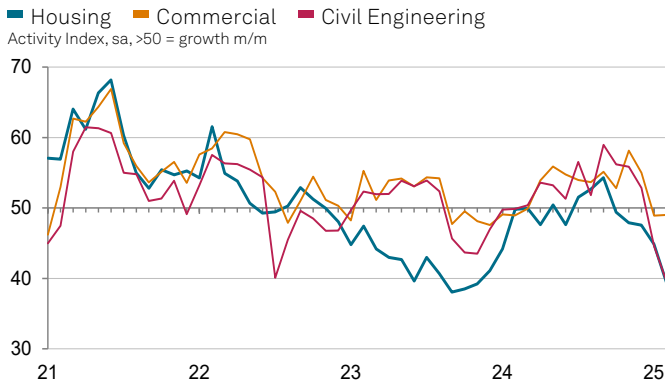
**Tim Moore, Economics Director at S&P Global Market Intelligence, said:**

"Sharply declining order books rippled through the UK construction sector in February, which led to accelerated reductions in output volumes, employment and input buying. Weak demand conditions were attributed to entrenched caution among clients, against a backdrop of subdued consumer confidence and lacklustre economic performance.

"Aside from the pandemic, total industry activity decreased at the steepest pace since December 2019. This was led by considerable reductions in residential building and civil engineering work, while a degree of resilience was reported for commercial construction activity. Survey respondents widely cited a lack of new work in the house building segment, due to soft market conditions and the impact of elevated borrowing costs.

"Construction companies remain optimistic overall about their growth prospects for the next 12 months, albeit less so than on average in 2024 amid increasing concerns about the broader UK economic outlook. There were also signs that rising payroll costs and purchasing prices have become a source of anxiety, with the latest increase in overall business expenses the steepest since March 2023."

## S&P Global UK Construction PMI®



Input buying decreased for the third month in a row during February. Weaker demand for construction products and materials contributed to an improvement in overall supplier performance for the first time since October 2024. That said, a number of firms continued to report delays at ports and longer wait times for international shipping.

Inflationary pressures intensified, as signalled by the sharpest rise in average cost burdens for nearly two years. Around 38% of the survey panel indicated a rise in their input prices, while only 3% noted a reduction. Higher prices paid for raw materials, energy, transportation and wages were reported.

Business activity expectations meanwhile remained positive overall in February, despite a steep decline in order books and concerns about a lack of new tender opportunities. Around 39% of survey respondents forecast an upturn in output during the year ahead, compared to 17% that forecast a decline. That said, the resulting index signalled a much lower degree of optimism than seen on average in 2024. Hopes of an improvement in underlying market conditions and lower borrowing costs helped to support confidence, while subdued consumer spending and risk aversion among clients were cited as factors holding back optimism.

### Methodology

The S&P Global UK Construction PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 150 construction companies. The panel is stratified by company workforce size, based on contributions to GDP. Survey data were first collected April 1997.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

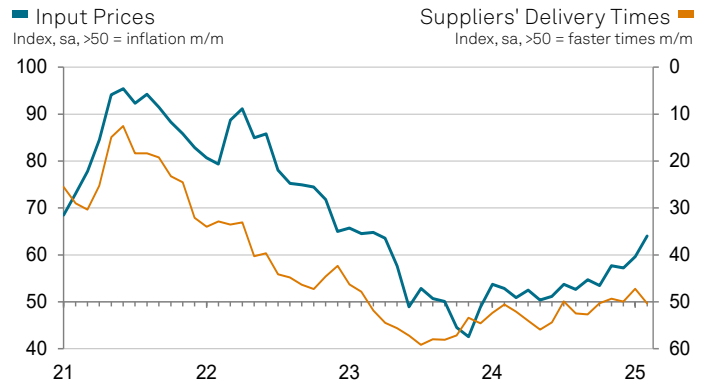
The headline figure is the Total Activity Index. This is a diffusion index that tracks changes in the total volume of construction activity compared with one month previously. The Total Activity Index is comparable to the Manufacturing Output Index and Services Business Activity Index. It may be referred to as the 'Construction PMI' but is not comparable with the headline manufacturing PMI figure.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series..

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

### PMI by S&P Global

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. [www.spglobal.com/marketintelligence/en/mi/products/pmi](https://www.spglobal.com/marketintelligence/en/mi/products/pmi)



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