News Release
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S&P Global UK Construction PMI®

Slowest fall in UK construction output since January

September 2026

All three sub-sectors register softer falls in activity than in August...

...but total new orders decline at sharpest pace for three months

Business optimism lowest since May

The headline seasonally adjusted S&P Global UK Construction Purchasing Managers' Index™ (PMI®) – an index tracking changes in total industry activity – picked up from 44.3 in August to 46.1 in September, which signalled the least marked downturn in output volumes for eight months.

Slower rates of contraction were seen in the residential, commercial and civil engineering segments. Commercial construction (index at 48.5) saw the greatest resilience, with business activity falling only marginally and at the weakest pace since May 2025. Housing activity (40.7) remained the worst-performing area of the construction sector.

Many survey respondents linked lower output to sluggish market conditions, attributed to geopolitical tensions and elevated borrowing costs.

September data pointed to a solid decline in total new work during September, with the rate of contraction accelerating to its fastest since June. Construction firms often noted headwinds from delayed decision-making on major projects and sharply rising input costs.

Reduced workloads resulted in another month of job cuts across the construction sector. Lower employment has been recorded in each month since January 2025 and the latest fall was the fastest for five months. The latest survey also pointed to a renewed decline in subcontractor usage.

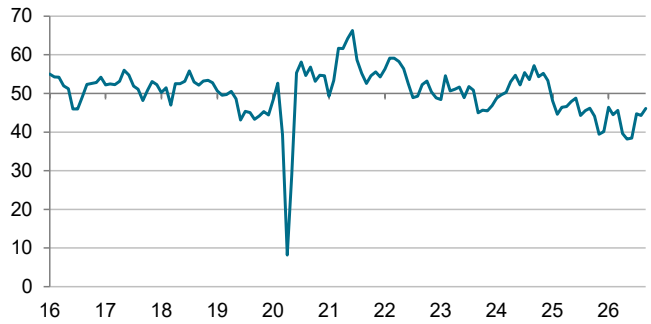
Demand for construction products and materials fell at a marked pace in September, which continued the downturn that began in December 2024. However, suppliers' delivery times lengthened for the second month running and to the greatest extent since May. Survey respondents attributed worsening vendor performance to international shipping delays and ongoing supply chain disruption related to the Middle East conflict.

Average cost burdens meanwhile increased sharply in September, but the rate of inflation moderated to a seven-month low. Around 25% of the survey panel signalled a rise in their purchasing costs, while 3% noted a decline. Fuel surcharges, higher freight costs and rising raw material prices were widely reported.

Looking ahead, construction companies are still optimistic on

S&P Global UK Construction PMI Total Activity

Index, sa, >50 = growth m/m



Data were collected 10-29 September 2026.
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Comment

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

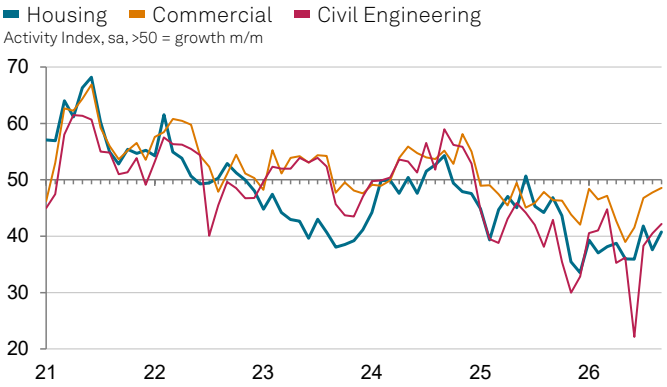
"The downturn in UK construction output was the least marked since January. All three sub-sectors have seen a degree of stabilisation relative to the rapid declines reported in the second quarter of 2026. In September, commercial building work saw its smallest fall in activity since May 2025. House building was again the weakest performer as rising borrowing costs and unfavourable market conditions weighed on output.

"Total new orders were relatively subdued in September as construction firms reported longer sales conversion cycles and clients deferred decision-making on major projects. This was attributed to subdued demand and geopolitical tensions, while some also noted pressure from sharply rising input costs. Latest data indicated that overall input price inflation softened for the fourth month in a row, but this trend seems unlikely to endure given recently escalating fuel prices and transportation costs.

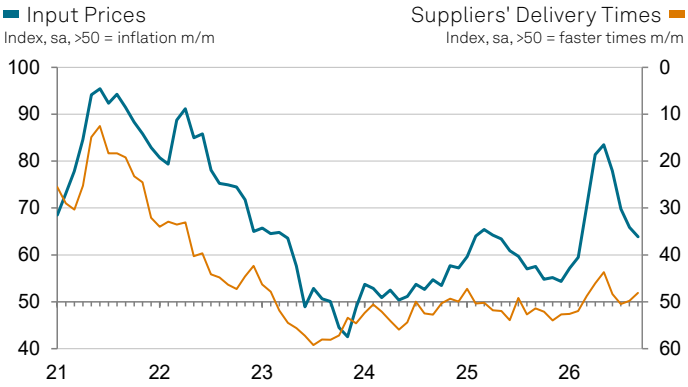
"Softer order books, elevated inflationary pressures and concerns about rising borrowing costs were all reasons for construction companies to moderate their year ahead growth expectations during September. This led to a sharp drop in business optimism to its lowest since May."

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balance about their growth prospects for the next 12 months. Around 31% of survey respondents expect a rise in business activity whereas 21% predict a decline. However, the overall degree of confidence signalled during September was the lowest for four months and much weaker than in August.

Forthcoming infrastructure work was cited as a factor supporting business optimism, while domestic political uncertainty, weak housing market conditions and strong inflationary pressures were typically cited as growth headwinds.

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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.

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