

S&P Global UK Construction PMI®

Sharpest pace of job shedding since October 2020

Output levels fall for the third month in a row

Lowest business optimism since October 2023

Input cost inflation highest for 26 months

UK construction companies indicated a sustained downturn in business activity, alongside pressure on margins from sharply rising input costs.

Combined with a drop in new orders, this contributed to the fastest reduction in employment numbers for nearly four-and-a-half years.

The headline S&P Global UK Construction Purchasing Managers' Index™ (PMI®) – a seasonally adjusted index tracking changes in total industry activity – posted 46.4 in March, up from a 57-month low of 44.6 in February but still well below the neutral 50.0 threshold. Lower volumes of construction output have now been recorded for three consecutive months and the latest reading indicated a solid pace of contraction.

Civil engineering (index at 38.8) was the weakest-performing area of activity in March. The sharp decline in output levels was attributed to delayed decision-making on new projects and a generally subdued pipeline of major infrastructure work. The rate of contraction accelerated to its fastest since October 2020.

Residential construction activity declined at a slower pace than in February, but the respective seasonally adjusted index was still well inside negative territory (44.7). Survey respondents typically commented on weak demand conditions, although some suggested that easing borrowing costs had helped to support confidence.

Commercial building (47.4) decreased only moderately in March. That said, the rate of contraction was the fastest since January 2021. Lower business activity was linked to lacklustre UK economic prospects and the impact of rising geopolitical uncertainty on clients' investment spending.

Sluggish demand conditions contributed to another marked deterioration in construction order books. Lower levels of incoming new work have been recorded throughout 2025 to date. Construction companies often noted a lack of sales enquiries and greater competition for new work.

Lower workloads, elevated interest rates and worries about the broader economic outlook continued to weigh on business activity expectations in March. Confidence across the construction sector slipped to its lowest since October 2023. Some firms nonetheless noted positive sentiment regarding the outlook for demand across the renewable energy sector

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



Data were collected 12-28 March 2025.

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

Comment

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

"March data highlighted a challenging month for UK construction companies as sharply reduced order volumes continued to weigh on overall workloads."

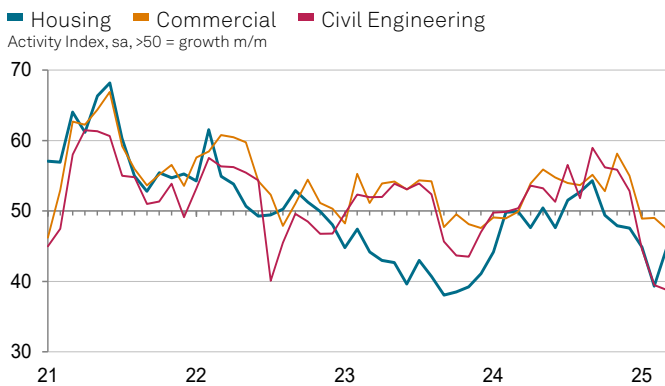
"Civil engineering experienced the biggest setback as activity decreased to the greatest extent since October 2020. Survey respondents commented on subdued sales pipelines and a subsequent lack of infrastructure work to replace completed projects."

"Commercial work also saw a headwind from delayed decision-making on major projects, largely due to worries about the impact of rising global economic uncertainty. The downturn in residential construction activity nonetheless eased since February, providing a source of encouragement despite ongoing reports of sluggish demand conditions."

"Construction companies remained cautious about their year ahead growth prospects, as fewer sales conversions and a third successive monthly reduction in total new work hit confidence levels. Overall business optimism slipped to its lowest since October 2023."

"A lack of new projects, alongside pressure on margins from rising payroll costs, led to hiring freezes and the non-replacement of departing staff in March. The net result was the fastest pace of job shedding across the construction sector for nearly four-and-a-half years."

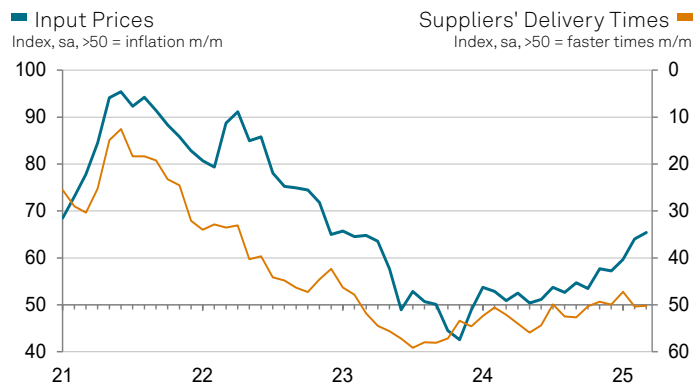
S&P Global UK Construction PMI®



and hopes of a turnaround in infrastructure workloads.

Mirroring the trends for output and new work, latest survey data indicated a reduction in staffing numbers for the third consecutive month. The rate of job shedding was the steepest since October 2020. Subcontractor usage also decreased at a solid pace in March, while construction companies reported further cutbacks to their input buying in response to lower workloads.

Finally, higher payroll costs due to forthcoming rises in National Insurance contributions and the National Minimum Wage continued to push up average cost burdens. The overall rate of input price inflation accelerated to its strongest since January 2023.



Contact

Tim Moore
Economics Director
S&P Global Market Intelligence
T: +44-1491-461-067
tim.moore@spglobal.com

Corporate Communications
S&P Global Market Intelligence
press.mi@spglobal.com

If you prefer not to receive news releases from S&P Global, please email press.mi@spglobal.com. To read our privacy policy, click [here](#).

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.

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

S&P Global

S&P Global (NYSE: SPGI) provides essential intelligence. We enable governments, businesses and individuals with the right data, expertise and connected technology so that they can make decisions with conviction. From helping our customers assess new investments to guiding them through ESG and energy transition across supply chains, we unlock new opportunities, solve challenges and accelerate progress for the world.

We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. www.spglobal.com

Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("Data") contained herein, any errors, inaccuracies, omissions or delays in the Data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the Data. Purchasing Managers' Index™ and PMI® are either trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.

PMI®

by S&P Global

© 2025 S&P Global