

# S&P Global UK Construction PMI®

## UK construction output falls at slowest pace for three months

### September 2025

Civil engineering remains the weakest-performing area of activity in September

Total new work declines to the least marked extent so far in 2025

Employment decreases for ninth month running

September data indicated that the downturn in construction activity moderated again and was the least marked since June.

This was helped by a slower reduction in new work. However, construction companies remain cautious about the outlook, with business optimism little-changed from August's 32-month low.

At 46.2 in September, up from 45.5 in August, the headline S&P Global UK Construction Purchasing Managers' Index™ (PMI®) – a seasonally adjusted index tracking changes in total industry activity – reached its highest level for three months. However, the latest reading was below the neutral 50.0 value for the ninth consecutive month and still signalled a solid rate of contraction.

The slower reduction in overall construction activity in September was helped by a weaker fall in residential building work (index at 46.8). Civil engineering (42.9) was the weakest-performing segment, although activity also decreased at a softer pace than in August. Commercial construction (46.4) was the only sub-sector to register a faster rate of decline in September.

A lack of new project starts was again the main factor holding back construction output. September data indicated that order books deteriorated for the ninth month in a row, albeit only marginally and at the slowest pace over this period.

Survey respondents often noted that subdued demand, elevated business uncertainty and general hesitancy among clients had made it difficult to convert sales opportunities. Some firms nonetheless commented on new business wins related to energy projects.

Mirroring the trend for new work, latest data indicated a reduction in employment numbers for the ninth consecutive month. Construction companies cited ongoing hiring freezes and the non-replacement of departing staff in response to fewer workloads, although some reported a rise in the recruitment of apprentices.

Supply conditions improved again in September, albeit at only a modest pace. Shorter lead times for the delivery of

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



Data were collected 11-29 September 2025.  
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### Comment

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

*"September data suggested that the UK construction sector faced pressure on multiple fronts as residential, commercial and civil engineering work all continued to decrease at solid rates. Lower volumes of overall construction output have been recorded since January, although the latest reduction was the slowest for three months and the downturn in new orders was the softest so far in 2025."*

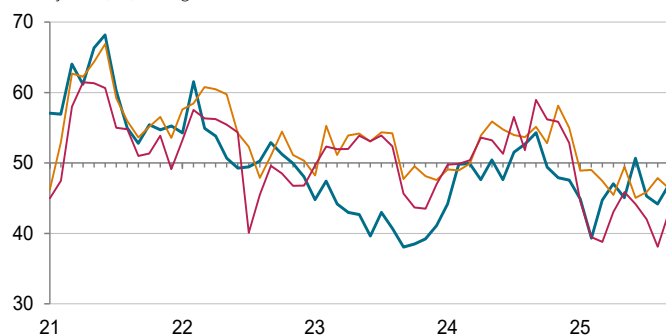
*"Business activity expectations for the year ahead were among the lowest since the end of 2022, suggesting that construction companies remained cautious about the near-term outlook and have yet to see a turning point on the horizon. Some firms hope for a boost from lower borrowing costs and noted new sales pipelines in areas such as energy security markets and infrastructure projects. However, many survey respondents reported caution among clients ahead of the Autumn Budget and a general reluctance to commit to major capital expenditure projects against a subdued domestic economic backdrop."*

*"Weak business optimism, shrinking workloads and robust cost pressures once again led to lower employment numbers across the construction sector. Lower staffing levels have now been recorded for nine months in a row, which is the longest period of job shedding since the pandemic."*

## S&P Global UK Construction PMI®

### Housing Commercial Civil Engineering

Activity Index, sa, >50 = growth m/m



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

purchased items was linked to reduced pressure on vendor capacity. Reflecting this, construction firms recorded another solid decline in input buying in September, which extended the current period of contraction to ten months.

A strong increase in purchasing prices was recorded during September. Although faster than in August, the rate of cost inflation remained softer than seen on average in the first half of 2025. Where rising input prices were reported, survey respondents noted the impact of elevated pay pressures, alongside increased energy, raw material and transport costs.

Business activity expectations for the year ahead meanwhile remained subdued, with confidence levels broadly unchanged since August and the second-lowest since December 2022. Some construction companies reported hopes of a boost from infrastructure spending, energy sector demand, lower interest rates and planning approvals (including the need for improvements to the Building Safety Act approvals system). However, this was offset by concerns about the UK economic outlook, cutbacks to capital expenditure plans and reports of uncertainty among clients ahead of the Autumn Budget.

## 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).

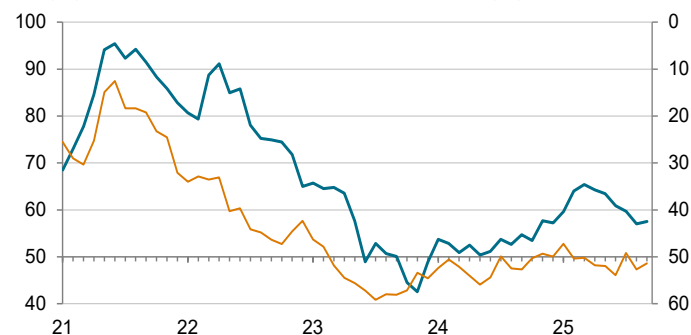
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### Input Prices

Index, sa, >50 = inflation m/m



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