News Release
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S&P Global UK Construction PMI®

Construction activity declines at fastest pace for over five years

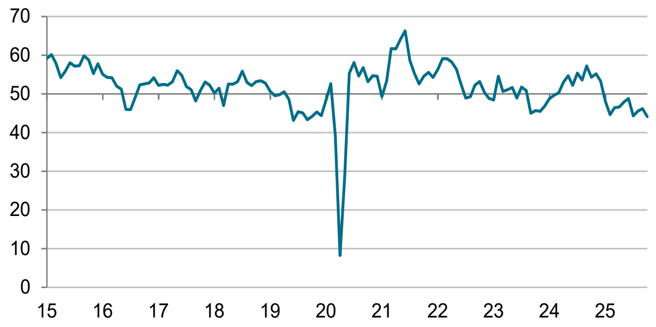
October 2025

Steep reductions in housing and civil engineering activity

Staffing levels fall to the greatest extent since August 2020

Input cost inflation moderates to a 12-month low

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



Data were collected 9-30 October 2025.
Source: S&P Global PMI. ©2025 S&P Global.

UK construction companies indicated that output levels remained on a downward trajectory in October. Moreover, the rate of decline in total industry activity was the steepest recorded since May 2020.

The headline S&P Global UK Construction Purchasing Managers' Index™ (PMI®) – a seasonally adjusted index tracking changes in total industry activity – registered 44.1 in October, down from 46.2 in September and below the 50.0 no-change mark for the tenth consecutive month. This marked the longest period of continuous decline since the global financial crisis more than 15 years ago.

Civil engineering remained the weakest-performing segment in October (index at 35.4), with business activity falling sharply and at the fastest pace since May 2020. Survey respondents widely cited a lack of new work to replace completed projects. Residential work (index at 43.6) also decreased markedly, and the latest decline was the greatest for eight months. Commercial building activity meanwhile showed some resilience as the latest index reading (46.3) was little-changed since September.

Lower levels of business activity reflected a sustained downturn in new work across the construction sector. The rate of decline accelerated since September, but remained slower than seen on average in the first half of 2025. Many construction companies noted sluggish market conditions, fewer tender opportunities and delays with the release of new projects. There were also reports that elevated political and economic uncertainty had discouraged client spending.

Shrinking workloads and increased payroll costs meant that staffing numbers were reduced again in October. The rate of job shedding was the steepest for just over five years, with survey respondents often commenting on the non-replacement of voluntary leavers. Subcontractor usage also decreased, albeit to the least marked extent since July.

Demand for construction products and materials dropped at a sharp and accelerated pace in October, which mirrored the trends seen for output and new orders. Lower input buying helped to ease pressure on supply chains, with vendor delivery times shortening for the third month in a row. At the

Comment

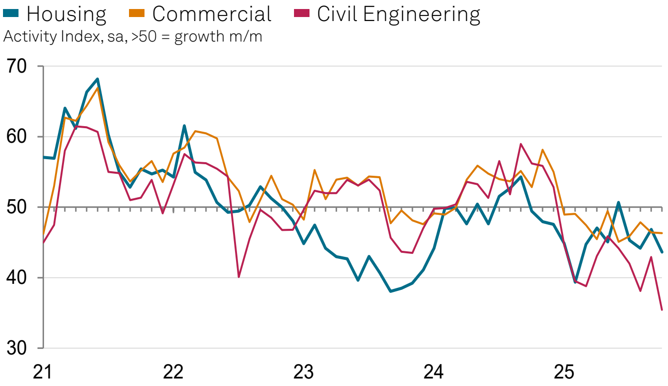
Tim Moore, Economics Director at S&P Global Market Intelligence, said:

"UK construction companies reported another challenging month in October as the prolonged weakening of order books so far in 2025 resulted in the fastest decline in business activity for over five years. Civil engineering and residential activity saw the fastest rates of contraction, while commercial building showed some resilience.

"Reduced workloads were again widely attributed to risk aversion and delayed decision-making among clients, which contributed to a slower-than-expected release of new projects. Subdued demand in the wake of heightened political and economic uncertainty also led to the steepest drop in input buying since May 2020.

"Meanwhile, some positive signals for the construction sector in October included a slowdown in cost inflation to its lowest for one year, rising subcontractor availability, and a sustained improvement in supplier performance.

"Looking ahead, business activity expectations for the coming 12 months remained much weaker than the long-run survey average, largely due to worries about fragile investment sentiment and weak sales pipelines. However, overall optimism levels edged up to the highest since July as the prospect of lower borrowing costs reportedly helped to boost demand projections."



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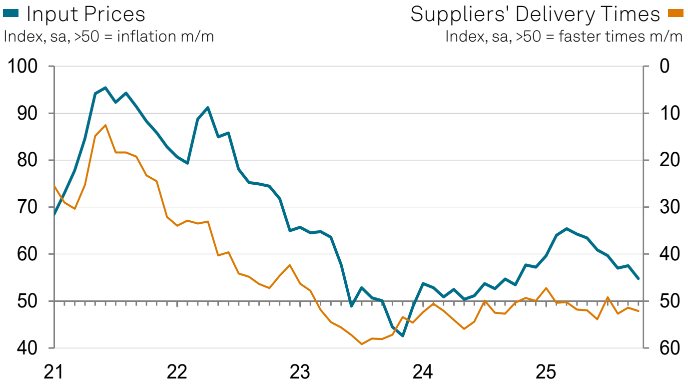

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same time, the latest survey indicated that input cost inflation across the construction sector moderated to its weakest since October 2024.

Finally, business activity expectations for the year ahead were positive overall in October. Around 34% of the survey panel predict a rise in output, while 20% forecast a reduction. Although still at a historically subdued level, the latest survey indicated that business optimism edged up to its highest since July. Lower borrowing costs, hopes of a turnaround in clients' risk appetite, and favourable demand projections in areas such as energy infrastructure spending were cited as helping to boost business expectations in October.

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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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PMI by S&P Global

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