

# Northern Ireland Quarterly Construction Bulletin

Quarter 4 2022 (October - December)

Date: 30<sup>th</sup> March 2023

Area: Northern Ireland

Theme: Business and Energy

Frequency: Quarterly

## Introduction

This statistical bulletin provides users with the latest estimates of construction output carried out in Northern Ireland for Quarter 4 2022 (October - December). It excludes work carried out by Northern Ireland Construction firms in other parts of the UK or elsewhere. All figures included in the Quarterly Construction Enquiry (QCE) are adjusted for seasonality where appropriate, where the [seasonally adjusted series](#) started in 2000.

In line with guidance detailed in the [UK National Accounts Blue Book 2022](#) (published on 31 October 2022), the base year has remained at 2019 for a second consecutive year. This is to account for any atypical movements in the series in 2020 as a result of the coronavirus (COVID-19) pandemic.

All estimates are compared to the revised Quarter 3 2022 and Quarter 4 2021 estimates. Where relevant, a comparison against the pre-pandemic value of Quarter 4 2019 is also provided for context.

## Key Points

- In the fourth quarter of 2022, the total volume of construction output increased by 8.0%. However, over the year construction output decreased by 0.8% and has decreased by 3.6% on a rolling four quarter basis. Construction output is 4.7% above the pre-Coronavirus pandemic level seen in Quarter 4 2019.
- In Quarter 4 2022, construction output saw the first quarter of growth after 3 consecutive quarters of decline. The increase in overall output in Quarter 4 2022 from the previous quarter was driven by increases within both main sectors, New Work (6.5%) and Repair and Maintenance (5.0%).
- The decrease over the year to Quarter 4 2022 in construction output was driven by a decrease within New Work (3.8%), offset by an increase in Repair and Maintenance (4.2%).
- In Quarter 4 2022, the Housing subsector (12.3%) increased over the quarter, however, both Infrastructure (4.6%) and Other Work (0.3%) subsectors decreased.

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## National Statistics

National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value, and it is our responsibility to maintain compliance with these standards.

The United Kingdom Statistics Authority has designated these statistics as National Statistics following a full [assessment](#) in March 2012. The assessment was undertaken in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the [Code of Practice for Official Statistics](#).



It is NISRA's responsibility to maintain compliance with the standards expected of National Statistics. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with the Authority promptly. National Statistics status can be removed at any point when the highest standards are not maintained, and reinstated when standards are restored.

Since the assessment by the UK Statistics Authority, we have continued to comply with the Code of Practice for Statistics, and have made the following improvements:

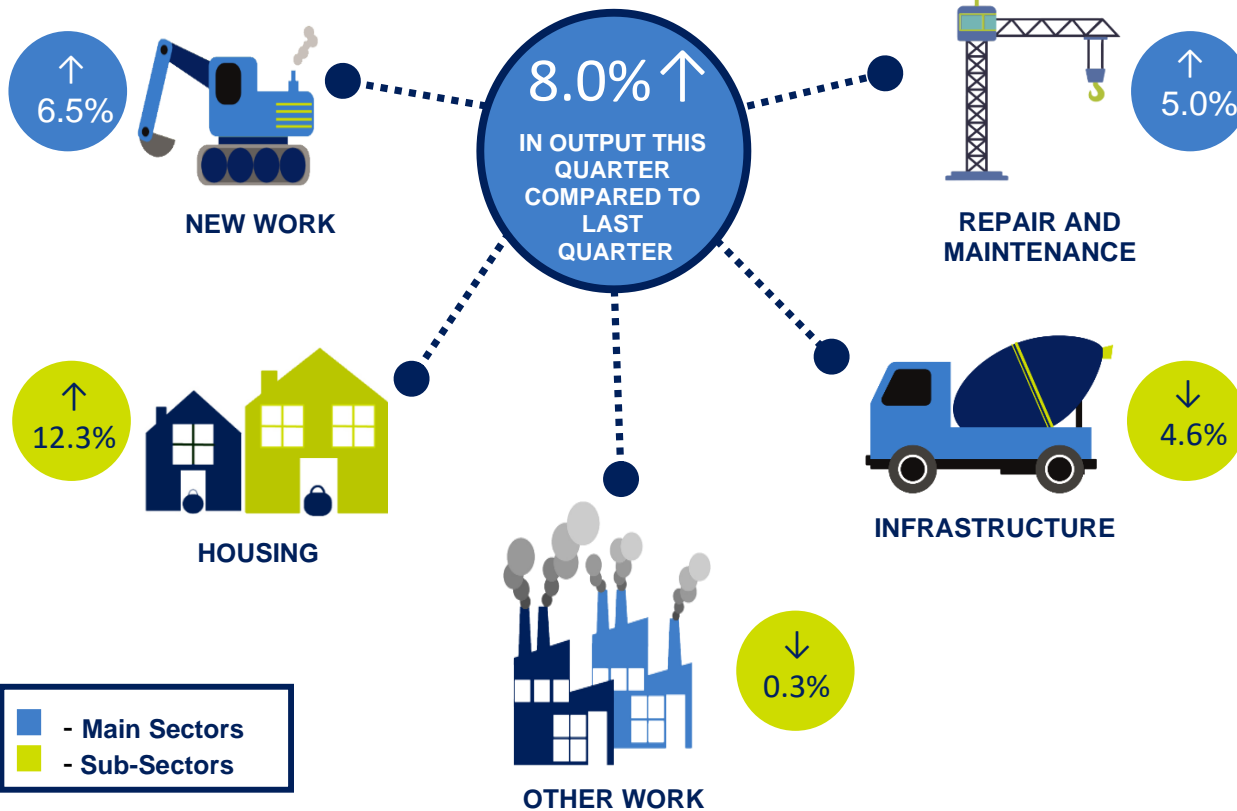
- Removed pre-release access to enhance trustworthiness, with the view to bring the publication date forward.
- Transferred data to an improved case management system (Integrated Business Survey System).
- Made improvements to the data collection process to standardise with other business surveys and ensure best practice is followed.
- Reduced business burden by offering the option of online data returns.
- Improved accessibility by amending the format and structure of reports in line with accessibility regulations.

## Publication Schedule

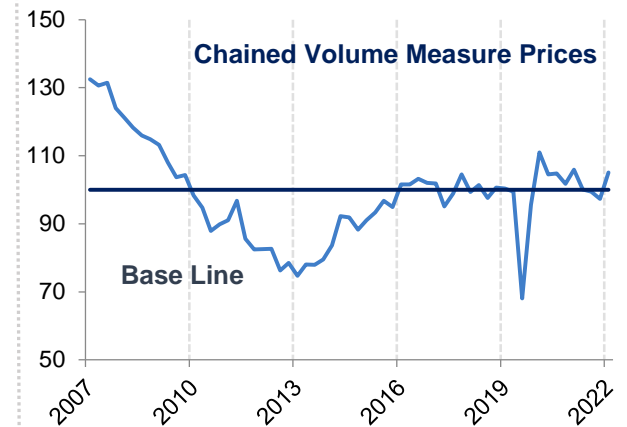
Quarter	Publication Date
2023 Quarter 1	29 June 2023
2023 Quarter 2	28 September 2023
2023 Quarter 3	11 January 2024
2023 Quarter 4	28 March 2024

# Quarterly Construction Enquiry Quarter 4 2022 Infographic

## Quarter 4 2022 Compared with Quarter 3 2022



## Overall Construction



Quarterly Change

**8.0%**



Annual Change

**- 0.8%**



## 2 Introduction

The Construction Output Statistics published in the Northern Ireland Construction Bulletin are intended to provide a general measure of quarterly and annual changes in the volume and value of construction output in Northern Ireland. These figures are produced from the Northern Ireland Quarterly Construction Enquiry (QCE) which is a statutory survey of construction firms operating in Northern Ireland, collected under the [Statistics of Trade and Employment \(Northern Ireland\) Order 1988](#). Each quarter, a sample of approximately 750 construction firms are asked to provide details of the value of construction activity they have undertaken in a specified period. The survey also covers public sector organisations (for example, the [DfI Roads](#)) undertaking their own construction activity.

The Construction Output estimates are published as [Chained Volume Measures PDF \(59KB\)](#). Chained Volume Measures show volume trends in construction output over time by removing inflationary price effects.

### Main uses of Construction Output Statistics

The Construction Output statistics are used by National Accounts in the calculation of the output measure of UK Gross Domestic Product (GDP) and also by the [Northern Ireland Composite Economic Index \(NICEI\)](#) in the calculation of the Economic Output of the Northern Ireland Economy. The results are used by Northern Ireland Government Departments, Economists, Construction Industry Analysts and Academics to understand the state of the construction sector and the broader economy in Northern Ireland. A [summary of the main usage](#) of Northern Ireland Construction Output Statistics is also available.

## 3 Context

The latest regional [Gross Value Added \(GVA\) data for Northern Ireland](#) indicates that the construction industry was estimated to account for 6.7% of regional GVA in 2020. Consequently, the construction industry is considered to be an important element of the Northern Ireland economy and this explains why there is so much interest in the construction output statistics.

### Other Key Economic Indicators and the Wider Economy

The Construction Output Statistics are one of a number of economic indicators which provide an overview of the Northern Ireland Economy. Information on other key Northern Ireland economic indicators can be found below. Together they provide users with a comprehensive account of how the Northern Ireland Economy is performing across a range of indicators. Figures on the [Northern Ireland Labour Market](#) are published monthly.

Other key economic indicators measuring the performance of the Northern Ireland economy exist for the Production and Service sectors. The [Index of Production \(IoP\)](#), the [Index of Services \(IoS\)](#) and the [Retail Sales Index \(RSI\)](#) are derived from separate surveys of businesses in the production and service sectors. The IoP, IoS and RSI are published quarterly.

The [Northern Ireland Composite Economic Index \(NICEI\)](#) has been developed using data from existing quarterly indices of output from the Production, Services and Construction sectors. These sources have been combined (on the basis of industry share of GVA) with Agricultural output data and employee jobs data for the public sector to provide a seasonally adjusted and deflated measure of change in economic activity.

The Department for the Economy (DfE) also produces an [Economic Commentary](#), which provides an overview of the state of the Northern Ireland economy, setting it in context with the UK and the Republic of Ireland. The most up-to-date official statistics on the economy and labour market are available on the [Economic Overview section](#) and the [Economic Output section](#) of the [Economic and Labour Market Statistics \(ELMS\) section](#) of the NISRA website.

### Other Information

Additional information relating to the [construction sector in Northern Ireland](#) can be found online within the [Structure of the Industry tables](#), this includes provision of information related to the following:

- Type of construction firms operating in Northern Ireland;
- Number of people employed in the construction industry in Northern Ireland;
- Average earnings in the construction industry in Northern Ireland; and
- Reported accidents in the construction industry in Northern Ireland.

Additional Background Notes for this publication, including definitions, the methodology used, revisions to previous published data and information on data quality, can be found within the [methodology section](#) online.

Similar statistics on [Construction Output for Great Britain](#) are published by the Office for National Statistics (ONS), noting that in 2019, the Great Britain Construction publication was [re-designated as National Statistics](#).

# 4 Construction Output Summary

Quarter 4 (October - December) 2022

## Overall Output

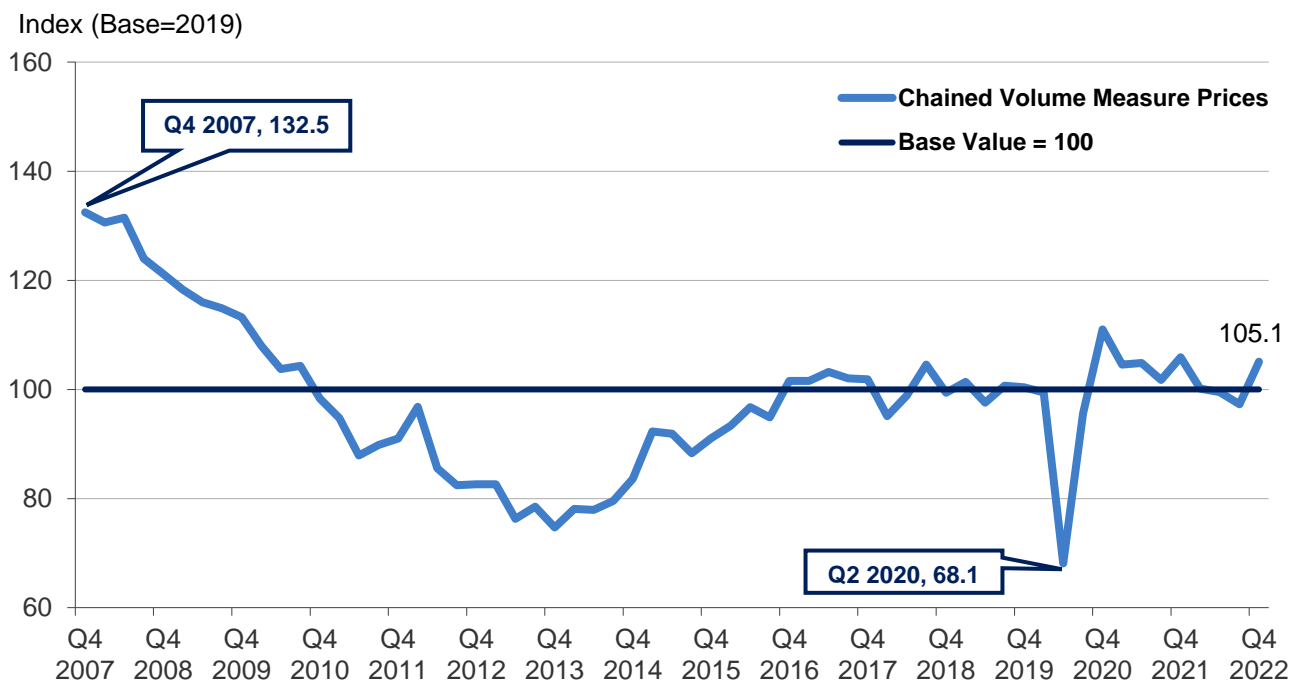
**Construction Output:** Construction activity measured by the QCE includes general construction and demolition work, construction and repair of buildings, civil engineering, installation of fixtures and fittings and any other building completion work. This output is then converted into an index value which is a convenient form of expressing a series in a way that makes it easier to see changes in that series. The numbers in the series are expressed relatively, in this case the average of the turnover in 2019 chosen to be the 'base' (expressed as 100) and other turnover values being measured relative to this base.

Construction output increased in the fourth quarter of 2022 by 8.0%; however over the year (December 2021 to December 2022) the volume of construction output decreased by 0.8%.

Construction output reached a notable series low in Quarter 2 2020, after the onset of the Covid-19 pandemic. The volume of construction output recovered over the next two quarters to reach a peak in Quarter 4 2020. However, since this recent high, the series has been on a downward trend, which can be seen in decreases in both the year on year change (0.8%) and on a rolling four quarters basis (3.6%), between Quarter 1 2021 and Quarter 4 2022.

Construction output is now 4.7% above the pre-pandemic figure seen in Quarter 4 2019. However, output remains 20.7% below the 15 year peak seen in Quarter 4 2007.

**Figure 1: Volume of Construction Output in NI, Q4 2007 – Q4 2022**



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## Construction Output - New Work and Repair and Maintenance

In Quarter 4 2022, New Work accounted for around two thirds (64.0%) of all construction output, whilst Repair and Maintenance accounted for around one third (34.7%). Historically in Northern Ireland, New Work has been the largest sub-component of Overall Construction Output.

(Please note percentages do not always tally to 100 as each category is individually deflated and seasonally adjusted)

### New Work

**New Work (weight = 64.0% of QCE):** is any new construction activity for example, factory and office extensions, major re-construction, major alterations, site preparation and demolition.

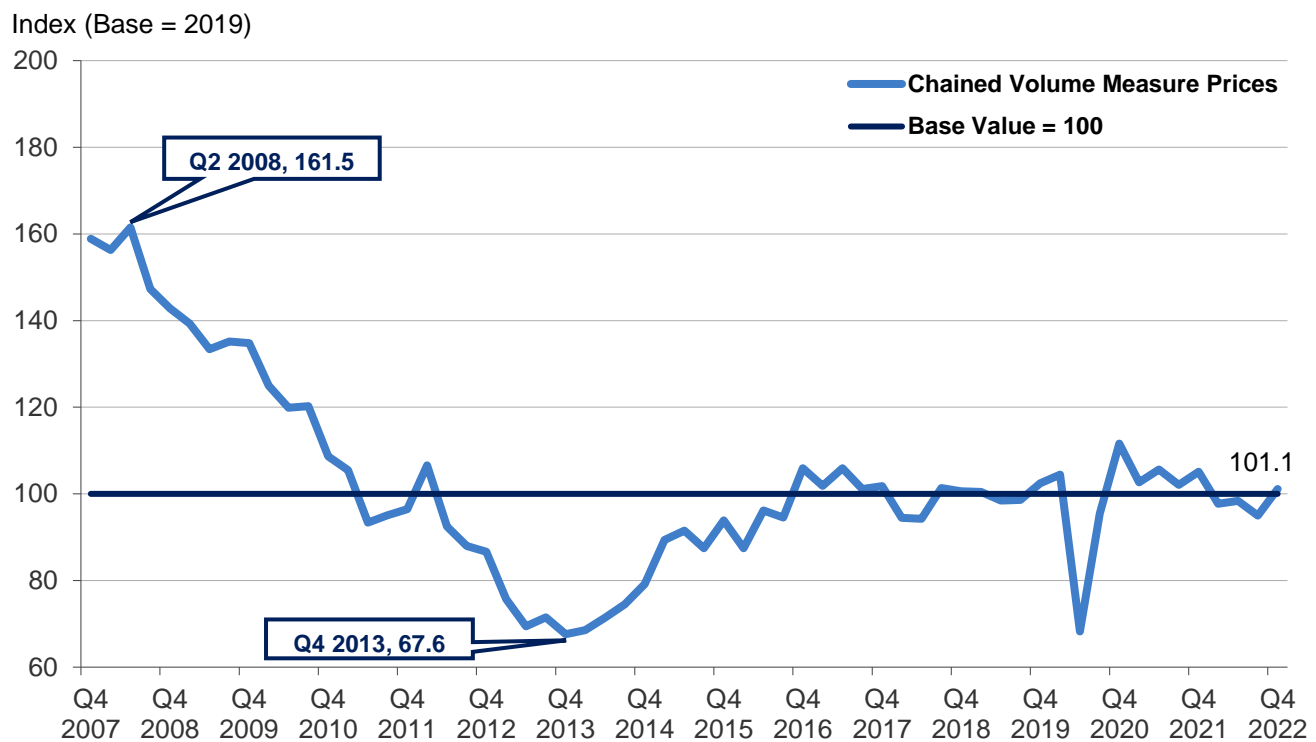
In the fourth quarter of 2022, the volume of New Work increased by 6.5% over the quarter but decreased by 3.8% over the year and decreased by 5.6% on a rolling four quarter basis (Figure 2).

Similar to overall construction output, the volume of New Work reached a low point in Quarter 2 2020, followed by consecutive quarterly increases to reach a recent peak in Quarter 4 2020. However, since this recent high, the series has been on a downward trend, showing decreases in both the year on year change (3.8%) and on a rolling four quarters basis (5.6%).

New Work output remains 1.3% below the pre-Coronavirus pandemic level seen in Quarter 4 2019.

New Work is 37.4% below the 15 year high seen in Quarter 2 2008 and is 49.6% above the series low seen in Quarter 4 2013.

**Figure 2: Volume of New Work Output in NI, Q4 2007 – Q4 2022**



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## Repair and Maintenance

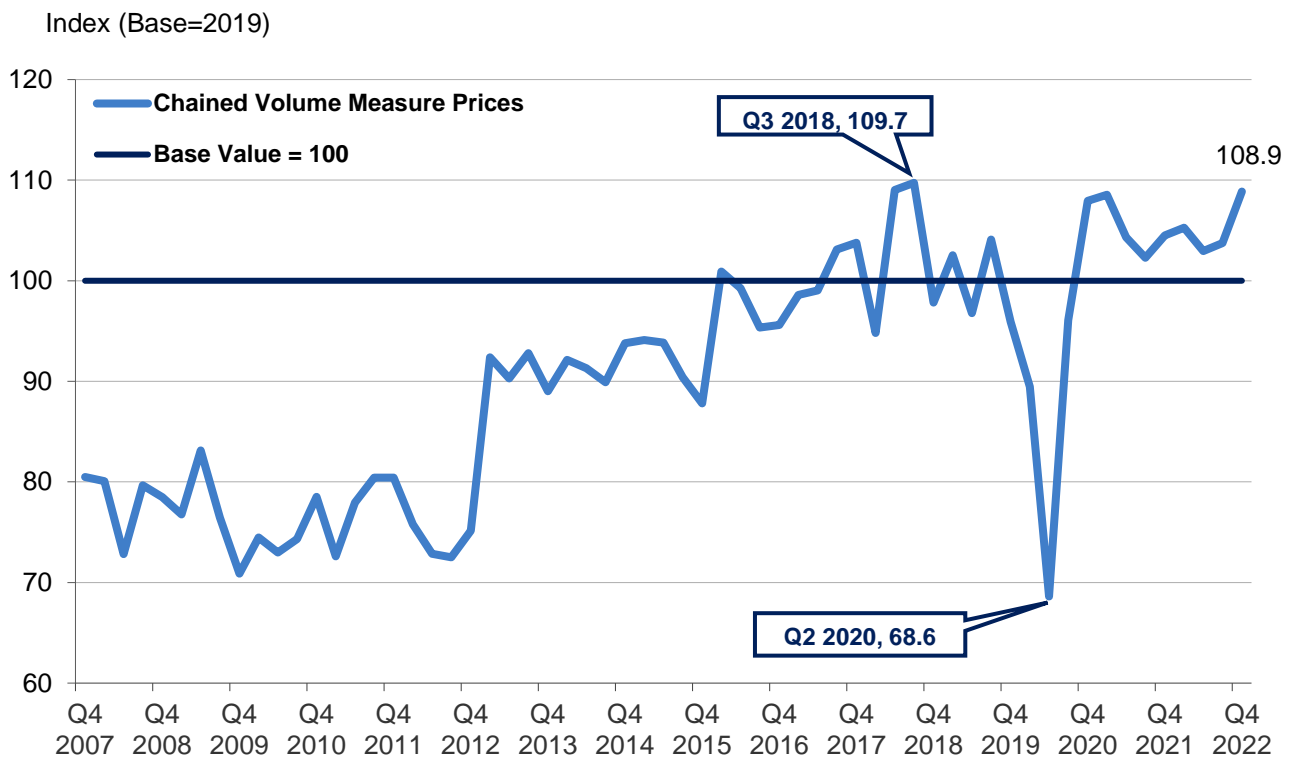
**Repair and Maintenance (weight = 34.7 % of QCE):** is all on-site work not defined as new construction, for example, housing conversions, extensions and improvements.

In Quarter 4 2022, Repair and Maintenance output increased by 5.0% over the quarter, increased by 4.2% over the year and increased by 0.3% on a rolling four quarter basis (Figure 3).

In the fourth quarter of 2022, Repair and Maintenance output is at its highest level since the series peak seen in Quarter 3 2018 and is 13.5% above the pre-coronavirus pandemic level seen in Quarter 4 2019.

Repair and Maintenance output in Quarter 4 2022 is 58.7% above the 15 year low seen in Quarter 2 2020.

**Figure 3: Volume of Repair and Maintenance Output in NI, Q4 2007 – Q4 2022**



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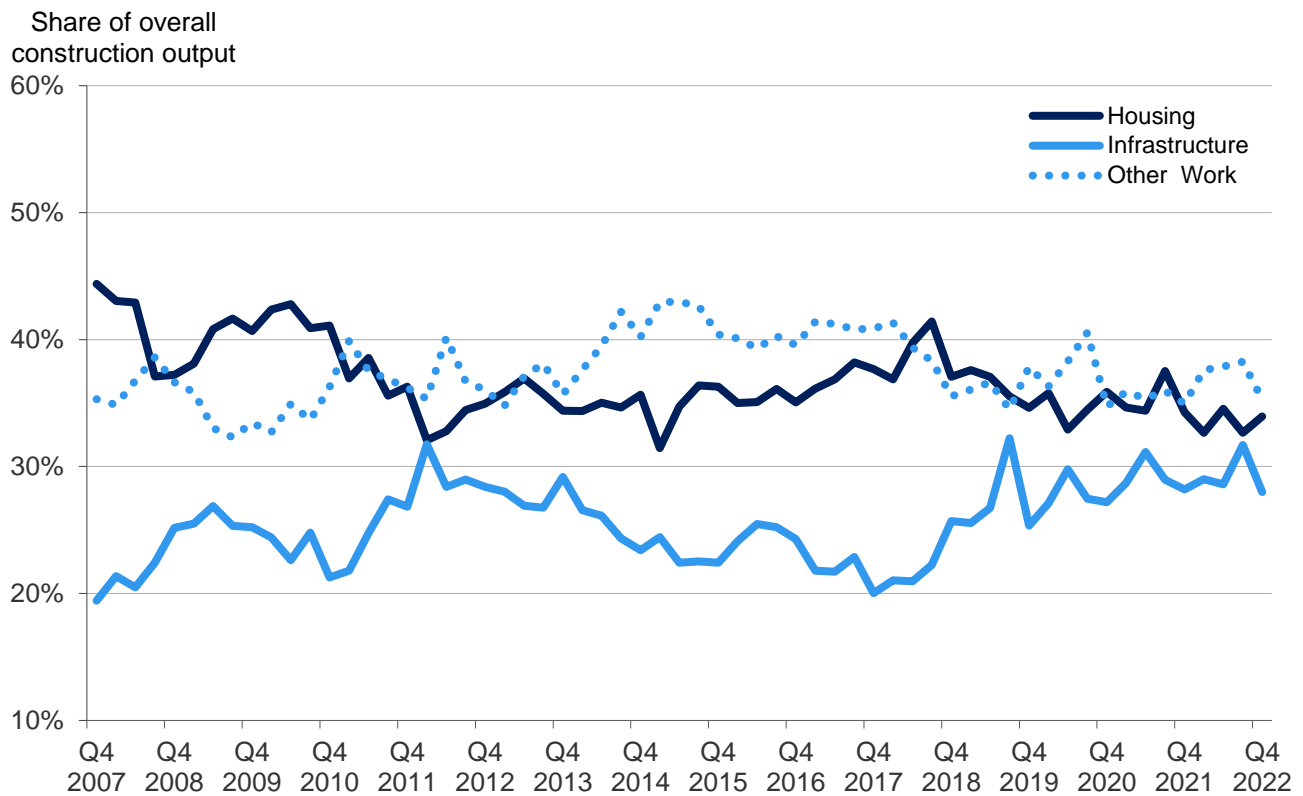
## Construction Output – Housing, Infrastructure and Other Work

In Quarter 4 2022, the largest sub-sector was Other Work which accounted for 35.3% of all construction output, followed by Housing (33.9%) and then Infrastructure (28.0%).

(Please note percentages do not always tally to 100 as each category is individually deflated and seasonally adjusted)

Figure 4 below shows the percentage share of overall Construction Output broken down into the 3 sub-sectors. Housing and Other Work have historically been the largest sub-sectors of Construction Output in Northern Ireland.

**Figure 4: Share of overall Construction<sup>1</sup> Output broken down into Housing, Infrastructure and Other Work, Q4 2007 – Q4 2022**



[Download Q4-22 Data](#)

<sup>1</sup> Percentages do not always tally to 100 as each category is individually deflated and seasonally adjusted

## Housing Output

**Housing Output (weight = 33.9% of QCE):** is defined as all public and private sector construction activity (New Work and Repair & Maintenance) associated with Housing.

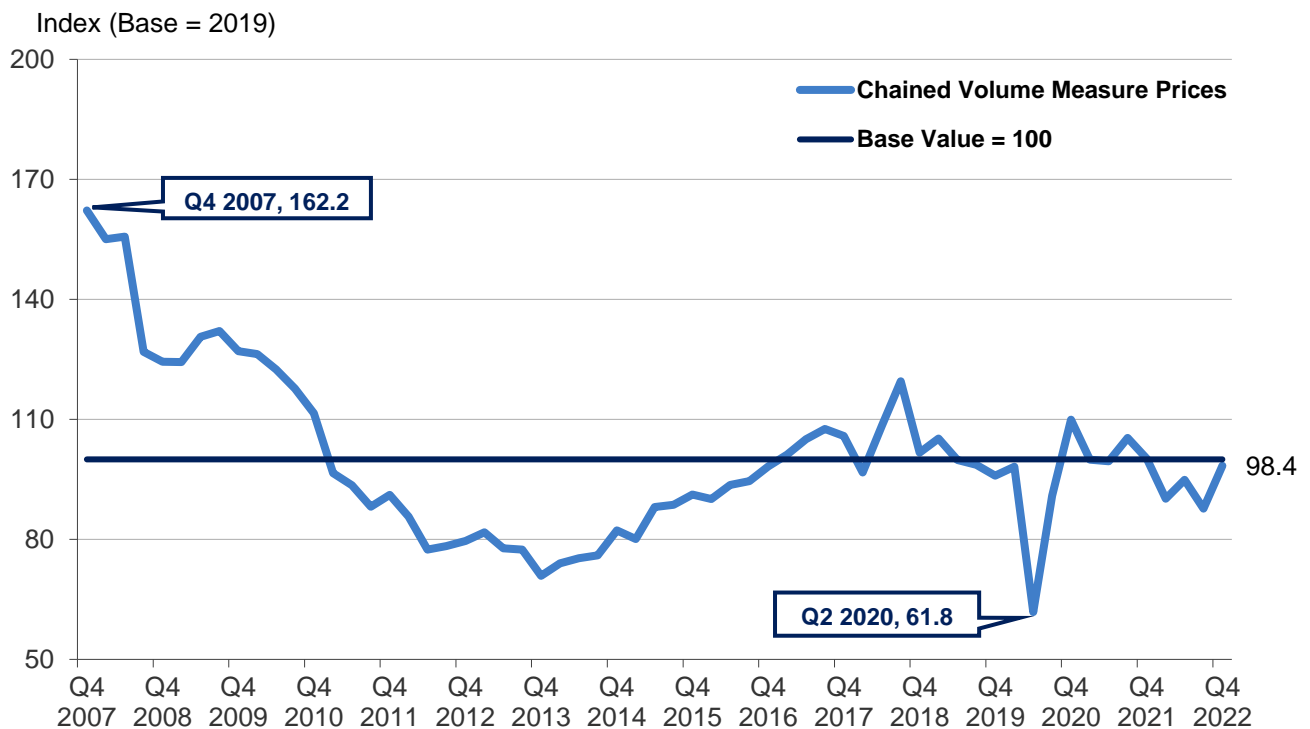
In the fourth quarter of 2022, the volume of Housing output increased by 12.3% over the quarter but decreased by 1.7% over the year and decreased by 8.3% on a rolling four quarter basis (Figure 5).

Despite the increase in the volume of Housing output in Quarter 4 2022, the series has been on a downward trend since Quarter 4 2020. Housing output has experienced an annual decrease for the fifth consecutive quarter, following four quarters of annual growth.

Housing output is 2.6% above the pre-Coronavirus pandemic level seen in Quarter 4 2019.

While Housing Output is now 59.2% above the 15 year low seen in Quarter 2 2020, it remains 39.3% below the 15 year high seen in Quarter 4 2007.

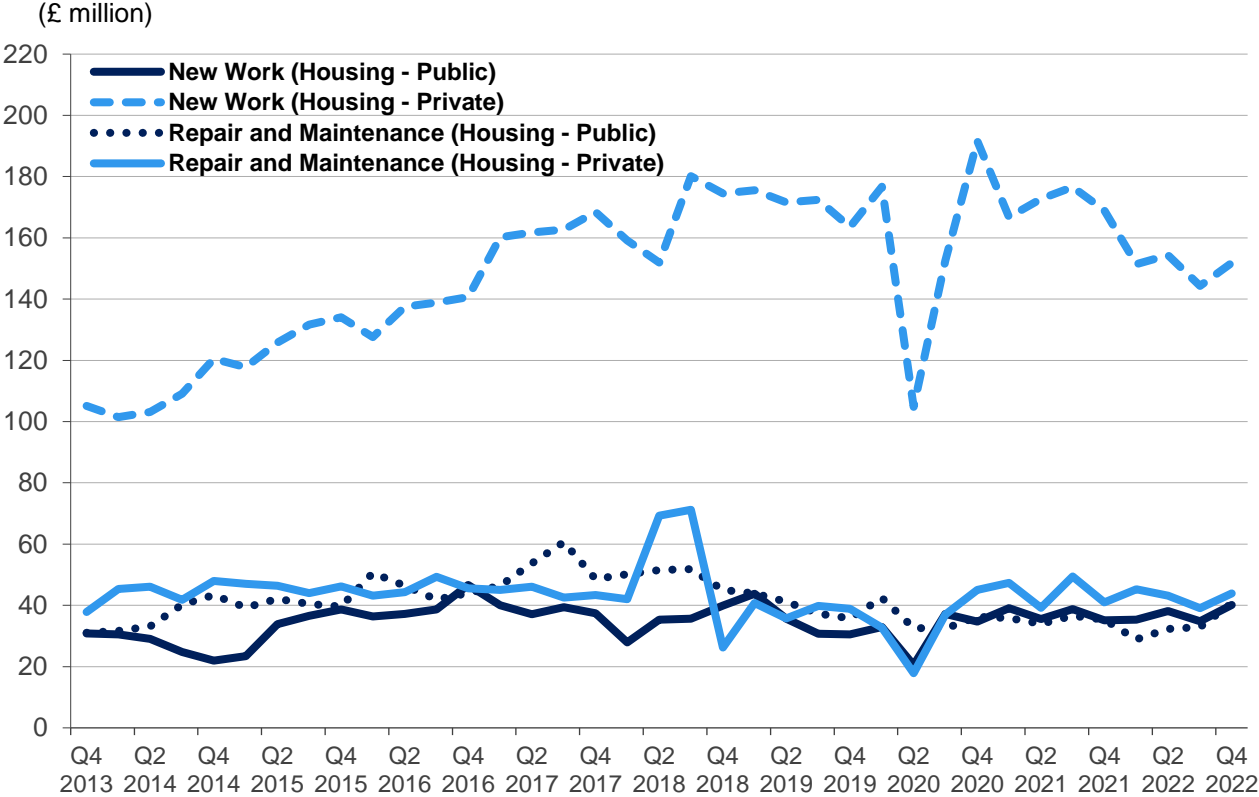
**Figure 5: Volume of Housing Output in NI, Q4 2007 – Q4 2022**



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Figure 6 shows that in Quarter 4 2022, there were increases within all Housing Output sub-components. New Work Housing Public (15.3%), New Work Housing Private (5.2%), Repair and Maintenance Housing Public (23.6%), and Repair and Maintenance Housing Private (12.3%), when compared with the previous quarter (Figure 6).

**Figure 6: Housing Output broken down by its sub-components, Q4 2013 – Q4 2022**



[Download Q4-22 Data](#)

## Infrastructure Output

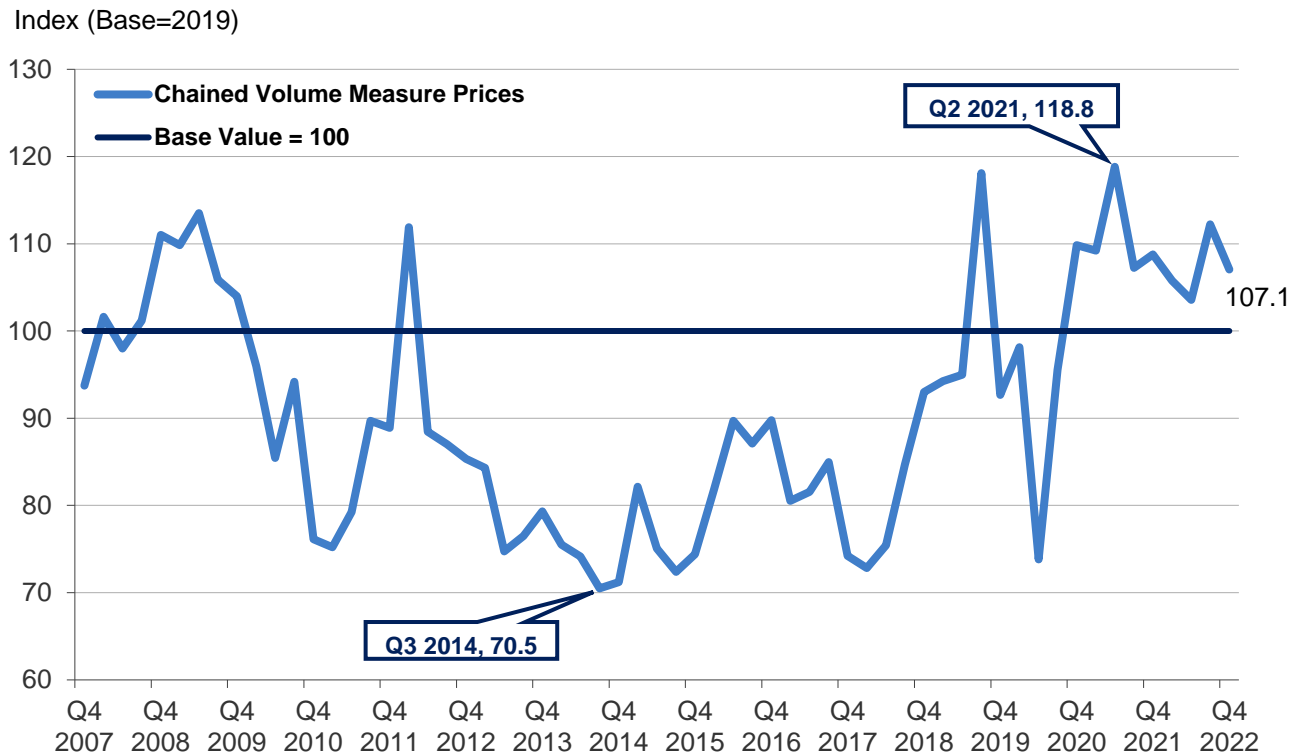
**Infrastructure Output (weight = 28.0% of QCE):** is defined as all public and private sector construction activity (New Work and Repair & Maintenance) associated with roads, bridges, car parks, footpaths, water, sewage, electricity, gas, communications, air transport, railways, harbours and waterways.

In the fourth quarter of 2022, the volume of Infrastructure output decreased by 4.6% over the quarter, decreased by 1.6% over the year and decreased by 3.5% on a rolling four quarter basis (Figure 7).

Infrastructure output is 15.5% above the pre-Coronavirus pandemic level seen in Quarter 4 2019.

In Quarter 4 2022, Infrastructure output was 51.9% above the 15 year low seen in Quarter 3 2014, however output remains 9.9% below the series high seen in Quarter 2 2021.

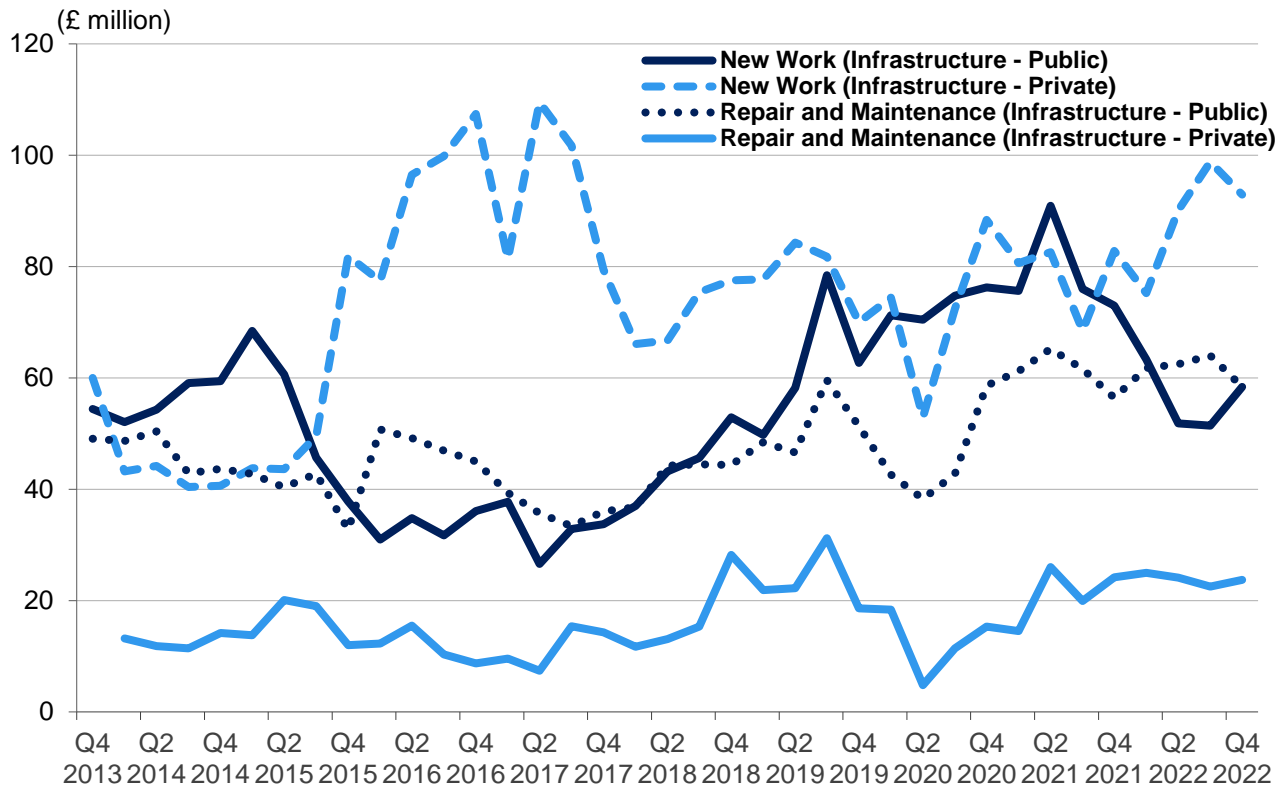
**Figure 7: Volume of Infrastructure Output in NI, Q4 2007 – Q4 2022**



[Download Q4-22 Data](#)

The decrease in Infrastructure in Quarter 4 2022 was driven by decreases within sub-components New Work Infrastructure Private (6.0%), and Repair and Maintenance Infrastructure Public (8.8%), offset by increases in Repair and Maintenance Infrastructure Private (5.3%), and New Work Infrastructure Public (13.4%) compared with the previous quarter (Figure 8).

**Figure 8: Infrastructure Output broken down by its sub-components, Q4 2013 – Q4 2022**



[Download Q4-22 Data](#)

<sup>1</sup>Please note in Figure 8 Repair and Maintenance Infrastructure Private series begins in Quarter 1 2014. Before 2014, all Repair and Maintenance Infrastructure work was assumed to be public. This was reviewed when the survey changed in 2014.

## Other Work Output

**Other Work Output (weight = 35.3% of QCE):** is defined as all public and private sector construction activity (New Work and Repair & Maintenance) associated with the following; Industrial, for example, factories and warehouses or else Non-industrial, for example, schools, health centres and banks.

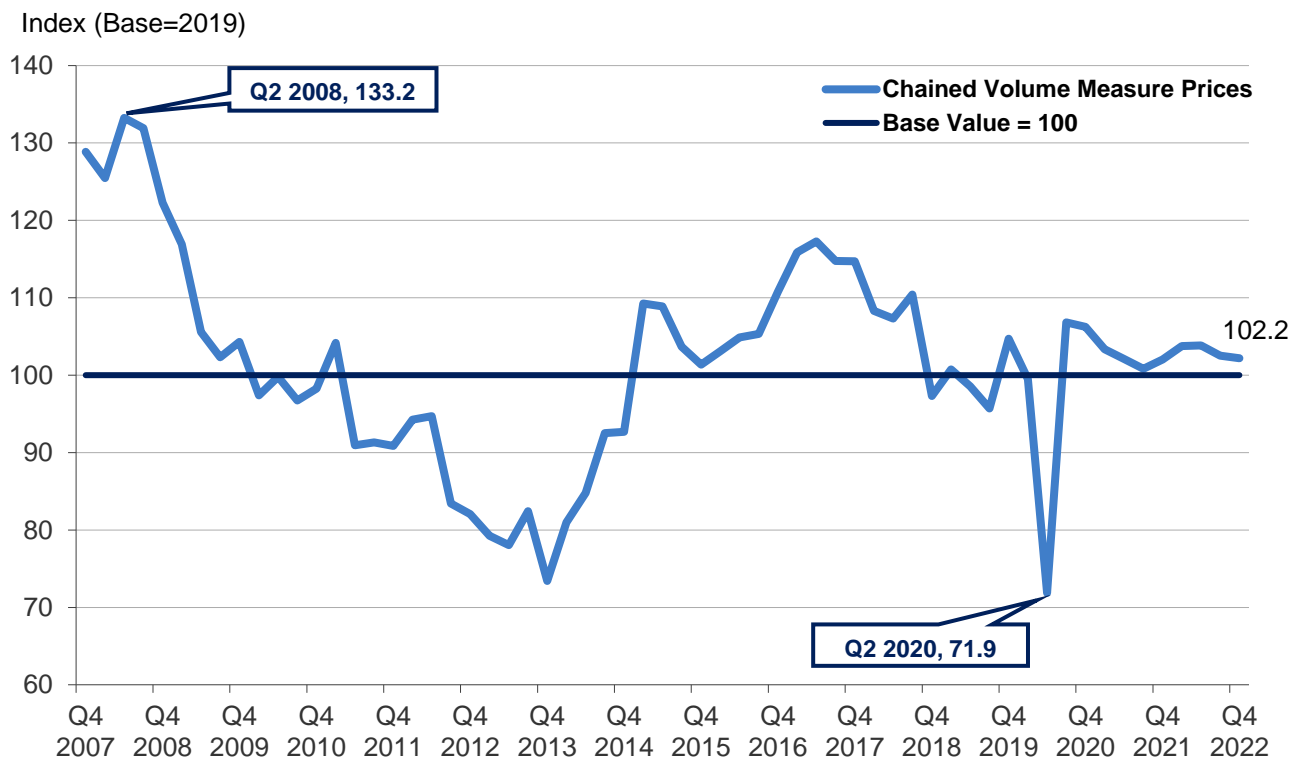
In the fourth quarter of 2022, the volume of Other Work output decreased by 0.3% over the quarter but increased by 0.2% over the year and increased by 1.0% on a rolling four quarter basis (Figure 9).

Other Work reported its fourth consecutive quarter of annual growth following two consecutive quarters of annual decline.

Other Work output is 2.4% below the pre-Coronavirus pandemic level seen in Quarter 4 2019.

Other Work in Quarter 4 2022 is 23.3% below the 15 year high seen in Quarter 2 2008 and is 42.2% above the series low recorded in Quarter 2 2020.

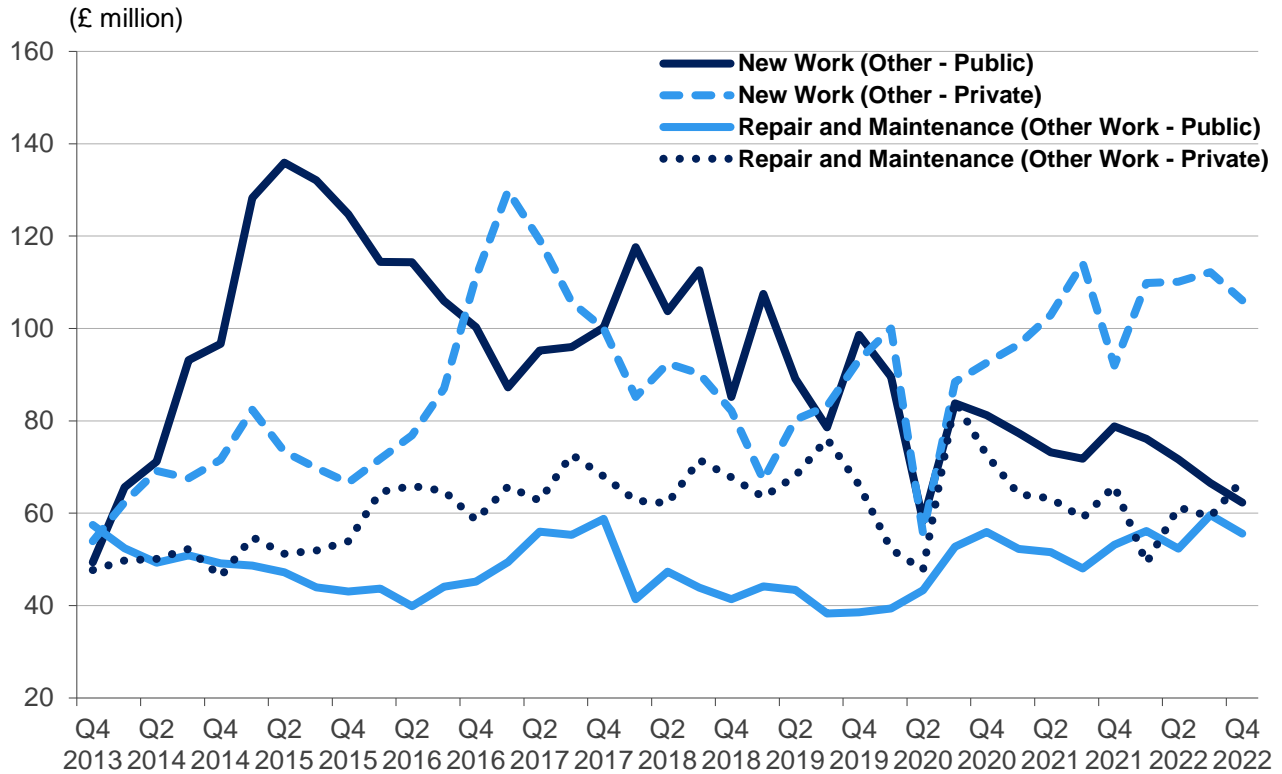
**Figure 9: Volume of Other Work Output in NI, Q4 2007 – Q4 2022**



[Download Q4-22 Data](#)

The decrease in Other Work output seen in Quarter 4 2022 was driven by decreases within New Work Other Public (6.4%), New Work Other Private (5.4%), and Repair and Maintenance Other Work Public (6.7%). The only exception was Repair and Maintenance Other Work Private (13.3%), which increased compared with the previous quarter (Figure 10).

**Figure 10: Other Work Output broken down by its sub-components, Q4 2013 – Q4 2022**



[Download Q4-22 Data](#)

## 5 Survey Response

Response rates provide an indication of the accuracy of final estimates. A [breakdown of valid response by stratum](#) is available online. Non-response bias is a potential issue for all statistical surveys. Non-response bias occurs where the responses of respondents differ from potential responses of non-respondents. The risk of non-response bias on the Northern Ireland Quarterly Construction Enquiry is minimised by the ongoing efforts to maximise response rates across all strata. Users should also be aware that a Census is taken of large firms (Strata 5 and 6) and these firms collectively account for approximately three-fifths of total construction turnover based on the Inter-Departmental Business Register (IDBR). More information on the [quality of the construction output](#) estimates can be found online.

### Impact of COVID-19 on data collection and estimates

COVID-19 impacted on the data collection and the validation of construction data, which are collected by the Quarterly Business Survey. The following table provides an overview of median coverage response rates for 2019, 2020, and 2021, compared to Quarter 4 2022:

Response rate type	Quarter 4 2022	2021 (median)	2020 (median)	2019 (median)
<b>Coverage response rate (returned turnover)</b>	69.7%	51%	45%	64%

Revisions to construction output estimates can be tracked through the [revisions triangle](#) which is published alongside the QCE publication. Comparisons of provisional 2020/21 estimates at sub-sector levels in particular should be treated with caution.

## 6 Construction Output Tables

- [Table 1.1 Output in Northern Ireland: Chained volume measure \(2019\) prices, \(seasonally adjusted\) index numbers – Main Sectors](#)
- [Table 1.2 Output in Northern Ireland: Chained volume measure \(2019\) prices, \(seasonally adjusted\) index numbers – Sub-Sectors](#)
- [Table 1.3 Value of Output in Northern Ireland by Construction Sector - Current Prices \(£ million\)](#)
- [Table 1.4 Volume of Output in Northern Ireland by Construction Sector - Chained Volume Measure \(2019\) Prices and Seasonally Adjusted \(£ million\)](#)
- [Table 1.5 Value of Output1 in Northern Ireland \(Private Contractors only\) by Stratum of Firm](#)
- [Table 1.6 Value of New Work Output1 in Northern Ireland by Type of Work](#)

The [tables from the current publication](#), which include data back to 2000, are available in MS Excel and Open Document format.



# 7 Further Information

## User Feedback

As a user of these statistics, we would welcome feedback on this release, in particular on the content, format and structure.

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