

Northern Ireland Quarterly Construction Bulletin

Quarter 4 2018

Correction Q1 – Q4 2018

As part of its work to produce the Q1 2019 Quarterly Construction Enquiry (QCE) publication, which was published on 18th July 2019, NISRA identified an error that affects the data presented in the 2018 Q1 to Q4 publications previously released. Importantly, the extent of the error does not amend the overall direction of the trend of the NI Construction sector that was presented in these previous releases.

[Tables](#) containing corrected figures for the four quarters in question were issued on 18th July 2019 alongside the [Q1 2019 QCE publication](#), which include [further details](#) on the nature and impact of the error. The corrected figures were incorporated in the Northern Ireland Composite Economic Index, which was also published on 18th July 2019.

NISRA will review its processes to minimise the risk of such errors occurring in the future and apologises for any inconvenience caused.

In line with best practice, a wider methodological review of the NI QCE is planned to be undertaken over the next number of months. A full update on the methodological assessment will be published alongside any revisions that may occur as a result of the review.

Key points

This statistical bulletin provides users with the latest estimates of construction output carried out in Northern Ireland for Q4 2018. It excludes work carried out by Northern Ireland Construction firms in other parts of the UK or elsewhere.



The total volume of construction output in the fourth quarter of 2018 decreased by 4.0% compared with Q3 2018, and was 1.7% lower compared to the same quarter in 2017 (Figure 1). Despite fluctuations, the total volume of construction output in NI has been on an upward trend since Q4 2013.

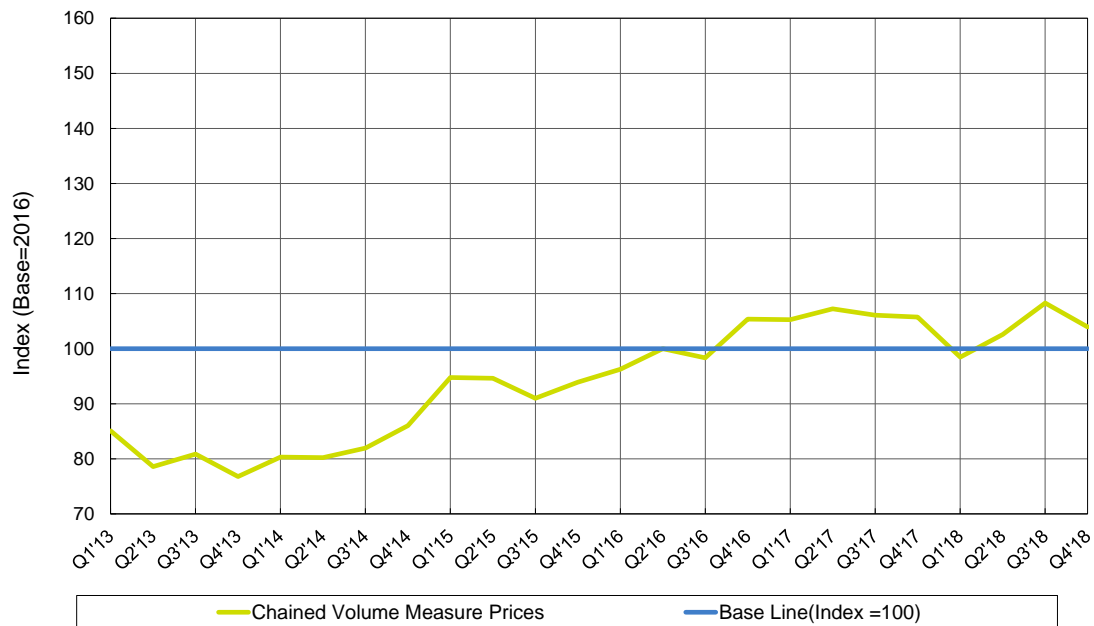


The decrease in the overall output in Q4 2018 from the previous quarter was accounted for by a 0.4% decrease in New Work and a 6.8% decrease in Repair and Maintenance.



In Q4 2018, there were decreases in Housing (-12.0%) and Other Work (-7.5%) however there was an increase in Infrastructure (+13.3%), compared with the previous quarter.

Figure 1: Volume of Construction Output in NI



Contents

1	Infographic	4
2	Introduction	5
3	Context	6
4	Construction Output Summary	8
5	Survey Response	16
6	Construction Output Table	17
7	Further Information	18

National Statistics

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](#).



National Statistics status means that official statistics meet the highest standards of trustworthiness, quality and public value.

All official statistics should comply with all aspects of the [Code of Practice for Official Statistics](#). They are awarded National Statistics status following an assessment by the Authority's regulatory arm. The Authority considers whether the statistics meet the highest standards of Code compliance, including the value they add to public decisions and debate.

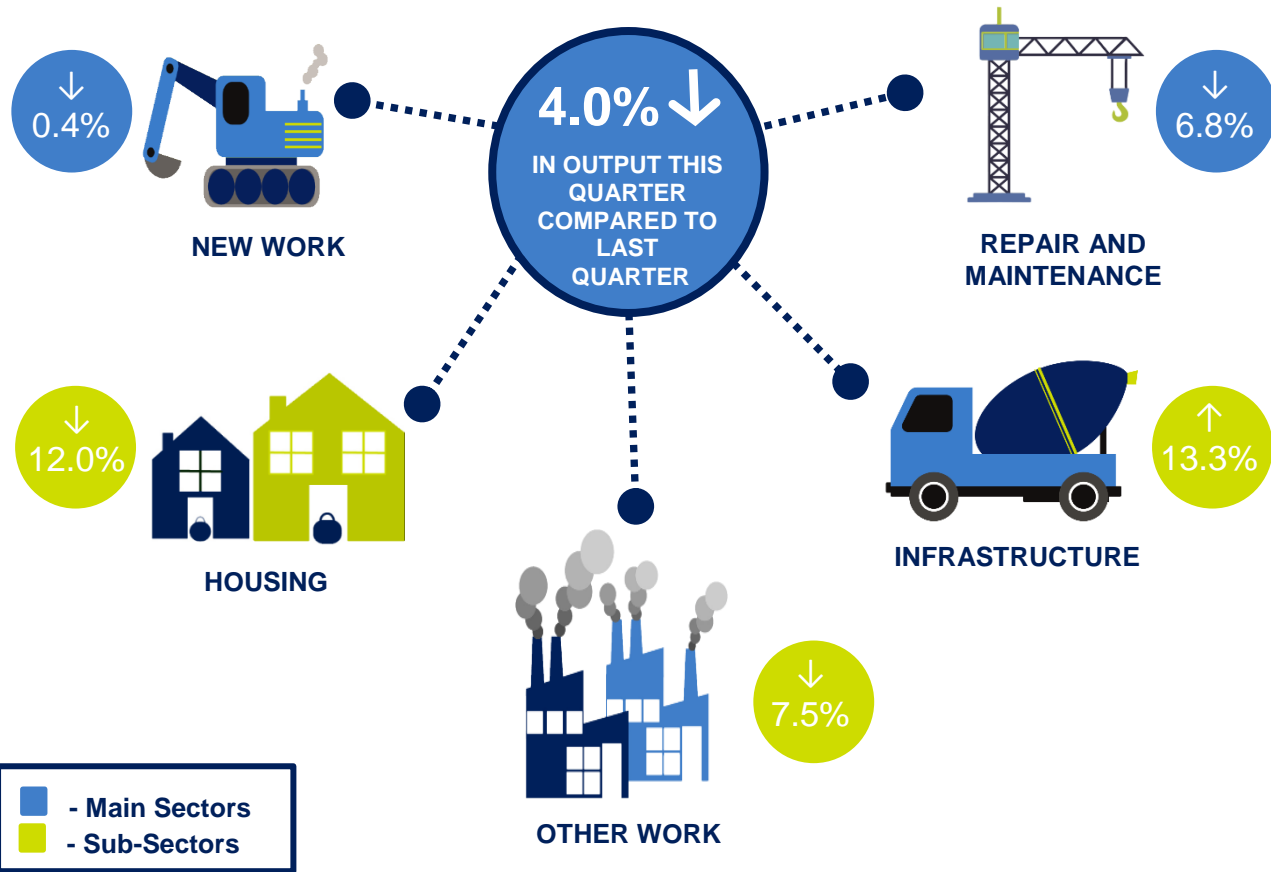
It is NISRA's responsibility to maintain compliance with the standards expected of National Statistics. If we become concerned about whether these statistics are still meeting the appropriate standards, we will discuss any concerns with the Authority promptly. National Statistics status can be removed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

Publication Schedule

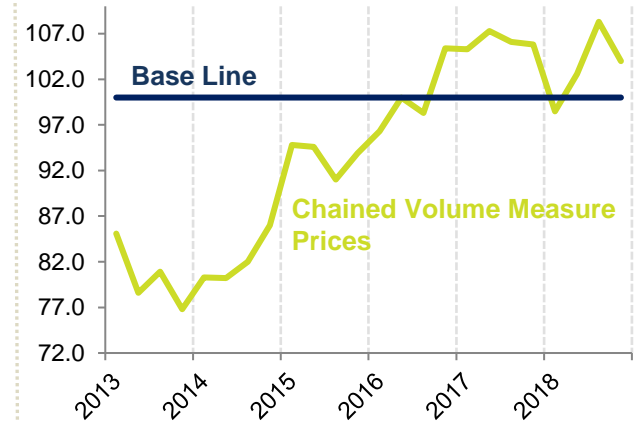
Quarter	Publication Date
2019 Quarter 1	18 July 2019
2019 Quarter 2	10 October 2019
2019 Quarter 3	16 January 2020
2019 Quarter 4	9 April 2020

Quarterly Construction Enquiry 2018 Quarter 4 Infographic

2018 Quarter 4 Compared to 2018 Quarter 3 – Variables



Overall Construction



Quarterly Change

- 4.0%



Annual Change

- 1.7%



2 Introduction

The Construction Output Statistics published in the Northern Ireland Construction Bulletin are intended to provide a general measure of quarterly 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 700 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 Roads Service) undertaking their own construction activity.

The Construction Output estimates are published as chained volume measures. 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 output measure of NI Gross Value Added (GVA). 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 available at:

https://www.nisra.gov.uk/sites/nisra.gov.uk/files/publications/QCE-Summary-Usage_0.pdf

3 Context

The latest regional Gross Value Added (GVA) data for Northern Ireland indicates that the construction industry was estimated to account for 7.2% of regional GVA in 2017. 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. The latest regional GVA data for Northern Ireland is available at:

<http://www.ons.gov.uk/economy/grossvalueaddedgva>

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 and the latest Northern Ireland Labour Market Report is available at:

<https://www.nisra.gov.uk/statistics/nisra-economic-and-labour-market-statistics-elms/economic-overview>

Other key economic indicators measuring the performance of the Northern Ireland economy exist for the Production and Service sectors. The Index of Production (IoP) and the Index of Services (IoS) are derived from separate surveys of businesses in the production and service sectors. The IoP and the IoS are published quarterly. More information about the IoP and the IoS, and the latest results for both surveys are available at:

<https://www.nisra.gov.uk/statistics/economy/economic-output-statistics>

The Northern Ireland Economic Composite 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 latest Statistical Bulletin, Press Release and Methodology Paper can be accessed at the following link:

<https://www.nisra.gov.uk/statistics/economic-output-statistics/ni-composite-economic-index>

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 latest Economic Commentary is available at:

<https://www.economy-ni.gov.uk/publications/dfe-economic-commentary>

Other Information

Additional information relating to the construction sector in Northern Ireland can be found at the following link:

<https://www.nisra.gov.uk/system/files/statistics/Construction-structure-Q4-2018.pdf>

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 accessed at the following link:

<https://www.nisra.gov.uk/publications/construction-output-statistics-methodology>

Similar statistics on Construction Output for Great Britain are published by the Office for National Statistics at:

<http://www.ons.gov.uk/atoz?query=output+in+the+construction+industry>

In 2019, the Great Britain Construction publication was re-designated as National Statistics, further information can be found at:

https://www.statisticsauthority.gov.uk/correspondence/national-statistics-confirmation-ons-construction-statistics/#_ftn2

4 Construction Output Summary

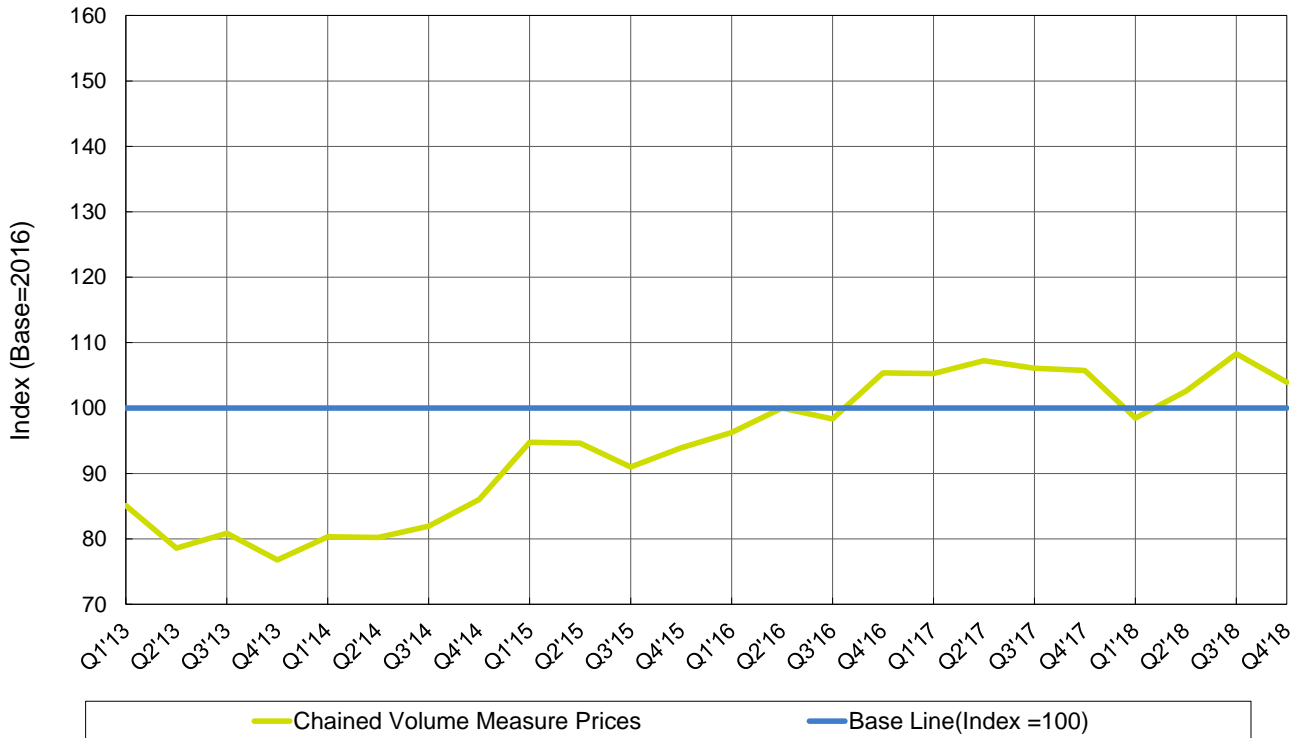
Quarter 4 (October to December) 2018

Overall Output

Construction Output: Construction activity measured by the Quarterly Construction Enquiry includes general construction and demolition work, construction and repair of buildings, civil engineering, installation of fixtures and fittings and any other building completion work.

The total volume of construction output in the fourth quarter of 2018 decreased by 4.0% compared with Q3 2018, and was 1.7% lower compared with the same quarter in 2017 (Figure 1). Despite fluctuations, the total volume of construction output in NI has been on an upward trend since Q4 2013.

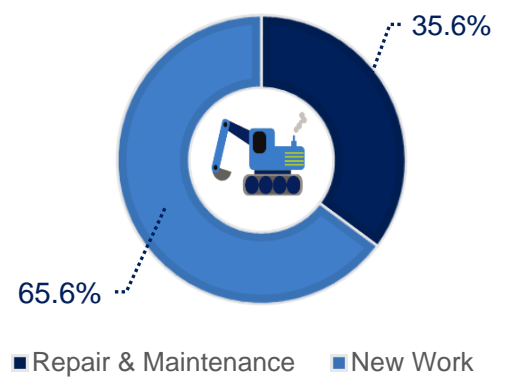
Figure 1: Volume of Construction Output in NI



Construction Output - New Work and Repair & Maintenance

In Q4 2018, New Work accounted for around two thirds (65.6%) of all construction output, whilst Repair & Maintenance (R&M) accounted for around one third (35.6%) of all construction output. New Work, historically in Northern Ireland, 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)

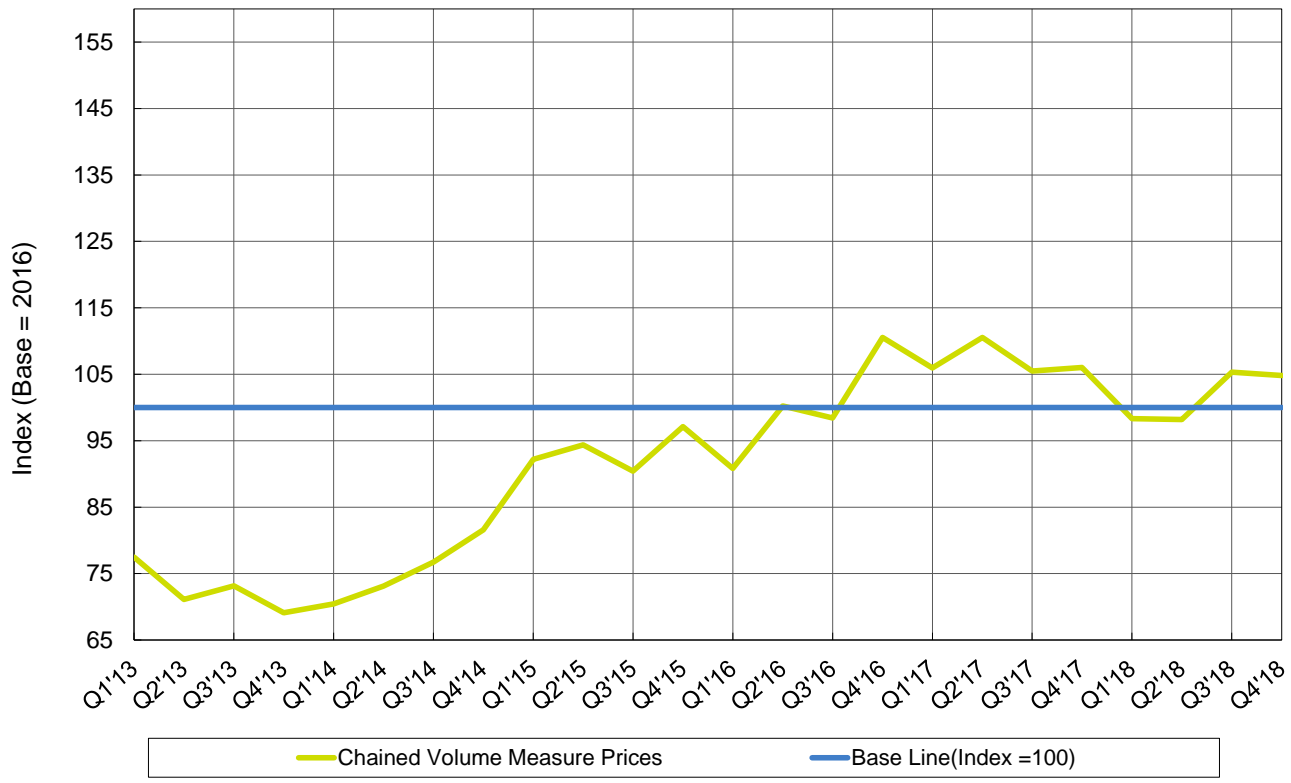


New Work

New Work: 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 2018, the volume of New Work decreased by 0.4% compared with the previous quarter, and was at a similar level to that of the same quarter in 2017. Although fluctuating, the volume of new work output has been increasing since the most recent low point in 2013 Q4 (Figure 2).

Figure 2: Volume of New Work Output in NI

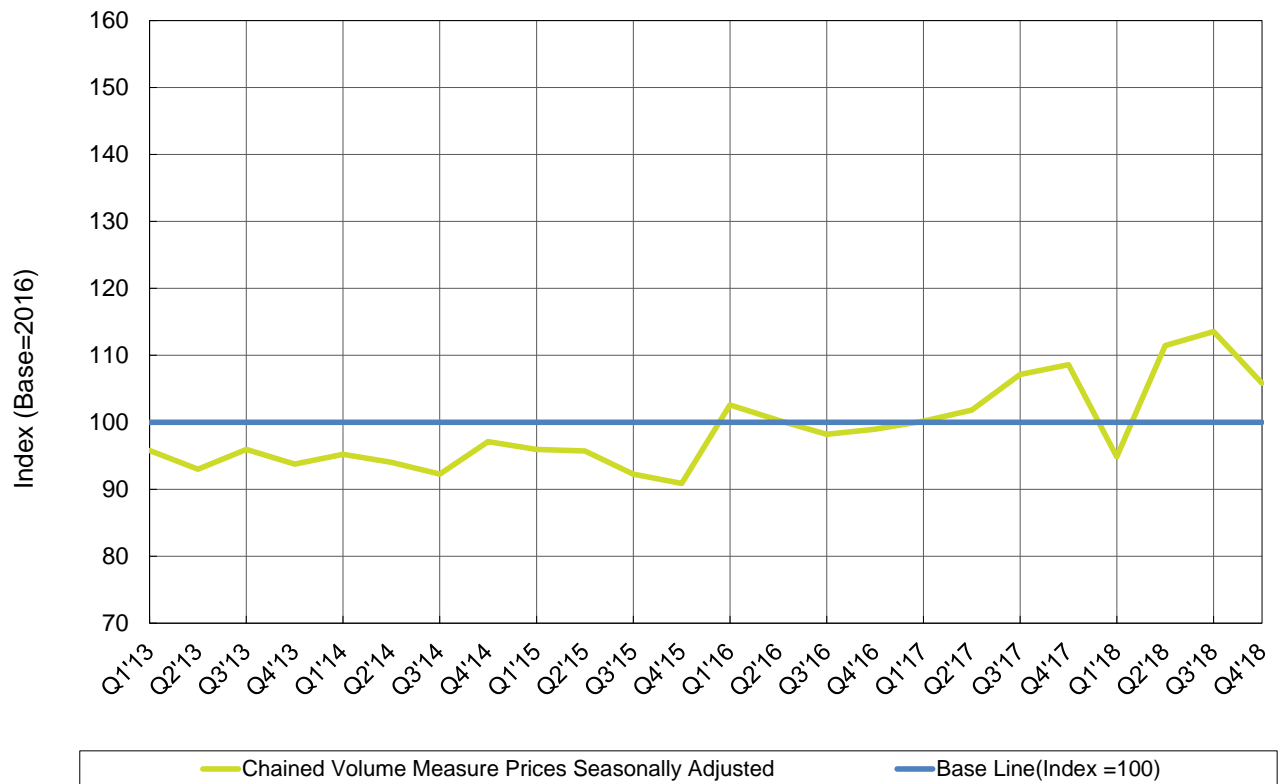


Repair and Maintenance

Repair and Maintenance: is all on-site work not defined as new construction, for example, housing conversions, extensions and improvements.

In Q4 2018, Repair and Maintenance Output decreased by 6.8% compared with the previous quarter, and was 2.5% lower than the same quarter in 2017 (Figure 3).

Figure 3: Volume of Repair and Maintenance Output in NI



Construction Output – Housing, Infrastructure and Other Work

In Quarter 4 2018, the largest sub-sector was Housing which accounted for 37.0% of all construction output followed by Other Work (36.3%) and then Infrastructure (26.4%). Figure 4 shows that Housing overtook Other Work in Q3 2018 as the largest sub-sector of Construction Output for the first time since Q2 2013 and remains the largest sub-sector within Q4 2018.

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

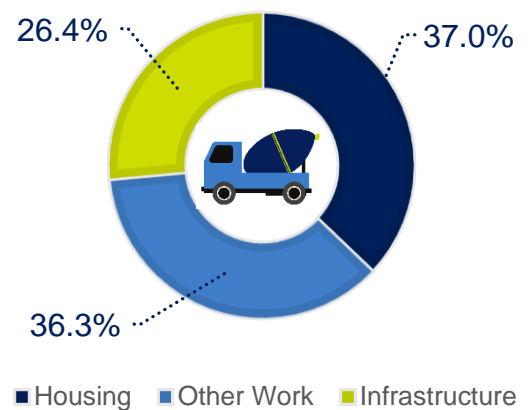
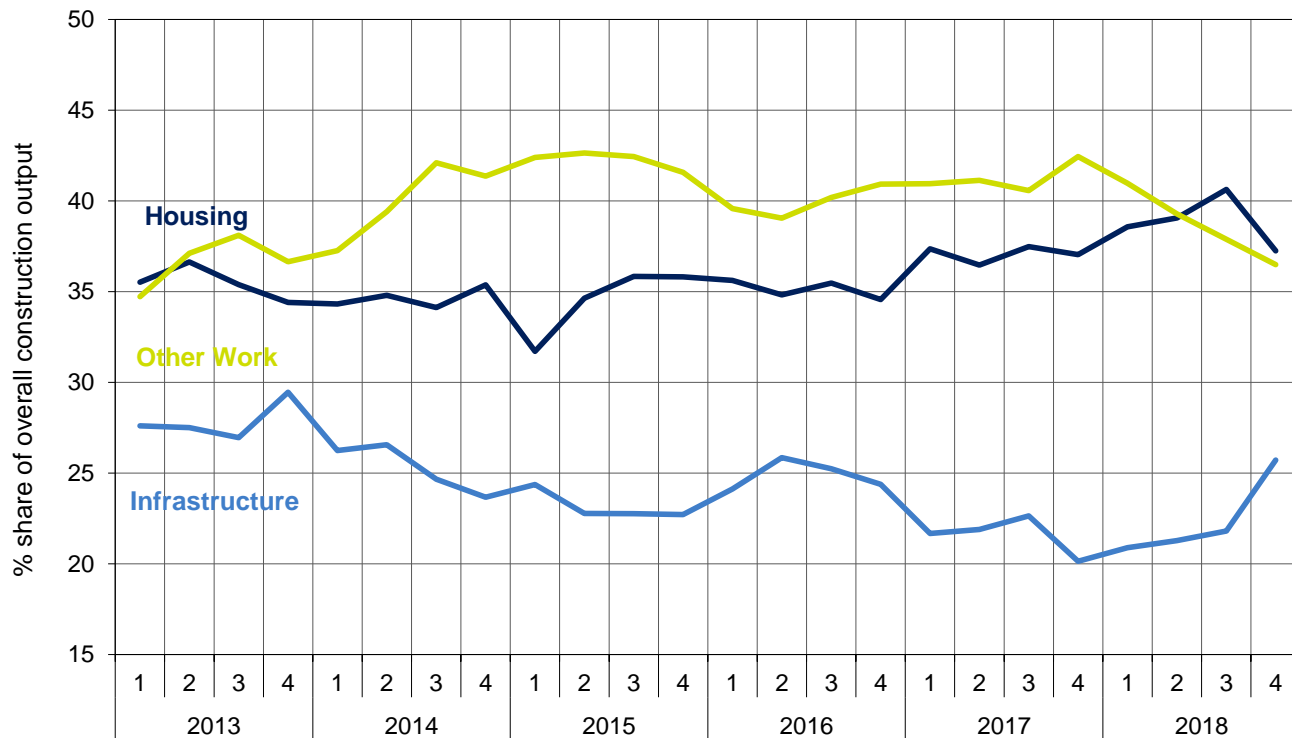


Figure 4: Overall Construction¹ Output broken down into Housing, Infrastructure² and Other Work²



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

² Infrastructure and Other Work are not seasonally adjusted

Housing Output

Housing Output: is defined as all public and private sector construction activity (New Work and Repair & Maintenance) associated with Housing.

The volume of Housing Output in the fourth quarter of 2018 decreased by 12.0% compared with the previous quarter, and was 1.1% lower than the same quarter in 2017 (Figure 5). Housing Output has been steadily improving since a low point in Q4 2013, although it remains well below historic levels.

Figure 5: Volume of Housing Output in NI

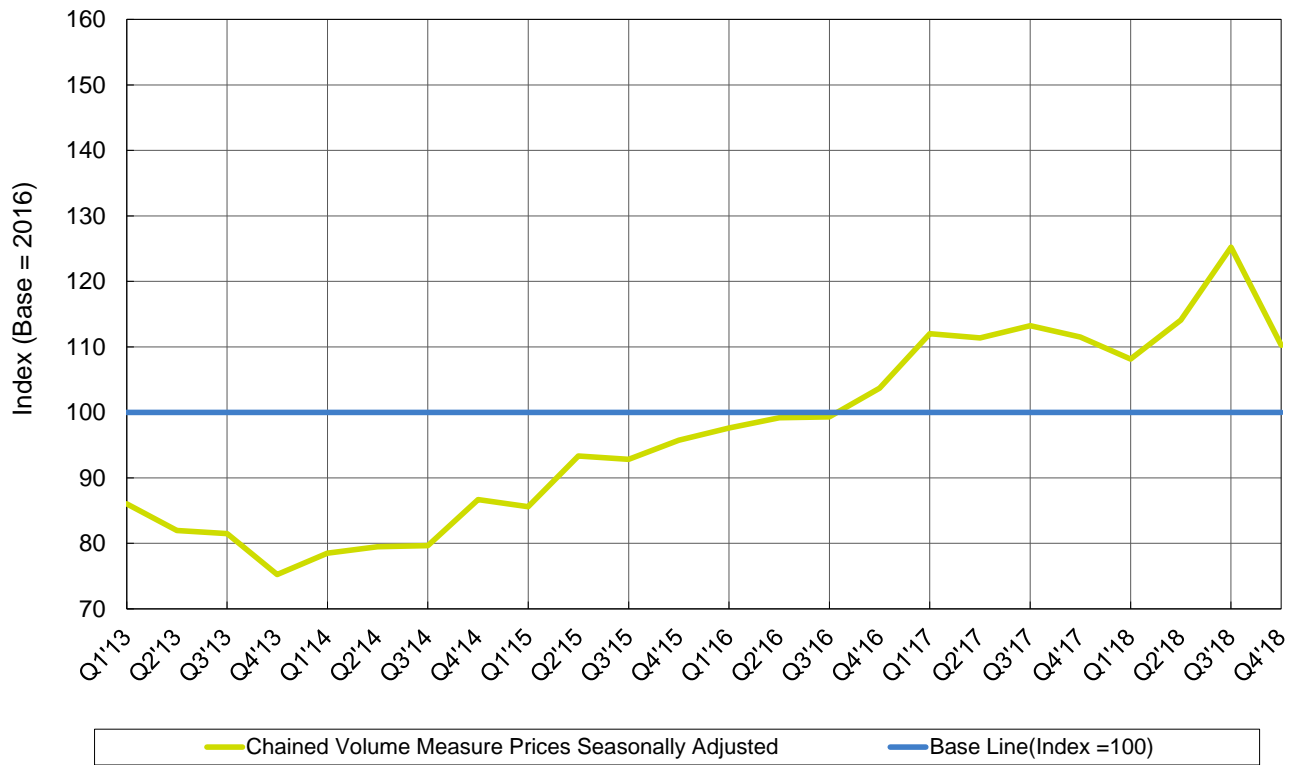
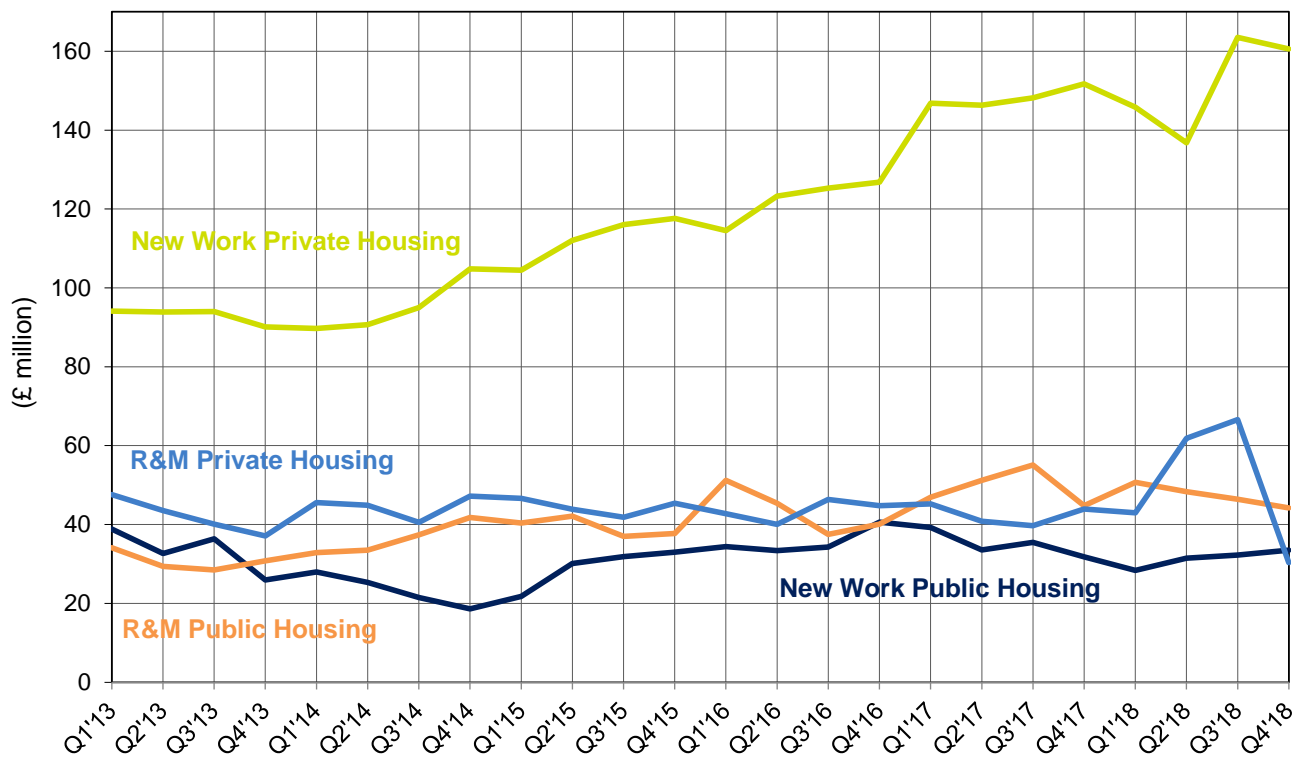


Figure 6 shows that in Q4 2018 there were decreases in output levels in New Work Private Housing, R&M Private Housing, and R&M Public Housing, compared with the previous quarter. However the New Work Public Housing sub-sector increased over the quarter.

Figure 6: Housing Output broken down by its sub-components

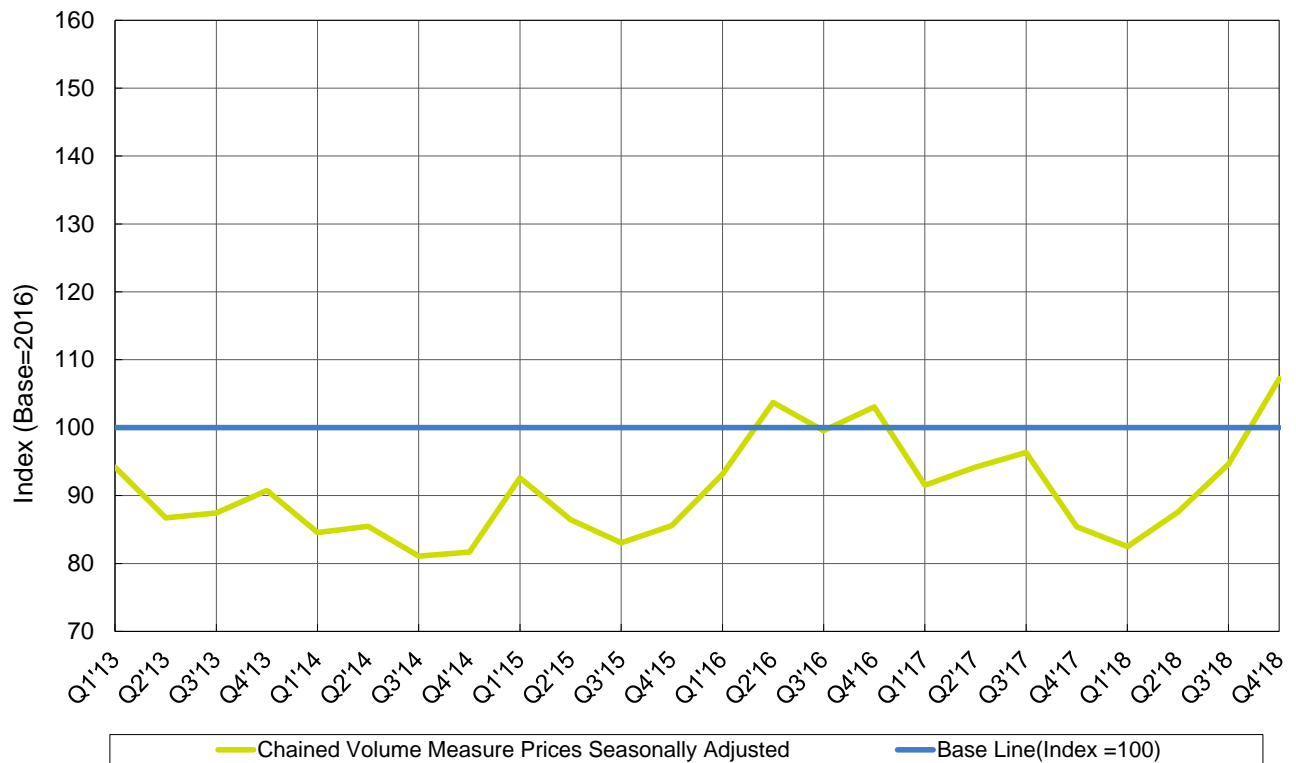


Infrastructure Output

Infrastructure Output: 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.

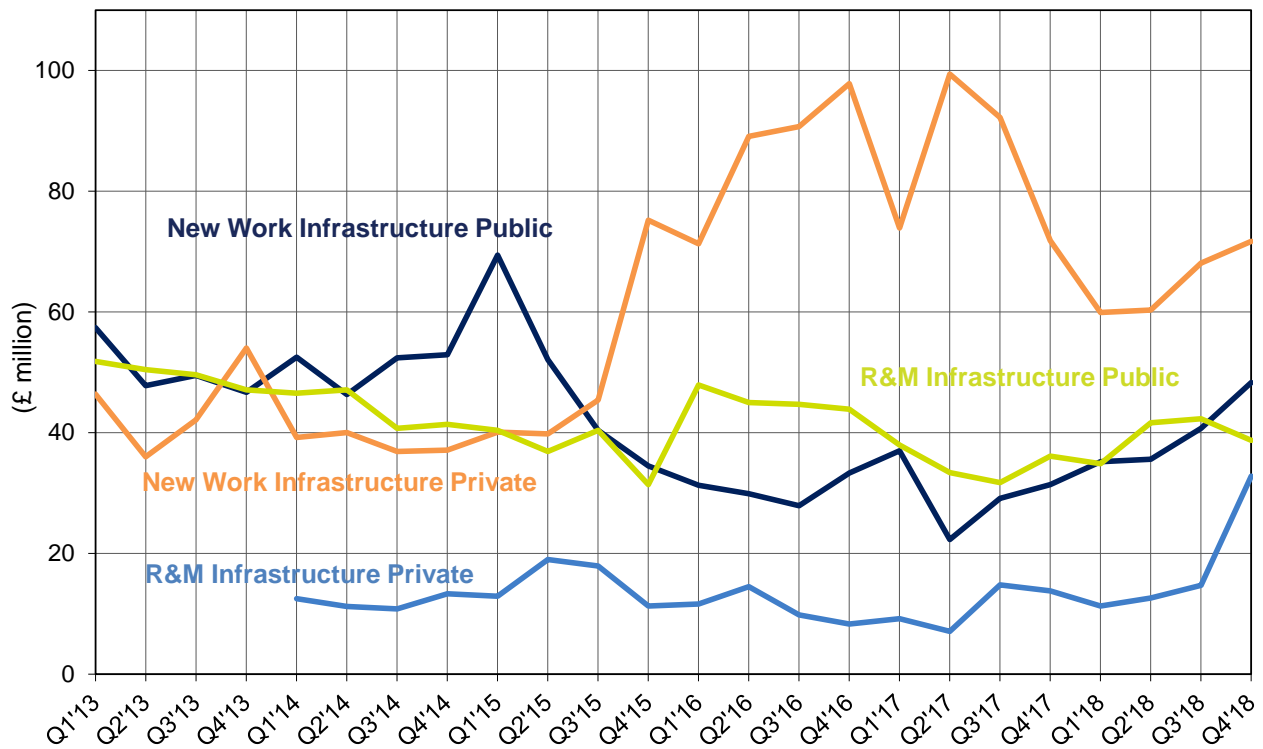
The volume of Infrastructure work in the fourth quarter of 2018 increased by 13.3% compared with the previous quarter, and was 25.5% higher compared with the same quarter in 2017 (Figure 7). The volume of Infrastructure Output rose in the latest quarter and is now above levels recorded in 2016. Figure 7 below shows Infrastructure output in NI reaching a 5 year peak this quarter.

Figure 7: Volume of Infrastructure Output in NI



The Q4 2018 rise was due to rises in New Work Public Infrastructure, New Work Private Infrastructure, and R&M Private Infrastructure subsectors. (Figure 8)

Figure 8: Infrastructure Output broken down by its sub-components

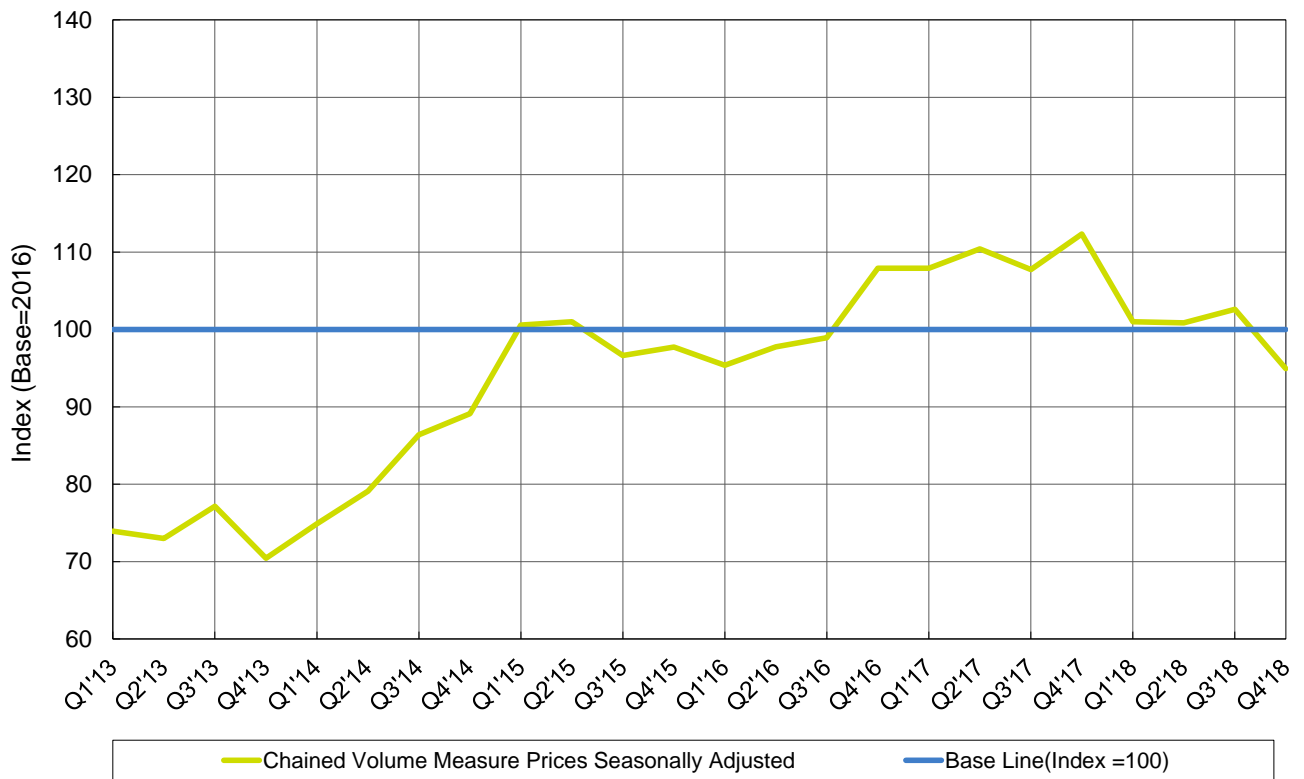


Other Work Output

Other Output: 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.

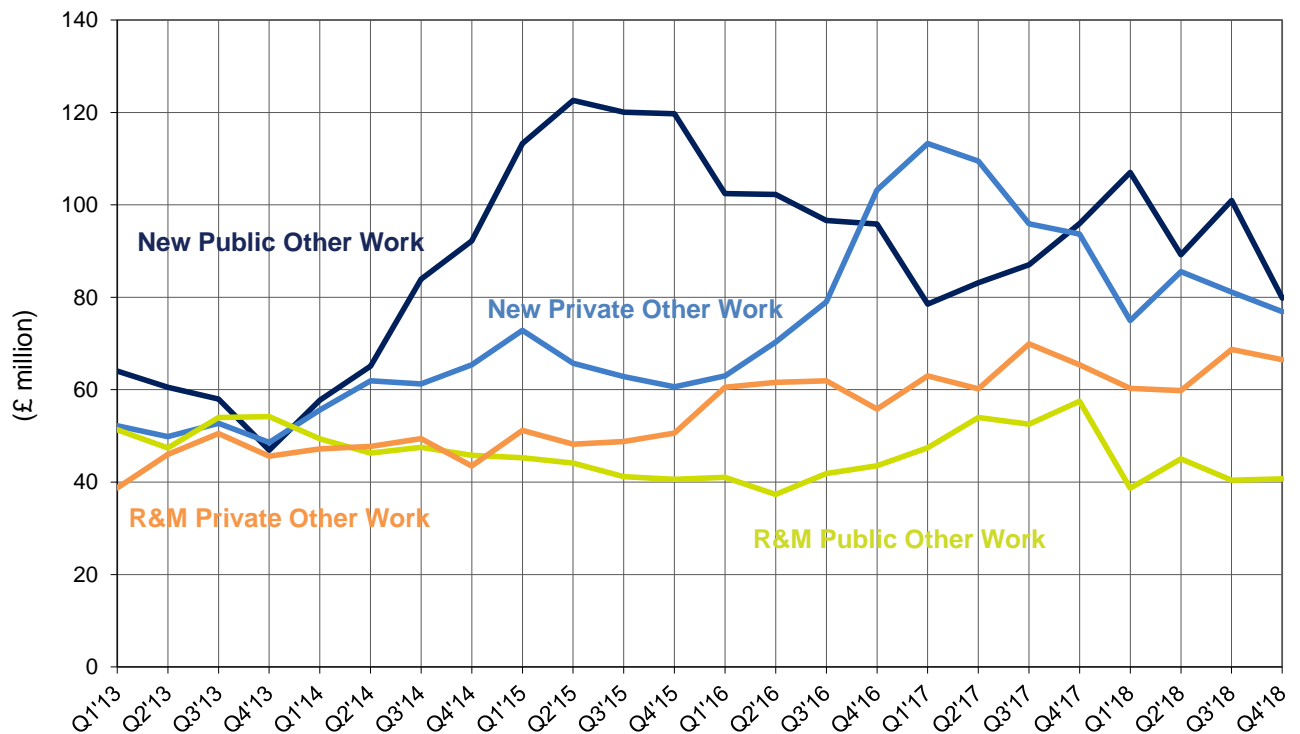
The volume of Other Work in Q4 2018 decreased by 7.5% compared with the previous quarter, and was 15.5% lower than the same quarter in 2017. This annual decrease was largely due to a steep decline between 2017 Q4 and 2018 Q1 (Figure 9).

Figure 9: Volume of Other Work Output in NI



The decrease in Other Work in Q4 2018 was accounted for by a decrease in the level of New Public Other Work, New Private Other Work and R&M Private Other Work.

Figure 10: Other Work Output broken down by its sub-components



5 Survey Response

Response rates provide an indication of the accuracy of final estimates. For the quarter 1st October to 31st December 2018, 86% of firms in the sample participated in the survey. A breakdown of valid response by stratum is highlighted below. 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 at:

<https://www.nisra.gov.uk/publications/construction-output-statistics-methodology>

	Stratum	Annual Turnover (£ '000)	Response (%)
2018 Oct - Dec (Quarter 4)	1	0 - 124	74
	2	125 - 549	81
	3	550 - 2,099	89
	4	2,100 - 5,249	90
	5	5,250 - 10499	88
	6	10,500+	90
	Overall		86

6 Construction Output Table

[Table 1.1 Output in Northern Ireland: Chained volume measure \(2016\) prices, \(seasonally adjusted\) index numbers – Main Sectors](#)

[Table 1.2 Output in Northern Ireland: Chained volume measure \(2016\) prices, \(seasonally adjusted\) index numbers – Sub-Sectors](#)

[Table 1.3 Value of Output¹ in Northern Ireland by Construction Sector - Current Prices \(£ million\)](#)

[Table 1.4 Volume of Output¹ in Northern Ireland by Construction Sector - Chained Volume Measure \(2016\) Prices and Seasonally Adjusted³ \(£ million\)](#)

[Table 1.5 Value of Output¹ in Northern Ireland \(Private Contractors only\) by Stratum² 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 excel format at:

<https://www.nisra.gov.uk/statistics/economic-output-statistics/construction-output-statistics#toc-0>

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.

✉ Email feedback to: Rebecca.Kennedy@nisra.gov.uk

Contacts

Statistical Contact – Rebecca Kennedy:

☎ Telephone: 028 905 29218

✉ Email: Rebecca.Kennedy@nisra.gov.uk

🌐 Website: <https://www.nisra.gov.uk/statistics/economic-output-statistics/construction-output-statistics>

🐦 Twitter: [@ELMSNISRA](https://twitter.com/ELMSNISRA)

Media Contact

☎ Telephone: (028) 908 16895

✉ E-mail: dof.pressoffice@finance-ni.gov.uk

🏠 Address:
Press Office,
Clare House,
303 Airport Road West,
Belfast
BT3 9ED

Copyright

© Crown copyright 2016

You may use or re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit:

www.nationalarchives.gov.uk/doc/open-government-licence/

✉ E-mail: psi@nationalarchives.gsi.gov.uk

🏠 Write to:
The Information Policy Team,
The National Archives,
Kew,
London,
TW9 4DU