

Northern Ireland Quarterly Construction Bulletin

Quarter 1 2020

Date: 16th July 2020
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 Q1 2020. It excludes work carried out by Northern Ireland Construction firms in other parts of the UK or elsewhere.

This release captures the first direct effects of the coronavirus (COVID-19) pandemic on the NI economy. The first [government advice on social distancing](#) was published on 12 March 2020, before a formal “lockdown” was announced on 23 March 2020. As this release covers the period January - March 2020, the impact of the Covid-19 pandemic on the economy is only partially reflected in these estimates.

Key Points



The total volume of construction output in the first quarter of 2020 decreased by 1.0% compared with Q4 2019, was 3.3% lower than the same quarter in 2019 and 2.4% lower on a rolling four quarter basis.



Since the series high in Q4 2006 the total volume of construction output began to fall. While the total volume of construction output in NI has been on an upward trend since Q4 2013, recent quarters have shown signs of levelling off, with decreases in 3 of the last 5 quarters.



The decrease in overall output in Q1 2020 from the previous quarter was driven by a 10.0% decrease in Repair and Maintenance and offset by a 1.1% increase in New Work.



In Q1 2020, the decrease within Repair and Maintenance means that levels are now at the lowest since Q4 2012.



In Q1 2020, there were increases in Housing (7.4%) and Infrastructure (2.8%) and a decrease in Other Work (-8.0%) compared with the previous quarter.

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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:

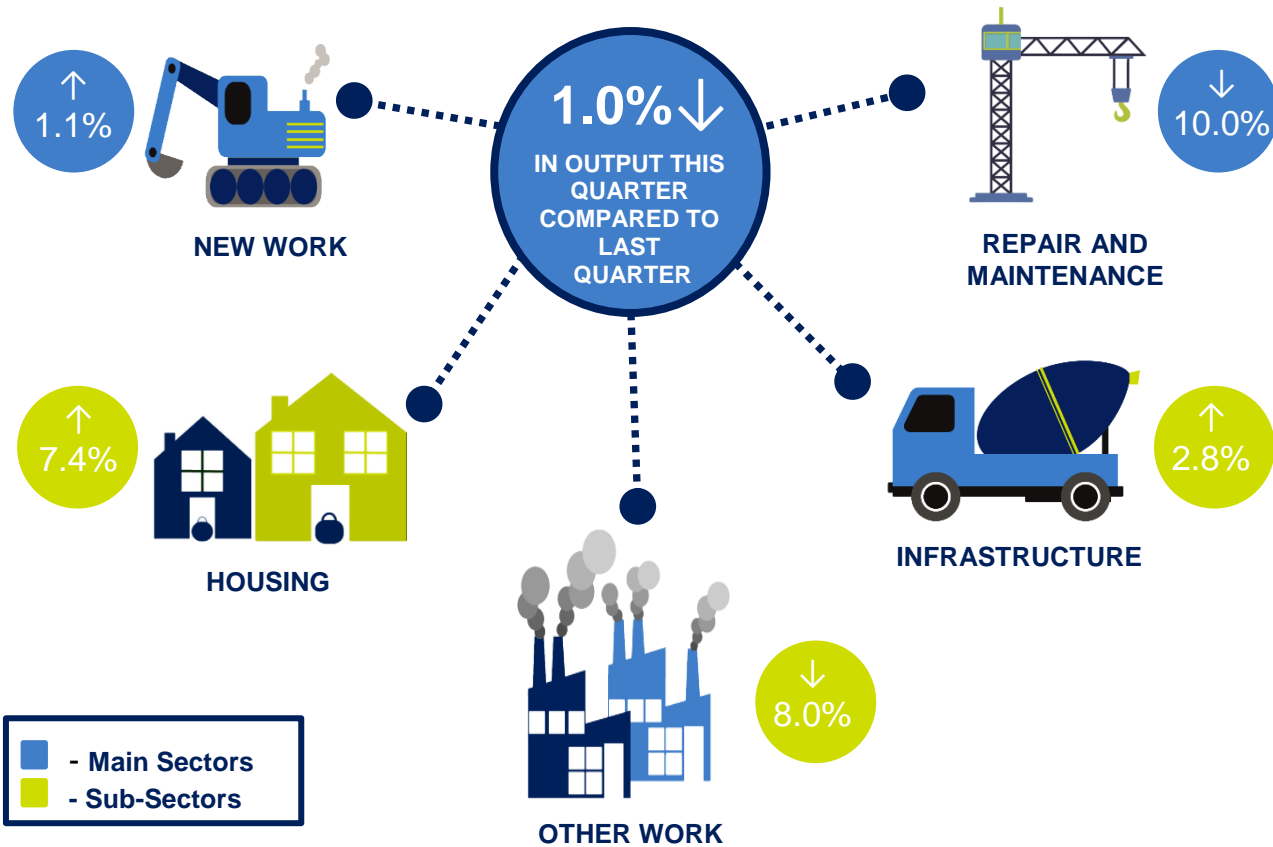
- Removed pre-release access to enhance trustworthiness, with the view to bring the publication date forward.
- Transferred data to an improved case management system (Integrated Business Survey System).
- Made improvements to the data collection process to standardise with other business surveys and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

Publication Schedule

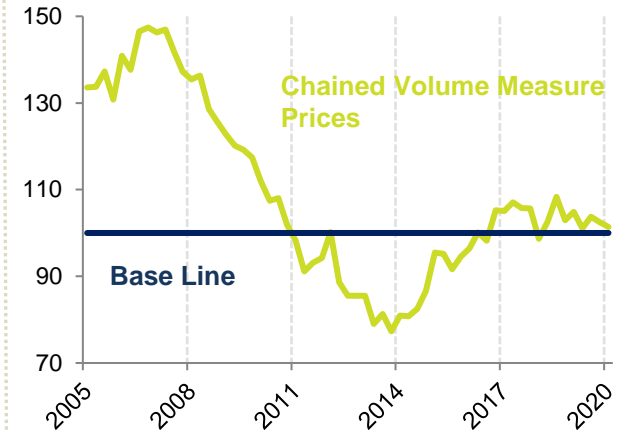
Quarter	Publication Date
2020 Quarter 2	8 October 2020
2020 Quarter 3	14 January 2021
2020 Quarter 4	8 April 2021
2021 Quarter 1	15 July 2021

Quarterly Construction Enquiry 2020 Quarter 1 Infographic

2020 Quarter 1 Compared with 2019 Quarter 4 – Variables



Overall Construction



Quarterly Change

- 1.0%



Annual Change

- 3.3%



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](#). 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 2018. 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 \(IoP\)](#) 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.

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](#) 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, 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, noting that in 2019, the Great Britain Construction publication was [re-designated as National Statistics](#).

This release captures the first direct effects of the coronavirus (COVID-19) pandemic on the NI economy. The first [government advice on social distancing](#) was published on 12 March 2020, before a formal “lockdown” was announced on 23 March 2020. As this release covers the period January - March 2020, the impact of the Covid-19 pandemic on the economy is only partially reflected in these estimates.

COVID-19 impacted on the data collection and the validation of business data, which are collected on the Quarterly Business Survey. As a result, estimates for quarter 1 2020 are likely to be subject to higher revisions than normal over the coming quarters. Comparisons of provisional March 2020 estimates at lower industry levels in particular should be treated with caution.

4 Construction Output Summary

Quarter 1 (January to March) 2020

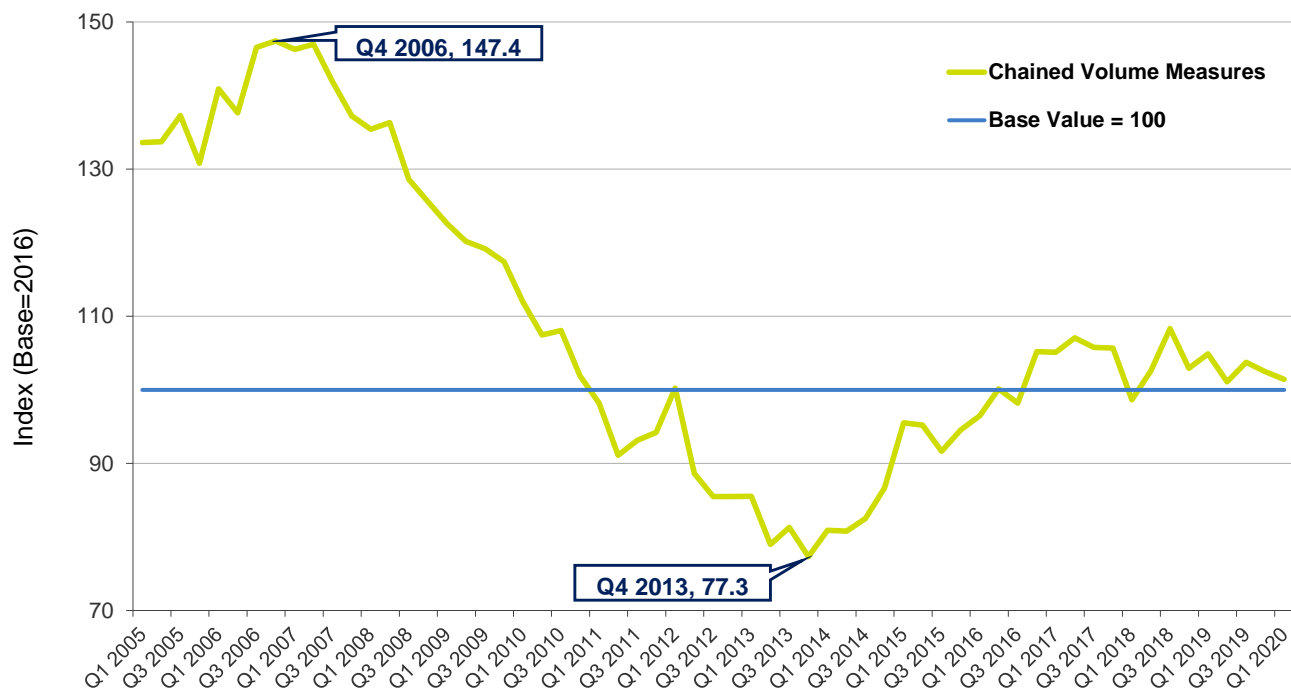
Overall Output

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.

The total volume of construction output in the first quarter of 2020 decreased by 1.0% compared with Q4 2019, was 3.3% lower than the same quarter in 2019 and 2.4% lower on a rolling four quarter basis (Figure 1).

Since the series high in Q4 2006 the total volume of construction output began to fall. While the total volume of construction output in NI has been on an upward trend since Q4 2013, recent quarters have shown signs of levelling off, with decreases in 3 of the last 5 quarters.

Figure 1: Volume of Construction Output in NI

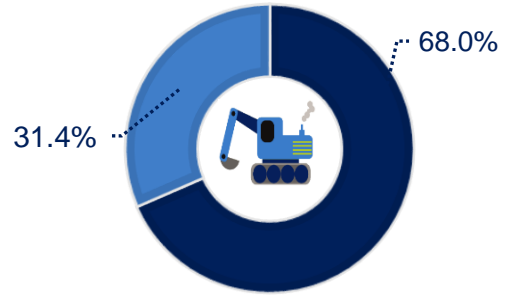


Although these estimates show the beginnings of the impact of the Covid-19 crisis on the economy, as the reference period is Jan–March 2020, the full impact of the crisis is not reflected in these figures.

Construction Output - New Work and Repair and Maintenance

In Q1 2020, New Work accounted for around two thirds (68.0%) of all construction output, whilst Repair and Maintenance accounted for around one third (31.4%). 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)



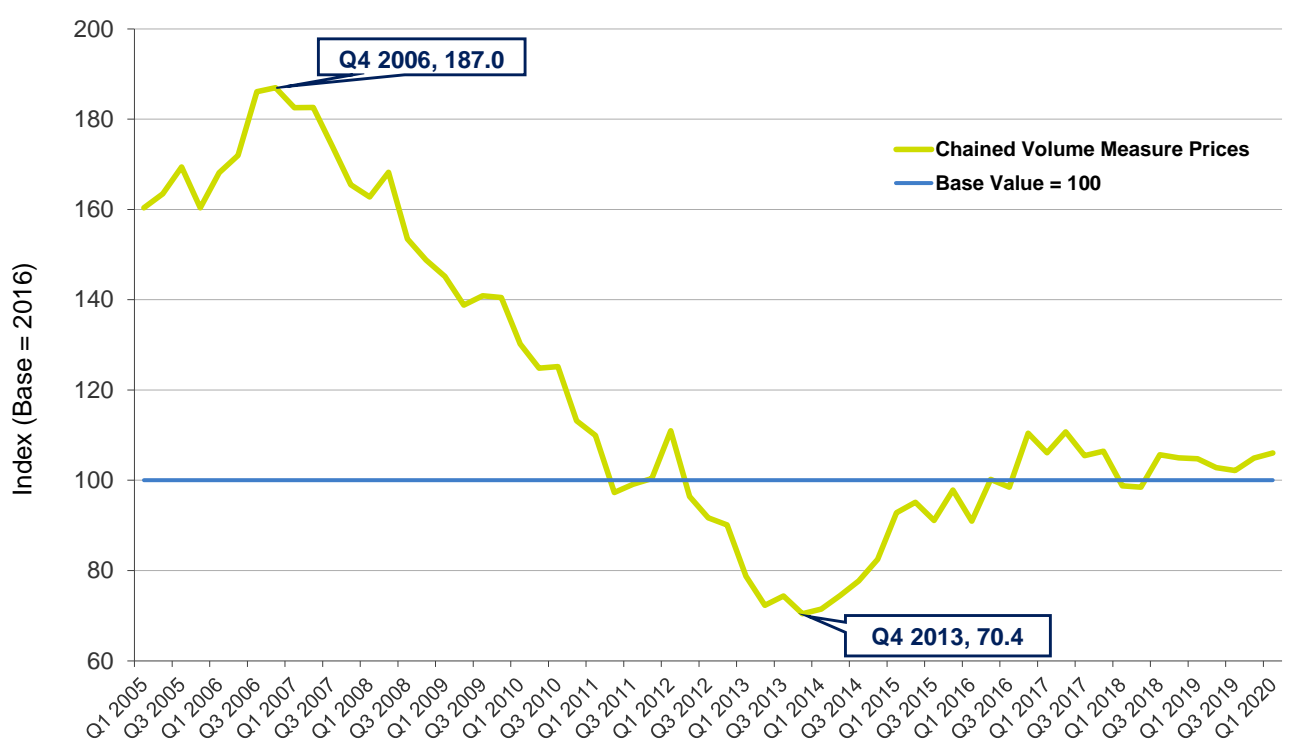
■ New Work ■ Repair and Maintenance

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 first quarter of 2020, the volume of New Work increased by 1.1% compared with the previous quarter, by 1.2% compared with the same quarter in 2019 and was 0.5% higher on a rolling four quarter basis. Although fluctuating, the volume of new work output has been increasing since the series low point in 2013 Q4 (Figure 2).

Figure 2: Volume of New Work Output in NI

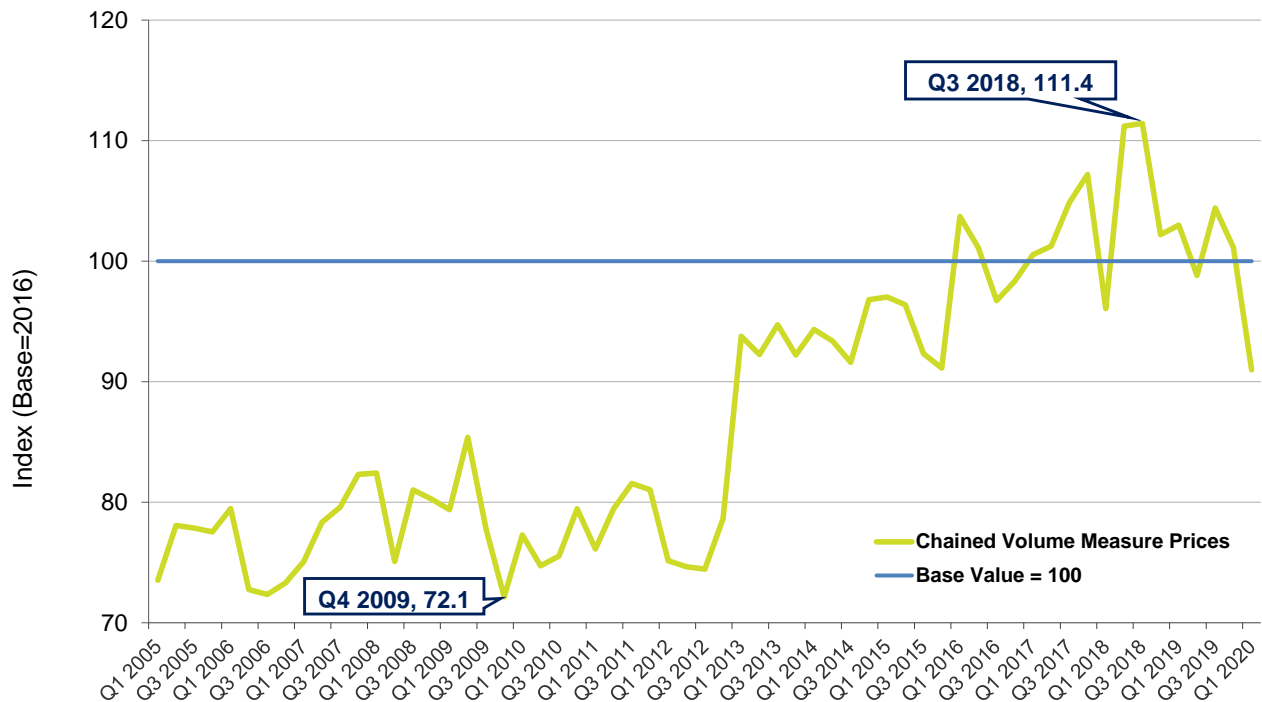


Repair and Maintenance

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

In Q1 2020, Repair and Maintenance Output decreased by 10.0% compared with the previous quarter, was 11.7% lower than the same quarter in 2019 and was 7.6% lower on a rolling four quarter basis (Figure 3). Repair and Maintenance levels are now at the lowest since Q4 2012.

Figure 3: Volume of Repair and Maintenance Output in NI



Construction Output – Housing, Infrastructure and Other Work

In Q1 2020, the largest sub-sector was Housing which accounted for 38.3% of all construction output, followed by Other Work (35.0%) and then Infrastructure (27.3%). Figure 4 shows that Housing and Other Work have historically been the largest sub-sectors of Construction Output in Northern Ireland.

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

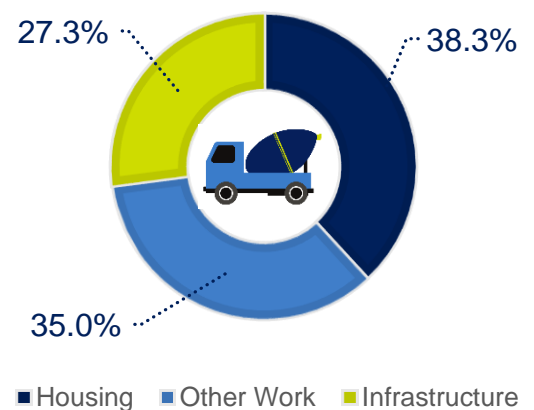
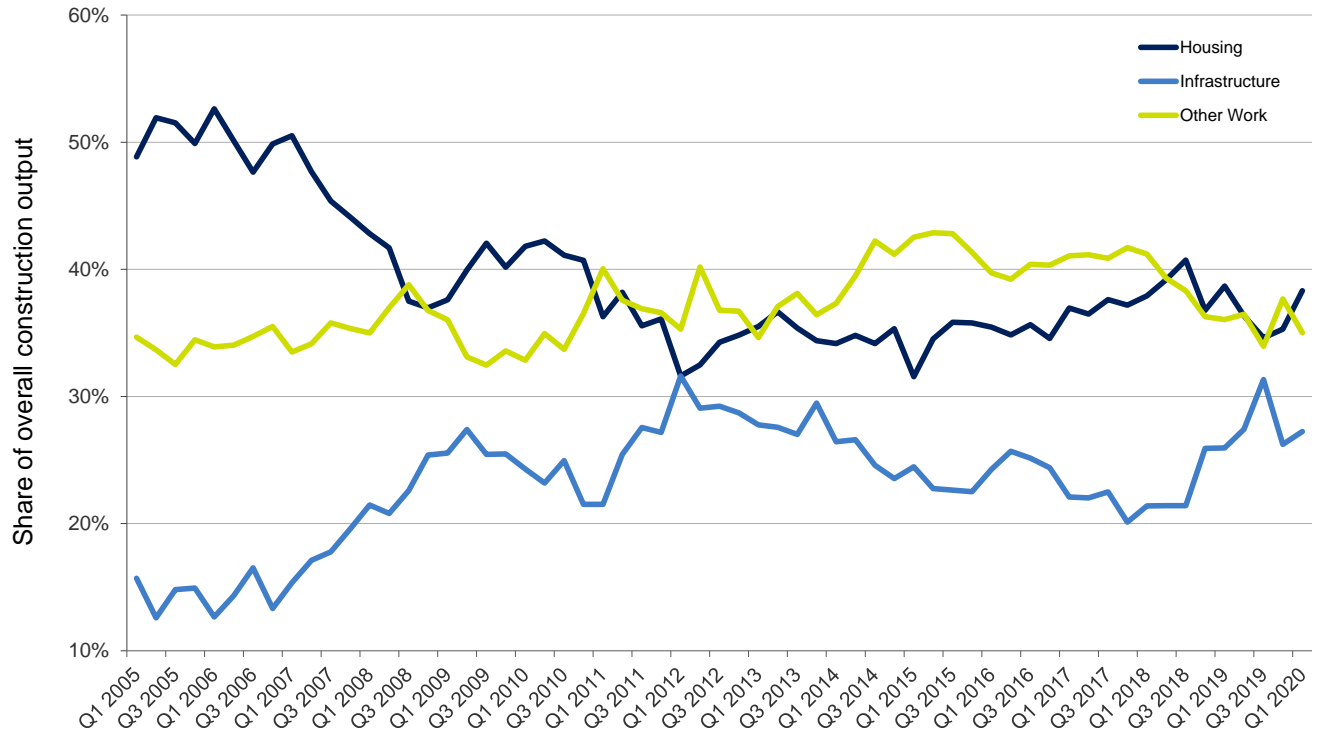


Figure 4: Overall Construction¹ Output broken down into Housing, Infrastructure² and Other Work²



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 first quarter of 2020 increased by 7.4% compared with the previous quarter, was 4.2% lower than the same quarter in 2019 and 9.3% lower on a rolling four quarter basis (Figure 5). Despite fluctuations, 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

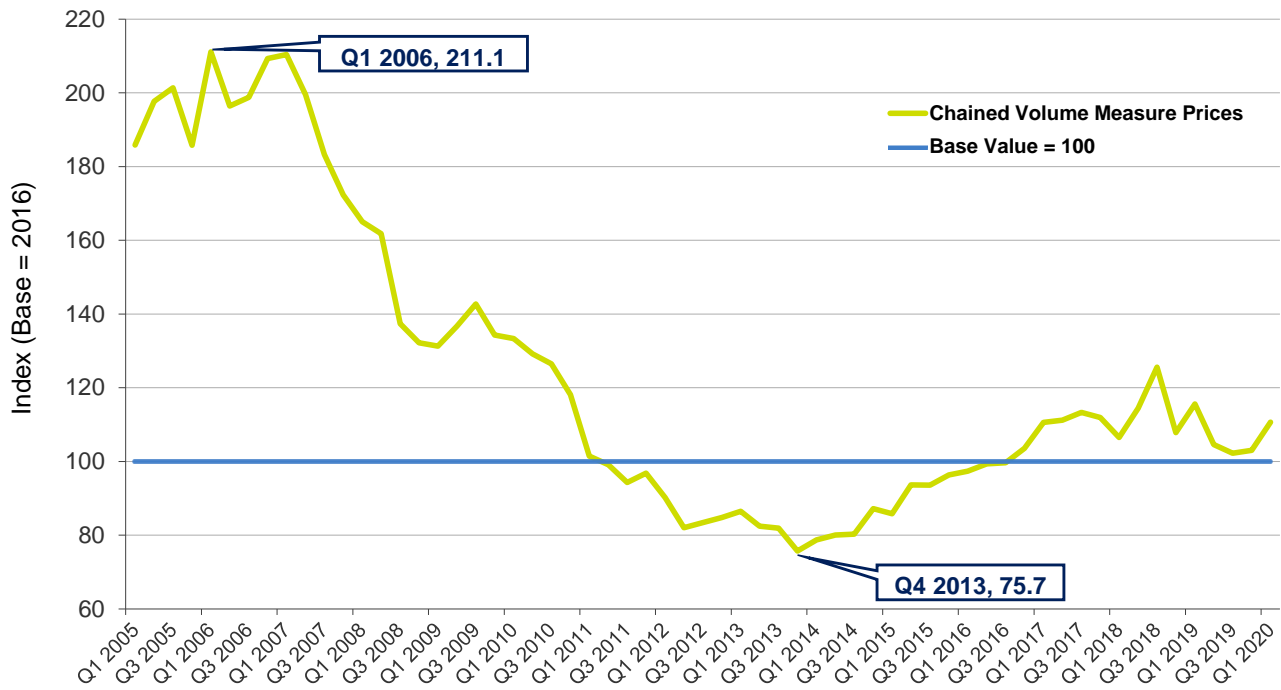
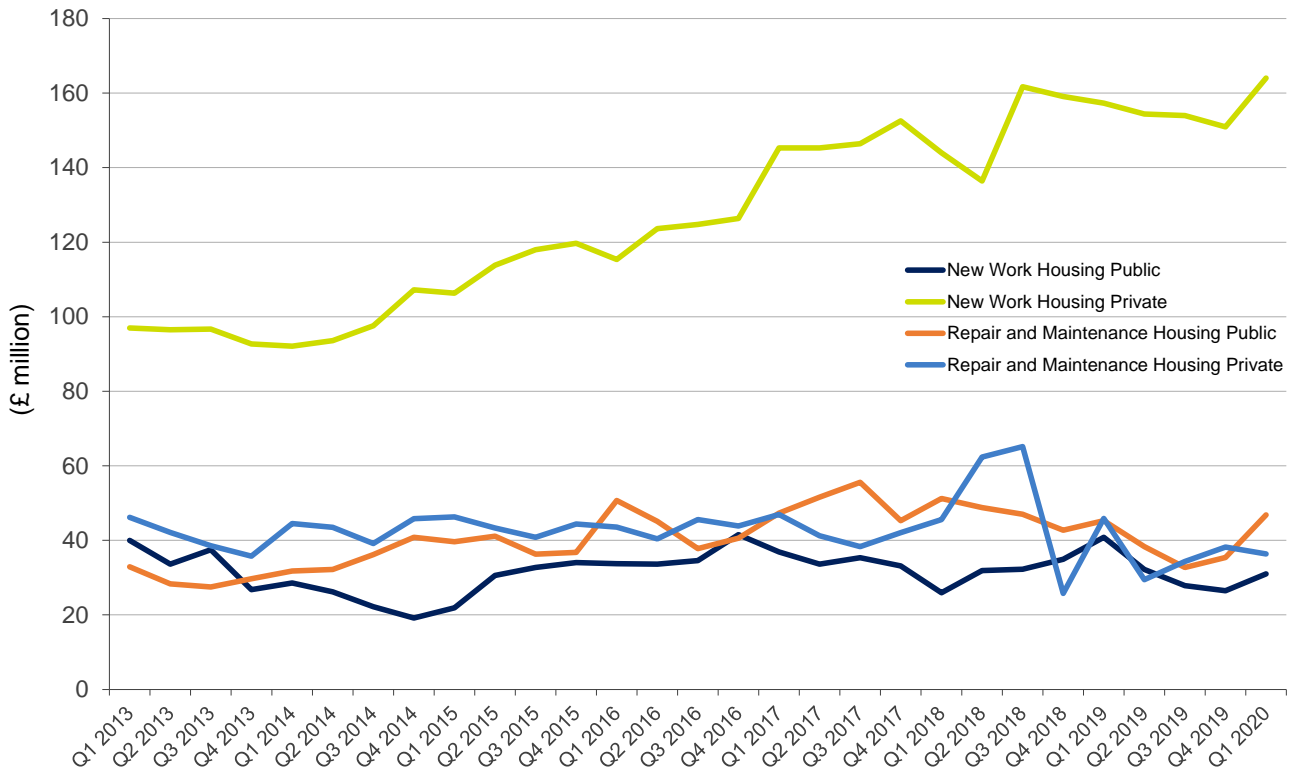


Figure 6 shows that in Q1 2020, there were increases in Housing output levels in New Work Housing Public, New Work Housing Private and Repair and Maintenance Housing Public, but a decrease in Repair and Maintenance Housing Private compared with the previous quarter.

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

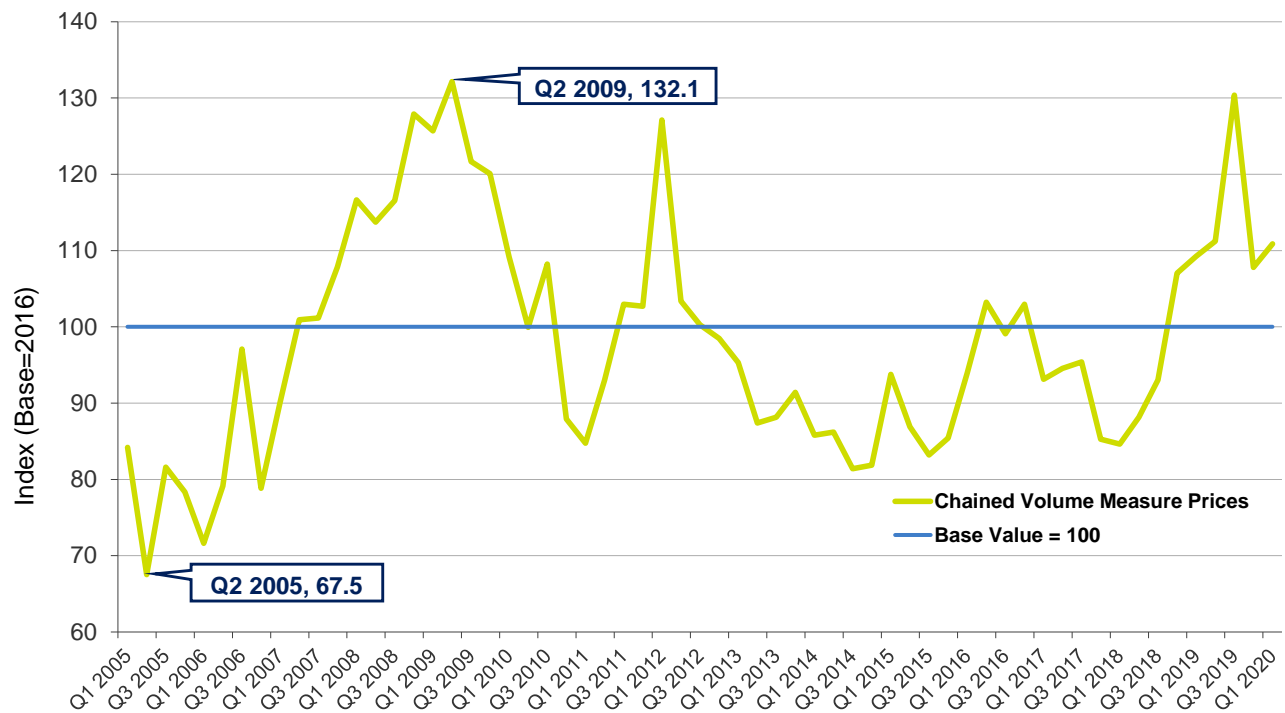


Infrastructure Output

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.

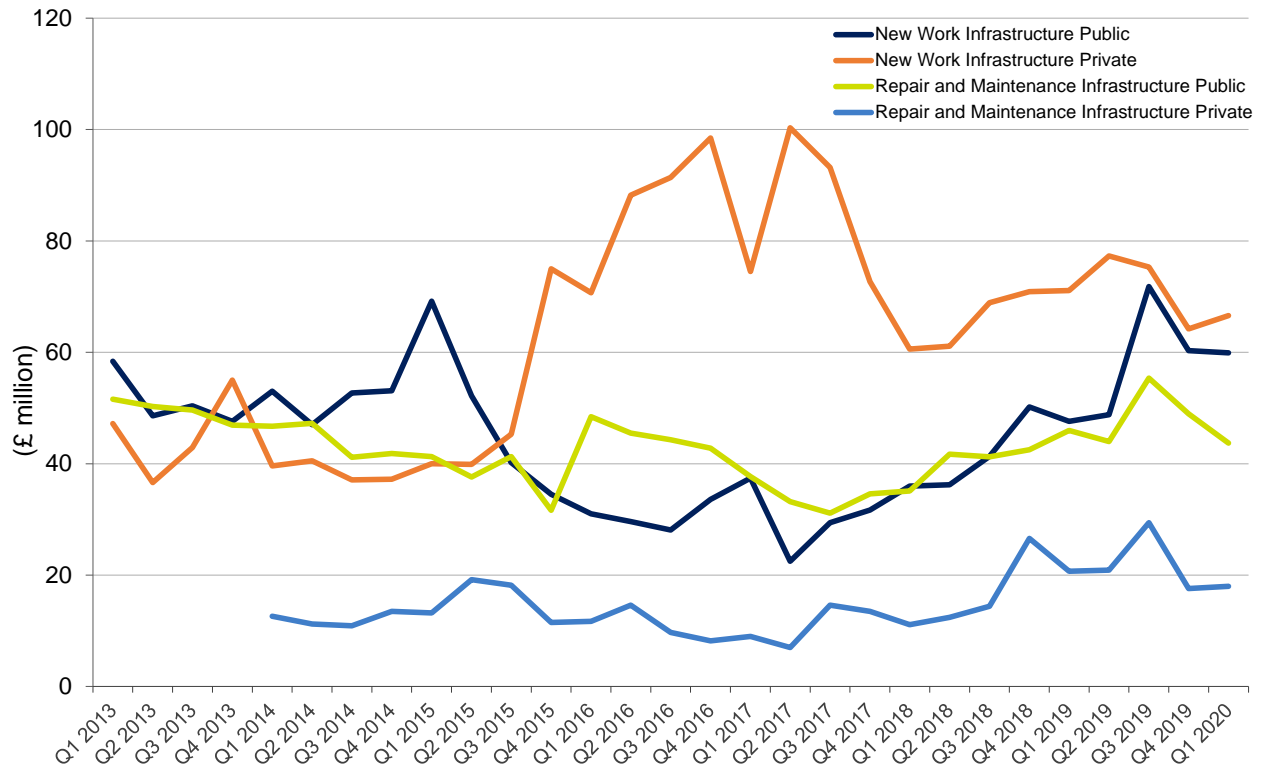
The volume of Infrastructure work in the first quarter of 2020 increased by 2.8% compared with the previous quarter, was 1.5% higher than the same quarter in 2019 and 15.8% higher on a rolling four quarter basis (Figure 7).

Figure 7: Volume of Infrastructure Output in NI



The increase in Q1 2020 was due to increases within New Work Infrastructure Private and Repair and Maintenance Infrastructure Private. (Figure 8).

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



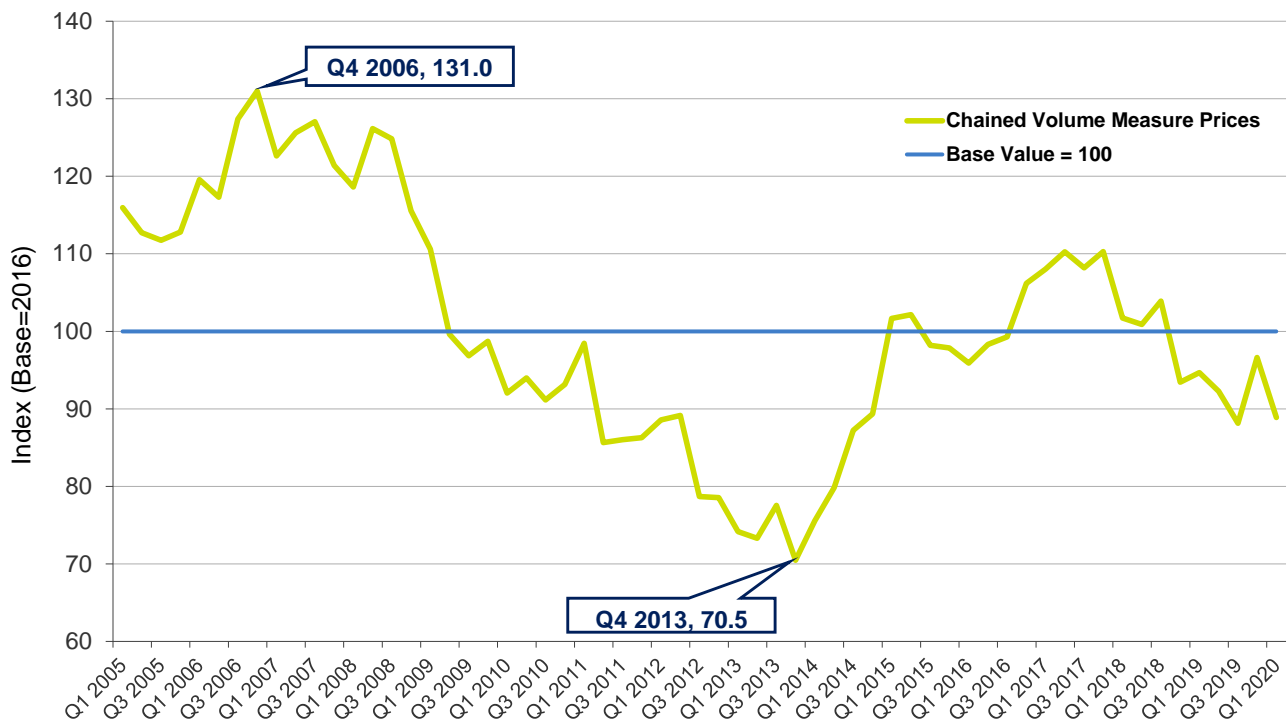
¹Please note before 2014 all Repair and Maintenance Infrastructure work was assumed to be public, this was reviewed when the survey changed in 2014.

Other Work Output

Other 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.

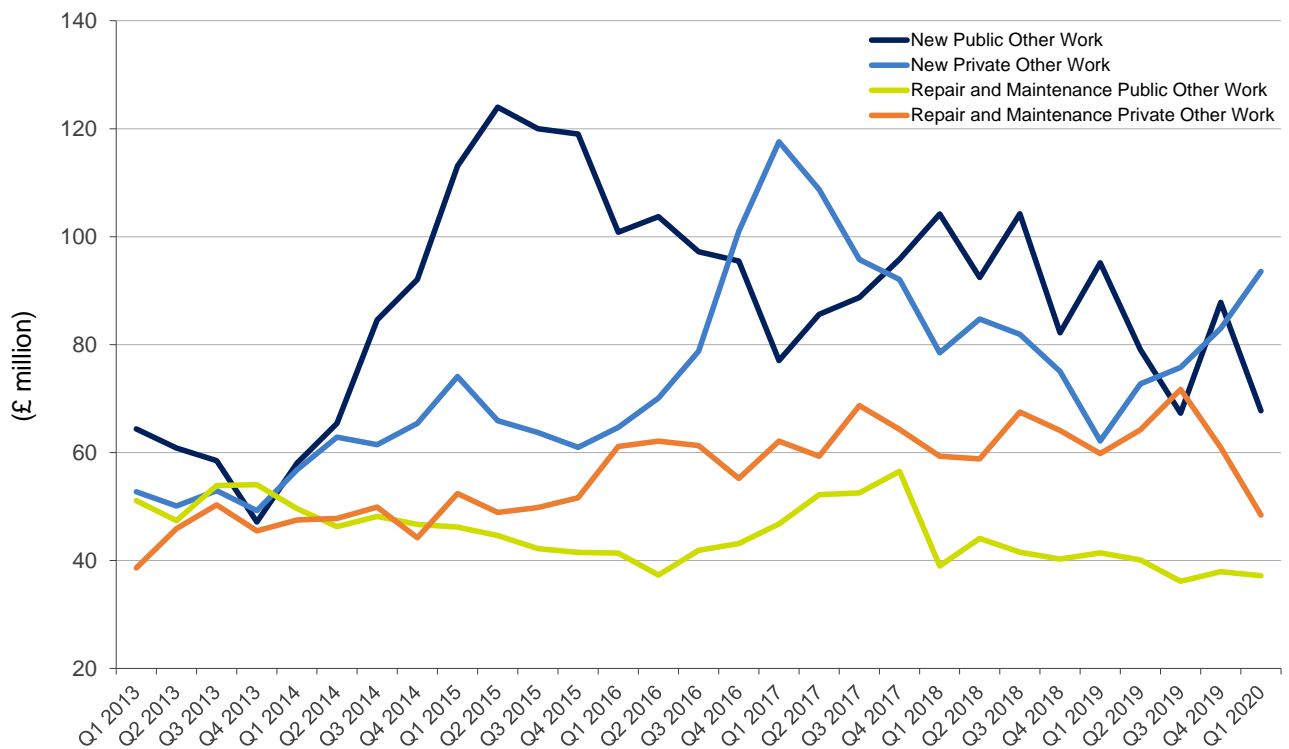
The volume of Other Work in Q1 2020 decreased by 8.0% compared with the previous quarter, was 6.1% lower than the same quarter in 2019 and 6.9% lower on a rolling four quarter basis. Despite fluctuations the volume of Other Work has been on a downward trend since Q4 2017 (Figure 9).

Figure 9: Volume of Other Work Output in NI



The decrease in Other Work in Q1 2020 was accounted for by decreases in the levels of New Public Other Work, Repair and Maintenance Private Other Work and Repair and Maintenance Public Other Work. This decrease was slightly offset by an increase within New 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. 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 on the Quarterly Business Survey. COVID-19 has resulted in a decrease in response rates in Quarter 1 2020 when compared to 2019 figures, primarily due to the restrictions in place for businesses.

As a result, the estimates for Quarter 1 2020 are likely to be subject to higher revisions than normal over the coming quarters. Comparisons of provisional March 2020 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 \(2016\) 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, csv 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.

Contacts

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