

Northern Ireland Quarterly Construction Bulletin

Quarter 4 2020 (October – December)

Date: 8th April 2021

Area: Northern Ireland

Theme: Business and Energy

The Frequency: Quarterly

Introduction

This statistical bulletin provides users with the latest estimates of construction output carried out in Northern Ireland for Quarter 4 2020 (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 \(opens in a new window\)](#) started in 2000.

Key Points



The total volume of construction output in the fourth quarter of 2020 increased by 14.9% from Quarter 3 2020 to a 10 year high. Construction output increased by 10.3% over the year but decreased by 5.7% on a rolling four quarter basis.



In the past two quarters, the total volume of construction output has shown growth following a decrease of 29.7% seen in Quarter 2 2020. Despite these increases there have been annual decreases in 5 of the last 7 quarters.



The increase in overall output in Quarter 4 2020 from the previous quarter was driven by increases in New Work (+15.8%) and Repair and Maintenance (+15.6%).



The output in Repair and Maintenance has increased over the year by 15.0%, this is the first quarterly annual increase recorded since Quarter 1 2019.



In Quarter 4 2020, both the Housing (+21.1%) and Infrastructure (+13.9%) sub-sectors showed an increase when compared with the previous quarter, this was partially offset by a 3.4% decrease in Other Work over the quarter.



Despite fluctuations the volume of Other Work has been on a downward trend since Quarter 4 2017, where the annualised growth rate has shown a decrease every quarter since Quarter 2 2018.

Contents

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

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 \(opens in a new window\)](#) 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 \(opens in a new window\)](#).

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:

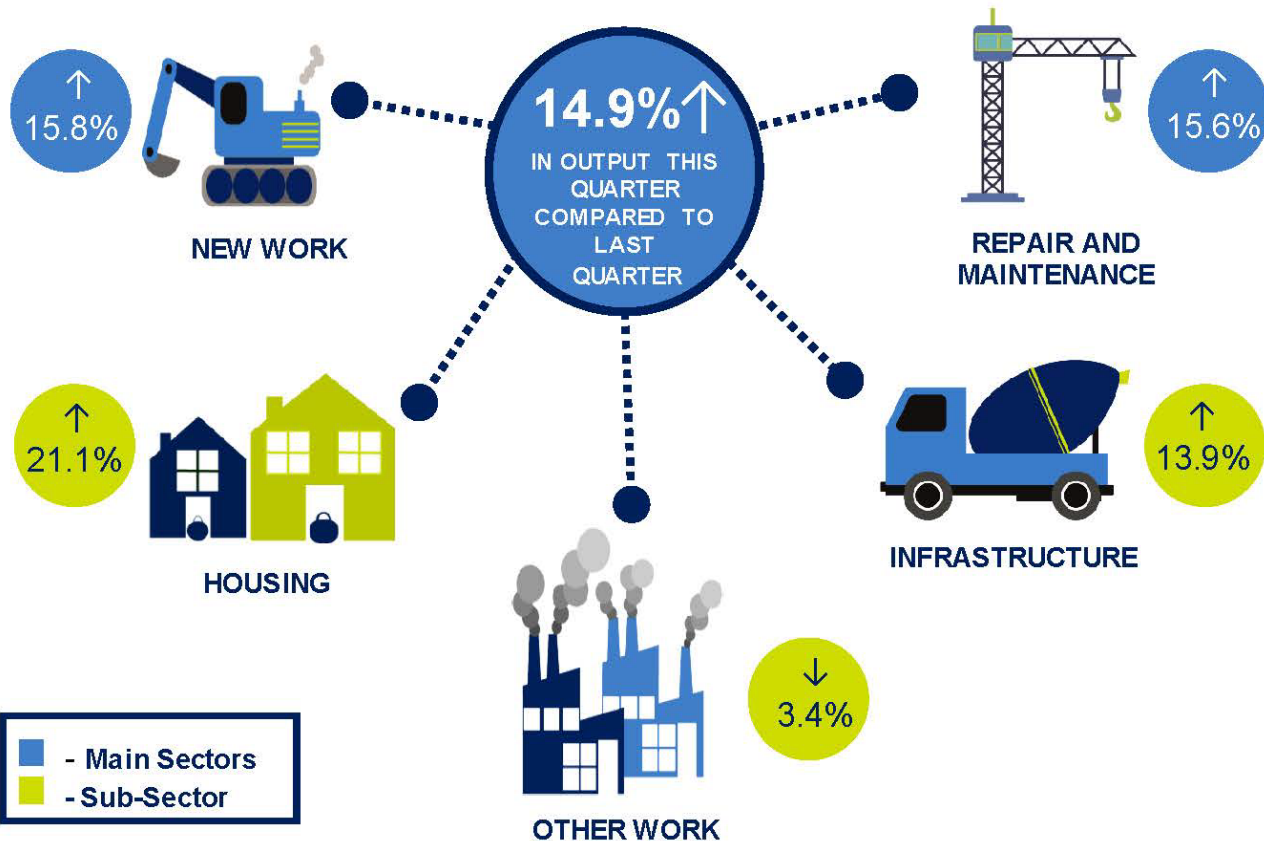
- Removed pre-release access to enhance trustworthiness, with the view to bring the publication date forward.
- Transferred data to an improved case management system (Integrated Business Survey System).
- Made improvements to the data collection process to standardise with other business surveys and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

Publication Schedule

Quarter	Publication Date
2021 Quarter 1	8 July 2021
2021 Quarter 2	30 September 2021
2021 Quarter 3	13 January 2022
2021 Quarter 4	31 March 2022

Quarterly Construction Enquiry Quarter 4 2020 Infographic

Quarter 4 2020 Compared with Quarter 3 2020 – Variables



Overall Construction



Quarterly Change

+ 14.9%



Annual Change

+ 10.3%



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 \(opens in a new window\)](#). 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 \(opens in a new window\)](#)) undertaking their own construction activity.

The Construction Output estimates are published as [Chained Volume Measures PDF \(59KB\) \(opens in a new window\)](#). 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 \(NICEI\) \(opens in a new window\)](#) 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 \(opens in a new window\)](#) of Northern Ireland Construction Output Statistics is also available.

3 Context

The latest regional [Gross Value Added \(GVA\) data for Northern Ireland \(opens in a new window\)](#) 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 \(opens in a new window\)](#) 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 \(IoP\) \(opens in a new window\)](#) and the [Index of Services \(IoS\) \(opens in a new window\)](#) 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 \(NICEI\) \(opens in a new window\)](#) 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 \(opens in a new window\)](#) 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 \(opens in a new window\)](#) of the [Economic and Labour Market Statistics \(ELMS\) section \(opens in a new window\)](#) of the NISRA website.

Other Information

Additional information relating to the [construction sector in Northern Ireland \(opens in a new window\)](#) 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 \(opens in a new window\)](#) online.

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

Impacts due to Coronavirus (COVID-19)

The coronavirus (COVID-19) pandemic and subsequent measures taken to reduce the transmission of the virus impacted on the economy in 2020. Throughout Quarter 4 2020, businesses in Northern Ireland were subject to a number of restrictions which impacted on their ability to operate, although the majority of construction work was unaffected. Further information can be found on [NI Direct \(opens in a new window\)](#).

COVID-19 impacted on the collection and validation of business data, which are collected on the Quarterly Business Survey. As a result, estimates for Quarter 4 2020 may be subject to higher revisions than normal over the coming quarters. Comparisons of provisional 2020 estimates at lower industry levels in particular should be treated with caution.

There are two schemes in place to support those working in the construction industry during COVID-19:

1. [Coronavirus Job Retention Scheme \(CJRS\) \(opens in a new window\)](#)
 - CJRS was introduced to support employers from 1st March 2020; commonly referred to as the furlough scheme. The CJRS worked by providing grants to employers of up to 80% of salary to a maximum value of £2,500 per employee per month, while covering some of the cost of employer pension and National Insurance Contributions.
 - In NI up to 31st December 2020, 96,500 employments have been supported through CJRS, equivalent to a 12% take-up rate, where 4,800 employments were supported in the construction sector (5%).
2. [Self-Employment Income Support Scheme \(SEISS\) \(opens in a new window\)](#)
 - SEISS provides support for self-employed individuals whose business has been adversely affected by Coronavirus (COVID-19). From 13th May 2020, eligible self-employed individuals could claim a grant worth 80% of their average monthly trading profits, paid out in a single instalment covering three months' worth of profits, and capped at £7,500 in total.
 - In NI up to 31st December 2020, the construction sector had made a total value of claims of £54.7 million (64% take-up rate) which accounted for 38% of the total value of claims made in NI (£143 million) through the SEISS.

Please note that the methodology that has been applied to produce these statistics is still under development and they should be considered 'Experimental' statistics.

4 Construction Output Summary

Quarter 4 (October to December) 2020

Overall Output

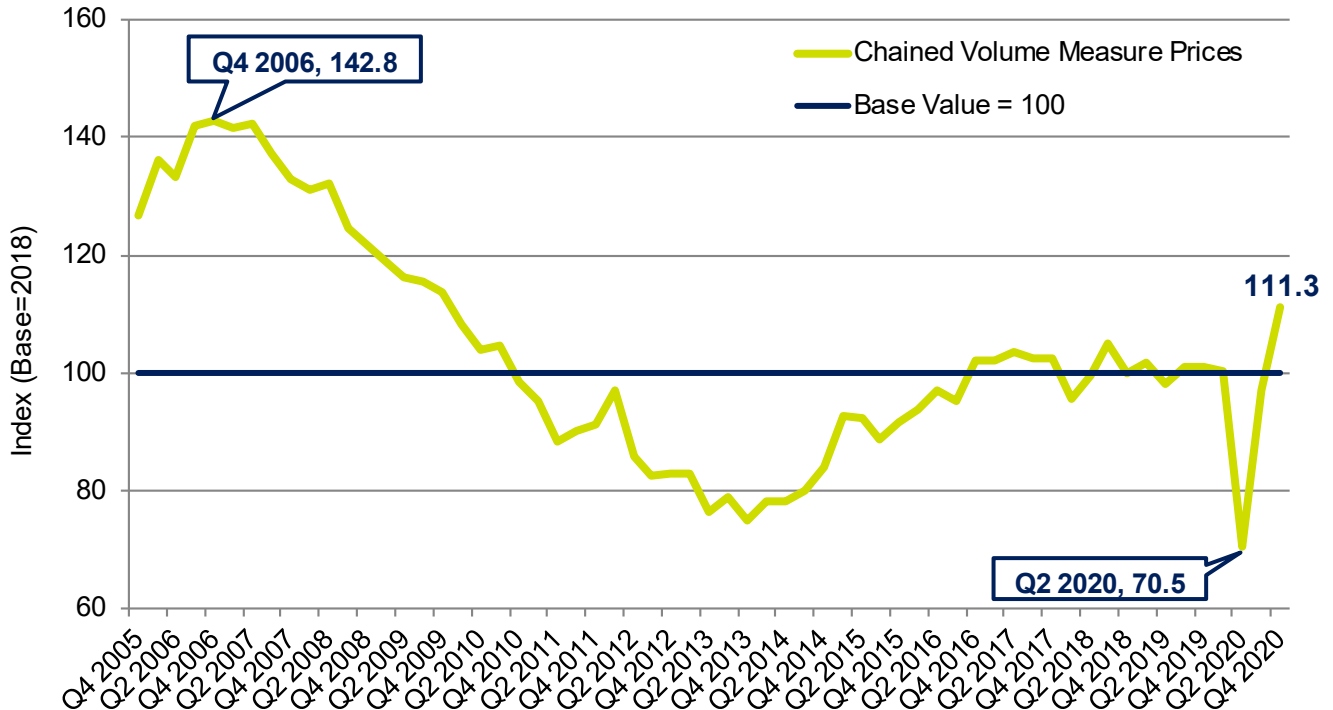
Construction Output: Construction activity measured by the QCE includes general construction and demolition work, construction and repair of buildings, civil engineering, installation of fixtures and fittings and any other building completion work.

The total volume of construction output in the fourth quarter of 2020 increased by 14.9% from Quarter 3 2020 to a 10 year high. Construction output increased by 10.3% over the year but decreased by 5.7% on a rolling four quarter basis (Figure 1). This follows a quarterly increase of 37.5% in Quarter 3 2020.

In the past two quarters, the total volume of construction output has shown growth following a decrease of 29.7% seen in Quarter 2 2020. Despite these increases there have been annual decreases in 5 of the last 7 quarters.

Following the series low seen in Quarter 2 2020, construction output has increased by 57.9%. Although construction output increased in Quarter 4 2020, the total volume of construction output is still 22.1% below the most recent peak in Quarter 4 2006.

Figure 1: Volume of Construction Output in NI, Q4 2005 – Q4 2020



Construction Output - New Work and Repair and Maintenance

In Quarter 4 2020, New Work accounted for around two thirds (66.0%) of all construction output, whilst Repair and Maintenance accounted for around one third (33.8%). 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)

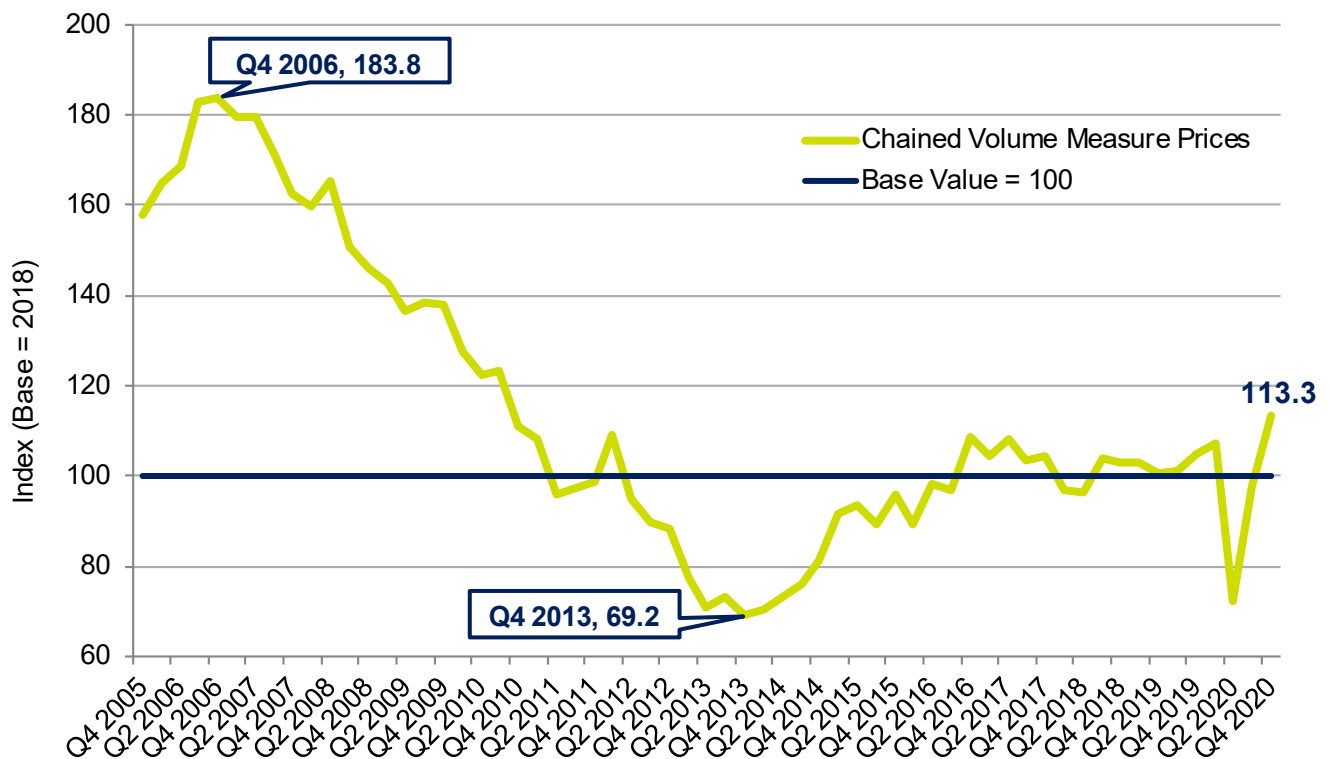
New Work

New Work (weight = 66.0% 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 2020, the volume of New Work increased by 15.8% over the quarter and by 7.9% over the year but was 4.7% lower on a rolling four quarter basis. This quarterly increase compares to the 35.7% quarterly increase observed in Quarter 3 2020.

Despite the increase seen in Quarter 4 2020, New Work is 38.4% below the series high seen in Quarter 4 2006 (Figure 2). New work in Quarter 4 2020 is 63.7% above the series low seen in Quarter 4 2013.

Figure 2: Volume of New Work Output in NI, Q4 2005 – Q4 2020



Repair and Maintenance

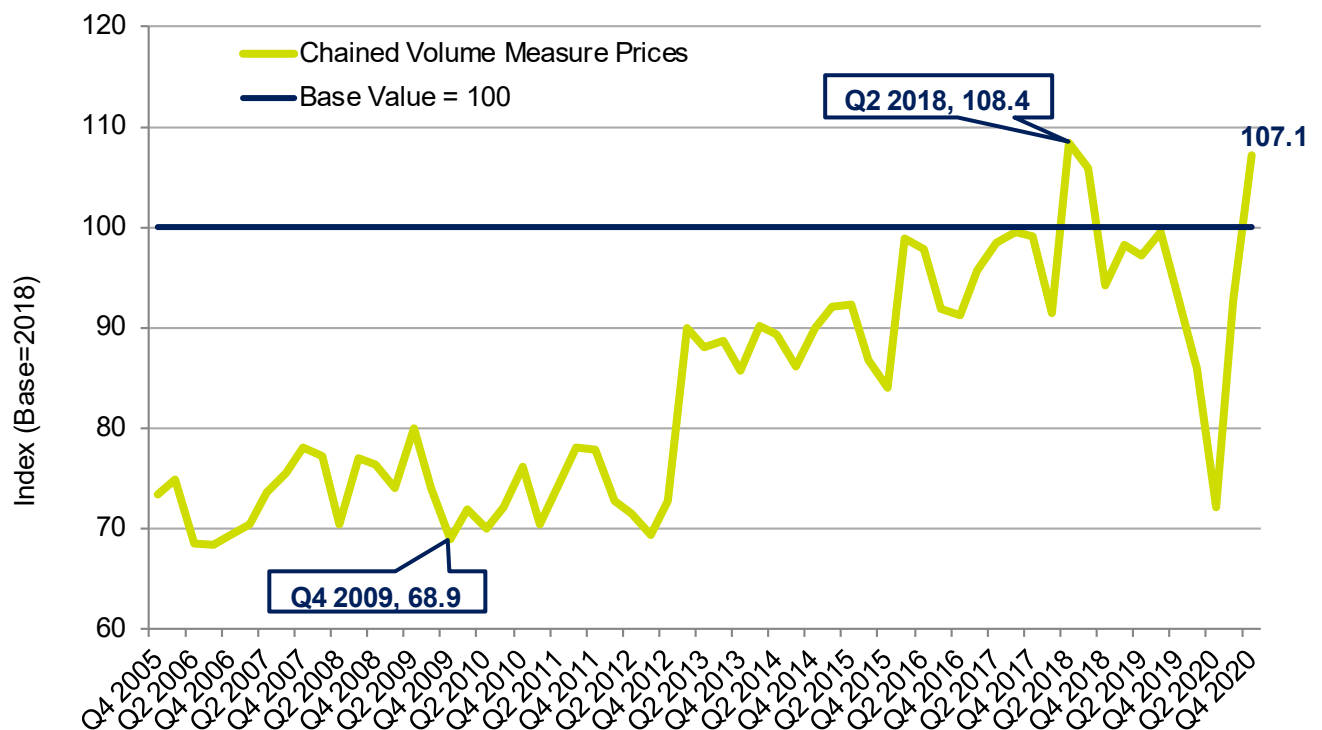
Repair and Maintenance (weight = 33.8% of QCE): is all on-site work not defined as new construction, for example, housing conversions, extensions and improvements.

In Quarter 4 2020, Repair and Maintenance Output increased by 15.6% over the quarter and by 15.0% over the year, yet was 7.8% lower on a rolling four quarter basis (Figure 3). This quarterly increase compares to the 28.6% quarterly increase observed in Quarter 3 2020.

Repair and Maintenance output in Quarter 4 2020 is 1.2% below the series high (Quarter 2 2018) and 55.4% above the 15 year low seen in Quarter 4 2009. The increase over the year in Quarter 4 2020 of 15.0% in Repair and Maintenance output is the first quarterly annual increase since Quarter 1 2019.

Repair and Maintenance output has seen 7 connective quarters of decline within the annualised growth rate¹ to Quarter 4 2020.

Figure 3: Volume of Repair and Maintenance Output in NI, Q4 2005 – Q4 2020



¹Annualised growth rate is calculated as the difference in the average of the most recent 4 quarters and the previous 4 quarters average, as a proportion of the average of the previous 4 quarters.

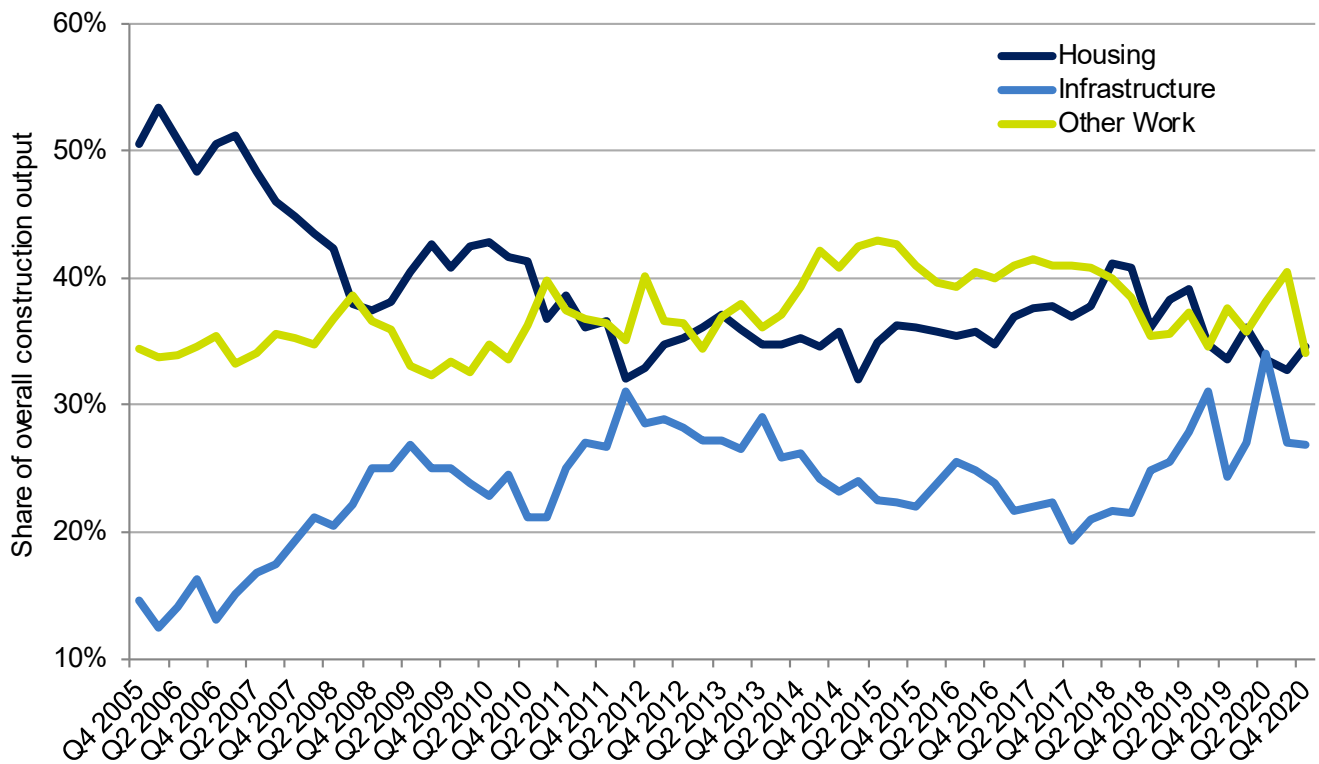
Construction Output – Housing, Infrastructure and Other Work

In Quarter 4 2020, the largest sub-sector was Housing which accounted for 34.5% of all construction output, followed by Other Work (34.1%) and then Infrastructure (26.8%).

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 despite fluctuations in Quarter 2 2020.

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

Figure 4: Share of overall Construction¹ Output broken down into Housing, Infrastructure and Other Work, Q4 2005 – Q4 2020



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

Housing Output

Housing Output (weight = 34.5% of QCE): 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 2020 increased by 21.1% compared with the previous quarter, was 13.2% higher than the same quarter in 2019 but was 11.2% lower on a rolling four quarter basis (Figure 5). This quarterly increase compares to the 34.1% quarterly increase observed in Quarter 3 2020.

While Housing Output is now 62.3% above the series low seen in Quarter 2 2020, it is 47.2% below the series high seen in Quarter 1 2006. The volume of Housing Output has increased over the year (+13.2%) for the first time since Quarter 1 2019.

Figure 5: Volume of Housing Output in NI, Q4 2005 – Q4 2020

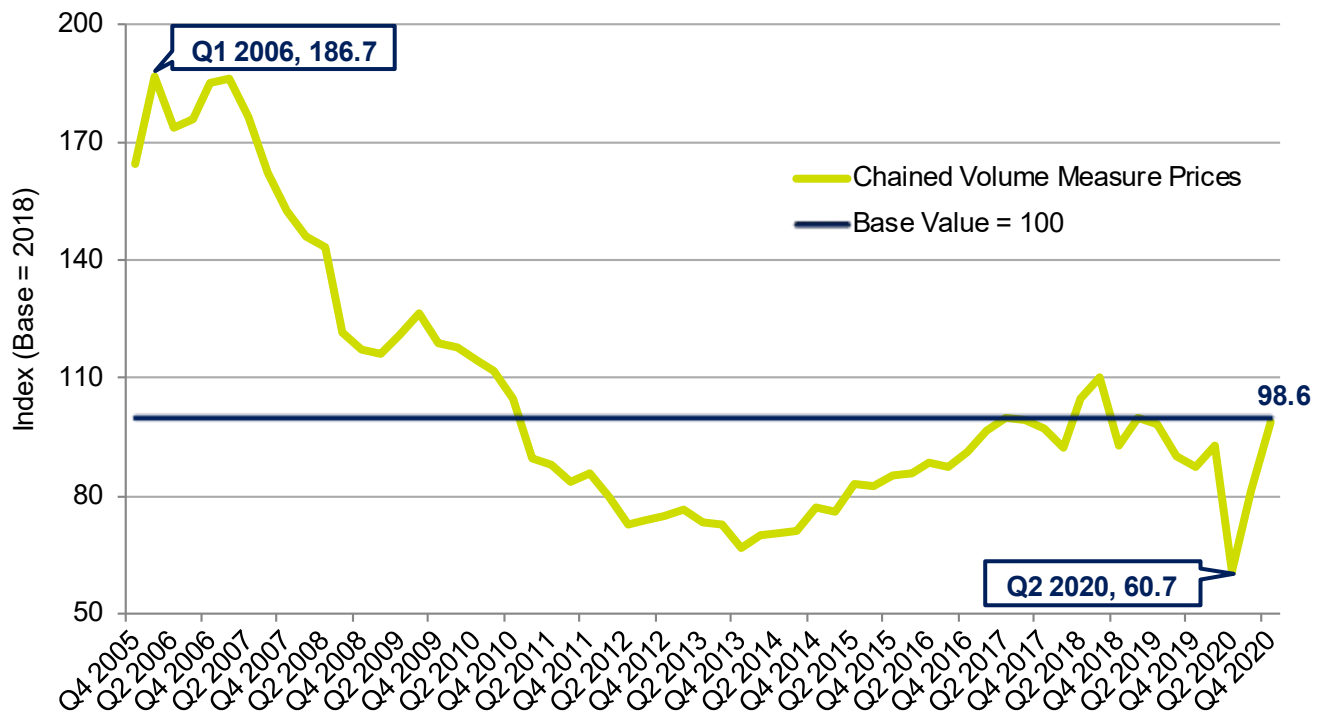
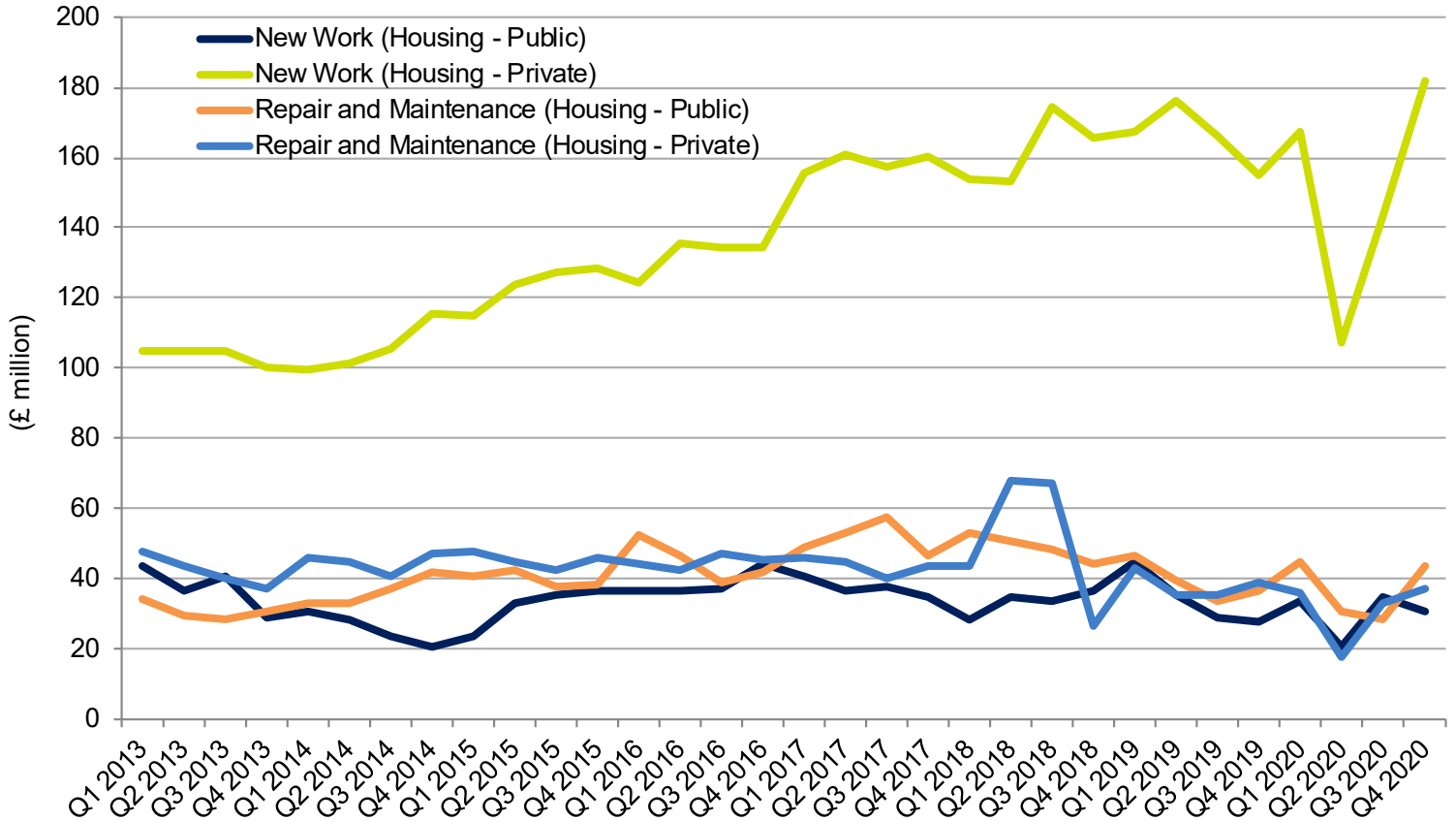


Figure 6 shows that in Quarter 4 2020, there were increases within all levels of Housing output apart from New Work Housing Public compared with the previous quarter.

Figure 6: Housing Output broken down by its sub-components, Q1 2013 – Q4 2020



Infrastructure Output

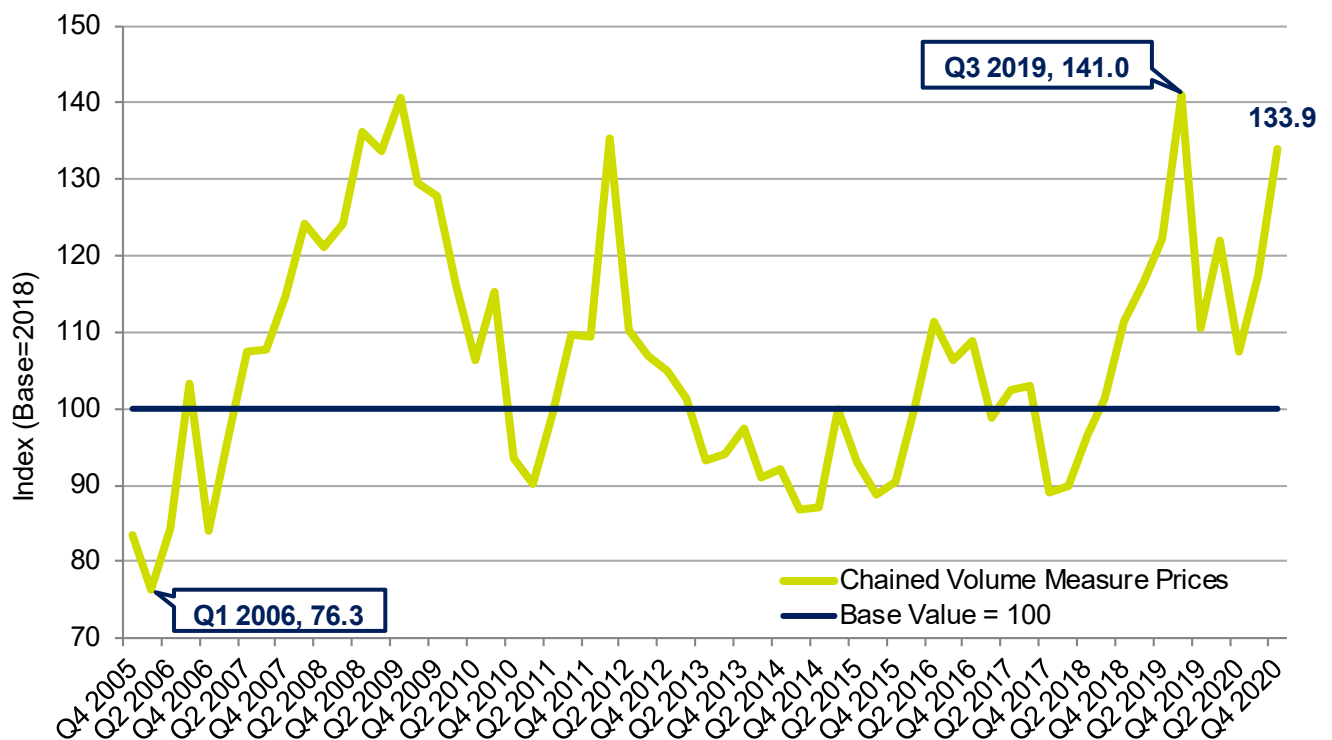
Infrastructure Output (weight = 26.8% of QCE): is defined as all public and private sector construction activity (New Work and Repair & Maintenance) associated with roads, bridges, car parks, footpaths, water, sewage, electricity, gas, communications, air transport, railways, harbours and waterways.

The volume of Infrastructure work in the fourth quarter of 2020 increased by 13.9% compared with the previous quarter and was 21.2% higher than the same quarter in 2019. Infrastructure decreased by 1.9% on a rolling four quarter basis (Figure 7). This quarterly increase compares to the 9.3% quarterly increase observed in Quarter 3 2020.

Infrastructure output is now 5.1% below the series high (Quarter 3 2019) and 75.4% above the 15 year low (Quarter 1 2006).

The annualised growth rate¹ for Infrastructure has been slowing since the most recent peak in Quarter 3 2019. Quarter 4 2020 marked the second consecutive quarter of decline in the annualised growth rate since Quarter 4 2018.

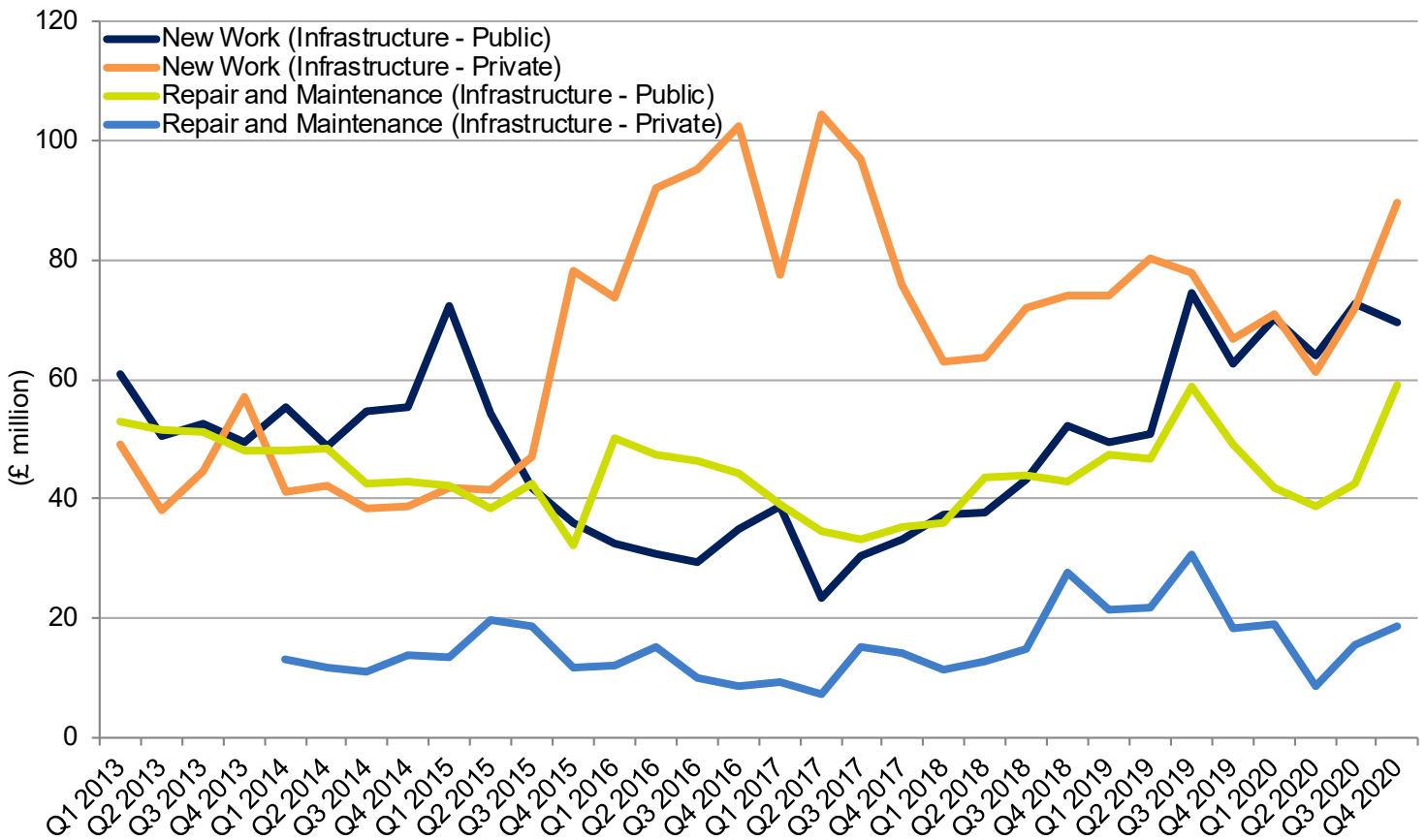
Figure 7: Volume of Infrastructure Output in NI, Q4 2005 – Q4 2020



¹Annualised growth rate is calculated as the difference in the average of the most recent 4 quarters and the previous 4 quarters average, as a proportion of the average of the previous 4 quarters.

The increase in Quarter 4 2020 was due to increases within all levels of Infrastructure apart from New Work Infrastructure Public. (Figure 8).

Figure 8: Infrastructure Output broken down by its sub-components, Q1 2013 – Q4 2020



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

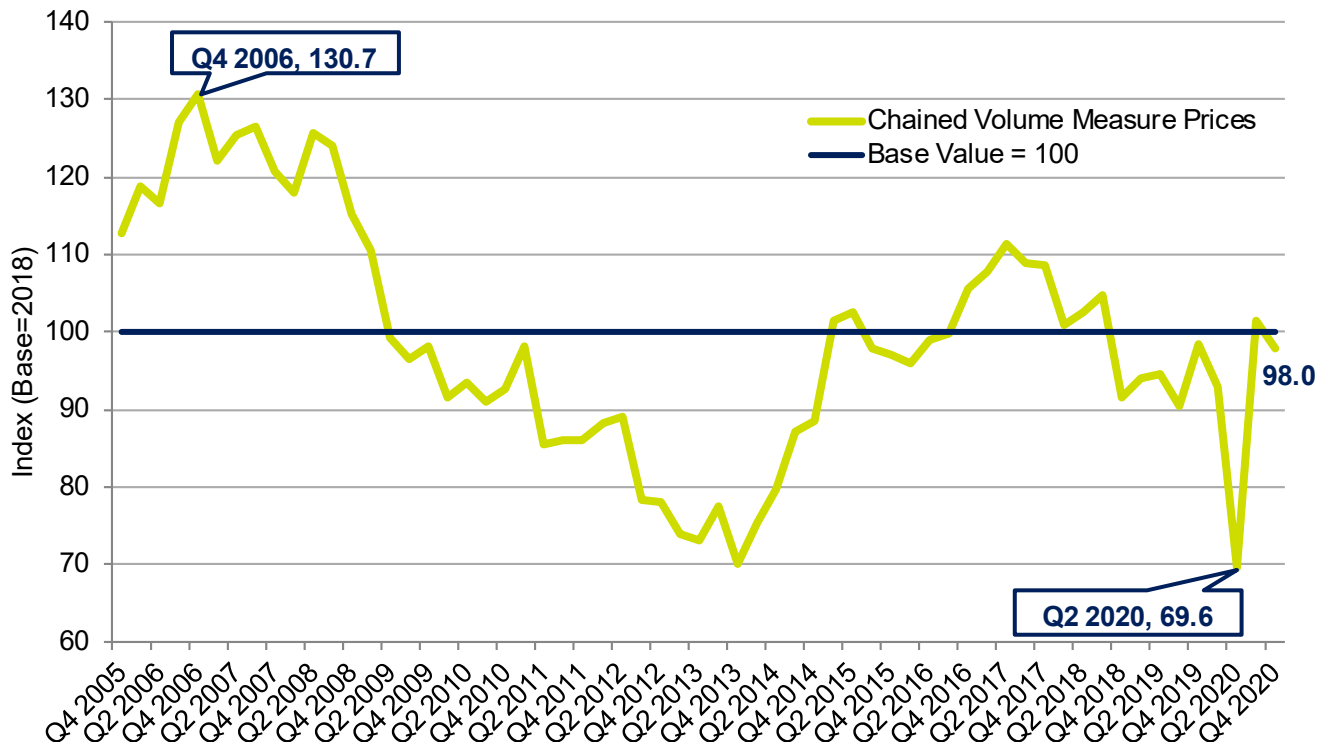
Other Work Output

Other Output (weight = 34.1% 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.

The volume of Other Work in Quarter 4 2020 decreased by 3.4% over the quarter, was 0.3% lower than the same quarter in 2019 and 4.1% lower on a rolling four quarter basis. This quarterly decrease compares to the 45.9% quarterly increase observed in Quarter 3 2020.

Despite fluctuations the volume of Other Work has been on a downward trend since Quarter 4 2017, where the annualised growth rate has shown a decrease every quarter since Quarter 2 2018 (Figure 9). Other Work in Quarter 4 2020 is 25.0% below the 15 year high seen in Quarter 4 2006 and is 40.8% above the series low recorded in Quarter 2 2020.

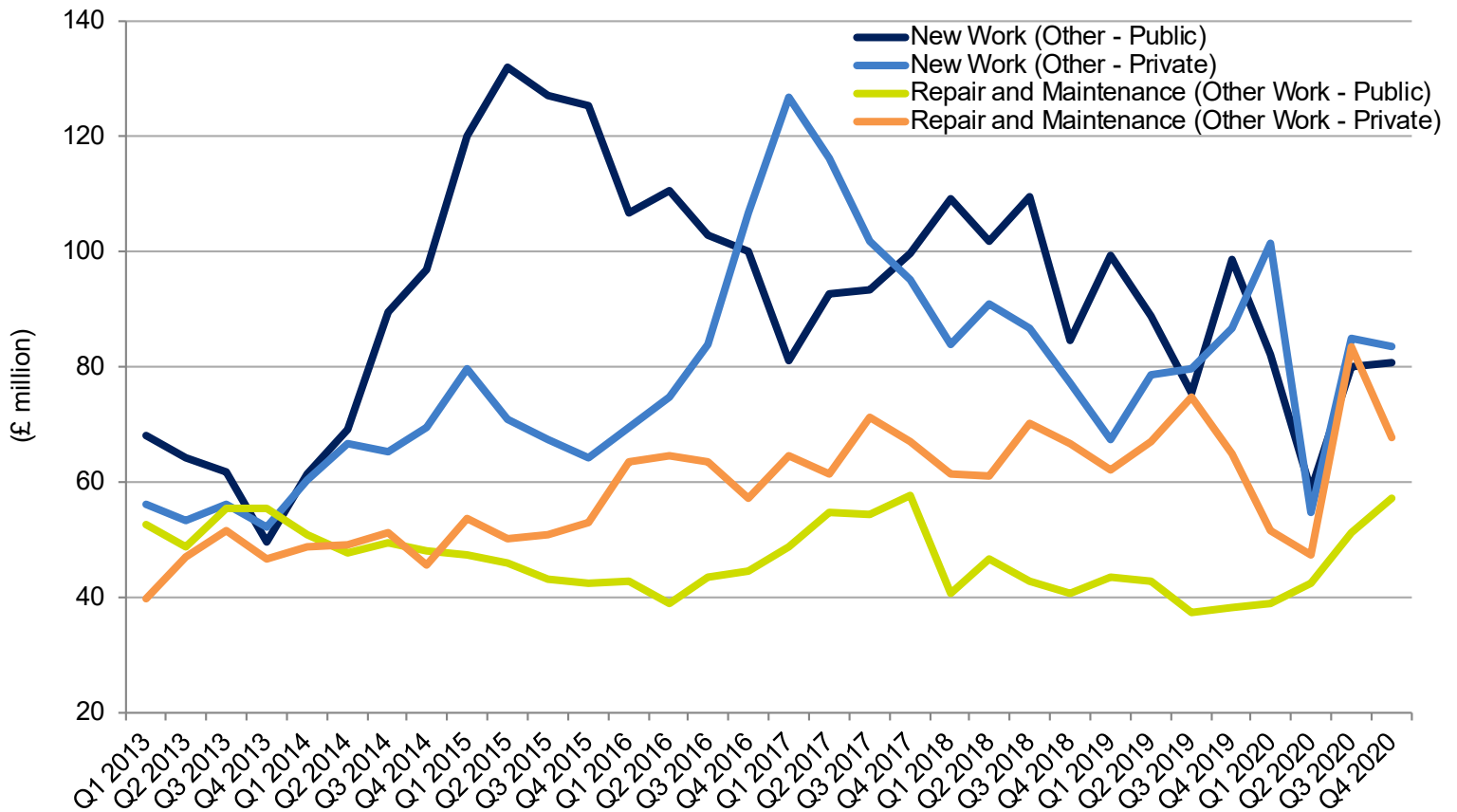
Figure 9: Volume of Other Work Output in NI, Q4 2005 – Q4 2020



¹Annualised growth rate is calculated as the difference in the average of the most recent 4 quarters and the previous 4 quarters average, as a proportion of the average of the previous 4 quarters.

The decrease in Other Work in Quarter 4 2020 was accounted for by decreases in all levels of Other Work Private, offset by increases in all levels of Other Work Public seen in Figure 10.

Figure 10: Other Work Output broken down by its sub-components, Q1 2013 – Q4 2020



5 Survey Response

Response rates provide an indication of the accuracy of final estimates. A [breakdown of valid response by stratum \(opens in a new window\)](#) 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 \(opens in a new window\)](#) 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 4 2020 when compared to 2019 figures, primarily due to the restrictions in place for businesses.

As a result, the estimates for Quarter 4 2020 may be subject to higher revisions than normal over the coming quarters. These can be tracked through the [revisions triangle \(opens in a new window\)](#) which is published alongside the QCE publication. Comparisons of provisional 2020 estimates at sub-sector levels in particular should be treated with caution.

6 Construction Output Tables

(the links below will open in a new window)

- [Table 1.1 Output in Northern Ireland: Chained volume measure \(2018\) prices, \(seasonally adjusted\) index numbers – Main Sectors](#)
- [Table 1.2 Output in Northern Ireland: Chained volume measure \(2018\) 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 \(2018\) Prices and Seasonally Adjusted³ \(£ million\)](#)
- [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 \(opens in a new window\)](#), 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.

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[NISRA website \(opens in a new window\)](#)



Twitter: [@NISRA](#)