

Northern Ireland Quarterly Construction Bulletin

Quarter 3 2020 (July – September)

Date: 14th January 2021

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 3 2020 (July – September). 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.

The coronavirus (COVID-19) pandemic and subsequent measures taken to reduce the transmission of the virus impacted on the economy in 2020. The most significant of these measures was the introduction of restrictions in movement, which began on 23 March 2020. Throughout Quarter 3 2020 there were a number of localised restrictions introduced, although the majority of construction work was unaffected.

Key Points



The total volume of construction output in the third quarter of 2020 increased by 36.0% from the series low in Quarter 2 2020, was 5.3% lower than the same quarter in 2019 and 8.1% lower on a rolling four quarter basis. This follows a quarterly decrease of 30.3% in Quarter 2 2020.



The quarterly increase of 36.0% in Quarter 3 2020 in construction output is the largest quarterly change on record.



While the total volume of construction output in NI was on an upward trend between Q4 2013 and Q3 2018, recent quarters have shown a drop, with annual decreases in 5 of the last 6 quarters.



The increase in overall output in Quarter 3 2020 from the previous quarter was driven by increases in New Work (32.8%) and Repair and Maintenance (31.7%).



The output in Repair and Maintenance has shown annual decreases in 6 consecutive quarters since Quarter 2 2019.



In Quarter 3 2020, all 3 construction sub-sectors (Housing, Infrastructure, Other work) showed an increase when compared with the previous quarter, where both Housing (33.8%) and Other Work (46.2%) have now recovered from series lows seen in Quarter 2 2020.

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

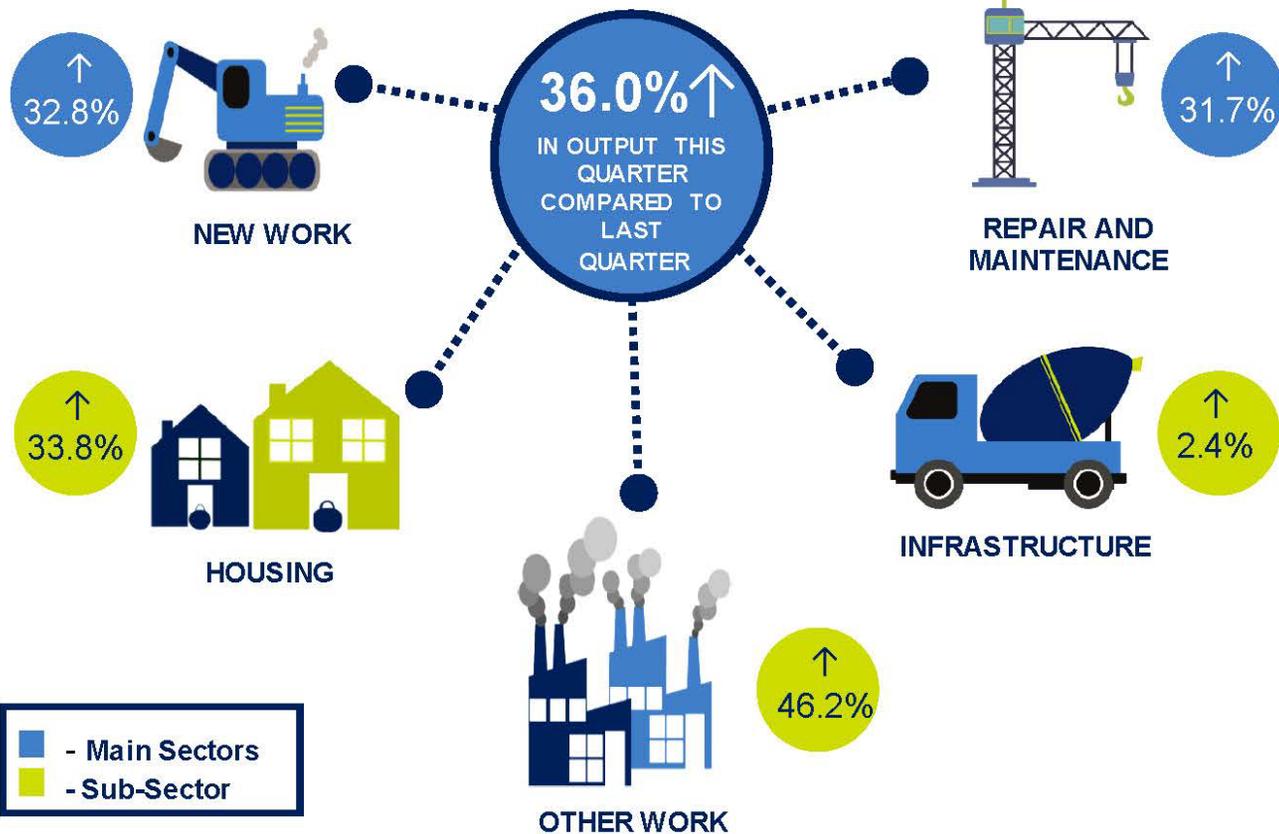
- Removed pre-release access to enhance trustworthiness, with the view to bring the publication date forward.
- Transferred data to an improved case management system (Integrated Business Survey System).
- Made improvements to the data collection process to standardise with other business surveys and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

Publication Schedule

Quarter	Publication Date
2020 Quarter 4	8 April 2021
2021 Quarter 1	8 July 2021
2021 Quarter 2	30 September 2021
2021 Quarter 3	To be confirmed

Quarterly Construction Enquiry Quarter 3 2020 Infographic

Quarter 3 2020 Compared with Quarter 2 2020 – Variables



Overall Construction



Quarterly Change

+ 36.0%



Annual Change

- 5.3%



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

Rebasing

Figures in this bulletin have been rebased from 2016=100 to 2018=100 in line with ONS figures. For further information on this please see the [Quarter 3 2020 Rebasing notice \(opens in a new window\)](#).

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. The most significant of these measures was the introduction of restrictions in movement, which began on 23 March 2020. Throughout Quarter 3 2020 there were a number of localised restrictions introduced, although the majority of construction work was unaffected.

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 3 2020 are likely to be subject to higher revisions than normal over the coming quarters. Comparisons of provisional Q3 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 30th September 2020, 54,100 employments have been supported through CJRS, equivalent to a 7% take-up rate.
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 30th September 2020, the construction sector had made a total value of claims of £58.4 million (76% take-up rate) which accounted for 36% of the total value of claims made in NI (£163 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 3 (July to September) 2020

Overall Output

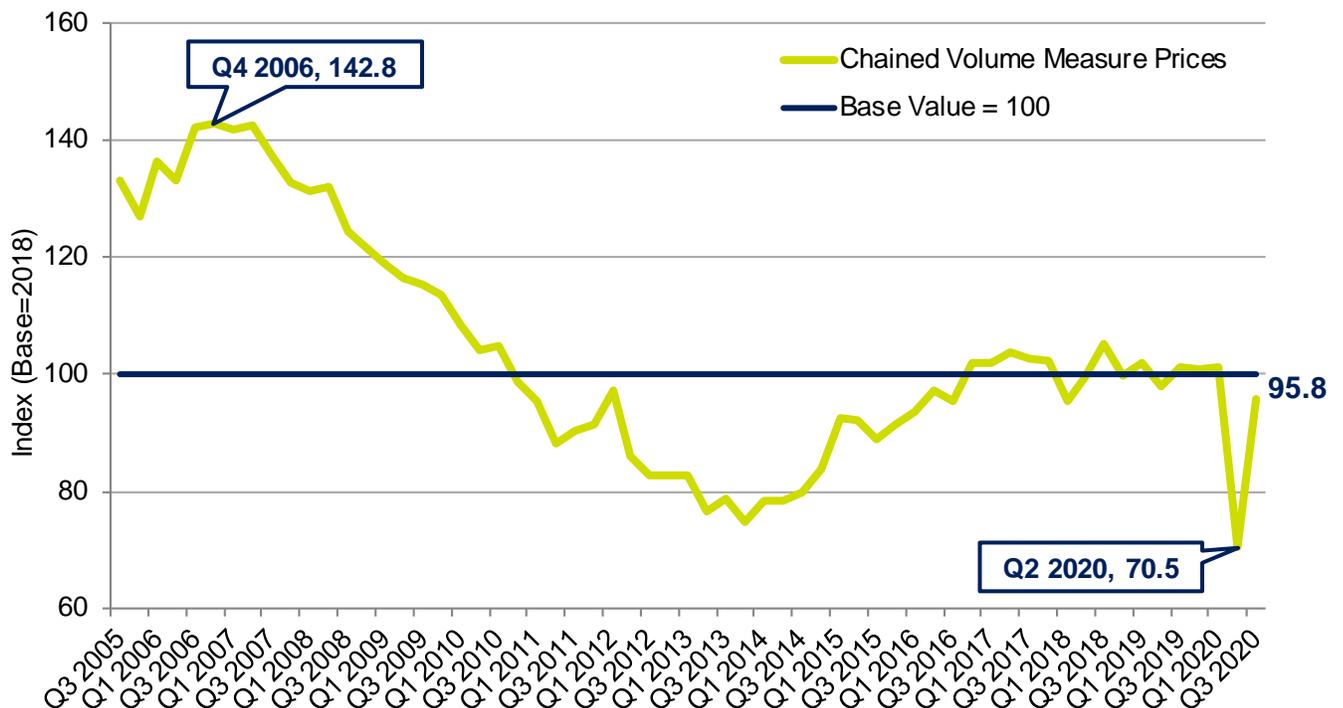
Construction Output: Construction activity measured by the QCE includes general construction and demolition work, construction and repair of buildings, civil engineering, installation of fixtures and fittings and any other building completion work.

The total volume of construction output in the third quarter of 2020 increased by 36.0% from the series low in Quarter 2 2020, was 5.3% lower than the same quarter in 2019 and 8.1% lower on a rolling four quarter basis (Figure 1). This follows a quarterly decrease of 30.3% in Quarter 2 2020.

The quarterly increase of 36.0% in Quarter 3 2020 in construction output is the largest quarterly change on record.

The total volume of construction output has fallen since the most recent peak in Quarter 4 2006. While the total volume of construction output in NI was on an upward trend between Quarter 4 2013 and Quarter 3 2018, recent quarters have shown a drop, with annual decreases in 5 of the last 6 quarters.

Figure 1: Volume of Construction Output in NI, Q3 2005 – Q3 2020



Construction Output - New Work and Repair and Maintenance

In Quarter 3 2020, New Work accounted for around two thirds (64.9%) of all construction output, whilst Repair and Maintenance accounted for around one third (34.1%). 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)

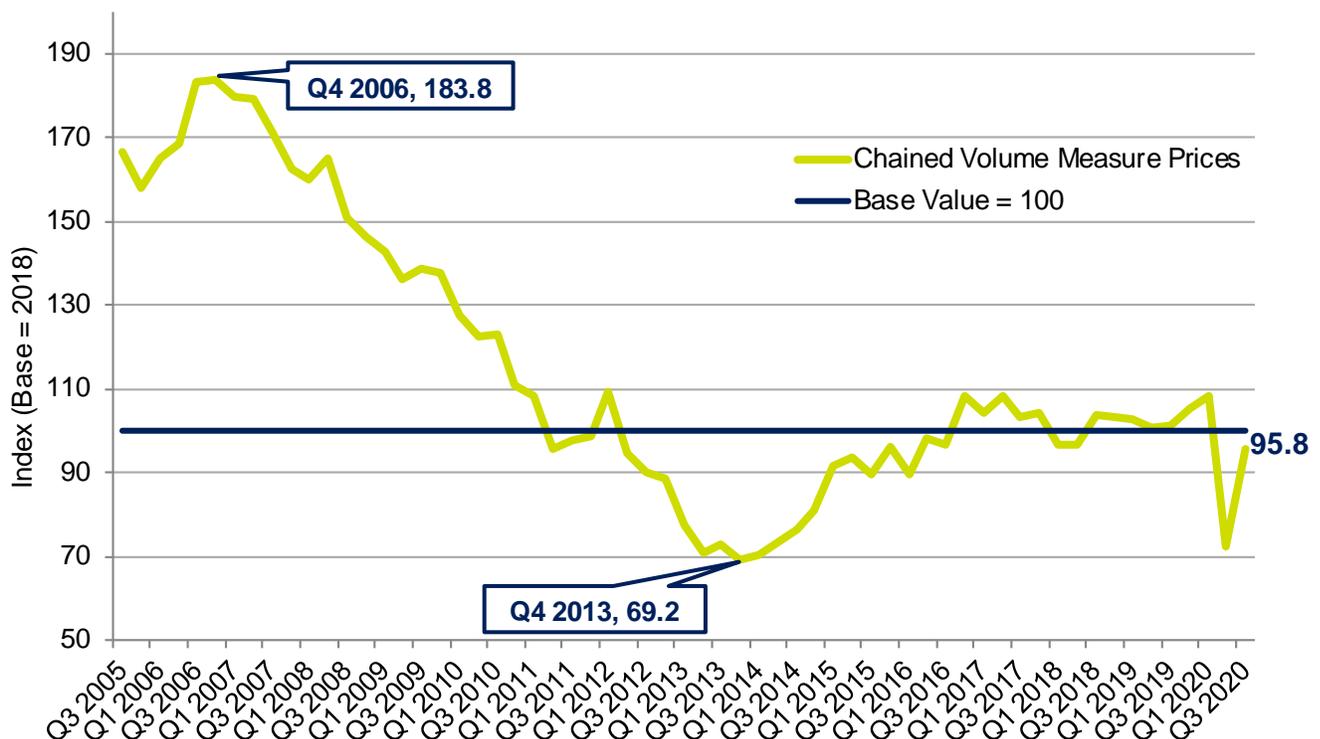
New Work

New Work (weight = 64.9% of QCE): is any new construction activity for example, factory and office extensions, major re-construction, major alterations, site preparation and demolition.

In the third quarter of 2020, the volume of New Work increased by 32.8% compared with the previous quarter, decreased by 5.1% compared with the same quarter in 2019 and was 6.4% lower on a rolling four quarter basis. This quarterly increase compares to the 33.4% quarterly decrease observed in Quarter 2 2020.

Despite the increase seen in Quarter 3 2020, New Work is 47.9% below the series high seen in Quarter 4 2006 (Figure 2). New work in Quarter 3 2020 is 38.5% above the series low seen in Quarter 4 2013.

Figure 2: Volume of New Work Output in NI, Q3 2005 – Q3 2020



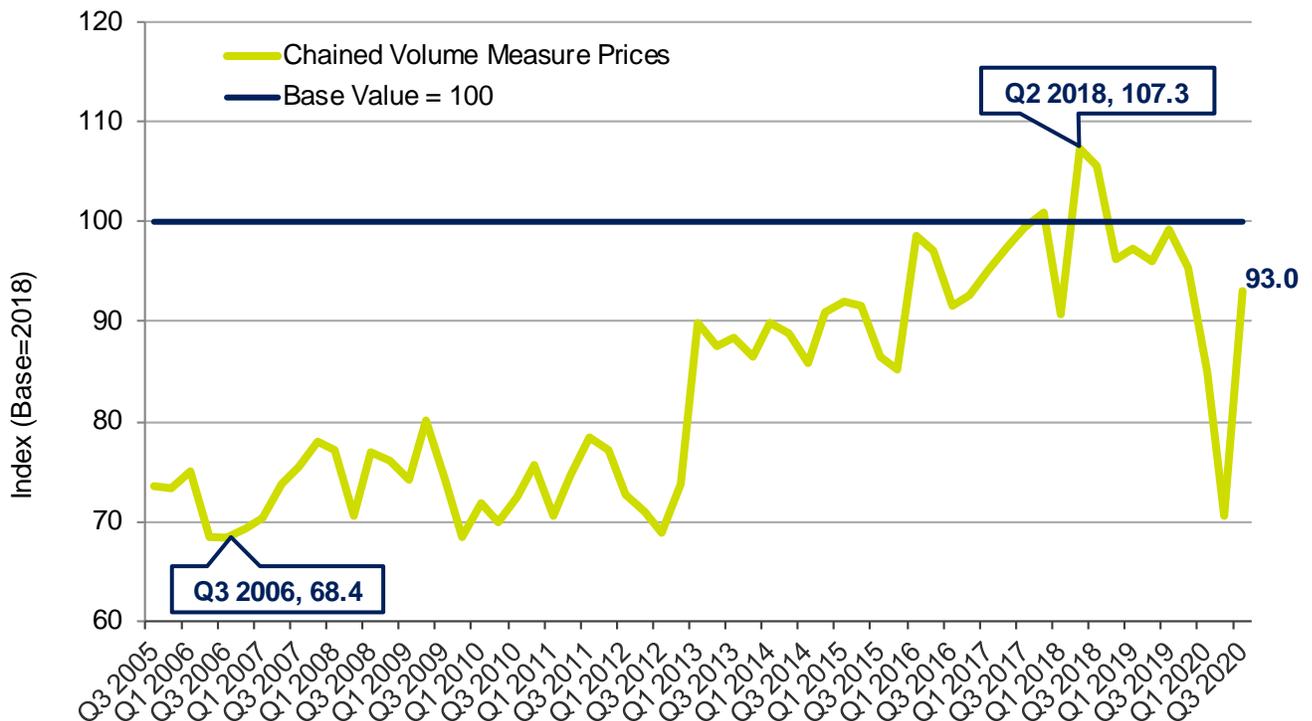
Repair and Maintenance

Repair and Maintenance (weight = 34.1% of QCE): is all on-site work not defined as new construction, for example, housing conversions, extensions and improvements.

In Quarter 3 2020, Repair and Maintenance Output increased by 31.7% compared with the previous quarter, representing the largest quarterly increase on record. Repair and Maintenance decreased by 6.2% over the year and was 11.5% lower on a rolling four quarter basis (Figure 3). This quarterly increase compares to the 17.0% quarterly decrease observed in Quarter 2 2020.

Repair and Maintenance output in Quarter 3 2020 is 13.3% below the series high (Quarter 2 2018) and 36.1% above the 15 year low seen in Quarter 3 2006. Repair and Maintenance output has shown annual decreases in 6 consecutive quarters since Quarter 2 2019.

Figure 3: Volume of Repair and Maintenance Output in NI, Q3 2005 – Q3 2020



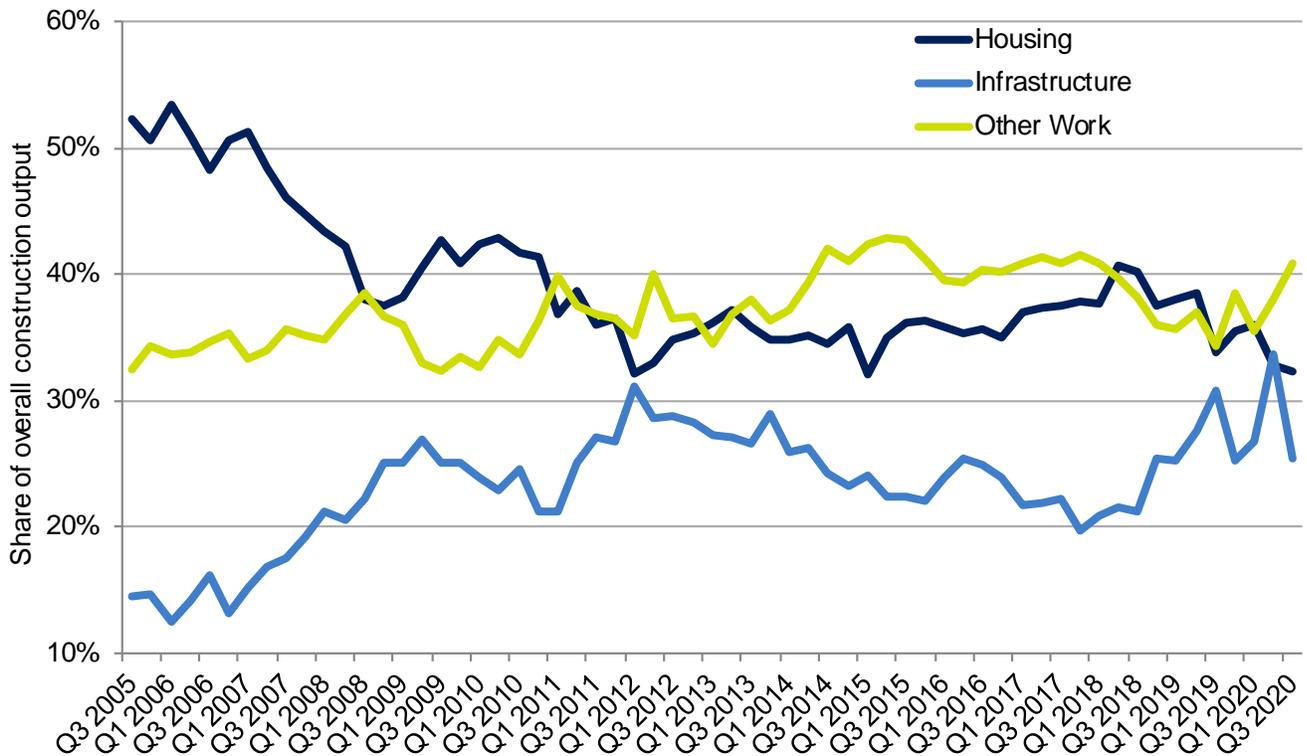
Construction Output – Housing, Infrastructure and Other Work

In Quarter 3 2020, the largest sub-sector was Other Work which accounted for 40.9% of all construction output, followed by Housing (32.2%) and then Infrastructure (25.4%).

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, Q3 2005 – Q3 2020



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

Housing Output

Housing Output (weight = 32.2% 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 third quarter of 2020 increased by 33.8% compared with the previous quarter, was 9.9% lower than the same quarter in 2019 and 14.8% lower on a rolling four quarter basis (Figure 5). This quarterly increase compares to the 36.4% quarterly decrease observed in Quarter 2 2020.

While Housing Output is now 33.8% above the series low seen in Quarter 2 2020, it is 57.6% below the series high seen in Quarter 1 2006. The volume of Housing Output has shown annual decreases each quarter since Quarter 2 2019.

Figure 5: Volume of Housing Output in NI, Q3 2005 – Q3 2020

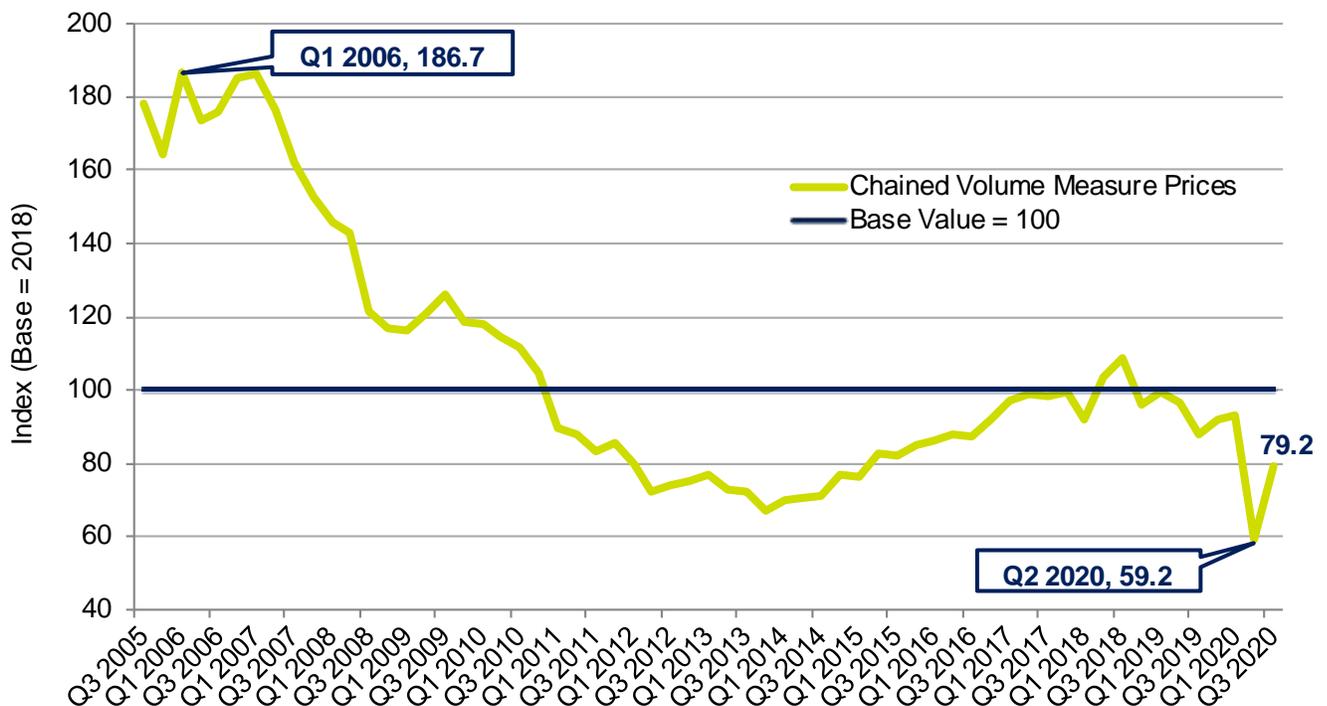
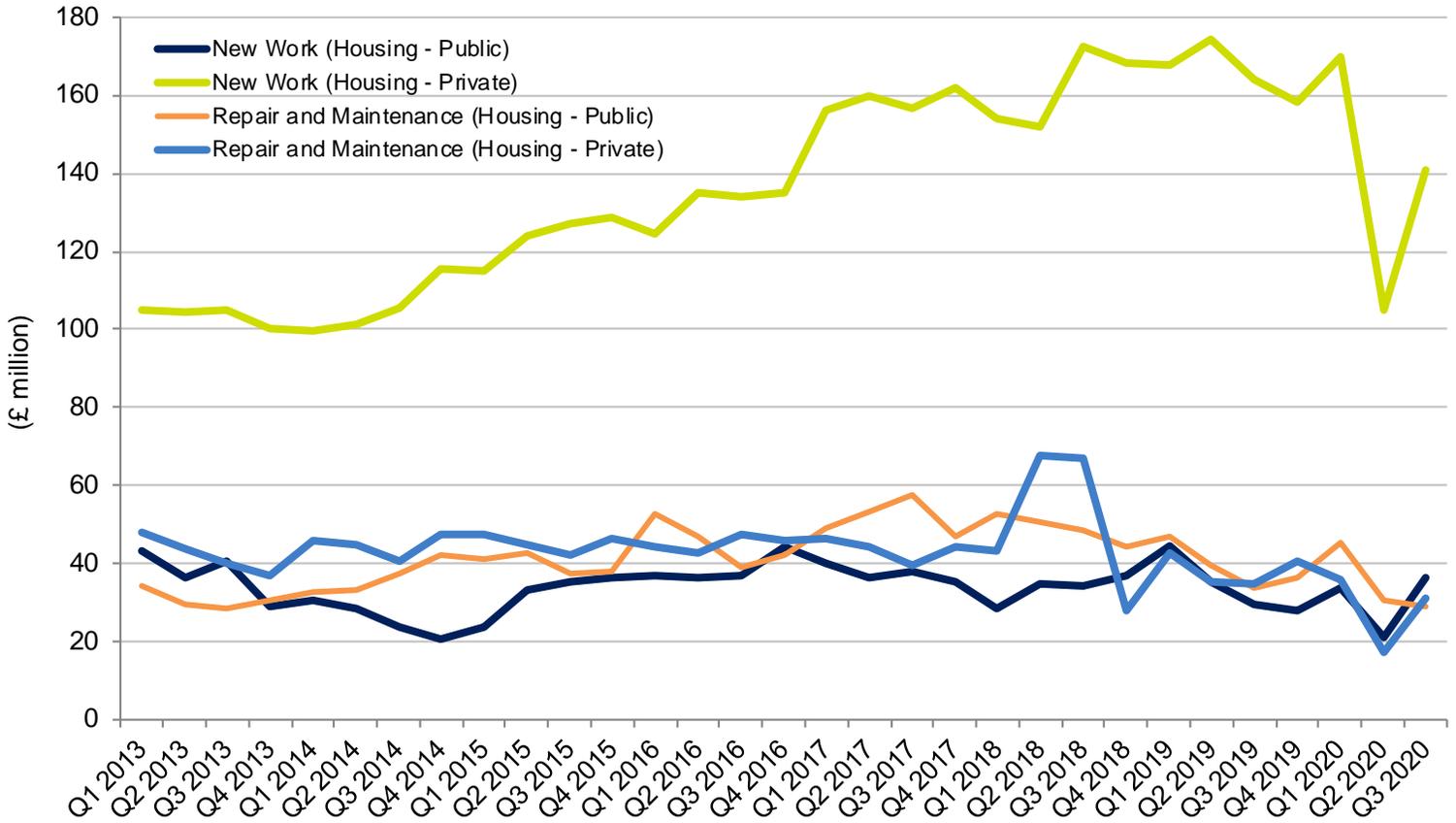


Figure 6 shows that in Quarter 3 2020, there were increases within all levels of Housing output apart from Repair and Maintenance Housing Public compared with the previous quarter.

Figure 6: Housing Output broken down by its sub-components, Q1 2013 – Q3 2020



Infrastructure Output

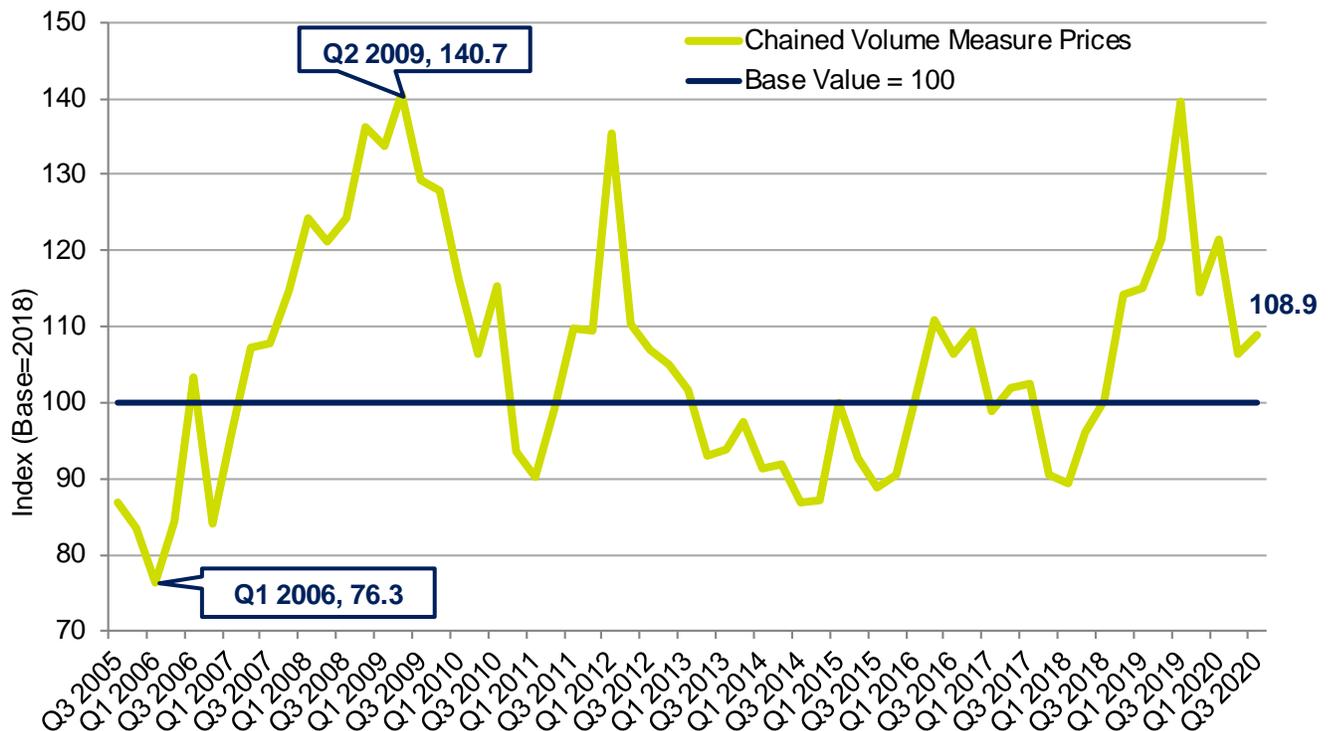
Infrastructure Output (weight = 25.4% of QCE): is defined as all public and private sector construction activity (New Work and Repair & Maintenance) associated with roads, bridges, car parks, footpaths, water, sewage, electricity, gas, communications, air transport, railways, harbours and waterways.

The volume of Infrastructure work in the third quarter of 2020 increased by 2.4% compared with the previous quarter, was 22.0% lower than the same quarter in 2019 and was 8.1% lower on a rolling four quarter basis (Figure 7). This quarterly increase compares to the 12.4% quarterly decrease observed in Quarter 2 2020.

Despite the small increase seen in Quarter 3 2020, Infrastructure output has fallen over recent quarters and is now 22.0% below the recent peak in Quarter 3 2019 and 42.6% above the 15 year low seen in Quarter 1 2006.

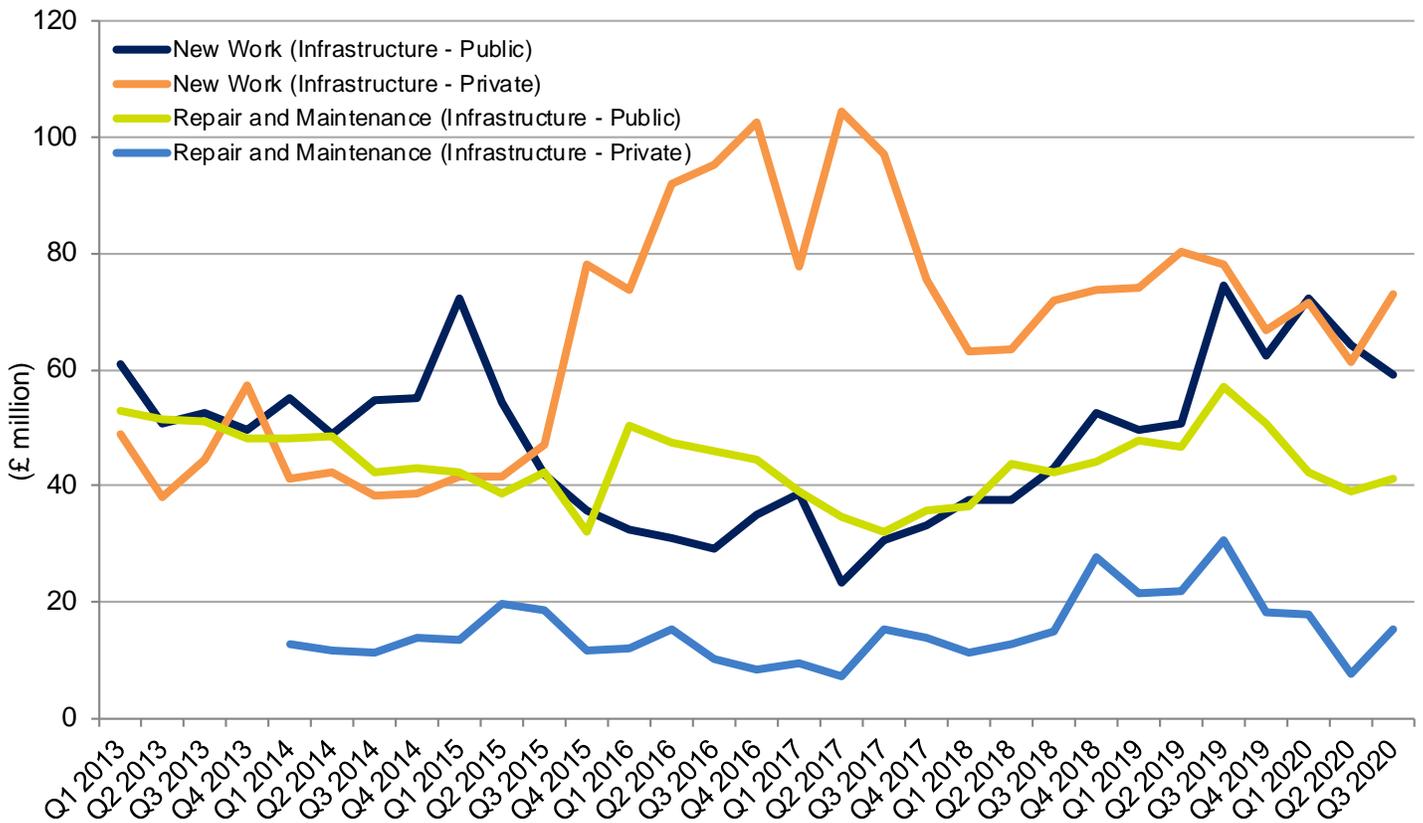
The annualised growth rate for Infrastructure has been slowing since the most recent peak in Quarter 3 2019. In Quarter 3 2020 the first decrease in the annualised growth rate since Quarter 3 2018 has been recorded.

Figure 7: Volume of Infrastructure Output in NI, Q3 2005 – Q3 2020



The increase in Quarter 3 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 – Q3 2020



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

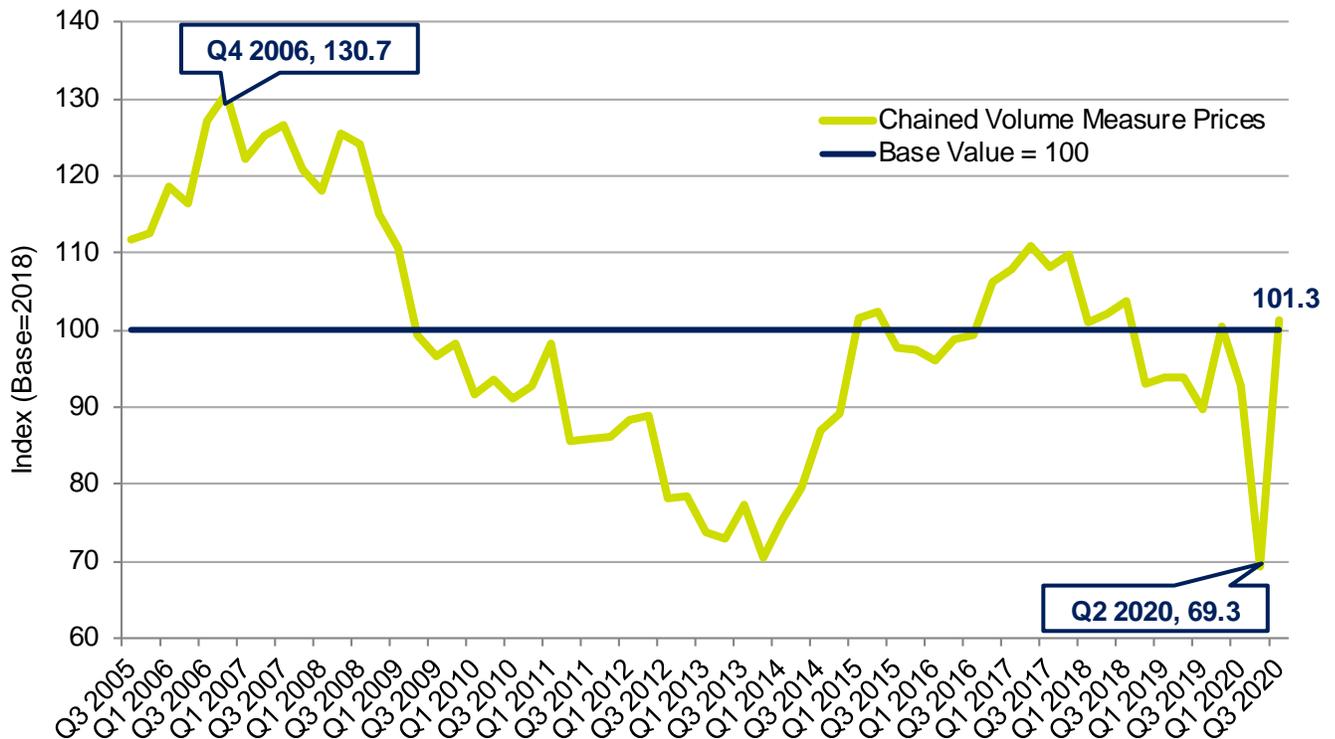
Other Work Output

Other Output (weight = 40.9% 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 3 2020 increased by 46.2% from the series low seen in Quarter 2 2020, representing the largest quarterly change on record. The volume of Other Work was 13.1% higher than the same quarter in 2019 and 1.8% lower on a rolling four quarter basis. This quarterly increase compares to the 25.3% quarterly decrease observed in Quarter 2 2020.

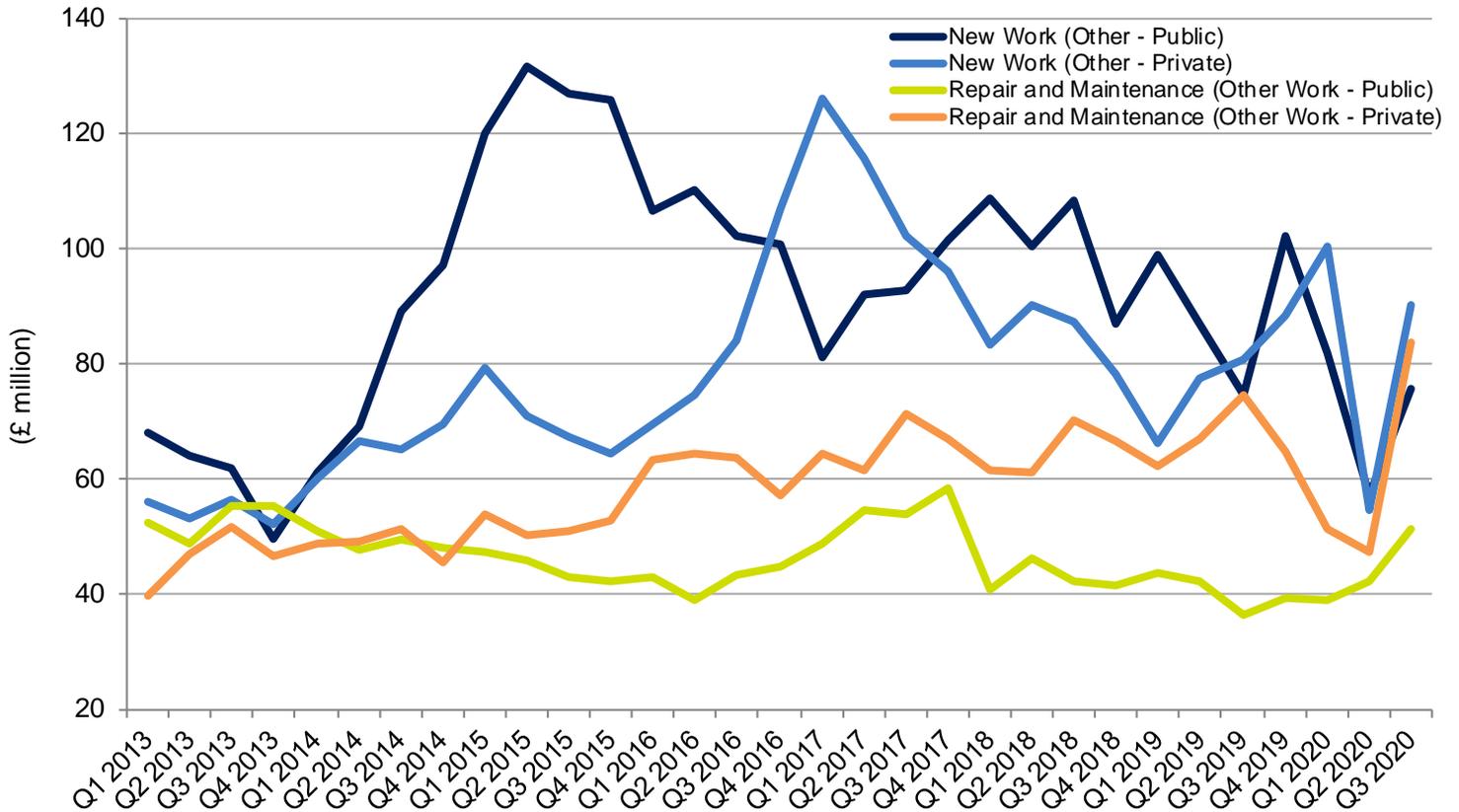
Despite fluctuations the volume of Other Work has been on a downward trend since Quarter 4 2017, where the annualised growth rate has shown a decrease every quarter since Quarter 2 2018 (Figure 9). Other Work in Quarter 3 2020 is 22.5% below the 15 year high seen in Quarter 4 2006.

Figure 9: Volume of Other Work Output in NI, Q3 2005 – Q3 2020



The increase in Other Work in Quarter 3 2020 was accounted for by increases in all levels of Other Work seen in Figure 10.

Figure 10: Other Work Output broken down by its sub-components, Q1 2013 – Q3 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 3 2020 when compared to 2019 figures, primarily due to the restrictions in place for businesses.

As a result, the estimates for Quarter 3 2020 are likely to 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 Stratum² 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 \(opens in a new window\)](#)



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