3 Context

The latest regional Gross Value Added (GVA) data for Northern Ireland indicates that the construction industry was estimated to account for 8.0% of regional GVA in 2019. 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 and the Economic Output section of the Economic and Labour Market Statistics (ELMS) section of the NISRA website.

Other Information

Additional information relating to the construction sector in Northern Ireland can be found online, this includes provision of information related to the following:

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

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

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

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 and 2021. Throughout Quarter 2 2021, 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 the Coronavirus (COVID-19) section of the NI Direct website.

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 2 2021 may be subject to higher revisions than normal over the coming quarters. Comparisons of provisional 2020/21 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)**
    - CJRS was introduced to support employers from 1 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 30 June 2021, 44,000 employments have been supported through CJRS, equivalent to a 6% take-up rate, where 3,500 employments were supported in the construction sector (8%).

2. **Self-Employment Income Support Scheme (SEISS)**
    - SEISS provides support for self-employed individuals whose business has been adversely affected by Coronavirus (COVID-19). From 13 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 15 August 2021, the construction sector had made a total value of claims of £15.4 million (23% take-up rate) which accounted for 42% of the total value of claims made in NI (£37 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.

Users should note that many of the annual changes in the report are based on a comparison of current data against data relating to the earliest full quarter of the pandemic and the height of lockdown restrictions. This led to many of the estimates for Quarter 2 2020 being series lows. Where possible a comparison with one year ago as well as a comparison against the pre-pandemic value is provided for context.

4 Construction Output Summary

Quarter 2 (April to June) 2021

Overall Output

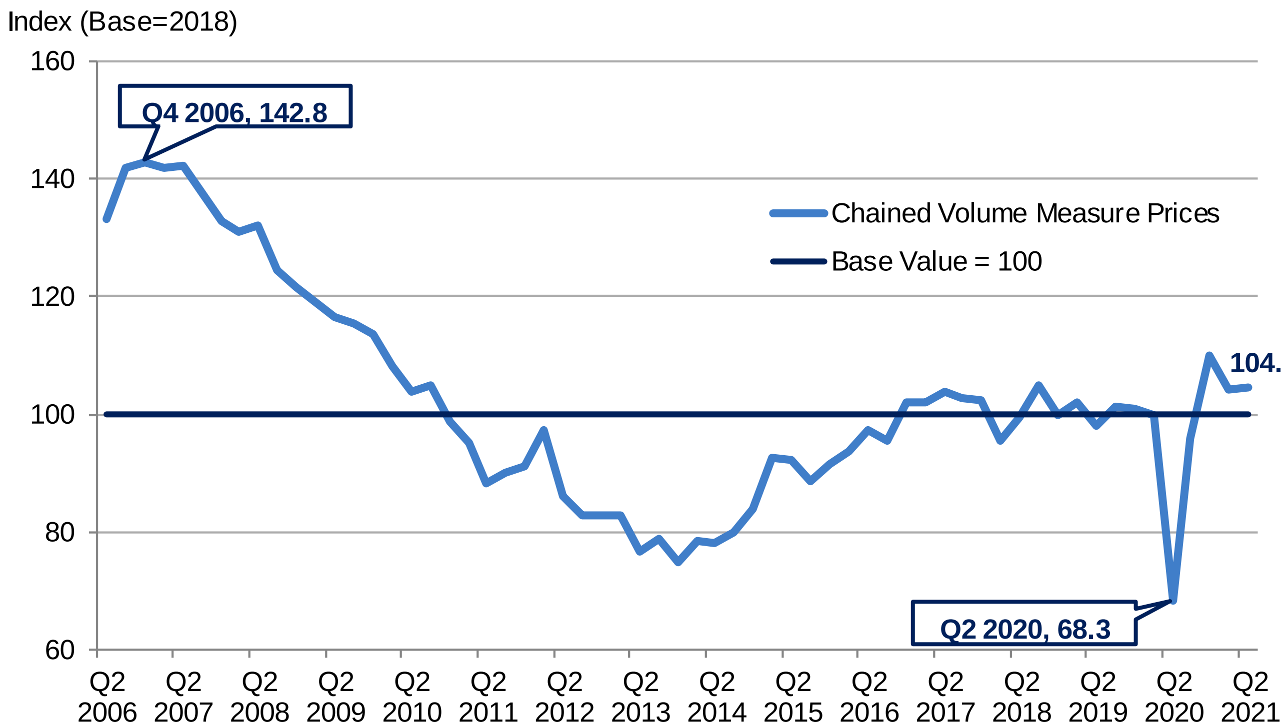
Construction Output: Construction activity measured by the QCE includes general construction and demolition work, construction and repair of buildings, civil engineering, installation of fixtures and fittings and any other building completion work.

The total volume of construction output in the second quarter of 2021 increased by 0.6% over the quarter, by 53.2% over the year and by 12.0% on a rolling four quarter basis (Figure 1). This follows a quarterly decrease of 5.4% in Quarter 1 2021.

Construction output is 3.8% above its pre-Coronavirus pandemic level seen in Quarter 4 2019. The total volume of construction output has seen an increase within the annualised growth rate[1] in Quarter 2 2021 after five consecutive quarters of decline.

Following the series low seen in Quarter 2 2020, construction output has increased by 53.2%. The total volume of construction output is still 26.7% below the most recent peak in Quarter 4 2006.

Figure 1: Volume of Construction Output in NI, Q2 2006 – Q2 2021



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[1]Annualised 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 - New Work and Repair and Maintenance

In Quarter 2 2021, New Work accounted for around two thirds (66.8%) 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

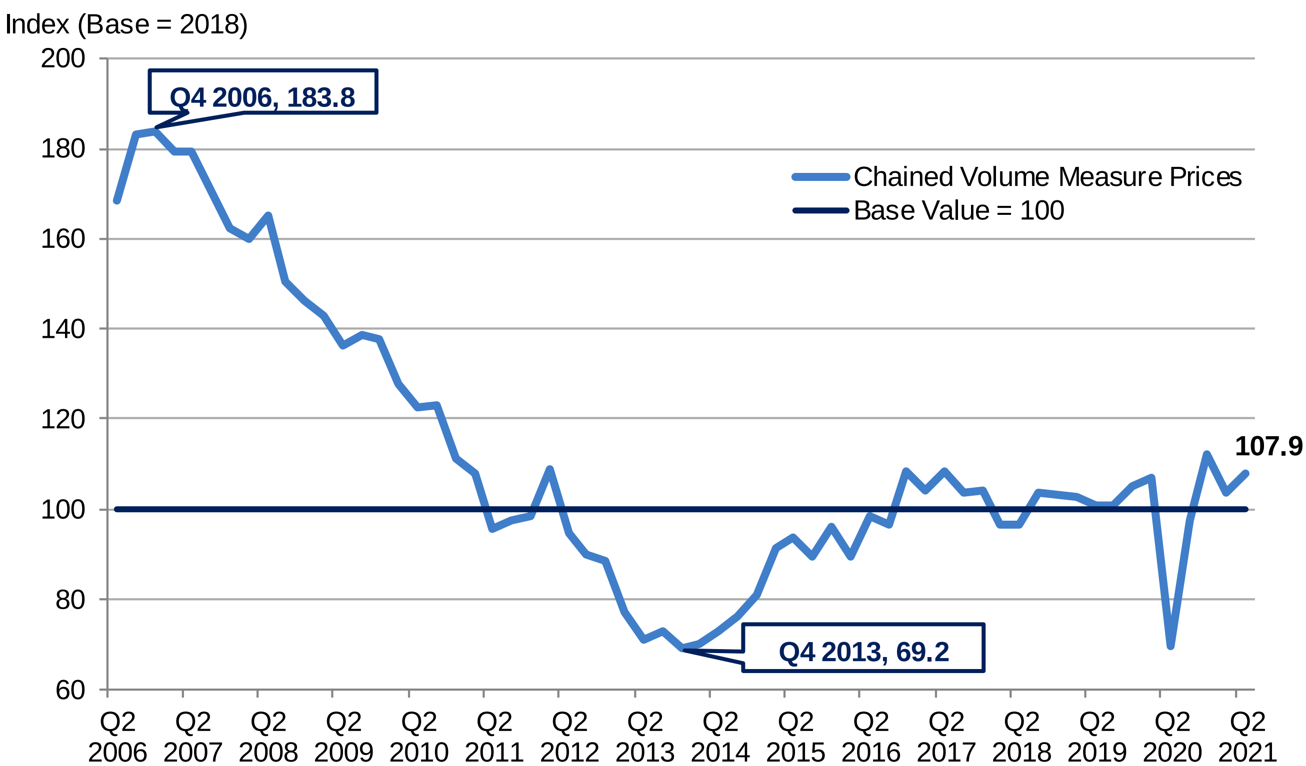
New Work (weight = 66.8% of QCE): is any new construction activity for example, factory and office extensions, major re-construction, major alterations, site preparation and demolition.

In the second quarter of 2021, the volume of New Work increased by 3.9% over the quarter, by 54.9% over the year and by 10.2% on a rolling four quarter basis. This quarterly increase compares to the 7.3% quarterly decrease observed in Quarter 1 2021.

New Work output is 2.8% above its pre-Coronavirus pandemic level seen in Quarter 4 2019.

New Work is 41.3% below the series high seen in Quarter 4 2006 (Figure 2). New work in Quarter 2 2021 is 56.0% above the series low seen in Quarter 4 2013. New Work has seen an increase within the annualised growth rate[1] after four consecutive quarters of decline.

Figure 2: Volume of New Work Output in NI, Q2 2006 – Q2 2021



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[1]Annualised 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.

Repair and Maintenance

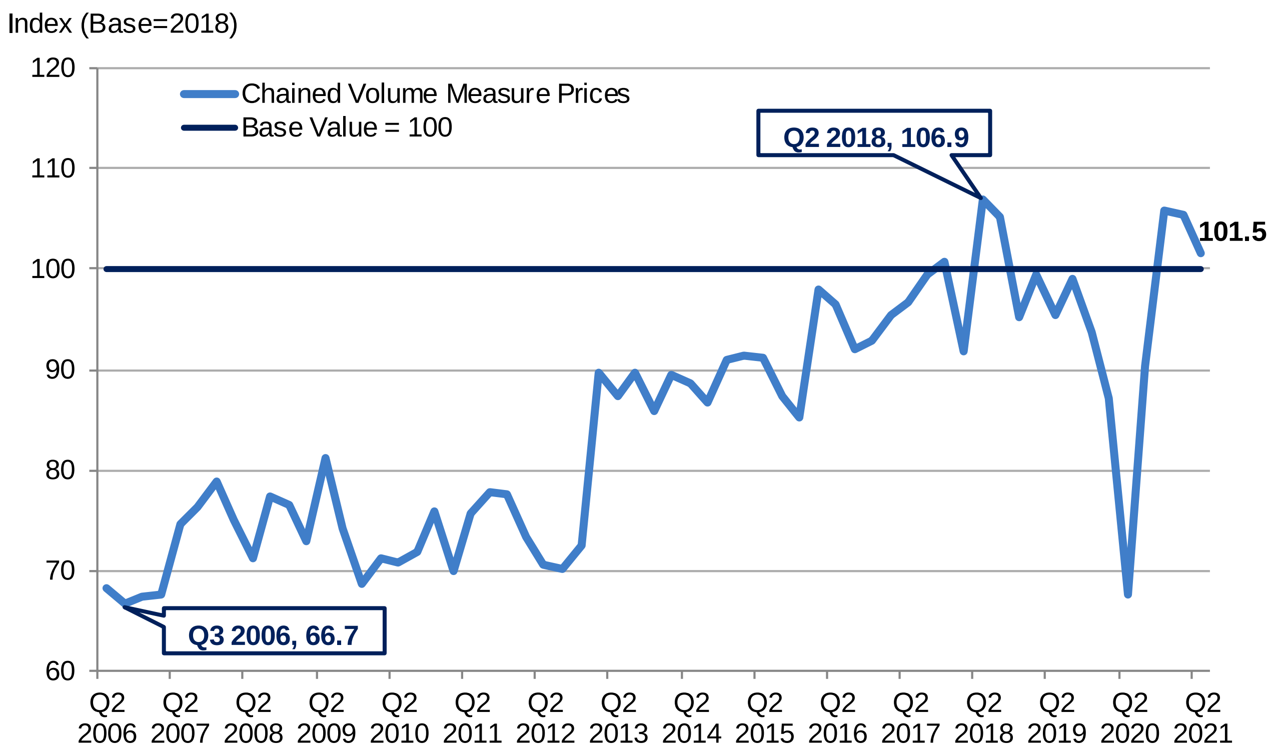
Repair and Maintenance (weight = 34.1% of QCE): is all on-site work not defined as new construction, for example, housing conversions, extensions and improvements.

In Quarter 2 2021, Repair and Maintenance Output decreased by 3.7% over the quarter, increased by 50.1% over the year and by 16.0% on a rolling four quarter basis (Figure 3). This quarterly decrease compares to the 0.3% quarterly decrease observed in Quarter 1 2021.

Repair and Maintenance output is 8.4% above its pre-Coronavirus pandemic level seen in Quarter 4 2019.

Repair and Maintenance output in Quarter 2 2021 is 52.2% above the 15 year low seen in Quarter 3 2006 however is 5.1% below the series high seen in Quarter 2 2018. Repair and Maintenance output noted its first increase within the annualised growth rate[1] since Quarter 1 2019 following eight consecutive quarters of decline.

Figure 3: Volume of Repair and Maintenance Output in NI, Q2 2006 – Q2 2021



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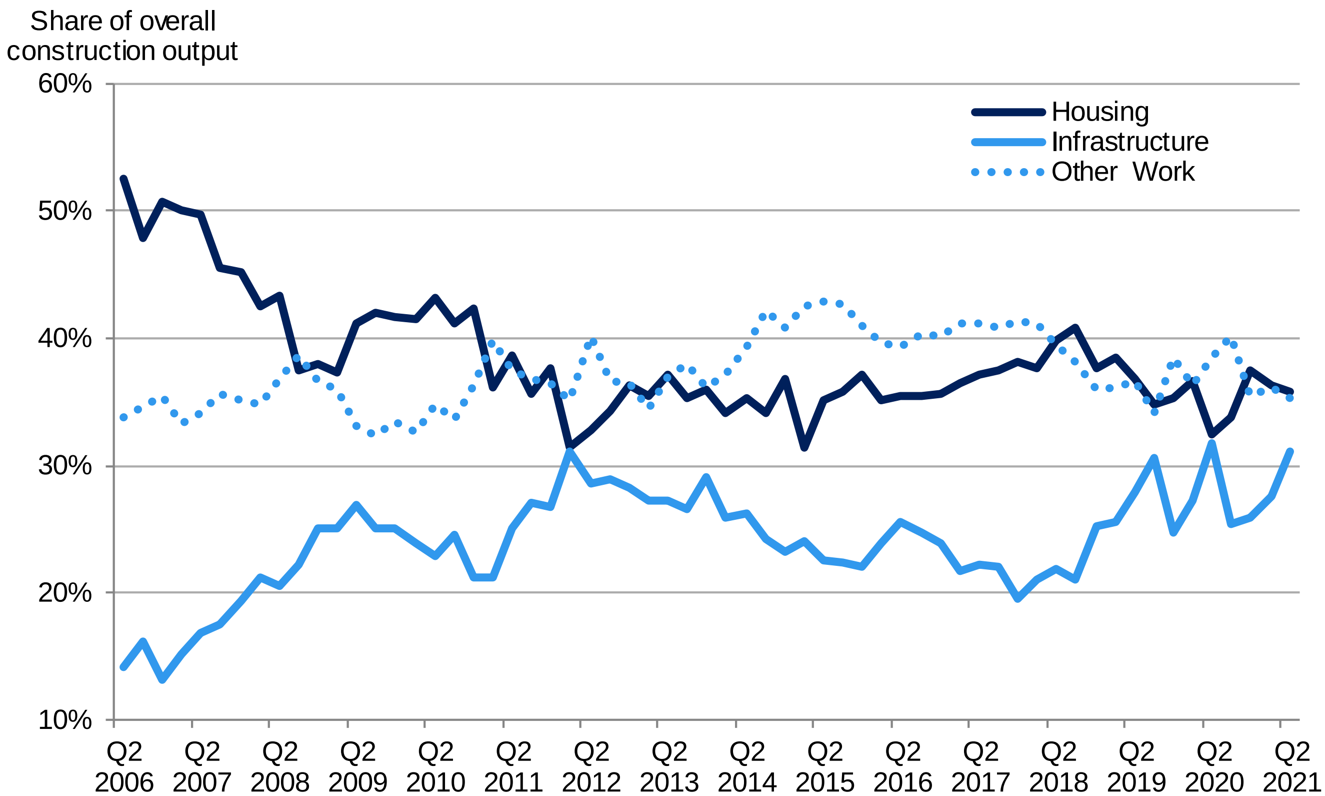
[1]Annualised growth rate is calculated as the difference in the average of the most recent 4 quarters and the previous 4 quarters average, as a proportion of the average of the previous 4 quarters.

Construction Output – Housing, Infrastructure and Other Work

In Quarter 2 2021, the largest sub-sector was Housing which accounted for 35.7% of all construction output, followed by Other Work (35.3%) and then Infrastructure (31.0%).

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 Construction[1] Output broken down into Housing, Infrastructure and Other Work, Q2 2006 – Q2 2021



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

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Housing Output

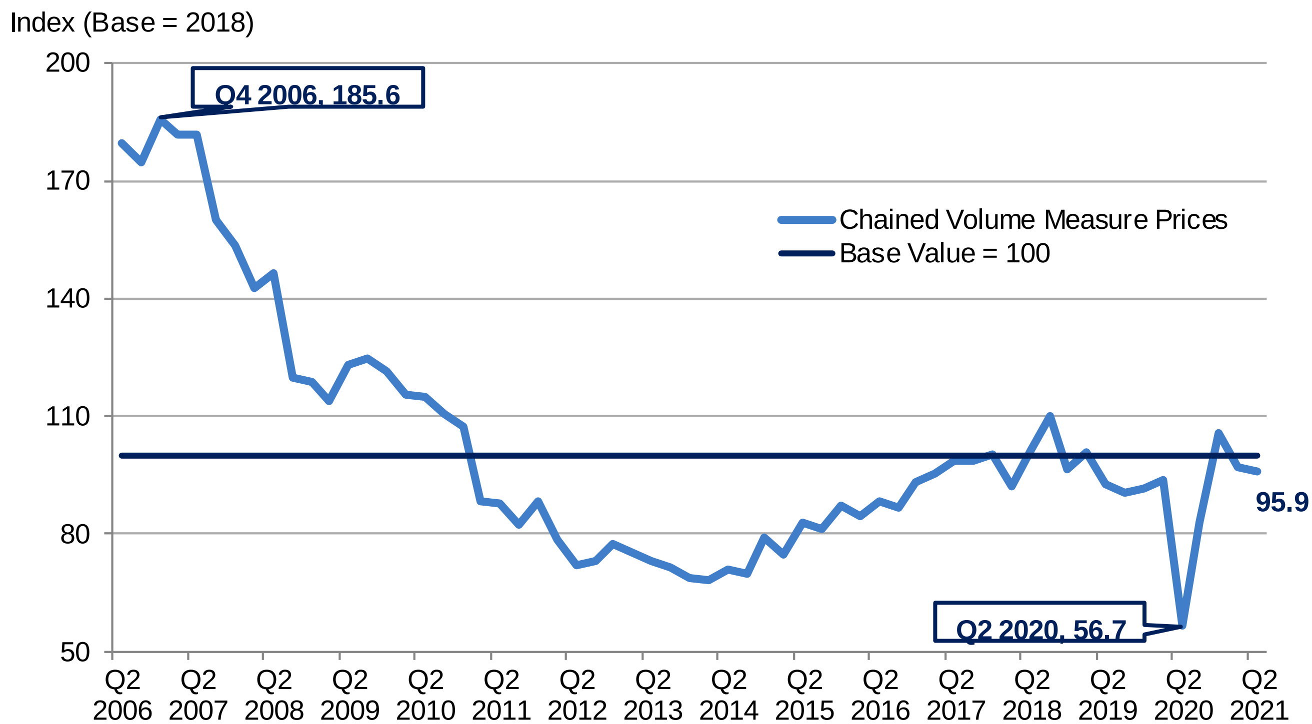
Housing Output (weight = 35.7%of QCE): is defined as all public and private sector construction activity (New Work and Repair & Maintenance) associated with Housing.

The volume of Housing Output in the second quarter of 2021 decreased by 0.9% compared with the previous quarter, was 69.1% higher than the same quarter in 2020 and 14.7% higher on a rolling four quarter basis (Figure 5). This quarterly decrease compares to the 8.5% quarterly decrease observed in Quarter 1 2021.

Housing output is 4.8% above its pre-Coronavirus pandemic level seen in Quarter 4 2019.

While Housing Output is now 69.1% above the series low seen in Quarter 2 2020, it is 48.3% below the series high seen in Quarter 4 2006. The volume of Housing Output has seen an increase within the annualised growth rate[1] in Quarter 2 2021 after seven consecutive quarters of decline.

Figure 5: Volume of Housing Output in NI, Q2 2006 – Q2 2021



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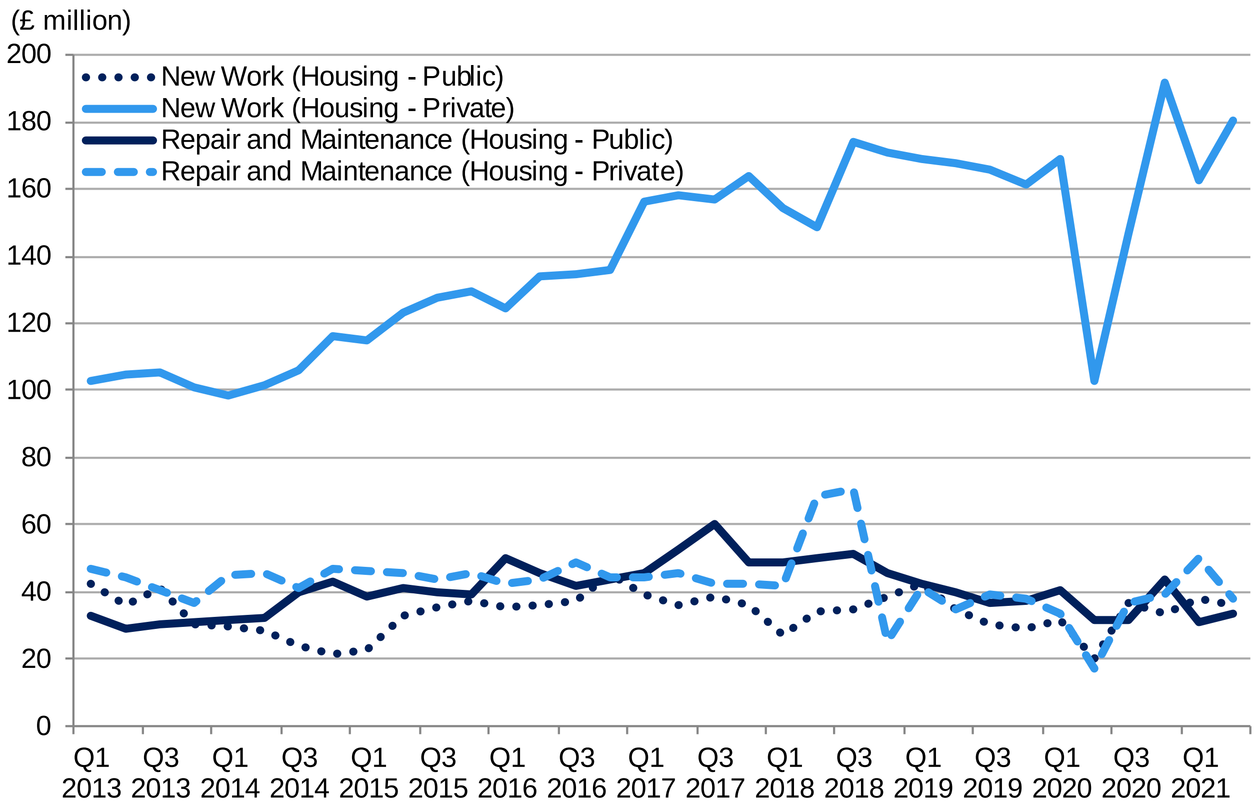
[1]Annualised growth rate is calculated as the difference in the average of the most recent 4 quarters and the previous 4 quarters average, as a proportion of the average of the previous 4 quarters.

Figure 6 shows that in Quarter 2 2021, there were decreases within New Work Housing Public and Repair and Maintenance Housing Private, offset by increases within New Work Housing Private and Repair and Maintenance Housing Public, compared with the previous quarter.

Figure 6: Housing Output broken down by its sub-components, Q1 2013 – Q2 2021



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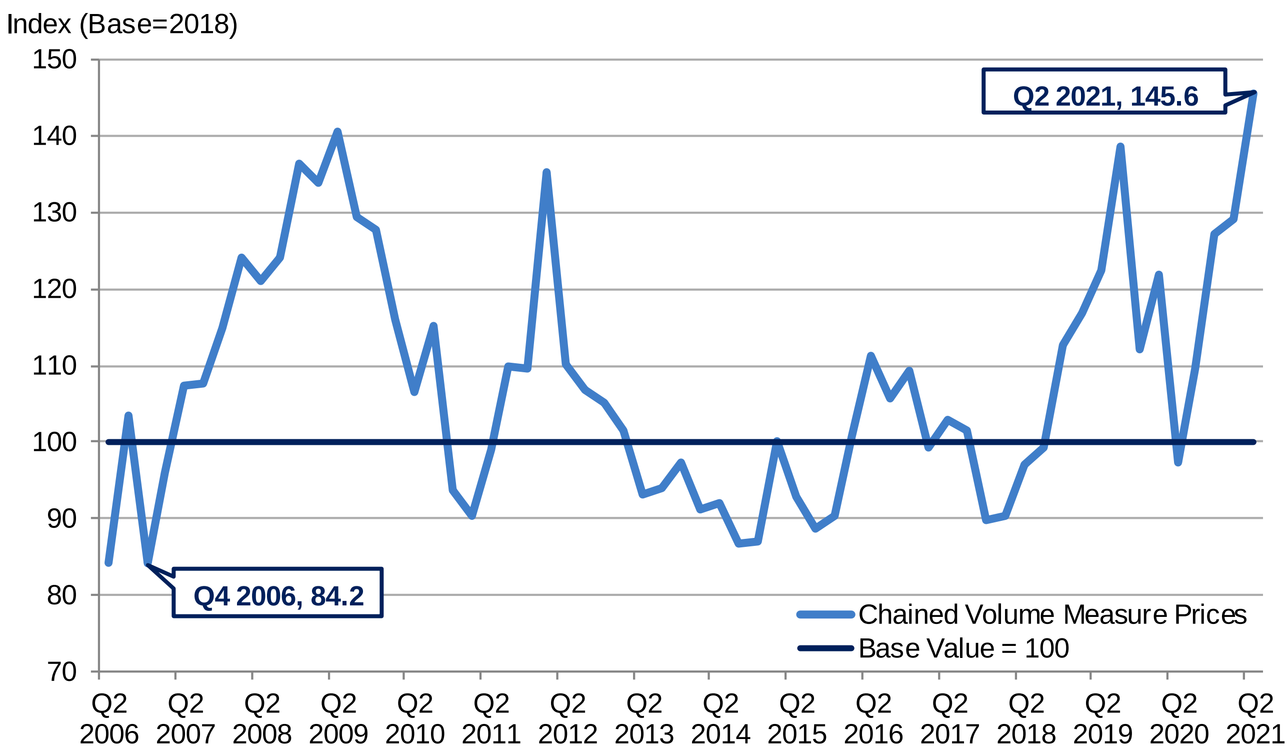
Infrastructure Output

Infrastructure Output (weight = 31.0% of QCE): is defined as all public and private sector construction activity (New Work and Repair & Maintenance) associated with roads, bridges, car parks, footpaths, water, sewage, electricity, gas, communications, air transport, railways, harbours and waterways.

The volume of Infrastructure work in the second quarter of 2021 increased by 12.8% compared with the previous quarter to reach a series high. The volume of Infrastructure increased by 49.7% over the year and by 8.9% on a rolling four quarter basis (Figure 7). This quarterly increase compares to the 1.4% quarterly increase observed in Quarter 1 2021.

Infrastructure output is 29.8% above its pre-Coronavirus pandemic level seen in Quarter 4 2019 and is now 73.0% above the 15 year low seen in Quarter 4 2006.

Figure 7: Volume of Infrastructure Output in NI, Q2 2006 – Q2 2021



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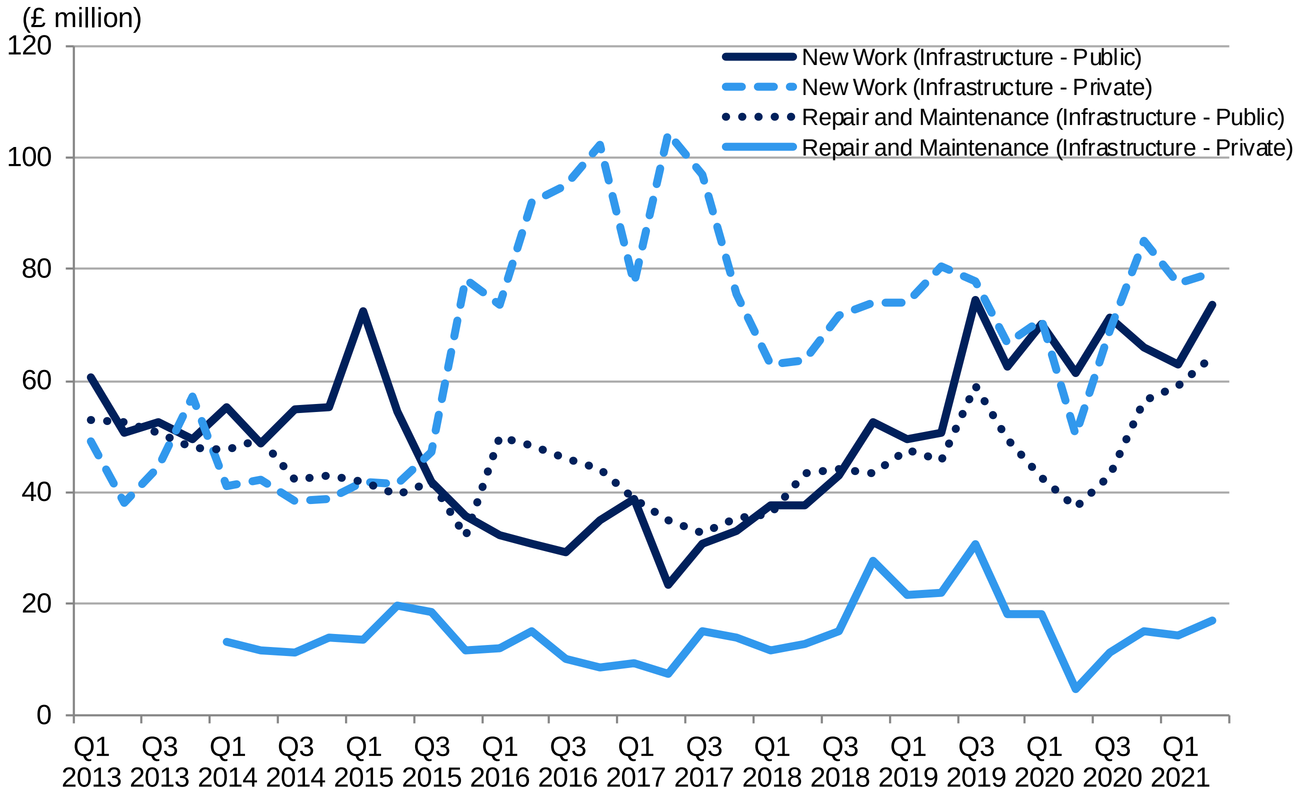
[1]Annualised growth rate is calculated as the difference in the average of the most recent 4 quarters and the previous 4 quarters average, as a proportion of the average of the previous 4 quarters.

The increase in Quarter 2 2021 was due to increases within all levels of Infrastructure over the quarter. (Figure 8).

Figure 8: Infrastructure Output broken down by its sub-components, Q1 2013 – Q2 2021



[1]Please note before 2014 all Repair and Maintenance Infrastructure work was assumed to be public, this was reveiwed when the survey

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Other Work Output

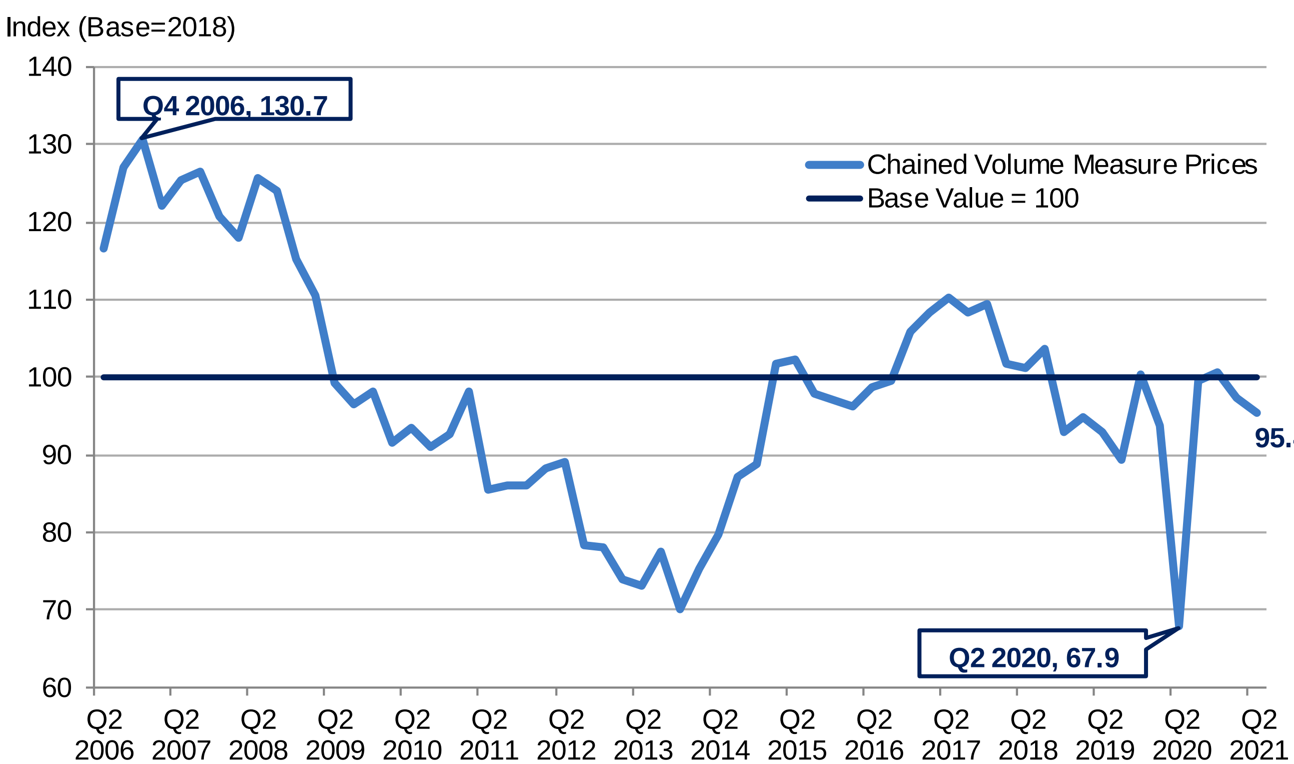
Other Output (weight = 35.3% of QCE): is defined as all public and private sector construction activity (New Work and Repair & Maintenance) associated with the following; Industrial, for example, factories and warehouses or else Non-industrial, for example, schools, health centres and banks.

The volume of Other Work in Quarter 2 2021 decreased by 2.0% over the quarter, however increased by 40.6% over the year and by 11.9% on a rolling four quarter basis. This quarterly decrease compares to the 3.3% quarterly decrease observed in Quarter 1 2021.

Despite fluctuations the volume of Other Work has been on a downward trend since Quarter 4 2017; however within Quarter 2 2021 Other Work seen an increase within the annualised growth rate after 12 consecutive quarters of decline (Figure 9).

Other Work output is 4.8% below its pre-Coronavirus pandemic level seen in Quarter 4 2019. Other Work in Quarter 2 2021 is 27.0% below the 15 year high seen in Quarter 4 2006 and is 40.6% above the series low recorded in Quarter 2 2020.

Figure 9: Volume of Other Work Output in NI, Q2 2006 – Q2 2021

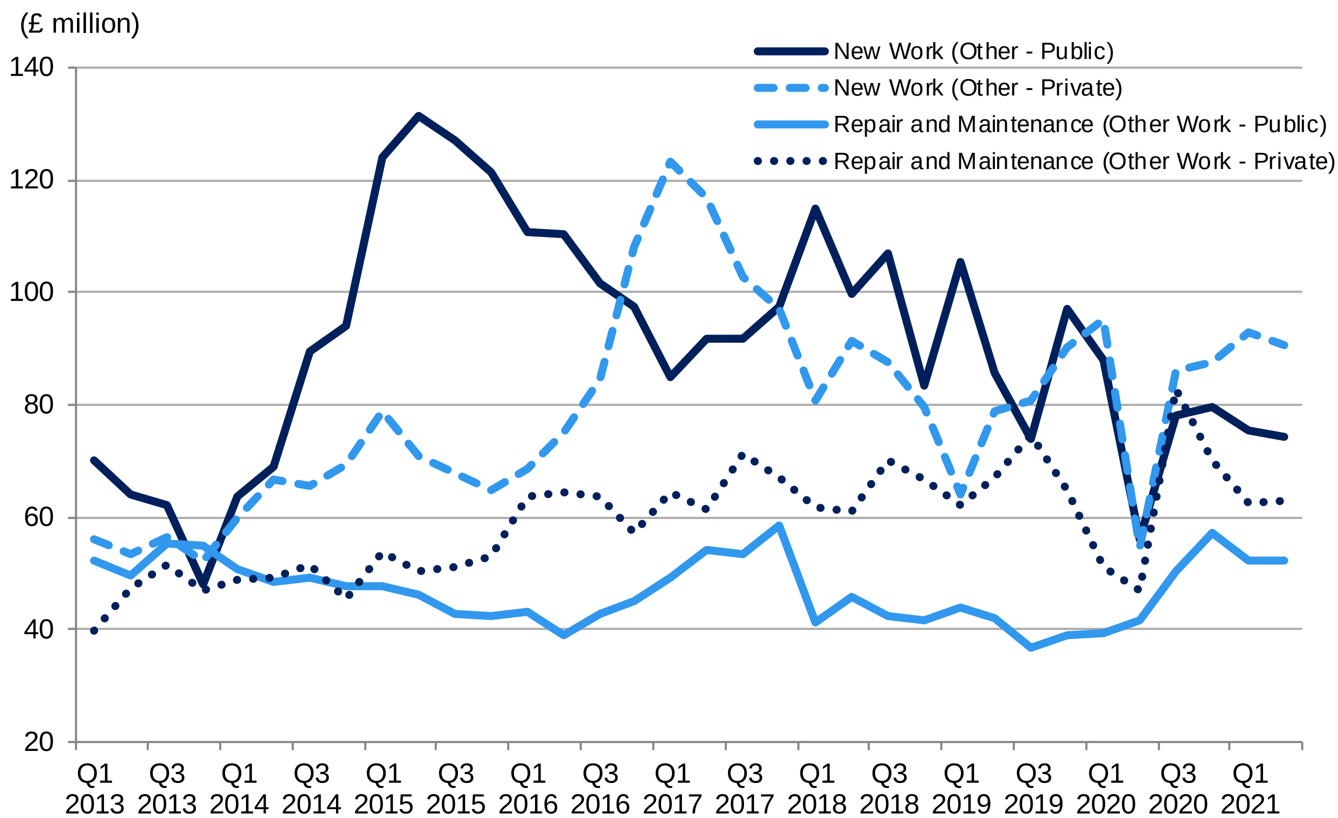


[Download Q2-21 Data]

[1]Annualised 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 2 2021 was accounted for by decreases within New Other Work Public and Private, offset by increases within Repair and Maintenance Other Work Public and Private compared with the previous quarter, seen in Figure 10.

Figure 10: Other Work Output broken down by its sub-components, Q1 2013 – Q2 2021



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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. The following table provides an overview of median coverage response rates for 2019 and 2020, compared to Quarter 2 2021:

Response rate type	Quarter 2 2021	2020 (median)	2019 (median)
Coverage response rate (*returned turnover*)	49%	45%	64%

As a result, the estimates for Quarter 2 2021 may be subject to higher revisions than normal over the coming quarters. These can be tracked through the revisions triangle which is published alongside the QCE publication. Comparisons of provisional 2020/21 estimates at sub-sector levels in particular should be treated with caution.

6 Construction Output Tables

- Table 1.1 Output in Northern Ireland: Chained volume measure (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 Output[1] in Northern Ireland by Construction Sector - Current Prices (£ million)
- Table 1.4 Volume of Output[1] in Northern Ireland by Construction Sector - Chained Volume Measure (2018) Prices and Seasonally Adjusted[3] (£ million)
- Table 1.5 Value of Output1 in Northern Ireland (Private Contractors only) by Stratum of Firm
- Table 1.6 Value of New Work Output1 in Northern Ireland by Type of Work

The tables from the current publication, which include data back to 2000, are available in 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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