

# Northern Ireland Quarterly Construction Bulletin

Quarter 1 2022 (January – March)

Date: 7<sup>th</sup> July 2022

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 1 2022 (January - March). 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](#) started in 2000.

All estimates are compared to the revised Quarter 4 2021 and Quarter 1 2020 estimates. Where relevant, a comparison against the pre-pandemic value of Quarter 4 2019 is also provided for context.

## Key Points

- The total volume of construction output decreased by 3.4% over the first quarter of 2022 and decreased by 4.1% over the year. However comparing the most recent four quarters to the previous four quarters showed an increase in output over the medium term (8.4%).
- Construction output is 0.1% below the pre-Coronavirus pandemic level seen in Quarter 4 2019 but is 47.2% above the series low seen in Quarter 2 2020.
- The annualised growth rate in construction output has increased for the fourth consecutive quarter in Quarter 1 2022. This follows five quarters of decline between Quarter 1 2020 and Quarter 1 2021.
- The decrease in overall output in Quarter 1 2022 from the previous quarter was driven by decreases within both Repair and Maintenance (1.7%), and New Work (3.2%).
- The decrease over the year to Quarter 1 2022 in construction output was also driven by decreases within both New Work (4.2%) and Repair and Maintenance (3.8%).
- In Quarter 1 2022, both the Infrastructure (3.6%) and Housing (11.7%) subsectors decreased over the quarter and was offset by an increase within the Other Work (6.2%) subsector.

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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.
- Improved accessibility by amending the format and structure of reports in line with accessibility regulations.

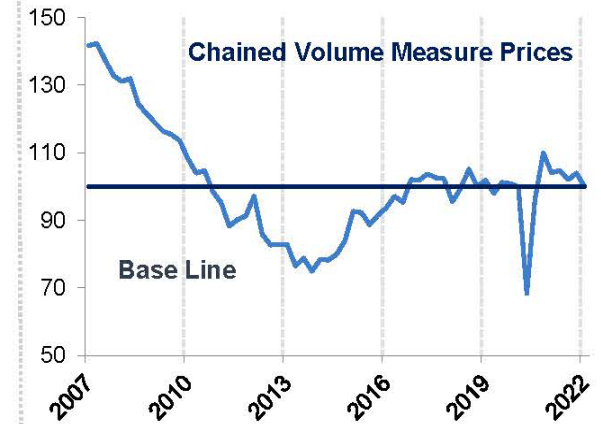
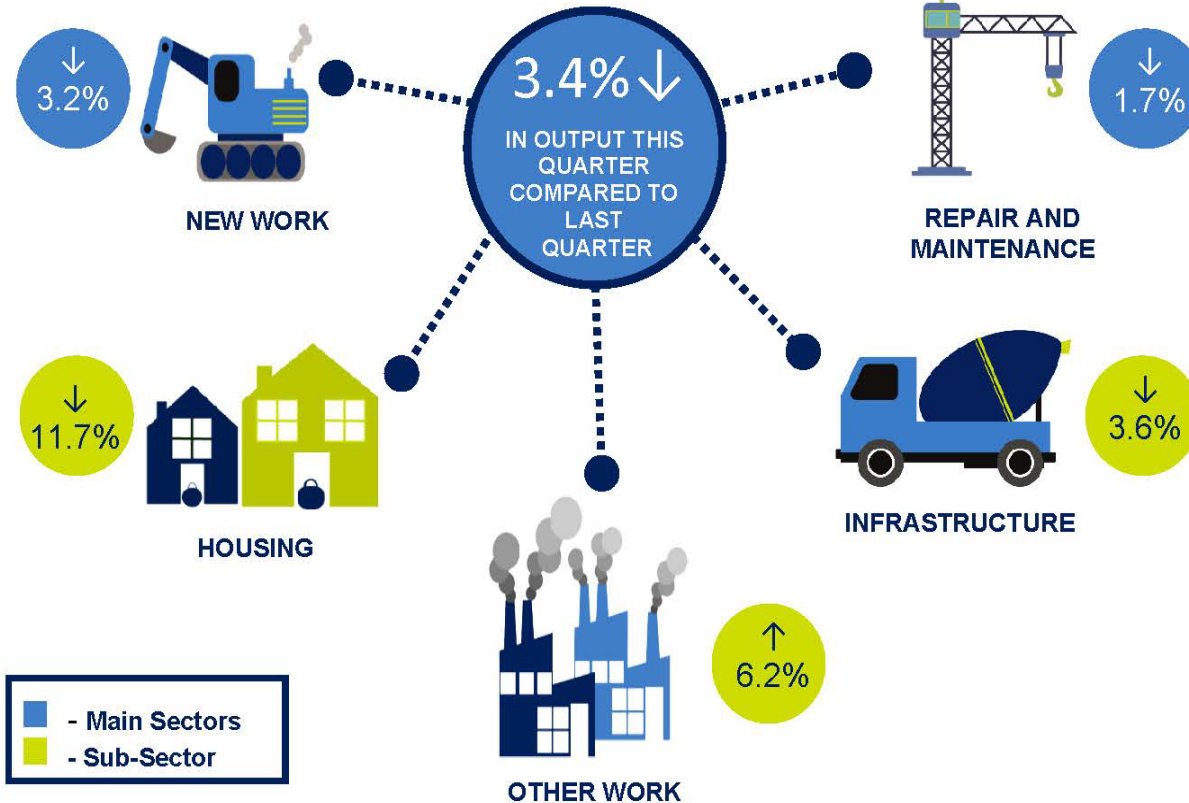
## Publication Schedule

Quarter	Publication Date
2022 Quarter 2	29 September 2022
2022 Quarter 3	12 January 2023
2022 Quarter 4	30 March 2023
2023 Quarter 1	29 June 2023

# Quarterly Construction Enquiry Quarter 1 2022 Infographic

## Quarter 1 2022 Compared with Quarter 4 2021 – Variables

## Overall Construction



Quarterly Change

- 3.4%



Annual Change

- 4.1%



## 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 PDF \(59KB\)](#). 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 2020. 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 \(IoP\)](#), the [Index of Services \(IoS\)](#) and the [Retail Sales Index \(RSI\)](#) are derived from separate surveys of businesses in the production and service sectors. The IoP, IoS and RSI 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 within the [Structure of the Industry document](#), 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](#).

# 4 Construction Output Summary

Quarter 1 (January to March) 2022

## 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. This output is then converted into an index value which is a convenient form of expressing a series in a way that makes it easier to see changes in that series. The numbers in the series are expressed relatively, in this case the average of the turnover in 2019 chosen to be the 'base' (expressed as 100) and other turnover values being measured relative to this base.

In the first quarter of 2022, the total volume of construction output decreased by 3.4% over the quarter, decreased by 4.1% over the year and increased by 8.4% on a rolling four quarter basis (Figure 1). The rolling four quarter measure is impacted by the notable lows in 2020 due to the coronavirus pandemic.

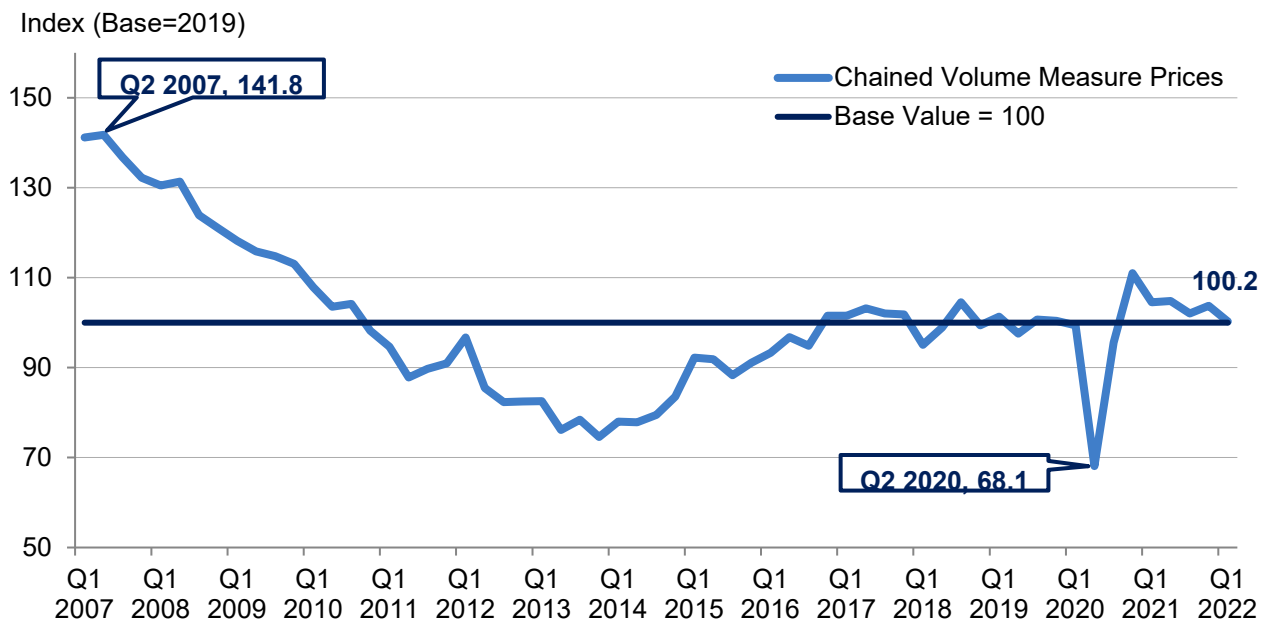
After the decrease in output seen in the second quarter of 2020 and the subsequent recovery at the end of 2020, construction output has been trending downwards to 2019 levels. Construction output remains 0.1% below the pre-Coronavirus pandemic level seen in Quarter 4 2019.

Estimates showed a second consecutive quarter of annual decline within construction output in NI in Quarter 1 2022 after four consecutive quarters of growth between Quarter 4 2020 and Quarter 3 2021.

The annualised growth rate in construction output has increased for the fourth consecutive quarter in Quarter 1 2022. This follows five quarters of decline between Quarter 1 2020 and Quarter 1 2021.

Following the series low seen in Quarter 2 2020, construction output has increased by 47.2%. However, output remains 29.3% below the most recent peak seen in Quarter 2 2007.

**Figure 1: Volume of Construction Output in NI, Q1 2007 – Q1 2022**



[Download Q1-22 Data](#)

<sup>1</sup>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 1 2022, New Work accounted for around two thirds (65.2%) of all construction output, whilst Repair and Maintenance accounted for around one third (35.1%). 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

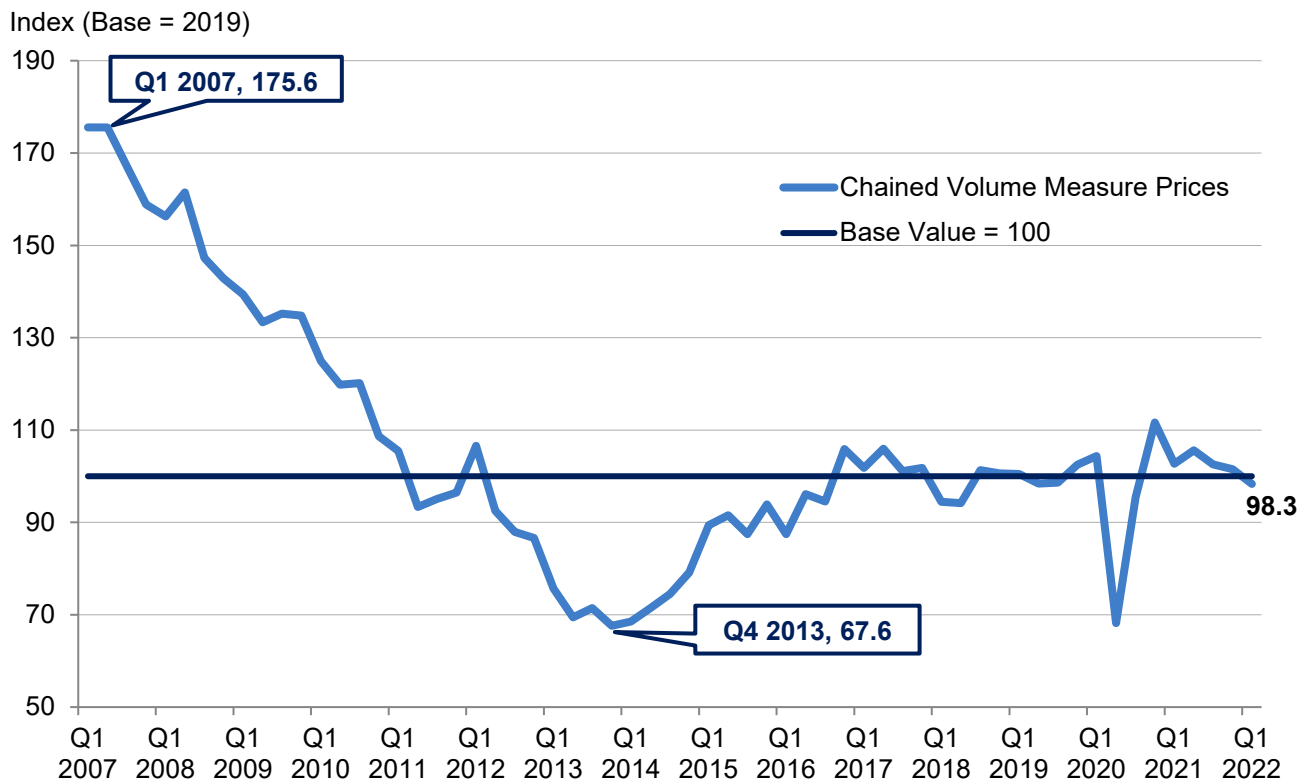
**New Work (weight = 65.2% of QCE):** is any new construction activity for example, factory and office extensions, major re-construction, major alterations, site preparation and demolition.

In the first quarter of 2022, the volume of New Work decreased by 3.2% over the quarter and by 4.2% over the year, however increased by 8.0% on a rolling four quarter basis.

New Work output remains 4.0% below the pre-Coronavirus pandemic level seen in Quarter 4 2019. New Work in Quarter 1 2022 reported a fourth consecutive quarterly increase within the annualised growth rate<sup>1</sup> (8.0%).

New Work is 44.0% below the 15 year high seen in Quarter 1 2007 (Figure 2). New work in Quarter 1 2022 is 45.4% above the series low seen in Quarter 4 2013.

**Figure 2: Volume of New Work Output in NI, Q1 2007 – Q1 2022**



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<sup>1</sup>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

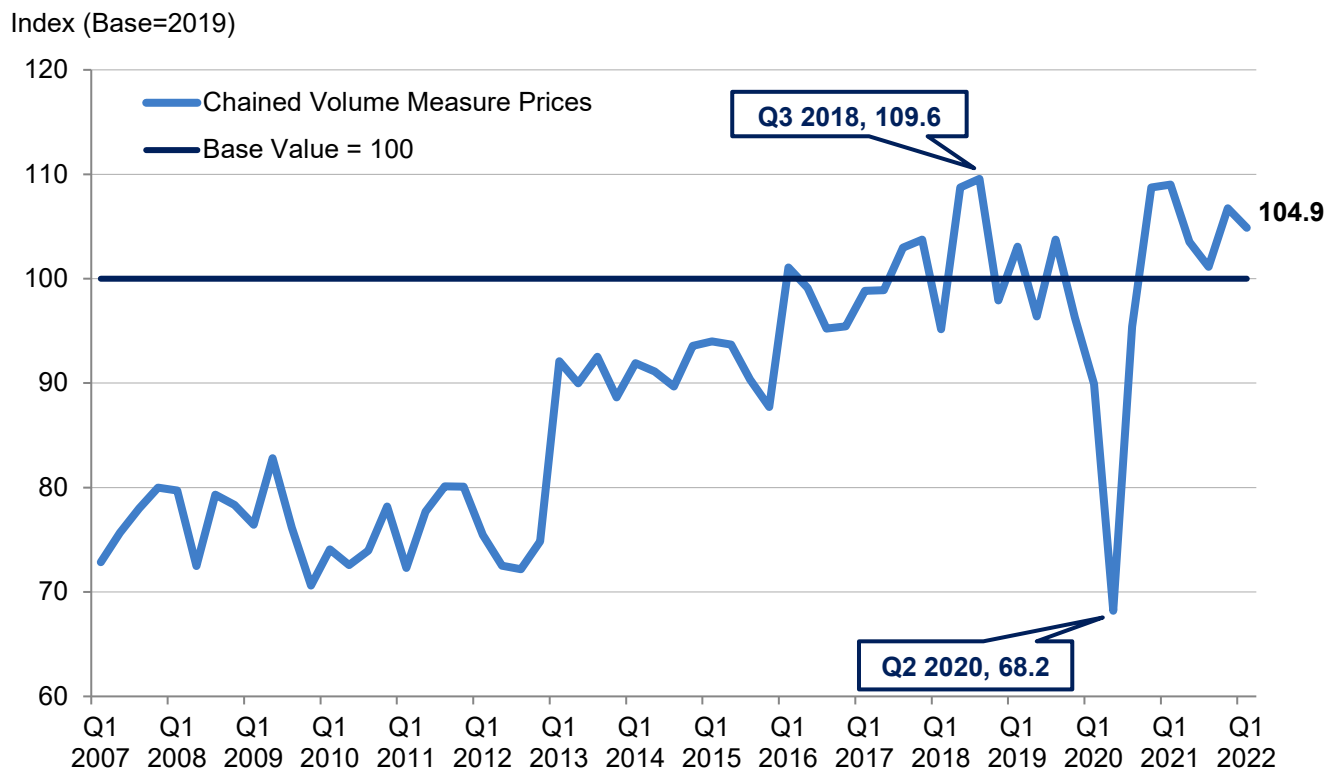
**Repair and Maintenance (weight = 35.1% of QCE):** is all on-site work not defined as new construction, for example, housing conversions, extensions and improvements.

In Quarter 1 2022, Repair and Maintenance Output decreased by 1.7% over the quarter, decreased by 3.7% over the year and increased by 9.1% on a rolling four quarter basis (Figure 3). This quarterly decrease follows the 5.5% quarterly increase observed in Quarter 4 2021.

Repair and Maintenance output is 8.9% above the pre-Coronavirus pandemic level seen in Quarter 4 2019.

Repair and Maintenance output in Quarter 1 2022 is 53.8% above the 15 year low seen in Quarter 2 2020, however, it remains 4.3% below the series high seen in Quarter 3 2018. Repair and Maintenance output noted its fourth consecutive quarterly increase within the annualised growth rate<sup>1</sup> following eight consecutive quarters of decline between Quarter 2 2019 and Quarter 1 2021.

**Figure 3: Volume of Repair and Maintenance Output in NI, Q1 2007 – Q1 2022**



[Download Q1-22 Data](#)

<sup>1</sup>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.



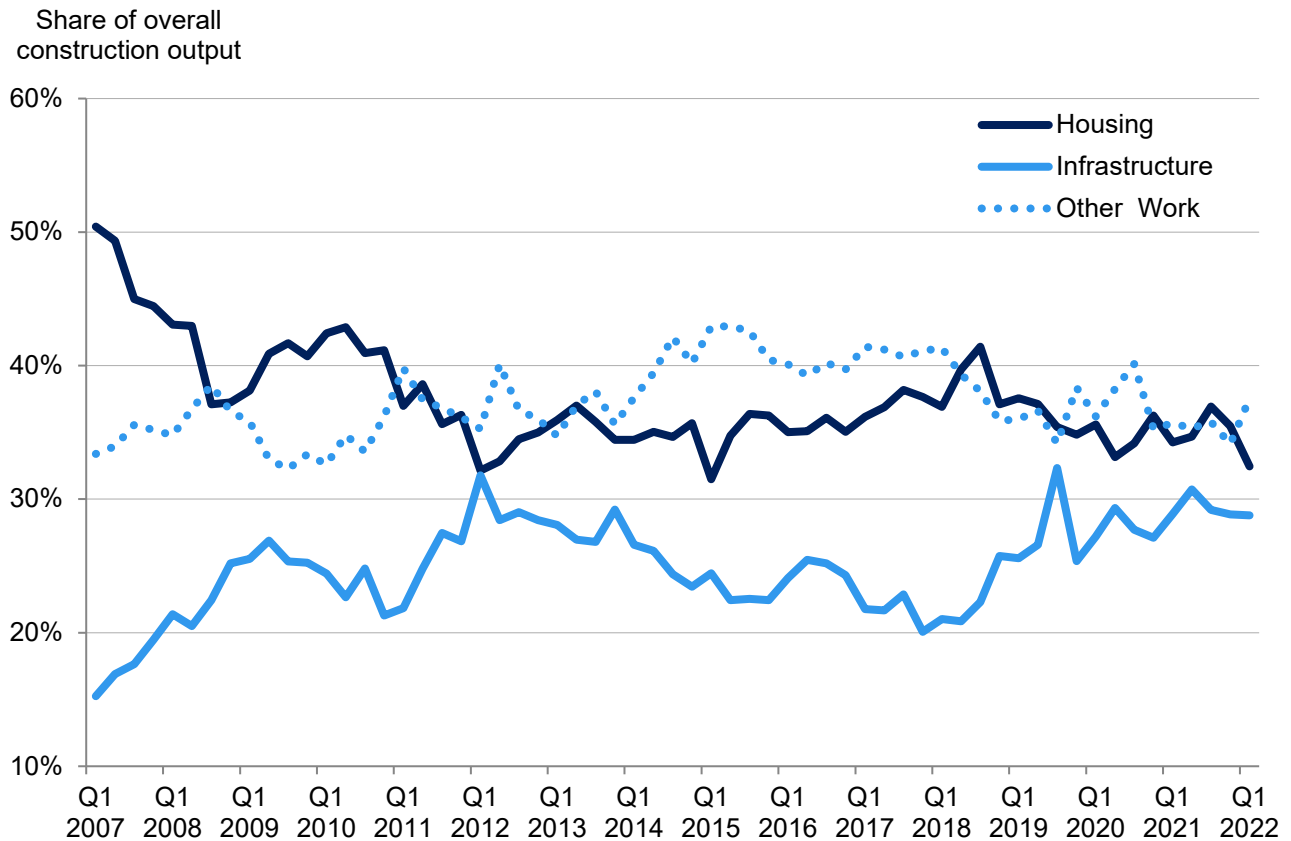
## Construction Output – Housing, Infrastructure and Other Work

In Quarter 1 2022, the largest sub-sector was Other Work which accounted for 37.5% of all construction output, followed by Housing (32.4%) and then Infrastructure (28.8%).

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 Construction<sup>1</sup> Output broken down into Housing, Infrastructure and Other Work, Q1 2007 – Q1 2022**



[Download Q1-22 Data](#)

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

## Housing Output

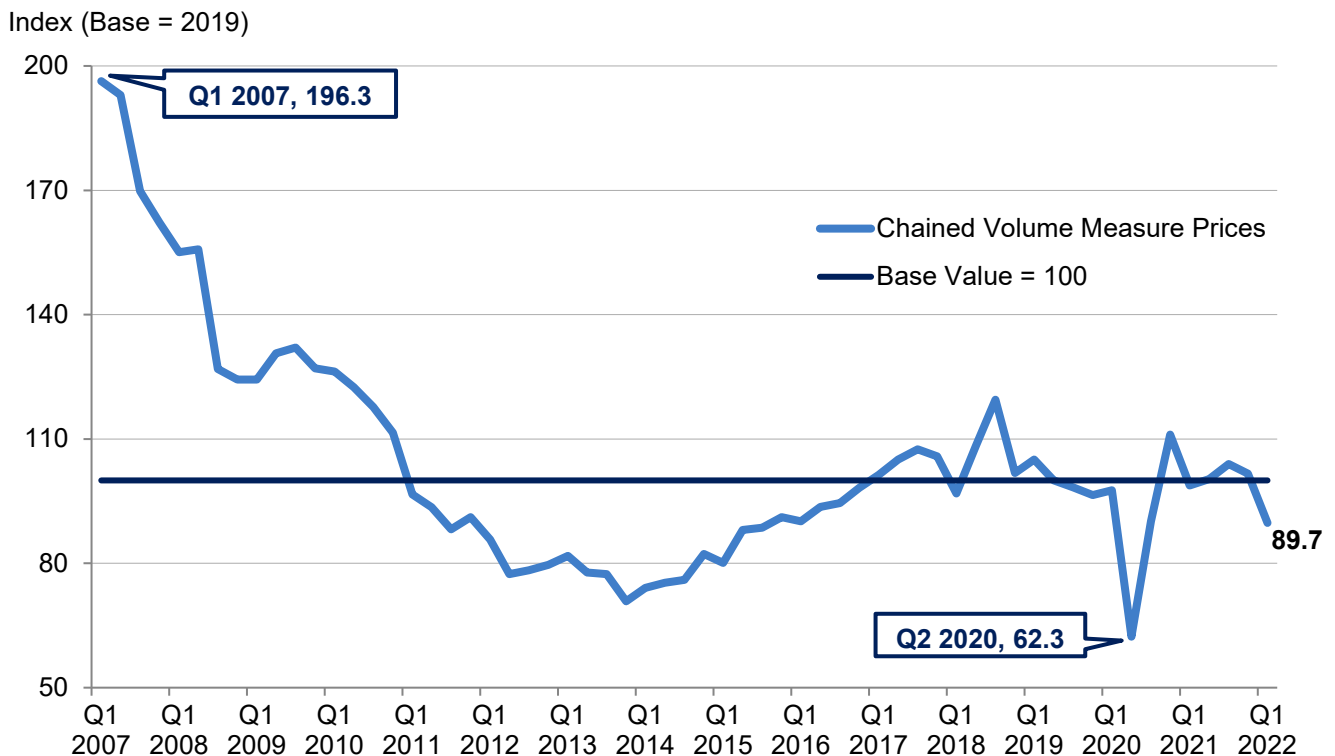
**Housing Output (weight = 32.4% of QCE):** is defined as all public and private sector construction activity (New Work and Repair & Maintenance) associated with Housing.

The volume of Housing Output in the first quarter of 2022 decreased by 11.7% compared with the previous quarter, by 9.2% over the year, but increased by 9.2% on a rolling four quarter basis (Figure 5).

Housing output remains 7.0% below the pre-Coronavirus pandemic level seen in Quarter 4 2019.

While Housing Output is now 44.0% above the series low seen in Quarter 2 2020, it remains 54.4% below the series high seen in Quarter 4 2006. In Quarter 1 2022, Housing Output reported a fourth consecutive quarterly increase within the annualised growth rate<sup>1</sup> following seven consecutive quarters of decline between Quarter 3 2019 and Quarter 1 2021.

**Figure 5: Volume of Housing Output in NI, Q1 2007 – Q1 2022**

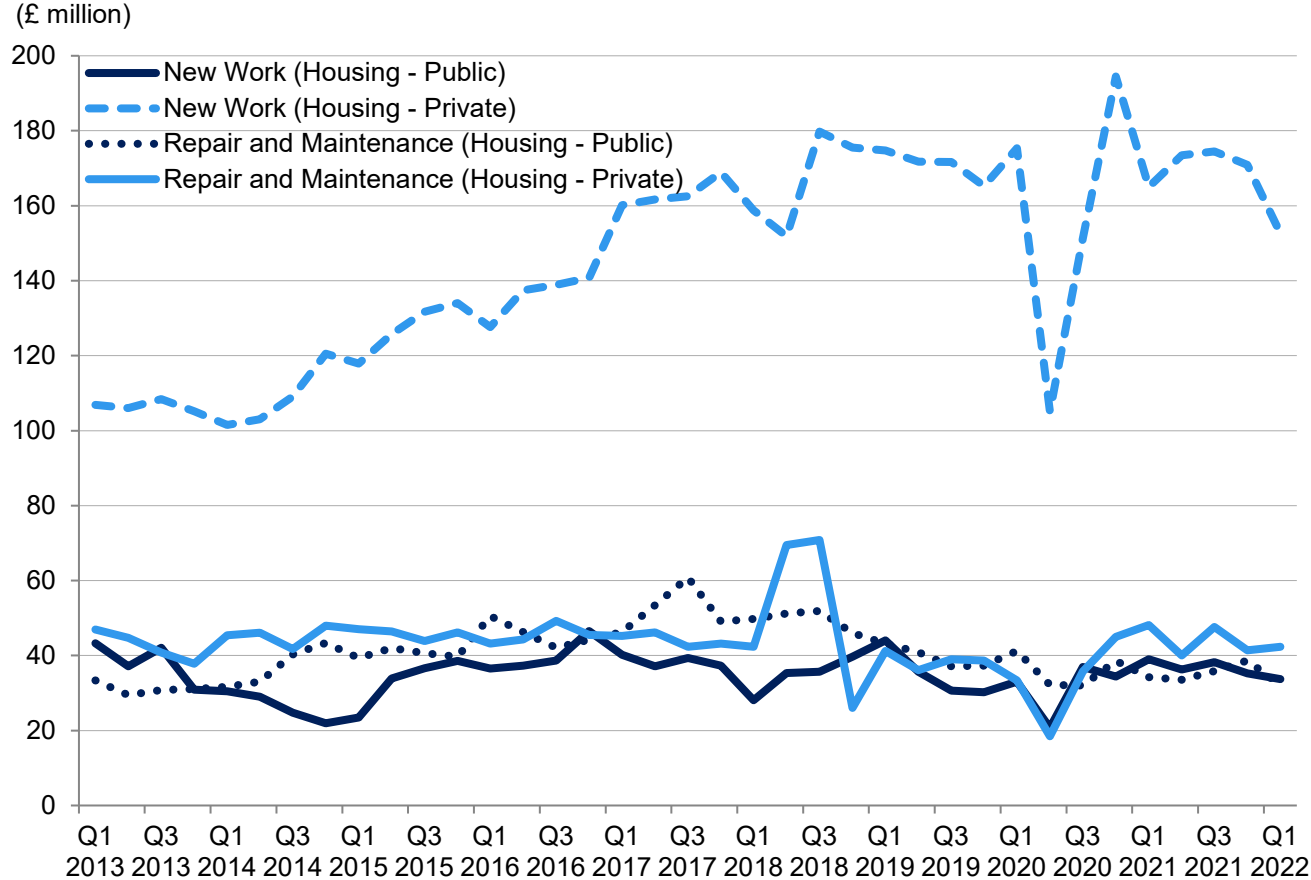


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<sup>1</sup>Annualised growth rate is calculated as the difference in the average of the most recent 4 quarters and the previous 4 quarters average, as a proportion of the average of the previous 4 quarters.

Looking at the Housing Output sub-components, figure 6 shows that in Quarter 1 2022, there was an increase within Repair and Maintenance Housing Private, while decreases were seen within New Work Housing Public, New Work Housing Private, and Repair and Maintenance Housing Public, when compared with the previous quarter. (Figure 6).

**Figure 6: Housing Output broken down by its sub-components, Q1 2013 – Q1 2022**



[Download Q1-22 Data](#)

## Infrastructure Output

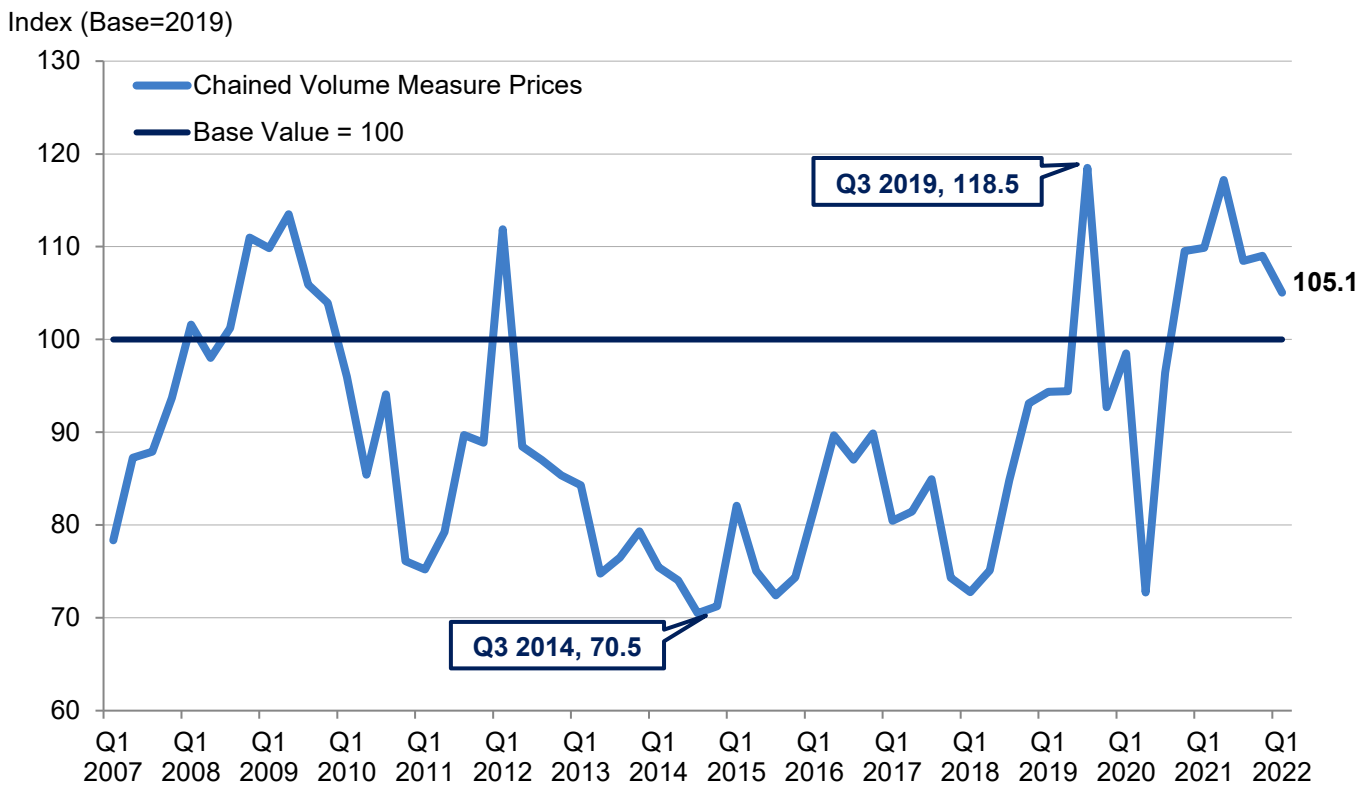
**Infrastructure Output (weight = 28.8% of QCE):** is defined as all public and private sector construction activity (New Work and Repair & Maintenance) associated with roads, bridges, car parks, footpaths, water, sewage, electricity, gas, communications, air transport, railways, harbours and waterways.

The volume of Infrastructure work in the first quarter of 2022 decreased by 3.6% over the quarter, decreased by 4.4% over the year and increased by 13.2% on a rolling four quarter basis (Figure 7).

Infrastructure output is 13.3% above the pre-Coronavirus pandemic level seen in Quarter 4 2019. The annual decrease (4.4%) seen within Infrastructure in Quarter 1 2022 was the second annual decrease following four consecutive quarters of annual growth.

In Quarter 1 2022, Infrastructure output was 49.0% above the 15 year low seen in Quarter 3 2014, however output remains 11.3% below the series high seen in Quarter 3 2019.

**Figure 7: Volume of Infrastructure Output in NI, Q1 2007 – Q1 2022**

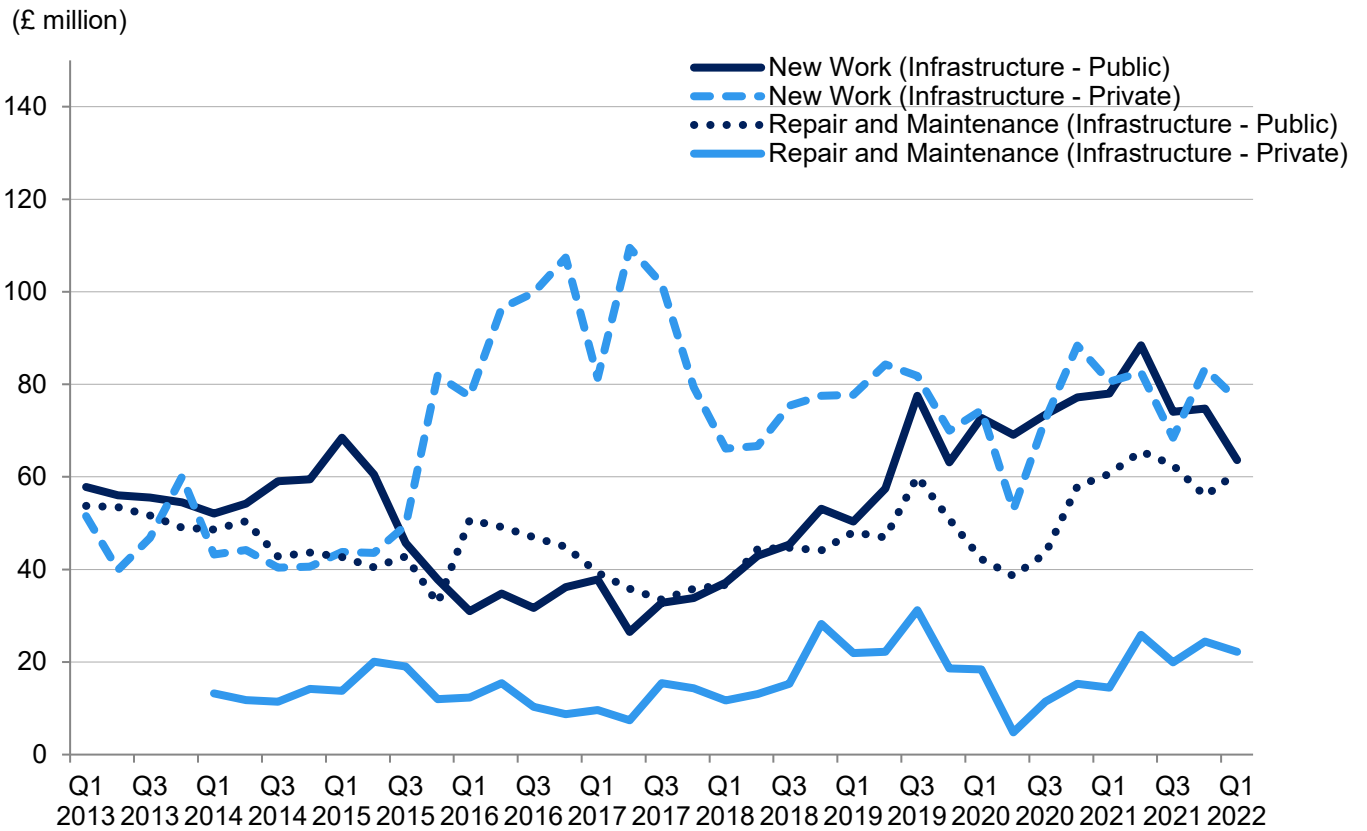


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<sup>1</sup>Annualised growth rate is calculated as the difference in the average of the most recent 4 quarters and the previous 4 quarters average, as a proportion of the average of the previous 4 quarters.

The decrease in output seen in Quarter 1 2022 was due to decreases within all levels of Infrastructure except for Repair and Maintenance Infrastructure Public, compared with the previous quarter. (Figure 8).

**Figure 8: Infrastructure Output broken down by its sub-components, Q1 2013 – Q1 2022**



[Download Q1-22 Data](#)

<sup>1</sup>Please 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

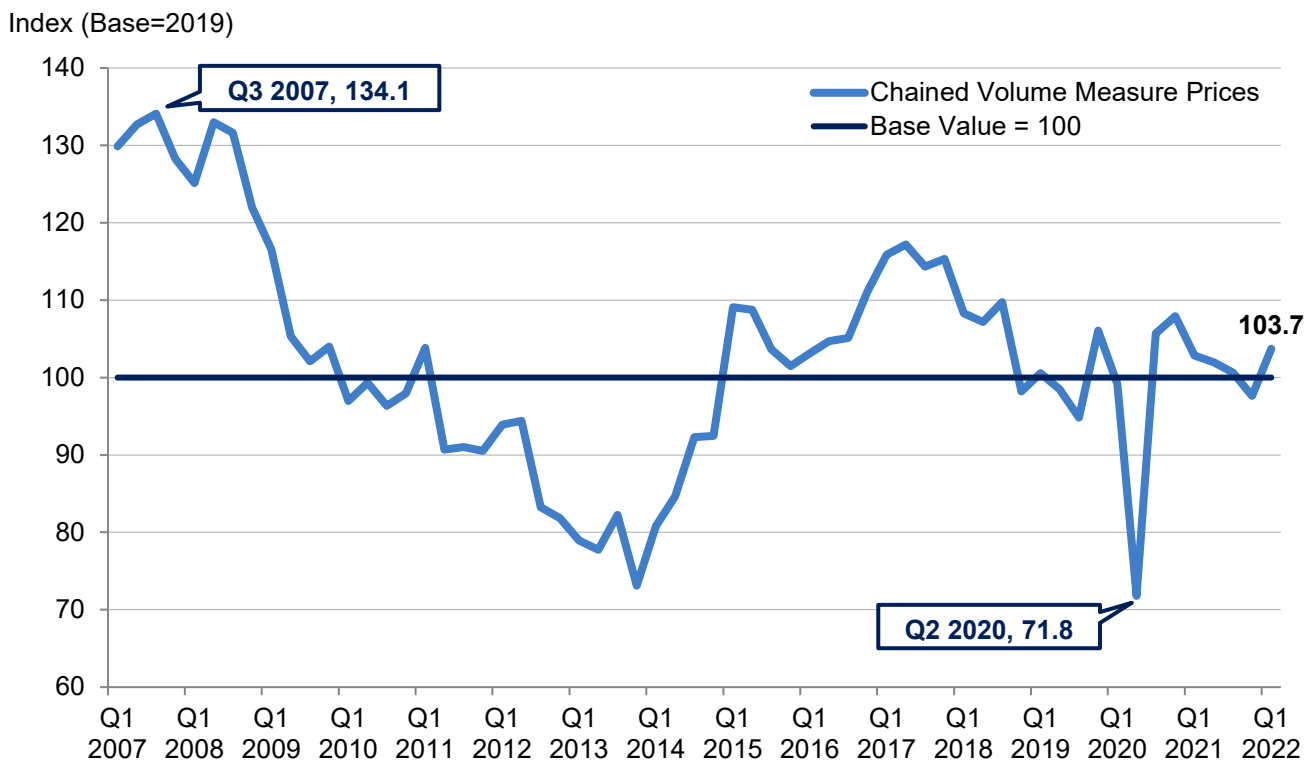
**Other Output (weight = 37.5% of QCE):** is defined as all public and private sector construction activity (New Work and Repair & Maintenance) associated with the following; Industrial, for example, factories and warehouses or else Non-industrial, for example, schools, health centres and banks.

The volume of Other Work in Quarter 1 2022 increased by 6.2% over the quarter, by 0.8% over the year and by 4.1% on a rolling four quarter basis.

Quarter 1 2022 Other Work reported the first quarter of growth (6.2%) following four consecutive quarters of decline, and the first quarter of annual growth (0.8) following two consecutive quarters of annual decline (Figure 9).

Other Work output remains 2.2% below the pre-Coronavirus pandemic level seen in Quarter 4 2019. Other Work in Quarter 1 2022 is 22.7% below the 15 year high seen in Quarter 3 2007 and is 44.5% above the series low recorded in Quarter 2 2020.

**Figure 9: Volume of Other Work Output in NI, Q1 2007 – Q1 2022**

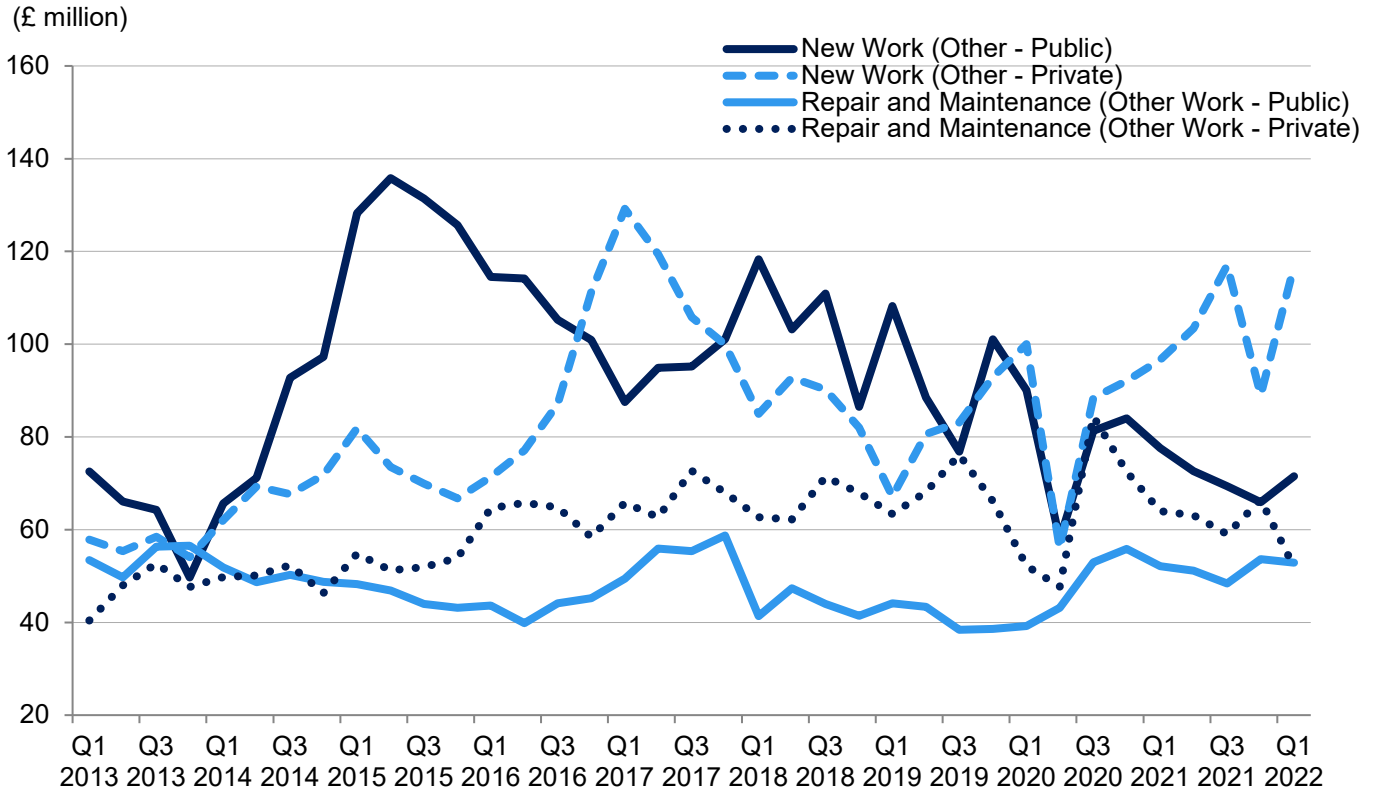


[Download Q1-22 Data](#)

<sup>1</sup>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 Other Work in Quarter 1 2022 was driven by increases within New Work Other Public and Private, offset by decreases within Repair and Maintenance Other Work Public and Private, compared with the previous quarter. (Figure 10).

**Figure 10: Other Work Output broken down by its sub-components, Q1 2013 – Q1 2022**



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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, 2020, and 2021, compared to Quarter 1 2022:

Response rate type	Quarter 1 2022	2021 (median)	2020 (median)	2019 (median)
<b>Coverage response rate (returned turnover)</b>	49%	51%	45%	64%

As a result, the estimates for Quarter 1 2022 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 \(2019\) prices, \(seasonally adjusted\) index numbers – Main Sectors](#)
- [Table 1.2 Output in Northern Ireland: Chained volume measure \(2019\) prices, \(seasonally adjusted\) index numbers – Sub-Sectors](#)
- [Table 1.3 Value of Output<sup>1</sup> in Northern Ireland by Construction Sector - Current Prices \(£ million\)](#)
- [Table 1.4 Volume of Output<sup>1</sup> in Northern Ireland by Construction Sector - Chained Volume Measure \(2019\) Prices and Seasonally Adjusted<sup>3</sup> \(£ million\)](#)
- [Table 1.5 Value of Output<sup>1</sup> in Northern Ireland \(Private Contractors only\) by Stratum of Firm](#)
- [Table 1.6 Value of New Work Output<sup>1</sup> 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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