

# S&P Global UK Construction PMI<sup>®</sup>

## UK construction output falls at fastest pace for six years

### May 2026

Sharper declines in housing and commercial construction activity

Purchasing price inflation accelerates further

Supplier delays are the most widespread since December 2022

Shrinking order books and rising economic uncertainty contributed to another steep decline in UK construction activity during May. At the same time, higher energy, fuel and transportation costs led to the fastest pace of input price inflation since June 2022.

At 38.2 in May, down from 39.7 in April, the headline seasonally adjusted S&P Global UK Construction Purchasing Managers' Index™ (PMI<sup>®</sup>) – an index tracking changes in total industry activity – posted below the neutral 50.0 threshold for the seventeenth month running. Moreover, the rate of contraction was the steepest since May 2020. Aside from the drop in construction output at the start of the pandemic, the latest fall was the fastest since March 2009.

All three broad categories of construction work posted sharp declines in output levels during May. Residential activity (index at 36.0) was the weakest-performing segment, with survey respondents commenting on unfavourable market conditions and headwinds from elevated borrowing costs.

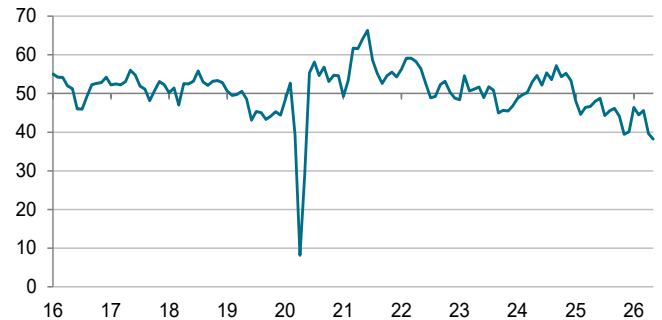
Commercial construction (39.0) also saw a steeper reduction in output levels in May, reflecting risk aversion among clients in response to geopolitical tensions and rising inflationary pressures. Meanwhile, civil engineering work fell at a slightly less marked rate than in April (36.2).

Total new orders across the construction sector decreased at a sharp and accelerated pace in May. Mirroring the trend for output levels, the downturn in new business intakes was the fastest for six years. Construction companies suggested that project delays, deferred investment decisions and general cutbacks to clients' budgets had all resulted in fewer tender opportunities. Some firms suggested that domestic political uncertainty had also impacted demand conditions in May. However, there were reports that forthcoming energy sector and power networks projects were a bright spot for new infrastructure work.

A lack of new orders to replace completed projects resulted in lower employment numbers and another sharp drop in input buying during May. The latest fall in purchasing activity was the fastest since November 2025.

Despite weaker demand for construction products and materials, the latest survey indicated that suppliers' delivery

S&P Global UK Construction PMI Total Activity  
Index, sa, >50 = growth m/m



Data were collected 12-28 May 2026.

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### Comment

**Tim Moore, Economics Director at S&P Global Market Intelligence, said:**

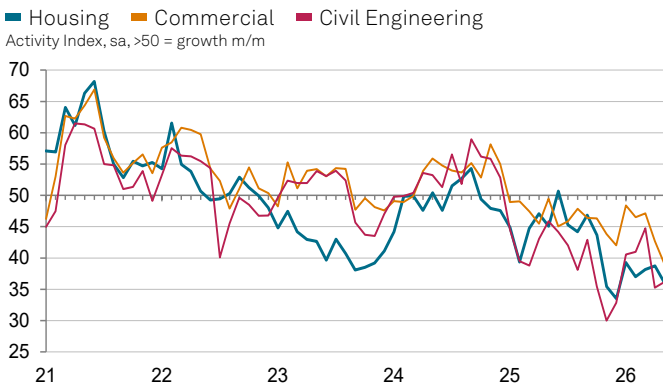
*"UK construction companies reported a steep downturn in business activity during May, with the speed of contraction accelerating to its fastest for six years. House building remained especially subdued, and there were fresh challenges in the construction sector from a considerable softening of commercial activity since April.*

*"Anecdotal evidence suggested that economic uncertainty and rising inflation in the wake of the Middle East conflict had triggered the steepest drop in new work since the beginning of the pandemic. Elevated borrowing costs were also reported to have impacted market conditions.*

*"Fuel surcharges and rapid increases in prices for energy-intensive raw materials continued to be felt across the construction supply chain. Overall purchasing costs rose to the greatest extent since June 2022, while international shipping delays meant that suppliers' delivery times lengthened for the third month running.*

*"Concerns about a prolonged decline in construction order books, alongside unfavourable near-term UK economic prospects, weighed on business optimism in May. This index has fallen sharply since the start of 2026, and confidence levels are now almost as low as those seen ahead of last autumn's Budget."*

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times lengthened for the third month running in May. Moreover, the downturn in vendor performance was the sharpest since December 2022 amid widespread reports of international shipping delays and some raw material shortages.

Almost two-thirds of the survey panel signalled a rise in their input prices during May, while only 1% experienced a decline. The resulting seasonally adjusted Input Prices Index pointed to the fastest pace of inflation since June 2022. Higher purchasing prices were mostly linked to fuel surcharges, rising energy costs and higher transportation bills. Moreover, subcontractor charges increased to the greatest extent for nearly three-and-a-half years.

Business activity expectations for the next 12 months remained positive in May, but the degree of optimism eased to the second-lowest since December 2022. Around 31% of the survey panel predict a rise in output levels during the year ahead, while 25% forecast a reduction. Subdued business confidence was generally attributed to concerns about the impact of rising inflation, as well as elevated borrowing costs and unfavourable near-term projections for domestic economic conditions.

### Methodology

The S&P Global UK Construction PMI® is compiled by S&P Global from responses to questionnaires sent to a panel of around 150 construction companies. The panel is stratified by company workforce size, based on contributions to GDP. Survey data were first collected April 1997.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Total Activity Index. This is a diffusion index that tracks changes in the total volume of construction activity compared with one month previously. The Total Activity Index is comparable to the Manufacturing Output Index and Services Business Activity Index. It may be referred to as the 'Construction PMI' but is not comparable with the headline manufacturing PMI figure.

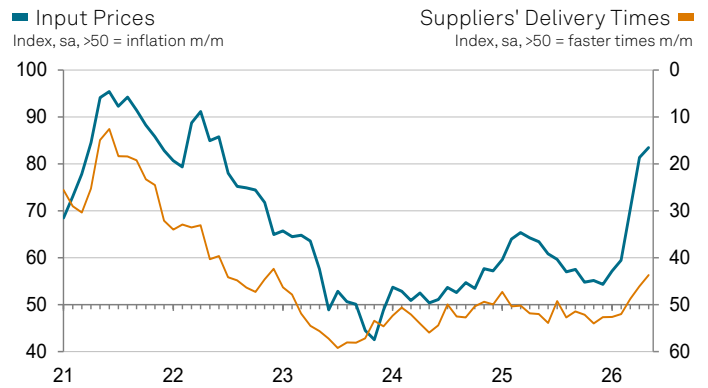
Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact [economics@spglobal.com](mailto:economics@spglobal.com).

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