

NEWS RELEASE

MARKET SENSITIVE INFORMATION

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# HCOB Germany Construction PMI<sup>®</sup>

## Rising civil engineering activity offset by weakness in other parts of the construction sector

### Key findings:

Headline PMI registers 45.2 in November, up from 42.8 in October

Civil engineering activity increases for the fourth time in six months

Employment rises for first time in over three-and-a-half years

Data were collected 12-27 November 2025.

A rise in civil engineering activity in November was offset by sustained weakness in both housing and commercial activity, leaving the construction sector as a whole still in contraction territory, the latest HCOB PMI<sup>®</sup> survey data showed. New orders continued falling, with the lack of demand dampening firms' expectations for the year ahead. One positive from the latest results, however, was a first rise in employment in more than three-and-a-half years.

There were tentative signs of supply-chain pressures building, with lead times on building materials and products lengthening for the second month running and to the greatest extent since February last year. Purchase price inflation ticked up, although it was still subdued by historical standards due in large part to weak demand.

The **HCOB Germany Construction PMI Total Activity Index** – a seasonally adjusted index tracking month-on-month changes in total industry activity – registered 45.2 in November, showing a partial rebound from October's seven-month low of 42.8.

The rise in the index was driven primarily by a renewed upturn in civil engineering activity. Work on infrastructure projects has now increased in four of the past six months. Elsewhere, there were sustained downturns in both housing and commercial activity, with their respective rates of contraction showing little change from those recorded in October. Residential activity remained the weakest-performing segment by some margin.

November's survey data indicated that German constructors continued to face a dearth of incoming new work. Surveyed firms remarked a lack of tender opportunities and a general wait-and-see attitude among customers. The rate of decline was even slightly quicker than the month before.

With workloads falling and concerns being raised about a lack of housing and commercial projects, German constructors maintained a negative outlook for activity in the coming year. Expectations slipped to their lowest for three months and were well below May's recent high.

Despite scepticism in the outlook, the latest data showed a slight rise in employment across the German construction sector in November. It marked the end of a continuous sequence of job shedding stretching back to April 2022.

German building companies, nevertheless, maintained a preference for lower purchasing activity. The rate of decline in buying levels was solid and little-changed from the month before.

Weak demand for building materials and products helped constrain the rate of purchasing price inflation, which, despite ticking up slightly since October, was firmly below its long-run average. Elsewhere on the cost front, subcontractor charges rose at a slightly slower pace than the month before.

November saw supplier delivery times lengthen for the second month running and for only the third time in the past 21 months.

The deterioration in vendor performance was the greatest seen since February 2024, although it was still only modest in the context of the delays recorded in the pandemic years.

### Comment

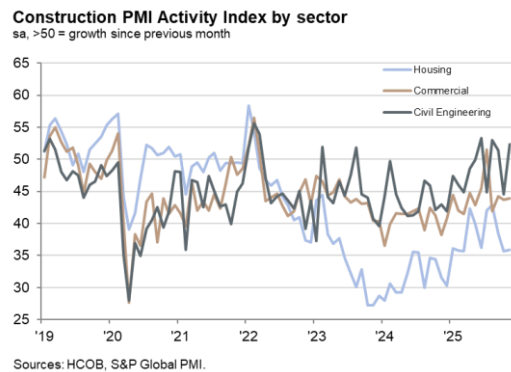
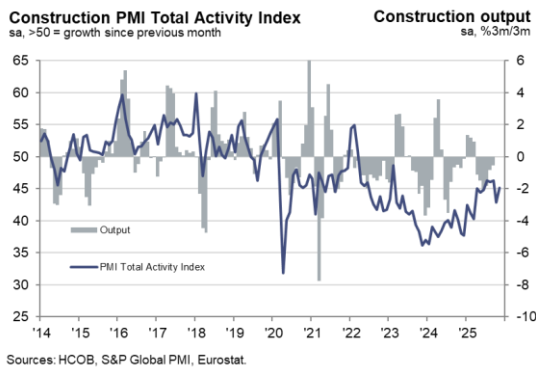
Commenting on the PMI data, Dr. Cyrus de la Rubia, Chief Economist at Hamburg Commercial Bank, said:

*“The civil engineering sector is still sputtering but looks set to gradually pick up speed. Since the middle of this year, infrastructure projects have been moving forward for a month or two at a time, only to then hit reverse. In November, the sector was back on track for expansion. The more planned public infrastructure projects get underway in the coming months, the longer this sector is likely to stay in growth territory.*

*“The recession in the construction sector eased somewhat in November. This is almost exclusively thanks to civil engineering, where the index made a sharp jump from contraction to expansion. Public infrastructure projects, like the renewal of rail lines, are playing an important role here. Residential and commercial construction, on the other hand, remain stuck in the economic trough, especially housing, which is particularly deep. The increase in building permits reported by the Federal Statistical Office suggests this sector could pick up again somewhat next year. In the short term, though, an accelerated decline in order intakes can be observed. That lines up with the fact that construction companies as a whole are predominantly pessimistic about their activity in the coming year.*

*“Stagflation still rules the construction sector, as costs have been rising steadily since spring and subcontractors’ invoices are climbing higher too. At the same time, construction activity is declining. One explanation is probably the shortage of skilled workers, which, according to the Association of German Engineers (VDI), continues to persist, especially among civil engineers. On top of that, most building material prices have risen further from already high levels this year. The slump in the broader construction sector can only be overcome if the economy as a whole returns to sustainable growth, improving the purchasing power of consumers and businesses alike.”*

-Ends-



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## Note to Editors

The HCOB Germany 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 September 1999.

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).

## Hamburg Commercial Bank AG

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