

# Press Release

## **NFB welcomes blip in construction output and cautions about the tougher times ahead**

The National Federation of Builders (NFB) today welcomed the 8.6% growth in construction output in the second quarter of 2010 compared to the first quarter but fully expects construction output to fall in quarter three. Initial indications suggested that construction output had increased by 6.6% in the second quarter, compared with a decrease of 1.6% in the previous quarter (Source: ONS).

All new work rose by 9.8% and repair and maintenance rose by 6.6% with the total volume of construction output in the second quarter of 2010 rising by 9.1% compared to the same quarter in 2009. All new work increased by 14.2% and repair and maintenance increased by 1.0% (Source: ONS).

Julia Evans, Chief Executive of the NFB commented: "Any increase in the contribution that construction can make to the UK economy is always good news. The growth can be partly attributed to the need to play catch up following the severe weather experienced during the first quarter but may also be as a result of bringing forward of projects ahead of the new Government's anticipated cuts in public spending and the Emergency Budget.

"We hope that the government takes into account the resulting benefit to the wider economy of a sustained investment in construction when it makes further decisions on spending."

The NFB believes that there are other factors that will have an impact on future growth: mortgage lending remains flat, lending to construction businesses has fallen and major, national construction projects such as Building Schools for the Future are being re-thought. Furthermore, the uncoordinated suspension of much of the planning system will put this tentative growth at risk as investment in housing projects is shelved.

## **ENDS**

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## **Notes to editors**

- The NFB is one of the UK's longest established trade federations for small to medium-sized (SME) builders, contractors and house builders across England and Wales. It was created 150 years ago to represent the building profession and to help create the conditions for its members to thrive and contribute to the economic success of the UK. Its members range from the sole trader to large, multi-million pound construction companies, with turnover ranging from below £500k to £100m plus. The NFB provides advice, training and business solutions to ensure members stay up to date.
- The NFB campaigns on the issues that impact the construction industry such as procurement, utilities, sustainability and funding. It represents the industry at government and industry forums and is an active media commentator and policy influencer.