

press release

NFB: lack of available finance for construction drags down the economy in Q1 2011

FOR IMMEDIATE RELEASE

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Construction output slumped 4.7 per cent in the first three months of 2011. This compounds a fall of 2.3 per cent in the final three months of 2010.

Other industry sectors managed to turn previous declines in output into growth. Despite those rises, the economy as a whole only rose by 0.5 per cent. Snow or no snow, there is no denying the effect that construction has on the rest of the economy.

National Federation of Builders' chief executive Julia Evans said: "The industry has traditionally relied on the public sector for around 40 per cent of its work. Public money is now in short supply. Government measures such as FirstBuy Direct for first-time buyers and Build Now, Pay Later for housebuilders only tinker around the edges of the problem of access to finance. Until this fundamental issue is addressed, there is little prospect of a housing market recovery or of the private sector helping to build us out of this slump."

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