

press release

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Construction sector and economy need home improvement VAT cut now more than ever

Figures released today from the Office of National Statistics estimate that construction output fell by 0.5 per cent in the last quarter of 2011 compared to Q3, driven by volume reductions in five out of the nine sectors. Construction output for 2011 as a whole was 2.8 per cent higher than 2010, in part because of the increases in infrastructure. New public housing also increased, 2011 being its highest level since 1980 (www.statistics.gov.uk).

Commenting on the estimates, Julia Evans, NFB Chief Executive said: “Whilst output was higher generally in 2011 over the previous year it is concerning that overall estimates show output dropped in the fourth quarter by 0.5 per cent.

“Conditions are still precarious across sectors and any growth is largely due to infrastructure and public housing orders. Whilst this is welcome there is still a huge challenge for thousands of small and medium sized builders struggling with lower orders for new work and repairs.

“It is essential that we look at the picture now rather than at trends, and the government urgently reviews lending availability. A cut in VAT to five per cent for home improvements is becoming more compelling by the day.”

For further information please contact the NFB on 01293 586664 or email marketing@builders.org.uk