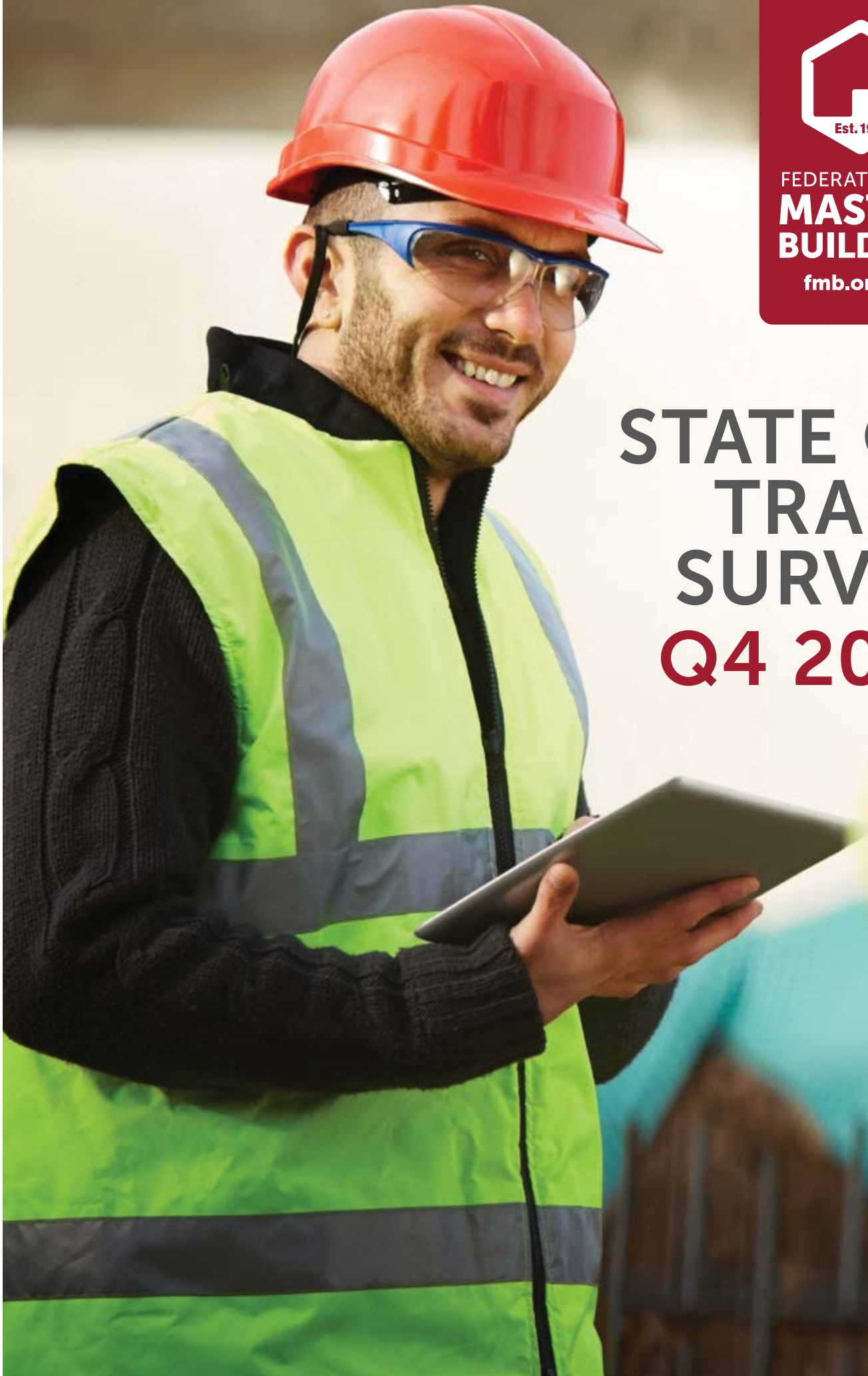




FEDERATION OF
**MASTER
BUILDERS**

fmb.org.uk

STATE OF TRADE SURVEY Q4 2017





FEDERATION OF
**MASTER
BUILDERS**
fmb.org.uk

Contents

| | |
|--|---------|
| Introduction | page 3 |
| Summary | page 4 |
| Workloads | page 5 |
| Residential workloads | page 6 |
| Non-residential workloads | page 7 |
| Expected workloads and enquiries | page 9 |
| Residential expected workloads | page 9 |
| Non-residential expected workloads | page 10 |
| Prices and costs | page 11 |
| Employment and labour | page 12 |
| Regional perspective | page 15 |
| About the Federation of Master Builders (FMB) and the State of Trade Survey | page 17 |

Introduction from FMB Chief Executive Brian Berry

The FMB's latest State of Trade Survey shows that growth in the SME construction sector slowed slightly in the final three months of 2017, but new enquiries and expected workloads dropped more sharply. The picture was mixed for the home nations with indicators in Northern Ireland and Scotland moving into negative territory and growth slowing amongst construction SMEs in England. Conversely SME companies in Wales enjoyed the strongest results with Wales being the only home nation to report an improvement in workloads, expected workloads and enquiries compared with the previous quarter.

Although employment rose for the nineteenth quarter in a row and workloads overall are still growing, SME builders continue to wrestle with material price hikes and wage increases. Moreover, the Q4 2017 results show that the difficulties firms face when trying to hire tradespeople continue to mount. The number of construction SME employers who are having trouble hiring key occupations, such as bricklayers and carpenters, has never been so high. This is a further sign of the pressing need for our industry to double down on its efforts to address the skills crisis we are facing.



“The number of respondents reporting difficulties in hiring key skills, such as bricklayers and carpenters, has never been so high.”

Key statistics from Q4 2017:

- At the UK level, activity rose at a slightly slower pace compared with Q3 2017;
- Northern Ireland's and Scotland's net balances (including workloads, enquiries and expected workloads) moved into negative territory whereas England's net balance remained positive, but decreased;
- Wales was the only home nation to experience activity increasing at a faster rate compared to Q3 2017;
- These results represent the 19th consecutive quarter of positive growth which means that the construction SME sector has been on the rise for more than four and a half years;
- 87% of builders believe that material prices will rise in the next six months, up from 82% in the previous quarter;
- 61% of construction SMEs foresee wage increases over the next six months;
- 68% of firms are struggling to hire bricklayers; 63% are struggling to hire carpenters and joiners; and 48% are struggling to hire plumbers and HVAC traders.

SUMMARY

Balances only reflect the percentage of responses reporting higher workloads against those reporting lower workloads. In some cases, though the total workload chart may suggest that activity has risen or fallen strongly, a large proportion of respondents indicated there had been no change in workloads compared with the previous quarter.

In final quarter of 2017, SME workloads grew at a slower pace quarter-on-quarter. Fewer respondents indicated rising activity (35% vs. 37%), while just under half of firms (49%) stated no change in workloads, up from 47%.

Expectations for the future have become weaker with 16% of respondents forecasting lower workloads, up from 11% in Q3 2017. In contrast, those predicting higher workloads fell, to 38% from 41%.

At the UK level activity rose at a slower pace compared with Q3 2017 however the picture was mixed for the home nations: Northern Ireland's and Scotland's net balances moved into negative territory whereas England's

net balance showed slowing growth. Wales was the only home nation to register a rise in its net balance.

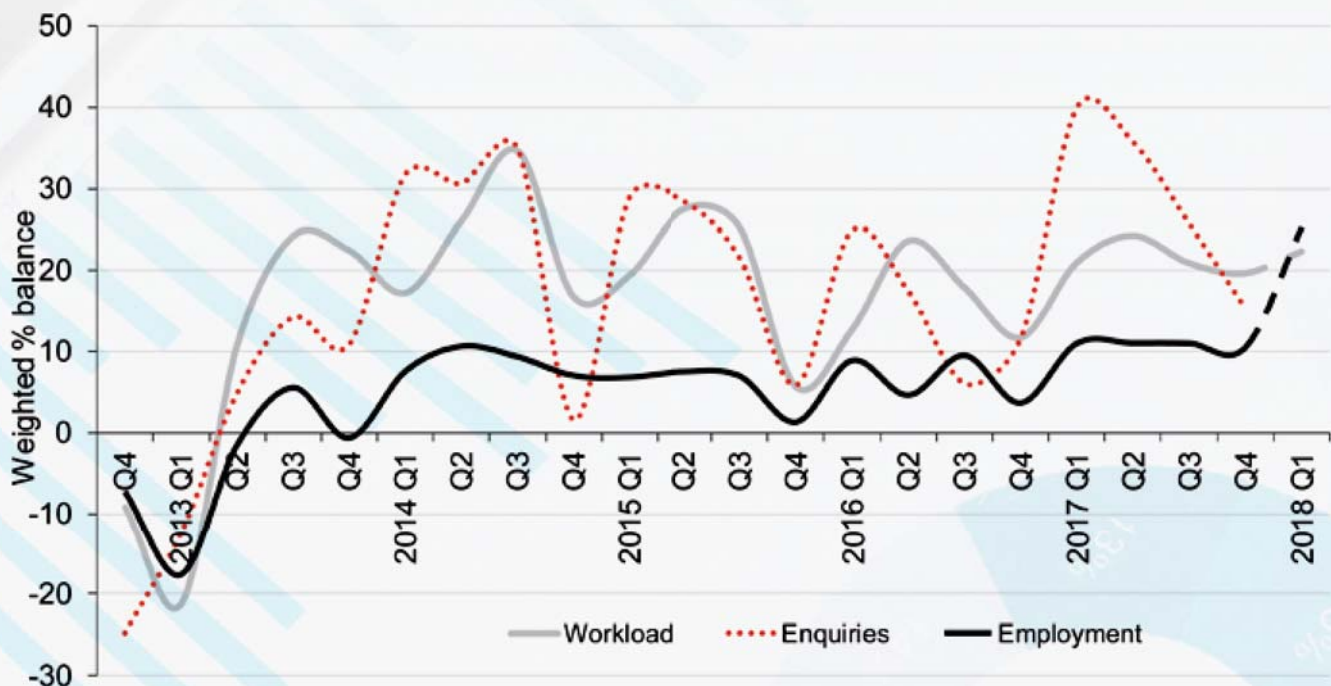
Over the next six months output prices, wages and salaries and material costs are all expected to increase:

Material costs are projected to see the steepest rise as 87% of respondents predict higher costs, up from 82% in the previous quarter.

SME employment increased for the sixteenth quarter running:

The proportion of businesses stating a rise in their workforce went up (23% vs. 21%) while around 64% of firms registered no change in staffing levels, down from 68%.

Key indicators



Please note: Q1 2018 reflects respondents' expectations for workload and employment

WORKLOADS

Despite edging down by 1 percentage point to +20, in the three months to December 2017, the net balance for overall workloads remained in positive territory for the nineteenth consecutive quarter. Around 35% of businesses indicated rising workloads, down from 37%, while nearly half (49%) reported no change in workloads, up from 47%.

The net balance for the commercial sector saw the greatest jump of 17 percentage points to +19. The share of respondents registering lower workloads fell, to 15% from 21%, whereas approximately 34% of businesses stated higher workloads, up from 23% in Q3 2017.

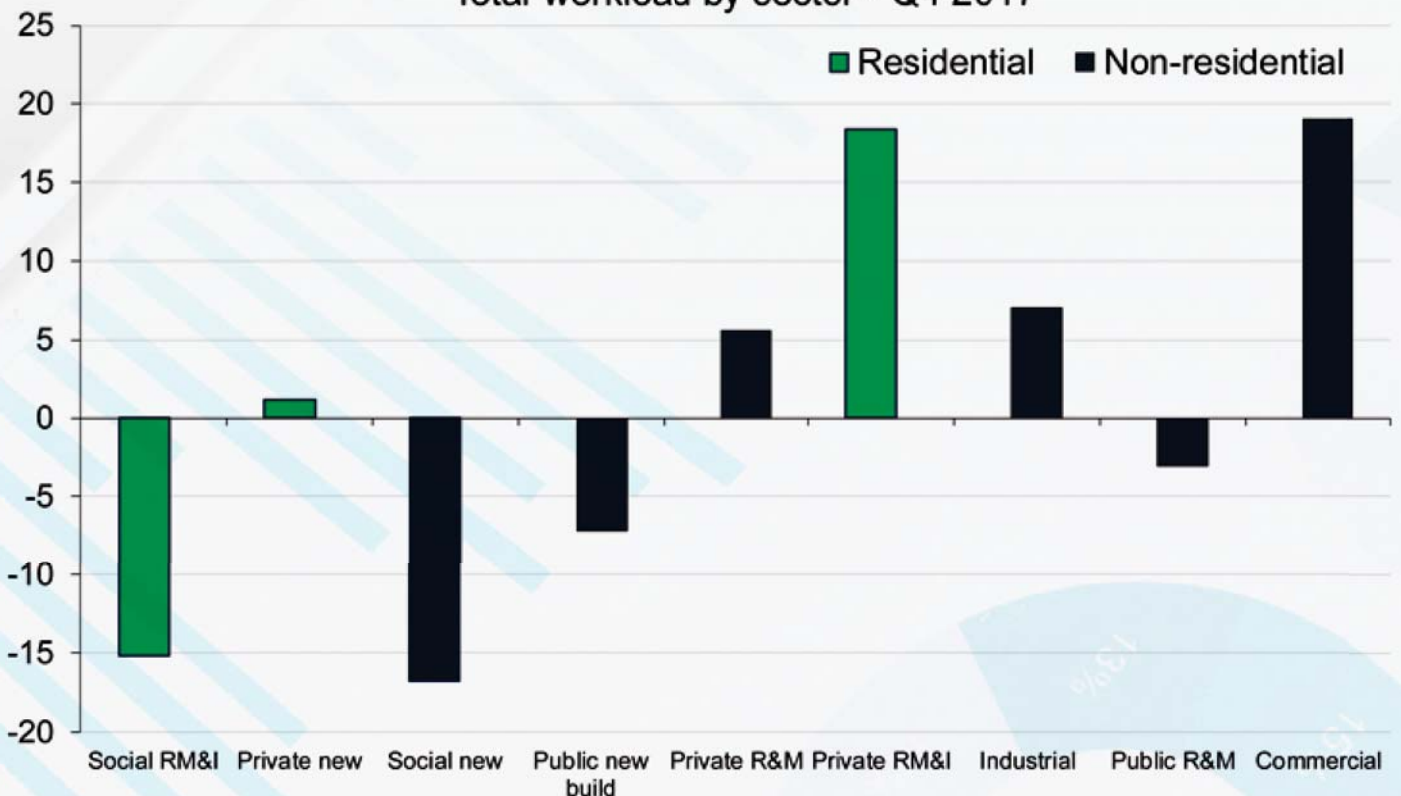
Even though the public (non-residential) R&M net balance improved by 15 percentage points, it remained in negative

territory (-3) for the third consecutive quarter. Those indicating lower workloads dropped from 26% to 12%, while the majority of firms (79%) specified no change to workloads.

The overall housing sector's net balance edged up by 1 percentage point to +11. More businesses reported higher workloads (28% vs. 24%) while more than half of respondents (56%) stated no change in workloads.

The non-residential net balance increased by 8 percentage points to +16. Just over a quarter of firms (26%) reported higher workloads, up from 19%, while those indicating lower workloads was unchanged at 10%. At 65%, the bulk of firms stated no change to workloads, down from 71% in the previous quarter.

Total workload by sector - Q4 2017



RESIDENTIAL WORKLOADS

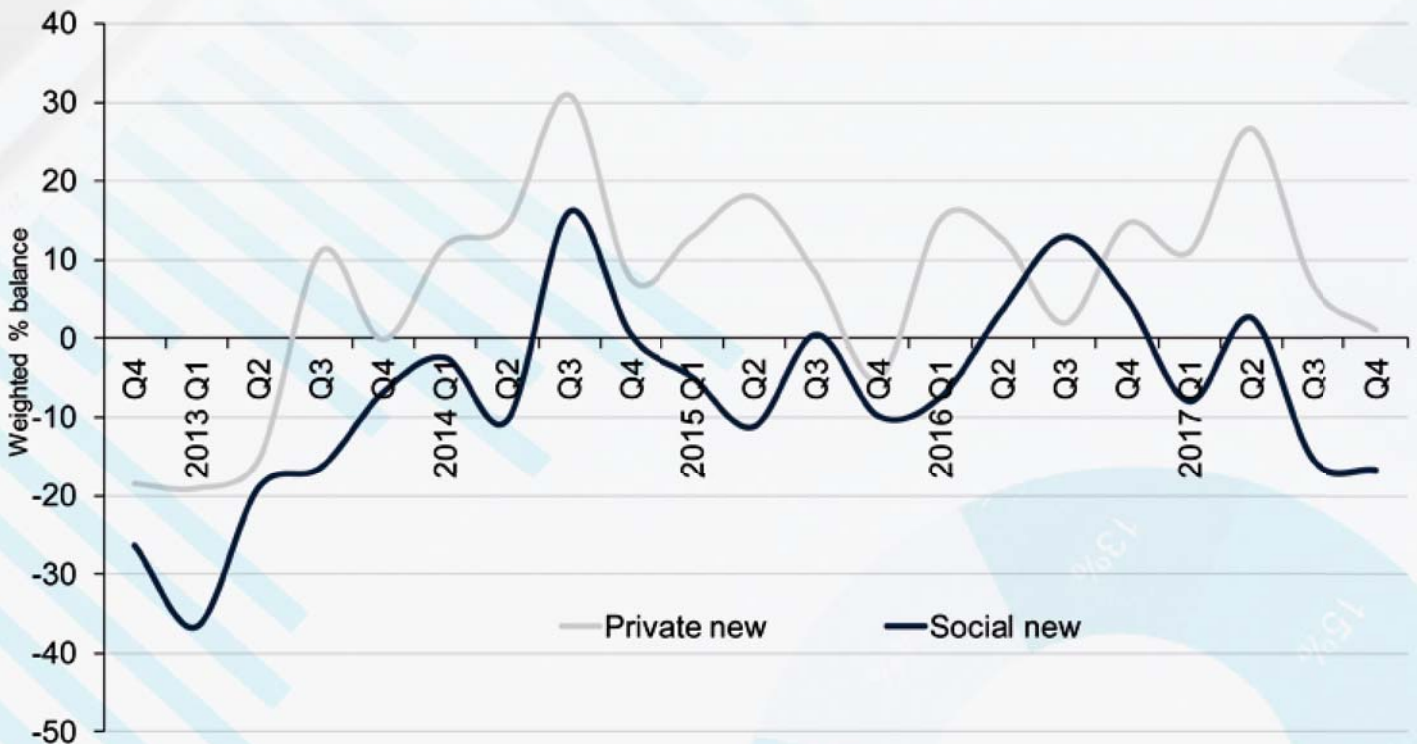
Weighted % balances

| Workload | 2016 Q1 | Q2 | Q3 | Q4 | 2017 Q1 | Q2 | Q3 | Q4 |
|-------------------|---------|-----|-----|-----|---------|-----|-----|-----|
| Private new | +15 | +13 | +2 | +15 | +11 | +27 | +7 | +1 |
| Private RM&I | +14 | +17 | +13 | +8 | +15 | +19 | +12 | +18 |
| Social new | -7 | +4 | +13 | +5 | -8 | +3 | -15 | -17 |
| Social RM&I | 0 | -8 | -6 | +1 | +3 | +5 | -4 | -15 |
| Total Residential | +22 | +22 | +18 | +30 | +11 | +16 | +10 | +11 |

Despite falling by 6 percentage points to +1, the net balance for the **private new** housing sector remained in positive territory for the eighth successive quarter. The proportion of firms reporting a rise in workloads fell (18% vs. 23%) while those registering a decline in workloads edged up to 17% from 16%.

The net balance for the **social new** housing sector remained in negative territory for the second quarter running as it decreased by 2 percentage points to -17. More firms stated lower workloads (24% vs. 21%) whereas approximately 68% of businesses reported no change in workloads, down from 74%.

Residential historical weighted % balance - new build

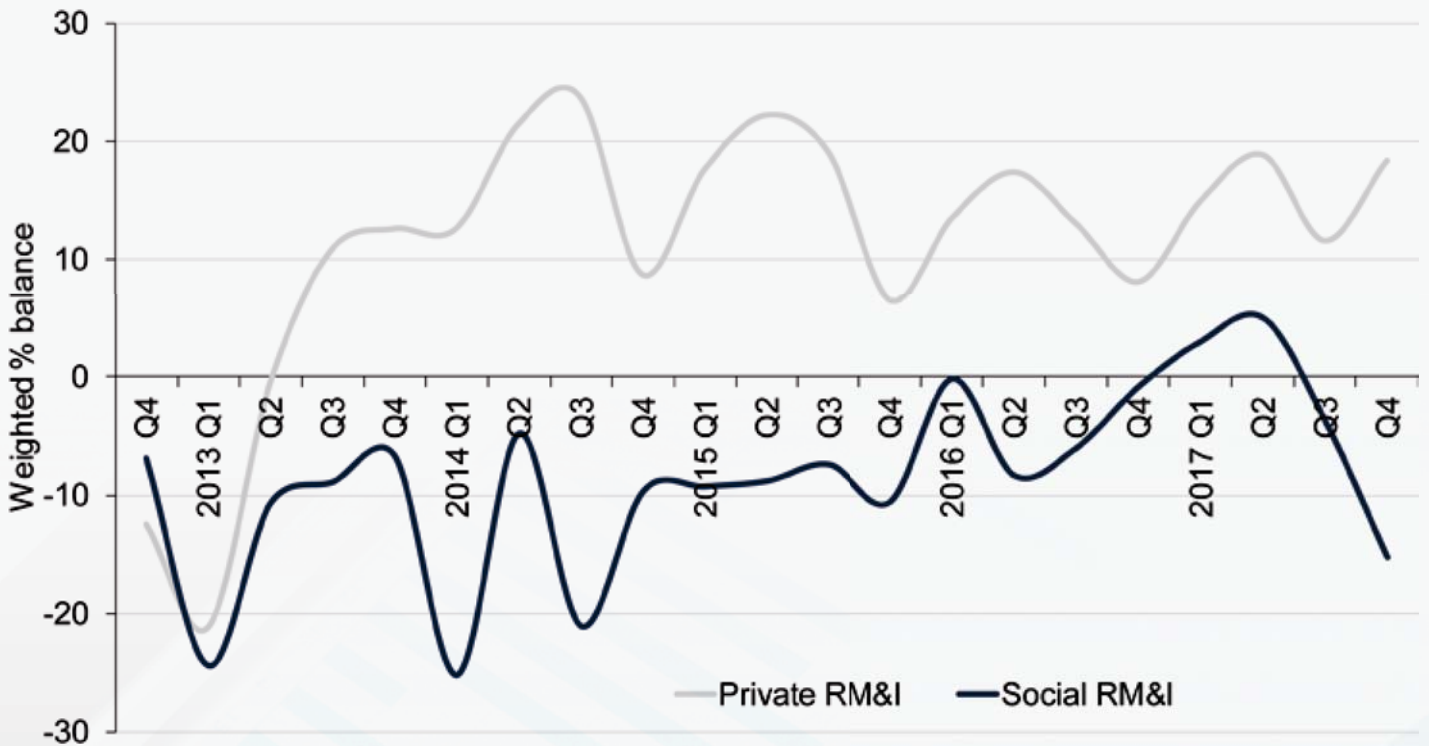


A drop of 11 percentage points took the net balance for the **social RM&I** sector to -15, remaining in negative territory for the second consecutive quarter. Just 7% of respondents indicated a rise in workloads, down from 14% while more businesses (22% vs. 18%) stated lower workloads.

The net balance for the **private RM&I** sector remained in positive territory for the eighteenth successive quarter as it went up by 6 percentage points to +18. Approximately 30% of businesses experienced higher workloads, up from 27%, while those specifying lower workloads declined, to 12% from 16%.

RESIDENTIAL / NON-RESIDENTIAL WORKLOADS

Residential historical weighted % balance - RM&I



NON-RESIDENTIAL WORKLOADS

Weighted % balances

| Workload | 2016 Q1 | Q2 | Q3 | Q4 | 2017 Q1 | Q2 | Q3 | Q4 |
|------------------------------|-----------|----------|-----------|----------|-----------|-----------|-----------|------------|
| Public new build | -26 | -11 | +6 | -15 | -1 | +3 | -5 | -7 |
| Public R&M | -13 | -13 | -9 | -17 | +5 | -11 | -18 | -3 |
| Industrial | -15 | -17 | +3 | -20 | 0 | +2 | +1 | +7 |
| Commercial | +2 | +4 | +8 | -8 | +4 | +14 | +2 | +19 |
| Private R&M | -11 | +0 | -5 | -10 | +8 | 0 | +6 | +6 |
| Total Non-Residential | +5 | 0 | +7 | 0 | -3 | +8 | +8 | +16 |

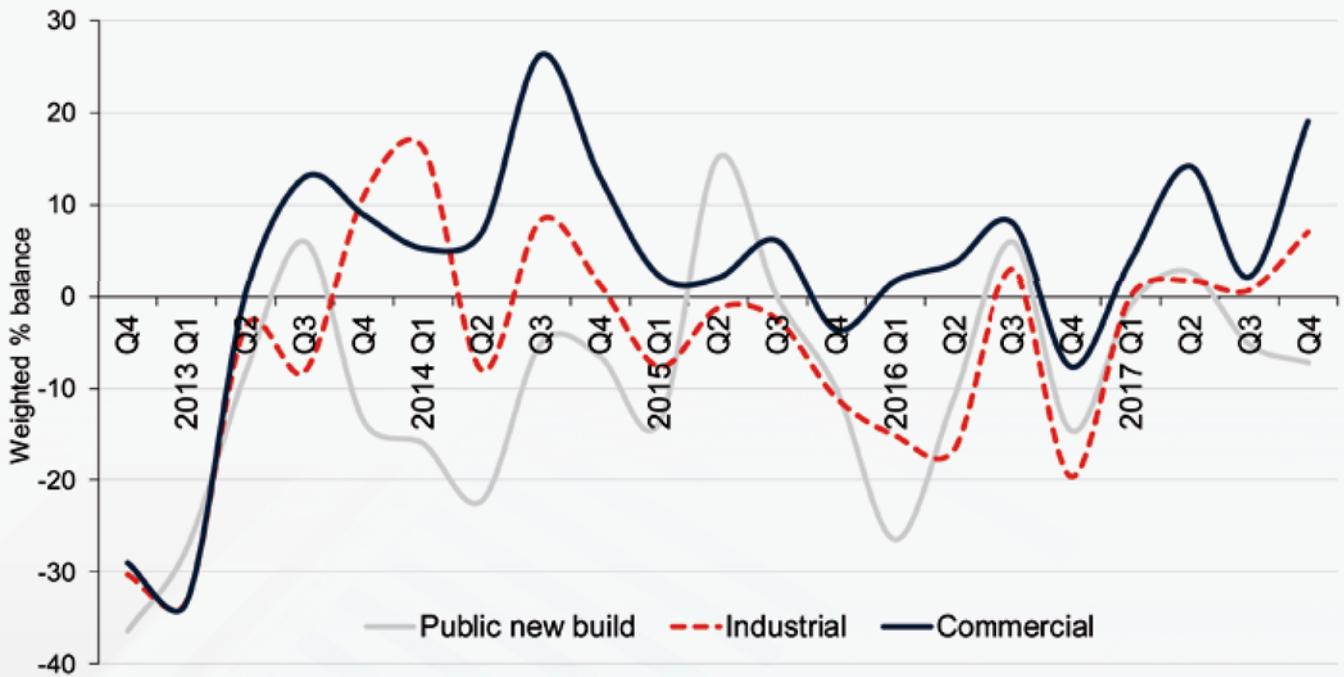
The **public new build** sector's net balance remained in negative territory for the second quarter running as it deteriorated by 2 percentage points to -7. Just over a tenth of respondents (11%) indicated higher workloads, down from 13%, whereas those indicating lower workloads was unchanged at 18%.

A jump of 17 percentage points took the **commercial** sector's net balance to +19. Around 34% of firms reported higher workloads, up from 23%, while those recording lower workloads decreased to 15% from 21%.

The net balance for the **industrial** sector went up by 6 percentage points to +7. A fifth of businesses reported higher workloads, up from 14%, while those indicating lower workloads was unchanged at 13%.

NON-RESIDENTIAL WORKLOADS

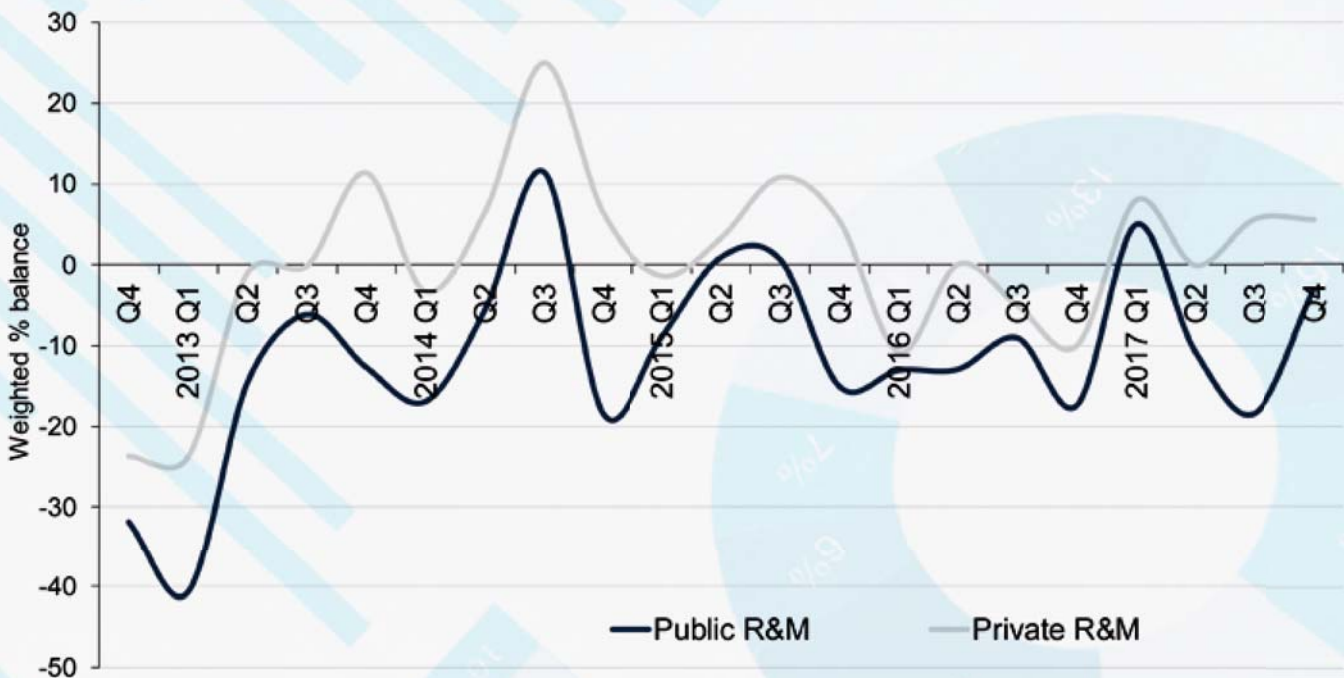
Non-residential historical weighted % balance chart - new work



Despite improving by 15 percentage points, the **public R&M** sector's net balance remained in negative territory (-3) for the third consecutive quarter. Around 12% of firms indicated lower workloads, down from 26% in the previous quarter. However, the majority of firms (79%) recorded no change in workloads.

The **private R&M** sector's net balance was unchanged at +6. Slightly more firms reported higher workloads (19% vs. 18%), whereas those stating lower workloads was unchanged at 13%.

Non-residential historical weighted % balance chart - R&M



EXPECTED WORKLOAD OVER THE NEXT THREE MONTHS AND ENQUIRIES

Despite falling by 11 percentage points to +15, the net balance for total enquiries remained in positive territory for the nineteenth successive quarter. Around 35% of businesses reported higher enquiries, down from 44%. In contrast, respondents indicating lower enquiries grew to 20% from 18%.

A decrease of 8 percentage points took the total expected workload's net balance to +22. Approximately 38% of respondents expect higher workloads over the next three months, down from 41%. However, more firms anticipate lower workloads (16% vs. 11%).

RESIDENTIAL EXPECTED WORKLOADS

The residential expected workload net balance dropped by 12 percentage points to +12. The proportion of firms with a positive outlook declined (32% vs. 40%), while around 19% of respondents foresee lower workloads over the next three months, up from 16%.

The **private new** housing sector moved into negative territory as its net balance plummeted by 27 percentage points to -3. Fewer firms anticipate higher workloads (21% vs. 37%) while just under a quarter (24%) of businesses expect lower workloads, up from 13%.

A deterioration of 3 percentage points also took the net balance for the **social new** housing sector to -3. The proportion of respondents anticipating higher workloads

edged up, to 13% from 12%, while the share of businesses foreseeing lower workloads grew to 17% from 12%.

The **social RM&I** sector moved back into negative territory as its net balance decreased by 9 percentage points to -2. The share of businesses predicting lower workloads went up, to 17% from 10%, while the proportion of those expecting greater workloads fell, to 14% from 18%.

The net balance for the **private RM&I** sector dropped by 11 percentage points to +12, the lowest reading since Q4 2016. Around 18% of firms forecast a negative outlook, up from 13%, whereas fewer respondents (30% vs. 37%) expect higher workloads.



“38% of construction SMEs operating in the residential sector anticipate higher workloads over the next three months.”

Weighted % balances

| Expected Workload | 2016 Q1 | Q2 | Q3 | Q4 | 2017 Q1 | Q2 | Q3 | Q4 |
|--------------------------|------------|------------|------------|-----------|------------|------------|------------|------------|
| Private new | +10 | +14 | +2 | +13 | +35 | +32 | +24 | -3 |
| Private RM&I | +19 | +17 | +8 | +6 | +36 | +28 | +23 | +12 |
| Social new | +6 | +12 | +8 | +19 | +5 | +8 | 0 | -3 |
| Social RM&I | -17 | +3 | -8 | +5 | +4 | +9 | +7 | -2 |
| Total Residential | +25 | +22 | +7 | +4 | +34 | +33 | +24 | +12 |
| Enquiries | | | | | | | | |
| Private new | +6 | +16 | +1 | +8 | +31 | +25 | +17 | +4 |
| Private RM&I | +15 | +13 | +1 | +6 | +33 | +32 | +19 | +8 |
| Social new | +12 | -11 | 0 | -4 | 0 | 0 | -3 | -17 |
| Social RM&I | +1 | -3 | -11 | +7 | +1 | +11 | +1 | -9 |
| Total Residential | +30 | +22 | +21 | +3 | +26 | +23 | +22 | +10 |

NON-RESIDENTIAL EXPECTED WORKLOADS

Throughout 2017 the net balance for non-residential expected workloads remained in positive territory. This is in spite of it falling by 3 percentage points to +10 in the final quarter of last year. Around 27% of businesses predict higher workloads, down from 29%, while approximately 17% of respondents forecast lower workloads, up from 15%.

A rise of 2 percentage points took the **Public R&M** sector's net balance to +3. Just under a fifth of firms (19%) anticipate higher workloads, up from 15%, while at 65% most businesses envisage no change in workloads, down from 70% in the previous quarter.

The net balance for the **private R&M** sector fell by 10 percentage points to +3. Approximately 18% of respondents project higher workloads, down from 24%, while around 15% of businesses expect lower workloads, up from 11%. However just over two thirds of firms (67%) forecast no change in workloads.

The **industrial** sector's net balance decreased by 9 percentage points to +7. Approximately 17% of firms anticipate lower workloads, up from 9%, while the bulk of respondents (59%) predict no change to their workloads. Businesses expecting higher workloads was unchanged at 24%.

A rise of 6 percentage points to +2 took the **public new build** sector's net balance back into positive territory. Around 18% of businesses forecast higher workloads, up from 16%. In contrast, approximately 17% of respondents have a negative outlook, down from 21%.

The **commercial** sector's net balance decreased by 4 percentage points to +13. Despite this it remained in positive territory for the fifth consecutive quarter. Approximately 28% of respondents anticipate higher workloads, down from a third whereas around 56% forecast no change to workloads, up from 52%.



“The net balance for non-residential expected workloads remained in positive territory for the whole of 2017.”

Weighted % balances

| Expected Workload | 2016 Q1 | Q2 | Q3 | Q4 | 2017 Q1 | Q2 | Q3 | Q4 |
|------------------------------|------------|------------|-----------|-----------|------------|------------|------------|------------|
| Public new build | -6 | +17 | -10 | +5 | +9 | +11 | -4 | +2 |
| Public R&M | -11 | +13 | -16 | -8 | +9 | +0 | +1 | +3 |
| Industrial | -10 | 0 | -6 | 0 | +18 | +13 | +16 | +7 |
| Commercial | +18 | +2 | -5 | +3 | +14 | +16 | +17 | +13 |
| Private R&M | +6 | +13 | -7 | -14 | +29 | +15 | +13 | +3 |
| Total Non-Residential | +14 | +11 | -4 | -3 | +16 | +3 | +13 | +10 |
| Enquiries | | | | | | | | |
| Public new build | -6 | -1 | -7 | -14 | +6 | +7 | -5 | -3 |
| Public R&M | -3 | -12 | -10 | -20 | -8 | +4 | +4 | -3 |
| Industrial | -15 | +3 | -7 | -6 | +5 | -2 | +13 | +4 |
| Commercial | +4 | +3 | -4 | -9 | +13 | +14 | +16 | +15 |
| Private R&M | +1 | -3 | -4 | -19 | +21 | +6 | +10 | +4 |
| Total Non-Residential | +8 | +5 | +1 | +1 | +12 | +10 | +7 | +14 |

PRICES AND COSTS

Weighted % balances

| | 2016 Q1 | Q2 | Q3 | Q4 | 2017 Q1 | Q2 | Q3 | Q4 |
|------------------|---------|-----|-----|-----|---------|-----|-----|-----|
| Output prices | +29 | +26 | +33 | +25 | +49 | +48 | +36 | +43 |
| Wages & salaries | +44 | +45 | +52 | +44 | +52 | +59 | +61 | +63 |
| Materials costs | +64 | +65 | +65 | +73 | +87 | +89 | +81 | +87 |

Weighted % balances

| Expected | 2016 Q1 | Q2 | Q3 | Q4 | 2017 Q1 | Q2 | Q3 | Q4 |
|------------------|---------|-----|-----|-----|---------|-----|-----|-----|
| Output prices | +43 | +42 | +33 | +41 | +68 | +65 | +61 | +64 |
| Wages & salaries | +51 | +53 | +41 | +40 | +66 | +62 | +58 | +61 |
| Materials costs | +63 | +63 | +65 | +78 | +85 | +82 | +82 | +87 |

The net balance for expected output prices went up by 3 percentage points to +64. Around two thirds of businesses forecast higher output prices over the next six months, up from 63% in Q3 2017. Approximately 31% of companies anticipate no change to output prices, down from 35%.

The net balance (+61) for expected wages and salaries also rose by 3 percentage points. Approximately 62% of

firms predict wage increases, up from 58% while around 36% of respondents expect no change in wages and salaries, down from 41%.

An increase of 5 percentage points took the net balance for expected material costs to +87. The bulk of businesses (87%) project a rise in material costs, while 13% of respondents predict no change to material costs over the coming six months.

Prices and costs weighted % balance chart



“87% of firms expect a rise in material costs over the next six months.”

EMPLOYMENT AND LABOUR

Weighted % balances

| Employment | 2016 Q1 | Q2 | Q3 | Q4 | 2017 Q1 | Q2 | Q3 | Q4 |
|-------------------------|-----------|-----------|------------|-----------|------------|------------|------------|------------|
| All builders | +9 | +7 | +12 | +4 | +11 | +10 | +10 | +8 |
| All specialists | +8 | +2 | +6 | +3 | +11 | +12 | +12 | +13 |
| Total | +9 | +5 | +10 | +4 | +11 | +11 | +11 | +11 |
| Total Employment | +9 | +5 | +10 | +4 | +11 | +11 | +11 | +11 |

Weighted % balances

| Expected employment | 2016 Q1 | Q2 | Q3 | Q4 | 2017 Q1 | Q2 | Q3 | Q4 |
|-------------------------|------------|------------|------------|-----------|------------|------------|------------|------------|
| All builders | +26 | +17 | +14 | +7 | +32 | +29 | +26 | +28 |
| All specialists | +14 | +14 | +10 | +5 | +30 | +29 | +21 | +22 |
| Total | +20 | +16 | +12 | +6 | +31 | +29 | +23 | +25 |
| Total Employment | +20 | +16 | +12 | +6 | +31 | +29 | +23 | +25 |

Throughout 2017 the total employment net balance has remained at +11. More firms stated a rise in staffing levels (23% vs. 21%), whereas those reporting a reduction in employment grew, to 13% from 10%.

The employment net balance for all builders edged down by 2 percentage points to +8. Approximately 13% of firms reported a fall in staffing levels, up from 12% while those stating no change in employment edged down to 65% from 66%.

The net balance for all specialists edged up by 1 percentage point to +13. A quarter of respondents reported higher staffing levels, up from 21%, while around 63% of firms indicated a no changes to their employment, down from 71%.

The net balance for expected total employment increased by 2 percentage points to +25. Around 34% of firms predict a rise in staffing levels, up from 32%, whereas approximately 57% of respondents foresee no changes to staffing levels, down from 60%.

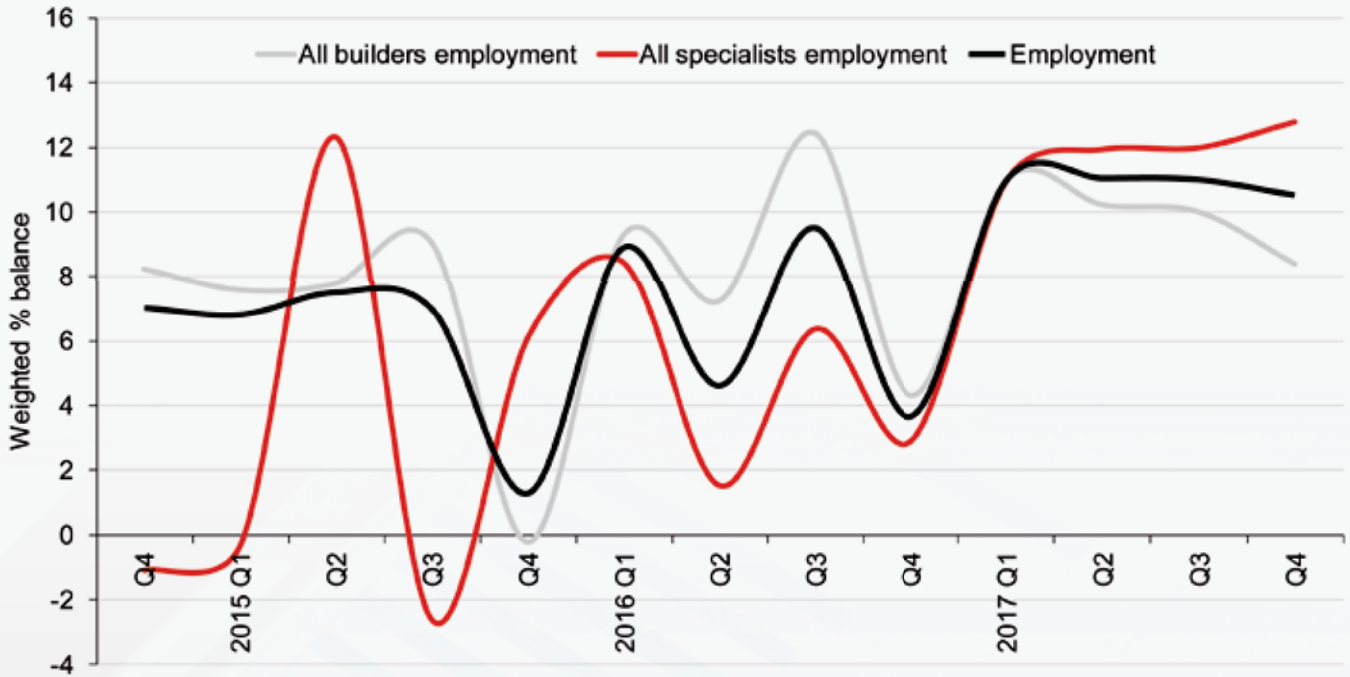
The expected employment net balance for all builders went up by 2 percentage points to +28. More firms expect to hire more staff (37% vs. 34%), while around 55% of businesses project no change to their workforce, up from 59%.

A rise of 1 percentage point took the expected employment net balance of specialists to +22. Approximately 31% of respondents envisage a rise in employment, up from 30%, while the bulk of firms (59%) expect no change in staffing levels.



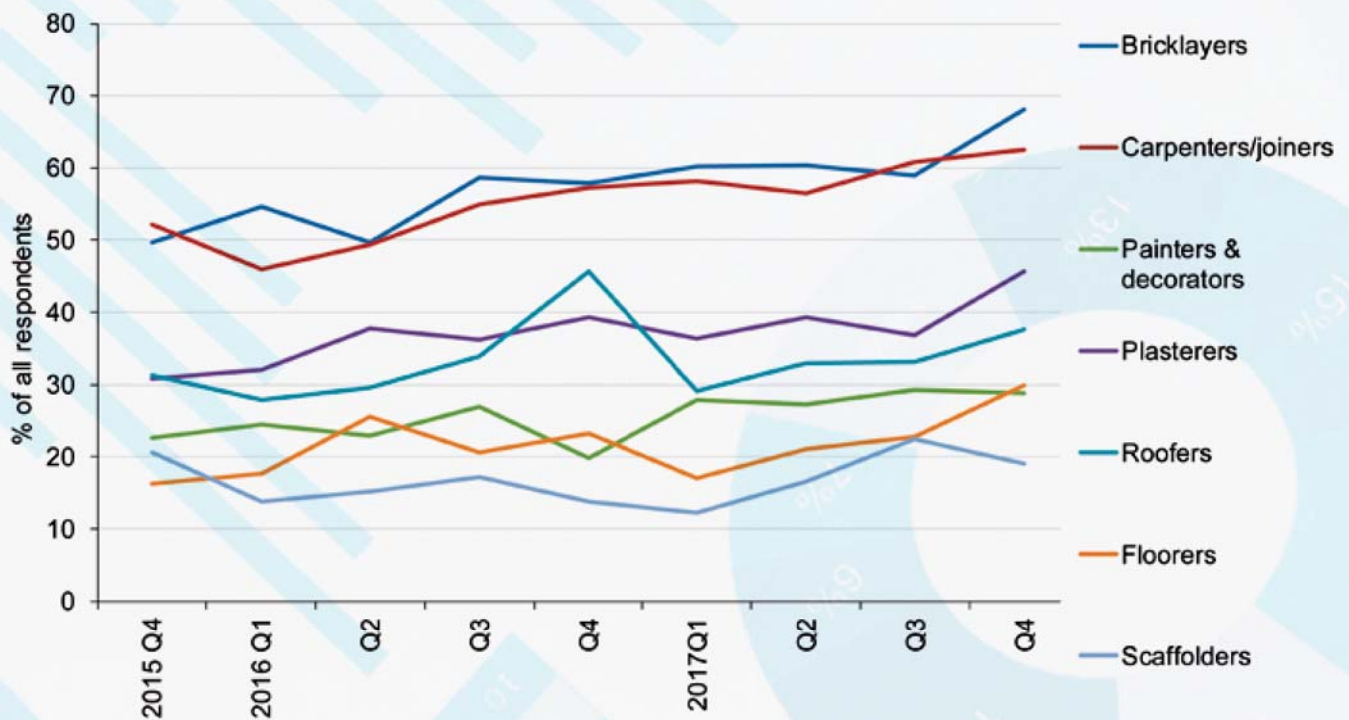
EMPLOYMENT AND LABOUR

Employment weighted % balance chart



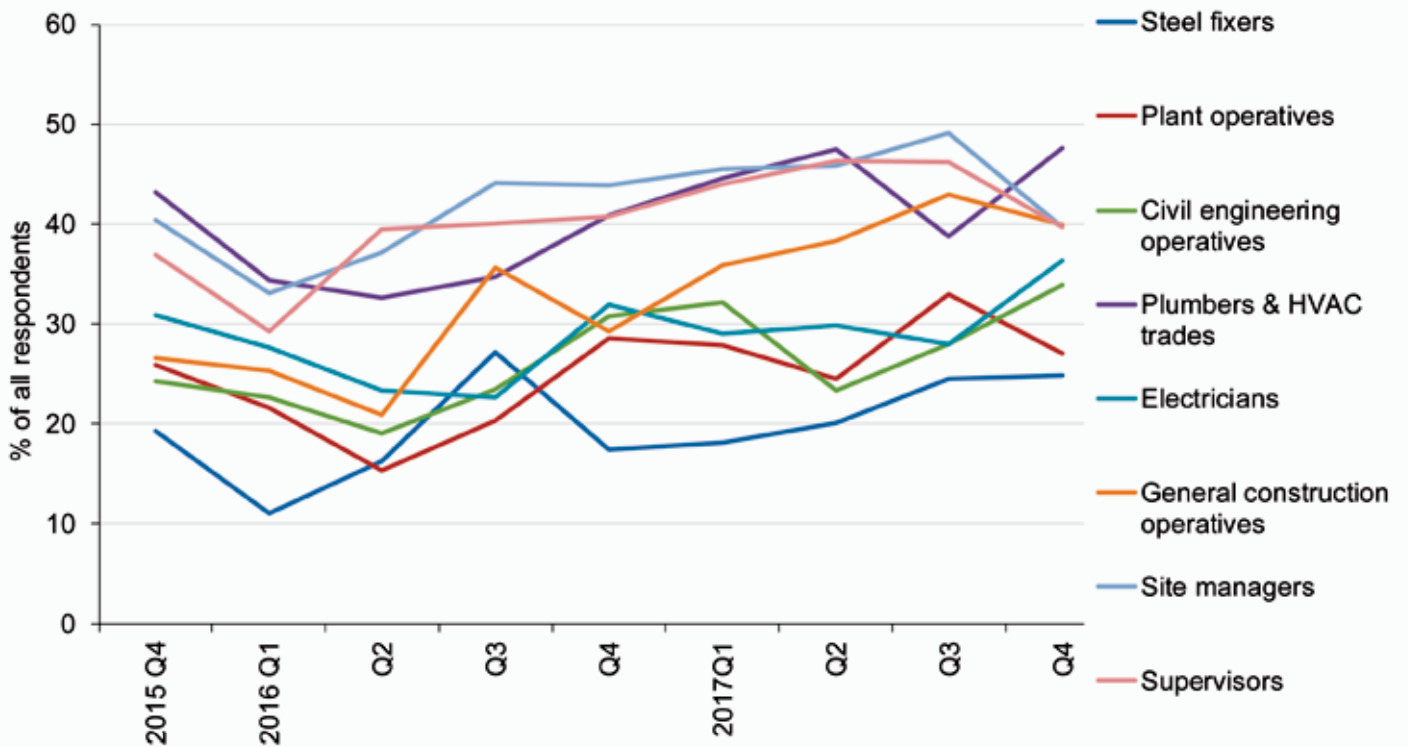
Once again, bricklayers and carpenters/joiners were the most difficult trades to hire. Plumbers and HVAC trades and plasterers were also tough to recruit. In contrast, steel fixers and scaffolders were the easiest to hire.

% of respondents reporting difficulty recruiting selected skills chart 1



EMPLOYMENT AND LABOUR

% of respondents reporting difficulty recruiting selected skills chart 2



% reporting difficulty

| Trades | 2015 Q4 | 2016 Q1 | Q2 | Q3 | Q4 | 2017 Q1 | Q2 | Q3 | Q4 |
|---------------------------------|---------|---------|----|----|----|---------|----|----|----|
| Bricklayers | 50 | 55 | 50 | 59 | 58 | 60 | 60 | 59 | 68 |
| Carpenters/joiners | 52 | 46 | 49 | 55 | 57 | 58 | 57 | 61 | 63 |
| Plumbers & HVAC trades | 43 | 34 | 33 | 35 | 41 | 45 | 47 | 39 | 48 |
| Plasterers | 31 | 32 | 38 | 36 | 39 | 36 | 39 | 37 | 46 |
| General construction operatives | 27 | 25 | 21 | 36 | 29 | 36 | 38 | 43 | 40 |
| Site managers | 40 | 33 | 37 | 44 | 44 | 45 | 46 | 49 | 40 |
| Supervisors | 37 | 29 | 40 | 40 | 41 | 44 | 46 | 46 | 40 |
| Roofers | 31 | 28 | 30 | 34 | 46 | 29 | 33 | 33 | 38 |
| Electricians | 31 | 28 | 23 | 23 | 32 | 29 | 30 | 28 | 36 |
| Civil engineering operatives | 24 | 23 | 19 | 23 | 31 | 32 | 23 | 28 | 34 |
| Floorers | 16 | 18 | 26 | 21 | 23 | 17 | 21 | 23 | 30 |
| Painters & decorators | 23 | 24 | 23 | 27 | 20 | 28 | 27 | 29 | 29 |
| Plant operatives | 26 | 22 | 15 | 20 | 29 | 28 | 25 | 33 | 27 |
| Steel fixers | 19 | 11 | 16 | 27 | 17 | 18 | 20 | 24 | 25 |
| Scaffolders | 21 | 14 | 15 | 17 | 14 | 12 | 17 | 22 | 19 |

“68% of firms have reported difficulties recruiting bricklayers.”

REGIONAL PERSPECTIVE

Regional figures are based on a composite indicator combining workload, expected workload and enquiries questions, weighted by firm's size. The net balance shows the difference between those saying higher and those saying lower for the three questions.

In the final quarter of last year, the **UK's** net balance went down by 11 percentage points to +12, the lowest reading since Q4 2016. The proportion of positive weighted responses decreased to 28% from 35%, while the percentage of negative weighted responses rose to 16% from 12%. The proportion of neutral weighted responses grew to 56% from 53%.

Scotland's net balance moved back into negative territory as it plummeted by 19 percentage points to -12. Around 16% of weighted responses were positive, down from 25% in the previous quarter.

In contrast, the share of firms with negative weighted responses grew (28% vs. 18%). At 56%, the bulk of weighted responses were neutral, slightly down from 57%.

England's net balance dropped by 10 percentage points to +12. The proportion of positive weighted responses decreased to 25%, from 31%, while the share of negative weighted responses increased, to 13% from 9%. Around 62% of responses were neutral, up from 60%.

The net balance for **Northern Ireland** went down by 19 percentage points

to -7, moving into negative territory. Just over a fifth (21%) of weighted responses were positive, down from 28%, whereas negative weighted responses rose to 28% from 16%. Just over half (51%) of weighted responses were neutral, down from 56%.

Wales was the only home nation to experience a rise in its net balance, as it went up by 13 percentage points to +19. A third of weighted responses were positive, up from 25%, while the share of negative weighted responses decreased to 14% from 19%. Neutral weighted responses fell to 53% from 56%.

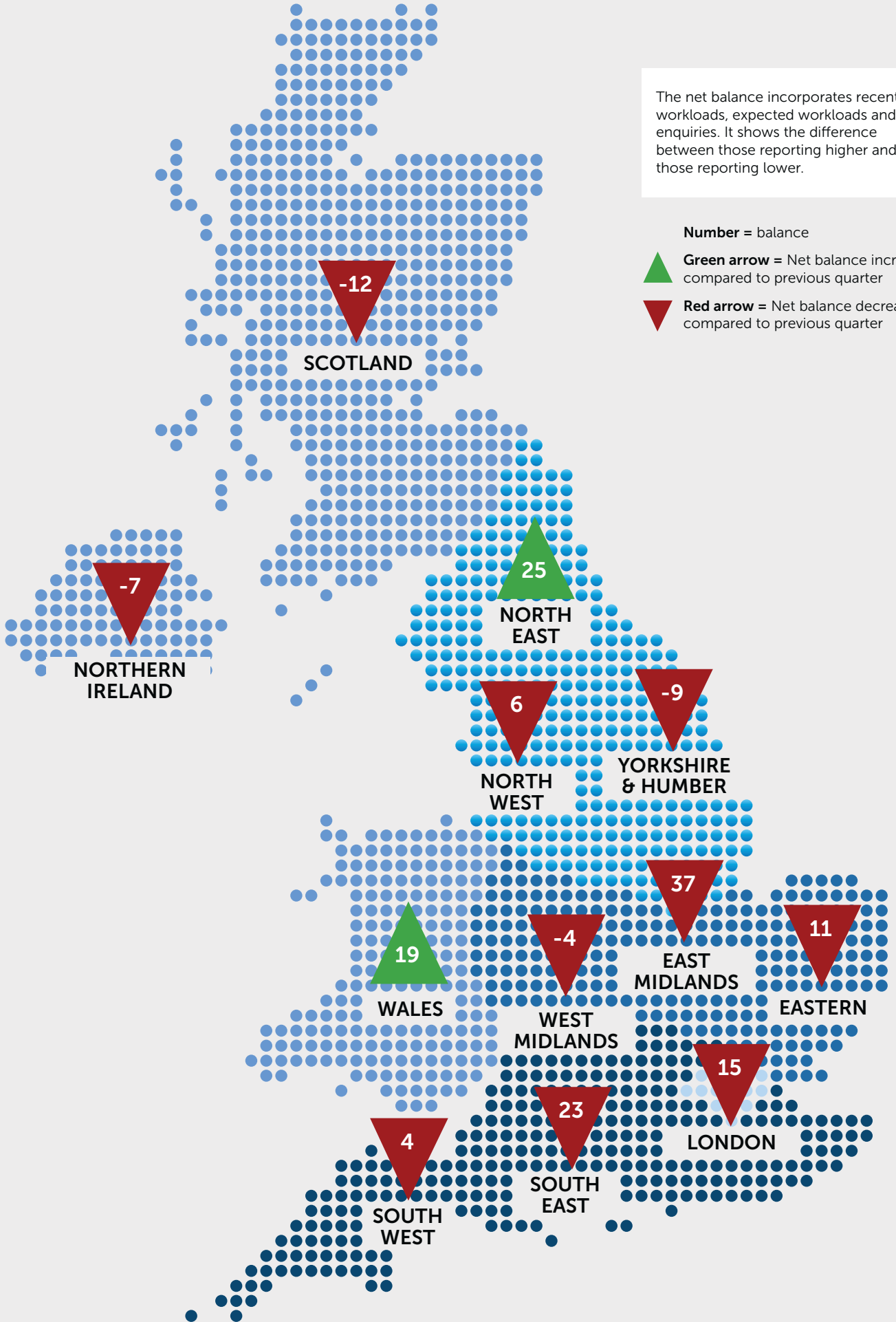
Weighted % balances

| | 2016 Q1 | Q2 | Q3 | Q4 | 2017 Q1 | Q2 | Q3 | Q4 |
|----------------|---------|-----|-----|-----|---------|-----|-----|-----|
| East Midlands | +4 | +3 | -12 | +16 | +12 | +39 | +46 | +37 |
| Eastern | +18 | +16 | +7 | +4 | +37 | +42 | +34 | +11 |
| London | +25 | -17 | 0 | +14 | +29 | +23 | +19 | +15 |
| North East | +22 | +28 | +30 | -3 | +36 | +28 | +23 | +25 |
| North West | -2 | +11 | 0 | +10 | +28 | +19 | +25 | +6 |
| South East | +17 | +15 | -3 | -8 | +23 | +32 | +26 | +23 |
| South West | +19 | +11 | +4 | -14 | +18 | +24 | +14 | +4 |
| West Midlands | +9 | +7 | +1 | -9 | +18 | +8 | +36 | -4 |
| Yorks & Humber | +26 | +13 | +30 | +19 | +28 | +8 | +28 | -9 |

| | 2016 Q1 | Q2 | Q3 | Q4 | 2017 Q1 | Q2 | Q3 | Q4 |
|------------------|---------|-----|-----|-----|---------|-----|-----|-----|
| England | +16 | +12 | +6 | +3 | +25 | +25 | +22 | +12 |
| Northern Ireland | +34 | +27 | +15 | +10 | +27 | +4 | +12 | -7 |
| Scotland | +6 | +21 | +8 | +10 | +35 | +13 | +7 | -12 |
| Wales | -6 | +16 | -7 | +15 | +35 | +26 | +6 | +19 |
| UK | +15 | +14 | +6 | +4 | +26 | +24 | +23 | +12 |



DEVOLVED COUNTRY AND REGIONAL PERSPECTIVE



About the Federation of Master Builders (FMB) and the State of Trade Survey

For more than 20 years, the FMB's State of Trade Survey has monitored key indicators and predicted future short-term developments in the UK construction industry. It is the only survey of its kind to focus exclusively on small and medium-sized (SME) firms throughout the construction sector. The survey is dispatched to the entire membership every quarter. Between 300 and 400 responses are received and they are weighted according to turnover.

The typical firm responding is either a general builder or building contractor directly employing ten or fewer people, and turning over between £100,000 and £500,000 per annum. Results are generally reported as percentage balances, as results from qualitative surveys traditionally are. This is the difference between the percentage of respondents stating 'higher' and those replying 'lower' to questions. The magnitude of the balance does not indicate the scale of the change. Instead, the larger the balance, the greater the number of respondents stating either 'higher' or 'lower'.

The FMB is the largest trade association in the UK building industry. Established in 1941 to protect the interests of SME building firms, the FMB is independent and non-profit-making, lobbying continuously for members' interests at both national and local levels. The FMB is a source of knowledge, professional advice and support for its members, providing a range of modern and relevant business services to save them time and money. The FMB also offers practical advice and support to the general public on choosing and working with a builder.

For more information about the FMB please visit: www.fmb.org.uk.

For more information about the FMB State of Trade Survey please contact Sarah McMonagle at the Federation of Master Builders via 020 7025 2901 or SarahMcMonagle@fmb.org.uk.



FEDERATION OF
**MASTER
BUILDERS**
fmb.org.uk

