# UK community and amenity construction shows regional resilience amid overall downturn in 2025



The UK community and amenity construction sector faced a notable decline in activity during the three months leading to July 2025, with project starts falling by 8% year-on-year and main contract awards plunging 30% compared to the previous year. Detailed planning approvals experienced an even more significant drop of 65% relative to 2024. These trends reflect a sector under pressure, with no major projects exceeding £100 million either awarded or approved during this period. However, smaller projects under £100 million showed some resilience, with growth recorded in both project starts and contract awards compared to last year. Earlier momentum had been sparked by the government’s £2.3 billion investment in prison construction, although the sector cooled off in the mid-year quarter. Looking ahead, increased defence funding is anticipated to provide a medium-term boost to construction activity in this segment.

Despite the overall downturn, several sub-sectors bucked the negative trend. Government buildings, for instance, represented the largest proportion of project starts at 34%, buoyed by an impressive 247% increase. Local facilities, while slightly down by 2% year-on-year, still accounted for £153 million worth of projects. Meanwhile, prisons saw a sharp decline, accounting for just £117 million in starts—a 73% decrease from the previous year.

Regionally, the picture was more varied, with the majority of areas experiencing growth in both project starts and detailed planning approvals despite the sector’s overall slump. The East of England, North West, and West Midlands stood out with strong growth in these metrics, while the North East and South East saw significant increases in project approvals. London led project starts by a wide margin, growing more than eightfold to reach £223 million, driven largely by the £110 million Victoria Tower Fabric Safety Project in Westminster. The North West also registered substantial growth, with a 128% increase in project starts to total £92 million. In terms of approvals, the South East dominated with 34% of the total, bolstered by 186% growth year-on-year, amounting to £56 million. The North West followed with a 45% rise to £40 million. Conversely, the East Midlands struggled significantly, with approvals plunging 96% to just £12 million.

Wider industry analysis from Glenigan highlights that construction project starts in the UK had already been under strain earlier in 2025, with a 21% year-on-year decline reported in the first quarter. This downturn was largely attributed to economic uncertainty and growing concerns over international trade tariffs, reflecting broader market pressures. Yet, there are tentative signs of recovery; detailed planning approvals rose by 8% in the first quarter compared to the previous quarter, suggesting the development pipeline could strengthen later in the year and into 2026. The divergence between sluggish project starts and improving planning approvals indicates that while immediate construction activity remains subdued, the groundwork for future projects is beginning to solidify.

This nuanced picture of the UK construction industry underscores a sector navigating multiple headwinds, including economic challenges, regional disparities, and shifting government investment priorities. While community and amenity constructions have contracted in many respects, pockets of growth, particularly in government-led projects and certain regions, offer cautious optimism. The anticipated rise in defence spending further signals potential areas of expansion, which could help stabilise and eventually drive an upturn in construction activity in this vital sector.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.constructionnews.co.uk/cn-intelligence/uk-construction-activity-july-2025-community-amenity-26-08-2025/), [[4]](https://www.glenigan.com/construction-project-starts-fall-21-as-tariff-pressures-mount/)
* Paragraph 2 – [[1]](https://www.constructionnews.co.uk/cn-intelligence/uk-construction-activity-july-2025-community-amenity-26-08-2025/)
* Paragraph 3 – [[1]](https://www.constructionnews.co.uk/cn-intelligence/uk-construction-activity-july-2025-community-amenity-26-08-2025/)
* Paragraph 4 – [[2]](https://www.glenigan.com/construction-project-starts-fall-21-as-tariff-pressures-mount/), [[4]](https://www.glenigan.com/construction-project-starts-fall-21-as-tariff-pressures-mount/)
* Paragraph 5 – [[1]](https://www.constructionnews.co.uk/cn-intelligence/uk-construction-activity-july-2025-community-amenity-26-08-2025/), [[2]](https://www.glenigan.com/construction-project-starts-fall-21-as-tariff-pressures-mount/)

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.constructionnews.co.uk/cn-intelligence/uk-construction-activity-july-2025-community-amenity-26-08-2025/> - Please view link - unable to able to access data
2. <https://www.glenigan.com/construction-project-starts-fall-21-as-tariff-pressures-mount/> - In Q1 2025, construction project starts declined by 21% year-on-year, attributed to economic uncertainty and international trade concerns. Glenigan's April 2025 Construction Review highlights a 4% quarterly drop and a 21% annual decrease in project starts. Despite this, the development pipeline shows early signs of strengthening, with detailed planning approvals rising by 8% compared to the previous quarter, indicating potential future growth in the sector.
3. <https://www.glenigan.com/construction-project-starts-fall-21-as-tariff-pressures-mount/> - In Q1 2025, construction project starts declined by 21% year-on-year, attributed to economic uncertainty and international trade concerns. Glenigan's April 2025 Construction Review highlights a 4% quarterly drop and a 21% annual decrease in project starts. Despite this, the development pipeline shows early signs of strengthening, with detailed planning approvals rising by 8% compared to the previous quarter, indicating potential future growth in the sector.
4. <https://www.glenigan.com/construction-project-starts-fall-21-as-tariff-pressures-mount/> - In Q1 2025, construction project starts declined by 21% year-on-year, attributed to economic uncertainty and international trade concerns. Glenigan's April 2025 Construction Review highlights a 4% quarterly drop and a 21% annual decrease in project starts. Despite this, the development pipeline shows early signs of strengthening, with detailed planning approvals rising by 8% compared to the previous quarter, indicating potential future growth in the sector.
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