

A brick shortage

Whilst official forecasters and the clever moaners were telling us of a housing collapse in the UK after the Brexit vote, we saw instead continued increases in new housebuilding, strong demand, and a brick shortage.

UK brick capacity was slashed from 2.6bn bricks a year in 2007 to 2bn as a result of the crash. The Great recession led to many brick kiln and plant closures and reminds us of how much damage this did. In recent years as a result the UK has turned to importing more bricks from the continent whilst we await new plant investment to replace the lost output and meet our domestic demand.

Bricks are heavy items to transport, so the imported product has to carry the extra costs of long distance journeys. It is taking time to rebuild UK capacity, though Ibstock are currently putting in a 100m brick plant which should come on stream soon.

Building materials generally is an area where the UK can and should do more to substitute home production for imports given the transport cost advantage of home output. It is also the case that builders often prefer to buy locally as it reduces threats to their supplies which distant factories and busy roads and ferries can create.

Brexit will offer us many opportunities to substitute home production for EU exports, especially in food if they opt for the WTO model with tariffs.