

Multi-family Spending only Bright Spot in Construction News

By: Jann Swanson | Wed, Apr 1 2015, 1:02 PM

Overall construction spending in the U.S. was essentially unchanged from January to February and there was **only slight movement** in both public and private sector spending. There was, however, a considerable increase in spending on private multi-family residential construction.

The U.S. Census Bureau said today that construction put in place in February was at a seasonally adjusted annual rate of \$967.2 billion, **down 0.1 percent** from January's estimate of 967.9 billion. The February 2015 number was 2.1 percent higher than the annual rate of \$947.1 billion estimated for a year earlier.

Residential spending was also down 0.1 percent from the previous month to an annual rate of \$355.6 billion which was 1.9 percent lower than the \$362.3 billion spending rate in February 2014.

On a **non-adjusted** basis total construction spending totaled was estimated at \$65.8 billion during the month compared to \$67.0 billion in January and residential spending dropped from \$24.1 billion to \$23.3 billion. During the first two months of the year spending on all construction was up 2.0 percent from the same time period in 2014 to \$130.3 billion and residential spending dropped 0.8 percent to \$47.4 billion.

Spending on **private construction** was at a seasonally adjusted annual rate of \$698.2 billion, a 0.2 percent increase from the spending pace in January of \$696.9 billion and 1.8 percent above the February 2014 estimate of \$686.2 billion.

Residential spending in the private sector was at a rate of 349.9 billion, 0.2 percent lower than the estimated \$350.5 billion a month earlier and a -2.1 percent change from February 2014. New single-family construction increased 9.7 percent from February 2014 at \$203.9 billion but lagged the January estimate by 0.2 percent. **Multi-family residential** construction spending rose 4.1 percent month-over-month to a rate of \$50.9 billion and was 31.5 percent above its level in February 2014.

On a non-adjusted basis total spending in the private sector in February is estimated at \$49.0 billion, and residential spending at \$22.9 billion compared to \$49.9 billion and \$23.7 billion in January. Year-to-date total construction spending is up 1.7 percent from the same period last year to \$98.9 billion and residential year-to-date spending decreased 1.0 percent to \$46.6 billion. Spending on multi-family construction in the first two months of the year jumped 29.7 percent from a year earlier to \$7.6 billion.

Publically funded construction in February was at a seasonally adjusted annual rate of \$268.9 billion, 0.8 percent below the revised \$271.0 billion rate in February but up 3.1 percent from the rate in February 2014. Residential spending increased 3.4 percent on a monthly and 13.9 percent on an annual basis to a rate of \$5.8 billion.

View this Article: <https://www.mortgagenewsdaily.com/news/04012015-construction-spending>