

Construction Spending: Residential is Only Game in Town

By: Jann Swanson | Thu, Sep 2 2021, 2:49 PM

The U.S. Census Bureau says July's expenditures on all types of construction was at a seasonally adjusted rate of \$1.569 trillion compared to \$1.563 trillion in June. This is an **increase of 0.3 percent** and 9.0 percent higher than expenditures in July 2020.

On a non-adjusted basis, total spending for the month was \$144.046 billion, up from \$141.545 billion the previous month. For the year-to-date (YTD), spending has totaled \$883.208 billion, a 6.2 percent increase over spending in the first seven months of 2020.

With the exception of residential, spending in **every** construction category is **down** YTD. The biggest deficits are in spending on office construction and public safety. Both are just over 30 percent below their levels during the same period last year.

Privately funded construction spending rose 0.3 percent in July to a seasonally adjusted annual rate of \$1.231 trillion and is up 13.5 percent year-over-year. Non-adjusted spending was \$110.794 billion, up from 109.297 billion in June. The YTD total is \$692.161 billion, 10.6 percent growth.

Residential construction spending was up 0.5 percent on a seasonally adjusted basis to an annual rate of \$772.963 billion, a 27.0 percent year-over-year increase. Spending for the month was \$71.775 billion compared to \$69.853 billion the previous month. Residential spending YTD, at \$429.939, is 25.7 percent higher than last year. Again, every non-residential construction category was down for the year thus far.

Single-family construction rose 0.9 percent from June to a rate of \$416.266 billion, but multifamily construction was flat at \$98.777 billion. The two categories are up 47.1 percent and 14.9 percent year-over-year.

Single-family construction consumed \$37.737 billion during the month, up from \$36.211 in June. YTD spending is 38.3 percent higher than at the same point in 2020 at \$225.669 billion. Multifamily spending over the same period, at \$56.638 billion, represents an annual gain of 18.6 percent.

Publicly funded construction rose 0.7 percent for the month but was 5.1 percent lower than in July 2020 at a rate of \$337.833 billion. Residential spending rose 1.1 percent to \$9.165 billion, falling below its July 2020 rate by 4.0 percent.

Public spending YTD is down 7.0 percent from last year and the residential component has declined 0.8 percent. YTD spending, in total, was \$191.047 billion with \$5.151 spent on residential construction.

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