

Residential Construction No Longer Dominating Spending

By: Jann Swanson | Wed, Dec 1 2021, 4:55 PM

National spending on construction spending **rose slightly** in October, but for the second month in a row, the increase wasn't driven by the residential sector. The U.S. Census Bureau reported that construction put in place during the month was at a seasonally adjusted annual rate of \$1.598 trillion, an 0.2 percent increase from September and up 8.6 percent compared to October 2020.

On a non-adjusted basis, spending totaled \$141.911 billion, down from \$145.746 billion in September. For the year-to-date (YTD) spending totals \$1.373 trillion, 7.5 percent more than the \$1.231 spent to the same point in 2020.

Privately funded construction fell by 0.2 percent from the previous month to a seasonally adjusted rate of \$1.245 trillion. This represents an 11.1 percent increase from the prior October.

Residential spending was down 0.5 percent from September while remaining 16.7 percent higher year-over-year. The seasonally adjusted annual rate for all residential building was \$774.688 billion. Single-family spending was down 0.8 percent and multifamily down 0.1 percent to annual rates of \$412.084 billion and \$100.115 billion, respectively. Compared to their October 2021 levels, single-family is up 23.1 percent and multifamily spending increased 9.9 percent.

A total of \$109.924 billion in private dollars was expended in October and spending YTD has reached \$1.031 billion. This is less than the \$111.836 billion spent in September but 11.6 percent higher than the \$923.489 billion spent during the first 10 months of 2020. On an unadjusted basis, residential spending was \$68.884 billion, \$37.480 billion on new single-family and \$8.569 billion on new multifamily units. All three numbers were down slightly from their September counterparts.

YTD privately funded residential spending increased 24.2 percent to \$644.794 billion. **Single-family** spending rose 35.6 percent to \$340.294 billion and **multifamily** spending YTD is 16.6 percent higher than last year at \$82.776 billion.

Publicly funded expenses were at a seasonally adjusted annual rate of \$353.049 billion in October, up 1.8 percent and 0.4 percent for the month and on an annual basis. Residential spending rose 2.9 percent to \$9.163 billion. Public spending is up 4.8 percent overall YTD, but residential spending has declined 1.5 percent.

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