



Construction Spending Showing Promise

Despite any impact from the COVID-19 pandemic, construction spending is still largely **managing to stay ahead of its 2019 levels**. The U.S. Census Bureau said total spending in May was at a seasonally adjusted annual rate of \$1.356 trillion, down 2.1 percent from April's \$1.386 trillion rate. The April rate was revised significantly higher from the \$1.346 trillion originally reported. On an annual basis, spending was 0.3 percent above the level in May of 2019.

On a non-adjusted basis, total spending was \$116.215 billion compared to \$112.912 billion in April. For the year-to-date (YTD) spending is **up 5.7 percent** over the same period last year at \$543.181 billion compared to \$513.705 billion. Unadjusted spending has increased each month this year after starting at \$101.121 billion in January.

Privately funded investment in construction was at a rate of \$1.001 trillion compared to \$1.035 trillion in April, a decline of 3.3 percent and 1.2 percent lower than in May of last year. However, for the YTD total spending has increased 5.5 percent to \$416.373 billion.

Private spending on **residential** construction has performed similarly. It was down in May by 4.0 percent from April to \$535.933 billion but is up 0.7 percent year-over-year. On an unadjusted basis it totaled \$47.750 billion compared to \$46.449 billion the previous month and is ahead by 8.8 percent YTD at \$222.215 billion.

Single-family construction spending declined 8.5 percent from April to \$261.754 billion and is down 4.4 percent year-over-year. New multifamily building was put in place at an annual rate of \$77.336 billion, a 2.3 percent increase from April but down 5.6 percent on an annual basis.

But again, the unadjusted numbers are **promising**. Single-family expenditures fell from April's \$23.369 billion to \$22.351 billion but were up YTD by 6.5 percent, to \$111.387 billion.

Multifamily spending rose by more than \$100 million from April but is down by 3.3 percent for the first five months of the year.

Publicly funded construction gained 1.2 percent in May to 355.200 billion and was 4.7 percent higher on an annual basis. Residential spending rose another 3.6 percent during the month and is now up 34.4 percent from May 2019.

Total public spending on an unadjusted basis was \$30.283 billion compared to \$27.047 billion in April and is ahead of spending thus far in 2019 by 6.4 percent. Residential spending YYD is up 29.8 percent although the numbers are relatively small, \$3.026 billion compared to \$2.332 billion in 2019.



Jason Wood

Mortgage Advisor & VA
Loan Specialist, VA Loan
Guy

www.valoanguyusa.com

P: (760) 350-3989

M: (760) 217-0820

2714 Loker Ave. W.
Carlsbad CA 92010____
317293



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