



Residential Construction Spending Grew by 11.8% in 2020

Public and privately funded construction spending ended 2020 with a **4.7 percent increase over spending in 2019**. The U.S. Census Bureau said the combined outlays for the recent year was \$1.430 trillion compared to 1.365 trillion the prior year. Residential spending, which increased significantly on a percentage basis in the public sector although the dollar amount remained relatively small, was an aggregate of \$616.169 billion for the year, **an 11.8 percent increase from 2019**.

During the last month of the year, total construction spending was at a seasonally adjusted annual rate of \$1.490 trillion. This was a 1.0 percent gain from November and 5.7 percent higher than the same month in 2019. On a non-adjusted basis \$112.706 billion in construction was put in place compared to \$124.760 billion in November.

Privately funded construction in December was at an annual rate of \$1.138 trillion, a 1.2 percent change from November and up 6.5 percent from December 2019. On a non-adjusted basis spending totaled \$87,627 billion, down from \$96.144 billion in November. For the year, private sector expenditures totaled \$1.079 trillion, up 4.7 per cent from the full 2019 amount.

Residential spending on behalf of the private sector in December was at an annualized rate of \$691.000 billion, with \$365.032 billion accounted for by single-family construction. Another \$91.369 was spent on constructing units in building with five or more. The months total residential construction was at a rate that was 3.1 percent higher than in November and 20.7 percent higher year-over-year. Single family spending was 5.8 percent and 23.5 percent higher than the two earlier periods.

Non-adjusted spending for residential construction totaled \$50.595 for the month, down from \$57.630 billion in November. The single-family total of \$27.382 billion was down from \$30.280 billion the prior month. Total residential spending for the year, \$607.593 billion, was 11.6 percent higher than spending throughout 2019. **Single family spending grew 7.9 percent** to \$302.049 billion and the multifamily share grew 6.3 percent to \$85.169 billion.

Publicly funded construction was at a rate of \$352.822 billion in December, an 0.5 percent monthly gain and up 3.0 percent compared to the previous December. Residential spending was at a rate of \$9.172 billion, a 22.7 percent higher rate than a year earlier. For the entire year total construction expenses were \$350.460 billion, an increase of 4.8 percent from 2019. It is interesting that construction moneys increased by essentially the same percentage year-over-year for both public and private sectors.

As noted above, public sector spending on residential construction rose significantly in 2020 to a total of \$8.576 billion. **This is a 32.1 percent change from the \$6.493 billion spent 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

