

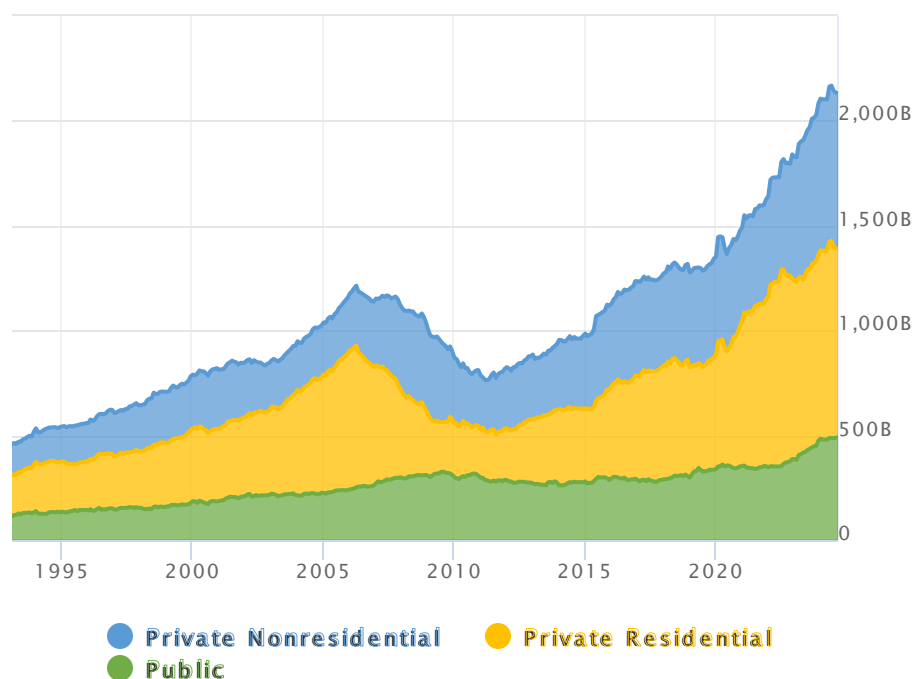


## Construction Spending Remains Steady, Residential Category Continues to Sink

Construction spending remained unremarkable in February, declining fractionally from January (-0.1 percent) while maintaining a 5.2 percent improvement year-over-year. Notably, however, **residential construction is no longer driving the industry numbers**. It isn't even holding its own.

Total spending on all types of construction in February was at a seasonally adjusted rate of \$1.844 trillion compared to \$1.845 trillion the previous month and \$1.753 trillion in February 2022. On an unadjusted basis, the total outlay for the month was \$130.004 billion. Year-to-date (YTD) spending totals \$260.8 billion, a **5.9 percent increase over the first two months of 2022**.

Construction Spending



Total privately funded construction spending was at a rate of \$1.453 trillion, almost identical to spending in January, but up 3.3 percent on an annual basis. On an unadjusted basis, the \$104.765 billion spent is about a billion below the previous month. YTD spending, \$204.774 billion, is 4.3 percent higher than during the same period a year earlier.

Privately funded residential spending was down 0.6 percent from January to February and the seasonally adjusted rate of \$852.130 billion is 5.7 percent off the February 2022 pace. New single-family construction at a rate of \$368.359 billion is down 1.8 percent from the prior month and a whopping 21.4 percent year-over-year. Multifamily spending **slowed by 1.4 percent in February but remained 22.2 percent higher than the previous February**.



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Residential spending for the month totaled \$58.449 billion, unchanged from January as were the totals for single-family houses (\$25.217 billion) and multifamily units (\$9.722 billion.) YTD residential spending is down 5.3 percent and single family declined 20.8 percent. Multifamily spending, however, is 22.8 percent higher than the comparable period in 2022.

Publicly funded spending fared slightly better than the private sector. While nearly all categories of spending declined in February, spending as a whole was up 12.8 percent from February 2022 at \$390.953 billion. **Most of the large percentage gains were in public infrastructure** – power, highways, water, and sewage, but residential spending also grew year-over-year – up more than 13 percent.