



Economics Group

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Construction Spending Posts Better-Than-Expected Gain

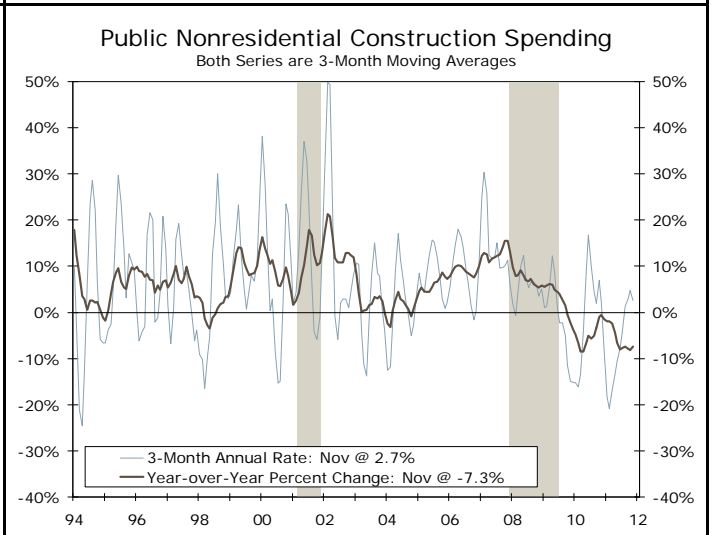
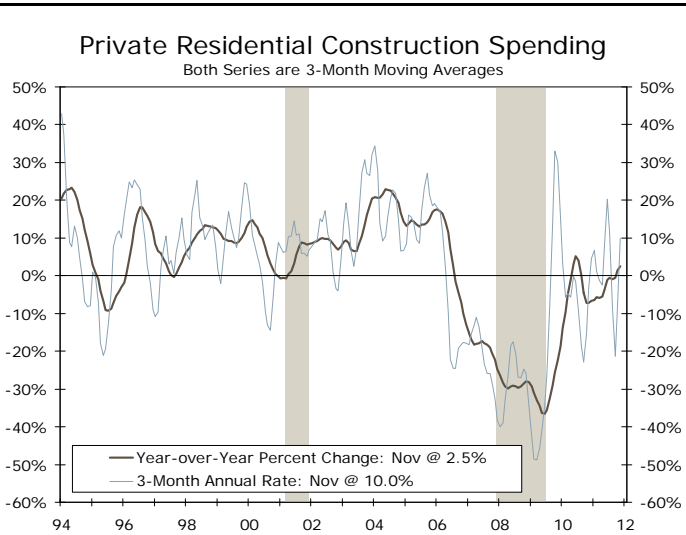
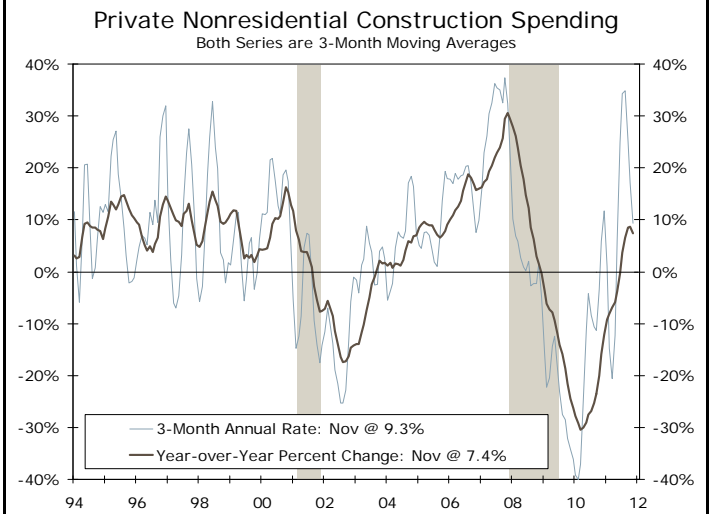
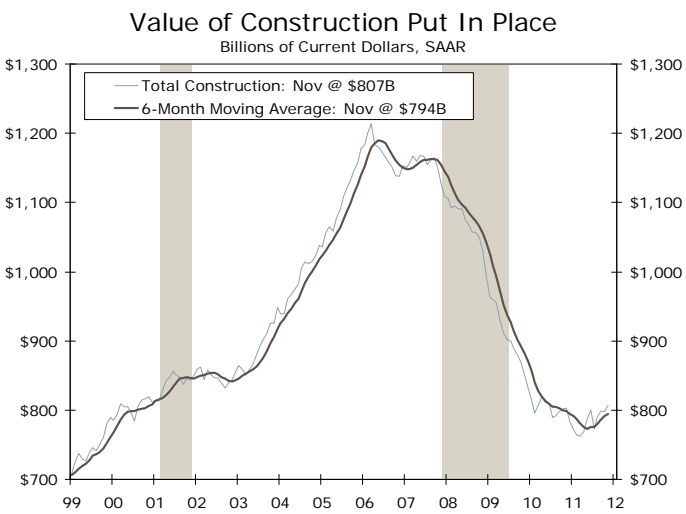
Total construction spending rose 1.2 percent in November, with nearly broad-based gains. Private residential outlays increased 1.0 percent and nonresidential was flat. Construction will likely add to fourth-quarter GDP.

Single-Family Outlays Continue Impressive Gains

- Construction spending rose to an \$807.1 billion annual pace rising 0.5 percent on a year-ago basis. Private residential outlays rose 2.0 percent, with increases in single-family, multifamily and home improvements. Single-family outlays continued their impressive gains, increasing 1.5 percent, the sixth-straight increase. Multifamily construction spending was up 1.3 percent following two monthly declines.

Public Nonresidential Spending Increases in November

- Private nonresidential construction spending is now up 4.5 percent from year-ago levels, with power continuing to lead the way. Power, which includes gas, oil, wind, solar and biomass, is up 8.4 percent on a year-ago basis.
- Public spending rose 1.7 percent, with the gain concentrated in nonresidential. Public nonresidential outlays increased 1.8 percent, with gains in state and local and federal spending.



Source: U.S. Department of Commerce and Wells Fargo Securities, LLC

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