



# Economics Group

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## Construction Spending Up on the Headline

**Construction spending rose 0.6 percent in September, with the previous months' data upwardly revised. Residential outlays increased 2.7 percent, while nonresidential fell 0.4 percent. Public remained weak.**

### Single-Family Outlays Continue Impressive Gains

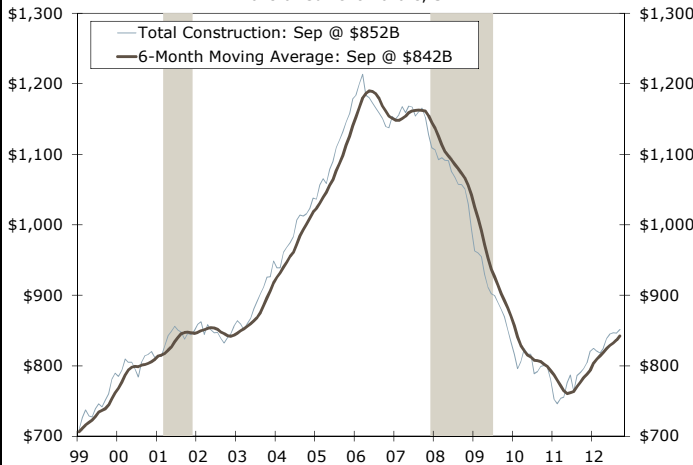
- Total construction spending rose 0.6 percent in September to an \$851.6 billion annual pace and is up 7.8 percent on a year-ago basis. Residential outlays continue to be a bright spot, with single-family now up 25.7, year over year. Single family outlays increased for the sixth consecutive month and mirror modest housing market improvement and improving builder sentiment. Multifamily and home improvement also increased.

### Nonresidential Outlays Showing Weakness

- Private nonresidential outlays remained weak in September, falling 0.1 percent on the month, but are up 8.8 percent year over year. The largest declines occurred in commercial, health care and office. However, power, manufacturing, communication and transportation increased on the month. Based on the BEA's assumption of Q3 nonresidential outlays, we expect structures to add 0.1 percentage point to real GDP, all things equal.

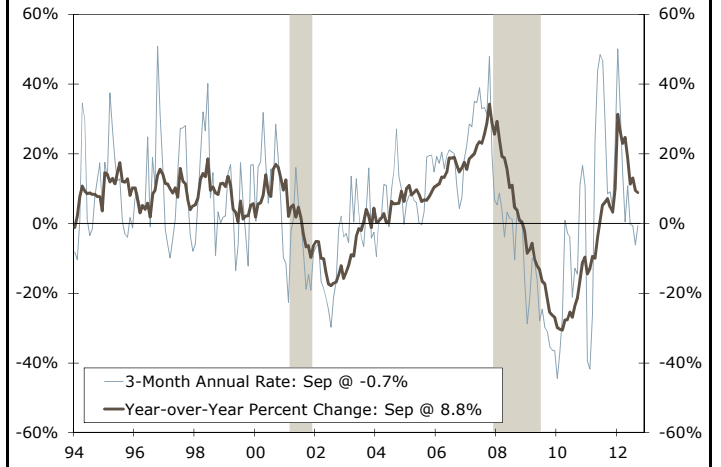
**Value of Construction Put In Place**

Billions of Current Dollars, SAAR



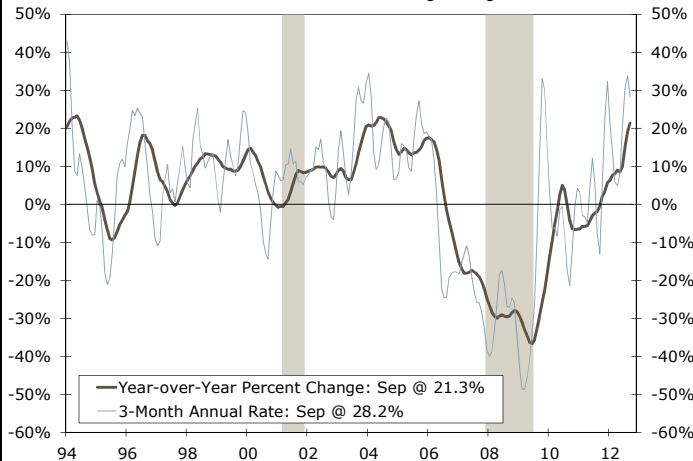
**Private Nonresidential Construction Spending**

Percent Change



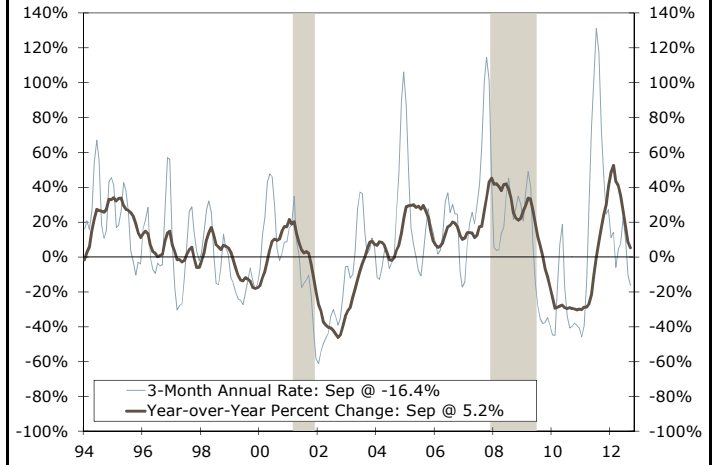
**Private Residential Construction Spending**

Both Series are 3-Month Moving Averages



**Private Manufacturing Construction Spending**

Both Series are 3-Month Moving Averages



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