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Construction Spending Rises Less Than Expected

Construction spending scrambled **back into positive territory** by a tiny bit in December, gaining 0.1 percent from November's level to an estimated seasonally adjusted annual rate of \$1,116.6 billion. The gain came even as the November estimate was revised down even further from a 0.4 percent loss to a negative 0.6 percent at \$1,116.0 billion. The December figure was still well above the spending pace in December 2014 of \$1,031.6 billion, an increase of 8.2 percent.

The December numbers, released Monday by the U.S. Census Bureau, were **significantly lower** than analysts had predicted, a range, according to *Econoday* and *Bloomberg* of 0.3 percent to 1.3 percent with a consensus of 0.6 percent.

On an **unadjusted** basis there was an estimated \$86,903 billion spent during the month compared to \$93,377 billion in November and \$79,535 billion in December 2014. Spending on construction for the entire year is estimated to be up 10.5 percent from 2014.

Spending on **private construction** was at a seasonally adjusted annual rate of \$824.0 billion, down 0.6 percent from the revised November pace of \$828.8 billion but 9.9 percent higher than a year earlier. On non-adjusted basis overall privately funded construction rose 12.8 percent for the year to date through December compared to the same period in 2014.

Private spending on **residential** construction was significantly healthier than construction overall. December expenditures were estimated at a seasonally adjusted rate of \$429,606 compared to \$425,785, an increase of 0.9 percent and 8.1 percent higher than the previous December. Single family construction rose a percentage point from November at \$231,316 billion, an annual increase of 8.7 percent. Multi-family fared even better with a month-over-month gain of 2.7 percent to \$52,806 billion, a 12.0 percent increase year-over-year.

Expenditures on privately funded residential construction were estimated at \$31,624 on a non-seasonally adjusted basis and year to date was up 12.6 percent from the same period in 2014. Single-family construction rose 12.9 percent year-to-date and multifamily was 22.2 percent higher.

While the numbers are still very small, publicly-funded residential construction did rise in 2014, finishing the year at a total of \$6,428 billion, an

Recent Housing Data

		Value	Change
Mortgage Apps	May 15	198.1	+0.51%
Building Permits	Mar	1.46M	-3.95%
Housing Starts	Mar	1.32M	-13.15%
New Home Sales	Mar	693K	+4.68%
Pending Home Sales	Feb	75.6	+1.75%
Existing Home Sales	Feb	3.97M	-0.75%
Builder Confidence	Mar	51	+6.25%

Housing News Update

increase of 27.2 percent from the end of December 2014.