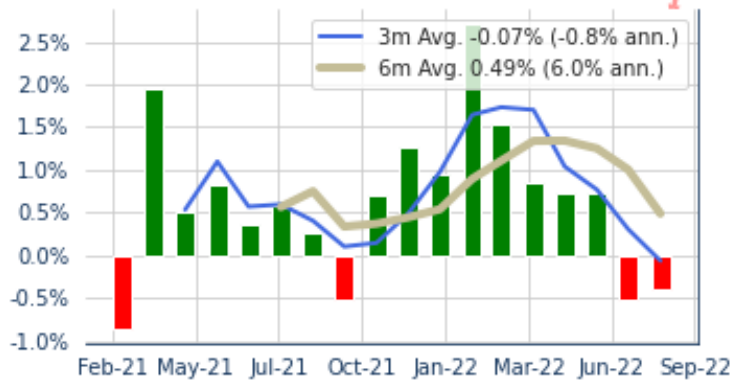
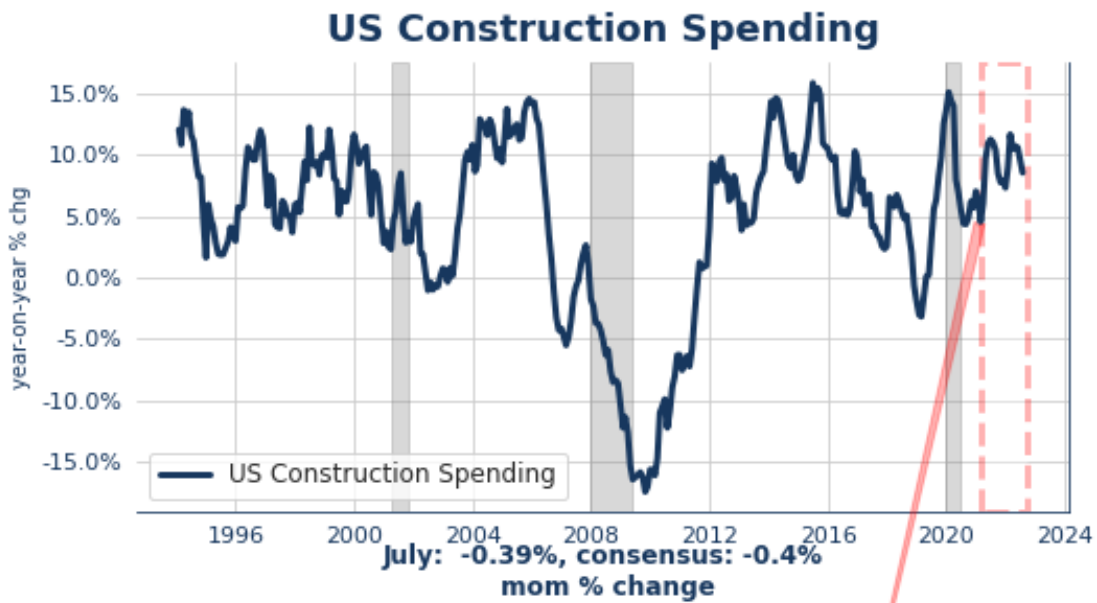


01.Sep.2022

## Construction Spending: Continued Declines

**Bottom Line:** Construction spending fell again in July, led by declines in residential projects after a historic move higher in mortgage rates. Nonresidential construction finally started to recover this year and was accelerating modestly by July but remained well below trend levels after two years of declines. Residential remained a big concern, dropping over 4.5% annualized in the three months ended in July. Overall, construction shifted from a tailwind to a headwind for economic growth, with the slight recovery in nonresidential spending nowhere near enough to offset the declines in residential.

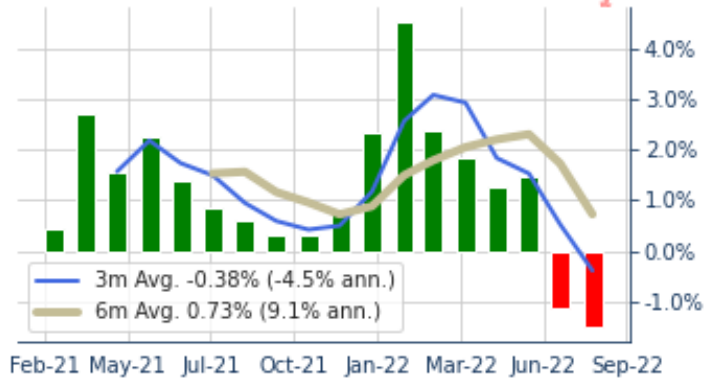
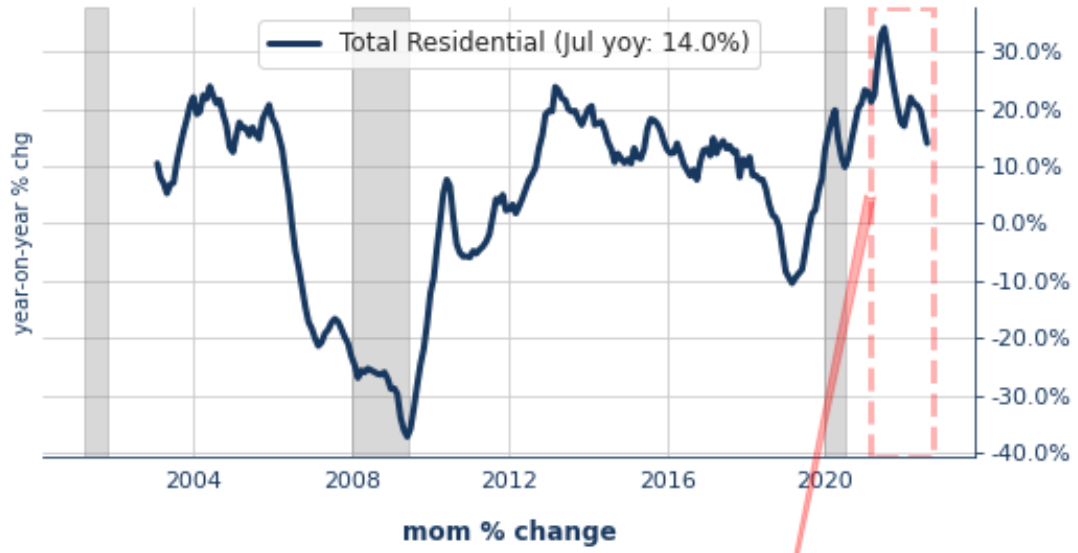
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Contingent Macro Advisors 2022 source: US Census Bureau

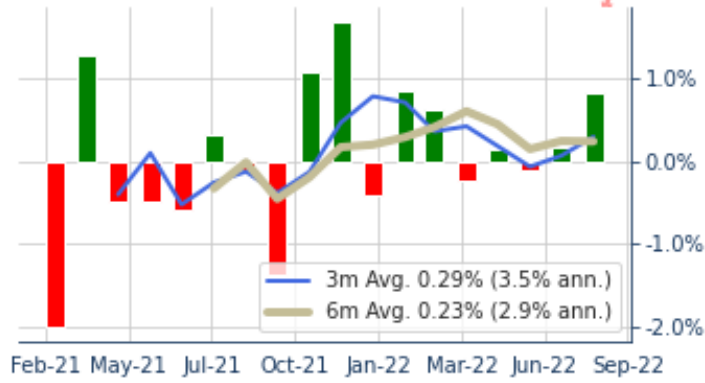
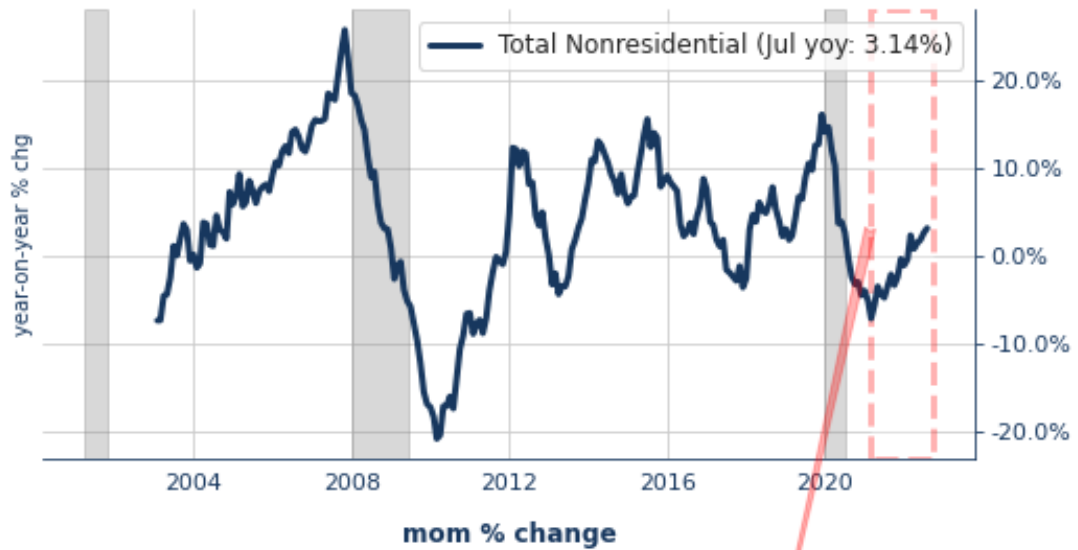
- Total Construction for June was revised up from -1.1% to -0.53%
- Total Construction for May was revised up from +0.06% to +0.72%

# Residential Construction



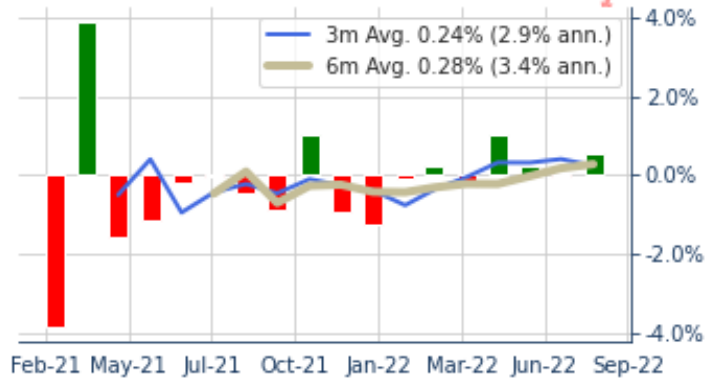
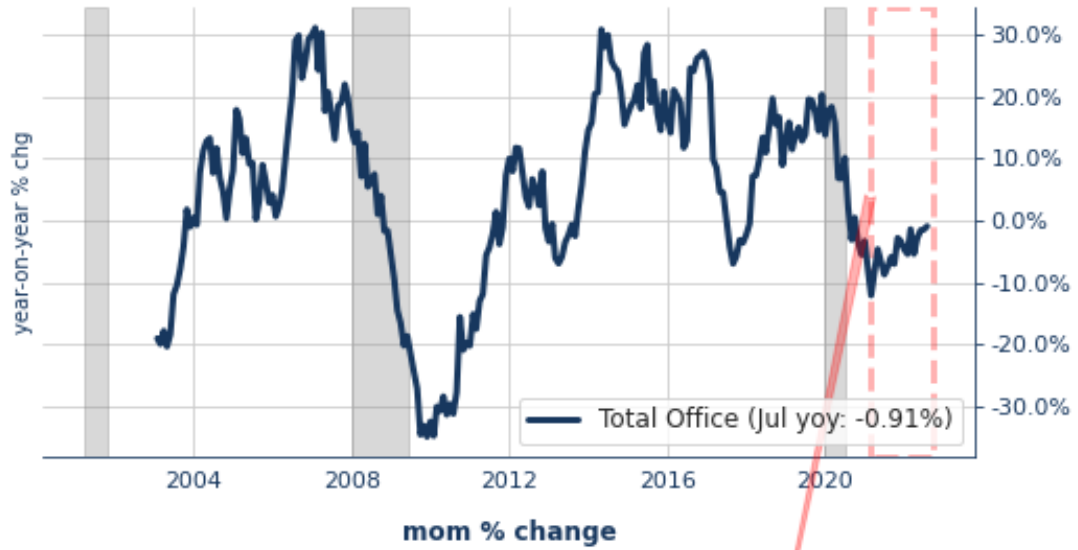
Contingent Macro Advisors 2022 source: US Census Bureau

# Nonresidential Construction



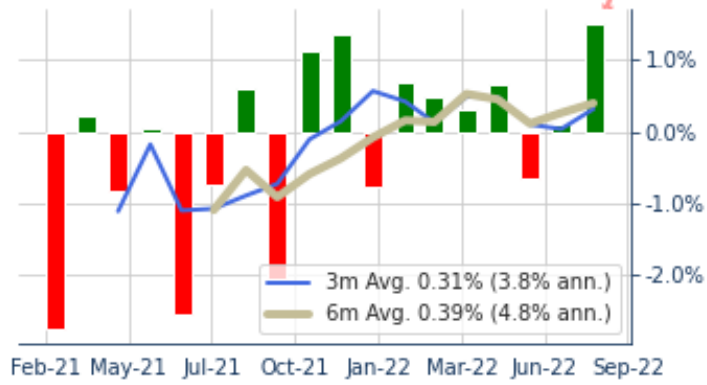
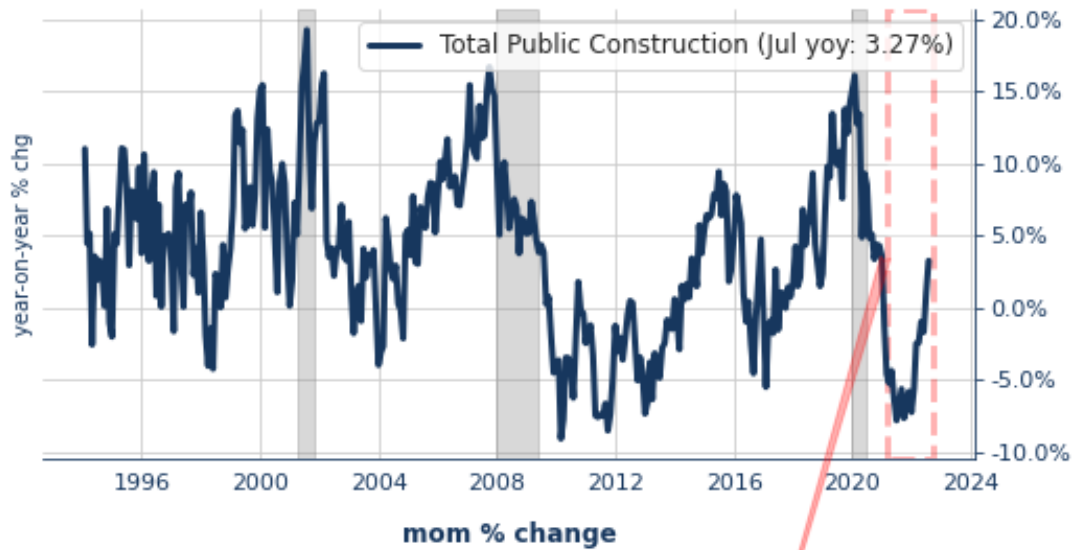
Contingent Macro Advisors 2022 source: US Census Bureau

# Office Construction

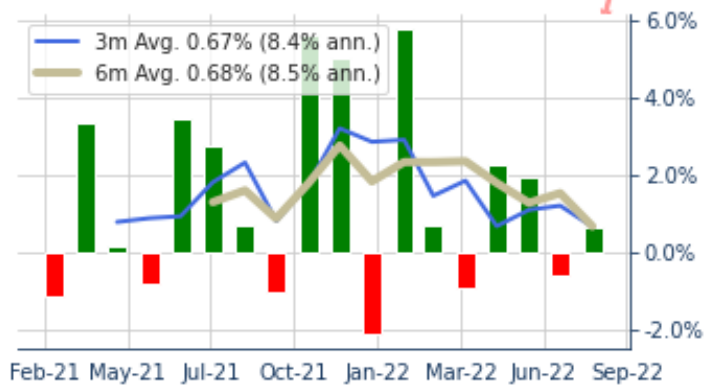
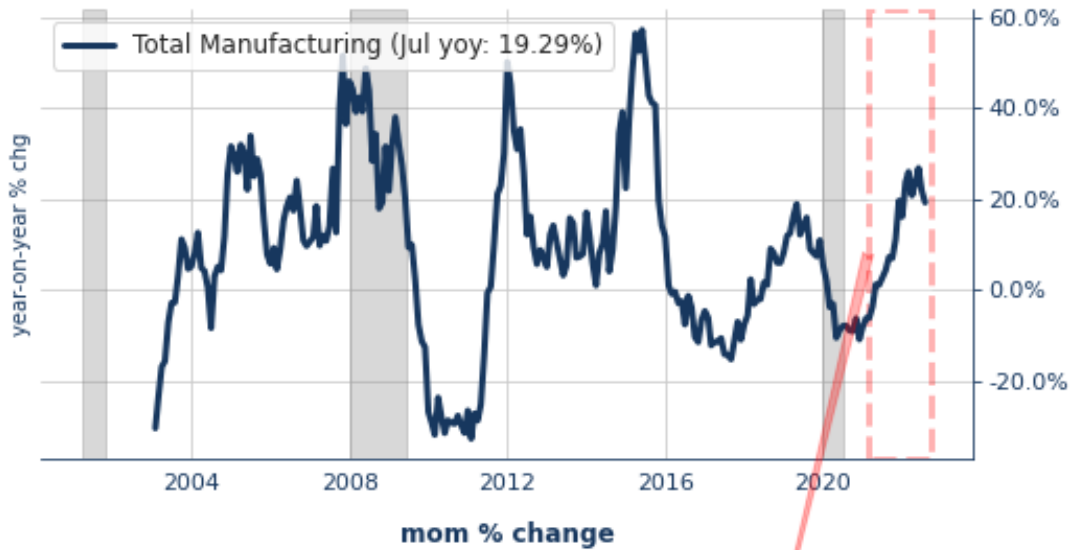


Contingent Macro Advisors 2022 source: US Census Bureau

# Public Construction



## Manufacturing Construction



Contingent Macro Advisors 2022 source: US Census Bureau

US Construction Spending	Jul-22	Jun-22	May-22	3m ann % chg	6m ann % chg	YoY % chg	2021	2020	5y
<b>Total Construction</b>	<b>-0.39%</b>	<b>-0.53%</b>	<b>0.72%</b>	<b>-0.80%</b>	<b>5.96%</b>	<b>8.55%</b>	<b>7.32%</b>	<b>7.03%</b>	<b>7.06%</b>
Total Residential	-1.48%	-1.14%	1.48%	-4.57%	8.93%	14.00%	16.97%	23.25%	12.55%
Total Nonresidential	0.83%	0.16%	-0.12%	3.54%	2.85%	3.14%	-1.07%	-3.97%	2.84%
Total Lodging	0.55%	0.57%	1.25%	9.91%	19.79%	-1.87%	-32.20%	-30.57%	-8.40%
Total Office	0.53%	-0.04%	0.24%	2.93%	3.42%	-0.91%	-4.65%	-3.28%	4.09%
Total Commercial	0.68%	-0.02%	2.62%	13.87%	9.80%	13.31%	17.45%	-0.02%	4.23%
Total Health care	-1.26%	1.81%	-0.68%	-0.66%	5.66%	5.76%	3.78%	-1.91%	3.03%

Total Manufacturing	0.63%	-0.59%	1.97%	8.30%	8.37%	19.29%	16.17%	-8.05%	6.84%
Total Public Construction	1.50%	0.11%	-0.67%	3.76%	4.80%	3.27%	-7.24%	3.60%	3.34%

Source: US Census Bureau via FRED