

01. Feb.2023.

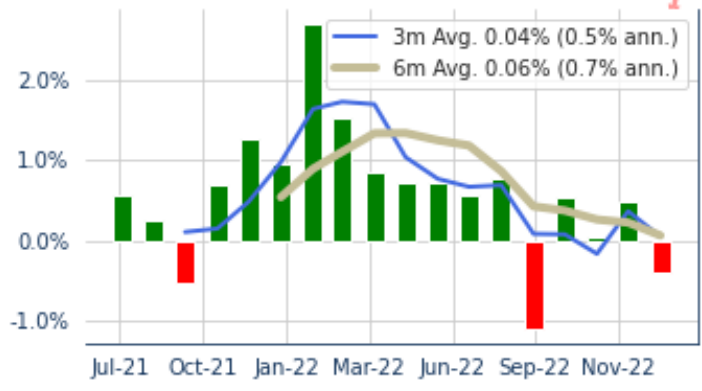
## **Construction Spending: Nonresidential Slips, Resi Lower Again**

**Bottom Line:** Construction spending fell in the final month of 2022, coming in below expectations for flat activity. While there were positive revisions to prior data, they weren't enough to make up for the headline miss. Residential construction continued to decline, as nonresidential slipped for the first month in seven. Office, lodging and manufacturing-related construction, sources of positive growth in much of the 2nd half of 2022, saw declines. The trend in residential construction is finally starting to decline at a slower rate, with the 4th Quarter declines annualizing at just under 10%, slower than the 16% annualized declines over the entire 2nd Half. Nonresidential construction was still trending higher, despite the downward volatility in December, and should offer some source of growth as residential continues to decline. Overall, though, we think construction activity will likely remain a drag on growth in the 1st Quarter before stabilizing in the 2nd Quarter.

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# US Construction Spending

December: -0.41%, consensus: -0.0%



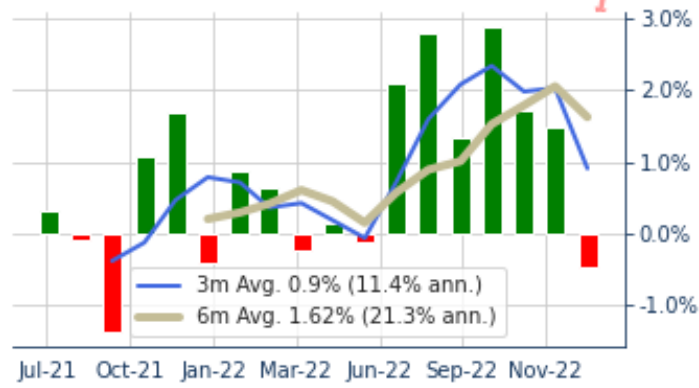
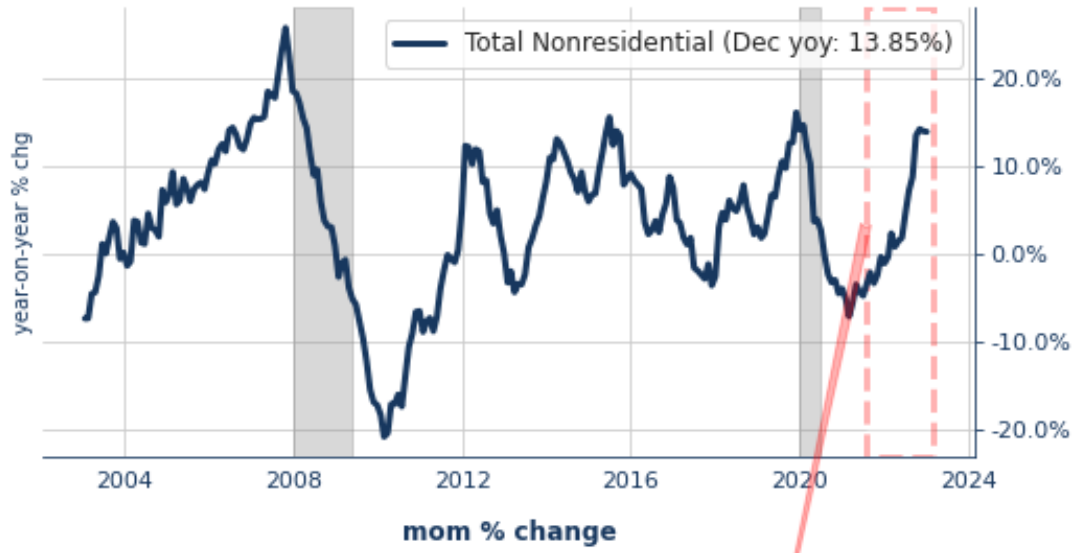
Contingent Macro Advisors 2023 source: US Census Bureau

# Residential Construction



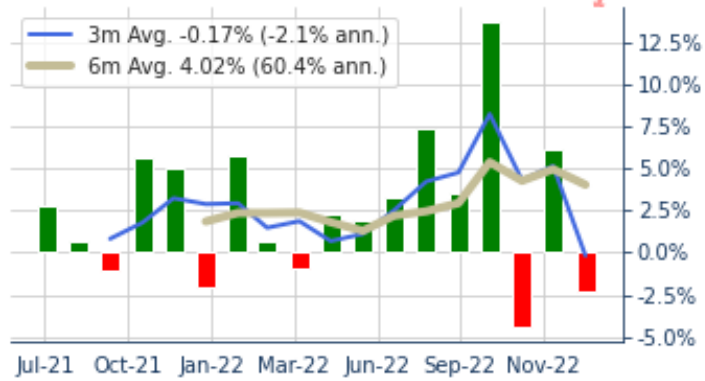
Contingent Macro Advisors 2023 source: US Census Bureau

# Nonresidential Construction

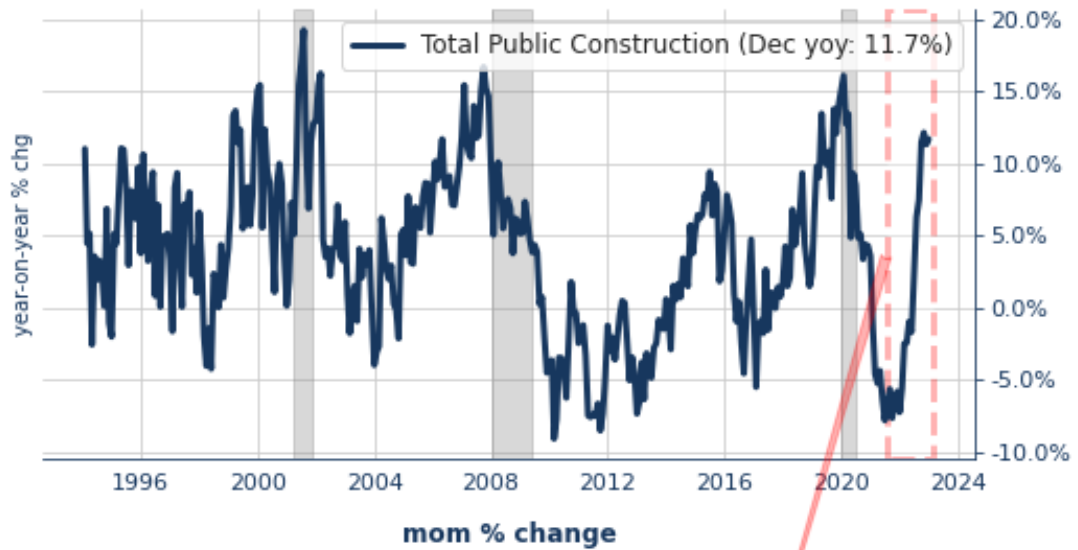


Contingent Macro Advisors 2023 source: US Census Bureau

# Manufacturing Construction



# Public Construction



Contingent Macro Advisors 2023 source: US Census Bureau

## Health care Construction



Contingent Macro Advisors 2023 source: US Census Bureau

US Construction Spending	Dec-22	Nov-22	Oct-22	3m ann % chg	6m ann % chg	YoY % chg	2021	2020	5y
<b>Total Construction</b>	<b>-0.41%</b>	<b>0.49%</b>	<b>0.05%</b>	<b>0.51%</b>	<b>0.67%</b>	<b>7.66%</b>	<b>7.32%</b>	<b>7.03%</b>	<b>7.56%</b>
Total Residential	-0.33%	-0.56%	-1.68%	-9.84%	-16.29%	1.64%	16.97%	23.25%	10.33%
Total Nonresidential	-0.49%	1.48%	1.72%	11.34%	21.21%	13.85%	-1.07%	-3.97%	5.42%
Total Lodging	-0.26%	-1.20%	8.44%	30.40%	45.77%	36.17%	-32.20%	-30.57%	-5.46%
Total Office	-0.47%	2.89%	2.94%	23.49%	15.60%	8.96%	-4.65%	-3.28%	5.83%
Total Commercial	0.46%	0.16%	4.80%	23.69%	25.63%	22.67%	17.45%	-0.02%	8.50%
Total Health care	-1.40%	0.80%	4.37%	15.81%	9.03%	10.33%	3.78%	-1.91%	4.76%

Total Manufacturing	-2.25%	6.09%	-4.36%	-3.24%	57.24%	42.58%	16.17%	-8.05%	14.74%
Total Public Construction	-0.45%	0.61%	1.72%	7.74%	18.30%	11.70%	-7.24%	3.60%	5.29%

Source: US Census Bureau via FRED