

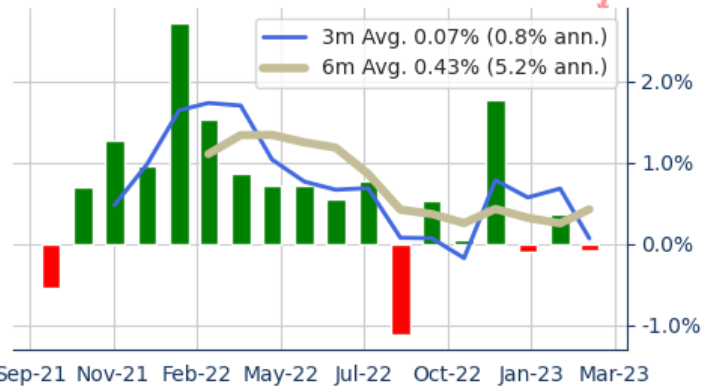
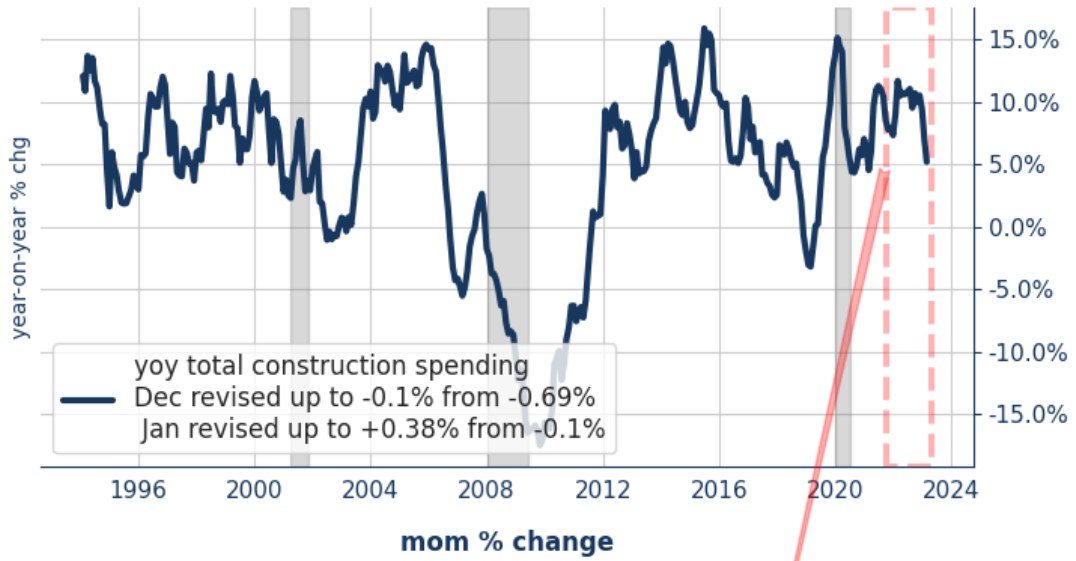
03. Apr.2023.

Construction Spending: Positive Revisions, Trends Still Concerning

Bottom Line: Construction spending, lagged and prone to significant revisions, was revised higher for December and January but fell in February. The trend in residential construction has continued to the downside, but the pace of declines has slowed. Nonresidential construction was quite robust in the 2nd half of 2022, but the pace of gains started to slow in the last few months. **Overall after a period of high volatility with a very sharp slowdown in residential and strong gains in non-resi, construction spending looks to be moderating to an annualized pace of 2-3% with continued more modest declines in resi and slower but still positive non-resi spending.**

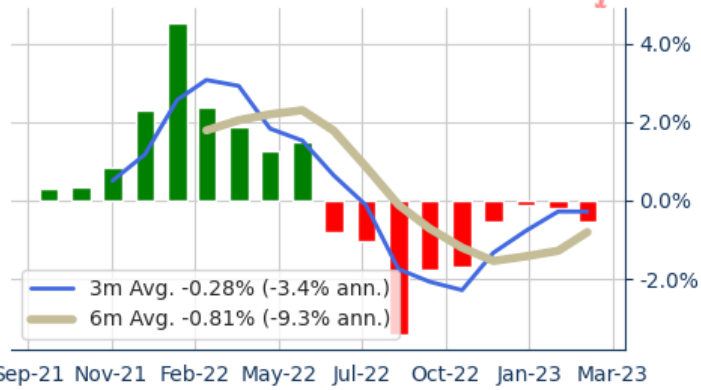
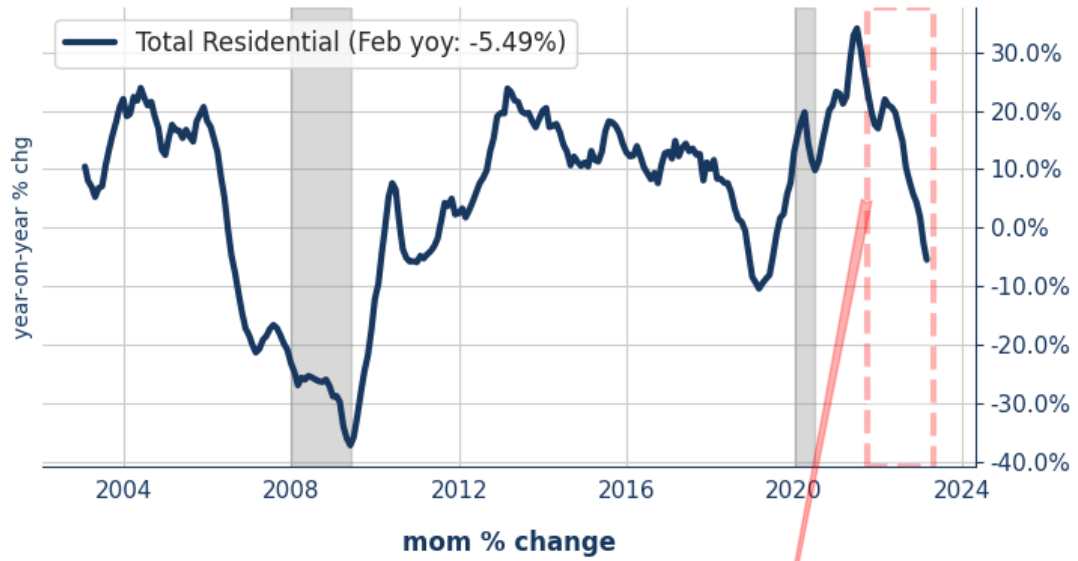
US Construction Spending

February: -0.07%, consensus: 0.0%



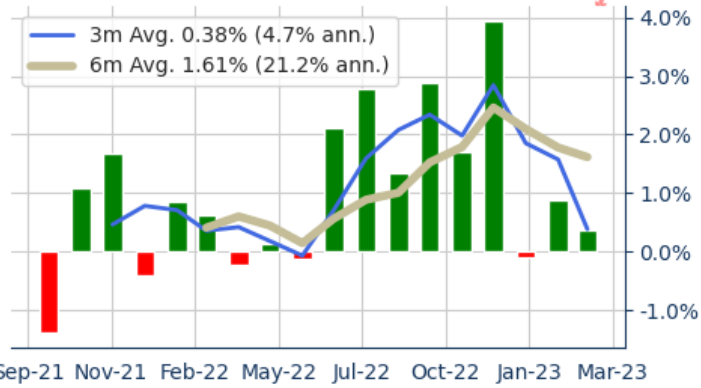
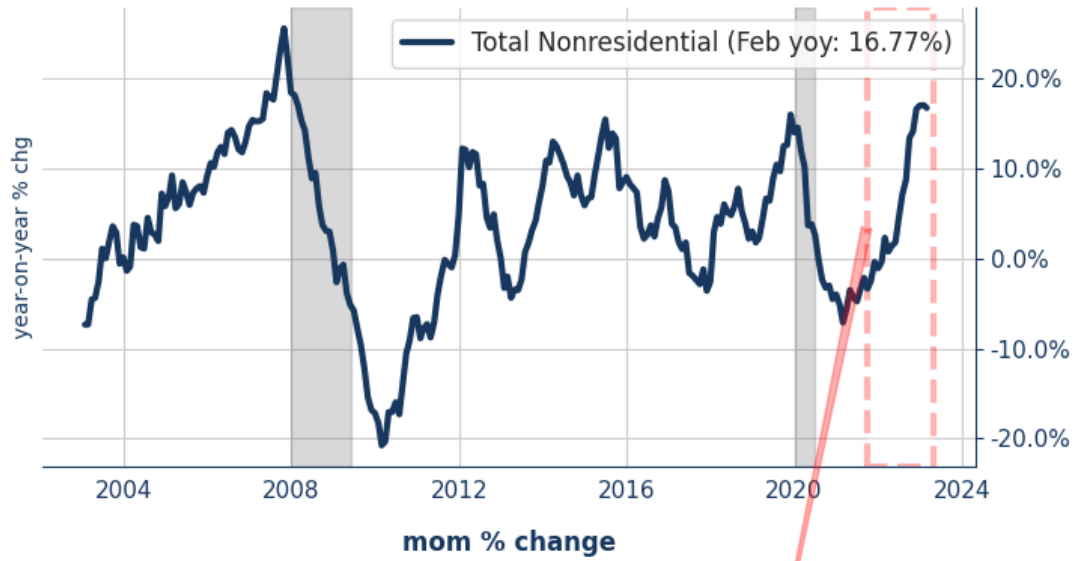
Contingent Macro Advisors 2023 source: US Census Bureau

Residential Construction



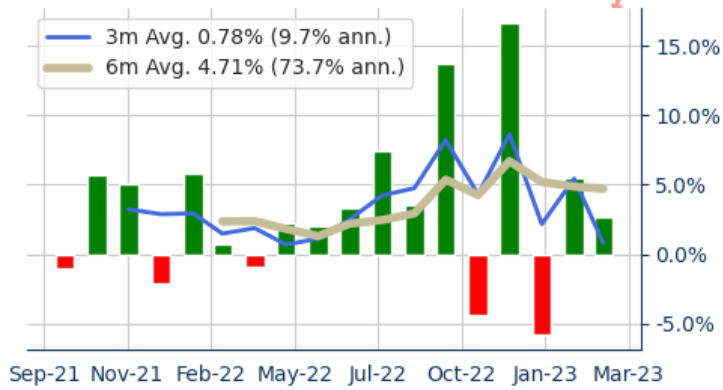
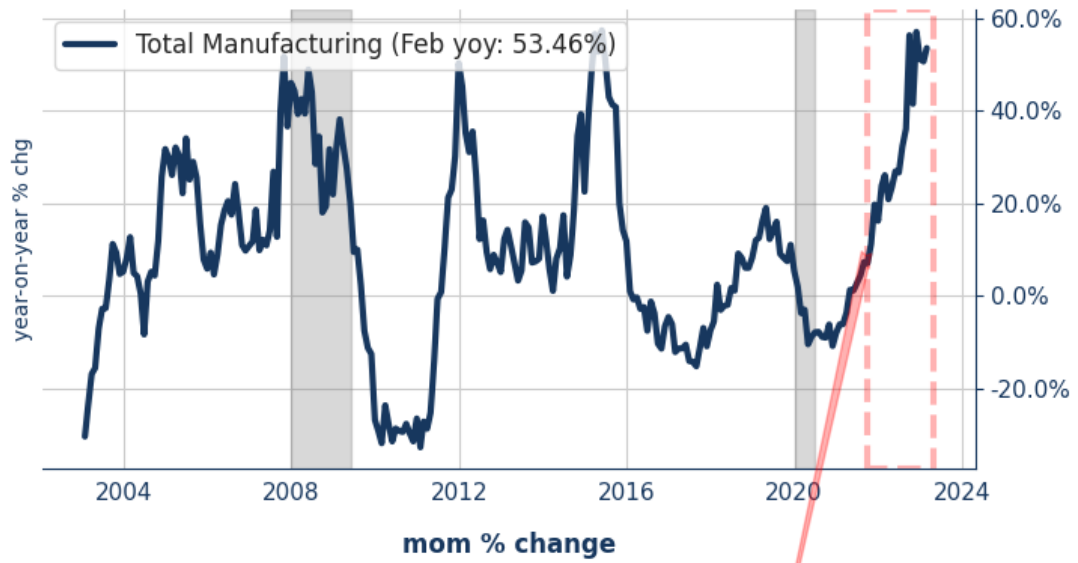
Contingent Macro Advisors 2023 source: US Census Bureau

Nonresidential Construction



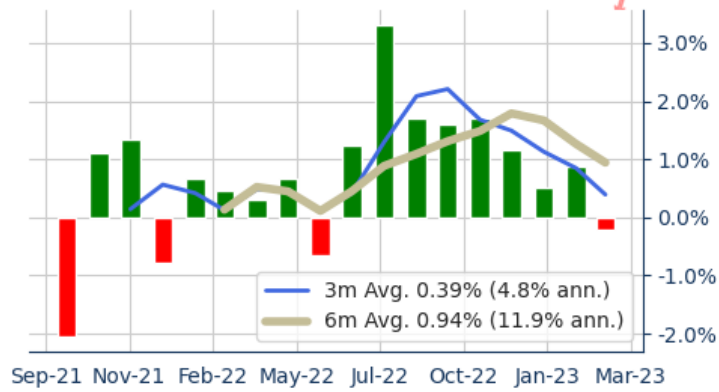
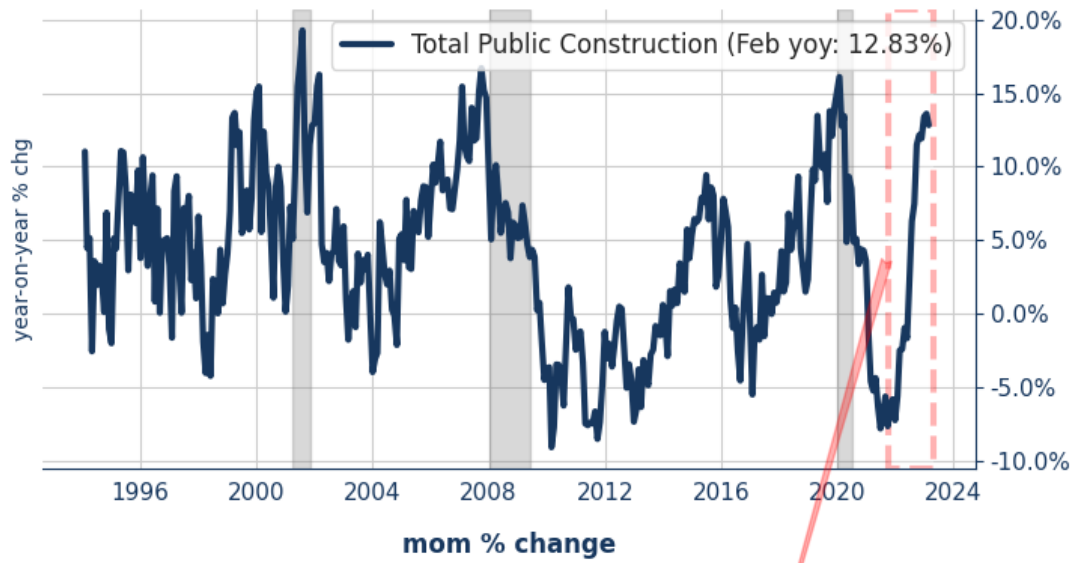
Contingent Macro Advisors 2023 source: US Census Bureau

Manufacturing Construction



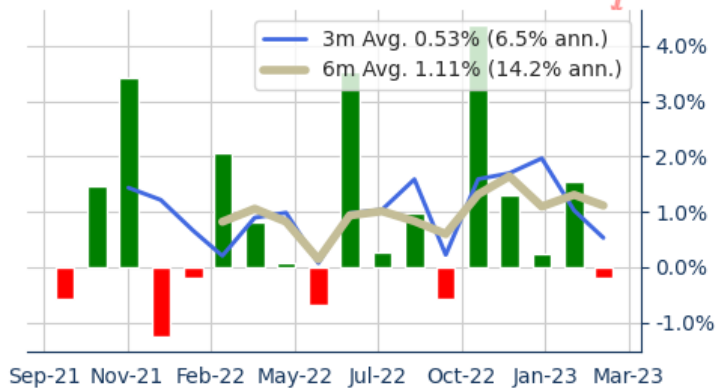
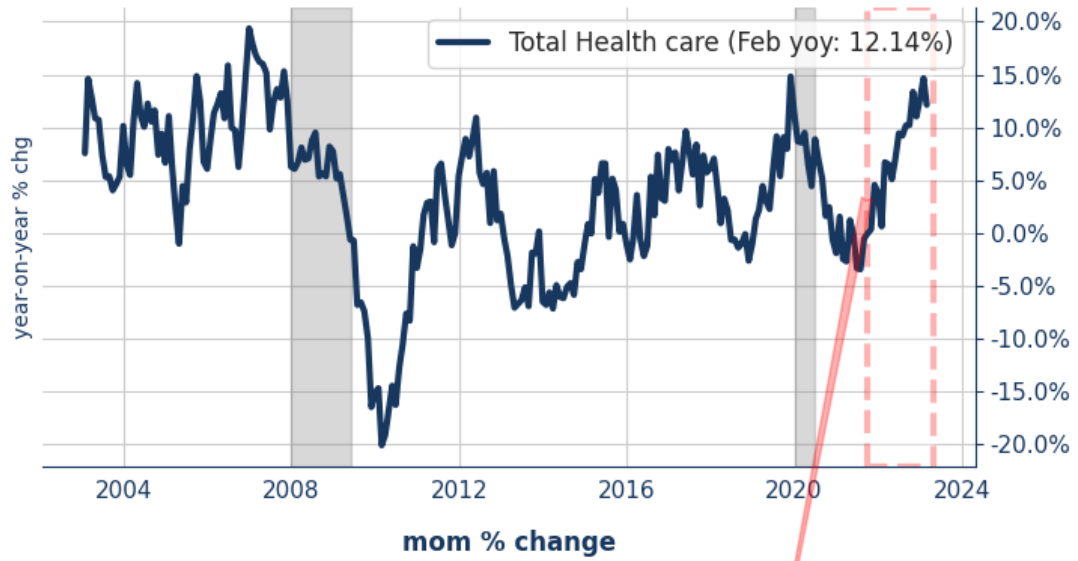
Contingent Macro Advisors 2023 source: US Census Bureau

Public Construction



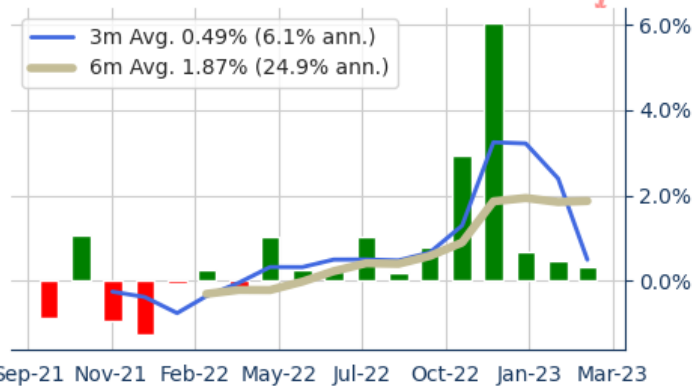
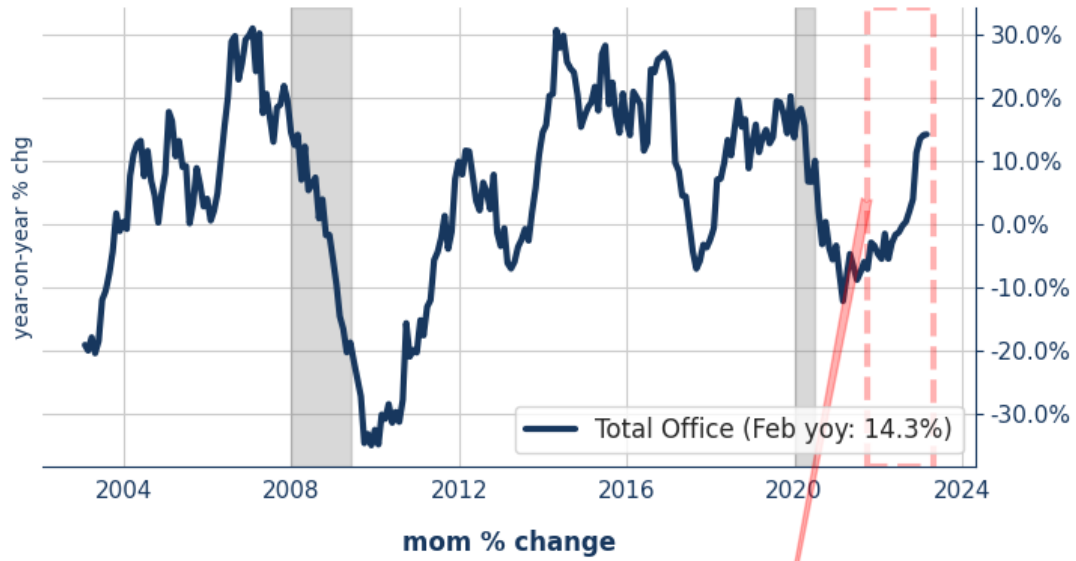
Contingent Macro Advisors 2023 source: US Census Bureau

Health care Construction



Contingent Macro Advisors 2023 source: US Census Bureau

Office Construction



Contingent Macro Advisors 2023 source: US Census Bureau

US Construction Spending	Feb-23	Jan-23	Dec-22	3m ann % chg	6m ann % chg	YoY % chg	2022	2021	5y
Total Construction	-0.07%	0.38%	-0.10%	0.83%	5.22%	5.19%	9.37%	7.32%	8.64%
Total Residential	-0.56%	-0.19%	-0.10%	-3.35%	-9.30%	-5.49%	1.89%	16.97%	12.95%
Total Nonresidential	0.36%	0.88%	-0.09%	4.69%	21.04%	16.77%	17.05%	-1.07%	5.68%
Total Lodging	0.14%	0.89%	1.24%	9.47%	44.00%	34.31%	39.44%	-32.20%	-6.14%
Total Office	0.32%	0.47%	0.69%	6.08%	24.59%	14.30%	13.59%	-4.65%	4.03%
Total Commercial	-0.68%	-3.06%	1.50%	-8.79%	15.25%	21.48%	27.62%	17.45%	12.49%
Total Health care	-0.19%	1.54%	0.24%	6.48%	14.01%	12.14%	12.70%	3.78%	5.90%

Total Manufacturing	2.64%	5.45%	-5.77%	8.22%	67.16%	53.46%	51.07%	16.17%	16.81%
Total Public Construction	-0.22%	0.87%	0.52%	4.78%	11.87%	12.83%	13.39%	-7.24%	5.25%

Source: US Census Bureau via FRED