



Economics Group

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Construction Outlays Down in March After Record February

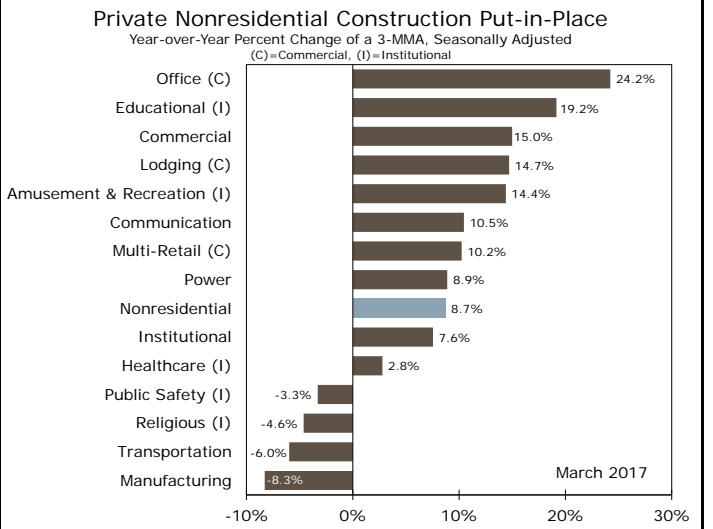
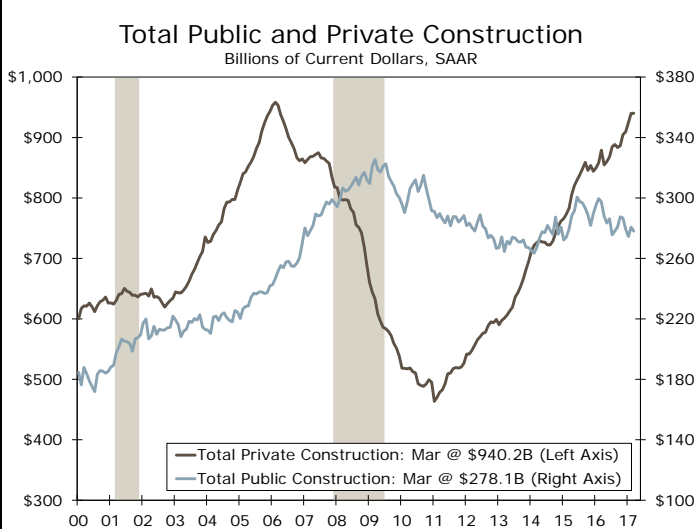
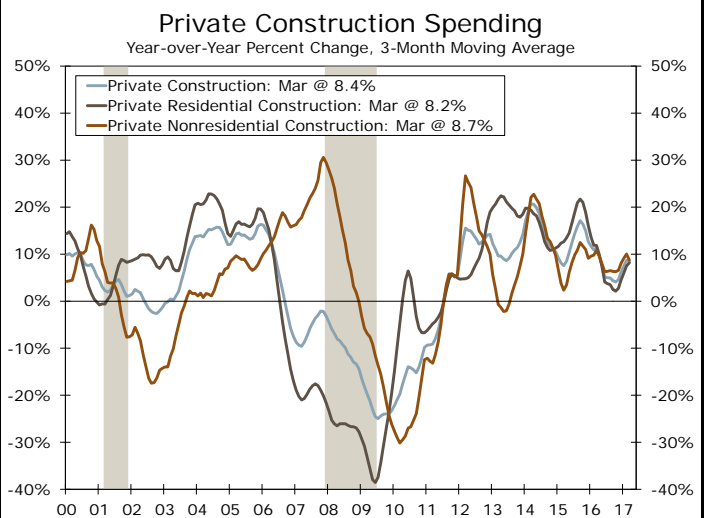
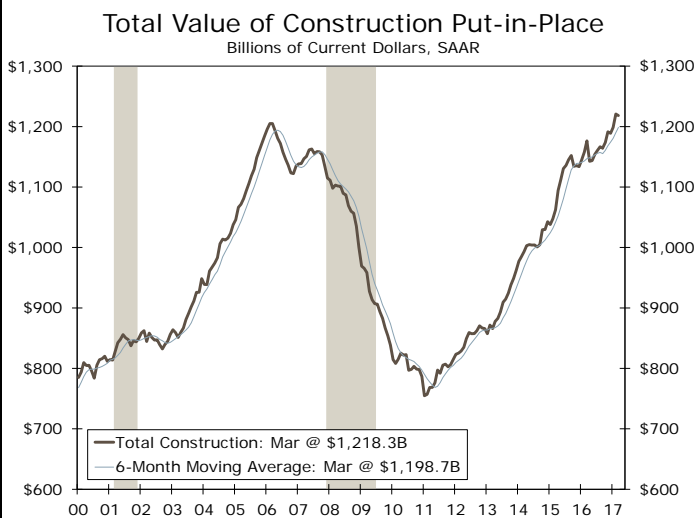
Construction outlays fell 0.2 percent in March from an upwardly revised \$1,220.7 billion annual rate in February, which had marked a new record high for the series. Private construction continued to lead.

Spending Slipped from February's All-Time High

- Total construction spending slipped 0.2 percent in March, surprising consensus which expected an increase. Notoriously significant revisions to the previous month revealed spending hit an all-time high in February.
- The dip in March was due to a 0.9 percent drop in public construction spending. Private spending was flat as declines in nonresidential outlays were offset by gains in residential.

Private Construction Spending Boosts GDP Growth

- Private residential spending was up 1.2 percent in March, as new multifamily spending rose 2 percent while single-family was up 0.3 percent. Multifamily construction spending and home improvement spending each reached record highs in March.
- Most nonresidential categories declined in March after warmer February weather pulled activity forward. Structures, business investment and residential were bright spots in Q1 2017.



Source: U.S. Department of Commerce and Wells Fargo Securities

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