



# Data Digest

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## Construction spending dips in January; input prices diverge; multifamily outlook cools

### Decline in construction spending

#### Change in construction spending: January 2023

current (not inflation-adjusted) dollars, seasonally adjusted

	Jan 2023 change from:	
	Dec 2022	Jan 2022
Total	-0.1%	6%
Private residential	-0.6%	-4%
Single family	-2%	-18%
Multi family	0.4%	21%
Private nonresidential	0.9%	19%
Public	-0.6%	11%
<b><u>Largest nonresidential segments (in descending order of January 2023 spending)</u></b>		
Commercial	-3%	22%
Manufacturing	6%	54%
Highway and street	-1%	16%
Power	0.9%	-5%
Education	-0.6%	6%
Office	0.7%	14%
Transportation	2%	9%
Health care	0.2%	12%

Source: Author, from U.S. Census Bureau, [www.census.gov/constructionspending](http://www.census.gov/constructionspending)

Construction spending (not adjusted for inflation) totaled \$1.83 trillion in January at a seasonally adjusted annual rate, down 0.1% from the upwardly revised December rate and up 5.7% year-over-year (y/y), the Census Bureau [reported](#) on Wednesday. However, without a deflator, it is impossible to say how much of the y/y gain is in units vs. price...

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### Diverging input prices

There have been mixed trends for input prices recently. Makers of hot-rolled coil, the basic ingredient for many construction steel products, have raised prices 56% in the past three

months, from \$640 per ton at the end of November to \$1000/ton last week...

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## Cooling in multifamily construction market

The outlook for multifamily construction appears to be cooling. The National Association of Home Builders [reported](#) on February 23 that its Multifamily Production Index increased two points to 34 compared to the previous quarter. Readings below 50 indicate that more developers see declining than expanding demand...

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