

# U.S. Data Review

- Construction: strong residential activity; a sign of life among state & local governments

**Michael Moran**  
 Daiwa Capital Markets America  
 212-612-6392  
 michael.moran@us.daiwacm.com

## Construction

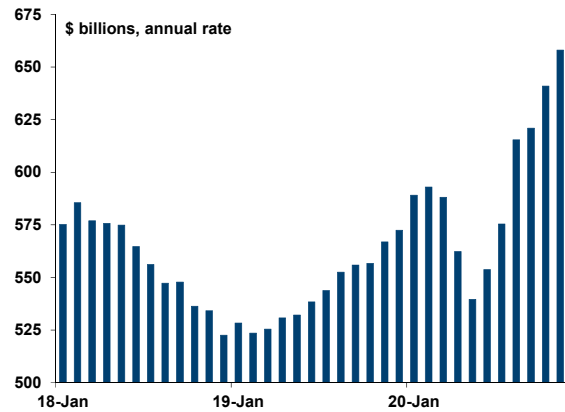
Total construction activity rose 0.9 percent in November, close to the consensus estimate of 1.0 percent. The increase marked the fifth advance in the past six months and pushed activity further above the pre-pandemic level. Results for October had already nudged construction 0.4 percent above the pre-virus high in February; the new reading is 1.3 percent above that level.

As in other recent months, private residential building led the advance with a gain of 2.7 percent, which marked the sixth consecutive increase and pushed results 11.0 percent above the pre-pandemic high in February (chart, right). Most of the increase was the result of strength in single-family construction, but multi-family activity and improvements to existing homes also contributed.

Government-related construction fell 0.2 percent, driven by a retreat of 4.2 percent at the Federal level. Construction programs of state and local governments (which are much larger than those of the federal government) rose 0.1 percent. The change was small, but it followed an increase of 0.8 percent in October and perhaps suggested that pandemic-related revenue constraints are easing (chart, below left).

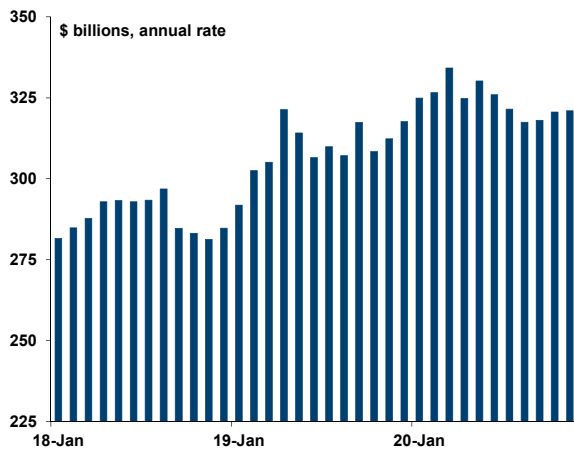
Private nonresidential construction (business, health care, educational, religious) remained weak. The drop of 0.8 percent in November represented the 10th decline in the past 12 months, with activity now in the low portion of the range from the past four years (chart, below right). Pandemic-related uncertainty seems to be restraining activity among businesses and other institutions.

### Private Residential Construction



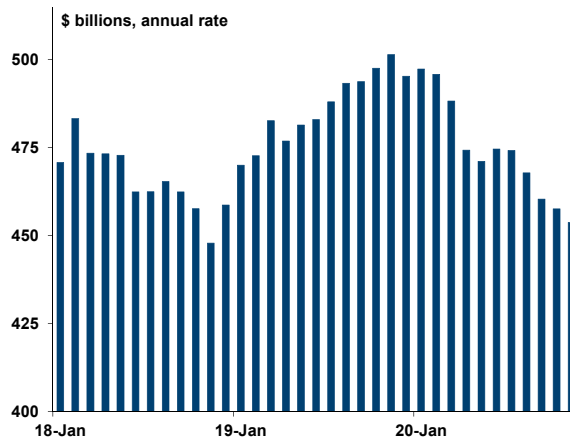
Source: U.S. Census Bureau via Haver Analytics

### State & Local Government Construction



Source: U.S. Census Bureau via Haver Analytics

### Private Nonresidential Construction



Source: U.S. Census Bureau via Haver Analytics

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