



BUSINESS

CONSTRUCTION SPENDING UP IN MAY

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Associated Press

WASHINGTON — Spending on residential housing rose in May to the highest level in 4½ years, helping to send overall construction spending higher despite a big drop in nonresidential activity.

Construction spending rose 0.5 percent in May compared

with April when spending was up 0.1 percent, the Commerce Department said Monday.

Private residential construction rose 1.2 percent to the highest level since October 2008, further evidence of a rebound in housing.

Spending on nonresidential projects fell 1.4 percent, dragged lower by declines in office building and the category

that includes shopping centers.

Public construction rose 1.8 percent with state and local activity up 1.6 percent and federal spending rising 0.6 percent.

Total construction rose to a seasonally adjusted annual rate of \$874.9 billion in May, 5.4 percent higher than a year ago.

The rise in residential construction reflected a 0.4 percent increase in new single-family

construction and a 2.5 percent jump in multi-family construction.

Residential construction spending is 23.1 percent higher than a year ago while nonresidential construction is 0.9 percent below the level of a year ago. Public construction is 4.7 percent lower than a year ago with government activity depressed by tight budgets.