

### **Construction Spending Rose in June**

Overall construction spending rose in June, driven by record government spending, the U.S. Department of Commerce reported Monday.

Spending on single-family residential structures declined 0.7 percent in June, the first time that number has gone down in a year.

Funding for public construction increased 1.5 percent in June, with most of the money spent on power, sewage, and waste disposal plants. Federal building rose 4.6 percent to \$31.7 billion, the highest spending on record.

“Support to construction spending via new homes should continue to remain dampened in the coming months,” Maxwell Clarke, chief U.S. economist at IDEAglobal Inc. in New York, said in a note to clients before the report from Commerce. “Ongoing difficulty of accessing capital for speculative commercial real estate ventures will continue to act as a deadweight in the overall construction measure.”

*Source: Bloomberg, Courtney Schlisserman (08/02/2010)*