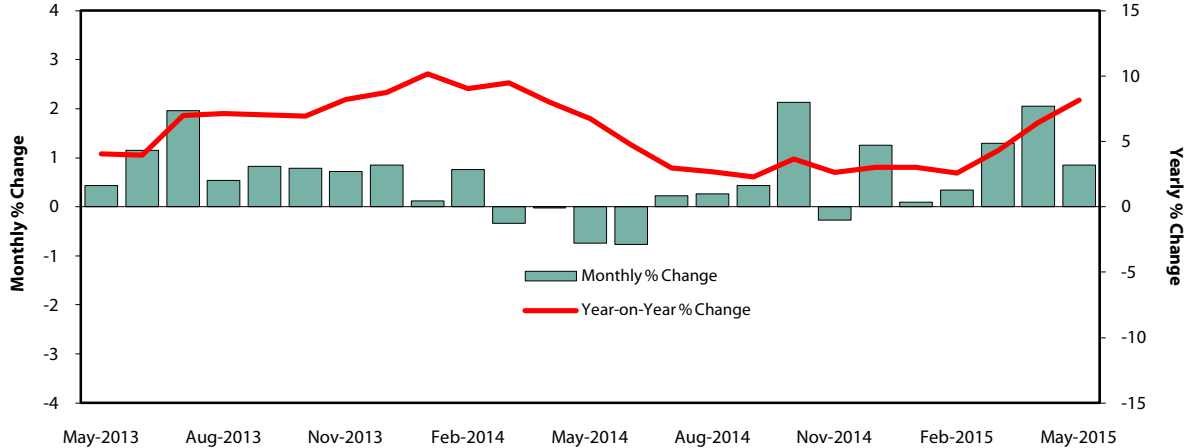


### NICE UPWARD TREND

Construction Spending – Wednesday July 1, 2015



Construction spending gained 0.8% in May following a strong 2.1% gain in April. Total construction spending is now 8.2% above its May 2014 level. The gain in May was based on broad based strength in both the private and public sectors. Total private construction spending was up 0.9% on the month led by a 1.5% increase in the non-residential category; private residential construction spending gained 0.3% on the month. Private construction spending is trending higher and is up 10.3% on the year. Non-residential and residential construction spending, on annual basis increased 12.7% and 7.8% respectively. Public construction expenditures were up 0.7% in May. Two of the three components in the public sector, highways and streets and other projects rose 2.1% and 0.5% respectively in May; while spending on educational building was down 0.7% last month. Construction spending will pick up at a healthy pace over the next year as the economy gains momentum. As growth picks up, demand for both private and public and residential and nonresidential construction spending will improve.

### PERCENT CHANGE

Forecast:	1.4%	Monthly % Change			Annual Rates of % Change for							
		Relative			Three	Six	Twelve			Five	Ten	
Consensus**:	0.6%	Weight*	May-15	Apr-14	Mar-14	Month	Month	Month	2014	2013	Year	Year
Actual:	0.8%											
<b>Construction Spending</b>	100.0%		<b>0.8</b>	<b>2.1</b>	<b>1.3</b>	<b>18.1</b>	<b>12.4</b>	<b>8.2</b>	<b>7.3</b>	<b>5.5</b>	<b>-1.7</b>	<b>0.1</b>
<b>Private Construction</b>	72.6%		<b>0.9</b>	2.2	1.2	18.7	15.7	10.3	10.0	14.4	-1.9	-0.7
<b>Residential</b>	34.7%		<b>0.3</b>	0.3	-0.8	-1.2	7.2	7.8	6.8	14.6	-0.6	-2.9
<b>Nonresidential</b>	37.9%		<b>1.5</b>	4.0	3.3	41.4	24.4	12.7	13.5	14.3	-3.1	2.6
Commercial	6.2%		<b>-2.0</b>	5.5	0.4	15.7	-7.5	11.3	9.1	8.8	-5.5	-2.0
Power	7.5%		<b>0.1</b>	1.6	3.8	23.9	16.4	-22.3	23.9	24.3	0.6	8.0
Office	4.5%		<b>0.7</b>	3.8	6.5	54.0	26.6	26.9		17.6	-5.8	0.0
Health Care	2.9%		<b>-0.8</b>	0.1	0.5	-0.9	5.5	5.4		6.3	-2.4	2.2
All Other	16.8%		<b>4.1</b>	5.4	4.0	69.7	49.2	39.0	4.4	11.7	-3.2	3.5
<b>Public Construction</b>	27.4%		<b>0.7</b>	1.7	1.5	16.8	4.3	2.8	9.1	8.8	-5.5	-2.0
Education	6.3%		<b>-0.7</b>	3.4	0.9	15.1	12.0	3.4	-8.5	24.3	0.6	8.0
Highways & Streets	8.2%		<b>2.1</b>	1.8	2.3	28.2	-2.0	1.7	9.7	17.6	-5.8	0.0
All Others	12.8%		<b>0.5</b>	0.9	1.2	10.9	4.9	3.2	-12.4	33.7	3.2	23.6

Source: Bureau of the Census, Department of Commerce via Haver Analytics. | \*\*Bloomberg | © 2015 Economic Focus, Inc. All rights reserved. Reproduction and/or redistribution without prior written permission are expressly prohibited. <http://www.economicfocus.com> Information herein is based on sources we believe to be reliable, but its accuracy is not guaranteed.