

September housing starts are mixed, August spending slips, Dodge finds; multifamily outlook darkens

“With the U.S. Census Bureau unable to release its **construction spending** and **housing starts** data due to the ongoing government shutdown, Dodge Construction Network’s economics team has developed independent estimates of what the Census likely would have reported,” Chief Economist Eric Gaus [posted](#) on Monday. “These estimates follow Census’s conventions to ensure consistency and clarity during this period without official federal data. Dodge estimates that Census privately owned **housing starts** in September were at a seasonally adjusted annual rate of 1,318,000,” 0.8% above the Census’s initial August estimate and but down 2.9% year-over-year (y/y) from the September 2024 rate. Single-family housing starts were at a rate of 916,000, up 2.9% from August but down 12% y/y. The September rate for units in buildings with five units or more was 390,000, down 3.2% from August but up 30% y/y.

“Dodge estimates that Census **construction spending** during August 2025 was estimated at a seasonally adjusted annual rate of \$2,111.0 billion,” down 1.3% from Census’s initial July estimate and down 4.3% y/y. Residential spending declined 4.1% for the month and 8.7% y/y. Total private and public nonresidential spending rose 0.7% for the month but slipped 1.0% y/y. Among the largest nonresidential segments, manufacturing construction fell 2.1% and 9.1%, respectively; power rose 1.4% and 2.6%; highway and street climbed 3.0% and 2.6%; and educational slipped 0.1% and 2.7%.

The outlook for a recovery in **multifamily construction** has dimmed. [ApartmentList reported](#) on Wednesday, “2024 saw over 600,000 new multifamily units hit the market, the most new supply in a single year since 1986. We’re now past the peak of that supply wave, but multifamily construction remains elevated. 243,000 multifamily units were completed in the first half of this year—that’s down 27% from the second half of 2024, but still 31% *higher* than the 10-year average for first-half completions. Similarly, the number of units still under construction has fallen considerably from its peak but remains solidly above the long-run average, indicating that we’re not quite through with the supply boom....At the same time, a shaky labor market seems to be putting a damper on housing demand, another factor contributing to sluggish rental market conditions persisting longer than we anticipated at the outset of this year....Rents declined month-over-month in 50 of the nation’s 54 large metropolitan areas with a population of over one million [and y/y in] 26 of these markets....Rent trends vary significantly by region, with [y/y] declines currently concentrated primarily in the South and Mountain West regions. Meanwhile, many markets in the Northeast, Midwest, and parts of the West Coast are seeing prices trend up.”

The outlook for **office construction** remains grim, as even some firms that announced return-to-office mandates are also laying off staff. “Amazon.com said this week that it would cut 14,000 corporate jobs, with plans to eliminate as much as 10% of its white-collar workforce eventually,” the [Wall Street Journal reported](#) on Wednesday. The paper listed large immediate or announced cuts by United Parcel Service, Target, Rivian Automotive, Molson Coors, Booz Allen Hamilton and General Motors. The [Journal reported](#) on Monday executives’ “belief that artificial intelligence will be used to pick up some of the slack and automate more processes. Companies are also hesitant to make any moves in an economy that many still describe as uncertain.” That article cited recent comments by JPMorgan Chase, RTX, Goldman Sachs, Walmart, Airbnb, Intuit, Meta Platforms, and Charter Communications that they would cut positions or hold headcount steady.

Companies “**canceled, closed, or scaled back** nearly \$1.6 billion worth of large-scale **clean-energy projects** in September 2025, bringing the total value of abandoned or downsized projects this year to over \$24 billion,” advocacy group E2.org [reported](#) on October 22. “These cancellations have now erased nearly 21,000 previously announced clean energy jobs nationwide since the start of 2025. The findings come as the U.S. Department of Energy withdrew nearly \$8 billion in federal clean energy grants supporting more than 200 projects, compounding losses in both private and public investment across the sector....September cancellations affected four major battery, storage, and EV facilities in Kansas, Michigan, North Carolina, and Tennessee....Natron Energy shuttered its Michigan plant, halting a planned \$1.4 billion North Carolina factory....Despite the overall downturn, businesses did announce \$542 million in new clean-energy investments.”

“The U.S. government has struck up a partnership with the Canadian owners of Westinghouse Electric as part of a plan to build at least \$80 billion worth of new **nuclear reactors**,” [Construction Briefing reported](#) on Wednesday. “A national deployment of the reactors could generate 100,000 construction jobs, according to Brookfield” Asset Management, one of Westinghouse’s owners. Several hurdles remain before construction begins, with no timing or locations announced.

Data Digest is a weekly summary of economic news. Sign up [here](#). Editor: Ken.Simonson@agc.org, Chief Economist, AGC. Go here for [Ken’s PPT](#) or more [construction data](#).

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