

Commercial construction down 71% in June

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The **Associated General Contractors of America** reported a national drop in commercial construction of 71 percent during June compared with the previous month.

The drop wiped out gains seen in May, when commercial construction rose 27 percent.

"Every construction category declined significantly in June," said Jim Haughey, an economist for Reed Construction, in a statement. "The May/June boom/bust is substantially random."

The drop shows that nonresidential construction is entering the weakest period in the business cycle, he said. Compared to June 2008, however, the drop was 22 percent, and Haughey said he believes that's a better indicator for the rest of the year.

"The current bid calendar suggests that much of the June drop will be reversed in the next few months," he said.

The contractors also reported that falling prices for construction materials may be nearing an end. **Nucor-Yamato Steel** announced it was raising prices to match an earlier announcement by Gerdau Ameristeel; a concrete company announced a hike in aggregates and liquid asphalt prices also are edging up.

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