USDA
United States Department of Agriculture

United States Housing Brief, November 2019

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Forest Service

Forest Products Laboratory

Research Note FPL–RN–0377

March 2020

Abstract

In November, the vast majority of the U.S. housing construction and sales markets were positive on a month-over-month and year-over-year basis. New single-family housing under construction, multifamily housing completions, and single-family construction spending recorded year-over-year decreases. Total single- and multifamily completions and existing house sales recorded monthly declines.

Keywords: housing permits, starts, under construction, completions, construction spending, new sales, existing sales, regional housing data, economic indicators

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March 2020

Alderman, Delton. 2020. United States Housing Brief, November 2019. Research Note FPL-RN-0377. Madison, WI: U.S. Department of Agriculture, Forest Service, Forest Products Laboratory. 6 p.

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The Forest Products Laboratory is maintained in cooperation with the University of Wisconsin.

United States Housing Brief, November 2019

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Summary

New single-family construction is the largest value-added wood-products-consuming sector and is a leading coincident economic indicator of the U.S. economy. The aggregate U.S. housing construction markets were somewhat improved in November, on a monthly and year-over-year basis.

This housing brief includes housing starts, permits, houses under construction, completions, sales, and construction spending data available from the U.S. Department of Commerce and the National Association of Realtors. The data are compared on month-over-month (M/M) and year-over-year (Y/Y) bases. For more detailed information and commentary, the monthly "Virginia Tech–U.S. Forest Service Housing Commentary" is available at http://woodproducts.sbio.vt.edu/housing-report. Additionally, in-depth semi-annual and annual housing construction research is available via Treesearch (https://www.fs.usda.gov/treesearch/) and inputting "Alderman".

November 2019 Housing Scorecard

Category[a]	Month-over-month change	Year-over-year change
Housing starts (total)	▲ 3.2%	▲ 13.6%
Single-family	▲ 2.4%	▲ 16.7%
Multifamily	▲ 4.9%	▲ 7.3%
Housing permits (total)	▲ 1.4%	▲ 11.1%
Single-family	▲ 0.8%	▲ 8.9%
Multifamily	▲ 2.5%	▲ 14.9%
Housing under construction (total)	▲ 1.0%	▲ 2.4%
Single-family	▲ 0.8%	▼ 0.9%
Multifamily	▲ 1.3%	▲ 5.2%
Housing completions (total)	▼ 6.6%	▲ 7.3%
Single-family	▼ 3.6%	▲ 13.5%
Multifamily	▼ 14.3%	▼ 7.3%
New single-family house sales	▲ 1.3%	▲ 16.9%
Private residential construction spending	▲ 1.9%	▲ 2.7%
Single-family construction spending	▲ 1.2%	▼ 0.3%
Existing house sales[b]	▼ 1.7%	▲ 2.7%

[a] Data from U.S. Census Bureau–Construction.
[b] Data from Federal Reserve Bank of St. Louis. (FRED).

Starts

Total starts in November 2019 were at a seasonally adjusted annual rate (SAAR) of 1,365,000. This was 3.2% greater than October 2019 and 13.6% greater than November 2018. Single-family (SF) starts were 938,000, which was 2.4% greater than October 2019. Multifamily (MF) starts of two to four units were 23,000 and five units or more were 404,000 (Census Bureau 2019a). November 2019 total starts were less than the 58-year average of 1,439,000 (Fig. 1).

Regionally, the South remained the strongest market, where total starts were 752,000, of which 512,000 were SF and 240,000 were MF. The West followed with total starts of 351,000, of which 246,000 were SF and 105,000 were MF. Total Midwest starts were 158,000, of which 118,000 were SF and 40,000 were MF. The Northeast recorded total starts of 104,000, of which 62,000 were SF and 42,000 were MF (Census Bureau 2019a). Table 1 provides housing start data for each start category for November 2019.

Table 1—National and regional U.S. housing starts for November 2019 in comparison to October 2019 and November 2018

	Total starts[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Nov-19	1,365,000	938,000	23,000	404,000
Oct-19	1,323,000	916,000	12,000	395,000
Nov-18	1,202,000	804,000	11,000	387,000
Month-over-month change	3.2%	2.4%	91.7%	2.3%
Year-over-year change	13.6%	16.7%	109.1%	4.4%

	Northeast	Midwest	South	West
Nov-19	104,000	158,000	752,000	351,000
Oct-19	108,000	187,000	682,000	346,000
Nov-18	109,000	144,000	663,000	286,000
Month-over - month change	–3.7%	–15.5%	10.3%	1.4%
Year-over-year change	–4.6%	9.7%	13.4%	22.7%

[a] Source: U.S. Department of Commerce–Construction (SAAR).
[b] Multifamily two- to four-unit starts are not reported directly but are an estimation: 2 to 4 starts = (Total starts – (SF starts + MF ≥5 starts)).

Permits

Total building permits issued in November 2019 were at a SAAR of 1,482,000. This was 1.4% greater than October 2019 and 11.1% greater than November 2018. SF permits were 918,000, which was 0.8% greater than October 2019. MF permits of two to four units were 40,000 and five units or more were 524,000 (Census Bureau 2019a). Historically, MF permits can be extremely variable, M/M and Y/Y.

Regionally, the South remained the strongest market, where total permits issued were 737,000, of which 516,000 were SF and 221,000 were MF. The West followed with total permits of 376,000, of which 233,000 were SF and 143,000 were MF. Midwest total permits were 206,000, of which 112,000 were SF and 94,000 were MF. In the Northeast, total permits were 163,000, of which 57,000 were SF and 106,000 were MF (Census Bureau 2019a). Table 2 provides permit data for each permit category for November 2019.

Table 2–National and regional U.S. housing permits for November 2019 in comparison to October 2019 and November 2018

	Total permits[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Nov-19	1,482,000	918,000	40,000	524,000
Oct-19	1,461,000	911,000	48,000	502,000
Nov-18	1,334,000	843,000	41,000	450,000
Month-over - month change	1.4%	0.8%	–16.7%	4.4%
Year-over-year change	11.1%	8.9%	–2.4%	16.4%

	Northeast	Midwest	South	West
Nov-19	163,000	206,000	737,000	376,000
Oct-19	138,000	179,000	773,000	371,000
Nov-18	129,000	177,000	706,000	322,000
Month-over-month change	18.1%	15.1%	–4.7%	1.3%
Year-over - year change	26.4%	16.4%	4.4%	16.8%

[a] Source: U.S. Census Bureau–Construction (SAAR).
[b] Multifamily two- to four-unit permits are not reported directly but are an estimation: 2 to 4 permits = (Total permits – (SF permits + MF ≥5 permits)).

Housing under Construction

Total housing under construction (HUC) issued in November 2019 was at a SAAR of 1,170,000. This was a 1.0% increase from October 2019 and 2.4% greater than November 2018. SF HUC was 526,000, which was 0.8% greater than October 2019. MF HUC of two to four units was 12,000 and five units or more was 632,000 (Census Bureau 2019a).

Regionally, the South remained the strongest market, where total HUC was 508,000, of which 251,000 were SF and 257,000 were MF. The West followed with a total HUC of 336,000 units, of which 142,000 were SF and 194,000 were MF. The Northeast total HUC was 178,000, of which 56,000 were SF and 122,000 were MF. Midwest total HUC was 148,000, of which 77,000 were SF and 71,000 were MF (Census Bureau 2019a). Table 3 provides HUC data for November 2019.

Table 3—National and regional U.S. housing under construction for November 2019 in comparison to October 2019 and November 2018

	Total HUC[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Nov-19	1,170,000	526,000	12,000	632,000
Oct-19	1,158,000	522,000	11,000	625,000
Nov-18	1,143,000	531,000	12,000	600,000
Month-over-month change	1.0%	0.8%	9.1%	1.1%
Year-over-year change	2.4%	–0.9%	0.0%	5.3%

	Northeast	Midwest	South	West
Nov-19	178,000	148,000	508,000	336,000
Oct-19	179,000	149,000	499,000	331,000
Nov-18	187,000	153,000	464,000	339,000
Month-over - month change	–0.6%	–0.7%	1.8%	1.5%
Year-over-year change	–4.8%	–3.3%	9.5%	–0.9%

[a] Source: U.S. Department of Commerce–Construction (SAAR).
[b] Multifamily two- to four-unit HUC are not reported directly but are an estimation: 2 to 4 HUC = (Total HUC – (SF HUC + MF ≥5 HUC)).

Housing Completions

Total completions in November 2019 were at a SAAR of 1,188,000. This was 6.6% less than October 2019 and 7.3% greater than November 2018. SF completions were 883,000, which is 3.6% less than October 2019. MF completions of two to four units were 10,000 and five units or more were 295,000 (Census Bureau 2019a).

The South remained the strongest market, where total completions were 634,000, of which 508,000 were SF and 126,000 were MF. The West followed with total completions of 297,000 units, of which 212,000 were SF and 85,000 were MF. Midwest total completions were 150,000, of which 107,000 were SF and 43,000 were MF. Total Northeast completions were 107,000, of which 56,000 were SF and 51,000 were MF (Census Bureau 2019a). Table 4 provides housing completion data for November 2019.

Table 4—National and regional U.S. housing completions for November 2019 in comparison to October 2019 and November 2018

	Total completions[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Nov-19	1,188,000	883,000	10,000	295,000
Oct-19	1,272,000	916,000	5,000	351,000
Nov-18	1,107,000	778,000	12,000	317,000
Month-over-month change	–6.6%	–3.6%	100.0%	–16.0%
Year-over-year change	7.3%	13.5%	–16.7%	–6.9%

	Northeast	Midwest	South	West
Nov-19	107,000	150,000	634,000	297,000
Oct-19	121,000	157,000	640,000	354,000
Nov-18	123,000	137,000	542,000	305,000
Month-over - month change	–11.6%	–4.5%	–0.9%	–16.1%
Year-over-year change	–13.0%	9.5%	17.0%	–2.6%

[a] Source: U.S. Department of Commerce–Construction (SAAR).
[b] Multifamily two- to four-unit completions are not reported directly but are an estimation: 2 to 4 completions = (Total completions – (SF completions + MF ≥5 completions)).

New Single-Family House Sales

Total new house sales in November 2019 were estimated at a SAAR of 719,000 units. This was an increase of 1.3% from October 2019 and 16.9% greater than November 2018. Regionally, the South remained the strongest market with total new SF house sales of 400,000, followed by the West with 216,000. The Midwest recorded 71,000 sales, and the Northeast had 32,000.

The median sales price of new houses sold in November 2019 was $330,800, and the mean sales price was $388,200 (Census Bureau 2019b). Table 5 provides new SF sales data for November 2019.

Table 5—National and regional new U.S. housing sales for November 2019 in comparison to October 2019 and November 2018

	New SF sales[a]	Median price	Mean price	Month's supply
Nov-19	719,000	$330,800	$388,200	5.4
Oct-19	710,000	$316,900	$377,900	5.5
Nov-18	615,000	$308,500	$367,100	6.5
Month-over-month change	1.3%	4.4%	2.7%	–1.8%
Year-over-year change	16.9%	7.2%	5.7%	–16.9%
	Northeast	**Midwest**	**South**	**West**
Nov-19	32,000	71,000	400,000	216,000
Oct-19	21,000	71,000	417,000	201,000
Nov-18	30,000	72,000	367,000	146,000
Month-over - month change	52.4%	0.0%	–4.1%	7.5%
Year-over-year change	6.7%	–1.4%	9.0%	47.9%

[a] Source: U.S. Department of Commerce–Construction (SAAR).

Private Residential Construction Spending

New SF starts and sales are vital to the wood products industry because new units consume more value-added products than any other wood-consuming sector. Aggregate new housing construction spending has generally lagged the overall economy since 2010. New construction and spending are two of the factors often mentioned for the subdued economic recovery, and November's expenditure data bear this out. Total private residential construction spending for November 2019 was $536,089 million, a 1.9% increase from October 2019 and a 2.7% increase from November 2018. SF construction spending was $280,661 million and MF construction spending was $59,118 million. Improvement, or remodeling, spending was $196,310 million (Census Bureau 2019c). Table 6 provides data for each construction spending category for November 2019.

Table 6—National U.S. housing construction spending for November 2019 in comparison to October 2019 and November 2018

	Total private residential construction spending[a, b]	Single-family	Multi-family	Improvement[c]
Nov-19	536,089	280,661	59,118	196,310
Oct-19	526,349	277,460	59,101	189,788
Nov-18	521,907	281,401	61,522	178,984
Month-over-month change	1.9%	1.2%	0.0%	3.4%
Year-over-year change	2.7%	–0.3%	–3.9%	9.7%

[a] Reported in nominal U.S. dollars, millions of dollars, and SAAR.
[b] Source: U.S. Census Bureau–Construction.
[c] The U.S. DOC Census Bureau does not report improvement spending directly. This is a monthly estimation: Improvement spending = (Total private spending – (SF spending + MF spending)).

Existing House Sales

Existing house sales in November 2019 were at a SAAR of 5,350,000 units. This is a 1.7% decrease from October 2019 and a 2.7% improvement from November 2018. Regionally, the South remained the strongest market, with total existing house sales of 2,240,000 units, followed by the Midwest at 1,320,000 units. The West had total existing sales of 1,090,000 units, and the Northeast had 700,000 units (FRED 2019). Table 7 provides existing house sales data for November 2019.

Table 7—National and regional U.S. existing housing sales for November 2019 in comparison to October 2019 and November 2018

	Existing sales[a]	Median price	Mean price	Month's supply
Nov-19	5,350,000	$271,300	$308,000	3.7
Oct-19	5,440,000	$271,000	$307,200	3.9
Nov-18	5,210,000	$257,400	$296,100	4.0
Month-over-month change	–1.7%	0.1%	0.3%	–5.1%
Year-over-year change	2.7%	5.4%	4.0%	–7.5%
	Northeast	Midwest	South	West
Nov-19	700,000	1,320,000	2,240,000	1,090,000
Oct-19	690,000	1,290,000	2,330,000	1,130,000
Nov-18	710,000	1,300,000	2,160,000	1,040,000
Month-over - month change	1.4%	2.3%	–3.9%	–3.5%
Year-over-year change	–1.4%	1.5%	3.7%	4.8%

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Glossary

Housing completions—A house is defined as completed when all finished flooring has been installed (or carpeting if used in place of finished flooring). If the building is occupied before all construction is finished, it is classified as completed at the time of occupancy. In privately owned buildings with two or more housing units, all the units in the buildings are counted as completed when 50% or more of the units are occupied or available for occupancy. Housing completions are estimated for all areas of the United States, regardless of whether permits are required.

Housing permits—The approval given by a local jurisdiction to proceed on a construction project. Not all areas of the country require a permit for construction.

Housing starts—Start of construction occurs when excavation begins for the footings or foundation of a building. All housing units in a multifamily building are defined as being started when this excavation begins. Beginning with data for November 1992, estimates of housing starts include units in structures being totally rebuilt on an existing foundation.

Housing under construction—Estimates of housing units started, but not yet completed, are estimated for all areas of the United States, whether or not permits are required.

Regions—Northeast: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont. Midwest: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin. South: Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Seasonally adjusted annual rate—Seasonal adjustment is the process of estimating and removing seasonal effects from a time series to better reveal certain non-seasonal features such as underlying trends and business cycles. Seasonal adjustment procedures estimate effects that occur in the same calendar month with similar magnitude and direction from year to year. In series whose seasonal effects come primarily from weather, the seasonal factors are estimates of average weather effects for each month.

Single-family housing—Dwellings that include fully detached, semi-detached (semi-attached, side-by-side), row houses, and townhouses.

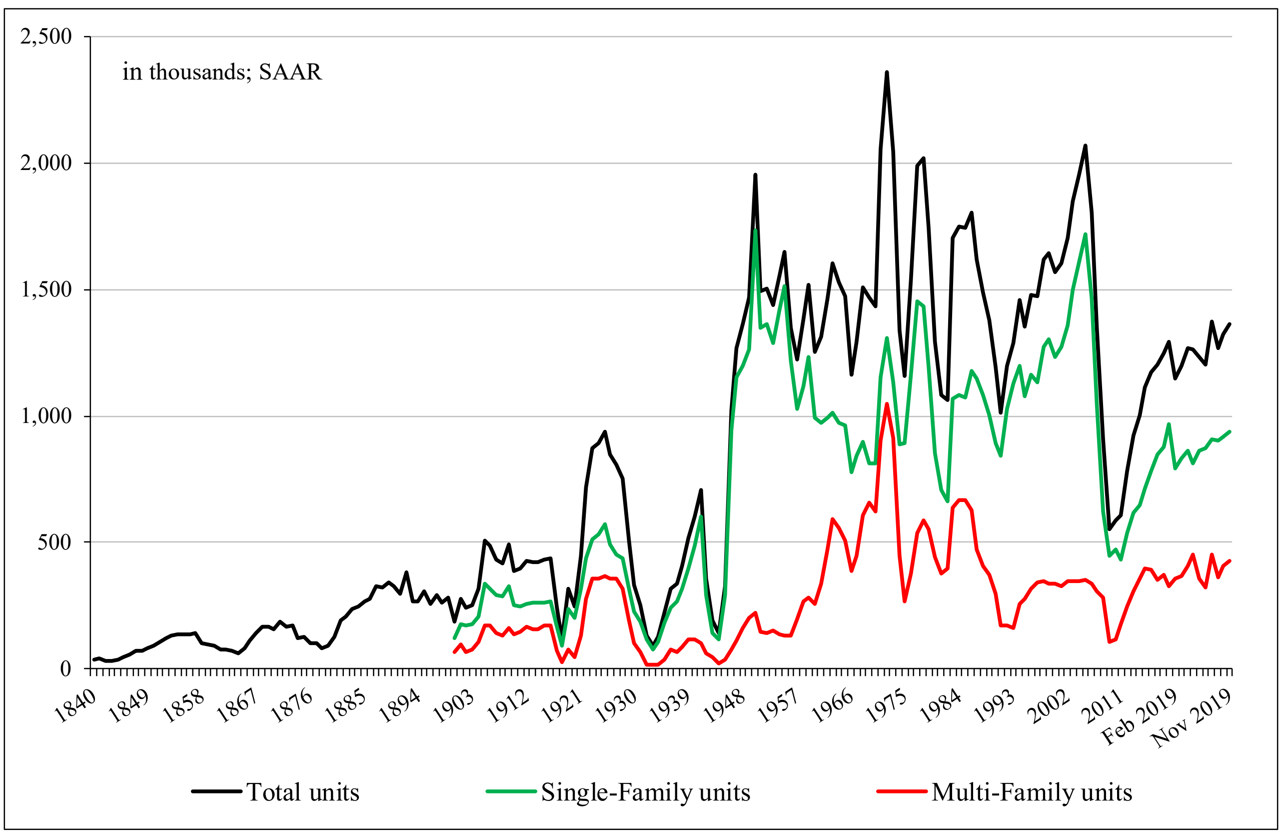

Figure 1. U.S. housing units and starts: 1840 to November 2019. Sources: Carliner (2010), Gottlieb (1964), and Census Bureau (2019a).