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United States Housing Brief, March 2020

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Abstract

In March, an overwhelming majority of month-over-month categories were negative. Total, single-, and multifamily starts all recorded double-digit declines. On a year-over-year basis, half the categories indicated improvement, whereas housing completions was the only subsector reporting declines for all components: total, single-family, and multifamily. New single-family and existing house sales decreased, month-over-month and year-over-year. Single-family construction expenditures improved year-over-year and decreased month-over-month. The effects of COVID-19 may not be fully reflected in the March data; the full magnitude of the virus might be revealed in the April and May housing construction data.

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

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United States Housing Brief, March 2020

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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 mostly negative in March, 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".

March 2020
Housing Scorecard

Category[a]	Month-over-month change	Year-over-year change
Housing starts (total)	▼ 22.3%	▲ 1.4%
Single-family	▼ 17.5%	▲ 2.8%
Multifamily	▼ 31.7%	▼ 1.6%
Housing permits (total)	▼ 6.8%	▲ 5.0%
Single-family	▼ 12.0%	▲ 8.7%
Multifamily	▲ 4.9%	▼ 1.3%
Housing under construction (total)	▼ 0.2%	▲ 7.7%
Single-family	▼ 0.4%	NC[b]
Multifamily	▼ 0.1%	▲ 14.6%
Housing completions (total)	▼ 6.1%	▼ 9.0%
Single-family	▼ 15.0%	▼ 10.2%
Multifamily	▲ 24.7%	▼ 5.9%
New single-family house sales	▼ 15.4%	▼ 9.5%
Private residential construction spending	▲ 2.3%	▲ 8.8%
Single-family construction spending	▼ 2.0%	▲ 12.1%
Existing house sales[c]	▼ 8.5%	▲ 0.8%

[a] Data from U.S. Census Bureau–Construction.
[b] No change.
[c] Data from Federal Reserve Bank of St. Louis. (FRED).

Starts

Total starts in March 2020 were at a seasonally adjusted annual rate (SAAR) of 1,216,000. This was 22.3% less than February 2020 and 1.4% greater than March 2019. Single-family (SF) starts were 856,000, which was 17.5% less than February 2020. Multifamily (MF) starts of two to four units were 13,000 and five units or more were 347,000 (Census Bureau 2020a) (Fig. 1).

Regionally, the South remained the strongest market, where total starts were 693,000, of which 454,000 were SF and 239,000 were MF. The West followed with total starts of 301,000, of which 243,000 were SF and 58,000 were MF. Total Midwest starts were 153,000, of which 107,000 were SF and 46,000 were MF. The Northeast recorded total starts of 69,000, of which 52,000 were SF and 17,000 were MF (Census Bureau 2020a). Table 1 provides housing start data for each start category for March 2020.

Table 1—National and regional U.S. housing starts for March 2020 in comparison to February 2020 and March 2019

	Total starts[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Mar-20	1,216,000	856,000	13,000	347,000
Feb-20	1,564,000	1,037,000	16,000	511,000
Mar-19	1,199,000	833,000	5,000	361,000
Month-over-month change	–22.3%	–17.5%	–18.8%	–32.1%
Year-over-year change	1.4%	2.8%	160.0%	–3.9%
	Northeast	Midwest	South	West
Mar-20	69,000	153,000	693,000	301,000
Feb-20	120,000	195,000	881,000	368,000
Mar-19	83,000	132,000	655,000	329,000
Month-over - month change	–42.5%	–21.5%	–21.3%	–18.2%
Year-over-year change	–16.9%	15.9%	5.8%	–8.5%

[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 March 2020 were at a SAAR of 1,353,000. This was 6.8% less than February 2020 and 5.0% greater than March 2019. SF permits were 884,000, which was 12.0% less than February 2019. MF permits of two to four units were 46,000 and five units or more were 423,000 (Census Bureau 2020a). Historically, MF permits can be extremely variable, M/M and Y/Y.

Regionally, the South remained the strongest market, where total permits issued were 712,000, of which 509,000 were SF and 136,000 were MF. The West followed with total permits of 341,000, of which 205,000 were SF and 136,000 were MF. Midwest total permits were 178,000, of which 111,000 were SF and 67,000 were MF. In the Northeast, total permits were 122,000, of which 59,000 were SF and 63,000 were MF (Census Bureau 2020a). Table 2 provides permit data for each permit category for March 2020.

Table 2–National and regional U.S. housing permits for March 2020 in comparison to February 2020 and March 2019

	Total permits[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Mar-20	1,353,000	884,000	46,000	423,000
Feb-20	1,452,000	1,005,000	45,000	402,000
Mar-19	1,288,000	813,000	36,000	439,000
Month-over - month change	–6.8%	–12.0%	2.2%	5.2%
Year-over-year change	5.0%	8.7%	27.8%	–3.6%
	Northeast	Midwest	South	West
Mar-20	122,000	178,000	712,000	341,000
Feb-20	132,000	204,000	735,000	381,000
Mar-19	124,000	184,000	660,000	320,000
Month-over-month change	–7.6%	–12.7%	–3.1%	–10.5%
Year-over-year change	–1.6%	–3.3%	7.9%	6.6%

[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 March 2020 was at a SAAR of 1,218,000. This was 0.2% less than February 2020 and 7.7% greater than March 2019. SF HUC was 534,000, which was 0.4% less than February 2020. MF HUC of two to four units was 12,000 and five units or more was 672,000 (Census Bureau 2020a).

Regionally, the South remained the strongest market, where total HUC was 543,000, of which 257,000 were SF and 286,000 were MF. The West followed with a total HUC of 348,000 units, of which 145,000 were SF and 203,000 were MF. The Northeast total HUC was 176,000, of which 55,000 were SF and 121,000 were MF. Midwest total HUC was 151,000, of which 77,000 were SF and 74,000 were MF (Census Bureau 2020a). Table 3 provides HUC data for March 2020.

Table 3—National and regional U.S. housing under construction for March 2020 in comparison to February 2020 and March 2019

	Total HUC[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Mar-20	1,218,000	534,000	12,000	672,000
Feb-20	1,221,000	536,000	12,000	673,000
Mar-19	1,131,000	534,000	10,000	587,000
Month-over-month change	–0.2%	–0.4%	0.0%	–0.1%
Year-over-year change	7.7%	0.0%	20.0%	14.5%

	Northeast	Midwest	South	West
Mar-20	176,000	151,000	543,000	348,000
Feb-20	179,000	155,000	542,000	345,000
Mar-19	181,000	146,000	481,000	323,000
Month-over - month change	–1.7%	–2.6%	0.2%	0.9%
Year-over-year change	–2.8%	3.4%	12.9%	7.7%

[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 March 2020 were at a SAAR of 1,227,000. This was 6.1% less than February 2020 and 9.0% less than March 2019. SF completions were 863,000, which is 15.0% less than February 2020. MF completions of two to four units were 7,000 and five units or more were 357,000 (Census Bureau 2020a).

The South remained the strongest market, where total completions were 657,000, of which 486,000 were SF and 171,000 were MF. The West followed with total completions of 283,000 units, of which 198,000 were SF and 85,000 were MF. Midwest total completions were 205,000, of which 133,000 were SF and 72,000 were MF. Total Northeast completions were 82,000, of which 46,000 were SF and 36,000 were MF (Census Bureau 2020a). Table 4 provides housing completion data for March 2020.

Table 4—National and regional U.S. housing completions for March 2020 in comparison to February 2020 and March 2019

	Total completions[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Mar-20	1,227,000	863,000	7,000	357,000
Feb-20	1,307,000	1,015,000	9,000	283,000
Mar-19	1,348,000	961,000	14,000	373,000
Month-over-month change	–6.1%	–15.0%	–22.2%	26.1%
Year-over-year change	–9.0%	–10.2%	–50.0%	–4.3%

	Northeast	Midwest	South	West
Mar-20	82,000	205,000	657,000	283,000
Feb-20	105,000	193,000	653,000	356,000
Mar-19	127,000	200,000	689,000	332,000
Month-over - month change	–21.9%	6.2%	0.6%	–20.5%
Year-over-year change	–35.4%	2.5%	–4.6%	–14.8%

[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 March 2020 were estimated at a SAAR of 627,000 units. This was a substantial decrease of 15.4% from February 2020 and 9.5% less than March 2019. Regionally, the South remained the strongest market, with total new SF house sales of 385,000, followed by the West with 139,000. The Midwest recorded 79,000 sales, and the Northeast had 24,000.

The median sales price of new houses sold in March 2020 was $321,400, and the mean sales price was $375,300 (Census Bureau 2020b). Table 5 provides new SF sales data for March 2020.

Table 5—National and regional new U.S. housing sales for March 2020 in comparison to February 2020 and March 2019

	New SF sales[a]	Median price	Mean price	Month's supply
Mar-20	627,000	321,400	375,300	6.4
Feb-20	741,000	330,100	387,200	5.2
Mar-19	693,000	310,600	372,700	5.8
Month-over-month change	–15.4%	–2.6%	–3.1%	23.1%
Year-over-year change	–9.5%	3.5%	0.7%	10.3%

	Northeast	Midwest	South	West
Mar-20	24,000	79,000	385,000	139,000
Feb-20	41,000	86,000	388,000	226,000
Mar-19	25,000	87,000	380,000	201,000
Month-over - month change	–41.5%	–8.1%	–0.8%	–38.5%
Year-over-year change	–4.0%	–9.2%	1.3%	–30.8%

[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 March's expenditure data bear this out. Total private residential construction spending for March 2020 was $550,266 million, a 2.3% increase from February 2020 and an 8.8% increase from March 2019. SF construction spending was $301,073 million, and MF construction spending was $60,204 million. Improvement, or remodeling, spending was $188,989 million (Census Bureau 2020c). Table 6 provides data for each construction spending category for March 2020.

Table 6—National U.S. housing construction spending for March 2020 in comparison to February 2020 and March 2019

	Total private residential construction spending[a, b]	Single-family	Multi-family	Improvement[c]
Mar-20	$550,266	$301,073	$60,204	$188,989
Feb-20	$537,665	$307,169	$59,016	$171,480
Mar-19	$505,931	$268,532	$62,992	$174,407
Month-over-month change	2.3%	–2.0%	2.0%	10.2%
Year-over-year change	8.8%	12.1%	–4.4%	8.4%

[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 March 2020 were at a SAAR of 5,270,000 units. This is an 8.5% decrease from February 2020 and a 0.8% improvement from March 2019. Regionally, the South remained the strongest market, with total existing house sales of 2,290,000 units, followed by the Midwest at 1,250,000 units. The West had total existing sales of 1,080,000 units, and the Northeast had 650,000 units (FRED 2020). Table 7 provides existing house sales data for March 2020.

Table 7—National and regional U.S. existing housing sales for March 2020 in comparison to February 2020 and March 2019

	Existing sales[a]	Median price	Mean price	Month's supply
Mar-20	5,270,000	$280,600	$316,000	3.4
Feb-20	5,760,000	$270,400	$305,800	3.0
Mar-19	5,230,000	$259,700	$297,500	3.8
Month-over-month change	–8.5%	3.8%	3.3%	13.3%
Year-over-year change	0.8%	8.0%	6.2%	–10.5%

	Northeast	Midwest	South	West
Mar-20	650,000	1,250,000	2,290,000	1,080,000
Feb-20	700,000	1,290,000	2,520,000	1,250,000
Mar-19	670,000	1,200,000	2,270,000	1,090,000
Month-over -month change	–7.1%	–3.1%	–9.1%	–13.6%
Year-over-year change	–3.0%	4.2%	0.9%	–0.9%

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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 March 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.

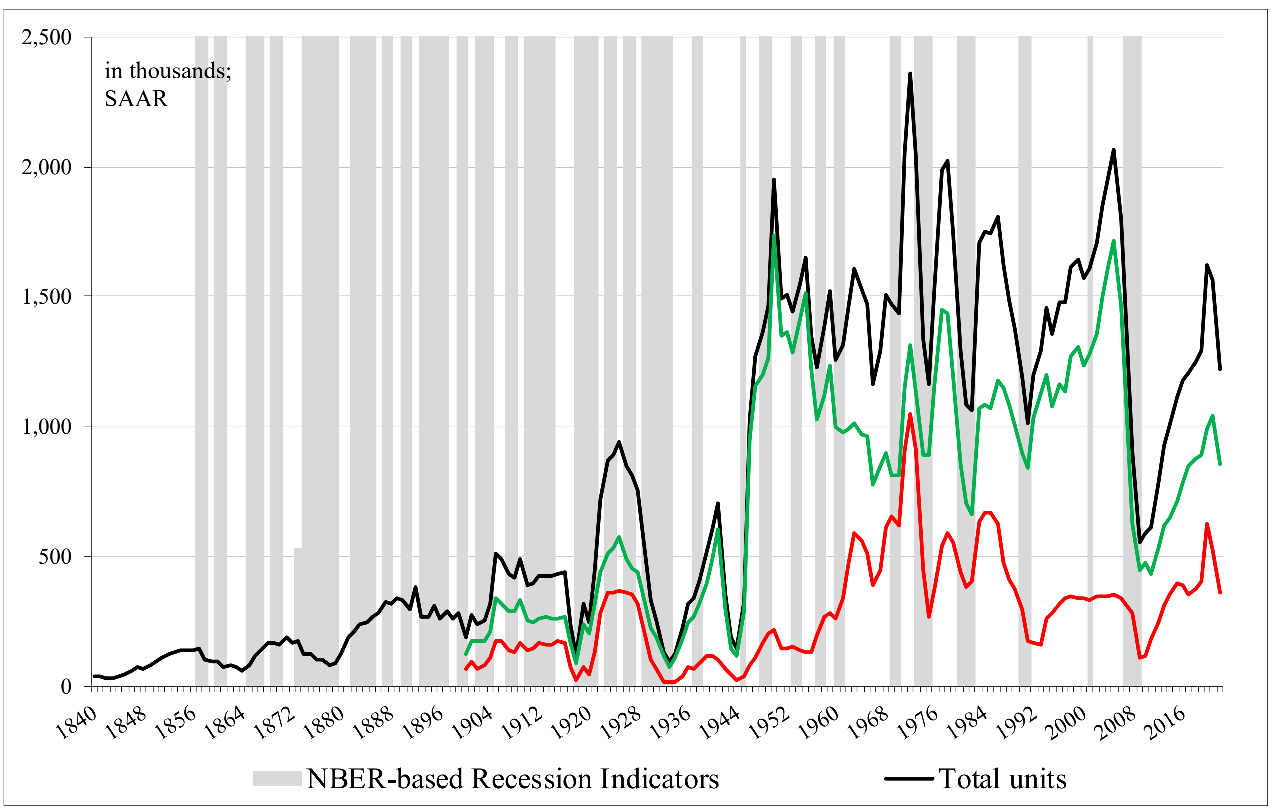

Figure 1. U.S. housing units and starts: 1840 to March 2020. Sources: Carliner (2010), Gottlieb (1964), and Census Bureau (2020a).