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United States Housing Brief, November 2020

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Abstract

In November, the aggregate (month-over-month and year-over-year) U.S. housing market indicators were positive. November housing data denoted the second consecutive month of total starts greater than 1.5-million units. The single-family subsector is the primary source of the current uptrend and is progressively gaining momentum. Month-over-month data yielded decreases in four categories: total and multifamily completions, new single-family and existing sales. Similarly, year-over-year data indicated declines for multifamily starts and permits, and total and single-family completions. Residential construction spending was positive month-over-month and year-over-year; and expenditures in August, September, and November are the greatest since 2005–2006 (nominal basis).

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, November 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. On month-over-month and year-over-year bases, the aggregate U.S. housing subsector data were positive.

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 2020 Housing Scorecard

Category[a]	Month-over-month change	Year-over-year change
Housing starts (total)	▲ 1.2%	▲ 12.8%
Single-family	▲ 0.4%	▲ 27.1%
Multifamily	▲ 4.0%	▼ -17.6%
Housing permits (total)	▲ 6.2%	▲ 8.5%
Single-family	▲ 1.3%	▲ 22.2%
Multifamily	▲ 19.2%	▼ 13.7%
Housing under construction (total)	▲ 2.0%	▲ 7.3%
Single-family	▲ 3.9%	▲ 12.8%
Multifamily	▲ 0.3%	▲ 2.8%
Housing completions (total)	▼ 12.1%	▼ 4.8%
Single-family	▼ 0.6%	▼ 4.5%
Multifamily	▼ 34.9%	▼ 5.9%
New single-family house sales	▼ 11.0%	▲ 20.8%
Private residential construction spending	▲ 2.7%	▲ 16.1%
Single-family construction spending	▲ 5.1%	▲ 18.1%
Existing house sales[b]	▼ 2.5%	▲ 25.8%

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

Starts

Total starts in November 2020 were at a seasonally adjusted annual rate (SAAR) of 1,547,000. This was 1.2% greater than October 2020 and 12.8% greater than November 2019. Single-family (SF) starts were 1,186,000, which was 0.4% greater than October 2020. Multifamily (MF) starts of two to four units were 9,000 and five units or more were 352,000 (Census Bureau 2020a) (Fig. 1).

Regionally, the South remained the strongest market, where total starts were 809,000, of which 661,000 were SF and 148,000 were MF. The West followed with total starts of 407,000, of which 329,000 were SF and 78,000 were MF. Total Midwest starts were 196,000, of which 137,000 were SF and 59,000 were MF. The Northeast recorded total starts of 135,000, of which 59,000 were SF and 76,000 were MF (Census Bureau 2020a). Table 1 provides housing start data for each start category for November 2020.

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

	Total starts[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Nov-20	1,547,000	1,186,000	9,000	352,000
Oct-20	1,528,000	1,181,000	21,000	326,000
Nov-19	1,371,000	933,000	19,000	419,000
Month-over-month change	1.2%	0.4%	–57.1%	8.0%
Year-over-year change	12.8%	27.1%	–52.6%	–16.0%
	Northeast	Midwest	South	West
Nov-20	135,000	196,000	809,000	407,000
Oct-20	85,000	206,000	861,000	376,000
Nov-19	106,000	170,000	742,000	353,000
Month-over - month change	58.8%	–4.9%	–6.0%	8.2%
Year-over-year change	27.4%	15.3%	9.0%	15.3%

[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 2020 were at a SAAR of 1,639,000. This was 6.2% greater than October 2020 and 8.5% greater than November 2019. SF permits were 1,143,000, which was 1.3% greater than October 2019. MF permits of two to four units were 55,000 and five units or more were 441,000 (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 868,000, of which 657,000 were SF and 211,000 were MF. The West followed with total permits of 403,000, of which 274,000 were SF and 129,000 were MF. Midwest total permits were 219,000, of which 145,000 were SF and 74,000 were MF. In the Northeast, total permits were 149,000, of which 67,000 were SF and 82,000 were MF (Census Bureau 2020a). Table 2 provides permit data for each permit category for November 2020.

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

	Total permits[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Nov-20	1,639,000	1,143,000	55,000	441,000
Oct-20	1,544,000	1,128,000	57,000	359,000
Nov-19	1,510,000	935,000	41,000	534,000
Month-over - month change	6.2%	1.3%	–3.5%	22.8%
Year-over-year change	8.5%	22.2%	34.1%	–17.4%
	Northeast	Midwest	South	West
Nov-20	149,000	219,000	868,000	403,000
Oct-20	132,000	211,000	829,000	372,000
Nov-19	172,000	208,000	759,000	371,000
Month-over-month change	12.9%	3.8%	4.7%	8.3%
Year-over - year change	–13.4%	5.3%	14.4%	8.6%

[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 November 2020 was at a SAAR of 1,254,000. This was a 2.9% increase from October 2020 and 7.3% greater than November 2019. SF HUC was 589,000, which was 3.9% less than October 2020. MF HUC of two to four units was 10,000 and five units or more was 655,000 (Census Bureau 2020a).

Regionally, the South remained the strongest market, where total HUC was 570,000, of which 292,000 were SF and 278,000 were MF. The West followed with a total HUC of 341,000 units, of which 158,000 were SF and 183,000 were MF. The Northeast total HUC was 181,000, of which 56,000 were SF and 125,000 were MF. Midwest total HUC was 162,000, of which 83,000 were SF and 79,000 were MF (Census Bureau 2020a). Table 3 provides HUC data for November 2020.

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

	Total HUC[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Nov-20	1,254,000	589,000	10,000	655,000
Oct-20	1,230,000	567,000	11,000	652,000
Nov-19	1,169,000	522,000	11,000	636,000
Month-over-month change	2.0%	3.9%	–9.1%	0.5%
Year-over-year change	7.3%	12.8%	-9.1%	3.0%

	Northeast	Midwest	South	West
Nov-20	181,000	162,000	570,000	341,000
Oct-20	179,000	160,000	556,000	335,000
Nov-19	177,000	149,000	508,000	335,000
Month-over - month change	1.1%	1.3%	2.5%	1.8%
Year-over-year change	2.3%	8.7%	12.2%	1.8%

[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 2020 were at a SAAR of 1,163,000. This was 12.1% less than October 2020 and 4.8% less than November 2019. SF completions were 874,000, which was 0.6% less than October 2020. MF completions of two to four units were 9,000 and five units or more were 280,000 (Census Bureau 2020a).

The South remained the strongest market, where total completions were 606,000, of which 4778,000 were SF and 128,000 were MF. The West followed with total completions of 303,000 units, of which 205,000 were SF and 98,000 were MF. Midwest total completions were 157,000, of which 136,000 were SF and 21,000 were MF. Total Northeast completions were 97,000, of which 55,000 were SF and 42,000 were MF (Census Bureau 2020a). Table 4 provides housing completion data for November 2020.

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

	Total completions[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Nov-20	1,163,000	874,000	9,000	280,000
Oct-20	1,323,000	879,000	16,000	428,000
Nov-19	1,222,000	915,000	10,000	297,000
Month-over-month change	–12.1%	–0.6%	–43.8%	–34.6%
Year-over-year change	–4.8%	–4.5%	–10.0%	–5.7%

	Northeast	Midwest	South	West
Nov-20	97,000	157,000	606,000	303,000
Oct-20	93,000	190,000	695,000	345,000
Nov-19	117,000	157,000	647,000	301,000
Month-over - month change	4.3%	–17.4%	–12.8%	–12.2%
Year-over-year change	–17.1%	0.0%	–6.3%	0.7%

[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 2020 were estimated at a SAAR of 841,000 units. This was a decrease of 11.0% from October 2020 and 20.8% greater than November 2019. Regionally, the South remained the strongest market with total new SF house sales of 513,000, followed by the West with 230,000. The Midwest recorded 59,000 sales, and the Northeast had 39,000.

The median sales price of new houses sold in November 2020 was $335,300, and the mean sales price was $390,100 (Census Bureau 2020b). Table 5 provides new SF sales data for November 2020.

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

	New SF sales[a]	Median price	Mean price	Month's supply
Nov-20	841,000	$335,300	$390,100	4.1
Oct-20	945,000	$337,500	$383,300	3.6
Nov-19	696,000	$328,000	$384,400	5.6
Month-over-month change	–11.0%	–0.7%	1.8%	13.9%
Year-over-year change	20.8%	2.2%	1.5%	–26.8%

	Northeast	Midwest	South	West
Nov-20	39,000	59,000	513,000	230,000
Oct-20	40,000	104,000	523,000	278,000
Nov-19	33,000	78,000	393,000	192,000
Month-over - month change	–2.5%	–43.3%	–1.9%	–17.3%
Year-over-year change	18.2%	–24.4%	30.5%	19.8%

[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 November's expenditure data bear this out. Total private residential construction spending for November 2020 was $658,086 million, a 2.7% increase from October 2020 and a 16.1% improvement from November 2019. SF construction spending was $341,506 million, and MF construction spending was $90,024 million. Improvement, or remodeling, spending was $226,556 million (Census Bureau 2020c). Table 6 provides data for each construction spending category for November 2020.

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

	Total private residential construction spending[a, b]	Single-family	Multi-family	Improvement[c]
Nov-20	$658,086	$341,506	$90,024	$226,556
Oct-20	$640,954	$324,882	$90,007	$226,065
Nov-19	$566,916	$289,083	$77,743	$200,090
Month-over-month change	2.7%	5.1%	0.0%	0.2%
Year-over-year change	16.1%	18.1%	15.8%	13.2%

[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 2020 were at a SAAR of 6,690,000 units. This is a 2.5% decrease from October 2020 and a 25.8% improvement from November 2019. Regionally, the South remained the strongest market, with total existing house sales of 2,820,000 units, followed by the Midwest at 1,590,000 units. The West had total existing sales of 1,400,000 units, and the Northeast had 880,000 units (FRED 2020). Table 7 provides existing house sales data for November 2020.

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

	Existing sales[a]	Median price	Mean price	Month's supply
Nov-20	6,690,000	$310,800	$343,000	2.3
Oct-20	6,860,000	$313,100	$344,700	2.5
Nov-19	5,320,000	$271,300	$308,200	3.7
Month-over-month change	–2.5%	–0.7%	–0.5%	–8.0%
Year-over-year change	25.8%	14.6%	11.3%	–37.8%

	Northeast	Midwest	South	West
Nov-20	880,000	1,590,000	2,820,000	1,400,000
Oct-20	900,000	1,630,000	2,930,000	1,400,000
Nov-19	700,000	1,280,000	2,240,000	1,100,000
Month-over - month change	–2.2%	–2.5%	–3.8%	0.0%
Year-over-year change	25.7%	24.2%	25.9%	27.3%

[a] Source: Federal Reserve Bank of St. Louis (FRED).

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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.

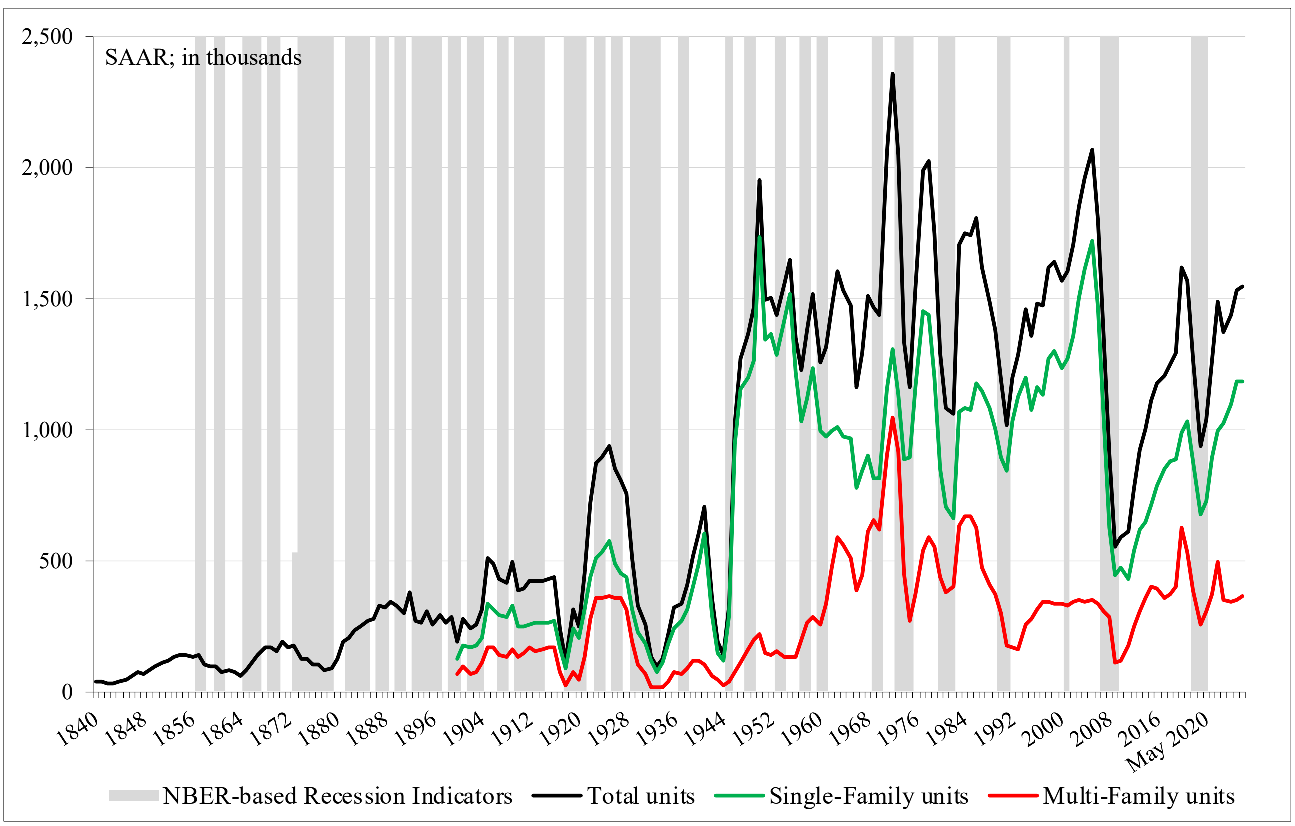

Figure 1. U.S. housing units and starts: 1840 to November 2020. Sources: Carliner (2010), Gottlieb (1964), National Bureau of Economic Research (NBER) (2020), and Census Bureau (2020a).