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United States Housing Brief, March 2021

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Forest Service

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Abstract

Aggregate housing data were overwhelmingly positive in March. Total March housing starts achieved their greatest level since July 2006. Total and single-family permits rebounded strongly as well. Houses under construction and housing completions also attained their highest levels in 13 years. New single-family house sales recorded significant gains. Existing house sales were negative month-over-month, and housing doyens attributed this to a lack of inventory. Total and single-family construction spending were positive month-over-month and year-over-year. In sum, private residential spending hit the highest rate in 8 years.

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 2021

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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 strongly positive in March. Total March housing starts achieved their greatest level since July 2006. Total and single-family permits rebounded strongly as well. Houses under construction and housing completions also attained their highest levels in 13 years. New single-family house sales recorded significant gains. Existing house sales were negative month-over-month, and housing doyens attributed this to a lack of inventory. Total and single-family construction spending were positive month-over-month and year-over-year. In sum, private residential spending hit the highest rate in 8 years.

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 2021 Housing Scorecard

Category[a]	Month-over-month change	Year-over-year change
Housing starts (total)	▲ 19.4%	▲ 37.0%
Single-family	▲ 15.3%	▲ 40.7%
Multifamily	▲ 30.8%	▲ 28.8%
Housing permits (total)	▲ 2.3%	▲ 29.7%
Single-family	▲ 4.7%	▲ 35.7%
Multifamily	▼ 2.6%	▲ 18.4%
Housing under construction (total)	▲ 0.8%	▲ 7.3%
Single-family	▲ 1.6%	▲ 19.3%
Multifamily	0.0%	▼ 2.0%
Housing completions (total)	▲ 16.6%	▲ 23.4%
Single-family	▲ 5.3%	▲ 21.2%
Multifamily	▲ 54.7%	▲ 29.0%
New single-family house sales	▲ 20.7%	▲ 66.8%
Private residential construction spending	▲ 1.7%	▲ 23.3%
Single-family construction spending	▲ 2.0%	▲ 26.7%
Existing house sales[b]	▼ 3.7%	▲ 12.3%

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

Starts

Total starts in March 2021 were at a seasonally adjusted annual rate (SAAR) of 1,739,000. This was 19.4% greater than February and 37.0% greater than March 2020. Single-family (SF) starts were 1,238,000, which was 15.3% greater than March 2020. Multifamily (MF) starts of two to four units were 24,000 and five units or more were 477,000 (Census Bureau 2021a) (Fig. 1).

Regionally, the South remained the strongest market, where total starts were 874,000, of which 639,000 were SF and 235,000 were MF. The West followed with total starts of 380,000, of which 277,000 were SF and 103,000 were MF. Total Midwest starts were 303,000, of which 232,000 were SF and 71,000 were MF. The Northeast recorded total starts of 182,000, of which 90,000 were SF and 92,000 were MF (Census Bureau 2021a). Table 1 provides housing start data for each start category for March 2021.

Table 1—National and regional U.S. housing starts for March 2021 in comparison to February 2021 and March 2020

	Total starts[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Mar-21	1,739,000	1,238,000	24,000	477,000
Feb-21	1,457,000	1,074,000	16,000	367,000
Mar-20	1,269,000	880,000	13,000	376,000
Month-over-month change	19.4%	15.3%	50.0%	30.0%
Year-over-year change	37.0%	40.7%	84.6%	26.9%
	Northeast	Midwest	South	West
Mar-21	182,000	303,000	874,000	380,000
Feb-21	111,000	136,000	770,000	440,000
Mar-20	84,000	162,000	705,000	318,000
Month-over - month change	64.0%	122.8%	13.5%	–13.6%
Year-over-year change	116.7%	87.0%	24.0%	19.5%

[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 2021 were at a SAAR of 1,759,000. This was 2.3% greater than February and 29.7% greater than March 2020. SF permits were 1,200,000, which was 4.7% greater than March 2020. MF permits of two to four units were 57,000 and five units or more were 502,000 (Census Bureau 2021b). Historically, MF permits can be extremely variable, M/M and Y/Y.

Regionally, the South remained the strongest market, where total permits issued were 912,000, of which 664,000 were SF and 248,000 were MF. The West followed with total permits of 435,000, of which 284,000 were SF and 151,000 were MF. Midwest total permits were 254,000, of which 174,000 were SF and 80,000 were MF. In the Northeast, total permits were 158,000, of which 78,000 were SF and 80,000 were MF (Census Bureau 2021b). Table 2 provides data by each permit category for March 2021.

Table 2–National and regional U.S. housing permits for March 2021 in comparison to February 2021 and March 2020

	Total permits[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Mar-21	1,759,000	1,200,000	57,000	502,000
Feb-21	1,720,000	1,146,000	47,000	527,000
Mar-20	1,356,000	884,000	46,000	426,000
Month-over - month change	2.3%	4.7%	21.3%	–4.7%
Year-over-year change	29.7%	35.7%	23.9%	17.8%
	Northeast	Midwest	South	West
Mar-21	158,000	254,000	912,000	435,000
Feb-21	174,000	249,000	860,000	437,000
Mar-20	112,000	174,000	723,000	347,000
Month-over-month change	–9.2%	2.0%	6.0%	–0.5%
Year-over - year change	41.1%	46.0%	26.1%	25.4%

[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 2021 was at a SAAR of 1,306,000. This was a 0.8% increase from February and 7.3% greater than March 2020. SF HUC was 636,000, which was 1.6% greater than February. MF HUC of two to four units was 12,000 and five units or more was 658,000 (Census Bureau 2021a).

Regionally, the South remained the strongest market, where total HUC was 586,000, of which 310,000 were SF and 276,000 were MF. The West followed with a total HUC of 369,000 units, of which 177,000 were SF and 192,000 were MF. The Northeast total HUC was 184,000, of which 58,000 were SF and 126,000 were MF. Midwest total HUC was 167,000, of which 91,000 were SF and 76,000 were MF (Census Bureau 2021a). Table 3 provides HUC data for March 2021.

Table 3—National and regional U.S. housing under construction for March 2021 in comparison to February 2021 and March 2020

	Total HUC[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Mar-21	1,306,000	636,000	12,000	658,000
Feb-21	1,296,000	626,000	11,000	659,000
Mar-20	1,217,000	533,000	13,000	671,000
Month-over-month change	0.8%	1.6%	9.1%	–0.2%
Year-over-year change	7.3%	19.3%	–7.7%	–1.9%

	Northeast	Midwest	South	West
Mar-21	184,000	167,000	586,000	369,000
Feb-21	183,000	162,000	583,000	368,000
Mar-20	179,000	154,000	539,000	345,000
Month-over - month change	0.5%	3.1%	0.5%	0.3%
Year-over-year change	2.8%	8.4%	8.7%	7.0%

[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 2021 were at a SAAR of 1,580,000. This was 16.6% greater than February and 23.4% greater than March 2020. SF completions were 1,099,000, which is 5.3% greater than February2020. MF completions of two to four units were 5,000 and five units or more were 476,000 (Census Bureau 2021a).

The South remained the strongest market, where total completions were 865,000, of which 655,000 were SF and 210,000 were MF. The West followed with total completions of 346,000 units, of which 235,000 were SF and 111,000 were MF. Midwest total completions were 227,000, of which 128,000 were SF and 99,000 were MF. Total Northeast completions were 142,000, of which 81,000 were SF and 61,000 were MF (Census Bureau 2021a). Table 4 provides housing completion data for March 2021.

Table 4—National and regional U.S. housing completions for March 2021 in comparison to February 2021 and March 2020

	Total completions[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Mar-21	1,580,000	1,099,000	5,000	476,000
Feb-21	1,355,000	1,044,000	10,000	301,000
Mar-20	1,280,000	907,000	8,000	365,000
Month-over-month change	16.6%	5.3%	–50.0%	58.1%
Year-over-year change	23.4%	21.2%	–37.5%	30.4%

	Northeast	Midwest	South	West
Mar-21	142,000	227,000	865,000	346,000
Feb-21	109,000	193,000	740,000	313,000
Mar-20	78,000	202,000	706,000	294,000
Month-over - month change	30.3%	17.6%	16.9%	10.5%
Year-over-year change	82.1%	12.4%	22.5%	17.7%

[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 March 2021 were estimated at a SAAR of 1,021,000 units. This was an increase of 20.7% from February and 66.8% greater than March 2020. Regionally, the South remained the strongest market with total new SF house sales of 694,000, followed by the West with 147,000. The Midwest recorded 132,000 sales, and the Northeast had 48,000 (Census Bureau 2021c).

The median sales price of new houses sold in March 2021 was $330,800, and the mean sales price was $397,800 (Census Bureau 2021c). Table 5 provides new SF sales data for March 2021.

Table 5—National and regional new U.S. housing sales for March 2021 in comparison to February 2021 and March 2020

	New SF sales[a]	Median price	Mean price	Month's supply
Mar-21	1,021,000	$330,800	$397,800	3.6
Feb-21	846,000	$345,900	$394,300	4.4
Mar-20	612,000	$328,200	$375,400	6.5
Month-over-month change	20.7%	–4.4%	0.9%	–18.2%
Year-over-year change	66.8%	0.8%	6.0%	–44.6%

	Northeast	Midwest	South	West
Mar-21	48,000	132,000	694,000	147,000
Feb-21	40,000	101,000	495,000	210,000
Mar-20	23,000	74,000	365,000	150,000
Month-over - month change	20.0%	30.7%	40.2%	–30.0%
Year-over-year change	108.7%	78.4%	90.1%	–2.0%

[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. 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 2021 was $725,245 million, a 1.7% increase from February and a 23.3% improvement from March 2020. SF construction spending was $389,922 million, and MF construction spending was $93,453 million. Improvement, or remodeling, spending was $241,870 million (Census Bureau 2021d). Table 6 provides data for each construction spending category for March 2021.

Table 6—National U.S. housing construction spending for March 2021 in comparison to February 2021 and March 2020

	Total private residential construction spending[a, b]	Single-family	Multi-family	Improvement[c]
Mar-21	$725,245	$389,922	$93,453	$241,870
Feb-21	$713,056	$382,202	$93,721	$237,133
Mar-20	$588,060	$307,696	$81,575	$198,789
Month-over-month change	1.7%	2.0%	–0.3%	2.0%
Year-over-year change	23.3%	26.7%	14.6%	21.7%

[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 March 2021 were at a SAAR of 6,010,000 units. This is a 3.7% decrease from February and a 12.3% improvement from March 2020. Regionally, the South remained the strongest market, with total existing house sales of 2,700,000 units, followed by the Midwest at 1,280,000 units. The West had total existing sales of 1,270,000 units, and the Northeast had 760,000 units (FRED 2021). Table 7 provides existing house sales data for March 2021.

Table 7—National and regional U.S. existing housing sales for March 2021 in comparison to February 2021 and March 2020

	Existing sales[a]	Median price	Mean price	Month's supply
Mar-21	6,010,000	$329,100	$355,200	2.1
Feb-21	6,240,000	$310,700	$342,100	2.0
Mar-20	5,350,000	$280,700	$316,100	3.3
Month-over-month change	–3.7%	5.9%	3.8%	5.0%
Year-over-year change	12.3%	17.2%	12.4%	–36.4%

	Northeast	Midwest	South	West
Mar-21	760,000	1,280,000	2,700,000	1,270,000
Feb-21	770,000	1,310,000	2,780,000	1,380,000
Mar-20	650,000	1,270,000	2,330,000	1,100,000
Month-over -month change	–1.3%	–2.3%	–2.9%	–8.0%
Year-over-year change	16.9%	0.8%	15.9%	15.5%

[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 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.

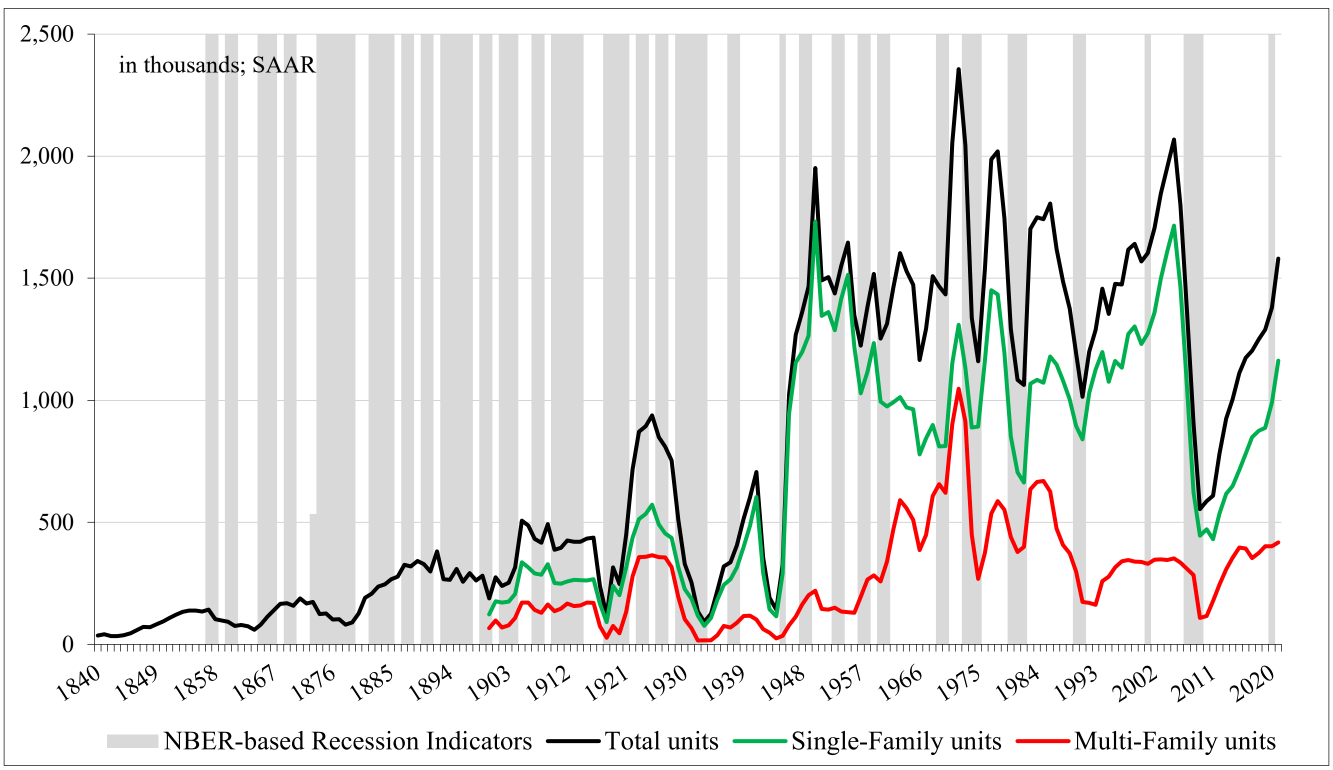

Figure 1. U.S. housing units and starts: 1840 to March 2021. Sources: Carliner (2010), Gottlieb (1964), and Census Bureau (2021a).