United States Department of Agriculture

United States Housing Brief, May 2021

Delton Alderman

Forest Service | Forest Products Laboratory | Research Note FPL–RN–0403 | August 2021

Abstract

The month-over-month housing data for May were varied, and all data were positively robust year-over-year in all categories. Declines were reported for total-, single-, and multifamily permits; total- and single-family completions; and existing house sales.

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

Contents

August 2021

Alderman, Delton. 2021. United States Housing Brief, May 2021. Research Note FPL-RN-0403 Madison, WI: U.S. Department of Agriculture, Forest Service, Forest Products Laboratory. 6

A limited number of free copies of this publication are available to the public from the Forest Products Laboratory, One Gifford Pinchot Drive, Madison, WI 53726-2398. This publication is also available online at www.fpl.fs.fed.us. Laboratory publications are sent to hundreds of libraries in the United States and elsewhere.

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

United States Housing Brief, May 2021

Delton Alderman, Research Forest Products Technologist
USDA Forest Service, Forest Products Laboratory, Madison, Wisconsin

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 monthly U.S. housing construction markets indicated some monthly declines and strong yearly improvements in May.

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".

May 2021
Housing Scorecard

Category[a]	Month-over-month change	Year-over-year change
Housing starts (total)	▲ 3.6%	▲ 50.3%
Single-family	▲ 4.2%	▲ 49.8%
Multifamily	▲ 2.4%	▲ 51.4%
Housing permits (total)	▼ 2.9%	▲ 35.1%
Single-family	▼ 1.2%	▲ 50.6%
Multifamily	▼ 6.2%	▲ 11.4%
Housing under construction (total)	▲ 0.5%	▲ 12.3%
Single-family	▲ 1.2%	▲ 27.8%
Multifamily	▼ 0.3%	▲ 0.4%
Housing completions (total)	▼ 4.1%	▲ 16.1%
Single-family	▼ 2.6%	▲ 17.0%
Multifamily	▼ 7.6%	▲ 14.0%
New single-family house sales	▼ 5.9%	▲ 9.2%
Private residential construction spending	▲ 0.2%	▲ 28.7%
Single-family construction spending	▲ 0.8%	▲ 46.1%
Existing house sales[b]	▼ 1.4%	▲ 46.9%

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

Starts

Total starts in May 2021 were at a seasonally adjusted annual rate (SAAR) of 1,421,000. This was 10.3% less than April 2021 and 9.3% less than May 2020. Single-family (SF) starts were 1,040,000, which was 8.5% less than May 2020. Multifamily (MF) starts of two to four units were 9,000 and five units or more were 372,000 (Census Bureau 2021a) (Table 1, Fig. 1).

Regionally, the South remained the strongest market, where total starts were 725,000, of which 535,000 were SF and 190,000 were MF. The West followed with total starts of 440,000, of which 317,000 were SF and 123,000 were MF. Total Midwest starts were 138,000, of which 114,000 were SF and 24,000 were MF. The Northeast recorded total starts of 118,000, of which 74,000 were SF and 44,000 were MF (Census Bureau 2021a). Table 1 provides housing start data for each start category for May 2021.

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

	Total starts[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
May-21	1,572,000	1,098,000	9,000	465,000
Apr-21	1,517,000	1,054,000	16,000	447,000
May-20	1,046,000	733,000	8,000	305,000
Month-over-month change	3.6%	4.2%	–43.8%	4.0%
Year-over-year change	50.3%	49.8%	12.5%	52.5%
	Northeast	Midwest	South	West
May-21	118,000	239,000	814,000	401,000
Apr-21	152,000	184,000	784,000	397,000
May-20	70,000	144,000	510,000	322,000
Month-over - month change	–22.4%	29.9%	3.8%	1.0%
Year-over-year change	68.6%	66.0%	59.6%	24.5%

[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 May 2021 were at a SAAR of 1,683,000. This was 2.9% less than April 2021 and 35.1% greater than May 2020. SF permits were 1,134,000, which was 1.2% less than April 2021. MF permits of two to four units were 58,000 and five units or more were 491,000 (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 898,000, of which 678,000 were SF and 220,000 were MF. The West followed with total permits of 406,000, of which 247,000 were SF and 159,000 were MF. Midwest total permits were 223,000, of which 138,000 were SF and 85,000 were MF. In the Northeast, total permits were 156,000, of which 71,000 were SF and 85,000 were MF (Census Bureau 2021b). Table 2 provides data by each permit category for May 2021.

Table 2─National and regional U.S. housing permits for May 2021 in comparison to April 2021 and May 2020

	Total permits[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
May-21	1,683,000	1,134,000	58,000	491,000
Apr-21	1,733,000	1,148,000	50,000	535,000
May-20	1,246,000	753,000	44,000	449,000
Month-over - month change	–2.9%	–1.2%	16.0%	–8.2%
Year-over-year change	35.1%	50.6%	31.8%	9.4%
	Northeast	Midwest	South	West
May-21	156,000	223,000	898,000	406,000
Apr-21	168,000	228,000	918,000	419,000
May-20	112,000	172,000	681,000	281,000
Month-over-month change	–7.1%	–2.2%	–2.2%	–3.1%
Year-over - year change	39.3%	29.7%	31.9%	44.5%

[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 May 2021 was at a SAAR of 1,324,000. This was a 0.5% increase from April 2021 and 12.3% greater than May 2020. SF HUC was 622,000, a 1.2% improvement from May 2020. MF HUC of two to four units was 13,000 and five units or more was- 652,000 (Census Bureau 2021a).

Regionally, the South remained the strongest market, where total HUC was 585,000, of which 314,000 were SF and 271,000 were MF. The West followed with a total HUC of 379,000 units, of which 181,000 were SF and 198,000 were MF. The Northeast total HUC was 190,000, of which 61,000 were SF and 129,000 were MF. Midwest total HUC was 170,000, of which 96,000 were SF and 74,000 were MF (Census Bureau 2021a). Table 3 provides HUC data for May 2021.

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

	Total HUC[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
May-21	1,324,000	652,000	13,000	659,000
Apr-21	1,318,000	644,000	13,000	661,000
May-20	1,179,000	510,000	12,000	657,000
Month-over-month change	0.5%	1.2%	0.0%	–0.3%
Year-over-year change	12.3%	27.8%	8.3%	0.3%

	Northeast	Midwest	South	West
May-21	190,000	170,000	585,000	379,000
Apr-21	188,000	170,000	586,000	374,000
May-20	174,000	147,000	520,000	338,000
Month-over - month change	1.1%	0.0%	–0.2%	1.3%
Year-over-year change	9.2%	15.6%	12.5%	12.1%

[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 May 2021 were at a SAAR of 1,368,000. This was 4.1% less than April 2021 and 16.1% greater than May 2020. SF completions were 978,000, which is 2.6% fewer than April 2021. MF completions of two to four units were 3,000 and five units or more were 387,000 (Census Bureau 2021a).

The South remained the strongest market, where total completions were 824,000, of which 599,000 were SF and 225,000 were MF. The West followed with total completions of 285,000 units, of which 217,000 were SF and 68,000 were MF. Midwest total completions were 192,000, of which 119,000 were SF and 73,000 were MF. Total Northeast completions were 67,000, of which 43,000 were SF and 24,000 were MF (Census Bureau 2021a). Table 4 provides housing completion data for May 2021.

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

	Total completions[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
May-21	1,368,000	978,000	3,000	387,000
Apr-21	1,426,000	1,004,000	3,000	419,000
May-20	1,178,000	836,000	14,000	328,000
Month-over-month change	–4.1%	–2.6%	0.0%	–7.6%
Year-over-year change	16.1%	17.0%	–78.6%	18.0%

	Northeast	Midwest	South	West
May-21	67,000	192,000	824,000	285,000
Apr-21	101,000	176,000	815,000	334,000
May-20	95,000	185,000	619,000	279,000
Month-over - month change	–33.7%	9.1%	1.1%	–14.7%
Year-over-year change	–29.5%	3.8%	33.1%	2.2%

[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 May 2021 were estimated at a SAAR of 769,000 units. This was a decrease of 5.9% from April 2021 and 9.2% greater than May 2020. Regionally, the South remained the strongest market with total new SF house sales of 432,000, followed by the West with 190,000. The Midwest recorded 95,000 sales and the Northeast had 52,000 (Census Bureau 2021c).

The median sales price of new houses sold in May 2021 was $374,400, and the mean sales price was $430,600 (Census Bureau 2021c). Table 5 provides new SF sales data for May 2021.

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

	New SF sales[a]	Median price	Mean price	Month's supply
May-21	769,000	$374,400	$430,600	5.1
Apr-21	817,000	$365,300	$420,900	4.6
May-20	704,000	$317,100	$368,700	5.3
Month-over-month change	–5.9%	2.5%	2.3%	10.9%
Year-over-year change	9.2%	18.1%	16.8%	–3.8%

	Northeast	Midwest	South	West
May-21	52,000	95,000	432,000	190,000
Apr-21	39,000	95,000	505,000	178,000
May-20	33,000	74,000	419,000	178,000
Month-over - month change	33.3%	0.0%	–14.5%	6.7%
Year-over-year change	57.6%	28.4%	3.1%	6.7%

[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. Total private residential construction spending for May 2021 was $751,747 million, a 0.2% increase from April 2021 and a 28.7% improvement from May 2020. SF construction spending was $376,794 million, and MF construction spending was $99,304 million. Improvement, or remodeling, spending was $250,172 million (Census Bureau 2021d). Table 6 provides data for each construction spending category for May 2021.

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

	Total private residential construction spending[a, b]	Single-family	Multi-family	Improvement[c]
May-21	$751,747	$402,271	$99,304	$250,172
Apr-21	$750,253	$399,176	$99,312	$251,765
May-20	$584,171	$275,397	$79,082	$229,692
Month-over-month change	0.2%	0.8%	0.0%	–0.6%
Year-over-year change	28.7%	46.1%	25.6%	8.9%

[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 May 2021 were at a SAAR of 5,800,000 units. This is a 0.9% decrease from April 2021 and a 44.6% improvement from May 2020. Regionally, the South remained the strongest market, with total existing house sales of 2,590,000 units, followed by the Midwest at 1,310,000 units. The West had total existing sales of 1,180,000 units and the Northeast had 720,000 units (FRED 2021). Table 7 provides existing house sales data for May 2021.

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

	Existing sales[a]	Median price	Mean price	Month's supply
May-21	5,800,000	$350,300	$371,900	2.5
Apr-21	5,850,000	$340,600	$364,100	2.4
May-20	4,010,000	$283,500	$317,900	4.6
Month-over-month change	–0.9%	2.8%	2.1%	4.2%
Year-over-year change	44.6%	23.6%	17.0%	–45.7%
	Northeast	**Midwest**	**South**	**West**
May-21	720,000	1,310,000	2,590,000	1,180,000
Apr-21	730,000	1,290,000	2,600,000	1,230,000
May-20	490,000	1,030,000	1,760,000	730,000
Month-over - month change	–1.4%	1.6%	–0.4%	–4.1%
Year-over-year change	46.9%	27.2%	47.2%	61.6%

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

Literature Cited

Carliner, M. 2010. Census bureau housing and demographic data. Available at http://www.michaelcarliner.com/index.html. (Accessed March 15, 2018.)

Census Bureau. 2021a. New residential construction. Washington, DC: U.S. Department of Commerce, Census Bureau. Available at https://www.census.gov/construction/nrc/index.html. (Accessed June 16, 2021.)

Census Bureau. 2021b. Building permits survey. Washington, DC: U.S. Department of Commerce, Census Bureau. Available at https://www.census.gov/construction/bps/. (Accessed June 23, 2021.)

Census Bureau. 2021c. New residential sales. Washington, DC: U.S. Department of Commerce, Census Bureau. Available at https://www.census.gov/construction/nrs/index.html. (Accessed June 23, 2021.)

Census Bureau. 2021d. Value of construction put in place at a glance. Washington, DC: U.S. Department of Commerce, Census Bureau. Available at https://www.census.gov/construction/c30/c30index.html. (Accessed July 1, 2021.)

FRED. 2021. Existing home sales. Federal Reserve Bank of St. Louis. Available at https://fred.stlouisfed.org/series/EXHOSLUSM495S. (Accessed June 22, 2021.)

Gottlieb, M. 1964. Estimates of residential building, US, 1840-1939. Available at http://www.nber.org/books/gott64-1840-1939. (Accessed March 15, 2018.)

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 May 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.

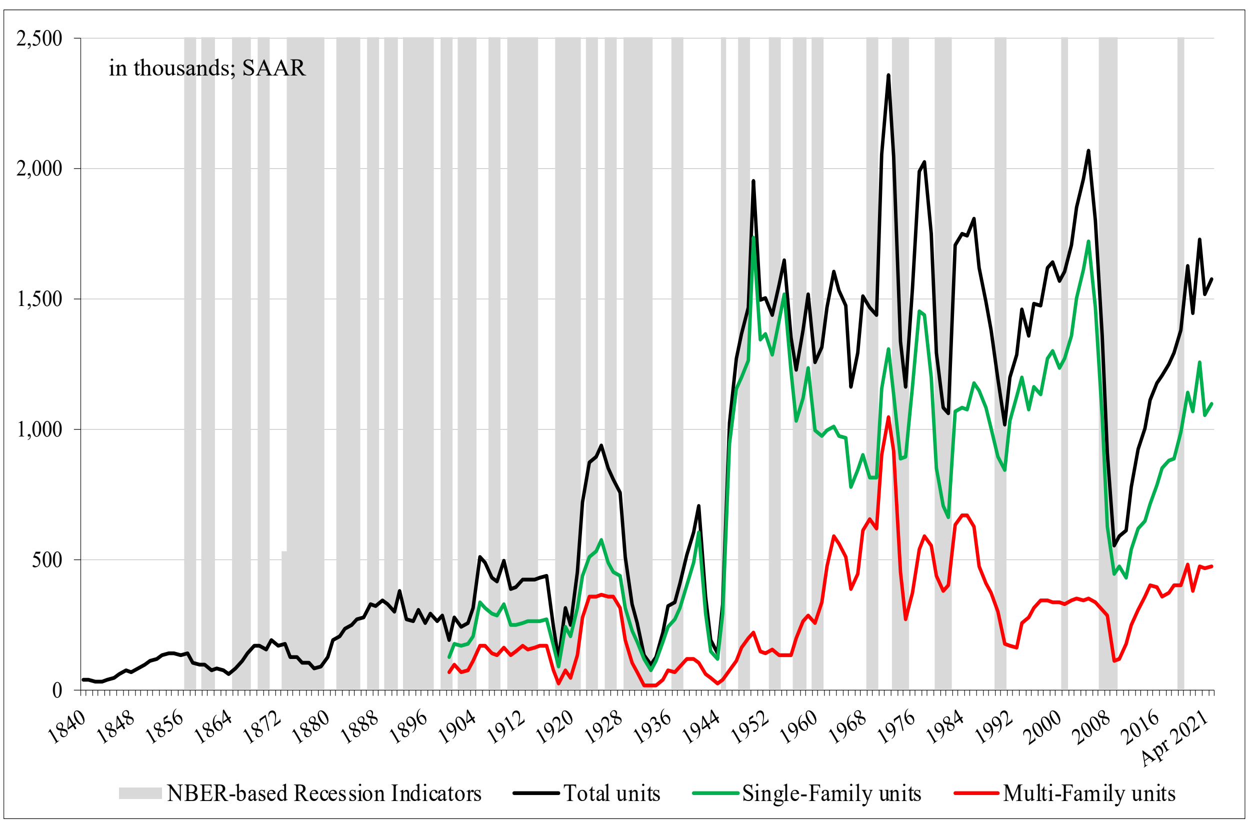

Figure 1. U.S. housing units and starts: 1840 to May 2021. Sources: Carliner (2010), Gottlieb (1964), and Census Bureau (2021a).