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United States Housing Brief, August 2021

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Forest Service

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Abstract

The month-over-month and year-over-year housing data for August were predominantly positive. Single-family starts were negative month-over-month, and permits were negative year-over-year. Completions remained slowed due to the unavailability of building materials and products, among other factors. Thus, certain builders may be reluctant to start new projects while waiting to complete units under construction.

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, August 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 mostly positive in August. Total housing starts, total and multifamily housing completions, and exiting sales were negative month-over-month. New and existing house sales were negative year-over-year. Completions remained slowed due to the unavailability of building materials and products, among other factors. Thus, certain builders may be reluctant to start new projects while waiting to complete units under construction.

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".

August 2021
Housing Scorecard

Category[a]	**Month-over-month change**	**Year-over-year change**
Housing starts (total)	▲ 3.9%	▲ 17.4%
Single-family	▼ 2.8%	▲ 5.2%
Multifamily	▲ 20.6%	▲ 52.7%
Housing permits (total)	▲ 5.6%	▲ 13.1%
Single-family	▲ 0.2%	▼ 0.5%
Multifamily	▲ 15.3%	▲ 43.7%
Housing under construction (total)	▲ 1.7%	▲ 15.8%
Single-family	▲ 1.6%	▲ 32.7%
Multi-family	▲ 1.7%	▲ 2.8%
Housing completions (total)	▼ 4.5%	▲ 9.4%
Single-family	▲ 2.8%	▲ 8.5%
Multifamily	▼ 19.7%	▲ 11.8%
New single-family house sales	▲ 1.5%	▼ 24.3%
Private residential construction spending	▲ 0.4%	▲ 24.3%
Single-family construction spending	▲ 0.7%	▲ 38.3%
Existing house sales[b]	▼ 2.0%	▼ 1.5%

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

Starts

Total starts in August 2021 were at a seasonally adjusted annual rate (SAAR) of 1,615,000. This was 3.9% greater than July and 17.4% greater than August 2020. Single-family (SF) starts were 1,076,000, which was 2.3% less than July 2021. Multifamily (MF) starts of two to four units were 9,000 and five units or more were 530,000 (Census Bureau 2021a) (Fig. 1).

Regionally, the South remained the strongest market, where total starts were 912,000, of which 684,000 were SF and 228,000 were MF. The West followed with total starts of 318,000, of which 202,000 were SF and 116,000 were MF. Total Midwest starts were 206,000, of which 126,000 were SF and 80,000 were MF. The Northeast recorded total starts of 179,000, of which 64,000 were SF and 115,000 were MF (Census Bureau 2021a). Table 1 provides housing start data for each start category for August 2021.

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

	Total starts[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Aug-21	1,615,000	1,076,000	9,000	530,000
July-21	1,554,000	1,107,000	11,000	436,000
Aug-20	1,376,000	1,023,000	22,000	331,000
Month-over-month change	3.9%	–2.8%	–18.2%	21.6%
Year-over-year change	17.4%	5.2%	–59.1%	60.1%
	Northeast	Midwest	South	West
Aug-21	179,000	206,000	912,000	318,000
July-21	67,000	185,000	899,000	403,000
Aug-20	87,000	241,000	706,000	342,000
Month-over - month change	167.2%	11.4%	1.4%	–21.1%
Year-over-year change	105.7%	–14.5%	29.2%	–7.0%

[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 August 2021 were at a SAAR of 1,721,000. This was 5.6% greater than July and 13.1% greater than August 2020. SF permits were 1,0500,000, which was 0.2% greater than July. MF permits of two to four units were 41,000 and five units or more were 630,000 (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 907,000, of which 608,000 were SF and 299,000 were MF. The West followed with total permits of 442,000, of which 249,000 were SF and 193,000 were MF. Midwest total permits were 217,000, of which 126,000 were SF and 91,000 were MF. In the Northeast, total permits were 155,000, of which 67,000 were SF and 88,000 were MF (Census Bureau 2021b). Table 2 provides data by each permit category for August 2021.

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

	Total permits[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Aug-21	1,721,000	1,050,000	41,000	630,000
July-21	1,630,000	1,048,000	54,000	528,000
Aug-20	1,522,000	1,055,000	53,000	414,000
Month-over - month change	5.6%	0.2%	–24.1%	19.3%
Year-over-year change	13.1%	–0.5%	–22.6%	52.2%
	Northeast	Midwest	South	West
Aug-21	155,000	217,000	907,000	442,000
July-21	130,000	213,000	857,000	430,000
Aug-20	127,000	195,000	823,000	377,000
Month-over-month change	19.2%	1.9%	5.8%	2.8%
Year-over - year change	22.0%	11.3%	10.2%	17.2%

[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) in August 2021 was at a SAAR of 1,404,000. This was a 1.7% increase from July and 15.8% greater than August 2020. SF HUC was 702,000, no change from July. MF HUC of two to four units was 13,000 and five units or more was 689,000 (Census Bureau 2021a).

Regionally, the South remained the strongest market, where total HUC was 642,000, of which 364,000 were SF and 278,000 were MF. The West followed with a total HUC of 385,000 units, of which 180,000 were SF and 205,000 were MF. The Northeast total HUC was 196,000, of which 60,000 were SF and 136,000 were MF. Midwest total HUC was 181,000, of which 98,000 were SF and 83,000 were MF (Census Bureau 2021a). Table 3 provides HUC data for August 2021.

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

	Total HUC[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Aug-21	1,404,000	702,000	13,000	689,000
July-21	1,381,000	691,000	13,000	677,000
Aug-20	1,212,000	529,000	11,000	672,000
Month-over-month change	1.7%	1.6%	0.0%	1.8%
Year-over-year change	15.8%	32.7%	18.2%	2.5%

	Northeast	Midwest	South	West
Aug-21	196,000	181,000	642,000	385,000
July-21	195,000	177,000	627,000	382,000
Aug-20	175,000	159,000	543,000	335,000
Month-over - month change	0.5%	2.3%	2.4%	0.8%
Year-over-year change	12.0%	13.8%	18.2%	14.9%

[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 August 2021 were at a SAAR of 1,330,000. This was 4.5% less than July and 9.4% less than August 2020. SF completions were 971,000, which is 2.8% greater than July. MF completions of two to four units were 3,000 and five units or more were 356,000 (Census Bureau 2021a).

The South remained the strongest market, where total completions were 708,000, of which 549,000 were SF and 159,000 were MF. The West followed with total completions of 326,000 units, of which 251,000 were SF and 75,000 were MF. Total Northeast completions were 155,000, of which 64,000 were SF and 91,000 were MF. Midwest total completions were 141,000, of which 107,000 were SF and 34,000 were MF (Census Bureau 2021a). Table 4 provides housing completion data for August 2021.

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

	Total completions[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Aug-21	1,330,000	971,000	3,000	356,000
July-21	1,392,000	945,000	14,000	433,000
Aug-20	1,216,000	895,000	9,000	312,000
Month-over-month change	–4.5%	2.8%	–78.6%	–17.8%
Year-over-year change	9.4%	8.5%	–66.7%	14.1%

	Northeast	Midwest	South	West
Aug-21	155,000	141,000	708,000	326,000
July-21	112,000	185,000	713,000	382,000
Aug-20	96,000	171,000	611,000	338,000
Month-over - month change	38.4%	–23.8%	–0.7%	–14.7%
Year-over-year change	61.5%	–17.5%	15.9%	–3.6%

[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 August 2021 were estimated at a SAAR of 740,000 units. This was an increase of 1.5% from July and 24.3% less than August 2020. Regionally, the South remained the strongest market with total new SF house sales of 445,000, followed by the West with 215,000. The Midwest recorded 51,000 sales, and the Northeast had 29,000 (Census Bureau 2021c).

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

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

	New SF sales[a]	Median price	Mean price	Month's supply
Aug-21	740,000	$390,900	$443,200	6.1
July-21	729,000	$390,900	$448,700	6.0
Aug-20	977,000	$325,500	$386,300	3.5
Month-over-month change	1.5%	0.0%	–1.2%	1.7%
Year-over-year change	–24.3%	20.1%	14.7%	74.3%

	Northeast	Midwest	South	West
Aug-21	29,000	51,000	445,000	215,000
July-21	23,000	74,000	420,000	212,000
Aug-20	46,000	96,000	578,000	257,000
Month-over - month change	26.1%	–31.1%	6.0%	1.4%
Year-over-year change	–37.0%	–46.9%	–23.0%	–16.3%

[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 August 2021 was $789,589 million, a 0.4% increase from July and a 24.3% improvement from August 2020. SF construction spending was $413,449 million, and MF construction spending was $99,467 million. Improvement, or remodeling, spending was $273,673 million (Census Bureau 2021d). Table 6 provides data for each construction spending category for August 2021.

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

	Total private residential construction spending[a, b]	Single-family	Multi-family	Improve-ment[c]
Aug-21	$786,589	$413,449	$99,467	$273,673
July-21	$783,521	$416,184	$100,269	$267,068
Aug-20	$632,725	$298,903	$88,257	$245,565
Month-over-month change	0.4%	–0.7%	–0.8%	2.5%
Year-over-year change	24.3%	38.3%	12.7%	11.4%

[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 August 2021 were at a SAAR of 5,190,000 units. This is a 1.9% decrease from July and a 2.8% decrease from August 2020. Regionally, the South remained the strongest market, with total existing house sales of 2,550,000 units, followed by the Midwest at 1,370,000 units. The West had total existing sales of 1,230,000 units, and the Northeast had 730,000 units (FRED 2021). Table 7 provides existing house sales data for August 2021.

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

	Existing sales[a]	Median price	Mean price	Month's supply
Aug-21	5,880,000	$356,700	$376,000	2.6
July-21	6,000,000	$359,500	$378,400	2.6
Aug-20	5,970,000	$310,400	$342,300	3.0
Month-over-month change	–2.0%	–0.8%	–0.6%	0.0%
Year-over-year change	–1.5%	14.9%	9.8%	–13.3%

	Northeast	Midwest	South	West
Aug-21	730,000	1,370,000	2,550,000	1,230,000
July-21	740,000	1,390,000	2,630,000	1,240,000
Aug-20	750,000	1,400,000	2,570,000	1,250,000
Month-over-month change	–1.4%	–1.4%	–3.0%	–0.8%
Year-over-year change	–2.7%	–2.1%	–0.8%	–1.6%

[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 August 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.

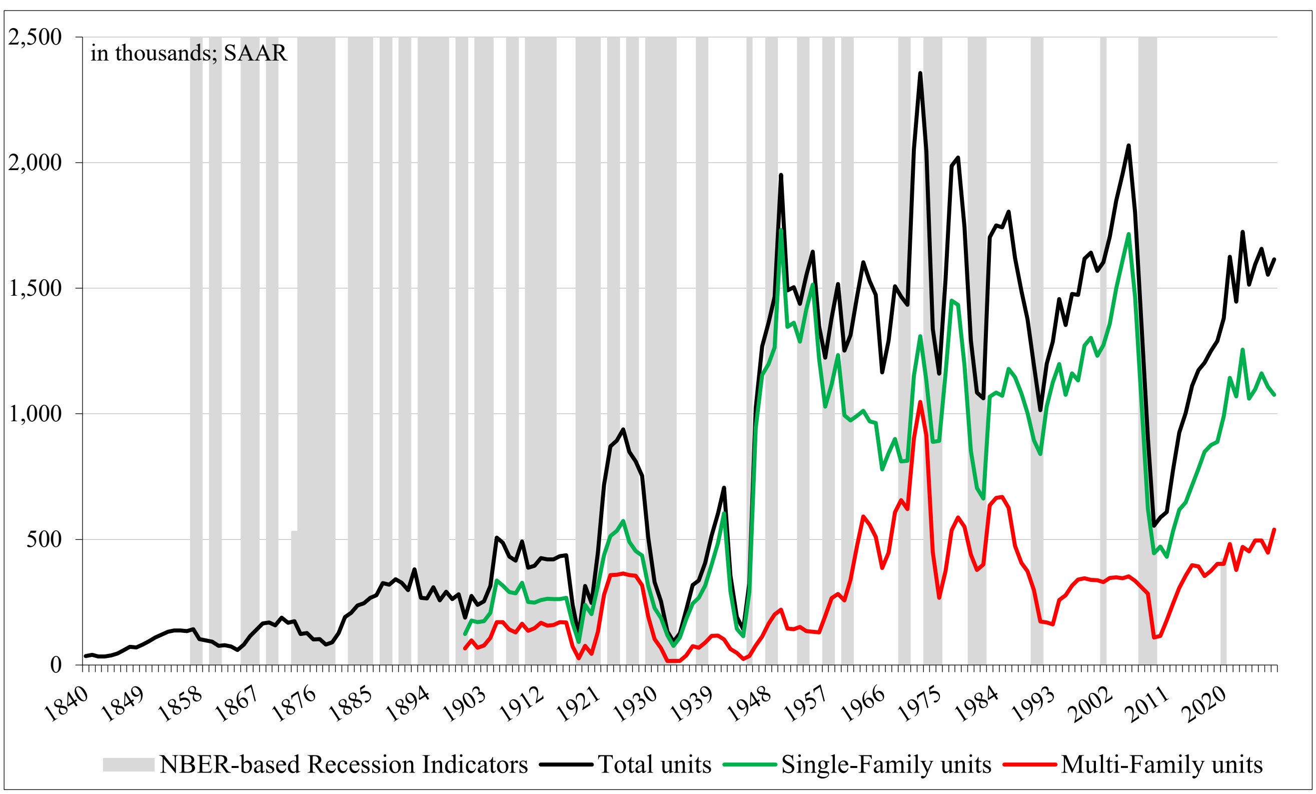

Figure 1. U.S. housing units and starts: 1840 to August 2021. Sources: Carliner (2010), Gottlieb (1964), and Census Bureau (2021a).