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United States Housing Brief, June 2021

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Abstract

The month-over-month housing data for June were predominantly positive year-over-year and month-over-month. However, housing permit and housing completions (all subcategories) and new housing sales were negative on a month-over-month 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, June 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. Aggregate U.S. housing construction markets were mostly positive in June.

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".

June 2021
Housing Scorecard

Category[a]	Month-over-month change	Year-over-year change
Housing starts (total)	▲ 6.3%	▲ 29.1%
Single-family	▲ 6.3%	▲ 28.5%
Multifamily	▲ 6.2%	▲ 30.5%
Housing permits (total)	▼ 5.3%	▲ 23.0%
Single-family	▼ 6.0%	▲ 25.4%
Multifamily	▼ 3.8%	▲ 18.4%
Housing under construction (total)	▲ 1.8%	▲ 14.5%
Single-family	▲ 2.9%	▲ 31.8%
Multifamily	▲ 0.7%	▲ 1.3%
Housing completions (total)	▼ 1.4%	▲ 6.5%
Single-family	▼ 6.1%	▼ 2.7%
Multifamily	▼ 10.5%	▲ 33.5%
New single-family house sales	▼ 6.6%	▼ 19.4%
Private residential construction spending	▲ 1.1%	▲ 29.3%
Single-family construction spending	▲ 1.8%	▲ 51.9%
Existing house sales[b]	▲ 1.4%	▲ 22.9%

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

Starts

Total starts in June 2021 were at a seasonally adjusted annual rate (SAAR) of 1,643,000. This was 6.3% greater than May and 29.1% greater than June 2020. Single-family (SF) starts were 1,160,000, which was 6.3% greater than June 2020. Multifamily (MF) starts of two to four units were 9,000 and five units or more were 474,000 (Census Bureau 2021a) (Fig. 1).

Regionally, the South remained the strongest market, where total starts were 882,000, of which 672,000 were SF and 210,000 were MF. The West followed with total starts of 429,000, of which 273,000 were SF and 156,000 were MF. Total Midwest starts were 210,000, of which 133,000 were SF and 77,000 were MF. The Northeast recorded total starts of 122,000, of which 82,000 were SF and 40,000 were MF (Census Bureau 2021a). Table 1 provides housing start data for each start category for June 2021.

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

	Total starts[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Jun-21	1,643,000	1,160,000	9,000	474,000
May-21	1,546,000	1,091,000	11,000	444,000
Jun-20	1,273,000	903,000	7,000	363,000
Month-over-month change	6.3%	6.3%	–18.2%	6.8%
Year-over-year change	29.1%	28.5%	28.6%	30.6%
	Northeast	Midwest	South	West
Jun-21	122,000	210,000	882,000	429,000
May-21	134,000	227,000	804,000	381,000
Jun-20	116,000	208,000	653,000	296,000
Month-over - month change	–9.0%	–7.5%	9.7%	12.6%
Year-over-year change	5.2%	1.0%	35.1%	44.9%

[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 June 2021 were at a SAAR of 1,594,000. This was 5.3% less than May and 23.0% greater than June 2020. SF permits were 1,066,000, which was 6.0% less than June 2020. MF permits of two to four units were 49,000 and five units or more were 479,000 (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 878,000, of which 641,000 were SF and 237,000 were MF. The West followed with total permits of 376,000, of which 232,000 were SF and 144,000 were MF. Midwest total permits were 205,000, of which 129,000 were SF and 76,000 were MF. In the Northeast, total permits were 135,000, of which 64,000 were SF and 71,000 were MF (Census Bureau 2021b). Table 2 provides data by each permit category for June 2021.

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

	Total permits[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Jun-21	1,594,000	1,066,000	49,000	479,000
May-21	1,683,000	1,134,000	58,000	491,000
Jun-20	1,296,000	850,000	41,000	405,000
Month-over - month change	–5.3%	–6.0%	–15.5%	–2.4%
Year-over-year change	23.0%	25.4%	19.5%	18.3%
	Northeast	Midwest	South	West
Jun-21	135,000	205,000	878,000	376,000
May-21	156,000	223,000	898,000	406,000
Jun-20	128,000	186,000	685,000	297,000
Month-over-month change	–13.5%	–8.1%	–2.2%	–7.4%
Year-over - year change	5.5%	10.2%	28.2%	26.6%

[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 June 2021 was at a SAAR of 1,359,000. This was a 1.8% increase from May and 14.5% greater than June 2020. SF HUC was 675,000, which was 2.9% greater than May. MF HUC of two to four units was 13,000 and five units or more was 671,000 (Census Bureau 2021a).

Regionally, the South remained the strongest market, where total HUC was 608,000, of which 334,000 were SF and 274,000 were MF. The West followed with a total HUC of 384,000 units, of which 184,000 were SF and 200,000 were MF. The Northeast total HUC was 192,000, of which 61,000 were SF and 131,000 were MF. Midwest total HUC was 175,000, of which 96,000 were SF and 79,000 were MF (Census Bureau 2021a). Table 3 provides HUC data for June 2021.

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

	Total HUC[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Jun-21	1,359,000	675,000	13,000	671,000
May-21	1,335,000	656,000	13,000	666,000
Jun-20	1,187,000	512,000	12,000	663,000
Month-over-month change	1.8%	2.9%	0.0%	0.8%
Year-over-year change	14.5%	31.8%	8.3%	1.2%

	Northeast	Midwest	South	West
Jun-21	192,000	175,000	608,000	384,000
May-21	193,000	172,000	593,000	377,000
Jun-20	175,000	150,000	524,000	338,000
Month-over - month change	–0.5%	1.7%	2.5%	1.9%
Year-over-year change	9.7%	16.7%	16.0%	13.6%

[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 June 2021 were at a SAAR of 1,324,000. This was 1.4% less than May and 6.5% greater than June 2020. SF completions were 902,000, which is 2.7% less than June 2020. MF completions of two to four units were 6,000 and five units or more were 416,000 (Census Bureau 2021a).

The South remained the strongest market, where total completions were 732,000, of which 492,000 were SF and 240,000 were MF. The West followed with total completions of 321,000 units, of which 222,000 were SF and 99,000 were MF. Midwest total completions were 160,000, of which 129,000 were SF and 31,000 were MF. Total Northeast completions were 111,000, of which 59,000 were SF and 52,000 were MF (Census Bureau 2021a). Table 4 provides housing completion data for June 2021.

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

	Total completions[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Jun-21	1,324,000	902,000	6,000	416,000
May-21	1,343,000	961,000	4,000	378,000
Jun-20	1,243,000	927,000	5,000	311,000
Month-over-month change	–1.4%	–6.1%	50.0%	10.1%
Year-over-year change	6.5%	-2.7%	20.0%	33.8%

	Northeast	Midwest	South	West
Jun-21	111,000	160,000	732,000	321,000
May-21	72,000	190,000	788,000	293,000
Jun-20	71,000	185,000	674,000	313,000
Month-over - month change	54.2%	–15.8%	–7.1%	9.6%
Year-over-year change	56.3%	–13.5%	8.6%	2.6%

[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 June 2021 were estimated at a SAAR of 676,000 units. This was a decrease of 6.6% from May and 19.4% less than June 2020. Regionally, the South remained the strongest market with total new SF house sales of 367,000, followed by the West with 186,000. The Midwest recorded 92,000 sales and the Northeast had 31,000 (Census Bureau 2021c).

The median sales price of new houses sold in June 2021 was $361,800, and the mean sales price was $428,700 (Census Bureau 2021c). Table 5 provides new SF sales data for June 2021.

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

	New SF sales[a]	Median price	Mean price	Month's supply
Jun-21	676,000	$361,800	$428,700	6.3
May-21	724,000	$380,700	$434,000	5.5
Jun-20	839,000	$341,100	$382,200	4.3
Month-over-month change	–6.6%	–5.0%	–1.2%	14.5%
Year-over-year change	–19.4%	6.1%	12.2%	46.5%

	Northeast	Midwest	South	West
Jun-21	31,000	92,000	367,000	186,000
May-21	43,000	87,000	398,000	196,000
Jun-20	52,000	86,000	488,000	213,000
Month-over - month change	–27.9%	5.7%	–7.8%	–5.1%
Year-over-year change	–40.4%	7.0%	–24.8%	–12.7%

[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 June 2021 was $763,403 million, an 1.1% increase from May and a 29.3% improvement from June 2020. SF construction spending was $411,798 million and MF construction spending was $99,091 million. Improvement, or remodeling, spending was $252,514 million (Census Bureau 2021d). Table 6 provides data for each construction spending category for June 2021.

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

	Total private residential construction spending[a, b]	Single-family	Multi-family	Improvement[c]
Jun-21	$763,403	$411,798	$99,091	$252,514
May-21	$755,366	$404,586	$99,228	$251,552
Jun-20	$590,445	$271,187	$82,778	$236,480
Month-over-month change	1.1%	1.8%	–0.1%	0.4%
Year-over-year change	29.3%	51.9%	19.7%	6.8%

[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 June 2021 were at a SAAR of 5,860,000 units. This is a 1.4% increase from May and a 22.9% improvement from June 2020. Regionally, the South remained the strongest market, with total existing house sales of 2,590,000 units, followed by the Midwest at 1,330,000 units. The West had total existing sales of 1,200,000 units, and the Northeast had 740,000 units (FRED 2021a). Table 7 provides existing house sales data for June 2021.

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

	Existing sales[a]	Median price	Mean price	Month's supply
Jun-21	5,860,000	$363,300	$381,800	2.6
May-21	5,780,000	$350,400	$371,700	2.5
Jun-20	4,770,000	$294,400	$328,900	3.9
Month-over-month change	1.4%	3.7%	2.7%	4.0%
Year-over-year change	22.9%	23.4%	16.1%	–33.3%

	Northeast	Midwest	South	West
Jun-21	740,000	1,330,000	2,590,000	1,200,000
May-21	720,000	1,290,000	2,590,000	1,180,000
Jun-20	510,000	1,120,000	2,170,000	970,000
Month-over - month change	2.8%	3.1%	0.0%	1.7%
Year-over-year change	45.1%	18.8%	19.4%	23.7%

[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 June 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.

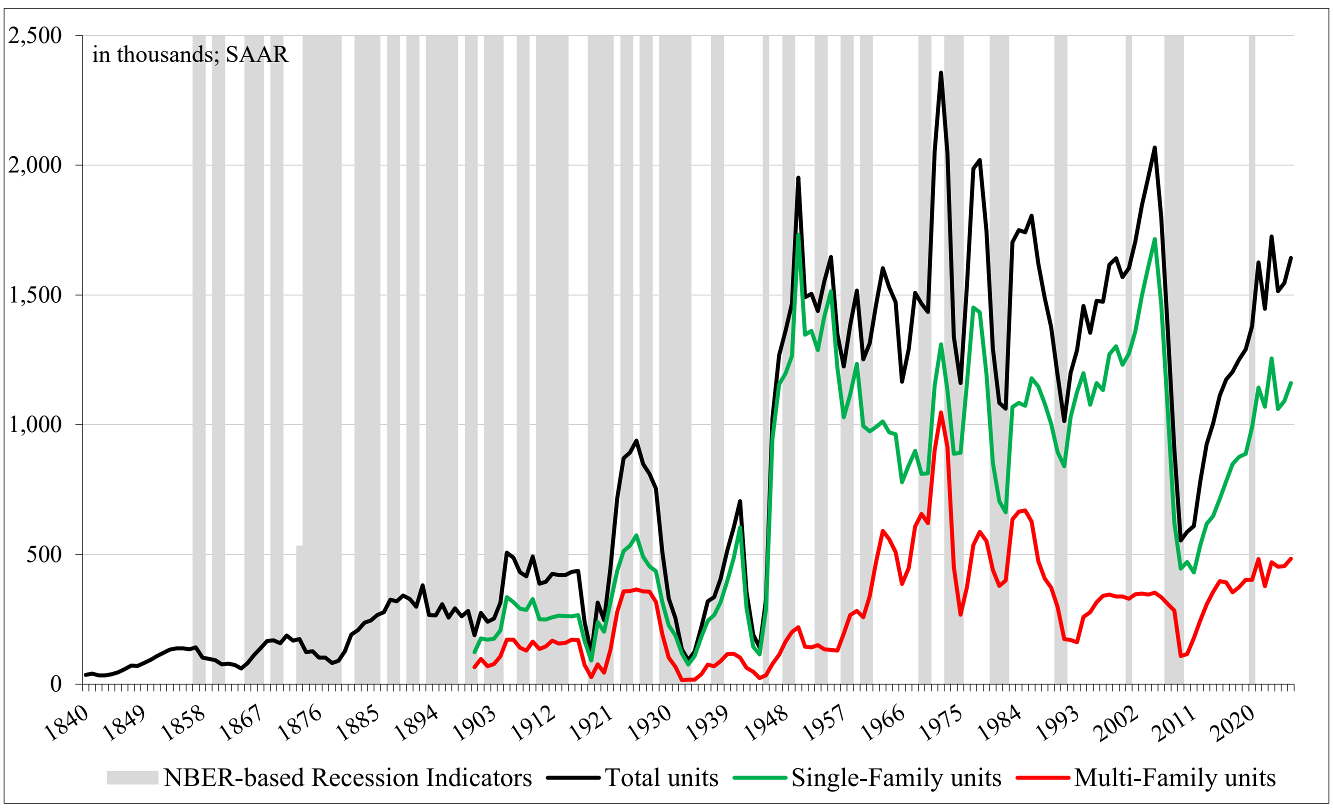

Figure 1. U.S. housing units and starts: 1840 to June 2021. Sources: Carliner (2010), FRED (2021b), Gottlieb (1964), and Census Bureau (2021a).