United States Department of Agriculture

United States Housing Brief, September 2021

Delton Alderman

Forest Service | Forest Products Laboratory | Research Note FPL–RN–0407 | April 2022

Abstract

The month-over-month and year-over-year housing data for September were mixed. Single-family permits and starts, harbingers for current and future construction, were negative month-over-month and year-over-year. Completions remained slowed due to the unavailability of building materials and products, among other factors. Total and single-family housing under construction were the only categories positive on month-over-month and year-over-year bases.

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

Contents

April 202221

Alderman, Delton. 2022. United States Housing Brief, September 2021. Research Note FPL-RN-0407. Madison, WI: U.S. Department of Agriculture, Forest Service, Forest Products Laboratory. 6 p.

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, September 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. Aggregate U.S. housing construction market data were mixed in September. Single-family permits and starts, harbingers for current and future construction, were negative month-over-month and year-over-year. Completions remained slowed due to the unavailability of building materials and products, among other factors. Total and single-family housing under construction were the only categories positive on month-over-month and year-over-year bases.

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".

September 2021 Housing Scorecard

Category[a]		**Month-over-month change**		**Year-over-year change**
Housing starts (total)	▼	1.6%	▲	7.4%
Single-family		0.0%	▼	2.3%
Multifamily	▼	5.0%	▲	38.5%
Housing permits (total)	▼	7.8%	▼	0.2%
Single-family	▼	0.9%	▼	7.1%
Multifamily	▼	18.8%	▲	16.5%
Housing under construction (total)	▲	1.3%	▲	17.1%
Single-family	▲	1.1%	▲	30.6%
Multifamily	▲	1.4%	▲	6.1%
Housing completions (total)	▼	4.6%	▼	13.0%
Single-family		0.0%	▲	2.1%
Multifamily	▼	17.3%	▼	41.8%
New single-family house sales	▲	14.0%	▼	17.6%
Private residential construction spending	▼	0.4%	▲	19.3%
Single-family construction spending	▼	0.6%	▲	30.4%
Existing house sales[b]	▲	7.0%	▼	2.3%

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

Starts

Total starts in September 2021 were at a seasonally adjusted annual rate (SAAR) of 1,555,000. This was 1.6% less than August and 7.4% greater than September 2020. Single-family (SF) starts were 1,080,000, which was no change from September 2020. Multifamily (MF) starts of two to four units were 8,000 and five units or more were 467,000 (Census Bureau 2021a) (Fig. 1).

Regionally, the South remained the strongest market, where total starts were 835,000, of which 632,000 were SF and 203,000 were MF. The West followed with total starts of 383,000, of which 245,000 were SF and 138,000 were MF. Total Midwest starts were 217,000, of which 137,000 were SF and 80,000 were MF. The Northeast recorded total starts of 120,000, of which 66,000 were SF and 54,000 were MF (Census Bureau 2021a). Table 1 provides housing start data for each start category for September 2021.

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

	Total starts[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Sep-21	1,555,000	1,080,000	8,000	467,000
Aug-21	1,580,000	1,080,000	8,000	492,000
Sep-20	1,448,000	1,105,000	5,000	338,000
Month-over-month change	–1.6%	0.0%	0.0%	–5.1%
Year-over-year change	7.4%	–2.3%	60.0%	38.2%
	Northeast	Midwest	South	West
Sep-21	120,000	217,000	835,000	383,000
Aug-21	165,000	203,000	891,000	321,000
Sep-20	126,000	210,000	763,000	349,000
Month-over - month change	–27.3%	6.9%	–6.3%	19.3%
Year-over-year change	–4.8%	3.3%	9.4%	9.7%

[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 September 2021 were at a SAAR of 1,586,000. This was 7.8% less than August and 0.2% less than September 2020. SF permits were 1,041,000, which was 0.9% less than September 2020. MF permits of two to four units were 49,000 and five units or more were 496,000 (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 849,000, of which 619,000 were SF and 230,000 were MF. The West followed with total permits of 397,000, of which 241,000 were SF and 156,000 were MF. Midwest total permits were 216,000, of which 126,000 were SF and 90,000 were MF. In the Northeast, total permits were 124,000, of which 55,000 were SF and 69,000 were MF (Census Bureau 2021b). Table 2 provides data by each permit category for September 2021.

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

	Total permits[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Sep-21	1,586,000	1,041,000	49,000	496,000
Aug-21	1,721,000	1,050,000	41,000	630,000
Sep-20	1,589,000	1,121,000	46,000	422,000
Month-over - month change	–7.8%	–0.9%	19.5%	–21.3%
Year-over-year change	–0.2%	–7.1%	6.5%	17.5%
	Northeast	Midwest	South	West
Sep-21	124,000	216,000	849,000	397,000
Aug-21	155,000	217,000	907,000	442,000
Sep-20	156,000	215,000	837,000	381,000
Month-over-month change	–20.0%	–0.5%	–6.4%	–10.2%
Year-over - year change	–20.5%	0.5%	1.4%	4.2%

[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) issued in September 2021 was at a SAAR of 1,426,000. This was a 1.3% increase from August and 17.1% greater than September 2020. SF HUC was 712,000, which was 1.1% greater than August. MF HUC of two to four units were 13,000 and five units or more were 701,000 (Census Bureau 2021a).

Regionally, the South remained the strongest market, where total HUC was 653,000, of which 368,000 were SF and 285,000 were MF. The West followed with a total HUC of 395,000 units, of which 185,000 were SF and 210,000 were MF. The Northeast total HUC was 196,000, of which 60,000 were SF and 136,000 were MF. Midwest total HUC was 182,000, of which 99,000 were SF and 83,000 were MF (Census Bureau 2021a). Table 3 provides HUC data for September 2021.

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

	Total HUC[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Sep-21	1,426,000	712,000	13,000	701,000
Aug-21	1,408,000	704,000	13,000	691,000
Sep-20	1,218,000	545,000	11,000	662,000
Month-over-month change	1.3%	1.1%	0.0%	1.4%
Year-over-year change	17.1%	30.6%	18.2%	5.9%
	Northeast	Midwest	South	West
Sep-21	196,000	182,000	653,000	395,000
Aug-21	199,000	178,000	643,000	388,000
Sep-20	179,000	160,000	546,000	333,000
Month-over - month change	–1.5%	2.2%	1.6%	1.8%
Year-over-year change	9.5%	13.8%	19.6%	18.6%

[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 September 2021 were at a SAAR of 1,240,000. This was 4.6% less than August and 13.0% less than September 2020. SF completions were 953,000, which is 2.1% less than September 2020. MF completions of two to four units were 7,000 and five units or more were 280,000 (Census Bureau 2021a).

The South remained the strongest market, where total completions were 676,000, of which 554,000 were SF and 122,000 were MF. The West followed with total completions of 265,000 units, of which 214,000 were SF and 51,000 were MF. Midwest total completions were 188,000, of which 129,000 were SF and 59,000 were MF. Total Northeast completions were 111,000, of which 56,000 were SF and 55,000 were MF (Census Bureau 2021a). Table 4 provides housing completion data for September 2021.

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

	Total completions[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Sep-21	1,240,000	953,000	7,000	280,000
Aug-21	1,300,000	953,000	5,000	342,000
Sep-20	1,426,000	933,000	12,000	481,000
Month-over-month change	–4.6%	0.0%	40.0%	–18.1%
Year-over-year change	–13.0%	2.1%	–41.7%	–41.8%
	Northeast	Midwest	South	West
Sep-21	111,000	188,000	676,000	265,000
Aug-21	137,000	159,000	699,000	305,000
Sep-20	102,000	207,000	752,000	365,000
Month-over - month change	–19.0%	18.2%	–3.3%	–13.1%
Year-over-year change	8.8%	–9.2%	–10.1%	–27.4%

[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 September 2021 were estimated at a SAAR of 800,000 units. This was an increase of 1.0% from August and 17.6% less than September 2020. Regionally, the South remained the strongest market, with total new SF house sales of 424,000, followed by the West with 182,000. The Midwest recorded 65,000 sales, and the Northeast had 31,000 (Census Bureau 2021c).

The median sales price of new houses sold in September 2021 was $408,800, and the mean sales price was $451,700 (Census Bureau 2021c). Table 5 provides new SF sales data for September 2021.

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

	New SF sales[a]	Median price	Mean price	Month's supply
Sep-21	800,000	$408,800	$451,700	5.7
Aug-21	702,000	$401,500	$446,900	6.5
Sep-20	971,000	$344,400	$405,100	3.5
Month-over-month change	14.0%	1.8%	1.1%	–12.3%
Year-over-year change	–17.6%	18.7%	11.5%	62.9%
	Northeast	Midwest	South	West
Sep-21	31,000	65,000	424,000	182,000
Aug-21	25,000	77,000	414,000	196,000
Sep-20	46,000	96,000	578,000	257,000
Month-over - month change	24.0%	–15.6%	2.4%	–7.1%
Year-over-year change	–32.6%	–32.3%	–26.6%	–29.2%

[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 September 2021 was $773,537 million, a 0.4% decrease from August and a 19.3% improvement from September 2020. SF construction spending was $412,662 million and MF construction spending was $100,044 million. Improvement, or remodeling, spending was $260,831 million (Census Bureau 2021d). Table 6 provides data for each construction spending category for September 2021.

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

	Total private residential construction spending[a, b]	Single-family	Multi-family	Improvement[c]
Sep-21	$773,537	$412,662	$100,044	$260,831
Aug-21	$776,785	$415,330	$100,334	$261,121
Sep-20	$648,272	$316,390	$90,556	$241,326
Month-over-month change	–0.4%	–0.6%	–0.3%	–0.1%
Year-over-year change	19.3%	30.4%	10.5%	8.1%

[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 September 2021 were at a SAAR of 6,290,000 units. This is a 7.0% increase from August and a 2.3% decrease from September 2020. Regionally, the South remained the strongest market, with total existing house sales of 2,770,000 units, followed by the Midwest at 1,440,000 units. The West had total existing sales of 1,310,000 units and the Northeast had 770,000 units (FRED 2021a). Table 7 provides existing house sales data for September 2021.

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

	Existing sales[a]	Median price	Mean price	Month's supply
Sep-21	6,290,000	$352,800	$372,600	2.4
Aug-21	5,880,000	$357,700	$376,800	2.6
Sep-20	6,440,000	$311,500	$343,100	2.7
Month-over-month change	7.0%	–1.4%	–1.1%	–7.7%
Year-over-year change	–2.3%	13.3%	8.6%	–11.1%

	Northeast	Midwest	South	West
Sep-21	770,000	1,440,000	2,770,000	1,310,000
Aug-21	730,000	1,370,000	2,550,000	1,230,000
Sep-20	840,000	1,480,000	2,770,000	1,350,000
Month-over - month change	5.5%	5.1%	8.6%	6.5%
Year-over-year change	–8.3%	–2.7%	0.0%	–3.0%

[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 October 19, 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 October 27, 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 October 26, 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 November 1, 2021.)

FRED. 2021a. Existing home sales. Federal Reserve Bank of St. Louis. Available at https://fred.stlouisfed.org/series/EXHOSLUSM495S. (Accessed October 20, 2021.)

FRED. 2021b. NBER based recession indicators for the U.S., 1855 to October 2021. Available at https://fred.stlouisfed.org/series/USREC. (Accessed August 8, 2021.)

Gottlieb, M. 1964. Estimates of residential building, US, 1840-1939. Available at https://www.nber.org/books-and-chapters/estimates-residential-building-united-states-1840-1939. (Accessed April 27, 2022.)

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 September 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.

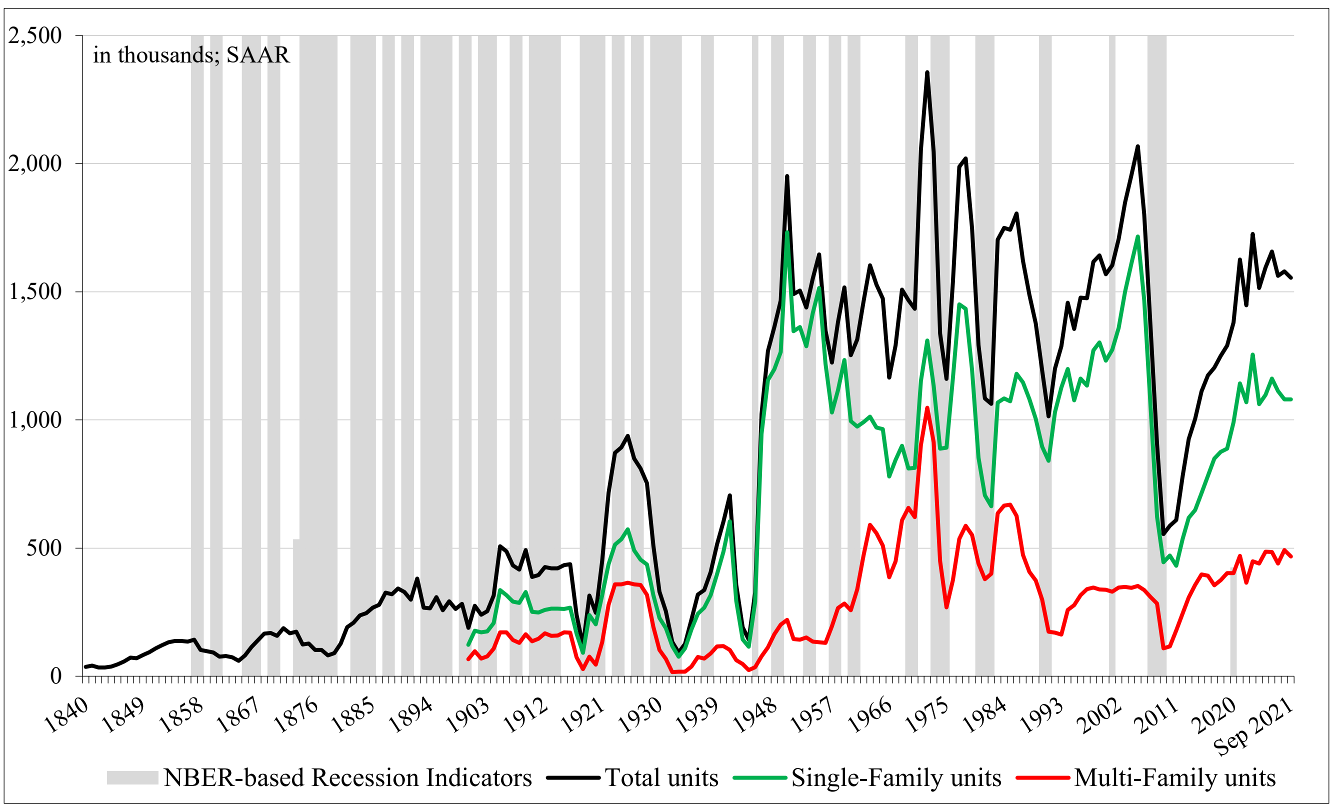

Figure 1. U.S. housing units and starts: 1840 to September 2021. Sources: Carliner (2010), FRED (2021b), Gottlieb (1964), and Census Bureau (2021a).