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United States Housing Brief, October 2021

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Abstract

The month-over-month and year-over-year housing data for October were mostly positive. Total and single-family starts and single-family housing completions were negative month-over-month. Single-family permits and starts, total housing completions, and new and existing house sales were negative year-over-year. Currently there are more multifamily units under construction than at any time over the past 47 years. Completions remained restrained 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, October 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 October. Total and single-family starts and single-family housing completions were negative month-over-month. Single-family permits and starts, total housing completions, and new and existing house sales were negative year-over-year. Currently there are more multifamily units under construction than at any time over the past 47 years. Completions remained restrained 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".

October 2021 Housing Scorecard

Category[a]	Month-over-month change	Year-over-year change
Housing starts (total)	▼ 0.7%	▲ 0.4%
Single-family	▼ 3.9%	▼ 10.6%
Multifamily	▲ 7.1%	▲ 36.6%
Housing permits (total)	▲ 4.2%	▲ 3.6%
Single-family	▲ 3.2%	▼ 5.9%
Multifamily	▲ 6.2%	▲ 27.5%
Housing under construction (total)	▲ 1.6%	▲ 18.2%
Single-family	▲ 1.4%	▲ 28.3%
Multifamily	▲ 1.8%	▲ 9.5%
Housing completions (total)	0.0%	▼ 8.4%
Single-family	▼ 1.7%	▲ 3.5%
Multifamily	▲ 5.4%	▼ 31.7%
New single-family house sales	▲ 0.4%	▼ 23.1%
Private residential construction spending	▼ 0.5%	▲ 16.7%
Single-family construction spending	▲ 0.8%	▲ 23.1%
Existing house sales[b]	▲ 0.8%	▼ 5.8%

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

Starts

Total starts in October 2021 were at a seasonally adjusted annual rate (SAAR) of 1,520,000. This was 0.7% less than September and 0.4% greater than October 2020. Single-family (SF) starts were 1,039,000, which was 3.9% less than September 2021. Multifamily (MF) starts of two to four units were 11,000 and five units or more were 470,000 (Census Bureau 2021a) (Fig. 1).

Regionally, the South remained the strongest market, where total starts were 792,000, of which 610,000 were SF and 182,000 were MF. The West followed with total starts of 380,000, of which 249,000 were SF and 131,000 were MF. Total Midwest starts were 226,000, of which 124,000 were SF and 102,000 were MF. The Northeast recorded total starts of 122,000, of which 56,000 were SF and 66,000 were MF (Census Bureau 2021a). Table 1 provides housing start data for each start category for October 2021.

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

	Total starts[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Oct-21	1,520,000	1,039,000	11,000	470,000
Sep-21	1,530,000	1,081,000	9,000	440,000
Oct-20	1,514,000	1,162,000	15,000	337,000
Month-over-month change	–0.7%	–3.9%	22.2%	6.8%
Year-over-year change	0.4%	–10.6%	–26.7%	39.5%
	Northeast	**Midwest**	**South**	**West**
Oct-21	122,000	226,000	792,000	380,000
Sep-21	123,000	214,000	800,000	393,000
Oct-20	84,000	208,000	840,000	382,000
Month-over - month change	–0.8%	5.6%	–1.0%	–3.3%
Year-over-year change	45.2%	8.7%	–5.7%	–0.5%

[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 October 2021 were at a SAAR of 1,653,000. This was 4.2% greater than September and 3.6% greater than October 2020. SF permits were 1,074,000, which was 3.2% greater than September. MF permits of two to four units were 51,000 and five units or more were 528,000 (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 859,000, of which 639,000 were SF and 220,000 were MF. The West followed with total permits of 431,000, of which 239,000 were SF and 192,000 were MF. Midwest total permits were 234,000, of which 133,000 were SF and 101,000 were MF. In the Northeast, total permits were 129,000, of which 63,000 were SF and 66,000 were MF (Census Bureau 2021b). Table 2 provides data by each permit category for October 2021.

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

	Total permits[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Oct-21	1,653,000	1,074,000	51,000	528,000
Sep-21	1,586,000	1,041,000	49,000	496,000
Oct-20	1,595,000	1,141,000	60,000	394,000
Month-over - month change	4.2%	3.2%	4.1%	6.5%
Year-over-year change	3.6%	–5.9%	–15.0%	34.0%
	Northeast	**Midwest**	**South**	**West**
Oct-21	129,000	234,000	859,000	431,000
Sep-21	124,000	216,000	849,000	397,000
Oct-20	141,000	220,000	848,000	386,000
Month-over-month change	4.0%	8.3%	1.2%	8.6%
Year-over - year change	–8.5%	6.4%	1.3%	11.7%

[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 October 2021 was at a SAAR of 1,451,000. This was a 1.6% increase from September and 18.2% greater than October 2020. SF HUC was 726,000, an 1.4% improvement from September. MF HUC of two to four units was 13,000 and five units or more was 712,000 (Census Bureau 2021a).

Regionally, the South remained the strongest market, where total HUC was 662,000, of which 376,000 were SF and 286,000 were MF. The West followed with a total HUC of 405,000 units, of which 189,000 were SF and 216,000 were MF. The Northeast total HUC was 201,000, of which 62,000 were SF and 139,000 were MF. Midwest total HUC was 183,000, of which 99,000 were SF and 84,000 were MF (Census Bureau 2021a). Table 3 provides HUC data for October 2021.

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

	Total HUC[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Oct-21	1,451,000	726,000	13,000	712,000
Sep-21	1,428,000	716,000	13,000	699,000
Oct-20	1,228,000	566,000	11,000	651,000
Month-over-month change	1.6%	1.4%	0.0%	1.9%
Year-over-year change	18.2%	28.3%	18.2%	9.4%
	Northeast	Midwest	South	West
Oct-21	201,000	183,000	662,000	405,000
Sep-21	200,000	179,000	652,000	397,000
Oct-20	179,000	162,000	552,000	335,000
Month-over -month change	0.5%	2.2%	1.5%	2.0%
Year-over-year change	12.3%	13.0%	19.9%	20.9%

[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 October 2021 were at a SAAR of 1,242,000. This was no change from September and 8.4% less than October 2020. SF completions were 929,000, which is 1.7% fewer than September. MF completions of two to four units were 11,000 and five units or more were 302,000 (Census Bureau 2021a).

The South remained the strongest market, where total completions were 643,000, of which 521,000 were SF and 122,000 were MF. The West followed with total completions of 313,000 units, of which 239,000 were SF and 74,000 were MF. Midwest total completions were 165,000, of which 119,000 were SF and 46,000 were MF. Total Northeast completions were 121,000, of which 50,000 were SF and 71,000 were MF (Census Bureau 2021a). Table 4 provides housing completion data for October 2021.

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

	Total completions[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Oct-21	1,242,000	929,000	11,000	302,000
Sep-21	1,242,000	945,000	7,000	290,000
Oct-20	1,356,000	898,000	16,000	442,000
Month-over-month change	0.0%	–1.7%	57.1%	4.1%
Year-over-year change	–8.4%	3.5%	–31.3%	–31.7%
	Northeast	Midwest	South	West
Oct-21	121,000	165,000	643,000	313,000
Sep-21	101,000	196,000	689,000	256,000
Oct-20	97,000	194,000	722,000	343,000
Month-over -month change	19.8%	–15.8%	–6.7%	22.3%
Year-over-year change	24.7%	–14.9%	–10.9%	–8.7%

[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 October 2021 were estimated at a SAAR of 745,000 units. This was an increase of 0.4% from September and 23.1% less than October 2020. Regionally, the South remained the strongest market with total new SF house sales of 450,000, followed by the West with 184,000. The Midwest recorded 81,000 sales and the Northeast had 30,000 (Census Bureau 2021c).

The median sales price of new houses sold in October 2021 was $407,700, and the mean sales price was $477,800 (Census Bureau 2021c). Table 5 provides new SF sales data for October 2021.

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

	New SF sales[a]	Median price	Mean price	Month's supply
Oct-21	745,000	$407,700	$477,800	6.6
Sep-21	742,000	$404,700	$457,200	6.4
Oct-20	969,000	$346,900	$394,600	3.5
Month-over-month change	0.4%	0.7%	4.5%	3.1%
Year-over-year change	–23.1%	17.5%	21.1%	88.6%
	Northeast	**Midwest**	**South**	**West**
Oct-21	30,000	81,000	450,000	184,000
Sep-21	34,000	73,000	449,000	186,000
Oct-20	41,000	113,000	540,000	275,000
Month-over - month change	–11.8%	11.0%	0.2%	–1.1%
Year-over-year change	–26.8%	–28.3%	–16.7%	–33.1%

[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 October 2021 was $774,688 million, a 0.5% decrease from September and a 16.7% improvement from October 2020. SF construction spending was $412,084 million, and MF construction spending was $100,115 million. Improvement, or remodeling, spending was $262,489 million (Census Bureau 2021d). Table 6 provides data for each construction spending category for October 2021.

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

	Total private residential construction spending[a, b]	Single-family	Multi-family	Improve-ment[c]
Oct-21	$774,688	$412,084	$100,115	$262,489
Sep-21	$778,569	$415,398	$100,238	$262,933
Oct-20	$664,062	$334,671	$91,100	$238,291
Month-over-month change	–0.5%	–0.8%	–0.1%	–0.2%
Year-over-year change	16.7%	23.1%	9.9%	10.2%

[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 October 2021 were at a SAAR of 6,340,000 units. This is a 0.8% increase from September and a 5.8% decline from October 2020. Regionally, the South remained the strongest market, with total existing house sales of 2,780,000 units, followed by the Midwest at 1,500,000 units. The West had total existing sales of 1,310,000 units, and the Northeast had 750,000 units (FRED 2021a). Table 7 provides existing house sales data for October 2021.

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

	Existing sales[a]	Median price	Mean price	Month's supply
Oct-21	6,340,000	$353,900	$372,800	2.4
Sep-21	6,290,000	$351,200	$371,400	2.4
Oct-20	6,730,000	$313,000	$344,700	2.5
Month-over-month change	0.8%	0.8%	0.4%	0.0%
Year-over-year change	–5.8%	13.1%	8.2%	–4.0%
	Northeast	Midwest	South	West
Oct-21	750,000	1,500,000	2,780,000	1,310,000
Sep-21	770,000	1,440,000	2,770,000	1,310,000
Oct-20	870,000	1,600,000	2,880,000	1,380,000
Month-over - month change	–2.6%	4.2%	0.4%	0.0%
Year-over-year change	–13.8%	–6.3%	–3.5%	–5.1%

[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 October 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.

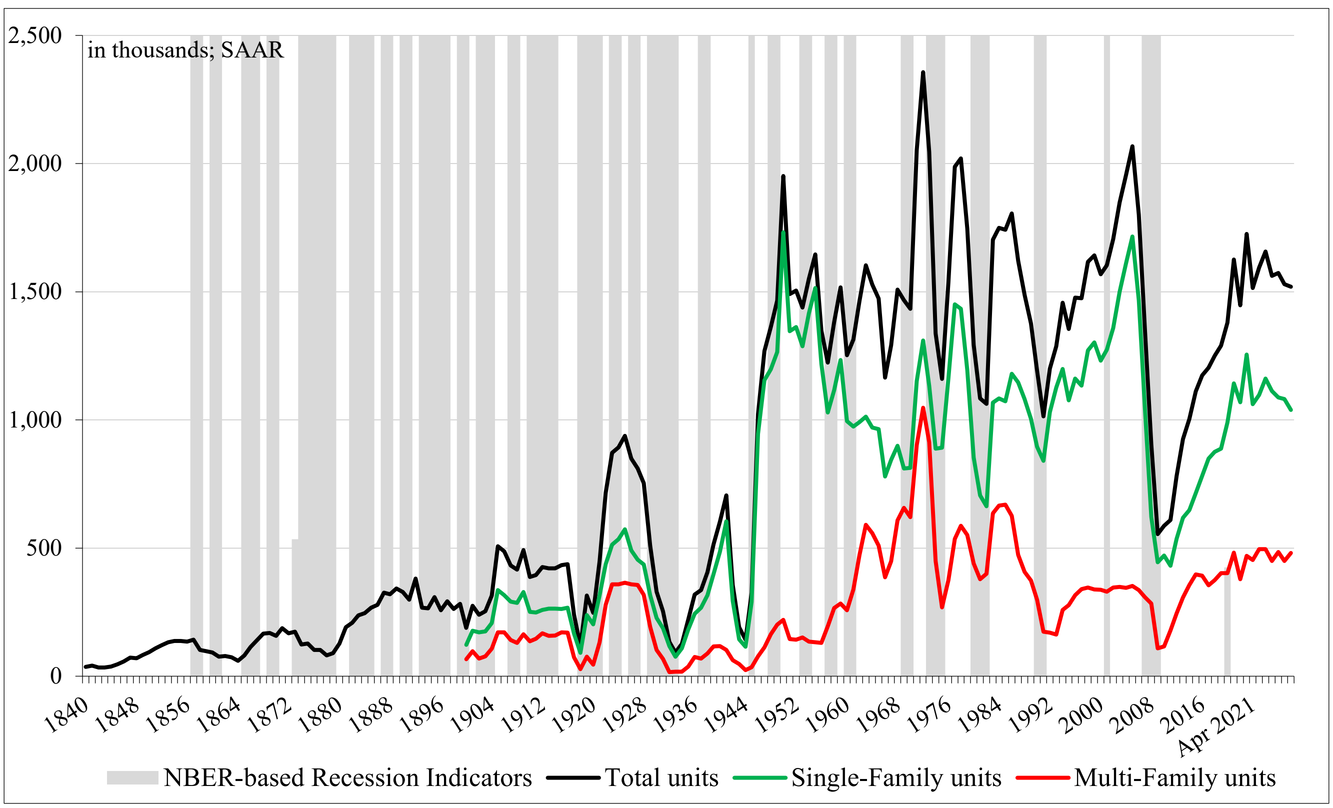

Figure 1. U.S. housing units and starts: 1840 to October 2021. Sources: Carliner (2010), Gottlieb (1964), FRED (2021b), and Census Bureau (2021a).