United States Department of Agriculture

United States Housing Brief, December 2021

Delton Alderman

Forest Service | Forest Products Laboratory | Research Note FPL–RN–0410 | April 2022

Abstract

December 2021 month-over-month and year-over-year housing data were mostly positive. Single-family housing starts, total housing and multifamily completions, and existing sales were negative month-over-month. Single-family starts and permits, total housing and multifamily completions, existing and new sales were negative year-over-year. Completions continue to be restrained due to the unavailability of building materials and products, combined with other factors. Thus, certain builders may be reluctant to start new projects while waiting to complete units under construction. Rental unit demand is increasing and, combined with historically low vacancy rates for multifamily apartments, supports increasing demand for builders.

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

Contents

April 2022

Alderman, Delton. 2022. United States Housing Brief, December 2021. Research Note FPL-RN-0410. 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, December 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 U.S. housing construction markets were primarily positive in December. Single-family housing starts, total housing and multifamily completions, and existing sales were negative month-over-month. Single-family starts and permits, total housing and multifamily completions, existing and new sales were negative year-over-year. Completions continue to be restrained due to the unavailability of building materials and products, combined with other factors. Thus, certain builders may be reluctant to start new projects while waiting to complete units under construction. Rental unit demand is increasing and, combined with historically low vacancy rates for multifamily apartments, supports increasing demand for builders.

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".

December 2021
Housing Scorecard

Category[a]	Month-over-month change	Year-over-year change
Housing starts (total)	▲ 1.4%	▲ 2.5%
Single-family	▼ 2.3%	▼ 10.9%
Multifamily	▲ 10.6%	▲ 53.2%
Housing permits (total)	▲ 9.8%	▲ 7.2%
Single-family	▲ 2.0%	▼ 8.5%
Multifamily	▲ 23.9%	▲ 44.2%
Housing under construction (total)	▲ 2.3%	▲ 20.2%
Single-family	▲ 2.3%	▲ 26.3%
Multifamily	▲ 2.3%	▲ 14.5%
Housing completions (total)	▼ 8.7%	▼ 6.6%
Single-family	▲ 3.9%	▲ 3.3%
Multifamily	▼ 34.4%	▼ 28.7%
New single-family house sales	▲ 11.9%	▼ 14.0%
Private residential construction spending	▲ 1.1%	▲ 15.0%
Single-family construction spending	▲ 2.1%	▲ 16.3%
Existing house sales[b]	▼ 4.6%	▼ 7.1%

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

Starts

Total starts in December 2021 were at a seasonally adjusted annual rate (SAAR) of 1,702,000. This was 1.4% greater than November and 2.5% greater than December 2020. Single-family (SF) starts were 1,172,000, which was 2.3% less than November 2021. Multifamily (MF) starts of two to four units were 6,000 and five units or more were 524,000 (Census Bureau 2021a) (Fig. 1).

Regionally, the South remained the strongest market, where total starts were 915,000, of which 658,000 were SF and 257,000 were MF. The West followed with total starts of 362,000, of which 245,000 were SF and 117,000 were MF. Total Midwest starts were 288,000, of which 199,000 were SF and 89,000 were MF. The Northeast recorded total starts of 137,000, of which 70,000 were SF and 67,000 were MF (Census Bureau 2021a). Table 1 provides housing start data for each start category for December 2021.

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

	Total starts[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Dec-21	1,702,000	1,172,000	6,000	524,000
Nov-21	1,678,000	1,199,000	18,000	461,000
Dec-20	1,661,000	1,315,000	10,000	336,000
Month-over-month change	1.4%	–2.3%	–66.7%	13.7%
Year-over-year change	2.5%	–10.9%	–40.0%	56.0%
	Northeast	Midwest	South	West
Dec-21	137,000	288,000	915,000	362,000
Nov-21	114,000	211,000	933,000	420,000
Dec-20	136,000	246,000	837,000	442,000
Month-over - month change	20.2%	36.5%	–1.9%	–13.8%
Year-over-year change	0.7%	17.1%	9.3%	–18.1%

[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 December 2021 were at a SAAR of 1,885,000. This was 9.8% greater than November and 7.2% greater than December 2020. SF permits were 1,1128,000, which was 2.0% greater than November. MF permits of two to four units were 67,000 and five units or more were 690,000 (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 901,000, of which 650,000 were SF and 251,000 were MF. The West followed with total permits of 417,000, of which 240,000 were SF and 177,000 were MF. In the Northeast, total permits were 300,000, of which 83,000 were SF and 217,000 were MF. Midwest total permits were 267,000, of which 155,000 were SF and 112,000 were MF (Census Bureau 2021b). Table 2 provides data by each permit category for December 2021.

Table 2–National and regional U.S. housing permits for December 2021 in comparison to November 2021 and December 2020

	Total permits[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Dec-21	1,885,000	1,128,000	67,000	690,000
Nov-21	1,717,000	1,106,000	48,000	563,000
Dec-20	1,758,000	1,233,000	49,000	476,000
Month-over - month change	9.8%	2.0%	39.6%	22.6%
Year-over-year change	7.2%	–8.5%	36.7%	45.0%
	Northeast	Midwest	South	West
Dec-21	300,000	267,000	901,000	417,000
Nov-21	143,000	219,000	906,000	449,000
Dec-20	155,000	259,000	898,000	446,000
Month-over-month change	109.8%	21.9%	–0.6%	–7.1%
Year-over - year change	93.5%	3.1%	0.3%	–6.5%

[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 December 2021 was at a SAAR of 1,519,000. This was a 2.3% increase from November and 20.2% greater than December 2020. SF HUC was 769,000, a 2.3% improvement from November. MF HUC of two to four units was 13,000 and five units or more was 737,000 (Census Bureau 2021a).

Regionally, the South remained the strongest market, where total HUC was 703,000, of which 406,000 were SF and 297,000 were MF. The West followed with a total HUC of 421,000 units, of which 194,000 were SF and 227,000 were MF. The Northeast total HUC was 201,000, of which 62,000 were SF and 139,000 were MF. Midwest total HUC was 194,000, of which 107,000 were SF and 87,000 were MF (Census Bureau 2021a). Table 3 provides HUC data for December 2021.

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

	Total HUC[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Dec-21	1,519,000	769,000	13,000	737,000
Nov-21	1,485,000	752,000	13,000	720,000
Dec-20	1,264,000	609,000	10,000	645,000
Month-over-month change	2.3%	2.3%	0.0%	2.4%
Year-over-year change	20.2%	26.3%	30.0%	14.3%
	Northeast	Midwest	South	West
Dec-21	201,000	194,000	703,000	421,000
Nov-21	202,000	183,000	687,000	413,000
Dec-20	178,000	163,000	576,000	347,000
Month-over - month change	–0.5%	6.0%	2.3%	1.9%
Year-over-year change	12.9%	19.0%	22.0%	21.3%

[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 December 2021 were at a SAAR of 1,295,000. This was an 8.7% decrease from November and 6.6% less than December 2020. SF completions were 990,000, which is 3.9% greater than November. MF completions of two to four units were 6,000 and five units or more were 299,000 (Census Bureau 2021a).

The South remained the strongest market, where total completions were 721,000, of which 573,000 were SF and 148,000 were MF. The West followed with total completions of 289,000 units, of which 244,000 were SF and 45,000 were MF. Midwest total completions were 167,000, of which 103,000 were SF and 64,000 were MF. Total Northeast completions were 118,000, of which 70,000 were SF and 48,000 were MF (Census Bureau 2021a). Table 4 provides housing completion data for December 2021.

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

	Total completions[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Dec-21	1,295,000	990,000	6,000	299,000
Nov-21	1,418,000	953,000	10,000	455,000
Dec-20	1,386,000	958,000	13,000	415,000
Month-over-month change	–8.7%	3.9%	–40.0%	–34.3%
Year-over-year change	–6.6%	3.3%	–53.8%	–28.0%
	Northeast	Midwest	South	West
Dec-21	118,000	167,000	721,000	289,000
Nov-21	113,000	218,000	744,000	343,000
Dec-20	124,000	190,000	732,000	340,000
Month-over - month change	4.4%	–23.4%	–3.1%	–15.7%
Year-over-year change	–4.8%	–12.1%	–1.5%	–15.0%

[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 December 2021 were estimated at a SAAR of 811,000 units. This was an increase of 11.9% from November and 14.0% less than December 2020. Regionally, the South remained the strongest market with total new SF house sales of 456,000, followed by the West with 242,000. The Midwest recorded 86,000 sales and the Northeast had 27,000 (Census Bureau 2021c).

The median sales price of new houses sold in December 2021 was $377,700, and the mean sales price was $457,300 (Census Bureau 2021c). Table 5 provides new SF sales data for December 2021.

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

	New SF sales[a]	Median price	Mean price	Month's supply
Dec-21	811,000	$377,700	$457,300	6.0
Nov-21	725,000	$416,100	$479,300	6.6
Dec-20	943,000	$365,300	$401,700	3.8
Month-over-month change	11.9%	–9.2%	–4.6%	–9.1%
Year-over-year change	–14.0%	3.4%	13.8%	57.9%
	Northeast	Midwest	South	West
Dec-21	27,000	86,000	456,000	242,000
Nov-21	32,000	55,000	397,000	241,000
Dec-20	41,000	112,000	553,000	237,000
Month-over - month change	–15.6%	56.4%	14.9%	0.4%
Year-over-year change	–34.1%	–23.2%	–17.5%	2.1%

[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 December 2021 was $810,288 million, an 1.1% increase from November and a 15.0% improvement from December 2020. SF construction spending was $435,006 million, and MF construction spending was $101,213 million. Improvement, or remodeling, spending was $274,069 million (Census Bureau 2021d). Table 6 provides data for each construction spending category for December 2021.

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

	Total private residential construction spending[a, b]	Single-family	Multi-family	Improve-ment[c]
Dec-21	$810,288	$435,006	$101,213	$274,069
Nov-21	$801,149	$426,033	$100,837	$274,279
Dec-20	$704,835	$374,139	$92,780	$237,916
Month-over-month change	1.1%	2.1%	0.4%	–0.1%
Year-over-year change	15.0%	16.3%	9.1%	15.2%

[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 December 2021 were at a SAAR of 6,180,000 units. This is a 4.6% decrease from November and a 7.1% decline from December 2020. Regionally, the South remained the strongest market, with total existing house sales of 2,700,000 units, followed by the Midwest at 1,500,000 units. The West had total existing sales of 1,230,000 units, and the Northeast had 750,000 units (FRED 2021a). Table 7 provides existing house sales data for December 2021.

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

	Existing sales[a]	Median price	Mean price	Month's supply
Dec-21	6,180,000	$358,000	$374,800	1.8
Nov-21	6,480,000	$354,400	$373,100	2.1
Dec-20	6,650,000	$309,200	$342,000	1.9
Month-over-month change	–4.6%	1.0%	0.5%	–14.3%
Year-over-year change	–7.1%	15.8%	9.6%	–5.3%
	Northeast	Midwest	South	West
Dec-21	750,000	1,500,000	2,700,000	1,230,000
Nov-21	760,000	1,520,000	2,880,000	1,320,000
Dec-20	890,000	1,540,000	2,850,000	1,370,000
Month-over - month change	–1.3%	–1.3%	–6.3%	–6.8%
Year-over-year change	–15.7%	–2.6%	–5.3%	–10.2%

[a] Source: U.S. Department of Commerce–Construction (SAAR).

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 January 19, 2022.)

Census Bureau. 2021b. Building permits survey. Washington, DC: U.S. Department of Commerce, Census Bureau. Available at https://www.census.gov/construction/bps/. (Accessed January 26, 2022.)

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 January 25, 2022.)

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 February 1, 2022.)

FRED. 2021a. Existing home sales. Federal Reserve Bank of St. Louis. Available at https://fred.stlouisfed.org/series/EXHOSLUSM495S. (Accessed January 20, 2022.)

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 December 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.

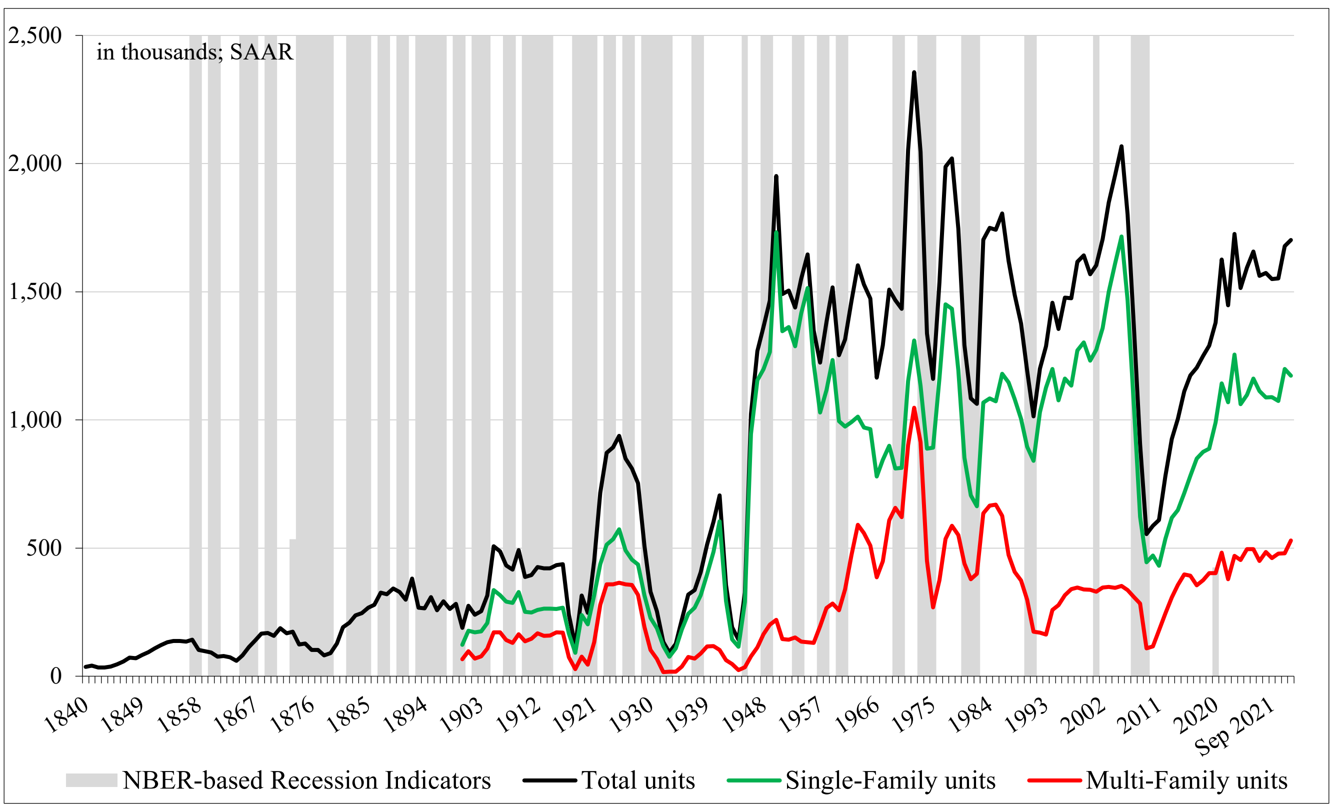

Figure 1. U.S. housing units and starts: 1840 to December 2021. Sources: Carliner (2010), Gottlieb (1964), FRED (2021b), and Census Bureau (2022a).