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United States Housing Brief, January 2022

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Forest Service

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Abstract

January 2022 month-over-month and year-over-year housing data were mixed. Total, single-family, and multifamily housing starts, multifamily permits, total and single-family housing completions, new house sales, and existing sales were negative month-over-month. Single-family starts and permits, total housing and single-family completions, and new sales were negative year-over-year. Completions continue to be restrained due to the inaccessibility of building materials and products, combined with other factors. Consequently, individual builders may be reluctant to start new projects while waiting to complete units under construction. Looking forward, the effects of inflation may impact the construction industry and this bears watching due to the potential negative influence on housing.

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, January 2022

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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. January 2022 month-over-month and year-over-year housing data were mixed. Total, single-family, and multifamily housing starts, multifamily permits, total and single-family housing completions, new house sales, and existing sales were negative month-over-month. Single-family starts and permits, total housing and single-family completions, and new sales were negative year-over-year. Completions continue to be restrained due to the inaccessibility of building materials and products, combined with other factors. Consequently, individual builders may be reluctant to start new projects while waiting to complete units under construction. Looking forward, the effects of inflation may impact the construction industry and this bears watching due to the potential negative influence on housing.

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".

January 2022
Housing Scorecard

Category[a]	Month-over-month change	Year-over-year change
Housing starts (total)	▼ 4.1%	▲ 0.8%
Single-family	▼ 5.6%	▼ 2.4%
Multifamily	▼ 0.8%	▲ 8.3%
Housing permits (total)	▲ 0.5%	▲ 0.6%
Single-family	▲ 7.5%	▼ 4.3%
Multifamily	▼ 9.9%	▲ 10.9%
Housing under construction (total)	▲ 1.4%	▲ 20.2%
Single-family	▲ 1.9%	▲ 26.8%
Multifamily	▲ 0.9%	▲ 14.0%
Housing completions (total)	▼ 5.2%	▼ 6.2%
Single-family	▼ 7.3%	▼ 8.4%
Multifamily	▲ 1.3%	▲ 0.9%
New single-family house sales	▼ 4.5%	▼ 19.3%
Private residential construction spending	▲ 1.3%	▲ 13.4%
Single-family construction spending	▲ 1.2%	▲ 15.4%
Existing house sales[b]	▲ 6.7%	▼ 2.4%

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

Starts

Total starts in January 2022 were at a seasonally adjusted annual rate (SAAR) of 1,638,000. This was 4.1% less than December and 0.8% greater than January 2021. Single-family (SF) starts were 1,116,000, which was 5.6% less than January 2021. Multifamily (MF) starts of two to four units were 12,000 and five units or more were 510,000 (Census Bureau 2021a) (Fig. 1).

Regionally, the South remained the strongest market, where total starts were 880,000, of which 628,000 were SF and 252,000 were MF. The West followed with total starts of 438,000, of which 295,000 were SF and 143,000 were MF. Total Midwest starts were 200,000, of which 144,000 were SF and 56,000 were MF. The Northeast recorded total starts of 120,000, of which 49,000 were SF and 71,000 were MF (Census Bureau 2021a). Table 1 provides housing start data for each start category for January 2022.

Table 1—National and regional U.S. housing starts for January 2022 in comparison to December 2021 and January 2021

	Total starts[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Jan-22	1,638,000	1,116,000	12,000	510,000
Dec-21	1,708,000	1,182,000	5,000	521,000
Jan-21	1,625,000	1,143,000	13,000	469,000
Month-over-month change	–4.1%	–5.6%	140.0%	–2.1%
Year-over-year change	0.8%	–2.4%	–7.7%	8.7%
	Northeast	Midwest	South	West
Jan-22	120,000	200,000	880,000	438,000
Dec-21	117,000	321,000	898,000	372,000
Jan-21	204,000	209,000	811,000	401,000
Month-over - month change	2.6%	–37.7%	–2.0%	17.7%
Year-over-year change	–41.2%	–4.3%	8.5%	9.2%

[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 January 2022 were at a SAAR of 1,895,000. This was 0.5% greater than December and 0.6% greater than January 2021. SF permits were 1,213,000, which was 7.5% greater than January 2021. MF permits of two to four units were 57,000 and five units or more were 625,000 (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 1,009,000, of which 685,000 were SF and 324,000 were MF. The West followed with total permits of 470,000, of which 297,000 were SF and 173,000 were MF. Midwest total permits were 275,000, of which 160,000 were SF and 115,000 were MF. In the Northeast, total permits were 141,000, of which 71,000 were SF and 70,000 were MF (Census Bureau 2021b). Table 2 provides data by each permit category for January 2022.

Table 2–National and regional U.S. housing permits for January 2022 in comparison to December 2021 and January 2021

	Total permits[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Jan-22	1,895,000	1,213,000	57,000	625,000
Dec-21	1,885,000	1,128,000	67,000	690,000
Jan-21	1,883,000	1,268,000	55,000	560,000
Month-over - month change	0.5%	7.5%	–14.9%	–9.4%
Year-over-year change	0.6%	–4.3%	3.6%	11.6%
	Northeast	Midwest	South	West
Jan-22	141,000	275,000	1,009,000	470,000
Dec-21	300,000	267,000	901,000	417,000
Jan-21	195,000	245,000	956,000	487,000
Month-over-month change	–53.0%	3.0%	12.0%	12.7%
Year-over - year change	–27.7%	12.2%	5.5%	–3.5%

[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 January 2022 was at a SAAR of 1,543,000. This was a 1.4% increase from December and 20.2% greater than January 2021. SF HUC was 785,000, which was 1.9% greater than December. MF HUC of two to four units was 13,000 and five units or more was 745,000 (Census Bureau 2021a).

Regionally, the South remained the strongest market, where total HUC was 710,000, of which 414,000 were SF and 296,000 were MF. The West followed with a total HUC of 429,000 units, of which 198,000 were SF and 231,000 were MF. Midwest total HUC was 204,000, of which 111,000 were SF and 93,000 were MF. The Northeast total HUC was 200,000, of which 62,000 were SF and 138,000 were MF (Census Bureau 2021a). Table 3 provides HUC data for January 2022.

Table 3—National and regional U.S. housing under construction for January 2022 in comparison to December 2021 and January 2021

	Total HUC[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Jan-22	1,543,000	785,000	13,000	745,000
Dec-21	1,521,000	770,000	13,000	738,000
Jan-21	1,284,000	619,000	11,000	654,000
Month-over-month change	1.4%	1.9%	0.0%	0.9%
Year-over-year change	20.2%	26.8%	18.2%	13.9%
	Northeast	Midwest	South	West
Jan-22	200,000	204,000	710,000	429,000
Dec-21	201,000	197,000	699,000	424,000
Jan-21	183,000	165,000	581,000	355,000
Month-over - month change	–0.5%	3.6%	1.6%	1.2%
Year-over-year change	9.3%	23.6%	22.2%	20.8%

[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 January 2022 were at a SAAR of 1,246,000. This was 5.2% less than December and 6.2% less than January 2021. SF completions were 927,000, which is 7.3% less than January 2021. MF completions of two to four units were 10,000 and five units or more were 309,000 (Census Bureau 2021a).

The South remained the strongest market, where total completions were 677,000, of which 510,000 were SF and 167,000 were MF. The West followed with total completions of 349,000 units, of which 234,000 were SF and 115,000 were MF. Midwest total completions were 134,000, of which 120,000 were SF and 14,000 were MF. Total Northeast completions were 86,000, of which 54,000 were SF and 32,000 were MF (Census Bureau 2021a). Table 4 provides housing completion data for January 2022.

Table 4—National and regional U.S. housing completions for January 2022 in comparison to December 2021 and January 2021

	Total completions[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Jan-22	1,246,000	927,000	10,000	309,000
Dec-21	1,315,000	1,000,000	6,000	309,000
Jan-21	1,328,000	1,012,000	5,000	311,000
Month-over-month change	–5.2%	–7.3%	66.7%	0.0%
Year-over-year change	–6.2%	–8.4%	100.0%	–0.6%
	Northeast	Midwest	South	West
Jan-22	86,000	134,000	677,000	349,000
Dec-21	121,000	170,000	729,000	295,000
Jan-21	108,000	175,000	740,000	305,000
Month-over - month change	–28.9%	–21.2%	–7.1%	18.3%
Year-over-year change	–20.4%	–23.4%	–8.5%	14.4%

[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 January 2022 were estimated at a SAAR of 801,000 units. This was a decrease of 4.5% from December and 19.3% less than January 2021. Regionally, the South remained the strongest market with total new SF house sales of 438,000, followed by the West with 260,000. The Midwest recorded 78,000 sales and the Northeast had 25,000 (Census Bureau 2021c).

The median sales price of new houses sold in January 2022 was $423,300, and the mean sales price was $496,900 (Census Bureau 2021c). Table 5 provides new SF sales data for January 2022.

Table 5—National and regional new U.S. housing sales for January 2022 in comparison to December 2021 and January 2021

	New SF sales[a]	Median price	Mean price	Month's supply
Jan-22	801,000	$423,300	$496,900	6.1
Dec-21	839,000	$395,500	$482,300	5.6
Jan-21	993,000	$373,200	$418,600	3.6
Month-over-month change	–4.5%	7.0%	3.0%	8.9%
Year-over-year change	–19.3%	13.4%	18.7%	69.4%
	Northeast	**Midwest**	**South**	**West**
Jan-22	25,000	78,000	438,000	260,000
Dec-21	28,000	81,000	473,000	257,000
Jan-21	47,000	124,000	575,000	247,000
Month-over - month change	–10.7%	–3.7%	–7.4%	1.2%
Year-over-year change	–46.8%	–37.1%	–23.8%	5.3%

[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 January 2022 was $829,377 million, an 1.3% increase from December and a 13.4% improvement from January 2021. SF construction spending was $445,085 million, and MF construction spending was $101,471 million. Improvement, or remodeling, spending was $282,821 million (Census Bureau 2021d). Table 6 provides data for each construction spending category for January 2022.

Table 6—National U.S. housing construction spending for January 2022 in comparison to December 2021 and January 2021

	Total private residential construction spending[a, b]	Single-family	Multi-family	Improvement[c]
Jan-22	$829,377	$445,085	$101,471	$282,821
Dec-21	$818,957	$439,644	$101,524	$277,789
Jan-21	$731,248	$385,680	$96,827	$248,741
Month-over-month change	1.3%	1.2%	–0.1%	1.8%
Year-over-year change	13.4%	15.4%	4.8%	13.7%

[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 January 2022 were at a SAAR of 6,500,000 units. This is a 6.7% increase from December and a 2.4% decrease from January 2021. Regionally, the South remained the strongest market, with total existing house sales of 2,940,000 units, followed by the Midwest at 1,510,000 units. The West had total existing sales of 1,270,000 units and the Northeast had 780,000 units (FRED 2022). Table 7 provides existing house sales data for January 2022.

Table 7—National and regional U.S. existing housing sales for January 2022 in comparison to December 2021 and January 2021

	Existing sales[a]	Median price	Mean price	Month's supply
Jan-22	6,500,000	$350,300	$368,700	1.6
Dec-21	6,090,000	$354,600	$373,100	1.7
Jan-21	6,660,000	$303,600	$337,800	1.9
Month-over-month change	6.7%	–1.2%	–1.2%	–5.9%
Year-over-year change	–2.4%	15.4%	9.1%	–15.8%
	Northeast	Midwest	South	West
Jan-22	780,000	1,510,000	2,940,000	1,270,000
Dec-21	730,000	1,450,000	2,690,000	1,220,000
Jan-21	870,000	1,530,000	2,950,000	1,310,000
Month-over - month change	6.8%	4.1%	9.3%	4.1%
Year-over-year change	–10.3%	–1.3%	–0.3%	–3.1%

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

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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 January 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.

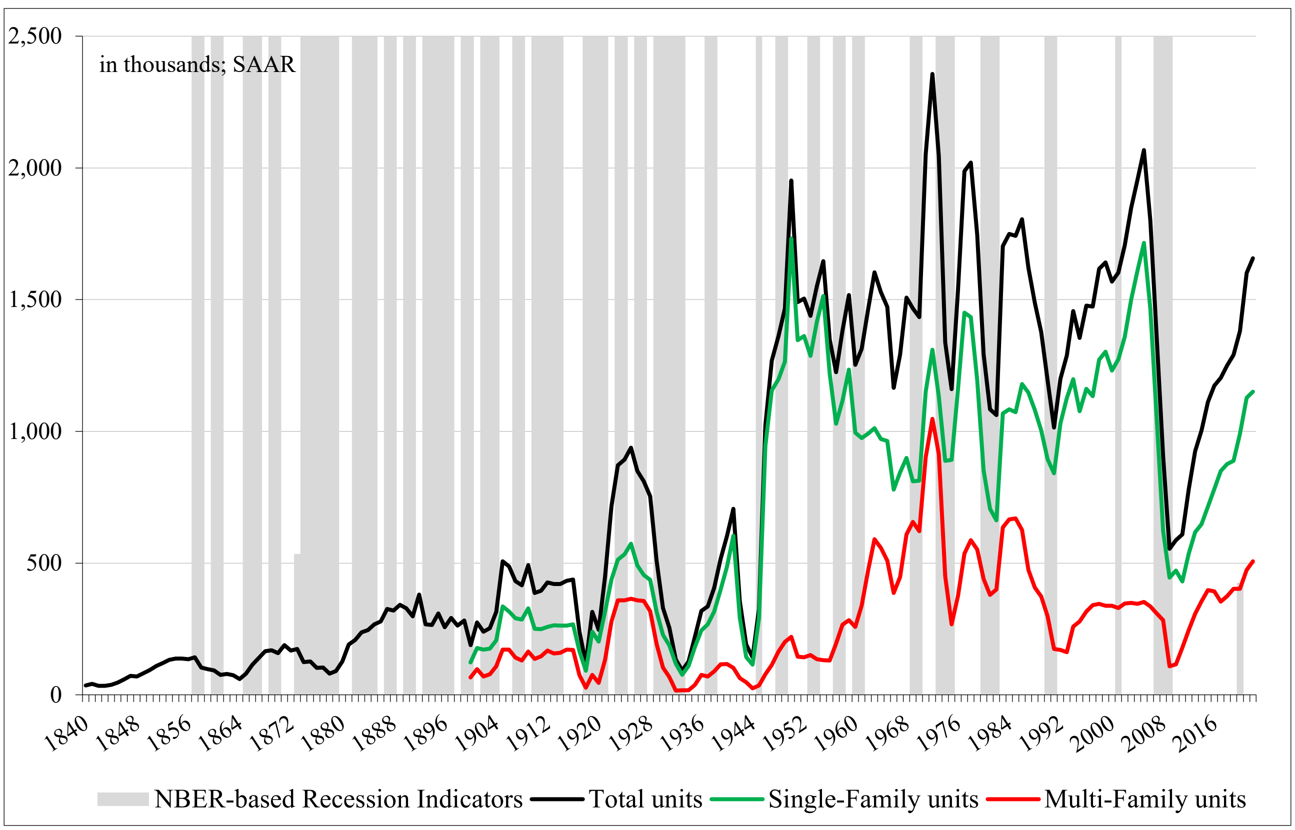

Figure 1. U.S. housing units and starts: 1840 to January 2022. Sources: Carliner (2010), FRED (2021), Gottlieb (1964), and Census Bureau (2022a).