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United States Housing Brief, March 2022

Delton Alderman

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Abstract

In aggregate, March 2022 housing data were mostly positive. Housing starts were buoyed by multifamily starts. Total starts were at the greatest level since 2006, with single-family starts declining. Total permits remained subdued; single-family permits decreased, which may be a result of the difficulties in completing houses. Total housing units under construction were the most since March 1973. Housing completions also remained problematic as completions were restrained due to building materials and product shortages, combined with other factors. The disparity between the number of houses started and houses completed were at the greatest level since 1984. This spread was evident for both single- and multifamily starts as builders awaited building materials and products necessary to complete started houses. New and existing house sales were negative, due to a lack of available inventory for sale and increasing mortgage interest rates. Increasing mortgage rates, in combination with record house prices, may reduce affordability for potential house buyers.

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

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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. In aggregate, March 2022 housing data were mostly positive. Housing starts were buoyed by multifamily starts. Total starts were at the greatest level since 2006, with single-family starts declining. Total permits remained subdued; single-family permits decreased, which may be a result of the difficulties in completing houses. Total housing units under construction were the most since March 1973. Housing completions also remained problematic as completions were restrained due to building materials and product shortages, combined with other factors. The disparity between the number of houses started and houses completed were at the greatest level since 1984. This spread was evident for both single- and multifamily starts as builders awaited building materials and products necessary to complete started houses. New and existing house sales were negative, due to a lack of available inventory for sale and increasing mortgage interest rates. Increasing mortgage rates, in combination with record house prices, may reduce affordability for potential house buyers.

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".

March 2022 Housing Scorecard

Category[a]	Month-over-month change	Year-over-year change
Housing starts (total)	▲ 0.3%	▲ 3.9%
Single-family	▼ 1.7%	▼ 4.4%
Multifamily	▲ 4.6%	▲ 26.2%
Housing permits (total)	▲ 0.3%	▲ 6.6%
Single-family	▼ 4.6%	▼ 3.7%
Multifamily	▲ 9.1%	▲ 28.3%
Housing under construction (total)	▲ 2.3%	▲ 24.1%
Single-family	▲ 1.2%	▲ 27.3%
Multifamily	▲ 3.4%	▲ 21.0%
Housing completions (total)	▼ 4.5%	▼ 13.0%
Single-family	▼ 6.4%	▼ 3.3%
Multifamily	▲ 2.0%	▼ 34.6%
New single-family house sales	▼ 8.6%	▼ 12.6%
Private residential construction spending	▲ 1.0%	▲ 18.4%
Single-family construction spending	▲ 1.3%	▲ 19.4%
Existing house sales[b]	▼ 2.7%	▼ 4.5%

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

Starts

Total starts in March 2022 were at a seasonally adjusted annual rate (SAAR) of 1,793,000. This was 0.3% greater than February and 3.9% greater than March 2021. Single-family (SF) starts were 1,200,000, which was 1.7% less than March 2021. Multifamily (MF) starts of two to four units were 19,000 and five units or more were 574,000 (Census Bureau 2022a) (Fig. 1).

Regionally, the South remained the strongest market, where total starts were 834,000, of which 672,000 were SF and 162,000 were MF. The West followed with total starts of 434,000, of which 296,000 were SF and 138,000 were MF. The Northeast recorded total starts of 293,000, of which 64,000 were SF and 229,000 were MF. Total Midwest starts were 232,000, of which 168,000 were SF and 64,000 were MF (Census Bureau 2022a). Table 1 provides housing start data for each start category for March 2022.

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

	Total starts[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Mar-22	1,793,000	1,200,000	19,000	574,000
Feb-22	1,788,000	1,221,000	33,000	534,000
Mar-21	1,725,000	1,255,000	22,000	448,000
Month-over-month change	0.3%	–1.7%	–42.4%	7.5%
Year-over-year change	3.9%	–4.4%	–13.6%	28.1%
	Northeast	Midwest	South	West
Mar-22	293,000	232,000	834,000	434,000
Feb-22	139,000	239,000	1,007,000	403,000
Mar-21	165,000	288,000	891,000	381,000
Month-over -month change	110.8%	–2.9%	–17.2%	7.7%
Year-over-year change	77.6%	–19.4%	–6.4%	13.9%

[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 March 2022 were at a SAAR of 1,870,000. This was 0.3% greater than February and 6.6% greater than March 2021. SF permits were 1,150,000, which was 4.6% less than March 2021. MF permits of two to four units were 56,000 and five units or more were 664,000 (Census Bureau 2022b). Historically, MF permits can be extremely variable, M/M and Y/Y.

Regionally, the South remained the strongest market, where total permits issued were 964,000, of which 670,000 were SF and 294,000 were MF. The West followed with total permits of 466,000, of which 274,000 were SF and 192,000 were MF. Midwest total permits were 259,000, of which 143,000 were SF and 116,000 were MF. In the Northeast, total permits were 181,000, of which 63,000 were SF and 118,000 were MF (Census Bureau 2022b). Table 2 provides data by each permit category for March 2022.

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

	Total permits[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Mar-22	1,870,000	1,150,000	56,000	664,000
Feb-22	1,865,000	1,205,000	54,000	606,000
Mar-21	1,755,000	1,194,000	58,000	503,000
Month-over - month change	0.3%	–4.6%	3.7%	9.6%
Year-over-year change	6.6%	–3.7%	–3.4%	32.0%
	Northeast	Midwest	South	West
Mar-22	181,000	259,000	964,000	466,000
Feb-22	171,000	251,000	960,000	483,000
Mar-21	155,000	253,000	908,000	439,000
Month-over-month change	5.8%	3.2%	0.4%	–3.5%
Year-over - year change	16.8%	2.4%	6.2%	6.2%

[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 March 2022 was at a SAAR of 1,622,000. This was a 2.3% increase from February and 24.1% greater than March 2021. SF HUC was 796,000, which was 1.2% greater than February. MF HUC of two to four units was 15,000 and five units or more was 796,000 (Census Bureau 2022a).

Regionally, the South remained the strongest market, where total HUC was 736,000, of which 423,000 were SF and 313,000 were MF. The West followed with a total HUC of 462,000 units, of which 213,000 were SF and 249,000 were MF. Midwest total HUC was 214,000, of which 114,000 were SF and 100,000 were MF. The Northeast total HUC was 210,000, of which 61,000 were SF and 149,000 were MF (Census Bureau 2022a). Table 3 provides HUC data for March 2022.

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

	Total HUC[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Mar-22	1,622,000	811,000	15,000	796,000
Feb-22	1,585,000	801,000	14,000	770,000
Mar-21	1,307,000	637,000	12,000	658,000
Month-over-month change	2.3%	1.2%	7.1%	3.4%
Year-over-year change	24.1%	27.3%	25.0%	21.0%
	Northeast	Midwest	South	West
Mar-22	210,000	214,000	736,000	462,000
Feb-22	202,000	209,000	728,000	446,000
Mar-21	186,000	165,000	589,000	367,000
Month-over - month change	4.0%	2.4%	1.1%	3.6%
Year-over-year change	12.9%	29.7%	25.0%	25.9%

[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 March 2022 were at a SAAR of 1,303,000. This was 4.5% less than February and 13.0% less than March 2021. SF completions were 1,000,000, which is 6.4% less than March 2021. MF completions of two to four units were 11,000 and five units or more were 292,000 (Census Bureau 2022a).

The South remained the strongest market, where total completions were 763,000, of which 591,000 were SF and 172,000 were MF. The West followed with total completions of 260,000 units, of which 213,000 were SF and 47,000 were MF. Midwest total completions were 185,000, of which 135,000 were SF and 50,000 were MF. Total Northeast completions were 95,000, of which 61,000 were SF and 34,000 were MF (Census Bureau 2022a). Table 4 provides housing completion data for March 2022.

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

	Total completions[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Mar-22	1,303,000	1,000,000	11,000	292,000
Feb-22	1,365,000	1,068,000	8,000	289,000
Mar-21	1,497,000	1,034,000	6,000	457,000
Month-over-month change	–4.5%	–6.4%	37.5%	1.0%
Year-over-year change	–13.0%	–3.3%	83.3%	–36.1%
	Northeast	Midwest	South	West
Mar-22	95,000	185,000	763,000	260,000
Feb-22	131,000	191,000	761,000	282,000
Mar-21	134,000	214,000	814,000	335,000
Month-over - month change	–27.5%	–3.1%	0.3%	–7.8%
Year-over-year change	–29.1%	–13.6%	–6.3%	–22.4%

[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 March 2022 were estimated at a SAAR of 763,000 units. This was a decrease of 8.6% from February and 12.6% less than March 2021. Regionally, the South remained the strongest market with total new SF house sales of 414,000, followed by the West with 202,000. The Midwest recorded 94,000 sales and the Northeast had 53,000 (Census Bureau 2022c).

The median sales price of new houses sold in March 2022 was $436,700, and the mean sales price was $523,900 (Census Bureau 2022c). Table 5 provides new SF sales data for March 2022.

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

	New SF sales[a]	Median price	Mean price	Month's supply
Mar-22	763,000	$436,700	$523,900	6.4
Feb-22	835,000	$421,600	$508,100	5.6
Mar-21	873,000	$359,600	$414,700	4.2
Month-over-month change	–8.6%	3.6%	3.1%	14.3%
Year-over-year change	–12.6%	21.4%	26.3%	52.4%
	Northeast	Midwest	South	West
Mar-22	53,000	94,000	414,000	202,000
Feb-22	56,000	103,000	461,000	215,000
Mar-21	47,000	109,000	550,000	167,000
Month-over - month change	–5.4%	–8.7%	–10.2%	–6.0%
Year-over-year change	12.8%	–13.8%	–24.7%	21.0%

[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 March 2022 was at a SAAR of $882,045 million, a 1.0% increase from February and an 18.4% improvement from March 2021. SF construction spending was $472,755 million, and MF construction spending was $101,116 million. Improvement, or remodeling, spending was $308,174 million (Census Bureau 2022d). Table 6 provides data for each construction spending category for March 2022.

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

	Total private residential construction spending[a, b]	Single-family	Multi-family	Improvement[c]
Mar-22	$882,045	$472,755	$101,116	$308,174
Feb-22	$873,222	$466,730	$101,632	$304,860
Mar-21	$745,016	$395,989	$97,361	$251,666
Month-over-month change	1.0%	1.3%	–0.5%	1.1%
Year-over-year change	18.4%	19.4%	3.9%	22.5%

[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 March 2022 were at a SAAR of 5,770,000 units. This is a 2.7% decrease from February and a 4.5% decline from March 2021. Regionally, the South remained the strongest market, with total existing house sales of 2,620,000 units, followed by the Midwest at 1,270,000 units. The West had total existing sales of 1,210,000 units and the Northeast had 670,000 units (FRED 2022). Table 7 provides existing house sales data for March 2022.

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

	Existing sales[a]	Median price	Mean price	Month's supply
Mar-22	5,770,000	$375,300	$387,100	2.0
Feb-22	5,930,000	$359,300	$374,200	1.7
Mar-21	6,040,000	$326,300	$353,100	2.1
Month-over-month change	–2.7%	4.5%	3.4%	17.6%
Year-over-year change	–4.5%	15.0%	9.6%	–4.8%
	Northeast	**Midwest**	**South**	**West**
Mar-22	670,000	1,270,000	2,620,000	1,210,000
Feb-22	690,000	1,330,000	2,700,000	1,210,000
Mar-21	760,000	1,310,000	2,700,000	1,270,000
Month-over -month change	–2.9%	–4.5%	–3.0%	0.0%
Year-over-year change	–11.8%	–3.1%	–3.0%	–4.7%

[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 March 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.

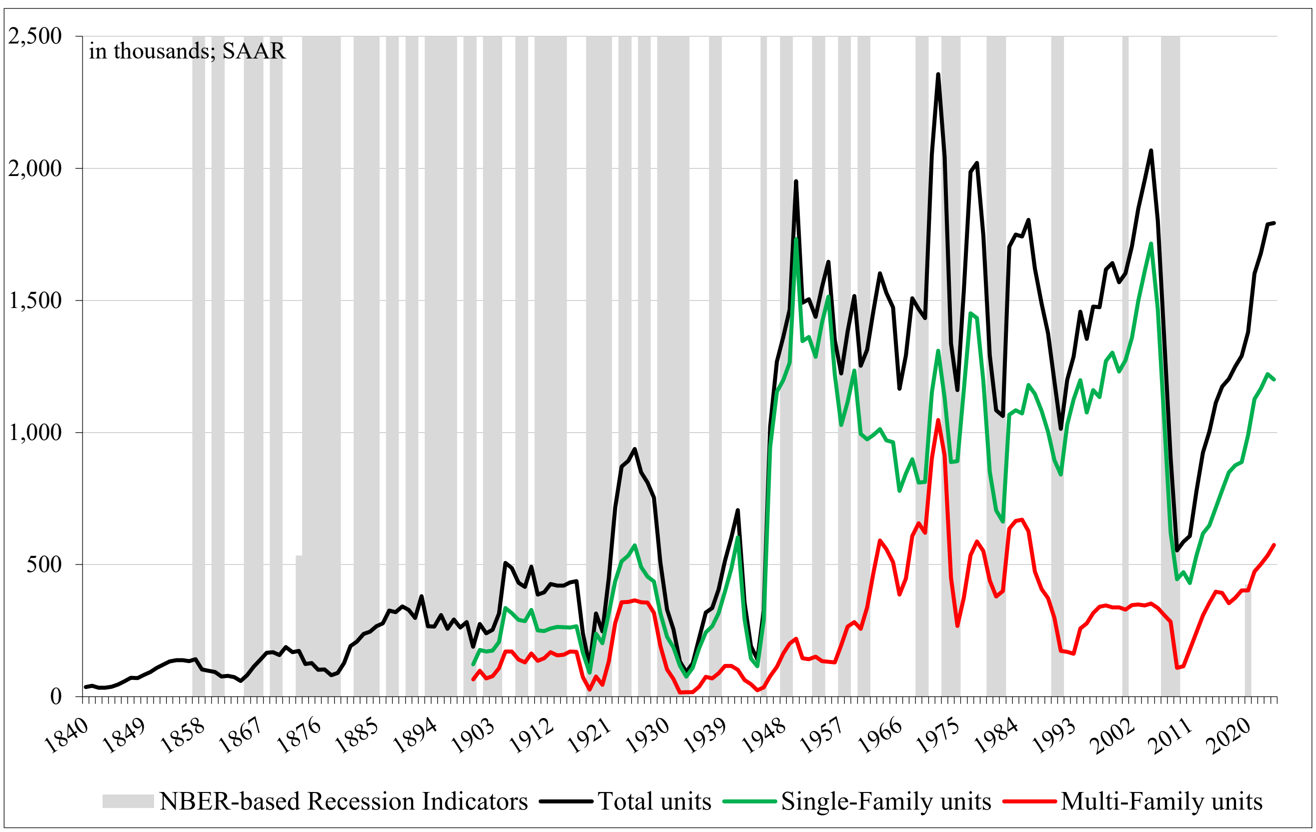

Figure 1. U.S. housing units and starts: 1840 to March 2022. Sources: HHFA (1948), FRED (2021), Gottlieb (1964), and Census Bureau (2022a).