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United States Housing Brief, February 2022

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Abstract

In aggregate, February 2022 housing data were mostly positive. Housing starts were buoyed by an extraordinary surge in 2 to 4 unit starts (53,000 units), the most since August 2004 (67,000 units). Permits were subdued and this may be a result of the difficulties in completing houses. Total housing units under construction were the most since early 1973. Housing completions are problematic as they are restrained due to building materials and product shortages, combined with other factors. New and existing house sales also were subdued, primarily due to a lack of available inventory for sale. 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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United States Housing Brief, February 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 United States economy. In aggregate, February 2022 housing data were mostly positive. Housing starts were buoyed by an extraordinary surge in 2 to 4 unit starts (53,000 units), the most since August 2004 (67,000 units). Permits were subdued and this may be a result of the difficulties in completing houses. Total housing units under construction were the most since early 1973. Housing completions are problematic as they are restrained due to building materials and product shortages, combined with other factors. New and existing house sales also were subdued, primarily due to a lack of available inventory for sale. 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".

February 2022
Housing Scorecard

Category[a]	Month-over-month change	Year-over-year change
Housing starts (total)	▲ 6.8%	▲ 22.3%
Single-family	▲ 5.7%	▲ 13.7%
Multifamily	▲ 9.3%	▲ 46.6%
Housing permits (total)	▼ 1.6%	▲ 8.1%
Single-family	▼ 0.7%	▲ 5.2%
Multifamily	▼ 3.2%	▲ 13.6%
Housing under construction (total)	▲ 1.9%	▲ 22.8%
Single-family	▲ 1.3%	▲ 28.3%
Multifamily	▲ 2.6%	▲ 17.7%
Housing completions (total)	▲ 5.9%	▼ 2.8%
Single-family	▲ 12.1%	▲ 1.7%
Multifamily	▼ 12.4%	▼ 16.7%
New single-family house sales	▼ 2.0%	▼ 6.2%
Private residential construction spending	▲ 1.1%	▲ 16.6%
Single-family construction spending	▲ 2.5%	▲ 20.0%
Existing house sales[b]	▼ 11.5%	▼ 12.7%

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

Starts

Total starts in February 2022 were at a seasonally adjusted annual rate (SAAR) of 1,769,000. This was 6.8% greater than January and 22.3% greater than February 2021. Single-family (SF) starts were 1,215,000, which was 5.7% greater than January 2022. Multifamily (MF) starts of two to four units were 53,000 and five units or more were 501,000 (Census Bureau 2022a) (Fig. 1).

Regionally, the South remained the strongest market, where total starts were 1,017,000, of which 688,000 were SF and 329,000 were MF. The West followed with total starts of 396,000, of which 295,000 were SF and 101,000 were MF. Total Midwest starts were 226,000, of which 151,000 were SF and 75,000 were MF. The Northeast recorded total starts of 130,000, of which 81,000 were SF and 49,000 were MF (Census Bureau 2022a). Table 1 provides housing start data for each start category for February 2022.

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

	Total starts[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Feb-22	1,769,000	1,215,000	53,000	501,000
Jan-22	1,657,000	1,150,000	10,000	497,000
Feb-21	1,447,000	1,069,000	13,000	365,000
Month-over-month change	6.8%	5.7%	430.0%	0.8%
Year-over-year change	22.3%	13.7%	307.7%	37.3%
	Northeast	Midwest	South	West
Feb-22	130,000	226,000	1,017,000	396,000
Jan-22	101,000	196,000	913,000	447,000
Feb-21	109,000	136,000	771,000	431,000
Month-over - month change	28.7%	15.3%	11.4%	–11.4%
Year-over-year change	19.3%	66.2%	31.9%	–8.1%

[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 February 2022 were at a SAAR of 1,865,000. This was 1.6% less than January and 8.1% greater than February 2021. SF permits were 1,205,000, which was 0.7% less than January. MF permits of two to four units were 54,000 and five units or more were 606,000 (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 960,000, of which 693,000 were SF and 267,000 were MF. The West followed with total permits of 483,000, of which 288,000 were SF and 195,000 were MF. In the Midwest, total permits were 251,000, of which 151,000 were SF and 100,000 were MF. Northeast total permits were 171,000, of which 73,000 were SF and 98,000 were MF (Census Bureau 2022b). Table 2 provides data by each permit category for February 2022.

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

	Total permits[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Feb-22	1,865,000	1,205,000	54,000	606,000
Jan-22	1,895,000	1,213,000	57,000	625,000
Feb-21	1,726,000	1,145,000	48,000	533,000
Month-over - month change	–1.6%	–0.7%	–5.3%	–3.0%
Year-over-year change	8.1%	5.2%	12.5%	13.7%
	Northeast	Midwest	South	West
Feb-22	171,000	251,000	960,000	483,000
Jan-22	141,000	275,000	1,009,000	470,000
Feb-21	170,000	250,000	863,000	443,000
Month-over-month change	21.3%	–8.7%	–4.9%	2.8%
Year-over - year change	0.6%	0.4%	11.2%	9.0%

[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 February 2022 was at a SAAR of 1,583,000. This was a 1.9% increase from January and 22.8% greater than February 2021. SF HUC was 799,000, an 1.3% improvement from January. MF HUC of two to four units was 14,000 and five units or more was 770,000 (Census Bureau 2022a).

Regionally, the South remained the strongest market, where total HUC was 726,000, of which 418,000 were SF and 308,000 were MF. The West followed with a total HUC of 444,000 units, of which 205,000 were SF and 239,000 were MF. Midwest total HUC was 210,000, of which 113,000 were SF and 97,000 were MF. The Northeast total HUC was 203,000, of which 63,000 were SF and 140,000 were MF (Census Bureau 2022a). Table 3 provides HUC data for February 2022.

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

	Total HUC[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Feb-22	1,583,000	799,000	14,000	770,000
Jan-22	1,553,000	789,000	12,000	752,000
Feb-21	1,289,000	623,000	11,000	655,000
Month-over-month change	1.9%	1.3%	16.7%	2.4%
Year-over-year change	22.8%	28.3%	27.3%	17.6%
	Northeast	Midwest	South	West
Feb-22	203,000	210,000	726,000	444,000
Jan-22	200,000	205,000	711,000	437,000
Feb-21	181,000	163,000	581,000	364,000
Month-over - month change	1.5%	2.4%	2.1%	1.6%
Year-over-year change	12.2%	28.8%	25.0%	22.0%

[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 February 2022 were at a SAAR of 1,309,000. This was a 5.9% increase from January and 2.8% less than February 2021. SF completions were 1,034,000, which is 12.1% greater than January. MF completions of two to four units were 9,000 and five units or more were 266,000 (Census Bureau 2022a).

The South remained the strongest market, where total completions were 750,000, of which 625,000 were SF and 125,000 were MF. The West followed with total completions of 278,000 units, of which 220,000 were SF and 58,000 were MF. Midwest total completions were 192,000, of which 129,000 were SF and 63,000 were MF. Total Northeast completions were 89,000, of which 60,000 were SF and 29,000 were MF (Census Bureau 2022a). Table 4 provides housing completion data for February 2022.

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

	Total completions[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Feb-22	1,309,000	1,034,000	9,000	266,000
Jan-22	1,236,000	922,000	14,000	300,000
Feb-21	1,347,000	1,017,000	10,000	320,000
Month-over-month change	5.9%	12.1%	–35.7%	–11.3%
Year-over-year change	–2.8%	1.7%	–10.0%	–16.9%
	Northeast	Midwest	South	West
Feb-22	89,000	192,000	750,000	278,000
Jan-22	80,000	139,000	662,000	355,000
Feb-21	121,000	188,000	723,000	315,000
Month-over - month change	11.3%	38.1%	13.3%	–21.7%
Year-over-year change	–26.4%	2.1%	3.7%	–11.7%

[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 February 2022 were estimated at a SAAR of 772,000 units. This was a decrease of 2.0% from January and 6.2% less than February 2021. Regionally, the South remained the strongest market with total new SF house sales of 451,000, followed by the West with 194,000. The Midwest recorded 84,000 sales and the Northeast had 43,000 (Census Bureau 2022c).

The median sales price of new houses sold in February 2021 was $400,600, and the mean sales price was $511,000 (Census Bureau 2022c). Table 5 provides new SF sales data for February 2022.

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

	New SF sales[a]	Median price	Mean price	Month's supply
Feb-22	772,000	$400,600	$511,000	6.3
Jan-22	788,000	$427,400	$494,000	6.1
Feb-21	823,000	$362,000	$407,500	4.5
Month-over-month change	–2.0%	–6.3%	3.4%	3.3%
Year-over-year change	–6.2%	10.7%	25.4%	40.0%
	Northeast	Midwest	South	West
Feb-22	43,000	84,000	451,000	194,000
Jan-22	27,000	79,000	459,000	223,000
Feb-21	40,000	104,000	465,000	214,000
Month-over-month change	59.3%	6.3%	–1.7%	–13.0%
Year-over-year change	7.5%	–19.2%	–3.0%	–9.3%

[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 February 2022 was $850,625 million, an 1.1% increase from January and a 16.6% improvement from February 2021. SF construction spending was $465,354 million and MF construction spending was $101,541 million. Improvement, or remodeling, spending was $283,730 million (Census Bureau 2022d). Table 6 provides data for each construction spending category for February 2022.

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

	Total private residential construction spending[a, b]	Single-family	Multi-family	Improvement[c]
Feb-22	$850,625	$465,354	$101,541	$283,730
Jan-22	$841,185	$453,909	$101,473	$285,803
Feb-21	$729,266	$387,785	$94,230	$247,251
Month-over-month change	1.1%	2.5%	0.1%	–0.7%
Year-over-year change	16.6%	20.0%	7.8%	14.8%

[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 February 2022 were at a SAAR of 6,020,000 units. This is a 7.2% decrease from January and a 2.4% decline from February 2021. Regionally, the South remained the strongest market, with total existing house sales of 2,790,000 units, followed by the Midwest at 1,330,000 units. The West had total existing sales of 1,210,000 units and the Northeast had 690,000 units (FRED 2022a). Table 7 provides existing house sales data for February 2022.

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

	Existing sales[a]	Median price	Mean price	Month's supply
Feb-22	6,020,000	\$357,300	\$370,700	1.7
Jan-22	6,490,000	\$350,000	\$368,500	1.6
Feb-21	6,170,000	\$310,600	\$342,100	2.0
Month-over-month change	–7.2%	2.1%	0.6%	6.3%
Year-over-year change	–2.4%	15.0%	8.4%	–15.0%

	Northeast	Midwest	South	West
Feb-22	690,000	1,330,000	2,790,000	1,210,000
Jan-22	780,000	1,500,000	2,940,000	1,270,000
Feb-21	790,000	1,350,000	2,710,000	1,320,000
Month-over -month change	–11.5%	–11.3%	–5.1%	–4.7%
Year-over-year change	–12.7%	–1.5%	3.0%	–8.3%

[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 February 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.

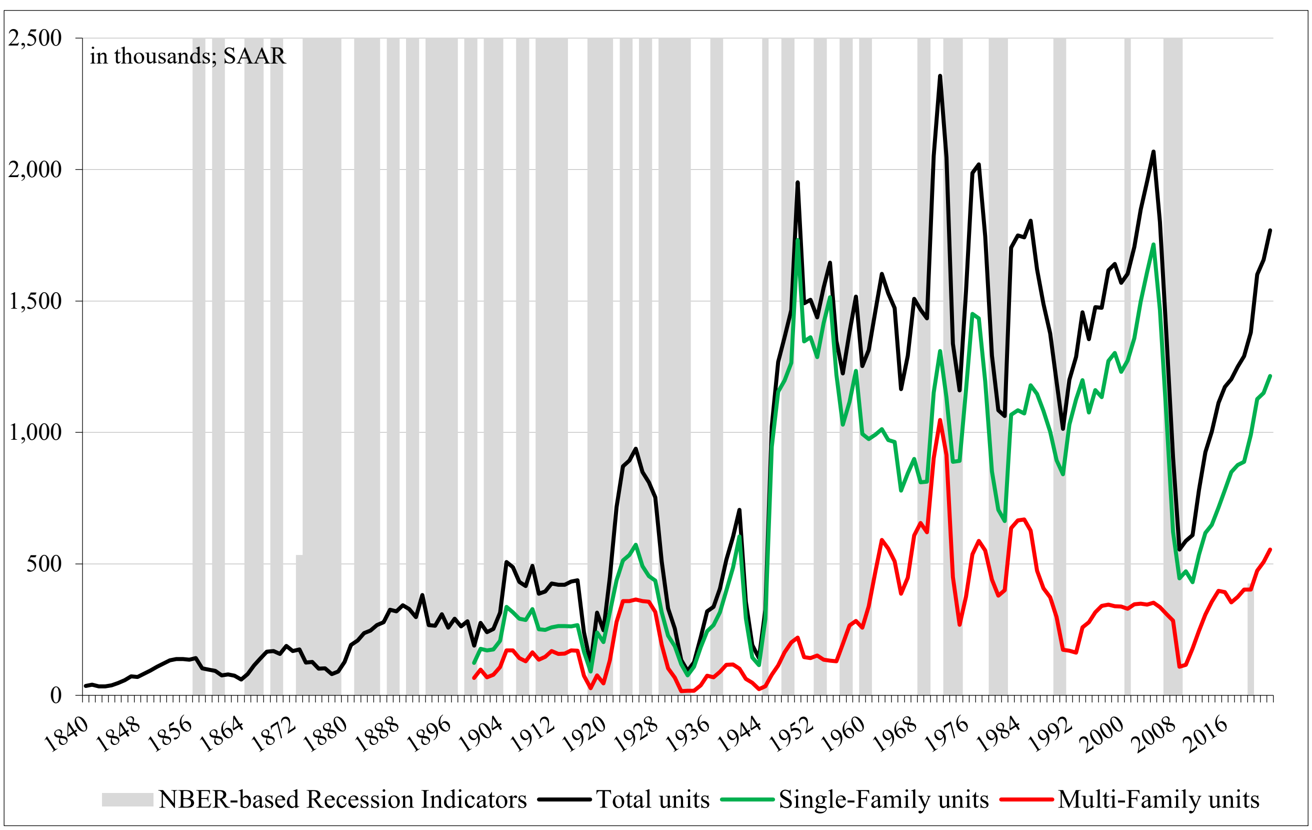

Figure 1. U.S. housing units and starts: 1840 to February 2022. Sources: HHFA (1948), FRED (2022b), Gottlieb (1964), and Census Bureau (2022a).