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United States Housing Brief, April 2022

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Abstract

April 2022 data softness was widespread, with only the housing under construction and private residential construction spending categories positive on a month-over-month basis. Year-over-year data were better; however, single-family permits were negative again. This marks the third month in 2022 of single-family starts declining, and permits also have decreased for two consecutive months. This suggests further moderation in single-family activity in the upcoming months. 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

Contents

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United States Housing Brief, April 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. April 2022 data softness was widespread, with only the housing under construction and private residential construction spending categories positive on a month-over-month basis. Year-over-year data were better; however, single-family permits were negative again. This marks the third month in 2022 of single-family starts declining, and permits also have decreased for two consecutive months. This suggests further moderation in single-family activity in the upcoming months. 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".

April 2022
Housing Scorecard

Category[a]	Month-over-month change	Year-over-year change
Housing starts (total)	▼ 0.2%	▲ 14.6%
Single-family	▼ 7.3%	▲ 3.7%
Multifamily	▲ 15.3%	▲ 40.5%
Housing permits (total)	▼ 3.0%	▲ 3.3%
Single-family	▼ 4.6%	▼ 3.7%
Multifamily	▼ 0.3%	▲ 16.5%
Housing under construction (total)	▲ 1.6%	▲ 24.1%
Single-family	▲ 1.0%	▲ 26.0%
Multifamily	▲ 2.2%	▲ 22.4%
Housing completions (total)	▼ 5.1%	▼ 8.6%
Single-family	▼ 4.9%	▲ 0.7%
Multifamily	▼ 5.8%	▼ 30.5%
New single-family house sales	▼ 16.6%	▼ 26.9%
Private residential construction spending	▲ 0.9%	▲ 18.4%
Single-family construction spending	▲ 0.5%	▲ 19.3%
Existing house sales[b]	▼ 2.4%	▼ 5.9%

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

Starts

Total starts in April 2022 were at a seasonally adjusted annual rate (SAAR) of 1,724,000. This was 0.2% less than March and 14.6% greater than April 2021. Single-family (SF) starts were 1,100,000, which was 7.3% less than April 2021. Multifamily (MF) starts of two to four units were 12,000 and five units or more were 612,000 (Census Bureau 2022a) (Fig. 1).

Regionally, the South remained the strongest market, where total starts were 926,000, of which 604,000 were SF and 322,000 were MF. The West followed with total starts of 432,000, of which 296,000 were SF and 136,000 were MF. Total Midwest starts were 184,000, of which 140,000 were SF and 44,000 were MF. The Northeast recorded total starts of 182,000, of which 60,000 were SF and 122,000 were MF (Census Bureau 2022a). Table 1 provides housing start data for each start category for April 2022.

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

	Total starts[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Apr-22	1,724,000	1,100,000	12,000	612,000
Mar-22	1,728,000	1,187,000	17,000	524,000
Apr-21	1,505,000	1,061,000	14,000	430,000
Month-over-month change	–0.2%	–7.3%	–29.4%	16.8%
Year-over-year change	14.6%	3.7%	–14.3%	42.3%
	Northeast	Midwest	South	West
Apr-22	182,000	184,000	926,000	432,000
Mar-22	237,000	236,000	837,000	418,000
Apr-21	156,000	180,000	782,000	387,000
Month-over - month change	–23.2%	–22.0%	10.6%	3.3%
Year-over-year change	16.7%	2.2%	18.4%	11.6%

[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 April 2022 were at a SAAR of 1,823,000. This was 3.0% less than March and 3.3% greater than April 2021. SF permits were 1,109,000, which was 4.6% less than April 2021. MF permits of two to four units were 56,000 and five units or more were 658,000 (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 989,000, of which 671,000 were SF and 318,000 were MF. The West followed with total permits of 421,000, of which 243,000 were SF and 178,000 were MF. Midwest total permits were 250,000, of which 133,000 were SF and 117,000 were MF. In the Northeast, total permits were 163,000, of which 62,000 were SF and 101,000 were MF (Census Bureau 2022b). Table 2 provides data by each permit category for April 2022.

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

	Total permits[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Apr-22	1,823,000	1,109,000	56,000	658,000
Mar-22	1,879,000	1,163,000	56,000	660,000
Apr-21	1,765,000	1,152,000	49,000	564,000
Month-over - month change	–3.0%	–4.6%	0.0%	–0.3%
Year-over-year change	3.3%	–3.7%	14.3%	16.7%
	Northeast	Midwest	South	West
Apr-22	163,000	250,000	989,000	421,000
Mar-22	185,000	260,000	972,000	462,000
Apr-21	160,000	229,000	951,000	425,000
Month-over-month change	–11.9%	–3.8%	1.7%	–8.9%
Year-over - year change	1.9%	9.2%	4.0%	–0.9%

[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 April 2022 was at a SAAR of 1,641,000. This was a 1.6% increase from March and 24.1% greater than April 2021. SF HUC was 815,000, which was 1.0% greater than March. MF HUC of two to four units was 15,000 and five units or more was 811,000 (Census Bureau 2022a).

Regionally, the South remained the strongest market, where total HUC was 750,000, of which 425,000 were SF and 325,000 were MF. The West followed with a total HUC of 469,000 units, of which 215,000 were SF and 254,000 were MF. Midwest total HUC was 212,000, of which 115,000 were SF and 97,000 were MF. The Northeast total HUC was 210,000, of which 60,000 were SF and 150,000 were MF (Census Bureau 2022a). Table 3 provides HUC data for April 2022.

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

	Total HUC[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Apr-22	1,641,000	815,000	15,000	811,000
Mar-22	1,615,000	807,000	15,000	793,000
Apr-21	1,322,000	647,000	13,000	662,000
Month-over-month change	1.6%	1.0%	0.0%	2.3%
Year-over-year change	24.1%	26.0%	15.4%	22.5%
	Northeast	Midwest	South	West
Apr-22	210,000	212,000	750,000	469,000
Mar-22	209,000	211,000	734,000	461,000
Apr-21	192,000	167,000	594,000	369,000
Month-over - month change	0.5%	0.5%	2.2%	1.7%
Year-over-year change	9.4%	26.9%	26.3%	27.1%

[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 April 2022 were at a SAAR of 1,295,000. This was 5.1% less than March and 8.6% less than April 2021. SF completions were 1,001,000, which is 4.9% less than April 2021. MF completions of two to four units were 13,000 and five units or more were 281,000 (Census Bureau 2022a).

The South remained the strongest market, where total completions were 695,000, of which 562,000 were SF and 133,000 were MF. The West followed with total completions of 322,000 units, of which 257,000 were SF and 65,000 were MF. Midwest total completions were 179,000, of which 120,000 were SF and 59,000 were MF. Total Northeast completions were 99,000, of which 62,000 were SF and 37,000 were MF (Census Bureau 2022a). Table 4 provides housing completion data for April 2022.

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

	Total completions[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Apr-22	1,295,000	1,001,000	13,000	281,000
Mar-22	1,365,000	1,053,000	11,000	301,000
Apr-21	1,417,000	994,000	2,000	421,000
Month-over-month change	–5.1%	–4.9%	18.2%	–6.6%
Year-over-year change	–8.6%	0.7%	550.0%	–33.3%
	Northeast	Midwest	South	West
Apr-22	99,000	179,000	695,000	322,000
Mar-22	109,000	186,000	797,000	273,000
Apr-21	102,000	179,000	791,000	345,000
Month-over - month change	–9.2%	–3.8%	–12.8%	17.9%
Year-over-year change	–2.9%	0.0%	–12.1%	–6.7%

[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 April 2022 were estimated at a SAAR of 591,000 units. This was a decrease of 16.6% from March and 26.9% less than April 2021. Regionally, the South remained the strongest market with total new SF house sales of 307,000, followed by the West with 163,000. The Midwest recorded 73,000 sales and the Northeast had 48,000 (Census Bureau 2022c).

The median sales price of new houses sold in April 2022 was $450,600, and the mean sales price was $570,300 (Census Bureau 2022c). Table 5 provides new SF sales data for April 2022.

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

	New SF sales[a]	Median price	Mean price	Month's supply
Apr-22	591,000	$450,600	$570,300	9.0
Mar-22	709,000	$435,000	$522,500	6.9
Apr-21	809,000	$376,600	$434,800	4.7
Month-over-month change	–16.6%	3.6%	9.1%	30.4%
Year-over-year change	–26.9%	19.6%	31.2%	91.5%
	Northeast	Midwest	South	West
Apr-22	48,000	73,000	307,000	163,000
Mar-22	51,000	86,000	383,000	189,000
Apr-21	41,000	98,000	484,000	186,000
Month-over -month change	–5.9%	–15.1%	–19.8%	–13.8%
Year-over-year change	17.1%	–25.5%	–36.6%	–12.4%

[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 April 2022 was $891,513 million, a 0.9% increase from March and a 18.4% improvement from April 2021. SF construction spending was $477,675 million, and MF construction spending was $102,221 million. Improvement, or remodeling, spending was $311,617 million (Census Bureau 2022d). Table 6 provides data for each construction spending category for April 2022.

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

	Total private residential construction spending[a, b]	Single-family	Multi-family	Improvement[c]
Apr-22	$891,513	$477,675	$102,221	$311,617
Mar-22	$883,507	$475,143	$101,432	$306,932
Apr-21	$752,819	$400,562	$99,150	$253,107
Month-over-month change	0.9%	0.5%	0.8%	1.5%
Year-over-year change	18.4%	19.3%	3.1%	23.1%

[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 April 2022 were at a SAAR of 5,610,000 units. This is a 2.4% decrease from March and a 5.9% decline from April 2021. Regionally, the South remained the strongest market, with total existing house sales of 2,490,000 units, followed by the Midwest at 1,310,000 units. The West had total existing sales of 1,140,000 units and the Northeast had 670,000 units (FRED 2022a). Table 7 provides existing house sales data for April 2022.

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

	Existing sales[a]	Median price	Mean price	Month's supply
Apr-22	5,610,000	$391,200	$397,600	2.2
Mar-22	5,750,000	$374,800	$386,500	1.9
Apr-21	5,960,000	$340,700	$364,100	2.3
Month-over-month change	–2.4%	4.4%	2.9%	15.8%
Year-over-year change	–5.9%	14.8%	9.2%	–4.3%

	Northeast	Midwest	South	West
Apr-22	670,000	1,310,000	2,490,000	1,140,000
Mar-22	660,000	1,270,000	2,610,000	1,210,000
Apr-21	750,000	1,330,000	2,640,000	1,240,000
Month-over -month change	1.5%	3.1%	–4.6%	–5.8%
Year-over-year change	–10.7%	–1.5%	–5.7%	–8.1%

[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 April 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.

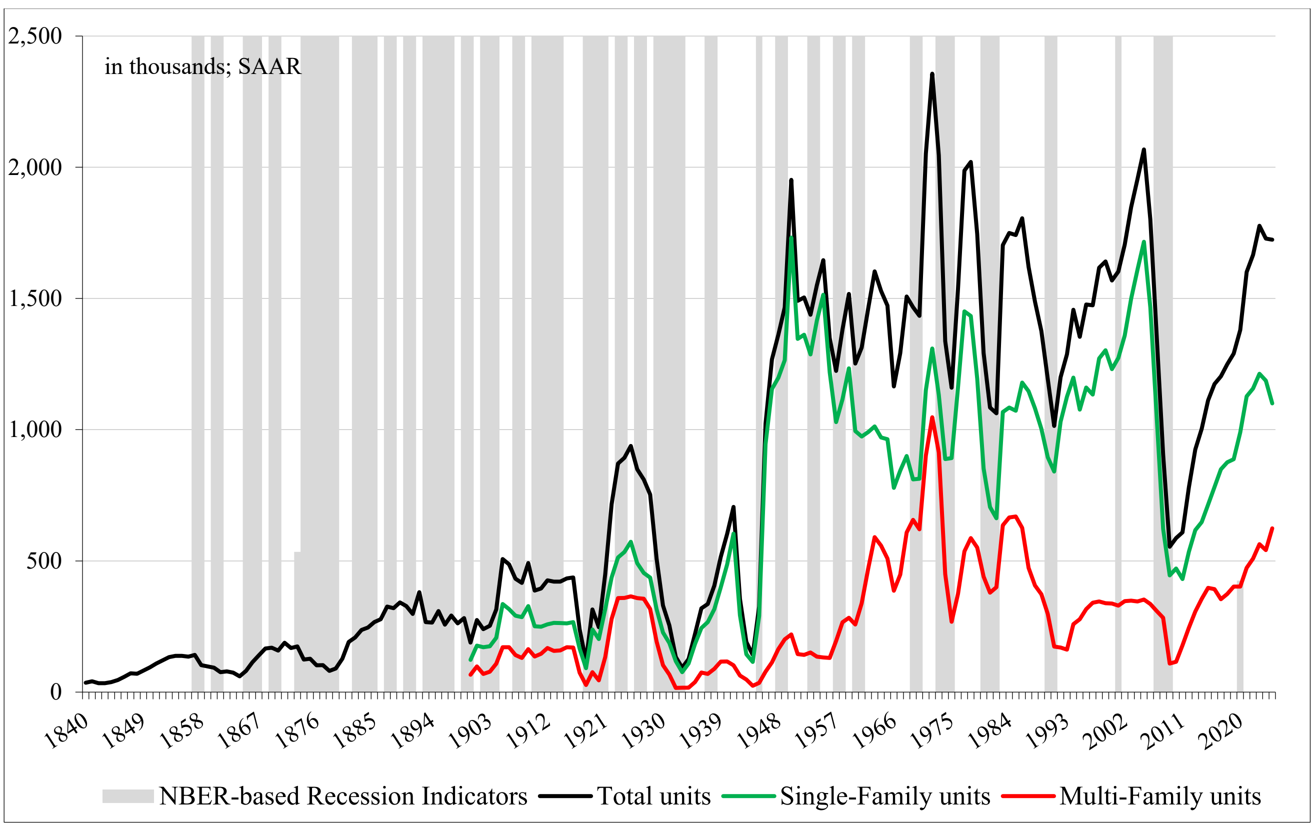

Figure 1. U.S. housing units and starts: 1840 to April 2022. Sources: FRED (2022b), Gottlieb (1964), HHFA (1948), and Census Bureau (2022a).