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United States Housing Brief, September 2022

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Abstract

In September, month-over-month data were negative in several categories. Year-over-year data were similar. Single-family permits and starts decreased again, month-over-month and year-over-year. The impact of increasing borrowing costs and slow income growth combined with still elevated house prices resulted in a major obstacle for new and existing house sales. September was the eighth consecutive monthly decrease for existing house sales. Single-family construction spending decreased for the fourth straight month.

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, September 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. In September, month-over-month data were negative in several categories. Year-over-year data were similar. Single-family permits and starts decreased again, month-over-month and year-over-year. The impact of increasing borrowing costs and slow income growth combined with still elevated house prices resulted in a major obstacle for new and existing house sales. September was the eighth consecutive monthly decrease for existing house sales. Single-family construction spending decreased for the fourth straight month.

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".

September 2022 Housing Scorecard

Category[a]	Month-over-month change		Year-over-year change	
Housing starts (total)	▼	8.1%	▼	7.7%
Single-family	▼	4.7%	▼	18.5%
Multifamily	▼	13.2%	▲	17.6%
Housing permits (total)	▲	1.4%	▼	3.2%
Single-family	▼	3.3%	▼	17.5%
Multifamily	▲	8.1%	▲	23.7%
Housing under construction (total)	▲	0.5%	▲	19.0%
Single-family	▼	1.1%	▲	11.1%
Multifamily	▲	1.9%	▲	26.9%
Housing completions (total)	▲	6.1%	▲	15.7%
Single-family	▲	3.2%	▲	11.1%
Multifamily	▲	14.9%	▲	30.8%
New single-family house sales	▼	10.9%	▼	17.6%
Private residential construction spending	NC[b]	0.0%	▼	12.7%
Single-family construction spending	▼	2.6%	▼	2.7%
Existing house sales[c]	▼	1.5%	▼	23.8%

[a] Data from U.S. Census Bureau–Construction.
[b] NC, no change.
[c] Data from Federal Reserve Bank of St. Louis. (FRED).

Starts

Total starts in September 2022 were at a seasonally adjusted annual rate (SAAR) of 1,439,000. This was 8.1% less than August and 7.7% less than September 2021. Single-family (SF) starts were 892,000, which was 4.7% less than September 2021. Multifamily (MF) starts of two to four units were 17,000 and five units or more were 530,000 (Census Bureau 2022a) (Fig. 1).

Regionally, the South remained the strongest market, where total starts were 738,000, of which 536,000 were SF and 202,000 were MF. The West followed with total starts of 372,000, of which 186,000 were SF and 186,000 were MF. Total Midwest starts were 182,000, of which 112,000 were SF and 70,000 were MF. The Northeast recorded total starts of 147,000, of which 58,000 were SF and 89,000 were MF (Census Bureau 2022a). Table 1 provides housing start data for each start category for September 2022.

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

	Total starts[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Sep-22	1,439,000	892,000	17,000	530,000
Aug-22	1,566,000	936,000	20,000	610,000
Sep-21	1,559,000	1,094,000	10,000	455,000
Month-over-month change	–8.1%	–4.7%	–15.0%	–13.1%
Year-over-year change	–7.7%	–18.5%	70.0%	16.5%
	Northeast	Midwest	South	West
Sep-22	147,000	182,000	738,000	372,000
Aug-22	168,000	187,000	855,000	356,000
Sep-21	127,000	204,000	809,000	419,000
Month-over-month change	–12.5%	–2.7%	–13.7%	4.5%
Year-over-year change	15.7%	–10.8%	–8.8%	–11.2%

[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 September 2022 were at a SAAR of 1,564,000. This was 1.4% greater than August and 3.2% less than September 2021. SF permits were 870,000, which was 3.3% less than September 2021. MF permits of two to four units were 49,000 and five units or more were 645,000 (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 847,000, of which 526,000 were SF and 321,000 were MF. The West followed with total permits of 379,000, of which 177,000 were SF and 202,000 were MF. Midwest total permits were 209,000, of which 109,000 were SF and 100,000 were MF. In the Northeast, total permits were 129,000, of which 58,000 were SF and 71,000 were MF (Census Bureau 2022b). Table 2 provides data by each permit category for September 2022.

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

	Total permits[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Sep-22	1,564,000	870,000	49,000	645,000
Aug-22	1,542,000	900,000	47,000	595,000
Sep-21	1,615,000	1,054,000	48,000	513,000
Month-over-month change	1.4%	–3.3%	4.3%	8.4%
Year-over-year change	–3.2%	–17.5%	2.1%	25.7%
	Northeast	Midwest	South	West
Sep-22	129,000	209,000	847,000	379,000
Aug-22	138,000	202,000	826,000	376,000
Sep-21	121,000	215,000	879,000	400,000
Month-over-month change	–6.5%	3.5%	2.5%	0.8%
Year-over-year change	6.6%	–2.8%	–3.6%	–5.3%

[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 September 2022 was at a SAAR of 1,710,000. This was a 0.5% increase from August and 19.0% greater than September 2021. SF HUC was 800,000, which was 1.1% less than August. MF HUC of two to four units were 17,000 and five units or more were 893,000 (Census Bureau 2022a).

Regionally, the South remained the strongest market, where total HUC was 794,000, of which 429,000 were SF and 365,000 were MF. The West followed with a total HUC of 481,000 units, of which 205,000 were SF and 276,000 were MF. Midwest total HUC was 214,000, of which 106,000 were SF and 108,000 were MF. The Northeast total HUC was 221,000, of which 60,000 were SF and 161,000 were MF (Census Bureau 2022a). Table 3 provides HUC data for September 2022.

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

	Total HUC[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Sep-22	1,710,000	800,000	17,000	893,000
Aug-22	1,702,000	809,000	17,000	876,000
Sep-21	1,437,000	720,000	13,000	704,000
Month-over-month change	0.5%	–1.1%	0.0%	1.9%
Year-over-year change	19.0%	11.1%	30.8%	26.8%
	Northeast	Midwest	South	West
Sep-22	221,000	214,000	794,000	481,000
Aug-22	222,000	212,000	794,000	474,000
Sep-21	204,000	179,000	656,000	398,000
Month-over-month change	–0.5%	0.9%	0.0%	1.5%
Year-over-year change	8.3%	19.6%	21.0%	20.9%

[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 September 2022 were at a SAAR of 1,427,000. This was 6.1% greater than August and 15.7% greater than September 2021. SF completions were 1,049,000, which is 3.2% greater than September 2021. MF completions of two to four units were 2,000 and five units or more were 376,000 (Census Bureau 2022a).

The South remained the strongest market, where total completions were 780,000, of which 646,000 were SF and 134,000 were MF. The West followed with total completions of 312,000 units, of which 216,000 were SF and 96,000 were MF. Midwest total completions were 207,000, of which 146,000 were SF and 61,000 were MF. Total Northeast completions were 128,000, of which 41,000 were SF and 87,000 were MF (Census Bureau 2022a). Table 4 provides housing completion data for September 2022.

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

	Total completions[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Sep-22	1,427,000	1,049,000	2,000	376,000
Aug-22	1,345,000	1,016,000	7,000	322,000
Sep-21	1,233,000	944,000	7,000	282,000
Month-over-month change	6.1%	3.2%	–71.4%	16.8%
Year-over-year change	15.7%	11.1%	–71.4%	33.3%
	Northeast	Midwest	South	West
Sep-22	128,000	207,000	780,000	312,000
Aug-22	126,000	201,000	669,000	349,000
Sep-21	99,000	196,000	681,000	257,000
Month-over-month change	1.6%	3.0%	16.6%	–10.6%
Year-over-year change	29.3%	5.6%	14.5%	21.4%

[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 September 2022 were estimated at a SAAR of 603,000 units. This was a decrease of 10.9% from August and 17.6% less than September 2021. Regionally, the South remained the strongest market with total new SF house sales of 356,000, followed by the West with 135,000. The Midwest recorded 73,000 sales, and the Northeast had 39,000 (Census Bureau 2022c).

The median sales price of new houses sold in September 2022 was $407,600, and the mean sales price was $517,700 (Census Bureau 2022c). Table 5 provides new SF sales data for September 2022.

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

	New SF sales[a]	Median price	Mean price	Month's supply
Sep-22	603,000	$470,600	$517,700	9.2
Aug-22	677,000	$435,800	$529,000	8.1
Sep-21	732,000	$413,200	$470,600	6.1
Month-over-month change	–10.9%	8.0%	–2.1%	13.6%
Year-over-year change	–17.6%	13.9%	10.0%	50.8%
	Northeast	**Midwest**	**South**	**West**
Sep-22	39,000	73,000	356,000	135,000
Aug-22	25,000	70,000	446,000	136,000
Sep-21	31,000	66,000	441,000	194,000
Month-over-month change	56.0%	4.3%	–20.2%	–0.7%
Year-over-year change	25.8%	10.6%	–19.3%	–30.4%

[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 September 2022 was at a SAAR of $917,986 million, no change from August and a 12.7% improvement from September 2021. SF construction spending was $423,742 million, and MF construction spending was $101,552 million. Improvement, or remodeling, spending was $392,692 million (Census Bureau 2022d). Table 6 provides data for each construction spending category for September 2022.

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

	Total private residential construction spending[a, b]	Single-family	Multi-family	Improvement[c]
Sep-22	$917,986	$423,742	$101,552	$392,692
Aug-22	$917,970	$435,191	$101,285	$381,494
Sep-21	$814,272	$435,713	$99,700	$278,859
Month-over-month change	0.0%	–2.6%	0.3%	2.9%
Year-over-year change	12.7%	–2.7%	1.9%	40.8%

[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 September 2022 were at a SAAR of 4,710,000 units. This is a 1.5% decrease from August and a 23.8% decrease from September 2021. Regionally, the South remained the strongest market, with total existing house sales of 2,080,000 units, followed by the Midwest at 1,140,000 units. The West had total existing sales of 880,000 units and the Northeast had 610,000 units (FRED 2022a). Table 7 provides existing house sales data for September 2022.

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

	Existing sales[a]	Median price	Month's supply
Sep-22	4,710,000	$384,800	3.2
Aug-22	4,780,000	$391,700	3.2
Sep-21	6,180,000	$355,100	2.4
Month-over-month change	–1.5%	–1.8%	0.0%
Year-over-year change	–23.8%	8.4%	33.3%

	Northeast	Midwest	South	West
Sep-22	610,000	1,140,000	2,080,000	880,000
Aug-22	620,000	1,160,000	2,120,000	880,000
Sep-21	750,000	1,420,000	2,730,000	1,280,000
Month-over-month change	–1.6%	–1.7%	–1.9%	0.0%
Year-over-year change	–18.7%	–19.7%	–23.8%	–31.3%

[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 September 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.

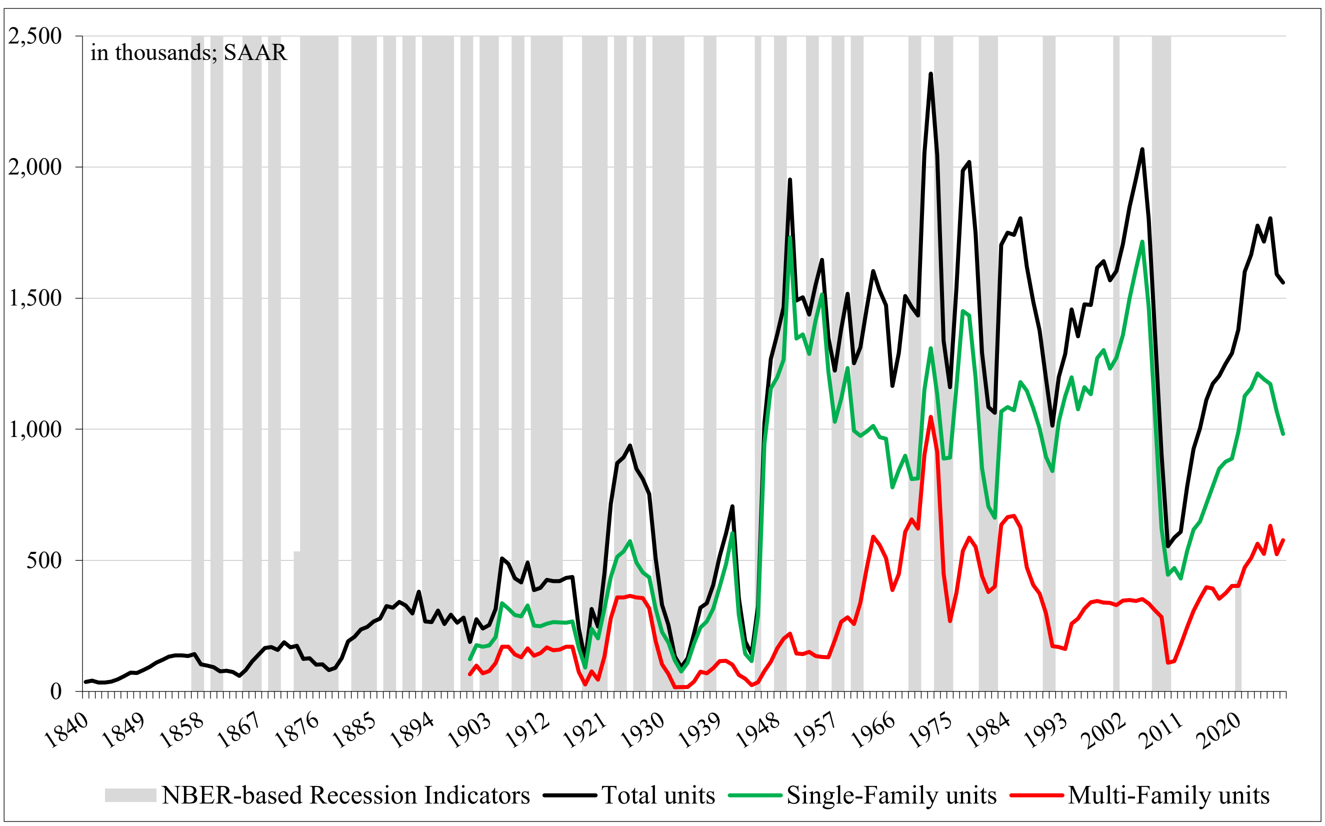

Figure 1. U.S. housing units and starts: 1840 to September 2022. Sources: FRED (2022b), Gottlieb (1964), HHFA (1948), and Census Bureau (2022a).