Forest Products Laboratory | Research Note FPL–RN–0421 | May 2023

United States Housing Brief, November 2022

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Abstract

In November, on a month-over-month basis, housing permits declined; this suggests further moderation in single-family activity in the upcoming months. The number of housing completions was the "bright" spot for housing construction. Other year-over-year and month-over-month data were mostly negative.

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

Contents

May 2023

Alderman, Delton. 2023. United States Housing Brief, November 2022. Research Note FPL-RN-0421. Madison, WI: U.S. Department of Agriculture, Forest Service, Forest Products Laboratory. 6 p. https://doi.org/10.2737/FPL-RN-421

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United States Housing Brief, November 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 November, on a month-over-month basis, housing permits declined; this suggests further moderation in single-family activity in the upcoming months. The number of housing completions was the "bright" spot for housing construction. Other year-over-year and month-over-month data were mostly negative.

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".

. **November 2022 Housing Scorecard**

Category[a]	**Month-over-month change**		**Year-over-year change**	
Housing starts (total)	▼	0.5%	▼	16.4%
Single-family	▼	4.1%	▼	32.1%
Multifamily	▲	4.9%	▲	23.3%
Housing permits (total)	▼	10.6%	▼	21.9%
Single-family	▼	7.1%	▼	29.7%
Multifamily	▼	15.1%	▼	7.8%
Housing under construction (total)	▲	0.0%	▲	14.5%
Single-family	▼	1.3%	▲	2.9%
Multifamily	▲	1.1%	▲	26.3%
Housing completions (total)	▲	10.8%	▲	6.0%
Single-family	▲	9.5%	▲	9.9%
Multifamily	▲	13.9%	▼	2.2%
New single-family house sales	▲	5.8%	▼	15.3%
Private residential construction spending	▼	0.5%	▲	5.3%
Single-family construction spending	▼	2.9%	▼	10.2%
Existing house sales[b]	▼	7.7%	▼	35.4%

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

Starts

Total starts in November 2022 were at a seasonally adjusted annual rate (SAAR) of 1,427,000. This was 0.5% less than October and 16.4% less than November 2021. Single-family (SF) starts were 828,000, which was 4.1% less than November 2021. Multifamily (MF) starts of two to four units were 15,000 and five units or more were 584,000 (Census Bureau 2021a) (Fig. 1).

Regionally, the South remained the strongest market, where total starts were 788,000, of which 482,000 were SF and 306,000 were MF. The West followed with total starts of 341,000, of which 189,000 were SF and 152,000 were MF. Total Midwest starts were 215,000, of which 96,000 were SF and 119,000 were MF. The Northeast recorded total starts of 83,000, of which 61,000 were SF and 22,000 were MF (Census Bureau 2021a). Table 1 provides housing start data for each start category for November 2022.

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

	Total starts[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Nov-22	1,427,000	828,000	15,000	584,000
Oct-22	1,434,000	863,000	14,000	557,000
Nov-21	1,706,000	1,220,000	17,000	469,000
Month-over-month change	–0.5%	–4.1%	7.1%	4.8%
Year-over-year change	–16.4%	–32.1%	–11.8%	24.5%
	Northeast	Midwest	South	West
Nov-22	83,000	215,000	788,000	341,000
Oct-22	102,000	230,000	787,000	315,000
Nov-21	114,000	216,000	946,000	430,000
Month-over-month change	–18.6%	–6.5%	0.1%	8.3%
Year-over-year change	–27.2%	–0.5%	–16.7%	–20.7%

[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 November 2022 were at a SAAR of 1,351,000. This was 10.6% less than October and 21.9% less than November 2021. SF permits were 781,000, which was 7.1% less than November 2021. MF permits of two to four units were 52,000 and five units or more were 518,000 (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 753,000, of which 475,000 were SF and 278,000 were MF. The West followed with total permits of 281,000, of which 155,000 were SF and 126,000 were MF. Midwest total permits were 199,000, of which 100,000 were SF and 99,000 were MF. In the Northeast, total permits were 118,000, of which 51,000 were SF and 67,000 were MF (Census Bureau 2021b). Table 2 provides data by each permit category for November 2022.

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

	Total permits[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Nov-22	1,351,000	781,000	52,000	518,000
Oct-22	1,512,000	841,000	51,000	620,000
Nov-21	1,729,000	1,111,000	48,000	570,000
Month-over-month change	–10.6%	–7.1%	2.0%	–16.5%
Year-over-year change	–21.9%	–29.7%	8.3%	–9.1%
	Northeast	Midwest	South	West
Nov-22	118,000	199,000	753,000	281,000
Oct-22	112,000	210,000	860,000	330,000
Nov-21	151,000	214,000	918,000	446,000
Month-over-month change	5.4%	–5.2%	–12.4%	–14.8%
Year-over-year change	–21.9%	–7.0%	–18.0%	–37.0%

[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 November 2022 was at a SAAR of 1,709,000. This was no change from October and 14.5% greater than November 2021. SF HUC was 777,000, a 1.3% decrease from October. MF HUC of two to four units was 17,000 and five units or more was 915,000 (Census Bureau 2021a).

Regionally, the South remained the strongest market, where total HUC was 805,000, of which 416,000 were SF and 389,000 were MF. The West followed with a total HUC of 472,000 units, of which 196,000 were SF and 276,000 were MF. Midwest total HUC was 220,000, of which 105,000 were SF and 115,000 were MF. Northeast total HUC was 212,000, of which 60,000 were SF and 152,000 were MF (Census Bureau 2021a). Table 3 provides HUC data for November 2022.

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

	Total HUC[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Nov-22	1,709,000	777,000	17,000	915,000
Oct-22	1,709,000	787,000	17,000	905,000
Nov-21	1,493,000	755,000	13,000	725,000
Month-over-month change	0.0%	–1.3%	0.0%	1.1%
Year-over-year change	14.5%	2.9%	30.8%	26.2%
	Northeast	Midwest	South	West
Nov-22	212,000	220,000	805,000	472,000
Oct-22	223,000	217,000	799,000	470,000
Nov-21	204,000	185,000	687,000	417,000
Month-over-month change	–4.9%	1.4%	0.8%	0.4%
Year-over-year change	3.9%	18.9%	17.2%	13.2%

[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 November 2022 were at a SAAR of 1,490,000. This was 10.8% greater than October and 6.0% greater than November 2021. SF completions were 1,047,000, which is 9.5% greater than November 2021. MF completions of two to four units were 13,000 and five units or more were 430,000 (Census Bureau 2021a).

The South remained the strongest market, where total completions were 755,000, of which 632,000 were SF and 123,000 were MF. The West followed with total completions of 315,000 units, of which 231,000 were SF and 84,000 were MF. Total Northeast completions were 223,000, of which 58,000 were SF and 165,000 were MF. Midwest total completions were 197,000, of which 126,000 were SF and 71,000 were MF (Census Bureau 2021a). Table 4 provides housing completion data for November 2022.

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

	Total completions[a]	Single-family	Multi-family (2–4 units)[b]	Multi-family (≥5 units)
Nov-22	1,490,000	1,047,000	13,000	430,000
Oct-22	1,345,000	956,000	18,000	371,000
Nov-21	1,406,000	953,000	9,000	444,000
Month-over-month change	10.8%	9.5%	–27.8%	15.9%
Year-over-year change	6.0%	9.9%	44.4%	–3.2%
	Northeast	Midwest	South	West
Nov-22	223,000	197,000	755,000	315,000
Oct-22	99,000	182,000	690,000	374,000
Nov-21	114,000	213,000	744,000	335,000
Month-over-month change	125.3%	8.2%	9.4%	–15.8%
Year-over-year change	95.6%	–7.5%	1.5%	–6.0%

[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 November 2022 were estimated at a SAAR of 640,000 units. This was an increase of 5.8% from October and 15.3% less than November 2021. Regionally, the South remained the strongest market with total new SF house sales of 369,000, followed by the West with 171,000. The Midwest recorded 57,000 sales, and the Northeast had 43,000 (Census Bureau 2021c).

The median sales price of new houses sold in November 2022 was $471,200, and the mean sales price was $543,600 (Census Bureau 2021c). Table 5 provides new SF sales data for November 2022.

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

	New SF sales[a]	Median price	Mean price	Month's supply
Nov-22	640,000	$471,200	$543,600	8.6
Oct-22	605,000	$484,700	$533,400	9.3
Nov-21	756,000	$430,300	$498,800	6.2
Month-over-month change	5.8%	–2.8%	1.9%	–7.5%
Year-over-year change	–15.3%	9.5%	9.0%	38.7%
	Northeast	**Midwest**	**South**	**West**
Nov-22	43,000	57,000	369,000	171,000
Oct-22	47,000	47,000	377,000	134,000
Nov-21	34,000	55,000	434,000	233,000
Month-over-month change	–8.5%	21.3%	–2.1%	27.6%
Year-over-year change	26.5%	3.6%	–15.0%	–26.6%

[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 November 2022 was at a SAAR of $868,039 million, a 0.5% decrease from October and a 5.3% improvement from November 2021. SF construction spending was $394,929 million and MF construction spending was $110,155 million. Improvement, or remodeling, spending was $362,955 million (all SAAR) (Census Bureau 2021d). Table 6 provides data for each construction spending category for November 2022.

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

	Total private residential construction spending[a, b]	Single-family	Multi-family	Improvement[c]
Nov-22	$868,039	$394,929	$110,155	$362,955
Oct-22	$872,444	$406,684	$107,617	$358,143
Nov-21	$824,006	$439,999	$99,486	$284,521
Month-over-month change	–0.5%	–2.9%	2.4%	1.3%
Year-over-year change	5.3%	–10.2%	10.7%	27.6%

[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 November 2022 were at a SAAR of 4,090,000 units. This is a 7.7% decrease from October and an 35.4% decline from November 2021. Regionally, the South remained the strongest market, with total existing house sales of 1,840,000 units, followed by the Midwest at 1,020,000 units. The West had total existing sales of 700,000 units, and the Northeast had 530,000 units (FRED 2021a). Table 7 provides existing house sales data for November 2022.

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

	Existing sales[a]	Median price	Month's supply
Nov-22	4,090,000	$370,700	3.3
Oct-22	4,430,000	$378,800	3.3
Nov-21	6,330,000	$358,200	2.1
Month-over-month change	–7.7%	–2.1%	0.0%
Year-over-year change	–35.4%	3.5%	57.1%

	Northeast	Midwest	South	West
Nov-22	530,000	1,020,000	1,840,000	700,000
Oct-22	570,000	1,080,000	1,980,000	800,000
Nov-21	740,000	1,470,000	2,830,000	1,290,000
Month-over-month change	–7.0%	–5.6%	–7.1%	–12.5%
Year-over-year change	–28.4%	–30.6%	–35.0%	–45.7%

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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 November 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.

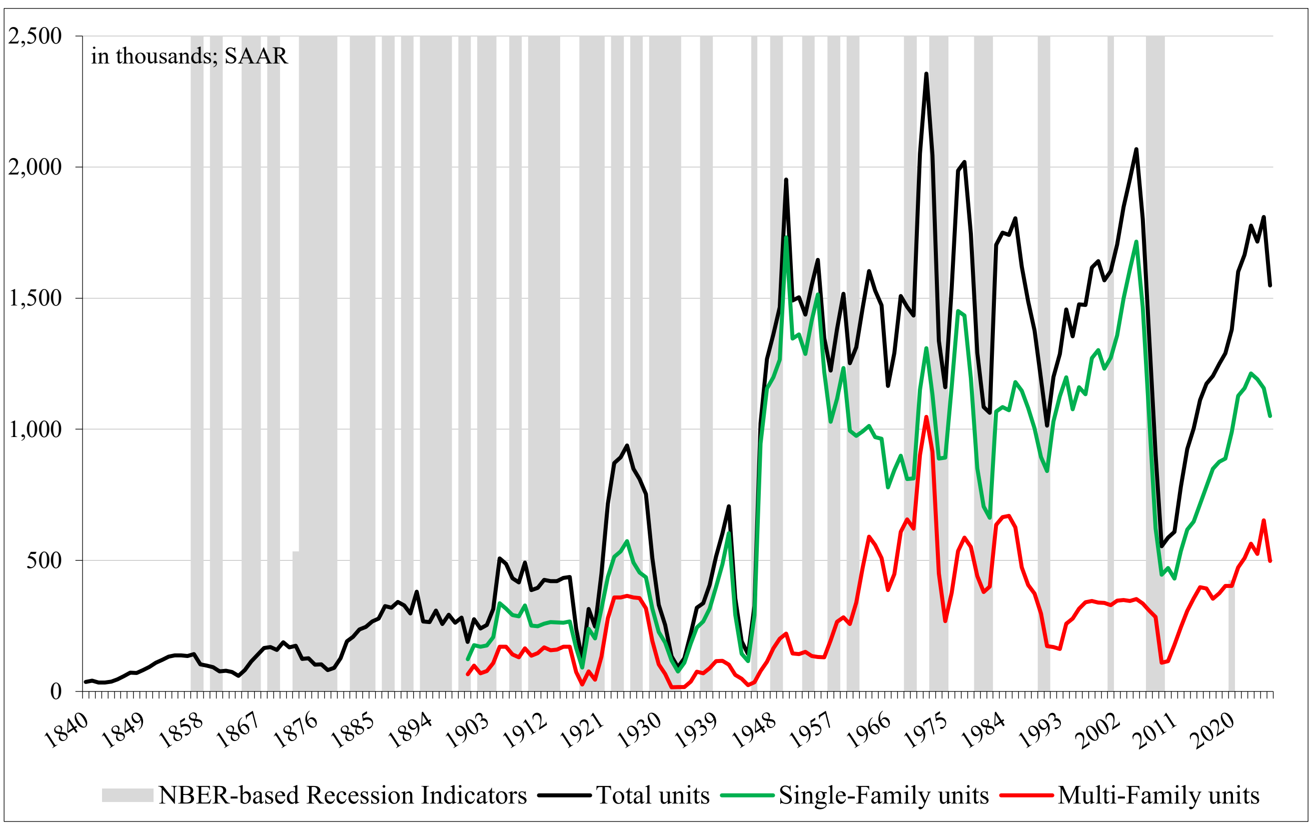

Figure 1. U.S. housing units and starts: 1840 to November 2022. Sources: HHFA (1948), FRED (2021), Gottlieb (1964), and Census Bureau (2022).