

DATA DISPATCH

US housing market: 2022 opens with a 19.2% house price surge

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By Ronamil Portes
Market Intelligence

House prices in the U.S. rose even further by January-end, increasing 19.2% year over year, based on the S&P CoreLogic Case-Shiller U.S. National Home Price NSA Index.

The increase was "the fourth-largest reading in 35 years of history," according to S&P Dow Jones Indices Managing Director Craig Lazzara, and a stronger price hike compared to the previous month's 18.9% growth. The index was up 1.6% from the previous month after seasonal adjustment.

Price surge in cities continues

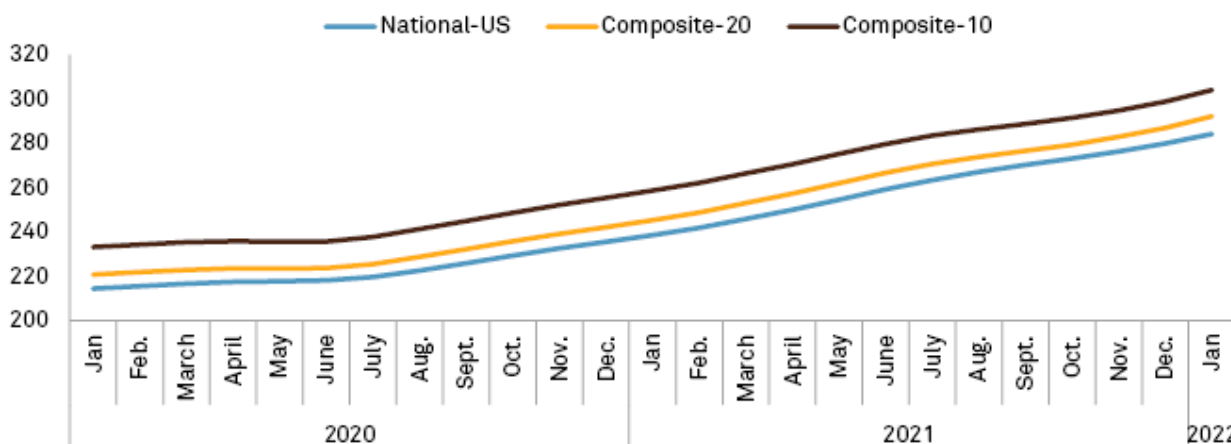
The 20-City Composite index posted a 19.1% year-over-year growth in January, up from 18.6% in the prior month. The 10-City Composite index rose 17.5% year over year, compared to the previous month's growth of 17.1%.

Lazzara noted that the strength in home prices was "broadly based." In January, all cities covered in the 20-City Composite index posted annual price hikes, 16 of which had higher year-over-year price growth than their respective gains in December 2021.

Phoenix had the highest house price growth, with a 32.6% year-over-year increase in January. Tampa, Fla., and Miami followed, with annual price hikes of 30.8% and 28.1%, respectively.

Case-Shiller Home Price Indexes

January 2020-January 2022



Data compiled March 29, 2022.

Index values for the Case-Shiller National-US, 20-city and 10-city composite indexes are through Jan. 2022 and are seasonally adjusted.

Based on data released March 29, 2022.

Source: S&P Dow Jones Indices LLC

Legacy Housing, Comstock lead homebuilder stocks

Legacy Housing Corp. topped the homebuilder stocks as of March 28 with a 21.7% one-year total return, way above the -16.0% median return across all U.S. homebuilders. In the 12 months ended Sept. 30, 2021, the company sold a total of 3,066 homes, a 10.2% decline from the previous year.

Apart from Legacy Housing, Comstock Holding Cos. Inc. also reported a positive one-year total return at 8.9%.

Top-performing homebuilders

	1-year total return (%)	LTM homes sold		Backlog		LTM new orders	
		Number (actual)	YOY change (%)	Units (actual)	Average value per unit (\$000)	Number (actual)	YOY change (%)
Legacy Housing Corp. (LEGH) ¹	21.7	3,066	-10.2	NA	NA	NA	NA
Comstock Holding Cos. Inc. (CHCI) ¹	8.9	NA	NA	NA	NA	NA	NA
Tri Pointe Homes Inc. (TPH)	-0.1	6,188	20.8	3,158	710	6,382	0.7
NVR Inc. (NVR)	-1.8	21,540	9.0	12,730	454	22,721	-1.6
Taylor Morrison Home Corp. (TMHC)	-7.2	13,699	9.4	9,114	632	14,410	-4.4
All U.S. homebuilder median²	-16.0	10,442	12.1	7,011	487	12,272	0.1

Data compiled March 29, 2022.

LTM = last 12 months; NA = not available

Homebuilder financial data represents the year ended Dec. 31, 2021, unless otherwise noted.

Includes S&P Global Market Intelligence-covered U.S. homebuilders ranked by one-year total return as of March 28, 2022.

¹ Financial data as of Sept. 30, 2021.

² Includes financial data for the year ended Sept. 30, 2021, Jan. 31, 2022, and Feb. 28, 2022, for homebuilders with different period-ends.

Source: S&P Global Market Intelligence

Sales are down, starts are up

New single-family home sales in the U.S. dropped 2.0% on a monthly basis in February to a seasonally adjusted annual rate of 772,000 units, according to data from the U.S. Census Bureau and the U.S. Department of Housing and Urban Development. On an annual basis, new home sales fell 6.2%.

During the same period, existing home sales experienced a bigger drop, declining by 7.2% from the previous month, according to the National Association of Realtors, or NAR. However, compared to the previous year, existing home sales were only down 2.4%.

On the other hand, privately owned, single-unit housing starts rose 5.7% month over month in February and were up 13.7% on a yearly basis.

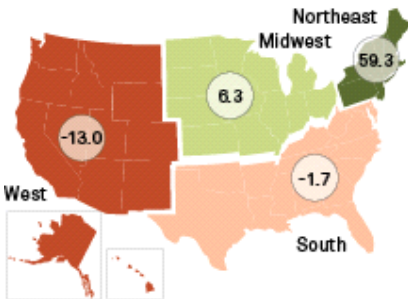
In a March 18 press release, NAR Chief Economist Lawrence Yun highlighted housing affordability as a major setback for homebuyers, noting that the continued price hikes and rising mortgage rates are keeping buyers from purchasing properties. "Some who had previously qualified at a 3% mortgage rate are no longer able to buy at the 4% rate," Yun said.

Yun expects house price hikes to slow down "as demand cools and as supply improves somewhat due to more home construction."

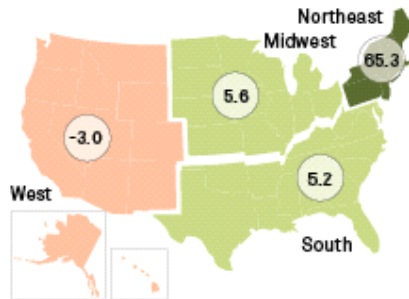
Month-over-month change, by region February 2022 (preliminary)

1-month % change: ■ -10.1 to -20.0 ■ -0.1 to -10.0 ■ 0.1 to 10.0 ■ 20.1+

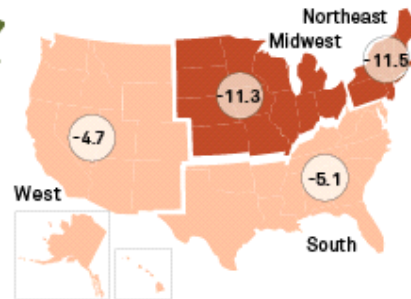
New home sales



Single-unit housing starts



Existing home sales



	New home sales			Single-unit housing starts			Existing home sales		
	Thousands of units	1-month change (%)	12-month change (%)	Thousands of units	1-month change (%)	12-month change (%)	Thousands of units	1-month change (%)	12-month change (%)
U.S.	772	-2.0	-6.2	1,215	5.7	13.7	6,020	-7.2	-2.4
Northeast	43	59.3	7.5	81	65.3	17.4	690	-11.5	-12.7
Midwest	84	6.3	-19.2	151	5.6	39.8	1,330	-11.3	-1.5
South	451	-1.7	-3.0	688	5.2	18.4	2,790	-5.1	3.0
West	194	-13.0	-9.3	295	-3.0	-5.1	1,210	-4.7	-8.3

Data compiled March 29, 2022.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; National Association of Realtors

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