

Boston Trust



December 2025

Economic Recap: Housing, Rates & Construction Costs National & Local

Boston Trust
Economic Snapshot

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The December edition of the Boston Trust Economic Snapshot: Housing, Rates & Construction Costs.

December delivered the strongest sales pace since early 2023, helping offset the slower activity seen in November. Many delayed transactions closed by year-end, driving a month-over-month increase in sales while prices stayed supported by tight inventory. The Northeast remained resilient, with improving sales, limited supply, and prices holding steady to slightly higher. Overall, December stood out as a stabilizing finish to a challenging year. National home sales rose 5.1% from November to December 2025, with gains recorded across all major regions.

Mortgage rates wrapped up December near 6.20%, then dipped to roughly 5.99% by early January, according to Mortgage News Daily. Buyers should keep their pre-approvals current as rates continue to fluctuate and are expected to remain steady or ease slightly into 2026.

While housing inventory is modestly higher than a year ago, competition remains strong, making well-prepared offers essential for buyers. Sellers in the Northeast can still benefit from limited supply this winter, creating opportunities to list and capture solid pricing. For homeowners, the start of the year is also an ideal time to declutter and prepare for the months ahead.

Overall, the 2026 housing market is shaping up to be more balanced, with improving selection and affordability for both buyers and sellers.

No matter how complex your next project may be, Boston Trust has the experience and knowledge to be your trusted lender.



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Due to the recent government shutdown, several of the federal data sources we rely on are either delayed or temporarily inaccessible. As a result, some of the information we typically include is not yet available.

This email contains all currently released data for December 2025. As additional updates are published, we will incorporate them into upcoming Economic Recaps. Thank you for your understanding!

Massachusetts December 2025

MASSACHUSETTS

DEC | '25

SINGLE FAMILIES

↑ HOMES SOLD UP 2.2%
↑ AVERAGE PRICE UP 2.7%



CONDOS

↑ HOMES SOLD UP 9.4%
↓ AVERAGE PRICE DOWN -5.7%



MULTI-FAMILIES

↑ HOMES SOLD UP 1.1%
↓ AVERAGE PRICE DOWN -3.4%



Per MLSPIN & Warren Data

Total home sales increased 4% compared to last year, rising from 5,691 in December 2024 to 5,917 in December 2025. Sales activity improved across every property type.

Single families: 3,665 (2024) | 3,745 (2025)
Condominiums: 1,487 (2024) | 1,627 (2025)
Multi-families: 539 (2024) | 545 (2025)

The average sale price edged down slightly year over year, dipping 0.2% to \$729,788 from \$731,275 in December 2024. Single-family home prices rose, while condo and multi-family pricing softened.

Single families: \$746,033 (2024) | \$766,102 (2025)
Condominiums: \$670,825 (2024) | \$632,431 (2025)
Multi-families: \$797,688 (2024) | \$770,891 (2025)

National Mortgage Foreclosure & Delinquency

Serious Delinquency Mortgage Payments (90 days past due or in foreclosure)

National Delinquency Rate

The national delinquency rate dropped 16 basis points in December to 3.68%, easing from November’s calendar-driven spike. The rate is slightly lower than a year ago and remains well below pre-pandemic levels. While early-stage delinquencies improved, serious 90-day-plus delinquencies rose by about 30,000, reaching their highest level in nearly three years.

Foreclosures and Prepayments

Foreclosures:

December recorded about 40,000 foreclosure starts, making it the third-highest monthly total of 2025 and 28% higher than a year earlier. Active foreclosure inventory rose by roughly 47,000 loans (+25%), while foreclosure sales climbed by about 2,100 (+41%) year over year. Although overall foreclosure levels remain low by historical standards, active cases reached their highest point since early 2023, driven largely by increases in FHA activity and the return of VA foreclosures following last year’s pause.

Prepayments:

The SMM prepayment rate increased 8 basis points in December to 0.91%, remaining just below its recent multi-year peak. Easing interest rates helped support affordability and renewed refinance activity.

	December 2025	Month-over-month change	Year-over-year change	12-month trend
Total U.S. loan delinquency rate (loans 30 or more days past due, but not in foreclosure):	3.68%	↓ -4.20%	↓ -0.93%	
Total U.S. foreclosure pre-sale inventory rate:	0.44%	↑ 5.71%	↑ 22.86%	
Total U.S. foreclosure starts:	40,000	↑ 53.96%	↑ 27.74%	
Monthly Prepayment Rate (SMM):	0.91%	↑ 9.92%	↑ 59.15%	
Total U.S. foreclosure sales:	7,100	↑ 6.68%	↑ 40.77%	
Number of properties that are 30 or more days past due, but not in foreclosure:	2,025,000	↓ -89,000	↑ 9,000	
Number of properties that are 90 or more days past due, but not in foreclosure:	560,000	↑ 30,000	↑ 19,000	
Number of properties in foreclosure pre-sale inventory:	239,000	↑ 13,000	↑ 47,000	
Number of properties that are 30 or more days past due or in foreclosure:	2,265,000	↓ -76,000	↑ 56,000	

Legend
■ Low ■ High

United States Prime Rate

The Current U.S. (Fed) Prime Rate is: **6.75%**

January 28, 2026: The FOMC has voted to keep the target range for the fed funds rate at **3.50% - 3.75%**. Therefore, **the U. S. Prime Rate continues at 6.75%**

The next FOMC meeting and decision on short-term interest rates will be on **March 18, 2026**.

15-year Fixed-Rate Mortgage
5.49%

30-year Fixed-Rate Mortgage
6.10%

Construction

U.S. CONSTRUCTION MATERIAL COST CHANGES

From Producer Price Index (PPI) Series

December 2025

Materials	MoM	YoY
Floor Coverings	-0.5% ↓	3% ↑
Household Appliances	1.1% ↑	4.3% ↓
Asphalt	8% ↑	-4.1% ↓
Paint Materials	-0.1% ↓	7.4% ↑
Softwood Lumber	-1.9% ↓	-5.6% ↓
Hardwood Lumber	0.5% ↑	6.1% ↑
Millwork	0.8% ↑	-0.8%
Plywood	0% ↑	0.8% ↑
Plumbing Fixtures	0.2% ↑	0.6% ↑
Heating Equipment	0.6% ↑	7.3% ↑
Lighting Fixtures	0.9% ↑	5.8% ↑
Air Conditioning & Refrig.	0.2% ↑	0.7% ↑
Cement	0.6% ↑	0.8% ↑
Concrete Products	0%	8% ↑
Hardwood Flooring	0% ↑	0.9% ↑
Copper Wire and Cable	4.6% ↑	23.1% ↑
Domestic Water Heaters	0.0% ↑	9.3% ↑
Gypsum Products	0.0% ↑	0.5% ↑

DECEMBER 2025 EXISTING HOME SALES



Single-Family Home sales increased 5.1% month over month, reaching a seasonally adjusted annual rate of 3.95 million, reflecting steady improvement in market activity.



Condominiums and Co-Ops Market activity improved on a monthly basis, with sales rising 5.3% to an annualized pace of 400,000, even as year-over-year levels remain softer.

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An aerial, high-angle photograph of a city harbor, likely New York City. The image is heavily faded and has a light beige tint. In the center, a large cruise ship is docked at a pier. The surrounding area is filled with buildings, streets, and other structures, all appearing as soft, light-colored shapes due to the fading. The text "Fast Financing you can Trust" is overlaid in a dark red, serif font across the middle of the image.

Fast Financing you can Trust