Boston Trust

August 2025

Economic Recap:

Housing, Rates & Construction Costs
National & Local

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We present the August edition of the Boston Trust Economic Snapshot: Housing, Rates & Construction Costs.

National home sales in August 2025 were essentially flat, down just 0.2% from July. After years of slower activity from high mortgage rates and limited inventory, easing rates and more listings could give the market a lift in the months ahead.

In Massachusetts, sales slipped 2% year over year, while average prices rose 6.2%. Mortgage rates ended August near 6.5%, dropped to 6.13% in mid-September, and now sit at 6.37%. Buyers should keep pre-approvals current as rate shifts impact affordability.

This fall, buyers may benefit from more options, lighter competition, and opportunities in longer-listed homes. Sellers can also take advantage of motivated fall buyers by preparing homes strategically.

A new Massachusetts law changing how home inspections are handled takes effect October 15, 2025.

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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Monthly New Residential Sales, August 2025

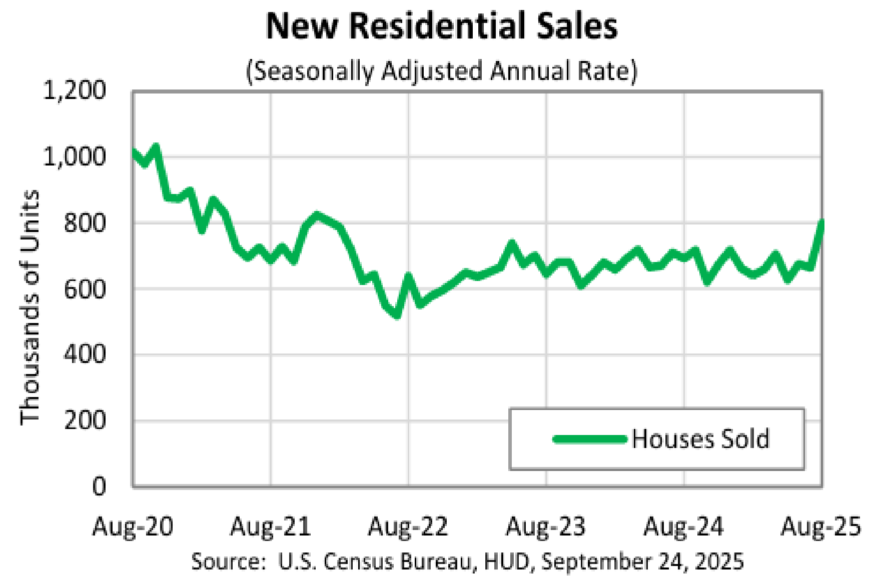
September 24th, 2025 – The U.S. Census Bureau and the U.S. Department of Housing and Urban Development (HUD) jointly announced the following new residential sales statistics for April 2025:

NEW RESIDENTIAL SALES AUGUST 2025

New Houses Sold[1]:	800,000
New Houses For Sale[2]:	490,000
Median Sales Price:	$413,500

Next Release: October 24, 2025

[1]Seasonally Adjusted Annual Rate (SAAR)
[2]Seasonally Adjusted
Source: U.S. Census Bureau, HUD, September 24, 2025

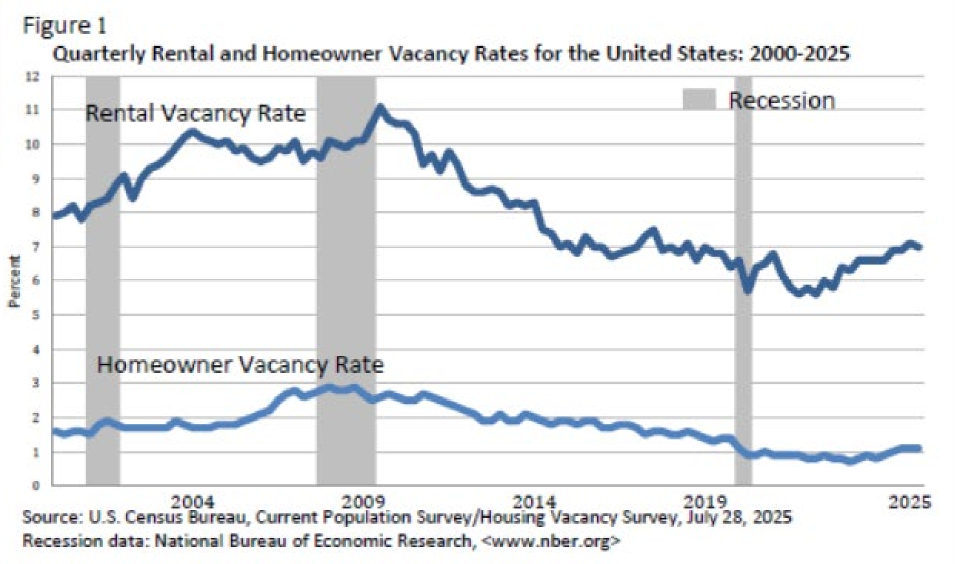


RESIDENTIAL VACANCIES AND HOMEOWNERSHIP SECOND QUARTER 2025

Rental Vacancy Rate	7.0%
Homeowner Vacancy Rate	1.1%
Homeownership Rate	65.0%

Next release: October 28, 2025

Data are not adjusted for seasonality.
Source: U.S. Census Bureau,
Current Population Survey/Housing Vacancy Survey, July 28, 2025



New Home Sales

New single-family home sales picked up sharply in August 2025, reaching a seasonally adjusted annual rate of 800,000. That's a notable jump of 20.5% from July's pace of 664,000 and a 15.4% gain compared to August 2024, when sales stood at 693,000. The latest figures suggest stronger momentum in the new construction market heading into the fall.

Sales Price

In August 2025, the median price of new homes rose to $413,500, up 4.7% from July and 1.9% from a year earlier. The average sales price reached $534,100, climbing 11.7% month-over-month and 12.3% year-over-year.

For Sale Inventory and Months' Supply

New home inventory ended August 2025 at 490,000, down slightly from July but 4% above last year. At the current sales pace, supply stood at 7.4 months — tighter than July's 9.0 months and the 8.2 months recorded in August 2024.

https://www.census.gov/economic-indicators/

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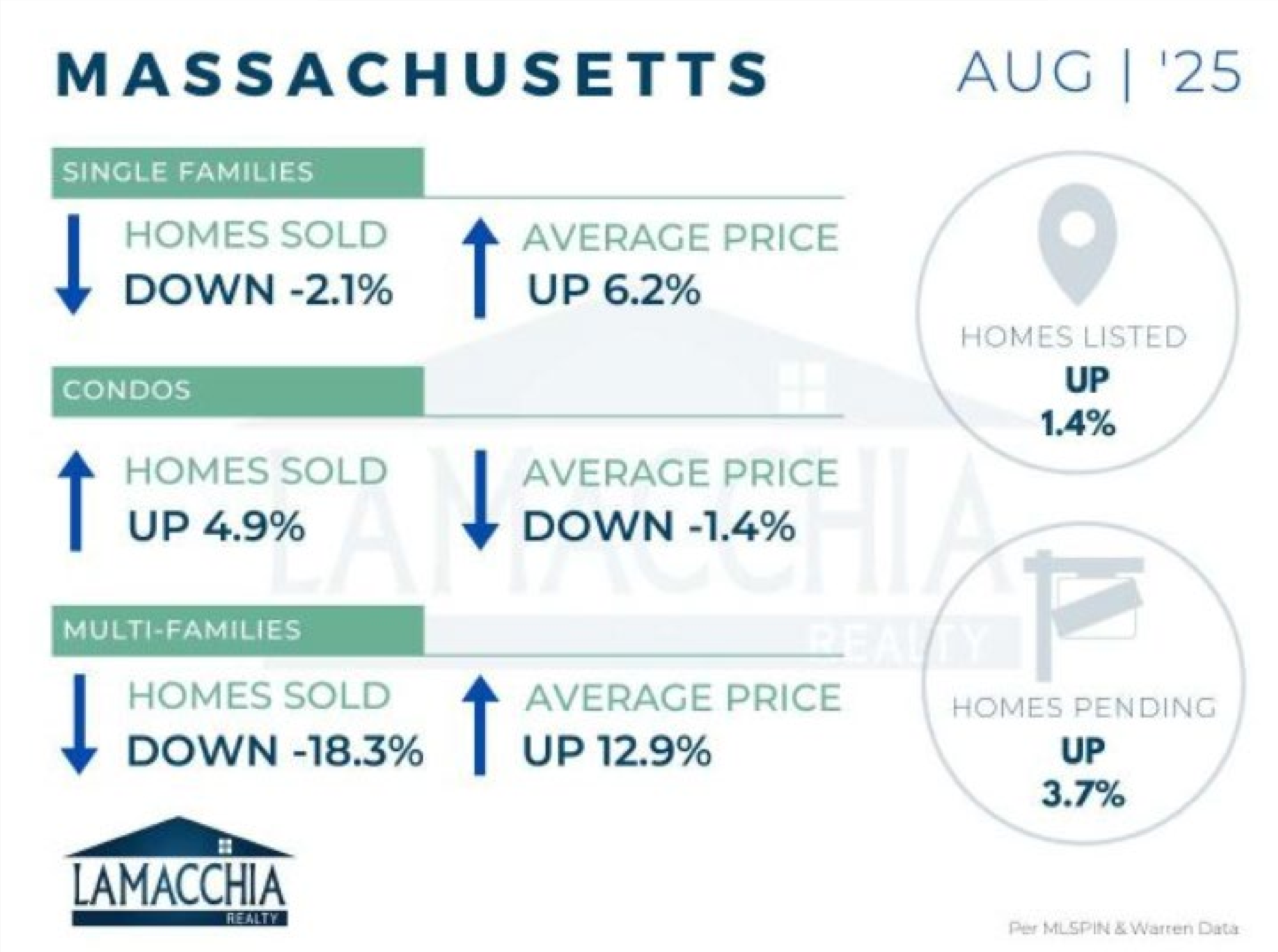
Massachusetts August 2025



Home sales slipped 1.7% year-over-year, with 6,812 transactions recorded in August 2025 compared to 6,931 in August 2024. Both single-family and multi-family properties saw declines during this period, while the condominium market showed a modest uptick in activity, providing a small but notable contrast within the overall slowdown.

Single families: 4,519 (2024) | 4,422 (2025)
Condominiums: 1,804 (2024) | 1,893 (2025)
Multi-families: 608(2024) | 497 (2025)

The average sale price rose 4.7% year-over-year, reaching $778,414 in August 2025 compared to $743,809 in August 2024. Both single-family and multi-family homes experienced price growth, reflecting steady demand across those segments, while condominium prices edged lower, signaling some softness in that corner of the market.

Single families: $778,279 (2024) | $826,645 (2025)
Condominiums: $670,262 (2024) | $660,824(2025)
Multi-families: $705,827 (2024) | $797,173 (2025)

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https://www.lamacchiarealty.com/august-2025-massachusetts-housing-report/

National Mortgage Foreclosure & Delinquency

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	August 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):	3.43%	↑ 4.97%	↑ 2.92%	
Total U.S. foreclosure pre-sale inventory rate:	0.38%	↑ 1.32%	↑ 10.47%	
Total U.S. foreclosure starts:	29,000	↓ -10.13%	↑ 5.82%	
Monthly Prepayment Rate (SMM):	0.66%	↓ -1.42%	↑ 5.81%	
Total U.S. foreclosure sales:	7,000	↑ 0.55%	↑ 22.52%	
Number of properties that are 30 or more days past due, but not in foreclosure:	1,885,000	↑ 91,000	↑ 84,000	
Number of properties that are 90 or more days past due, but not in foreclosure:	482,000	↑ 16,000	↑ 32,000	
Number of properties in foreclosure pre-sale inventory:	210,000	↑ 3,000	↑ 23,000	
Number of properties that are 30 or more days past due or in foreclosure:	2,094,000	↑ 93,000	↑ 107,000	

Legend

Low High

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

National Delinquency Rate

The national delinquency rate increased by 16 basis points in August, reaching 3.43%. That's 10 basis points higher than the same period last year and marks a return to annual growth after brief declines observed in June and July.

Mortgage delinquencies usually show little seasonal movement from July to August, but the last day of August 2025 falling on a Sunday likely caused processing delays and a temporary uptick. Similar calendar effects in 2003, 2008, and 2014 also led to delinquency spikes—averaging a 5.3% rise—closely mirroring the 5.0% increase seen this year. This suggests much of the recent rise may simply be due to timing.

Foreclosures and Prepayments

Foreclosures: Foreclosure initiations were 6% higher than the same period last year, continuing a nine-month streak of annual increases. Completed foreclosure actions also climbed, rising 22.5% year-over-year for the sixth consecutive month. These combined trends have led to a 12.3% annual rise in the number of properties in foreclosure inventory.

Prepayments:

In August, prepayment activity dipped slightly, with the single month mortality (SMM) rate edging down by 1 basis point to 0.66%. This modest decline likely reflects typical seasonal shifts in home buying patterns along with relatively stable interest rates observed throughout July.

https://mortgagetech.ice.com/resources/data-reports/first-look-at-august-2025-mortgage-data

United States Prime Rate

The Current U.S. (Fed) Prime Rate is: 7.25%

September 17, 2025: The FOMC has voted to lower the target range for the fed funds rate to 4.00% - 4.25%. Therefore, the United States Prime Rate is now 7.25%

The next FOMC meeting and decision on short-term interest rates will be on October 29, 2025.

Primary Mortgage Market Survey®

U.S. weekly averages as of 09/25/2025

30-Yr FRM		
6.3%	1-Wk change	^ 0.04
	1-Yr change	^ 0.22
	Monthly avg.	6.35%
	52-Wk avg.	6.7%
52 Week Range	6.12%	7.04%

15-Yr FRM		
5.49%	1-Wk change	^ 0.08
	1-Yr change	^ 0.33
	Monthly avg.	5.5%
	52-Wk avg.	5.87%
52 Week Range	5.25%	6.27%

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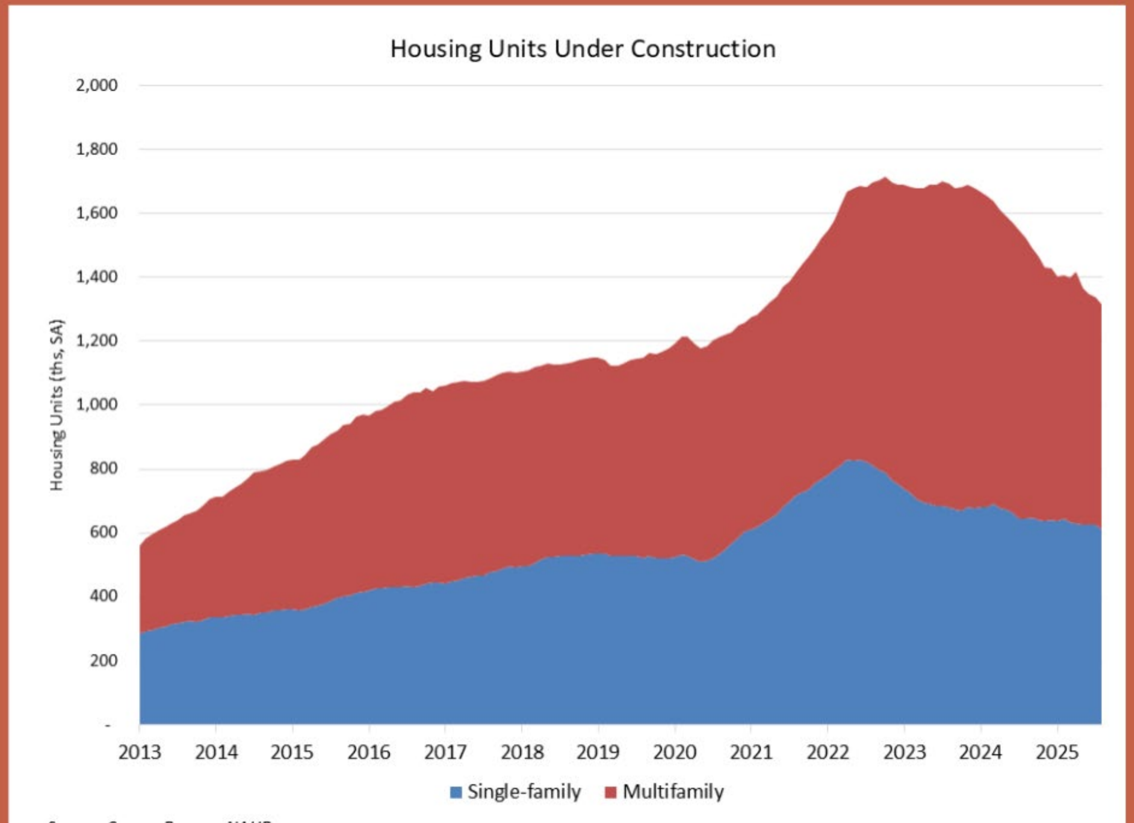
Construction

August 2025

August 2025



Source: Census Bureau; NAHB

SINGLE FAMILY: ↓

MULTI-FAMILY: ↓

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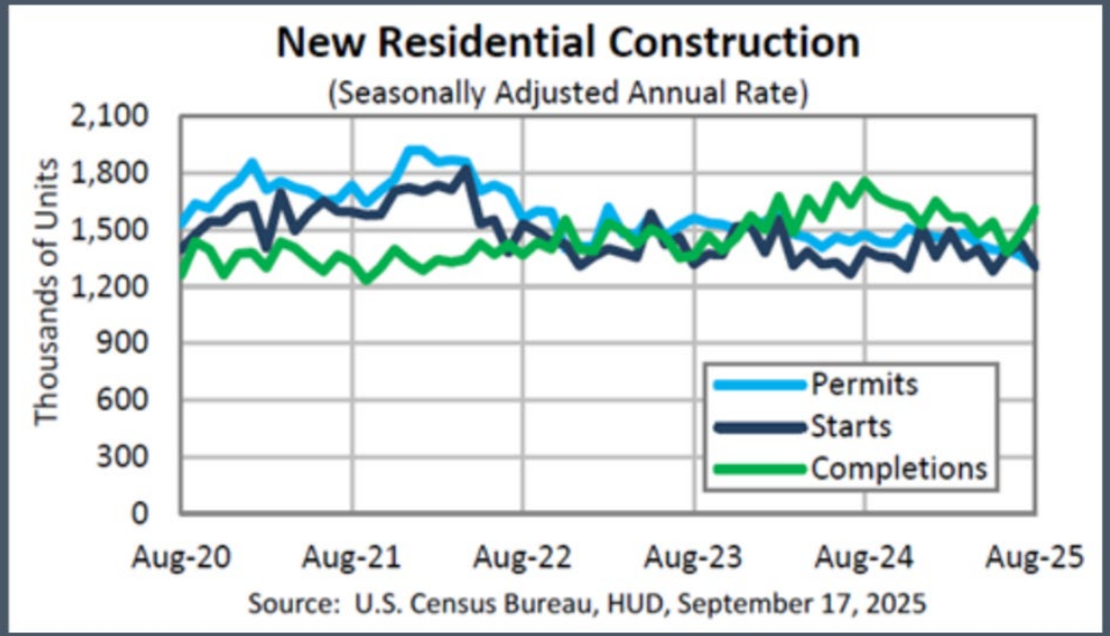
U.S. CONSTRUCTION MATERIAL COST CHANGES

From Producer Price Index (PPI) Series

August 2025

Materials	MoM	YoY
Asphalt	5.7% ↑	-5% ↓
Paint Materials	4.4% ↑	8.2% ↑
Softwood Lumber	-0.4% ↓	5.2% ↑
Hardwood Lumber	0.5% ↑	6.2% ↑
Hardwood Flooring	-0.1% ↓	1.5% ↑
Millwork	0.5% ↑	0.8% ↑
Plywood	0.3% ↑	1.8% ↑
Plumbing Fixtures	0.3% ↑	8.2% ↑
Heating Equipment	0.5% ↑	7.4% ↑
Lighting Fixtures	0%	5.9% ↑
Cement	0.4% ↑	1.9% ↑
Copper Wire	-3.8% ↓	13.8% ↑
Domestic Water Heaters	0%	8.6% ↑
Hardware	0.1% ↑	6.2% ↑
Air Conditioning & Refridg.	0.2% ↑	4.1% ↑
Household Appliances	-0.5% ↓	1.5% ↑
Insulation Materials	-0.1% ↓	0.1% ↑

August 2025



Building Permits: ↓ 3.7% MoM

Housing Starts: ↓ 8.5% MoM

Housing Completions: ↑ 8.4% MoM

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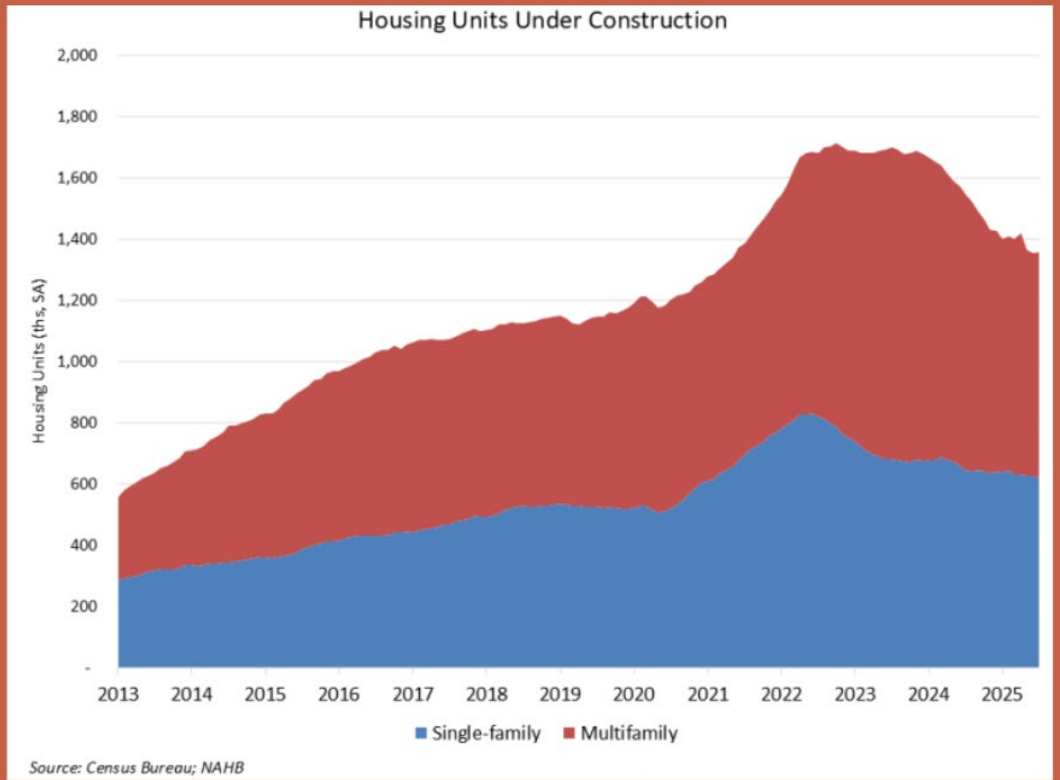
Construction

July 2025

July 2025



SINGLE FAMILY: 0.5%

MULTI-FAMILY: 8.2%

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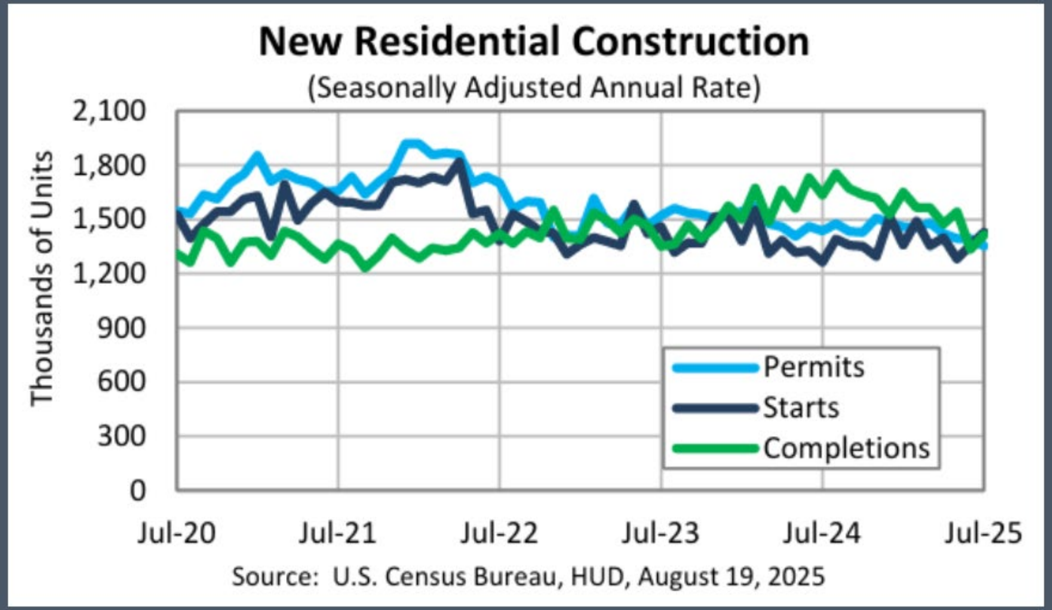
U.S. CONSTRUCTION MATERIAL COST CHANGES

From Producer Price Index (PPI) Series

July 2025

Materials	MoM	YoY
Asphalt	-3.9%	-13.7%
Paint Materials	-0.5%	4.2%
Softwood Lumber	-0.2%	7.7%
Hardwood Lumber	0.6%	5.4%
Hardwood Flooring	0.4%	1.4%
Millwork	0.6%	1%
Plywood	-0.6%	-0.4%
Plumbing Fixtures	1%	5.5%
Heating Equipment	0.4%	7%
Lighting Fixtures	0%	5.9%
Cement	-0.2%	1.7%
Copper Wire	4.9%	12.2%
Domestic Water Heaters	0%	8.6%
Hardware	1.3%	6.4%
Air Conditioning & Refridg.	0.9%	5.2%
Household Appliances	0.6%	2.4%
Insulation Materials	-0.8%	0.4%

July 2025



Building Permits: 2.8% MoM

Housing Starts: 5.2% MoM

Housing Completions: 6.0% MoM

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