

# Boston Trust

A faded background image of the Boston skyline, featuring numerous skyscrapers and a harbor filled with many sailboats.

August 2023

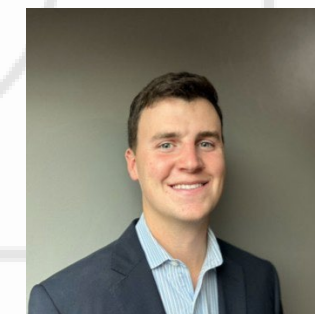
## **Economic Recap: Housing, Rates & Construction Costs National & Local**

**Boston Trust**  
Economic Snapshot |

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

Massachusetts faces decreased home sales and dwindling inventory, intensifying competition for buyers. Sellers are hesitating due to mortgage rate concerns and low market supply, though life circumstances may compel some to sell. While August saw a rise in average sales prices due to high demand and low supply, economic factors like inflation and increased mortgage rates are tempering excessive price surges, preserving housing affordability.

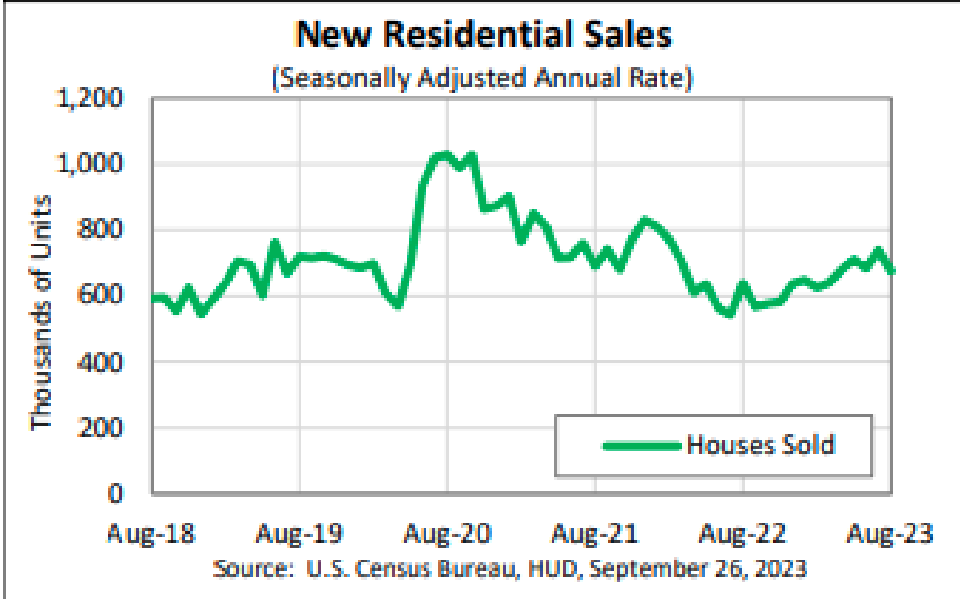
No matter how complex your next project may be, Boston Trust has the experience and knowledge to be your trusted lender.



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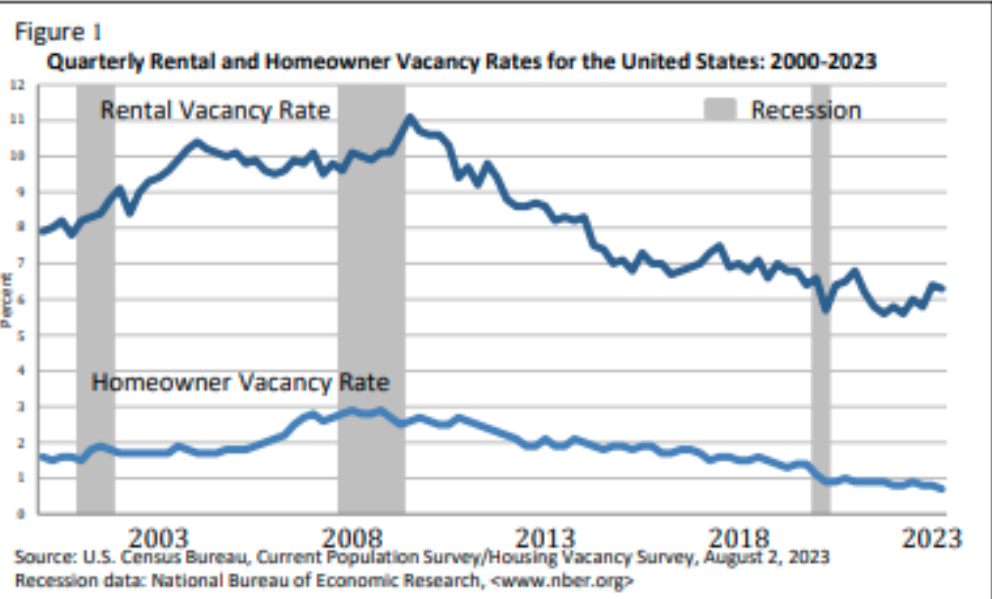
# Monthly New Residential Sales, August 2023

**September 26, 2023** – 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 August 2023:



NEW RESIDENTIAL SALES AUGUST 2023	
New Houses Sold <sup>1</sup> :	675,000
New Houses For Sale <sup>2</sup> :	436,000
Median Sales Price:	\$430,300
Next Release: <b>October 25, 2023</b>	
<sup>1</sup> Seasonally Adjusted Annual Rate (SAAR)	
<sup>2</sup> Seasonally Adjusted	
Source: U.S. Census Bureau, HUD, September 26, 2023	

RESIDENTIAL VACANCIES AND HOMEOWNERSHIP SECOND QUARTER 2023	
Rental Vacancy Rate	6.3%
Homeowner Vacancy Rate	0.7%
Homeownership Rate	65.9%
Next release: <b>October 31, 2023</b>	
Data are not adjusted for seasonality.	
Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey, August 2, 2023	



## New Home Sales

Sales of new single-family houses in August 2023 were at a seasonally adjusted annual rate of 675,000, according to estimates released jointly today by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 8.7 percent ( $\pm 15.6$  percent)\* below the revised July rate of 739,000 but is 5.8 percent ( $\pm 21.1$  percent)\* above the August 2022 estimate of 638,000.

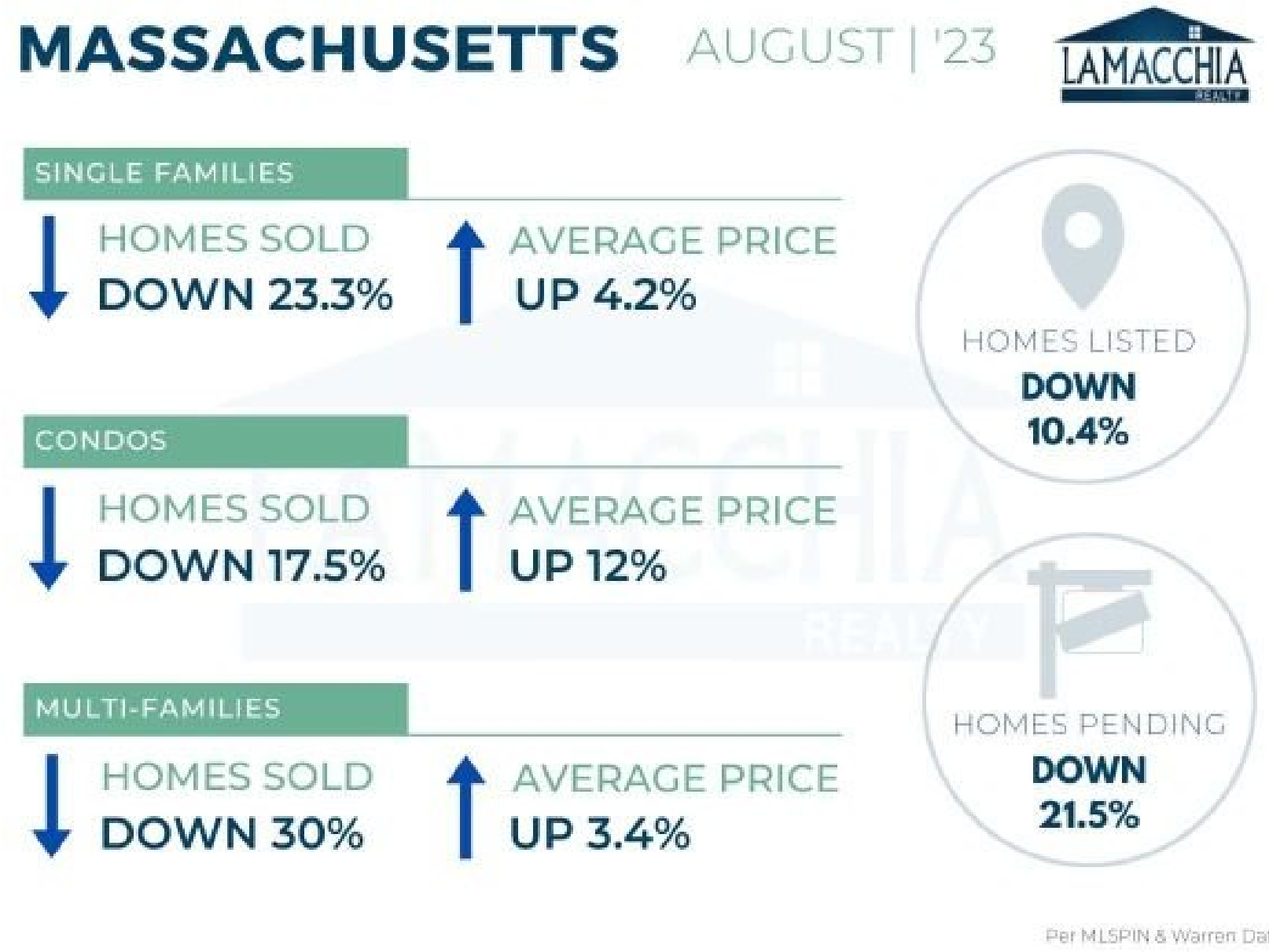
## Sales Price

The median sales price of new houses sold in August 2023 was \$430,300. The average sales price was \$514,000.

## For Sale Inventory and Months' Supply

The seasonally-adjusted estimate of new houses for sale at the end of August was 436,000. This represents a supply of 7.8 months at the current sales rate

# Massachusetts 2023



Home sales took a notable hit, dropping by 22.4% year over year, with August 2023 recording 6,833 sales compared to 8,809 in August of the previous year. This decrease affected all housing types:

- Single-family home sales went down from 5,734 in 2022 to 4,397 in 2023.
- Condominium sales declined from 2,268 in 2022 to 1,871 in 2023.
- Multi-family home sales decreased from 807 in 2022 to 565 in 2023.

In contrast, the average sales price increased by 5.8% year over year, reaching \$711,217 in August 2023, compared to \$671,911 in August 2022. This price uptick was seen across all housing categories:

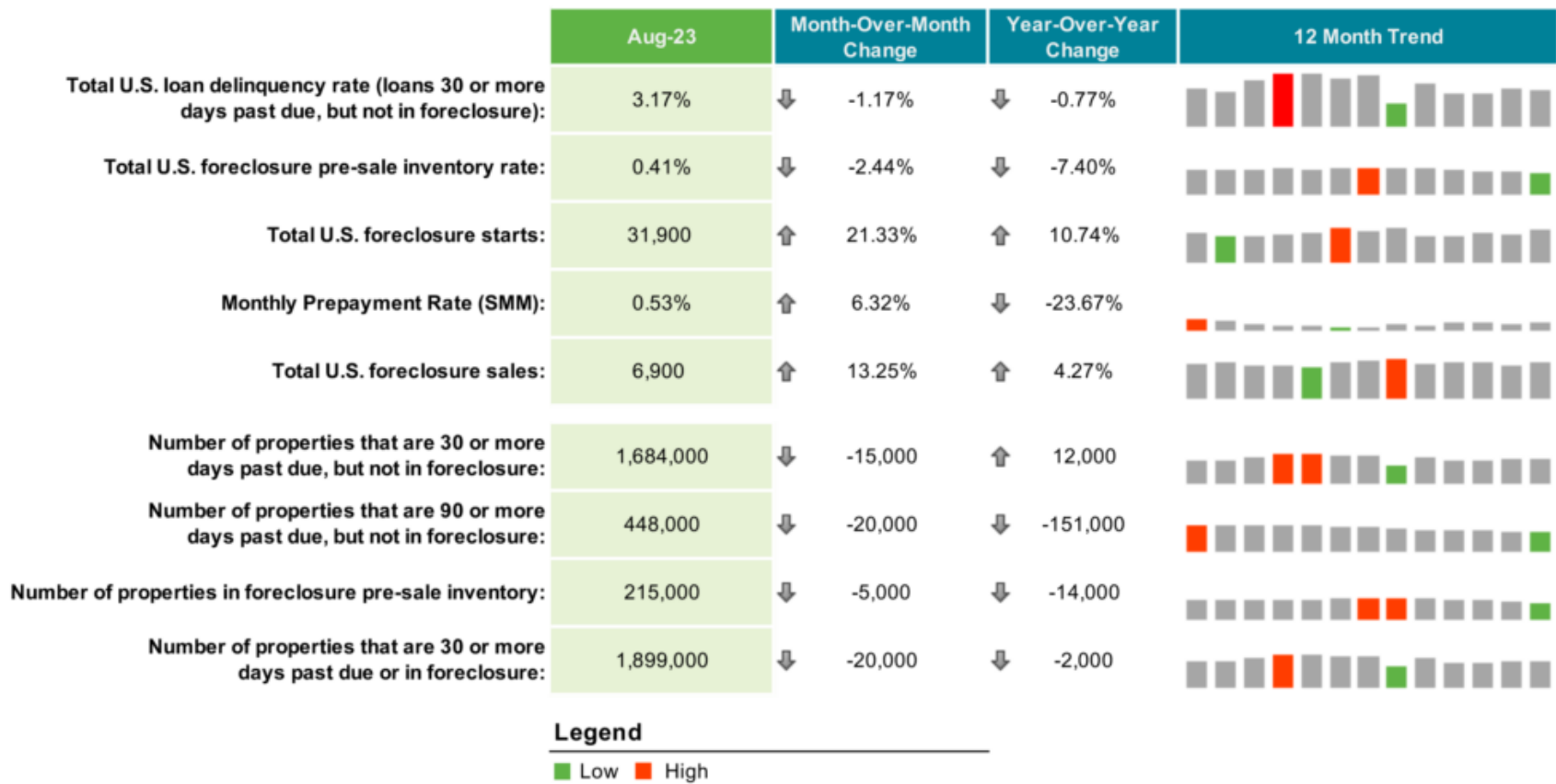
- Single-family homes saw prices rise from \$705,929 in 2022 to \$735,899 in 2023.
- Condominium prices went up from \$593,201 in 2022 to \$664,637 in 2023.
- Multi-family homes also experienced an increase, with prices climbing from \$651,412 in 2022 to \$673,387 in 2023.

# National Mortgage Foreclosure & Delinquency

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

At 3.17%, the U.S. delinquency rate improved by 4 basis points in August and is nearly a full percentage point below its 2015-2019 same-month average

Freddie Mac reported that serious delinquencies (90+ days past due) continued to improve, falling 20K from July to 448K – still the lowest level since June 2006 – and down 151K (-25%) year over year.



Source: <https://www.fanniemae.com/about-us/investor-relations/monthly-summary>  
 Source: <https://www.freddie.mac.com/investors/financials/monthly-volume-summaries>

# United States Prime Rate

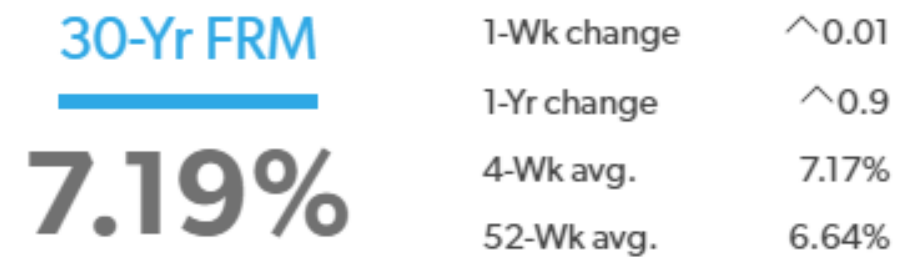
The Current U.S. (Fed) Prime Rate is: **8.50%**

**September 20, 2023:** The FOMC has voted to raise the target range for the fed funds rate to **5.25% - 5.50%**. Therefore, the **United States Prime Rate remains at 8.50%**

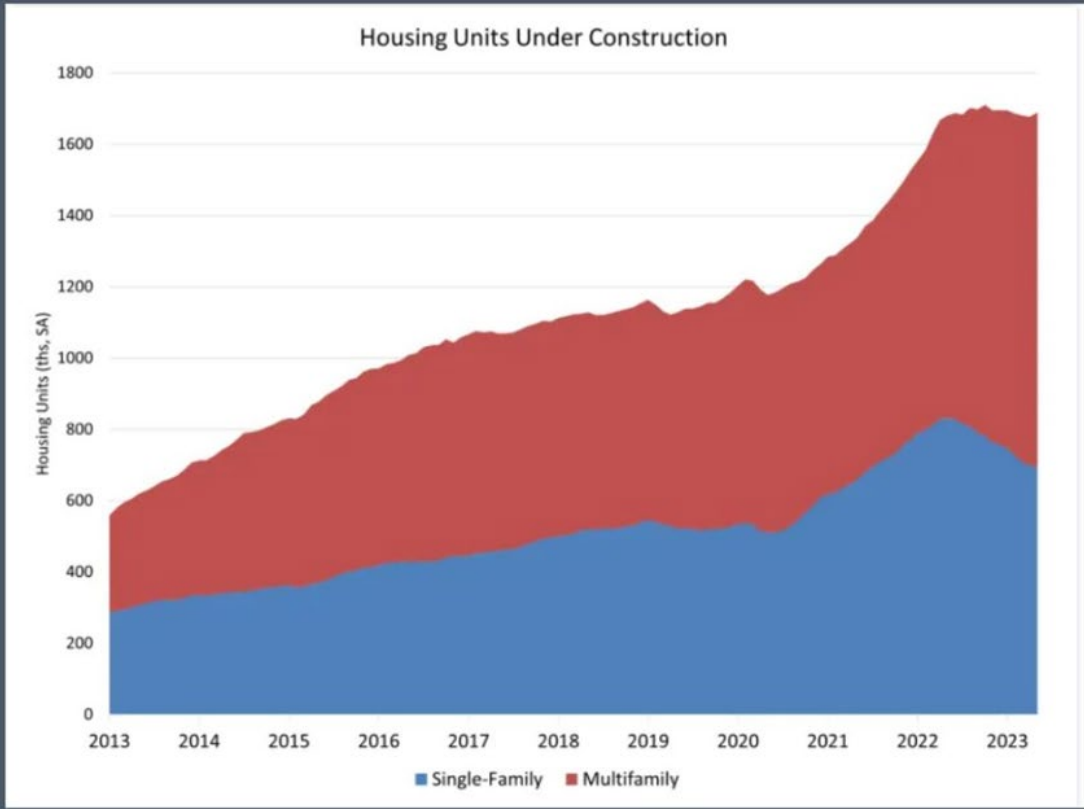
The next FOMC meeting and decision on short-term interest rates will be on **November 1, 2023**.

## Primary Mortgage Market Survey®

U.S. weekly averages as of 09/21/2023



# Construction



SINGLE-FAMILY:



MULTI-FAMILY:



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## August 2023



Building Permits:



6.9% MoM

Housing Starts:



11.3% MoM

Housing Completions:



5.3% MoM

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## U.S. CONSTRUCTION MATERIAL COST CHANGES From Producer Price Index (PPI) Series - August 2023

Materials	MOM	YoY
Asphalt	-0.5% ↓	-34.6% ↓
Paint Materials	1.1% ↑	0
Softwood Lumber	-5.3% ↓	-18% ↓
Hardwood Lumber	-2.3% ↓	-16.4 ↓
Hardwood Flooring	-0.6% ↓	-0.9% ↓
Millwork	-0.9% ↓	-6.6% ↓
Plywood	0.5% ↑	-14.4% ↓
Plumbing Fixtures	0.5% ↑	2.3% ↑
Heating Equipment	0.2% ↑	5.4% ↑
Lighting Fixtures	-0.1% ↓	3.9% ↑
Cement	0.1% ↑	11% ↑
Copper Wire	0.1% ↑	3.2% ↑
Domestic Water Heaters	0	0.3% ↑
Hardware	0	0.3% ↑
Airconditioning % Refridg	0.1% ↑	4.4% ↑
Household Appliances	1% ↑	1.9% ↑

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## Headquarters Location

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An aerial, high-angle view of a city harbor, likely New York City. The image is heavily faded and has a light beige tint. In the center, a large cargo ship is docked at a pier. The surrounding area is filled with buildings, streets, and other infrastructure. 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