

Boston Trust



December 2024

Boston Trust
Economic Snapshot

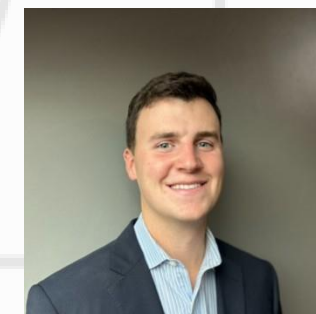
Economic Recap: Housing, Rates & Construction Costs National & Local

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

In December 2024, national home sales rose 9.3% year-over-year, marking the largest increase since June 2021. Massachusetts followed this trend, seeing growth in home sales as well. The state's housing market performed strongly, with more home sales, higher average sale prices, and increased listings and pending transactions. This active market presents a great opportunity for sellers to capitalize on rising prices and high buyer demand, making winter a prime time to sell. Mortgage rates in December started in the high 6% range and dropped to 6.68%, but ended the month near 7%, with expectations of further increases into January, according to Mortgage Daily News.

Heading into 2025, the housing market continues to deal with low inventory. After record lows in 2023 and cautious sellers in 2024, inventory is slightly up, but competition is still intense. Buyers need to be prepared to make strong offers on desirable properties. Here's how to succeed in a bidding war and stand out in this competitive environment. With a new presidential administration, we anticipate some market volatility early in the year, potentially leading to lower interest rates

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, December 2024

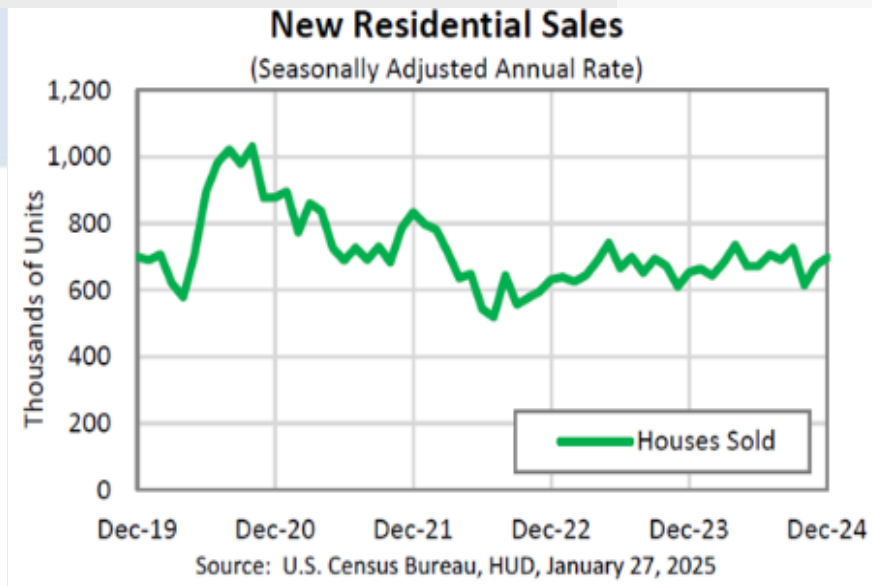
January 27th, 2025 – The U.S. Census Bureau and the U.S. Department of Housing and Urban Development (HUD) jointly announced the following new residential sales statistics for December 2024:

NEW RESIDENTIAL SALES

DECEMBER 2024

New Houses Sold¹:	698,000
New Houses For Sale²:	494,000
Median Sales Price:	\$427,000
Next Release: February 26, 2025	

¹Seasonally Adjusted Annual Rate (SAAR)
²Seasonally Adjusted
 Source: U.S. Census Bureau, HUD, January 27, 2025

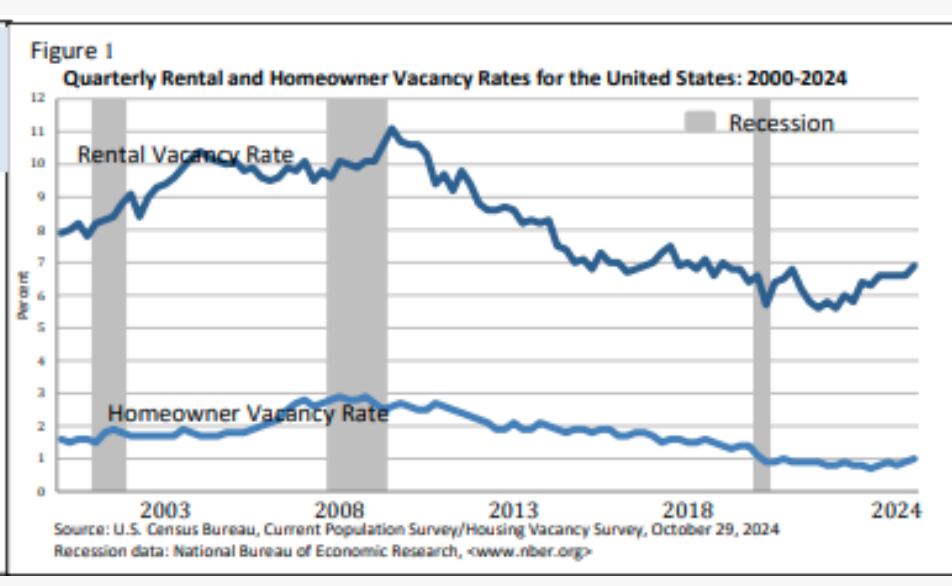


RESIDENTIAL VACANCIES AND HOMEOWNERSHIP

THIRD QUARTER 2024

Rental Vacancy Rate	6.9%
Homeowner Vacancy Rate	1.0%
Homeownership Rate	65.6%
Next release: February 5, 2025	

Data are not adjusted for seasonality.
 Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey, October 29, 2024



New Home Sales

In December 2024, new single-family home sales reached a seasonally adjusted annual rate of 690,000, a 3.6% increase from November's revised rate of 647,000 and an 6.7% rise from December 2023's rate of 654,000, according to the U.S. Census Bureau and Housing and Urban Development.

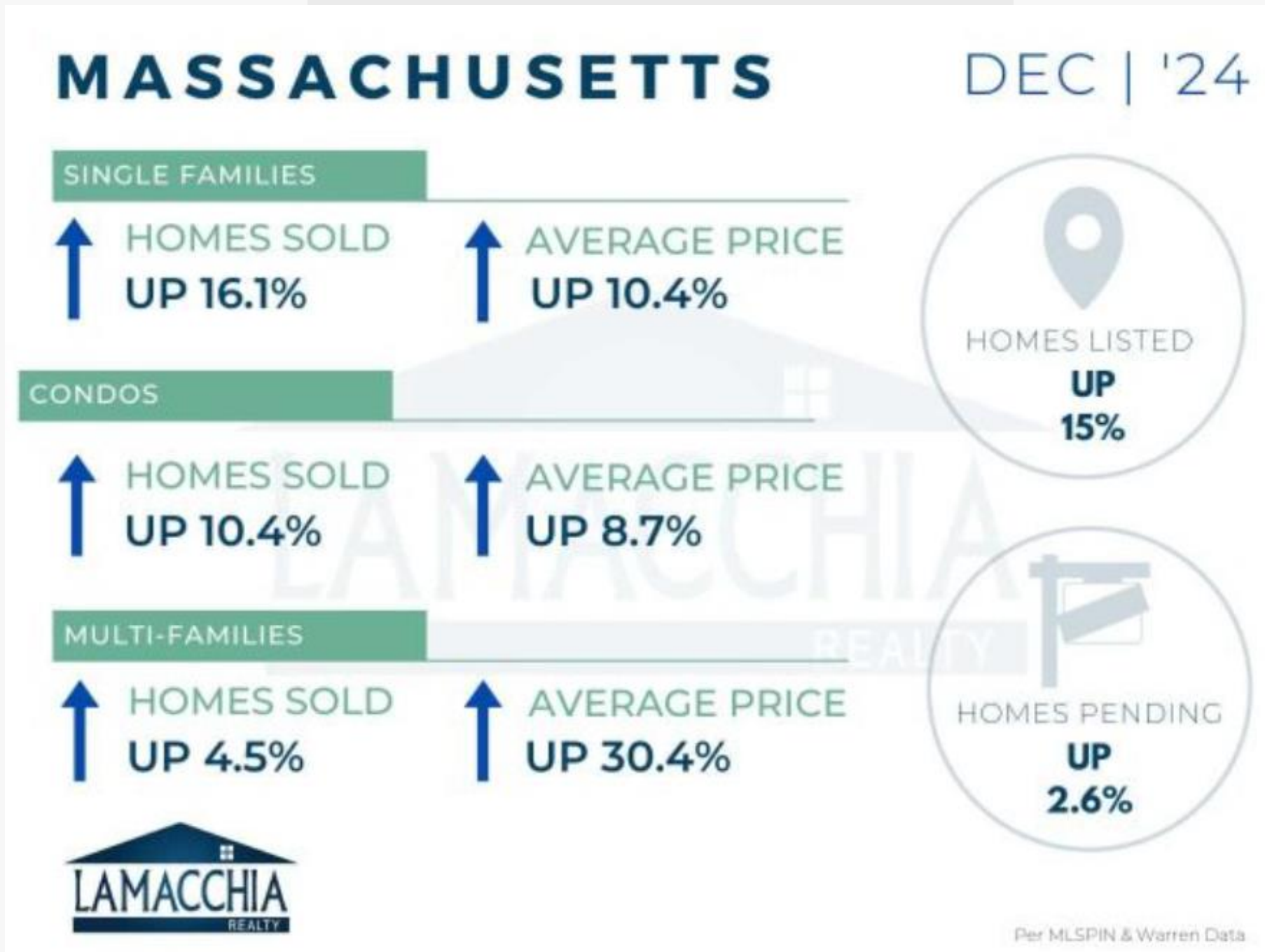
Sales Price

The median sales price of new houses sold in December 2024 was \$427,000. The average sales price was \$513,600.

For Sale Inventory and Months' Supply

The seasonally adjusted number of new houses for sale at the end of December was 494,000, representing an 8.5 month supply at the current sales pace.

Massachusetts December 2024



Home sales are up 13.4% year-over-year, with December 2024 at 5,687 compared to 5,016 last December. Sales are up for single and Multi-Family homes and down for Condos.

Single Families: 3,150 (2023) | 3,658 (2024)
Condominiums: 1,350 (2023) | 1,490 (2024)
Multi-Families: 516 (2023) | 539 (2024)

The average sale price increased 11.9% year-over-year, now at \$731,161 compared to \$653,414 in December 2023. Prices rose across all categories.

Single families: \$675,591(2023) | \$745,701 (2024)
Condominiums: \$617,609 (2023) | \$671,396 (2024)
Multi-families: \$611,709 (2023) | \$797,688 (2024)

National Mortgage Foreclosure & Delinquency

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

National Delinquency Rate

The national delinquency rate decreased by 2 basis points to 3.72% in December, though it increased by 4.0% compared to the previous year, marking the seventh straight annual rise and bringing 2024 to a close at its highest level in nearly three years.

Delinquencies: Early-stage delinquencies dropped by 41K (-3.6%) in the month, while serious delinquencies (loans 90+ days past due but not yet in foreclosure) continued to rise, increasing by 29K (+5.7%) month-over-month and marking the fifth consecutive year-over-year increase.

Foreclosures and Prepayments

- **Foreclosures:** Foreclosure sales dropped by 5K (-5.6%) in December, reaching their lowest point in almost two years. Meanwhile, foreclosure inventory rose by 7K (+3.8%) but was still down 10.7% from the previous year. While December saw an uptick due to holiday volatility, foreclosure starts averaged 26,800 per month in 2024, a decrease from 28,500 in 2023 and the lowest since the pandemic moratoria.
- **Prepayments:** Prepayment activity, as measured by single-month mortality (SMM), dropped to 0.57% due to rising interest rates. This marked a 9.8% decline from the previous month, but a 47.2% increase compared to the same period last year.

	December 2024	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):	3.72%	↓ -0.60%	↑ 4.02%	
Total U.S. foreclosure pre-sale inventory rate:	0.35%	↑ 3.72%	↓ -10.68%	
Total U.S. foreclosure starts:	31,000	↑ 50.37%	↑ 29.69%	
Monthly Prepayment Rate (SMM):	0.57%	↓ -9.83%	↑ 47.16%	
Total U.S. foreclosure sales:	5,000	↓ -5.63%	↓ -6.12%	
Number of properties that are 30 or more days past due, but not in foreclosure:	2,016,000	↓ -11,000	↑ 108,000	
Number of properties that are 90 or more days past due, but not in foreclosure:	541,000	↑ 29,000	↑ 66,000	
Number of properties in foreclosure pre-sale inventory:	192,000	↑ 7,000	↓ -20,000	
Number of properties that are 30 or more days past due or in foreclosure:	2,208,000	↓ -4,000	↑ 89,000	

Legend
■ Low ■ High

United States Prime Rate

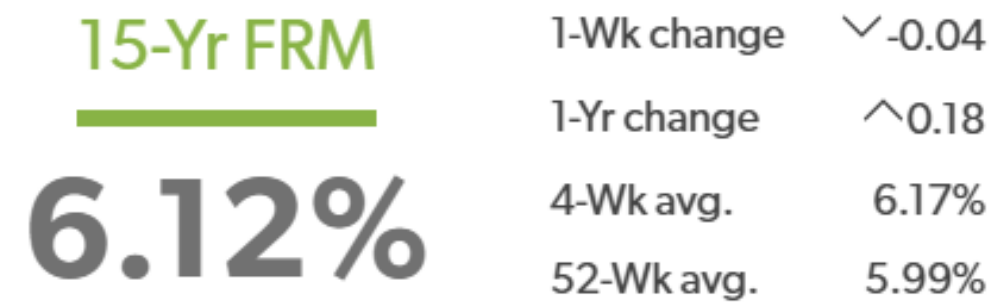
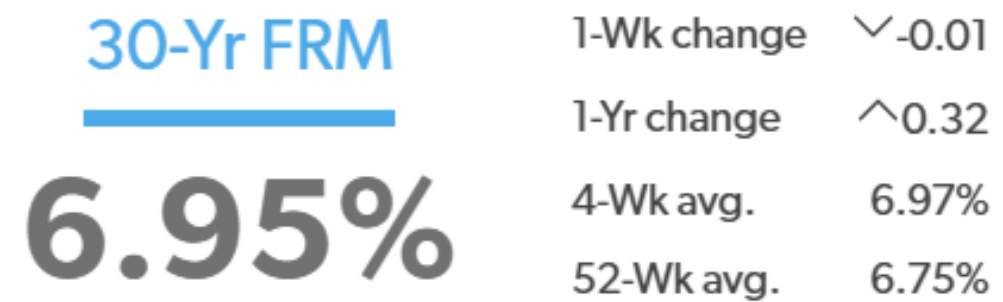
The Current U.S. (Fed) Prime Rate is: **7.50%**

January 29, 2025: The FOMC has voted to leave the target range for the fed funds rate at **4.25% - 4.50%**. Therefore, **the United States Prime Rate remains at 7.50%**

The next FOMC meeting and decision on short-term interest rates will be on **March 19, 2025.**

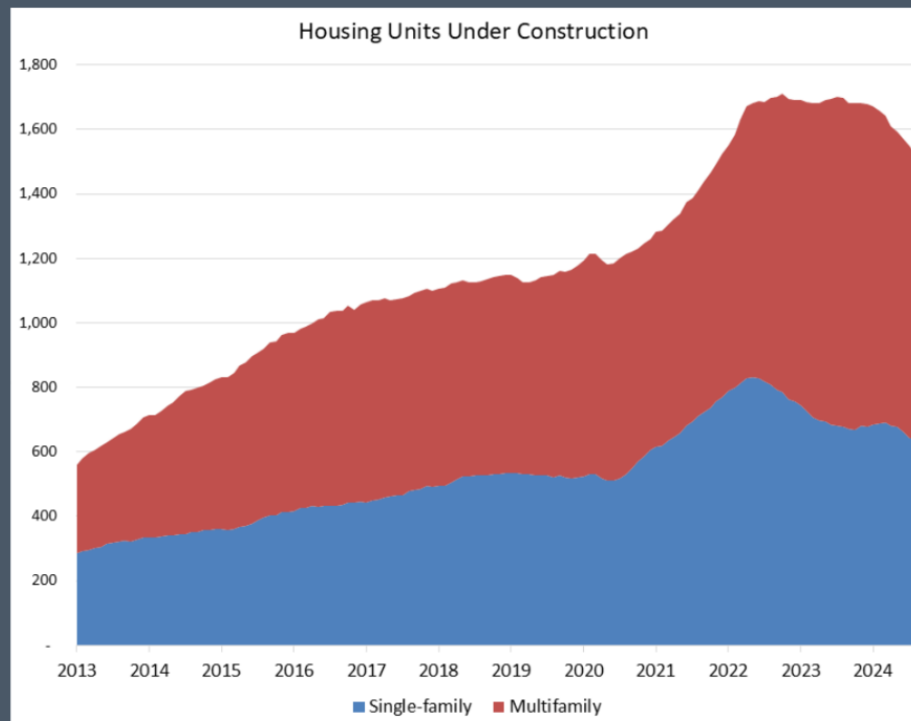
Primary Mortgage Market Survey®

U.S. weekly averages as of 01/30/2025



Construction

December 2024



SINGLE FAMILY:



MULTI-FAMILY:



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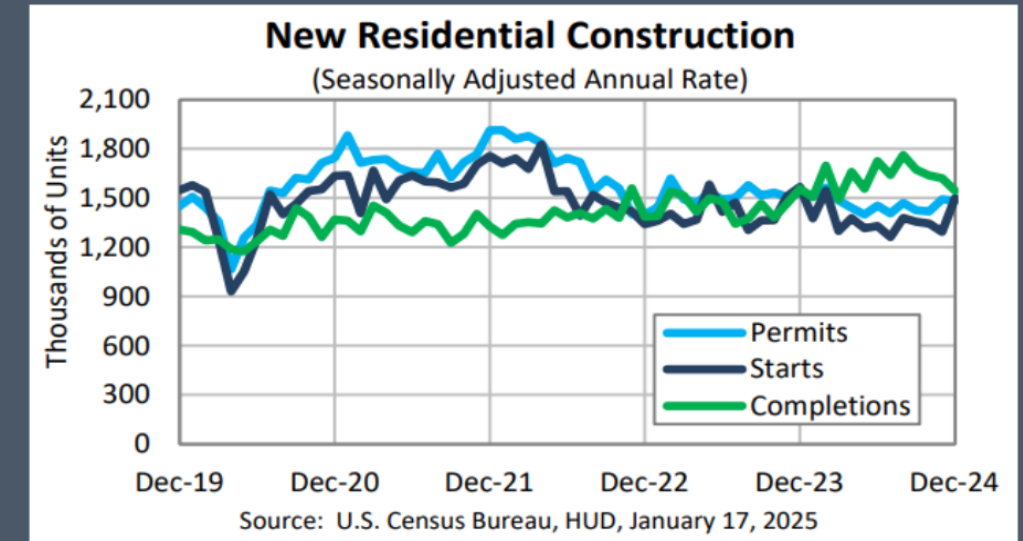
U.S. CONSTRUCTION MATERIAL COST CHANGES

From Producer Price Index (PPI) Series

December 2024

Materials	MoM	YoY
Asphalt	16% ↑	-0.6% ↓
Paint Materials	0%	0.9% ↑
Softwood Lumber	-0.8% ↓	12.9% ↑
Hardwood Lumber	0%	1.6% ↑
Hardwood Flooring	-0.1% ↓	0%
Millwork	0.3% ↑	1.3% ↑
Plywood	0%	-5.5% ↓
Plumbing Fixtures	0.1% ↑	2.1% ↑
Heating Equipment	0%	2.3% ↑
Lighting Fixtures	0%	2.3% ↑
Cement	0.7% ↑	4.5% ↑
Copper Wire	-2.3% ↓	7.5% ↑
Domestic Water Heaters	0%	3.5% ↑
Hardware	0.1% ↑	0.7% ↑
Air Conditioning & Refridg.	0.3% ↑	1.4% ↑
Household Appliances	-1.3% ↓	-2.2% ↓
Insulation Materials	0.2% ↑	7.3% ↑

December 2024



Building Permits:

↓ 0.7% MoM

Housing Starts:

↑ 15.8% MoM

Housing Completions:

↓ 4.8% MoM

Boston Trust

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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 cargo ship is docked at a pier. The surrounding area is filled with buildings, streets, and other maritime 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