



February 2025

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

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

In February 2025, national home sales dropped by 1.2% compared to the previous year, but Massachusetts saw an uptick in homes sold.

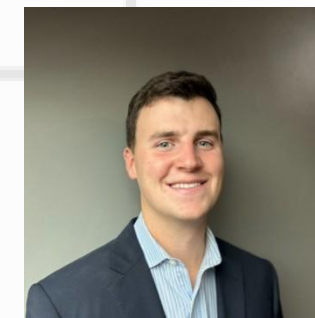
Mortgage rates in March started in the high 6% range, around 6.7% to 6.8%, and have remained stable throughout the month, according to Mortgage News Daily.

Year-over-year trends show a decline in both listings and pending sales, likely influenced by winter weather or the leap year in 2024. However, with spring approaching, many sellers and buyers are gearing up for the season. Sellers, here's why listing your home this spring might be beneficial.

While the average sales price for homes has risen compared to last year, it's still important to price your home competitively. Doing so can attract more buyer interest and potentially lead to higher offers. Here's a guide on how to price your home effectively.

Buyers, as spring draws near, expect a fresh wave of inventory to hit the market. With competition likely to intensify, it's essential to be prepared.

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, February 2025

March 25th, 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 February 2025:




NEW RESIDENTIAL SALES
FEBRUARY 2025

New Houses Sold ¹ :	676,000
New Houses For Sale ² :	500,000
Median Sales Price:	\$414,500
Next Release: April 23, 2025	

¹Seasonally Adjusted Annual Rate (SAAR)
²Seasonally Adjusted

Source: U.S. Census Bureau, HUD, March 25, 2025

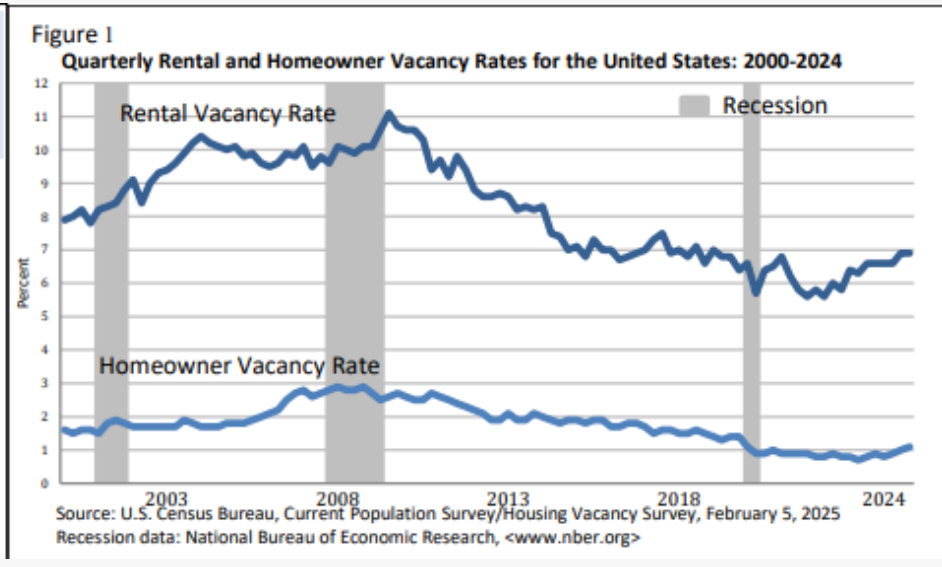




RESIDENTIAL VACANCIES AND HOMEOWNERSHIP
FOURTH QUARTER 2024

Rental Vacancy Rate	6.9%
Homeowner Vacancy Rate	1.1%
Homeownership Rate	65.7%
Next release: April 28, 2025	

Data are not adjusted for seasonality.
Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey, February 5, 2025



New Home Sales

New single-family home sales in February 2025 were at a seasonally adjusted annual rate of 676,000, as reported by the U.S. Census Bureau and the Department of Housing and Urban Development. This represents a 1.8% increase from the revised January rate of 664,000 and a 5.1% rise from the February 2024 estimate of 643,000.

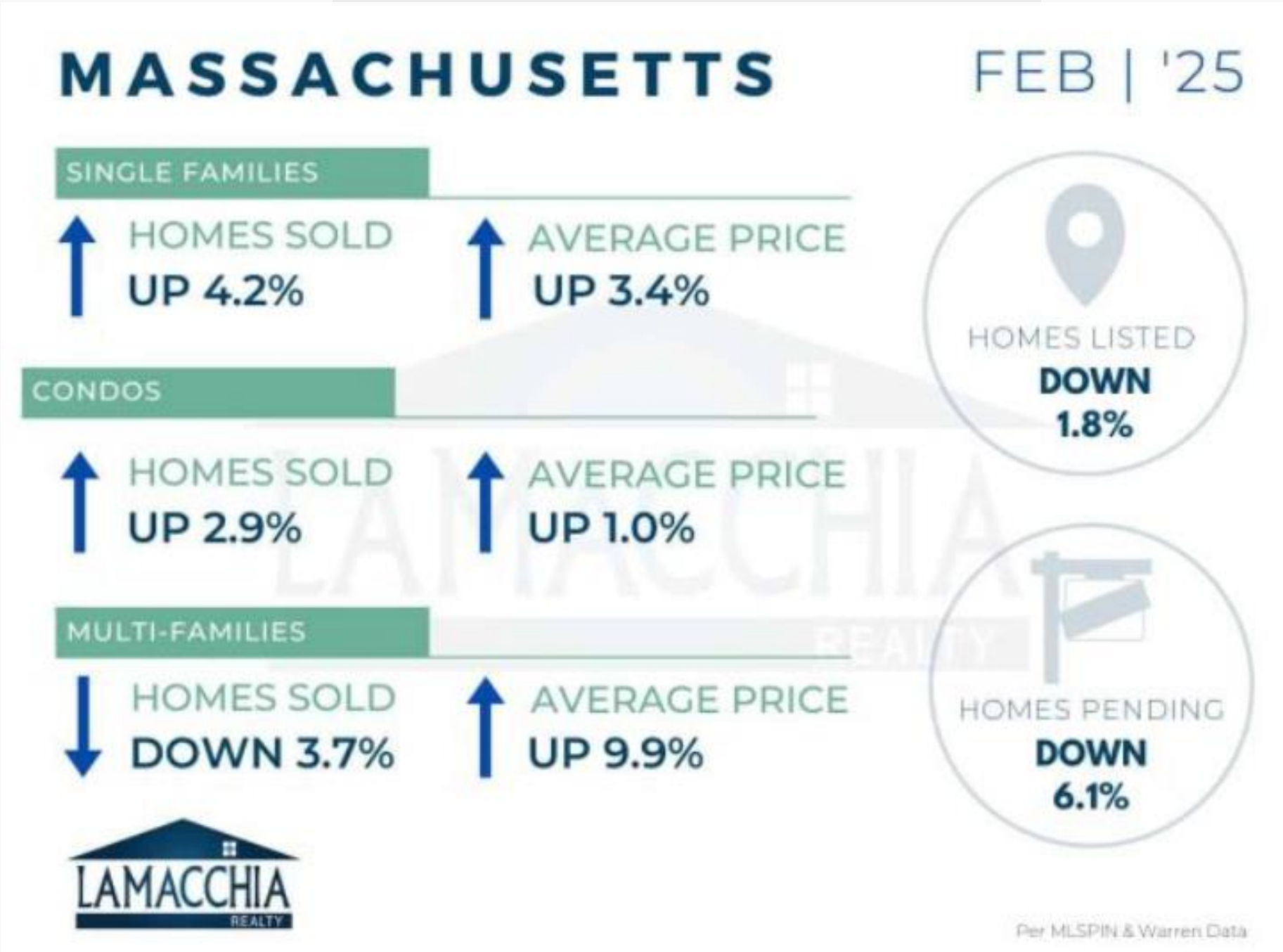
Sales Price

In February 2025, the median sales price of new homes sold was \$414,500, while the average sales price reached \$487,100.

For Sale Inventory and Months' Supply

At the end of February, the seasonally adjusted estimate of new homes available for sale was 500,000, which equates to an 8.9-month supply based on the current sales pace.

Massachusetts February 2025



Home sales have increased by 3.0% compared to last year, with February 2025 recording 3,581 sales, up from 3,477 in February 2024. Sales have risen for single-family homes and condos but have declined for multi-family properties.

Single families: 2,050 (2024) | 2,136 (2025)
Condominiums: 1,077 (2024) | 1,108 (2025)
Multi-families: 350 (2024) | 337 (2025)

The average sale price rose by 3.3% year-over-year, reaching \$969,576 in February 2025, up from \$674,081 in February 2024. Price increases were seen across all property types.

Single families: \$684,695 (2024) | \$708,315 (2025)
Condominiums: \$661,033 (2024) | \$667,805 (2025)
Multi-families: \$652,068 (2024) | \$716,767 (2025)

National Mortgage Foreclosure & Delinquency

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

National Delinquency Rate

The national delinquency rate rose by 5 basis points to 3.53% in February, marking a 19 basis point increase from the same time last year. However, it remains 32 basis points lower than the level seen before the pandemic.

Foreclosures and Prepayments

Foreclosures:

- Foreclosure starts (-17%) and sales (-11%) decreased in February, but both are higher by 34% and 7%, respectively, compared to the same period last year, as VA foreclosure activity resumed following a year-long pause.

Prepayments:

- Prepayment activity (SMM) dropped to 0.46% in February, marking the lowest level in a year, due to higher interest rates and a typical seasonal slowdown in home sales.

	February 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):	3.53%	↑	1.45%	↑	5.69%		
Total U.S. foreclosure pre-sale inventory rate:	0.39%	↑	2.16%	↓	-1.99%		
Total U.S. foreclosure starts:	33,000	↓	-17.20%	↑	34.53%		
Monthly Prepayment Rate (SMM):	0.46%	↓	-5.09%	↑	8.71%		
Total U.S. foreclosure sales:	5,600	↓	-11.40%	↓	-7.03%		
Number of properties that are 30 or more days past due, but not in foreclosure:	1,913,000	↑	28,000	↑	131,000		
Number of properties that are 90 or more days past due, but not in foreclosure:	528,000	↓	-12,000	↑	69,000		
Number of properties in foreclosure pre-sale inventory:	211,000	↑	4,000	↓	-1,000		
Number of properties that are 30 or more days past due or in foreclosure:	2,123,000	↑	32,000	↑	130,000		
Legend							
Low High							

United States Prime Rate

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

March 19, 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 May 7, 2025.

Primary Mortgage Market Survey®

U.S. weekly averages as of 03/20/2025

30-Yr FRM

6.67%

1-Wk change \wedge 0.02

1-Yr change \vee -0.2

4-Wk avg. 6.68%

52-Wk avg. 6.74%

52 Week Range 6.08%  7.22%

15-Yr FRM

5.83%

1-Wk change \wedge 0.03

1-Yr change \vee -0.38

4-Wk avg. 5.84%

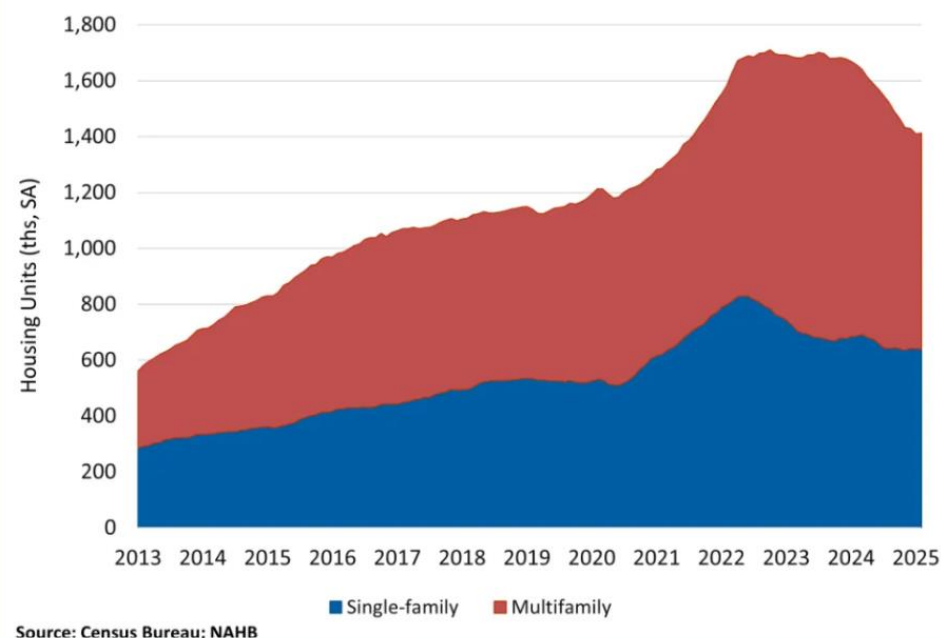
52-Wk avg. 5.96%

52 Week Range 5.15%  6.47%

Construction

February 2025

Housing Units Under Construction



SINGLE FAMILY:



MULTI-FAMILY:



Boston Trust

U.S. CONSTRUCTION MATERIAL COST CHANGES

From Producer Price Index (PPI) Series

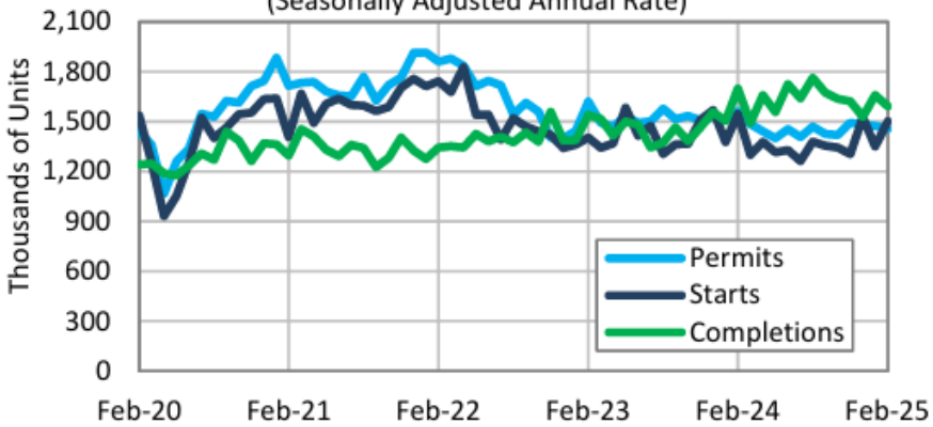
February 2025

Materials	MoM	YoY
Asphalt	-4.9% ↓	10.5% ↑
Paint Materials	0.2% ↑	2.1% ↑
Softwood Lumber	-1.9% ↓	10.9% ↑
Hardwood Lumber	0%	3.8% ↑
Hardwood Flooring	0%	-0.1% ↓
Millwork	-0.1% ↓	-0.1% ↓
Plywood	2.1% ↑	-4% ↓
Plumbing Fixtures	0	2.2% ↑
Heating Equipment	0.1% ↑	2.5% ↑
Lighting Fixtures	0.3% ↑	2.9% ↑
Cement	0.2% ↑	2.2% ↑
Copper Wire	6.8% ↑	4.5% ↑
Domestic Water Heaters	0	3.6% ↑
Hardware	0.3% ↑	1.2% ↑
Air Conditioning & Refridg.	1.1% ↑	1.5% ↑
Household Appliances	0.7% ↑	0%
Insulation Materials	0.5% ↑	4.3% ↑

February 2025

New Residential Construction

(Seasonally Adjusted Annual Rate)



Building Permits:



1.2% MoM

Housing Starts:



11.2% MoM

Housing Completions:



4.0% MoM

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