



January 2025

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

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

In January 2025, national home sales saw a 2% increase compared to the previous year, with Massachusetts following suit and experiencing a rise in sales.

Anthony Lamacchia notes, “The increase in homes listed for sale is especially significant given that we’re in one of the coldest and snowiest winters in recent years. This suggests that once the weather improves, listings will surge even more. Sellers should be mindful of this when pricing their homes, and buyers can look forward to more options in the coming weeks.”

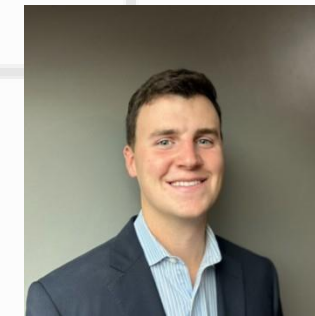
The Massachusetts housing market continues to show resilience, with rising home sales and steady price growth reflecting strong demand. More homes are hitting the market, giving buyers increased options. However, pending sales have dipped slightly by 0.9%, possibly due to the harsh winter weather. Despite this, the market remains competitive, shaped by price increases and moderate inventory growth. Considering selling in 2025? Check out these expert insights.

According to Mortgage News Daily, mortgage rates in January started in the low 7% range, peaked at 7.25% mid-month, and then declined, ending the month back in the low 7s. February has continued this downward trend.

With high interest rates and strong competition, maximizing your home’s value is more crucial than ever. Small, budget-friendly upgrades can help make your property stand out and attract top-dollar offers.

Condo sales are on the rise, though prices have dipped slightly, presenting new opportunities for buyers. While lower prices are attractive, it’s important to factor in HOA fees, resale value, and financing options when making a decision.

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, January 2025

February 26th, 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 January 2025:




NEW RESIDENTIAL SALES
JANUARY 2025

New Houses Sold ¹ :	657,000
New Houses For Sale ² :	495,000
Median Sales Price:	\$446,300
Next Release: March 25, 2025	

¹Seasonally Adjusted Annual Rate (SAAR)
²Seasonally Adjusted
Source: U.S. Census Bureau, HUD, February 26, 2025

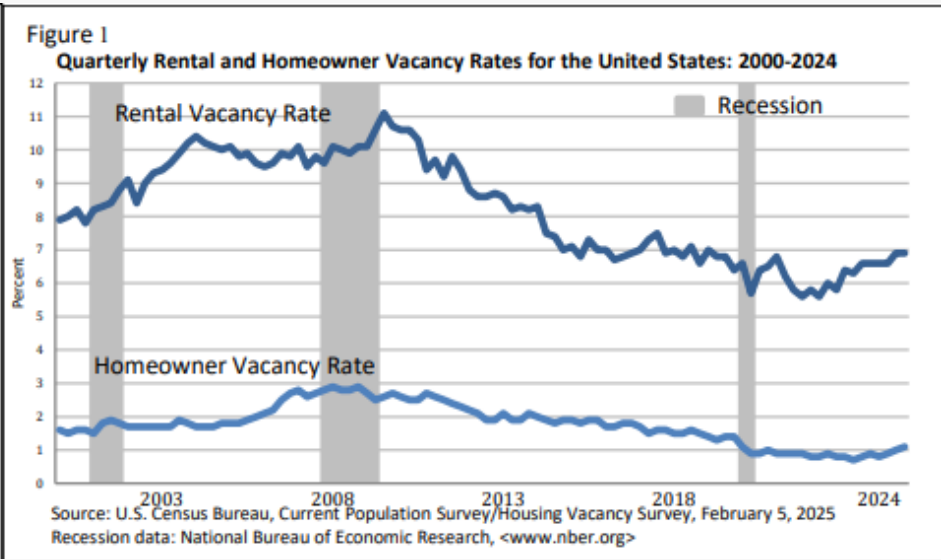




RESIDENTIAL VACANCIES AND HOMEOWNERSHIP
FOURTH QUARTER 2024

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

In January 2025, the seasonally adjusted annual sales rate for new single-family homes was estimated at 657,000, according to the latest data from the U.S. Census Bureau and the Department of Housing and Urban Development. This represents a 10.5% decline ($\pm 19.9\%$ margin of error) from the revised December figure of 734,000 and a 1.1% decrease ($\pm 15.3\%$ margin of error) compared to January 2024’s estimate of 664,000.

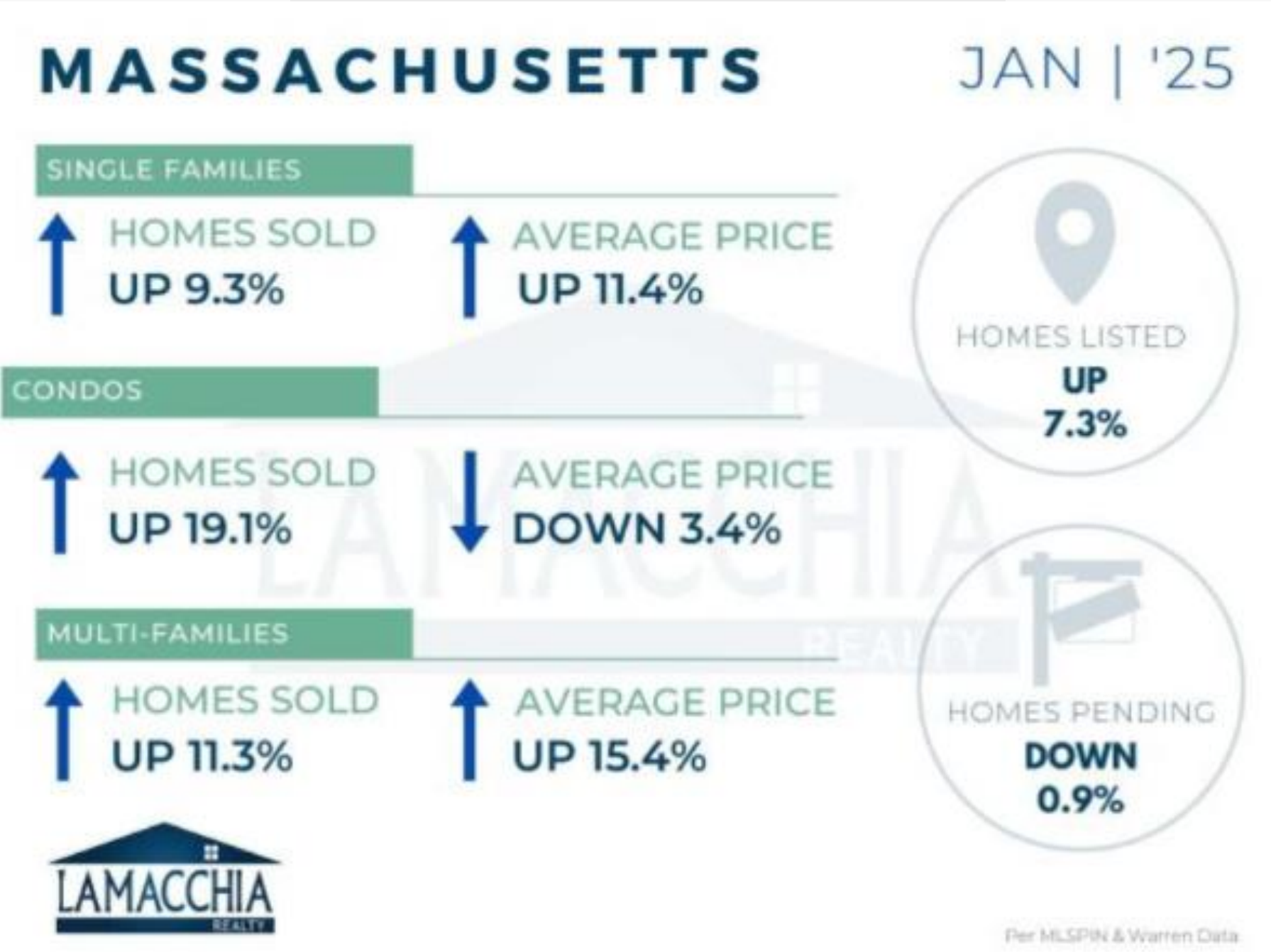
Sales Price

In January 2025, the median price for newly sold homes was \$446,300, while the average sales price stood at \$510,000.

For Sale Inventory and Months’ Supply

At the end of January, the seasonally adjusted number of new homes available for sale was estimated at 495,000, equating to a 9.0-month supply based on the current sales pace.

Massachusetts January 2025



Home sales are up 12% year-over-year, with January 2025 at 4,209 compared to 3,757 last January. Sales are up for single and Multi-Family homes and down for Condos.

Single Families: 2,403 (2024) | 2,626 (2025)
Condominiums: 973 (2024) | 1,159(2025)
Multi-Families: 381 (2024) | 424 (2025)

The average sale price saw a 7.7% year-over-year increase, reaching \$742,938 compared to \$689,601 in January 2024. While prices rose for single and multi-family homes, they declined for condos.

Single families: \$702,200 (2024) | \$782,522 (2025)
Condominiums: \$679,442 (2024) | \$656,441 (2025)
Multi-families: \$636,086 (2024) | \$734,213 (2025)

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National Delinquency Rate: Delinquencies dropped by 24 basis points (bps) to 3.47% in January, which is 10 bps higher than a year ago but 33 bps lower than pre-pandemic levels.

Foreclosures:

- ## Prepayments:

- Prepayment activity (SMM) dropped to 0.48% in January, marking its lowest level in almost a year. This decline was influenced by a combination of slightly higher interest rates and the usual seasonal slowdown in home sales.
- Approximately 680 homeowners affected by the Los Angeles wildfires missed their January mortgage payment, with ICE data indicating up to 3,300 may be at risk of missing February's payment.

United States Prime Rate

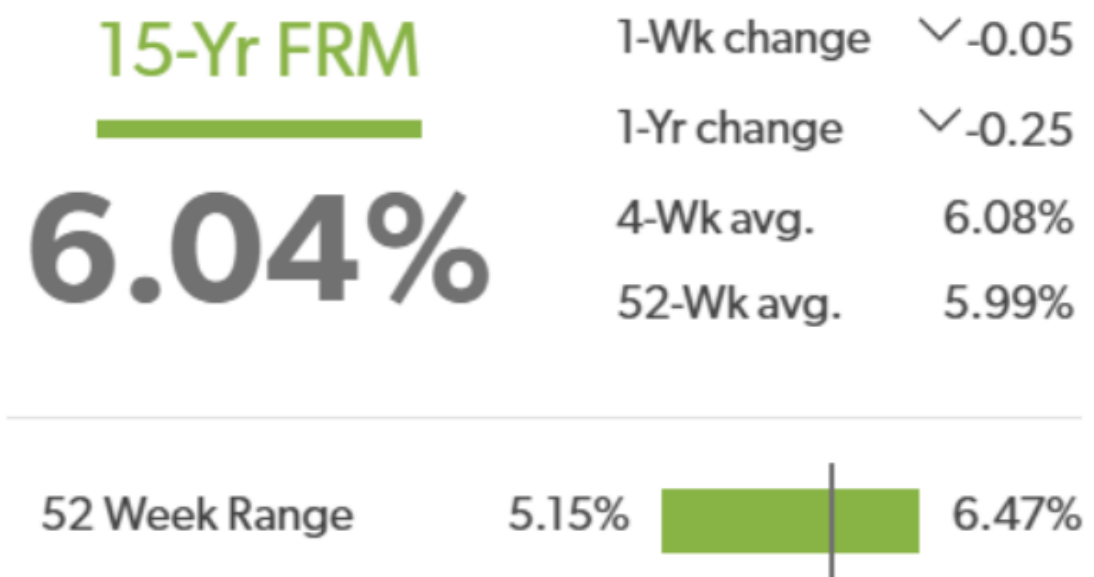
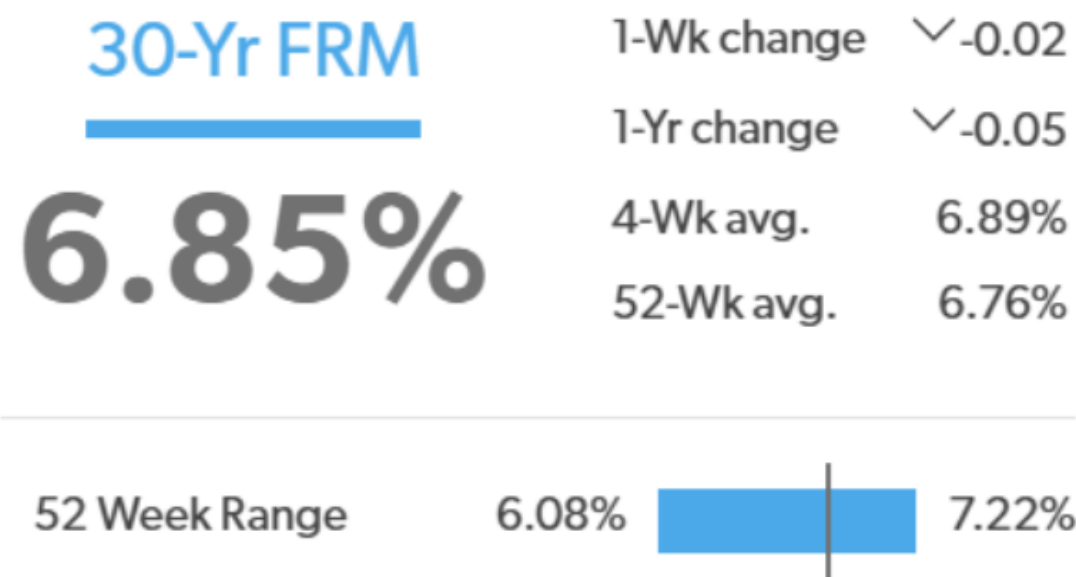
The Current U.S. (Fed) Prime Rate is: **7.50%**

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.

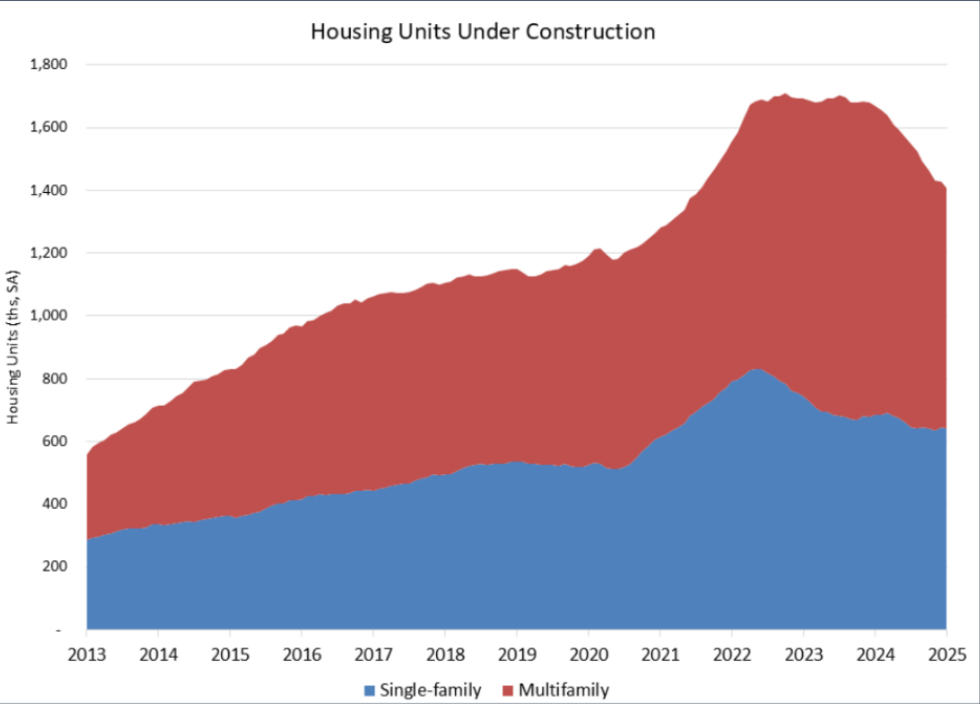
Primary Mortgage Market Survey®

U.S. weekly averages as of 02/20/2025



Construction

January 2025



SINGLE FAMILY: ↓

MULTI-FAMILY: ↓

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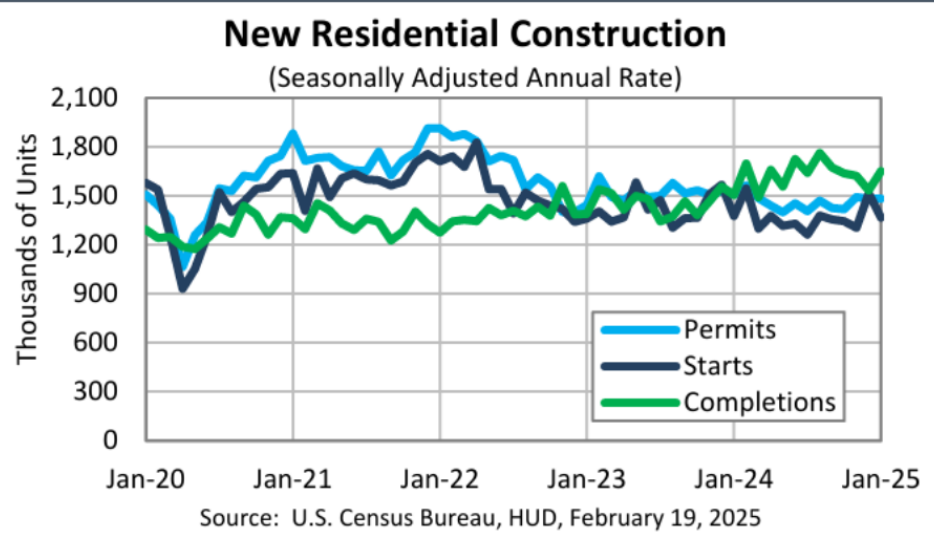
U.S. CONSTRUCTION MATERIAL COST CHANGES

From Producer Price Index (PPI) Series

January 2025

Materials	MoM	YoY
Asphalt	6.8% ↑	4.2% ↑
Paint Materials	-1.7% ↓	2.7% ↑
Softwood Lumber	-4.7% ↓	9.5% ↑
Hardwood Lumber	1% ↑	3.8% ↑
Hardwood Flooring	0.2% ↑	0.1% ↑
Millwork	-0.2% ↓	1% ↑
Plywood	0.1% ↑	-5.7% ↓
Plumbing Fixtures	1% ↑	2% ↑
Heating Equipment	0.3% ↑	2.5% ↑
Lighting Fixtures	0.4% ↑	2.9% ↑
Cement	-0.7% ↓	3.2% ↑
Copper Wire	0.7% ↑	7.9% ↑
Domestic Water Heaters	0.1% ↑	3.6% ↑
Hardware	0.1% ↑	1.4% ↑
Air Conditioning & Refridg.	-0.8% ↓	1.4% ↑
Household Appliances	0.3% ↑	-0.9% ↓
Insulation Materials	0.4% ↑	5.6% ↑

January 2025



Building Permits: ↑ 0.1% MoM

Housing Starts: ↓ 9.8% MoM

Housing Completions: ↑ 7.6% MoM

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An aerial, high-angle photograph of a city skyline, likely New York City, viewed from across a large body of water. The image is heavily faded and has a light gray overlay, making the details of the buildings and streets less distinct. The text "Fast Financing you can Trust" is superimposed in a large, dark red, serif font across the middle of the image.

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