

Boston Trust



January 2023

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

Boston Trust
Economic Snapshot |

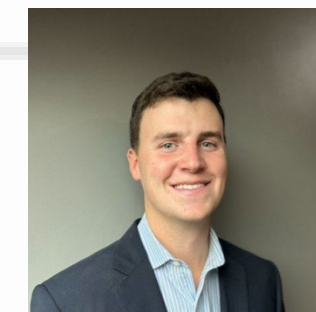
We present the January edition of the Boston Trust Economic Snapshot: Housing, Rates & Construction Costs.

In January 2024, the Massachusetts real estate market faced a continuation of ongoing challenges, with limited housing inventory remaining a significant issue. Despite this persistent obstacle, there were signs of cautious optimism as the new year commenced. An increase in new listings provided a glimmer of hope for prospective buyers, although competition remained fierce in many areas.

Sellers appeared slightly more active, perhaps buoyed by a cautiously optimistic sentiment amidst fluctuating mortgage rates. However, a sense of caution still lingered, reflecting the broader economic uncertainties.

Home prices continued to climb, albeit at a more moderate pace compared to previous periods. Influenced by factors such as inflationary pressures and construction costs, this tempered growth helped maintain some level of affordability in the market, albeit within regional disparities that persisted.

Navigating these complexities requires tailored insights and expertise. Boston Trust stands ready to support clients with our experience and knowledge as a trusted lender, ensuring success in even the most challenging real estate projects.



Dave Carey
Boston Trust
Business Development Representative
508-298-4325
dcarey@bostontrustcorp.com

Monthly New Residential Sales, January 2024

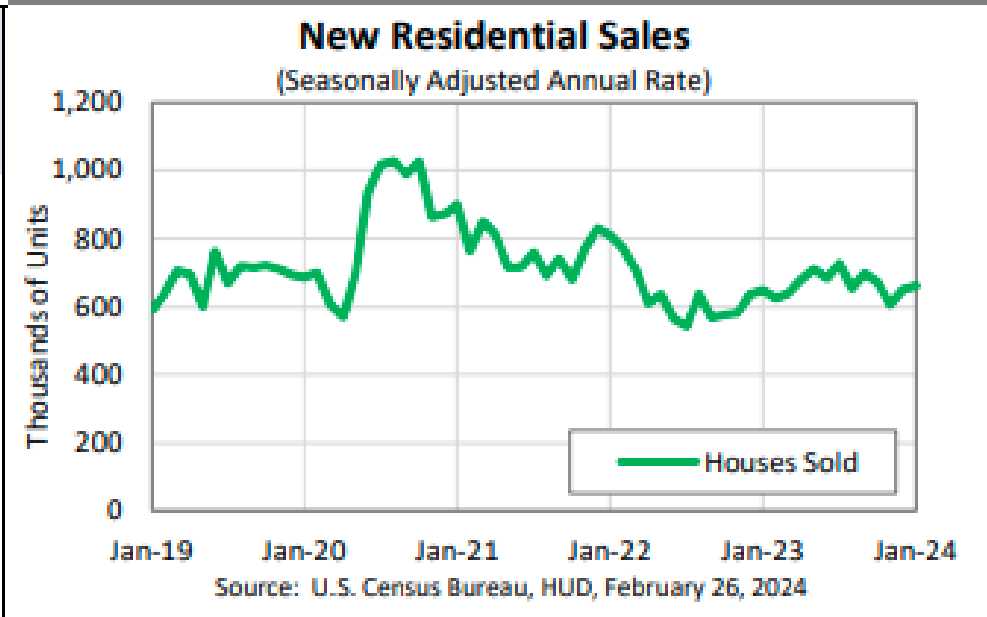
February 26, 2024 – The U.S. Census Bureau and the U.S. Department of Housing and Urban Development (HUD) jointly announced the following new residential sales statistics for October 2023:

NEW RESIDENTIAL SALES

JANUARY 2024

New Houses Sold¹:	661,000
New Houses For Sale²:	456,000
Median Sales Price:	\$420,700
Next Release: March 25, 2024	

¹Seasonally Adjusted Annual Rate (SAAR)
²Seasonally Adjusted
 Source: U.S. Census Bureau, HUD, February 26, 2024

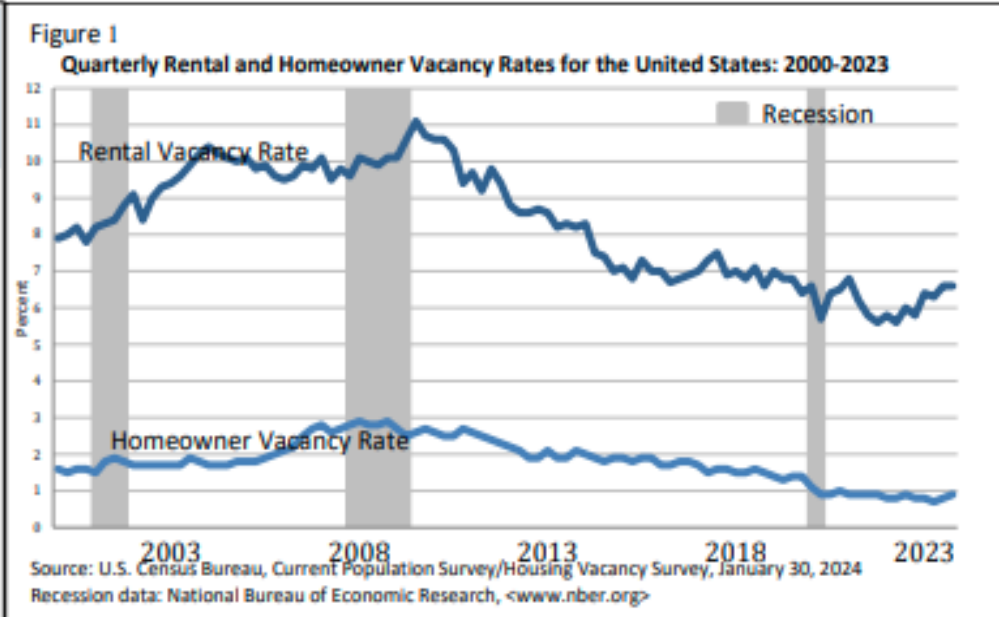


RESIDENTIAL VACANCIES AND HOMEOWNERSHIP

FOURTH QUARTER 2023

Rental Vacancy Rate	6.6%
Homeowner Vacancy Rate	0.9%
Homeownership Rate	65.7%
Next release: April 30, 2024	

Data are not adjusted for seasonality.
 Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey, January 30, 2024



New Home Sales

In January 2024, new single-family home sales were reported at a seasonally adjusted annual rate of 661,000. This figure represents a 1.5 percent increase from the revised December rate of 651,000 and a 1.8 percent increase from January 2023's estimate of 649,000.

Sales Price

The median price of newly sold homes in January 2024 was \$420,700, with an average sales price of \$534,300

For Sale Inventory and Months' Supply

There were approximately 456,000 new homes available for sale by the end of January 2024, reflecting a supply of 8.3 months at the current sales rate, as per seasonally adjusted estimates.

Massachusetts 2023

MASSACHUSETTS

JAN | '24

SINGLE FAMILIES

↑ HOMES SOLD
UP 0.2%

↑ AVERAGE PRICE
UP 11%

HOMES LISTED
UP
8.6%

CONDOS

↓ HOMES SOLD
DOWN 17.1%

↑ AVERAGE PRICE
UP 7.3%

HOMES PENDING
DOWN
0.4%

MULTI-FAMILIES

↓ HOMES SOLD
DOWN 2.1%

↑ AVERAGE PRICE
UP 7.5%



Per MLSPIN & Warren Data

Home sales experienced a year-over-year decline of 5.2%, totaling 3,751 compared to 3,956 in January of the previous year. However, sales of single-family homes saw a slight increase of 0.2%, rising from 2,392 in 2023 to 2,396 in 2024.

- Single-family homes: 2,392 (2023) → 2,396 (2024)
- Condominiums: 1,176 (2023) → 975 (2024)
- Multi-family properties: 388 (2023) → 380 (2024)

Despite the overall decrease in sales volume, the average sale price surged by 9.7% year-over-year, reaching \$689,753 compared to \$628,936 in January 2023. This increase in prices was observed across all categories:

- Single-family homes: \$632,613 (2023) → \$702,284 (2024)
- Condominiums: \$633,473 (2023) → \$679,516 (2024)
- Multi-family properties: \$592,514 (2023) → \$637,010 (2024)

National Mortgage Foreclosure & Delinquency

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

	January 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):	3.38%	↓ -5.48%	↓ -0.06%	
Total U.S. foreclosure pre-sale inventory rate:	0.41%	↑ 3.41%	↓ -9.35%	
Total U.S. foreclosure starts:	34,000	↑ 43.25%	↑ 5.08%	
Monthly Prepayment Rate (SMM):	0.39%	↑ 1.40%	↑ 20.02%	
Total U.S. foreclosure sales:	6,600	↑ 23.39%	↓ -4.70%	
Number of properties that are 30 or more days past due, but not in foreclosure:	1,803,000	↓ -106,000	↑ 28,000	
Number of properties that are 90 or more days past due, but not in foreclosure:	470,000	↓ -5,000	↓ -109,000	
Number of properties in foreclosure pre-sale inventory:	219,000	↑ 7,000	↓ -19,000	
Number of properties that are 30 or more days past due or in foreclosure:	2,022,000	↓ -98,000	↑ 9,000	

Legend
■ Low ■ High

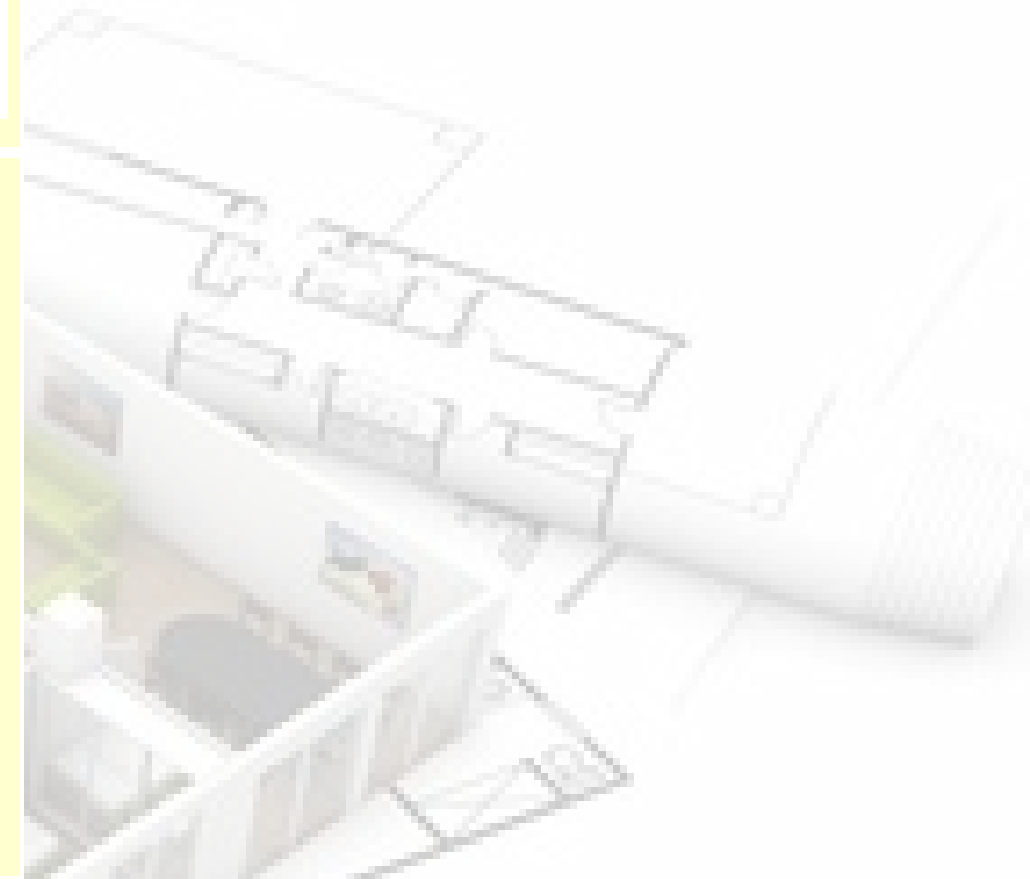
The national delinquency rate fell to 3.38%, the lowest since October, remaining steady year-over-year. Serious delinquencies decreased by 19% annually, with 470,000 loans affected. Foreclosure starts spiked by 43.3% month-over-month, reaching 34,000, the highest since April 2022. Despite this, active foreclosures remained 23% below pre-pandemic levels at 219,000. Prepayment activity rose slightly due to easing interest rates. Overall, while foreclosures increased, the market remains relatively stable, with efforts to support homeownership ongoing.

United States Prime Rate

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

January 31, 2024: The FOMC has voted to keep the target range for the fed funds rate at **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 **March 20, 2024**.



Primary Mortgage Market Survey®

U.S. weekly averages as of 02/22/2024

30-Yr FRM

6.9%

1-Wk change ^0.13

1-Yr change ^0.4

4-Wk avg. 6.74%

52-Wk avg. 6.87%

52 Week Range

6.27%



7.79%

15-Yr FRM

6.29%

1-Wk change ^0.17

1-Yr change ^0.53

4-Wk avg. 6.06%

52-Wk avg. 6.2%

52 Week Range

5.54%

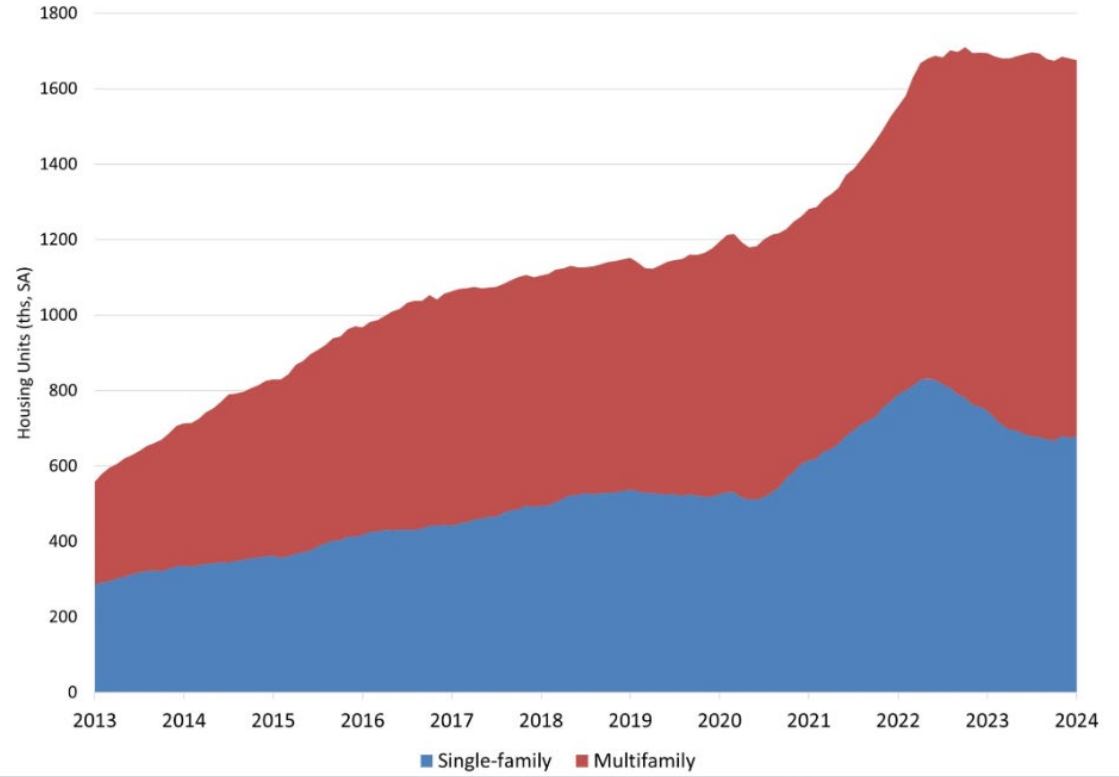


7.03%

Construction

January 2024

Housing Units Under Construction



SINGLE FAMILY: ↑

MULTI-FAMILY: ↓

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U.S. CONSTRUCTION MATERIAL COST CHANGES

From Producer Price Index (PPI) Series

January 2023

Materials	MoM	YoY
Asphalt	2.6% ↓	15.7% ↑
Paint Materials	-0.4% ↓	-0.8% ↓
Softwood Lumber	-1.8% ↓	-9% ↓
Hardwood Lumber	0.1% ↓	-2.7% ↓
Hardwood Flooring	0% ↓	1.2% ↑
Millwork	-0.1% ↓	-3.1% ↓
Plywood	-0.1% ↓	-2.6% ↓
Plumbing Fixtures	0.7% ↓	1.2% ↑
Heating Equipment	0.7% ↓	2.8% ↑
Lighting Fixtures	0% ↓	2.7% ↑
Cement	1.2% ↓	8.2% ↑
Hardware	-0.3% ↓	0.2% ↑
Airconditioning & Refridg.	-0.6% ↓	3.6% ↑
Household Appliances	0.1% ↓	1.3% ↑
Concrete Products	0.8% ↓	6.2% ↑
Floor Coverings	0.2% ↓	-0.5% ↓
Insulation Materials	0.8% ↓	1.7% ↑

January 2024

New Residential Construction

(Seasonally Adjusted Annual Rate)



Source: U.S. Census Bureau, HUD, February 16, 2024

Building Permits: ↓ 1.5% MoM

Housing Starts: ↓ 14.8% MoM

Housing Completions: ↓ 8.1% MoM

Headquarters Location

100 Hallet Street, Suite 101
Boston, MA 02124



Contact

dcarey@bostontrustcorp.com
508.298.4325 | 617.752.7000

bostontrustcorp.com



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 smaller boats in the water. The overall scene is a dense urban waterfront.

Fast Financing you can Trust