

May 2025

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

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

National home sales dipped 0.7% year-over-year in May, reflecting a slight market slowdown. In contrast, Massachusetts saw a modest uptick in sales, supported by steady demand and active spring market conditions. Mortgage rates ended May around 6.9%, with early June holding between 6.8%–6.9%, according to Mortgage News Daily.

While elevated, these rates have become more predictable, helping buyers and sellers adjust their strategies. Inventory reached 4.6 months nationally—the highest in over seven years—signaling a shift toward a more balanced market. Massachusetts is following this trend, with rising supply creating more opportunity for buyers and added pressure on sellers to price competitively. Sellers should focus on accurate pricing from the outset, as today's buyers have more options.

For buyers, increasing inventory offers leverage—but moving quickly on well-priced homes remains essential.

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



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

Monthly New Residential Sales, May 2025

June 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 May 2025:



NEW RESIDENTIAL SALES MAY 2025

New Houses Sold¹: 623,000
New Houses For Sale²: 507,000
Median Sales Price: \$426,600

Next Release: July 24, 2025

¹Seasonally Adjusted Annual Rate (SAAR)

²Seasonally Adjusted

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

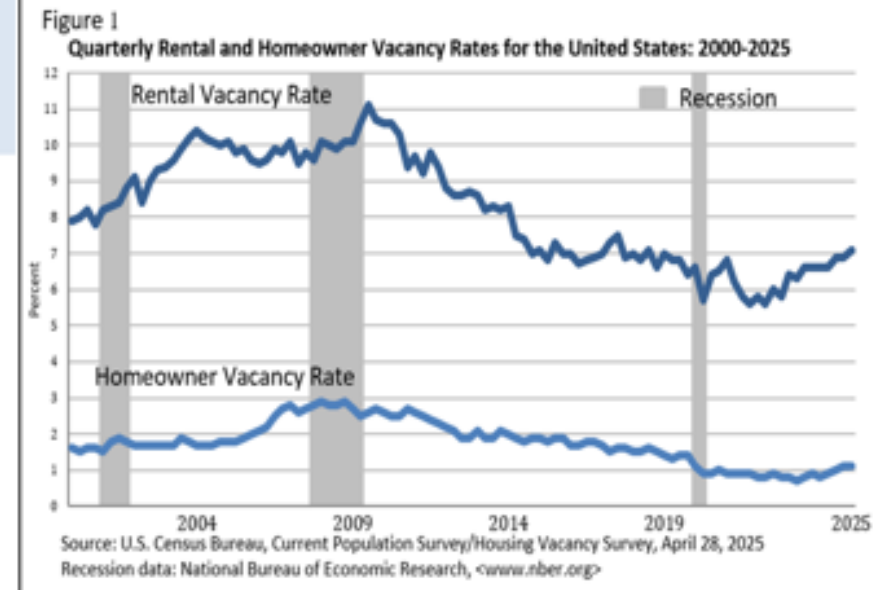


RESIDENTIAL VACANCIES AND HOMEOWNERSHIP FIRST QUARTER 2025

Rental Vacancy Rate 7.1%
Homeowner Vacancy Rate 1.1%
Homeownership Rate 65.1%

Next release: July 28, 2025

Data are not adjusted for seasonality.
Source: U.S. Census Bureau,
Current Population Survey/Housing Vacancy Survey, April 28, 2025



New Home Sales

In May 2025, new single-family home sales reached a seasonally adjusted annual rate of 623,000, according to estimates released by the U.S. Census Bureau and the Department of Housing and Urban Development. This marks a 13.7% decrease from April's revised rate of 722,000 and a 6.3% decline from the May 2024 rate of 665,000.

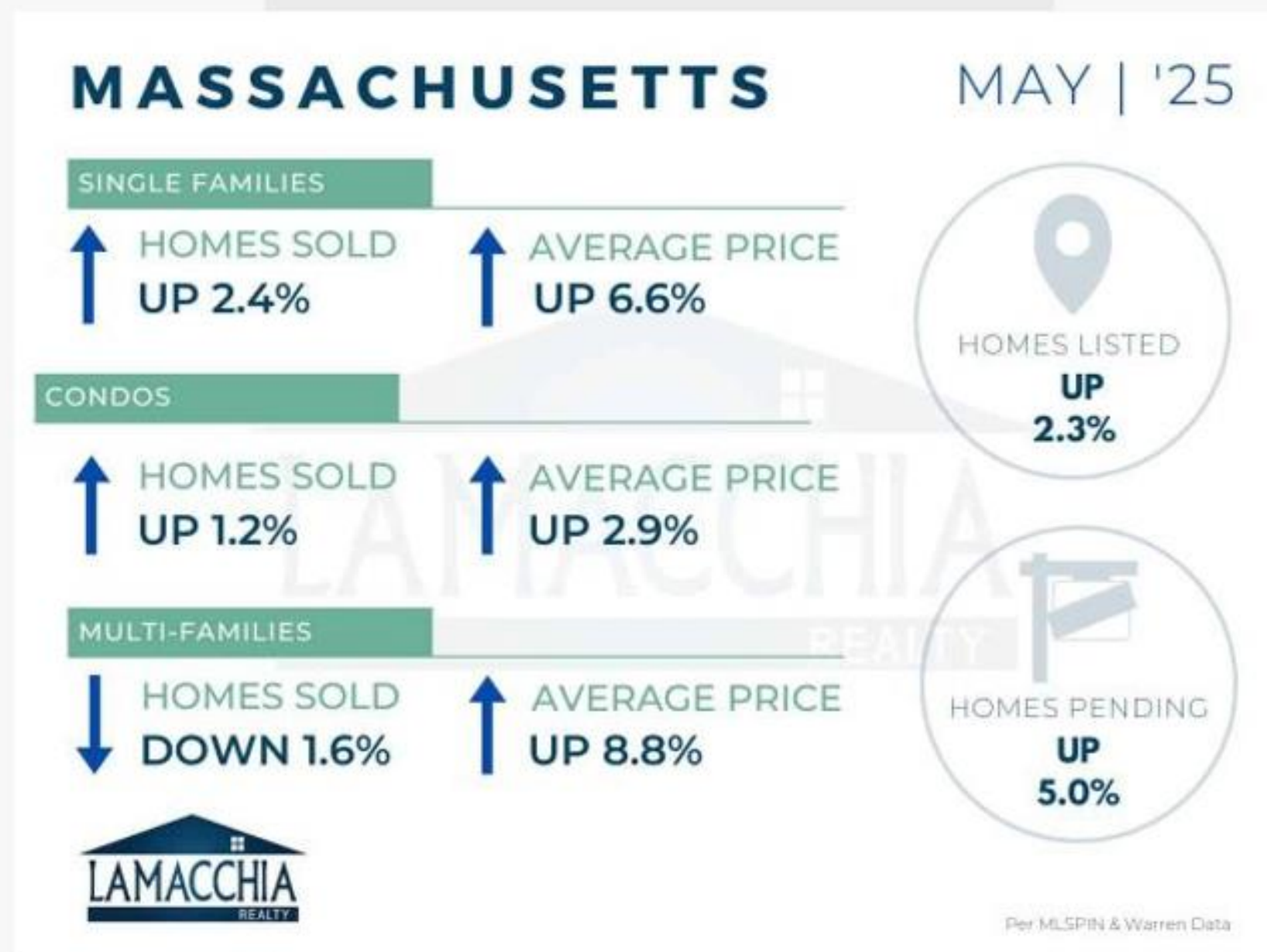
Sales Price

The median sales price of new houses sold in May 2025 was \$426,600. The average sales price was \$522,200.

For Sale Inventory and Months' Supply

The seasonally adjusted number of new houses for sale at the end of May was 507,000, representing an 9.8-month supply at the current sales pace.

Massachusetts May 2025



Home sales are up 1.7% year-over-year, with May 2025 at 6,503 compared to 6,394 last May. Sales are up for single-family homes and condominiums, while multi-family home sales declined.

- **Single families:** 3,915 (2024) | 4,010 (2025)
- **Condominiums:** 1,923 (2024) | 1,946 (2025)
- **Multi-families:** 556 (2024) | 547 (2025)

The average sale price increased 5.8% year-over-year, now at \$790,869 compared to \$747,443 in May 2024. Prices rose across all categories.

- **Single families:** \$793,139 (2024) | \$845,129 (2025)
- **Condominiums:** \$673,273 (2024) | \$692,821 (2025)
- **Multi-families:** \$682,203 (2024) | \$741,907 (2025)

National Mortgage Foreclosure & Delinquency

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

National Delinquency Rate

In May 2025, the national delinquency rate ticked down 2 basis points to 3.20%, according to ICE's First Look report. Despite the monthly improvement, the rate remains 5.2% (16 bps) higher than the same time last year.

Delinquencies: While delinquency levels improved seasonally for the fifth consecutive month, serious delinquencies (90+ days past due but not in foreclosure) remain elevated—up 14% year-over-year, an increase of 56,000 loans. Disaster-related delinquencies also improved, with hurricane-related cases falling nearly 26% month-over-month and wildfire-related delinquencies in Los Angeles down 9%.

Foreclosures and Prepayments

- **Foreclosures:** Foreclosure activity continued to rise year-over-year. May saw 7,000 foreclosure sales—the highest single-month total in over two years—as both foreclosure starts and inventories increased across the board.
- **Prepayments:** Prepayment activity climbed to a single-month mortality (SMM) rate of 0.71%, the highest level since October 2024. This 23.4% year-over-year increase reflects a seasonal upswing in home sale-related prepayments despite continued rate volatility.

	May 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):	3.20%	↓ -0.52%	↑ 5.20%	
Total U.S. foreclosure pre-sale inventory rate:	0.38%	↓ -1.46%	↑ 6.29%	
Total U.S. foreclosure starts:	28,000	↓ -3.35%	↑ 16.73%	
Monthly Prepayment Rate (SMM):	0.71%	↑ 1.00%	↑ 23.38%	
Total U.S. foreclosure sales:	7,000	↑ 8.15%	↑ 11.37%	
Number of properties that are 30 or more days past due, but not in foreclosure:	1,744,000	↓ -8,000	↑ 110,000	
Number of properties that are 90 or more days past due, but not in foreclosure:	466,000	↓ -10,000	↑ 56,000	
Number of properties in foreclosure pre-sale inventory:	206,000	↓ -3,000	↑ 15,000	
Number of properties that are 30 or more days past due or in foreclosure:	1,951,000	↓ -11,000	↑ 125,000	
Legend Low High				

United States Prime Rate

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

June 18, 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 July 30, 2025.

Primary Mortgage Market Survey®

U.S. weekly averages as of 06/26/2025

30-Yr FRM

6.77%

1-Wk change ∨ -0.04

1-Yr change ∨ -0.09

Monthly avg. 6.82%

52-Wk avg. 6.69%

52 Week Range

6.08%  7.04%

15-Yr FRM

5.89%

1-Wk change ∨ -0.07

1-Yr change ∨ -0.27

Monthly avg. 5.95%

52-Wk avg. 5.87%

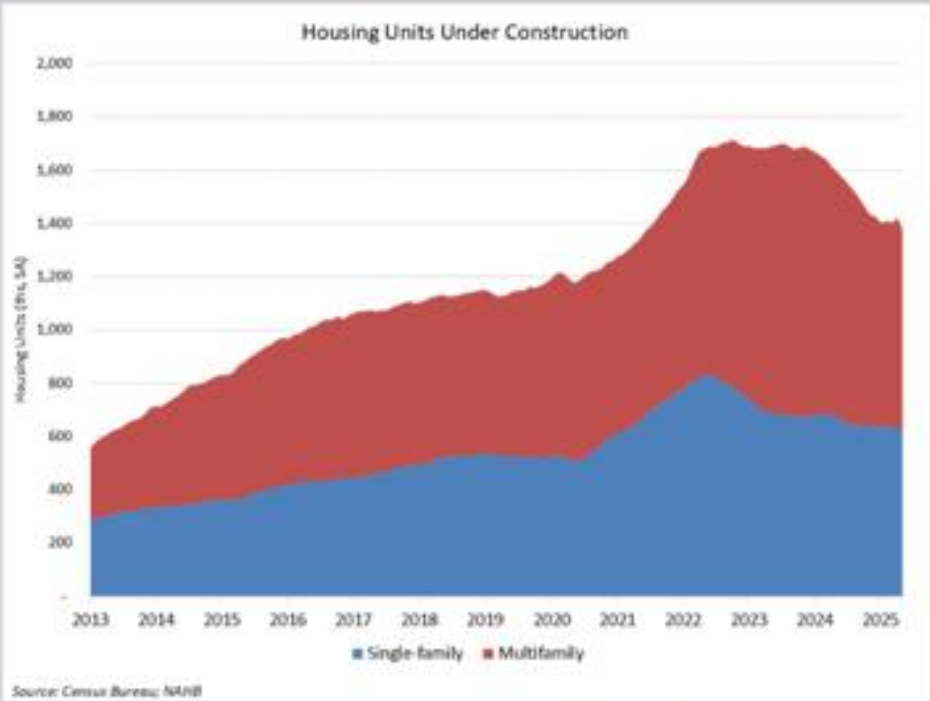
52 Week Range

5.15%  6.27%

Construction

Boston Trust

May 2025



SINGLE FAMILY:

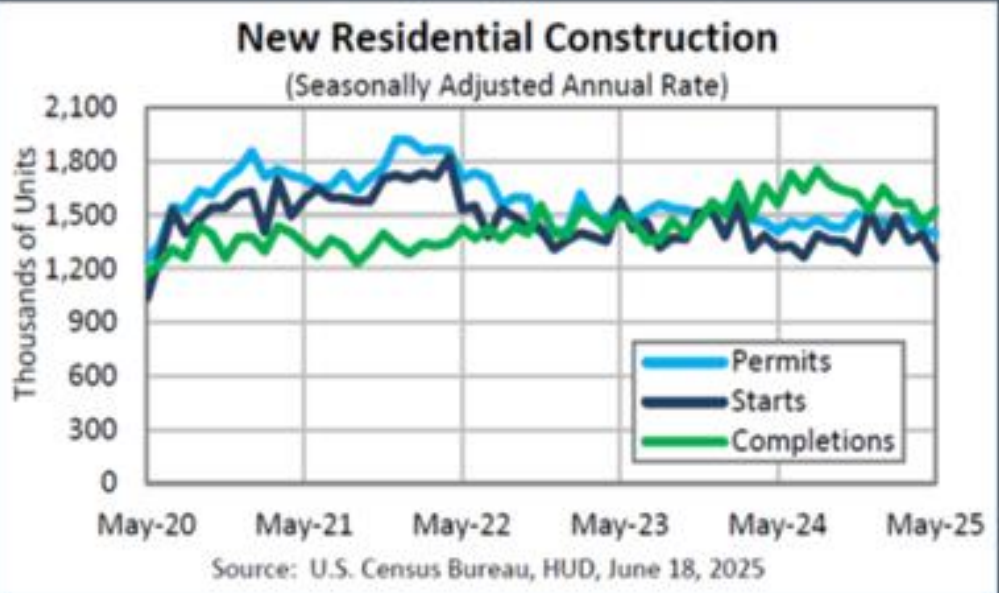
MULTI-FAMILY:

U.S. CONSTRUCTION MATERIAL COST CHANGES

From Producer Price Index (PPI) Series

Materials	MoM	YoY
Asphalt	-6.9%	-9.7%
Paint Materials	2.1%	5.8%
Softwood Lumber	-4.4%	9.1%
Hardwood Lumber	0.5%	6%
Hardwood Flooring	0.6%	1.2%
Millwork	0%	0%
Plywood	0.2%	-2%
Plumbing Fixtures	1%	5%
Heating Equipment	2.6%	5.1%
Lighting Fixtures	0.9%	3.6%
Cement	0.5%	1.9%
Copper Wire	-2.9%	-1%
Domestic Water Heaters	8.4%	8.6%
Hardware	1.6%	4.4%
Air Conditioning & Refridg.	0.5%	2.2%
Household Appliances	0.7%	0.8%
Insulation Materials	0.6%	3.6%

May 2025



Building Permits:

↓ 2.0% MoM

Housing Starts:

↓ 9.8% MoM

Housing Completions:

↑ 5.4% MoM

Boston Trust

Headquarters Location

100 Hallet Street, Suite 101
Boston, MA 02124



Contact

dcarey@bostontrustcorp.com

508.298.4325 | 617.752.7000

bostontrustcorp.com





Fast Financing you can Trust