May 2026

Economic Recap

Housing, Interest Rates, & Construction Costs

National & Local Trends

Boston Trust

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

The housing market continued to improve in May as inventory increased and buyer activity picked up after a slower spring. While affordability concerns and mortgage rates remained factors, home prices stayed relatively stable and buyers had more options.

In New England, warmer weather and new listings boosted activity, with well-priced homes selling quickly. South Florida also saw rising inventory, creating a more balanced market and making competitive pricing especially important.

Mortgage rates remained in the low-to-mid 6% range throughout May, with optimism that rates could ease later this year if inflation continues to cool.

For sellers, pricing strategically from the start is key as buyers become more selective. For buyers, waiting for the "perfect" market could mean missing a great opportunity. Homeownership remains one of the best long-term investments for building wealth and stability.

No matter the market, saving remains the first step toward buying a home.

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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June 16th, 2026 – 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 2026:

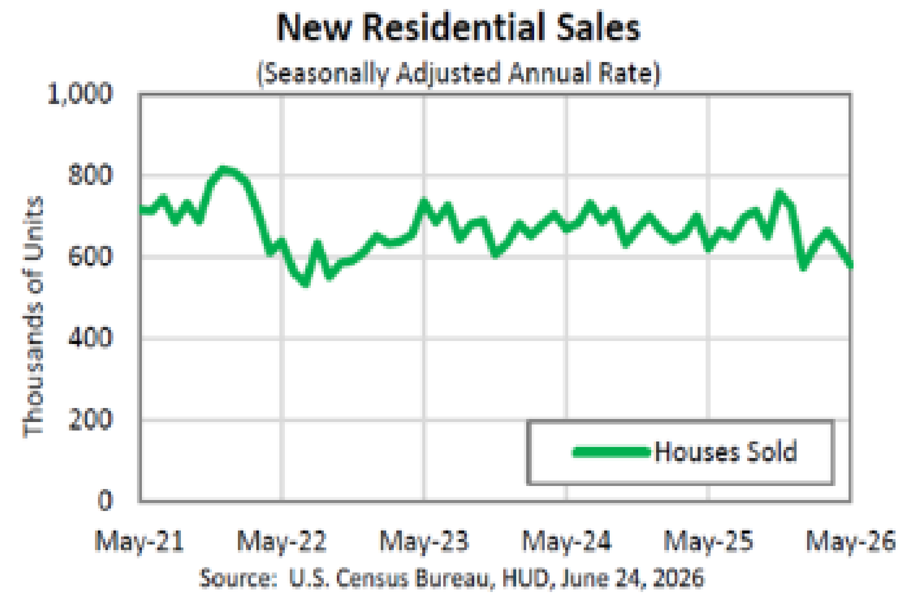
Monthly New Residential Sales, May 2026

NEW RESIDENTIAL SALES MAY 2026

New Houses Sold[1]:	580,000
New Houses For Sale[2]:	496,000
Median Sales Price:	$424,900

Next Release: July 24, 2026

[1]Seasonally Adjusted Annual Rate (SAAR)
[2]Seasonally Adjusted
Source: U.S. Census Bureau, HUD, June 24, 2026

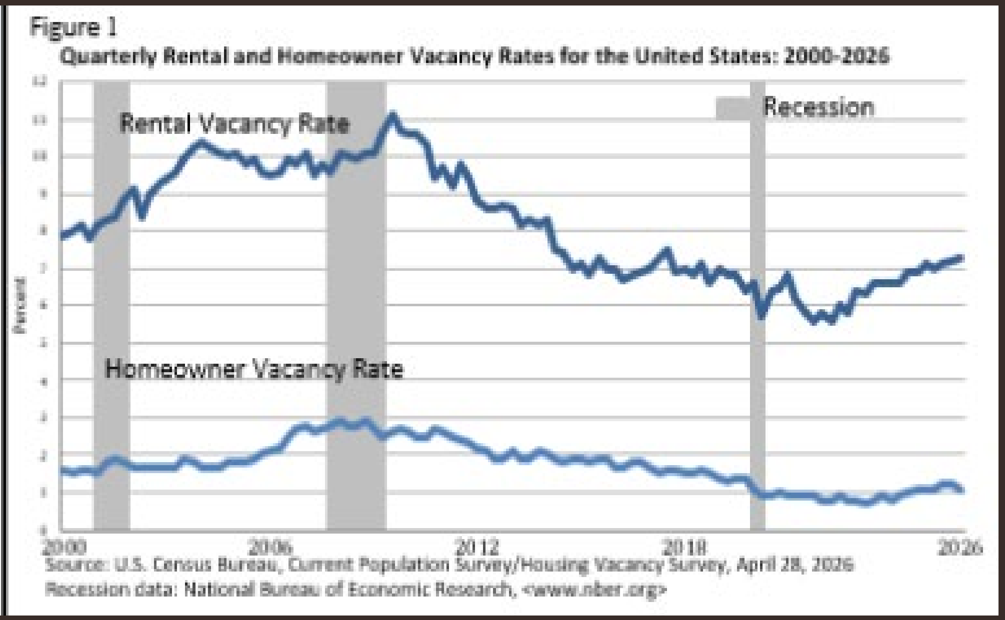


RESIDENTIAL VACANCIES AND HOMEOWNERSHIP FIRST QUARTER 2026

Rental Vacancy Rate	7.3%
Homeowner Vacancy Rate	1.1%
Homeownership Rate	65.3%

Next release: July 28, 2026

Data are not adjusted for seasonality.
Source: U.S. Census Bureau,
Current Population Survey/Housing Vacancy Survey, April 28, 2026



New Home Sales

Sales of new single-family homes slowed in May, with an annualized pace of 580,000 homes sold. This marked a 7.3% decline from April and a 6.8% decrease compared to May of last year, reflecting a modest cooling in new home sales as buyers continue to navigate higher mortgage rates and affordability challenges.

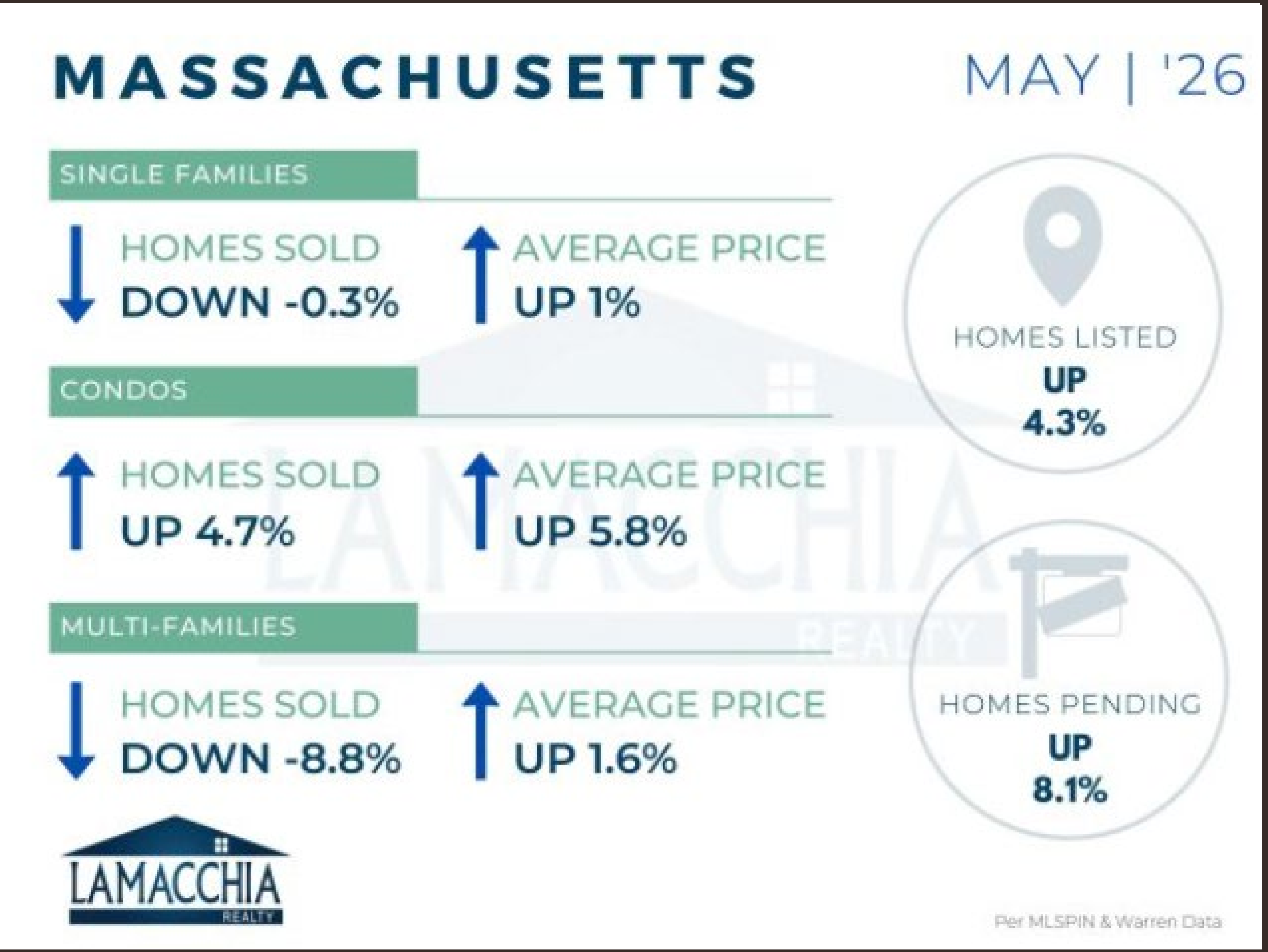
Sales Price

New home prices remained steady in May, with the median sales price reaching $424,900—nearly unchanged from a year ago. The average sales price rose to $540,600, reflecting an increase from both April and May 2025.
$508,800, edging up month over month but coming in just below April 2025 levels, according to the U.S. Census Bureau.

For Sale Inventory and Months' Supply

The inventory of new homes increased slightly in May, rising to approximately 496,000 homes for sale. At the current pace of sales, that represents a 10.3-month supply—up from April and slightly higher than this time last year, giving buyers more options in the market.

Massachusetts May 2026



Overall home sales increased slightly from last year, with 6,533 properties sold in May 2026 compared to 6,504 in May 2025. Condo sales posted gains, while single-family and multi-family home sales experienced modest declines.

Single families: 4,011 (2025) | 3,997 (2026)
Condominiums: 1,946 (2025) |2,037 (2026)
Multi-families: 547 (2025) | 499 (2026)

Average home prices climbed 2.2% compared to a year ago, rising to $808,189 from $790,782. Price gains were recorded across single-family homes, condominiums, and multi-family properties.

Single families: $844,974 (2025) | $853,304 (2026)
Condominiums: $692,821 (2025) | $732,956 (2026)
Multi-families: $741,907 (2025) | $753,937 (2026)

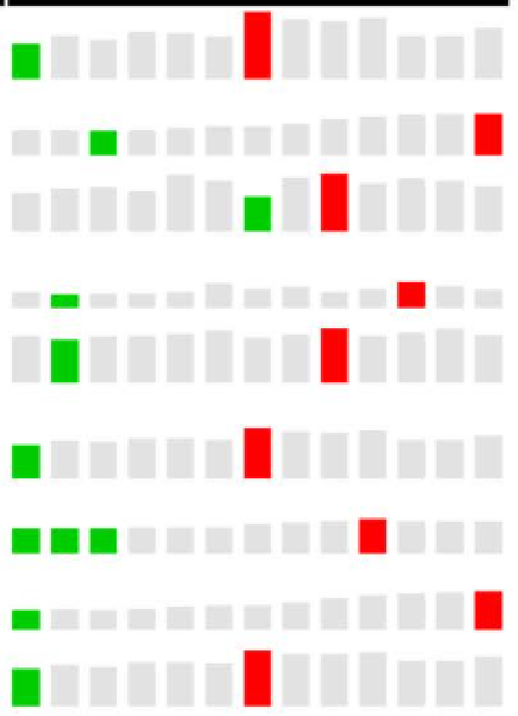
https://www.lamacchiarealty.com/may-2026-massachusetts-housing-report/

National Mortgage Foreclosure & Delinquency

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

May 2026

	May 2026	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):	3.50%	↑	4.51%	↑ 9.44%	
Total U.S. foreclosure pre-sale inventory rate:	0.51%	↑	1.46%	↑ 34.21%	
Total U.S. foreclosure starts:	33,000	↓	-8.87%	↑ 18.74%	
Monthly Prepayment Rate (SMM):	0.79%	↓	-14.99%	↑ 10.07%	
Total U.S. foreclosure sales:	7,000	↓	-11.11%	↑ 0.67%	
Number of properties that are 30 or more days past due, but not in foreclosure:	1,932,000	↑	84,000	↑ 188,000	
Number of properties that are 90 or more days past due, but not in foreclosure:	577,000	↑	0	↑ 111,000	
Number of properties in foreclosure pre-sale inventory:	280,000	↑	4,000	↑ 74,000	
Number of properties that are 30 or more days past due or in foreclosure:	2,212,000	↑	88,000	↑ 262,000	



Legend

Low High

National Delinquency Rate

The national mortgage delinquency rate increased to 3.5% in May, largely due to calendar timing and in line with typical seasonal patterns. While serious delinquencies remained stable from April and reached their lowest level in five months, they were higher than a year ago, marking the largest annual increase since 2020.

Foreclosures and Prepayments

Foreclosures: Foreclosure activity remained elevated in May. While new foreclosure filings declined from April, they were still higher than a year ago. The number of homes in foreclosure continued to rise, reaching its highest level in six years, though foreclosure rates remain below pre-pandemic levels.

The number of loans that were either seriously delinquent or already in foreclosure also increased compared to last year, marking the largest annual rise since 2020.

Prepayments:

Mortgage prepayment activity slowed in May as interest rates increased. Prepayment speeds dropped to their lowest level in four months, though they remained slightly higher than they were at the same time last year.

https://mortgagetech.ice.com/resources/data-reports/first-look-at-may-2026-mortgage-data

United States Prime Rate

The Current U.S. (Fed) Prime Rate is: 6.75%

June 17, 2026: The FOMC has voted to keep the target range for the fed funds rate at 3.50% - 3.75%. Therefore, the U. S. Prime Rate remains at 6.75%

The next FOMC meeting and decision on short-term interest rates will be on July 29, 2026.

Primary Mortgage Market Survey®

U.S. weekly averages as of 07/02/2026

30-Yr FRM

6.43%

1-Wk change	-0.06
1-Yr change	-0.24
Monthly avg.	6.48%
52-Wk avg.	6.33%
52 Week Range	5.98% – 6.75%

15-Yr FRM

5.79%

1-Wk change	-0.05
1-Yr change	-0.01
Monthly avg.	5.82%
52-Wk avg.	5.61%
52 Week Range	5.35% – 5.92%

Construction

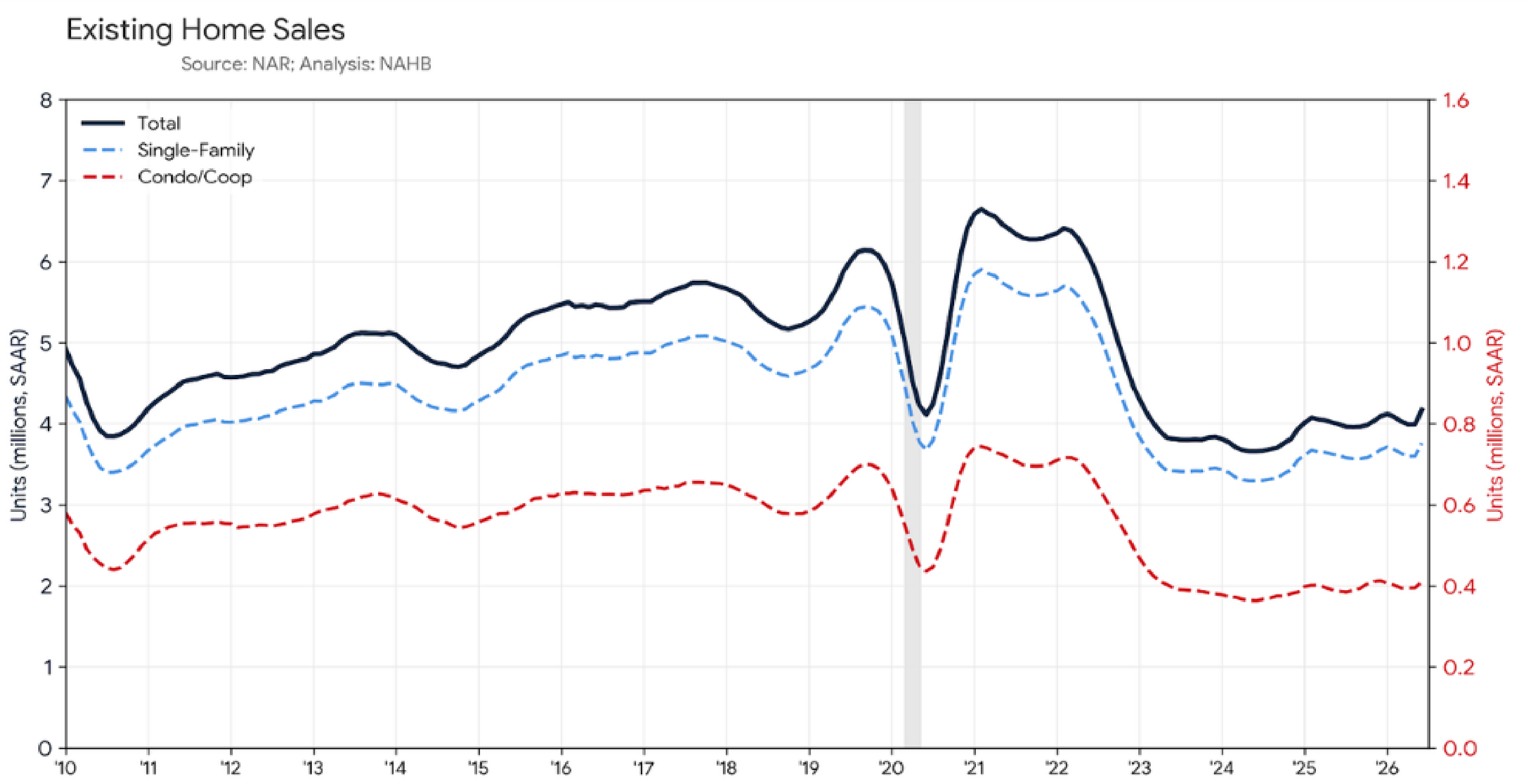
U.S. CONSTRUCTION MATERIAL COST CHANGES

From Producer Price Index (PPI) Series

May 2026

Materials	MoM	YoY
Floor Coverings	0 (no change)	0.2 ↑
Household Appliances	0.2 ↑	0.6 ↑
Asphalt	-9.7 ↓	15 ↑
Paint Materials	0.1 ↑	-1.3 ↓
Softwood Lumber	-0.1 ↓	4.8 ↑
Hardwood Lumber	-0.1 ↓	3.3 ↑
Millwork	-0.1 ↓	1.8 ↑
Plywood	1.4 ↑	5.5 ↑
Hardware	0 (no change)	3.9 ↑
Plumbing Fixtures	-0.2 ↓	6.6 ↑
Heating Equipment	0 (no change)	3.9 ↑
Lighting Fixtures	0.1 ↑	3.5 ↑
Air conditioning & refridg.	-0.3 ↓	3.2 ↑
Cement	-0.1 ↓	-0.6 ↓
Concrete Products	0.3 ↑	3 ↑
Hardwood Flooring	-0.7 ↓	2.2 ↑
Copper Wire and Cable	7.3 ↑	24.2 ↑
Domestic Water Heaters	0 (no change)	0.7 ↑
Gypsum Products	0 (no change)	-0.7 ↓

MAY 2026
EXISTING HOME SALES



Single-Family Homes: Increased

Condominiums and Co-Ops: Increased

https://eyeonhousing.org/2026/05/existing-home-sales-edged-up-slightly-in-may/

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