

May 2024

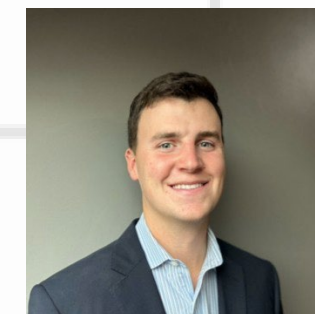
## **Economic Recap: Housing, Rates & Construction Costs National & Local**



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

The Massachusetts housing market in May signaled a shift, with increasing inventory as more sellers list their homes while many buyers have either found homes or opted to rent for another year. This increased supply gives buyers more choices and reduces competition, potentially slowing the rise in average sale prices. Mortgage rates, which fluctuated around 7% in May, continue to influence affordability. For sellers, the growing competition means pricing competitively from the start is crucial to avoid extended time on the market and potential price adjustments. As the summer progresses, inventory will likely continue to rise, giving buyers a break from intense competition, while sellers need to be mindful of realistic pricing to attract serious buyers. Mortgage rates will remain a significant factor, with stability rather than a significant drop expected in the near term. Ultimately, the right time to buy or sell should align with individual goals, with refinancing as a future option if rates become more favorable.

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](mailto:dcarey@bostontrustcorp.com)



# Monthly New Residential Sales, May 2024

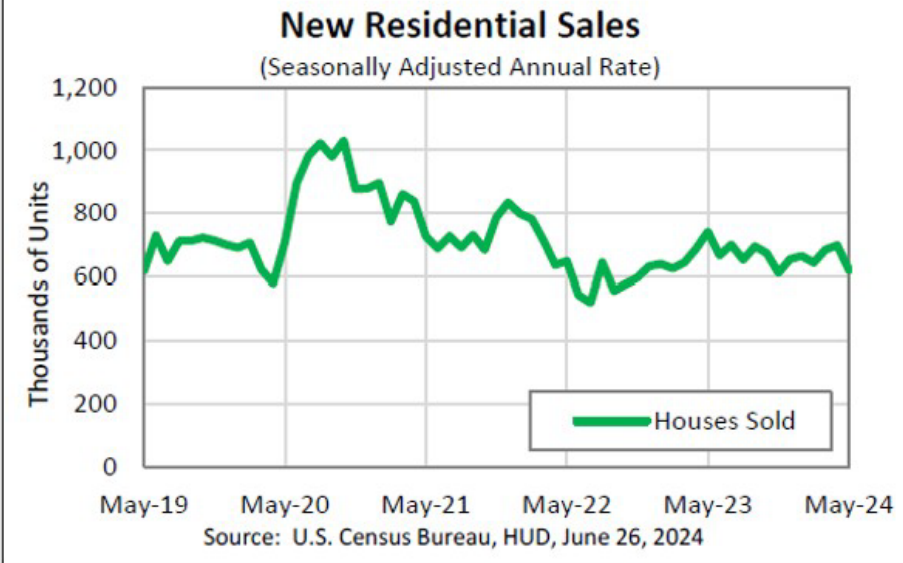
**June 24, 2024** – The U.S. Census Bureau and the U.S. Department of Housing and Urban Development (HUD) jointly announced the following new residential sales statistics for May 2024:



## NEW RESIDENTIAL SALES MAY 2024

**New Houses Sold<sup>1</sup>:** 619,000  
**New Houses For Sale<sup>2</sup>:** 481,000  
**Median Sales Price:** \$417,400  
**Next Release:** July 24, 2024

<sup>1</sup>Seasonally Adjusted Annual Rate (SAAR)  
<sup>2</sup>Seasonally Adjusted  
 Source: U.S. Census Bureau, HUD, June 26, 2024

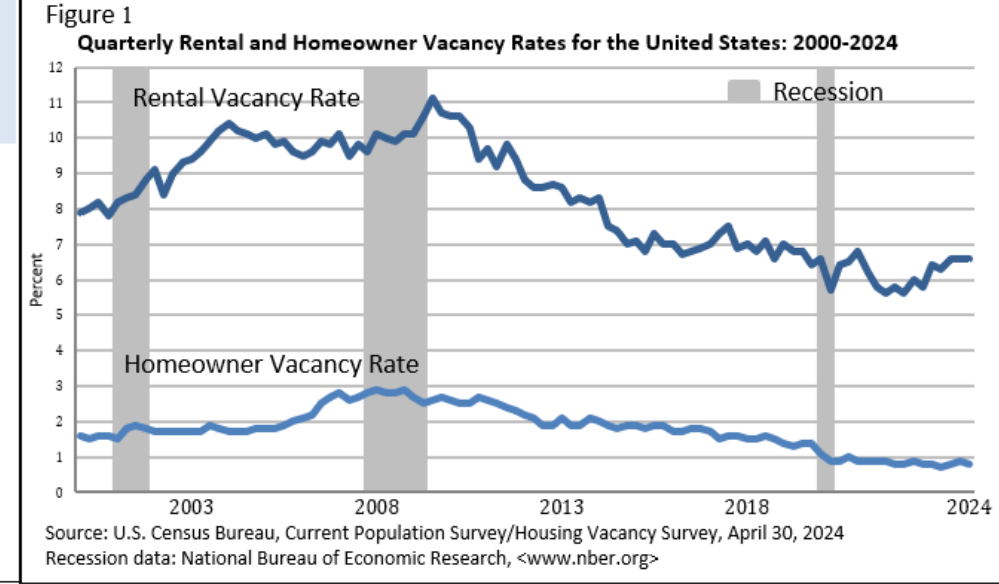


## RESIDENTIAL VACANCIES AND HOMEOWNERSHIP FIRST QUARTER 2024

**Rental Vacancy Rate** 6.6%  
**Homeowner Vacancy Rate** 0.8%  
**Homeownership Rate** 65.6%

**Next release:** July 30, 2024

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



### New Home Sales

Sales of new single-family houses in May 2024 were at a seasonally adjusted annual rate of 619,000, according to estimates released jointly today by the U.S. Census Bureau and the Department of Housing and Urban Development. This is 11.3 percent ( $\pm 15.5$  percent)\* below the revised April rate of 698,000 and is 16.5 percent ( $\pm 16.2$  percent) below the May 2023 estimate of 741,000.

### Sales Price

The median sales price of new houses sold in May 2024 was \$417,400. The average sales price was \$520,000.

### For Sale Inventory and Months' Supply

The seasonally-adjusted estimate of new houses for sale at the end of May was 481,000. This represents a supply of 9.3 months at the current sales rate.

# Massachusetts May 2024

## MASSACHUSETTS

MAY | '24

### SINGLE FAMILIES

↑ HOMES SOLD UP 7.5%      ↑ AVERAGE PRICE UP 7.7%



### CONDOS

↑ HOMES SOLD UP 4.3%      ↑ AVERAGE PRICE UP 2.2%



### MULTI-FAMILIES

↑ HOMES SOLD UP 2.2%      ↑ AVERAGE PRICE UP 1.3%



Per MLSPIN & Warren Data

Home sales are up 6.0% year-over-year, with May 2024 at 6,362 compared to 6,000 last May. Sales are up across all categories.

- Single families: 3,616 (2023) 3,887 (2024)
- Condominiums: 1,843 (2023) 1,922 (2024)
- Multi-families: 541 (2023) 553 (2024)

Average sale price increased 5.7% year-over-year, now at \$747,332 compared to \$706,991 in May 2023. Prices increased across all categories.

- Single families: \$736,933 (2023) \$793,396 (2024)
- Condominiums: \$658,673 (2023) \$673,456 (2024)
- Multi-families: \$671,457 (2023) \$680,316 (2024)

# National Mortgage Foreclosure & Delinquency

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

- The national delinquency rate fell 6 basis points (bps) year over year to 3.04% in May, marking the second lowest point on record, behind 2.92% in March 2023.
- A fifth consecutive monthly improvement in serious delinquencies (loans 90+ days past due but not yet in active foreclosure) reset what had already been a more than 18-year low. The number of mortgage-holders who missed a single payment dropped by 19K, while 60-day delinquencies edged up slightly by 4K from April. While the inflow of borrowers newly 30 days late dropped to a one-year low, those rolling to later stages of delinquency edged higher from April, and fewer delinquent loans cured to current status.
- Foreclosure starts were down 6.5% from April, keeping active foreclosure inventory at the lowest level since pandemic-era moratoria were lifted in January 2022. The total number of mortgage-holders currently in active foreclosure remains 32% below (92K) pre-pandemic levels. Though up slightly for the month, foreclosure sales (completions) in May were down 7.2% year over year and remain well below pre-pandemic norms.
- A seasonal rise in home sales and slightly improved refinance volumes pushed prepayments to their highest level since September 2022, even as rate-related headwinds persist.

|  | May 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): | 3.04%     | ↓ -1.55%                | ↓ -1.94%              |                |
| Total U.S. foreclosure pre-sale inventory rate:  | 0.36%     | ↓ -3.83%                | ↓ -17.95%             |                |
| Total U.S. foreclosure starts:   | 24,000    | ↓ -6.47%                | ↓ -4.77%              |                |
| Monthly Prepayment Rate (SMM):   | 0.58%     | ↑ 10.45%                | ↑ 6.60%               |                |
| Total U.S. foreclosure sales:  | 6,300     | ↑ 6.26%                 | ↓ -7.21%              |                |
| Number of properties that are 30 or more days past due, but not in foreclosure:            | 1,634,000 | ↓ -24,000               | ↓ -5,000              |                |
| Number of properties that are 90 or more days past due, but not in foreclosure:            | 410,000   | ↓ -8,000                | ↓ -74,000             |                |
| Number of properties in foreclosure pre-sale inventory:                                    | 191,000   | ↓ -7,000                | ↓ -38,000             |                |
| Number of properties that are 30 or more days past due or in foreclosure:                  | 1,825,000 | ↓ -31,000               | ↓ -43,000             |                |

**Legend**  
■ Low ■ High

Source: <https://www.fanniemae.com/about-us/investor-relations/monthly-summary>  
 Source: <https://www.freddiemac.com/investors/financials/monthly-volume-summaries>

# United States Prime Rate

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

**June 12, 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 **July 31, 2024**.

## Primary Mortgage Market Survey®

U.S. weekly averages as of 06/27/2024

**30-Yr FRM**

**6.86%**

1-Wk change    ∨ -0.01

1-Yr change    ^ 0.15

4-Wk avg.      6.92%

52-Wk avg.     7.02%

52 Week Range

6.6%  7.79%

**15-Yr FRM**

**6.16%**

1-Wk change    ^ 0.03

1-Yr change    ^ 0.1

4-Wk avg.      6.19%

52-Wk avg.     6.33%

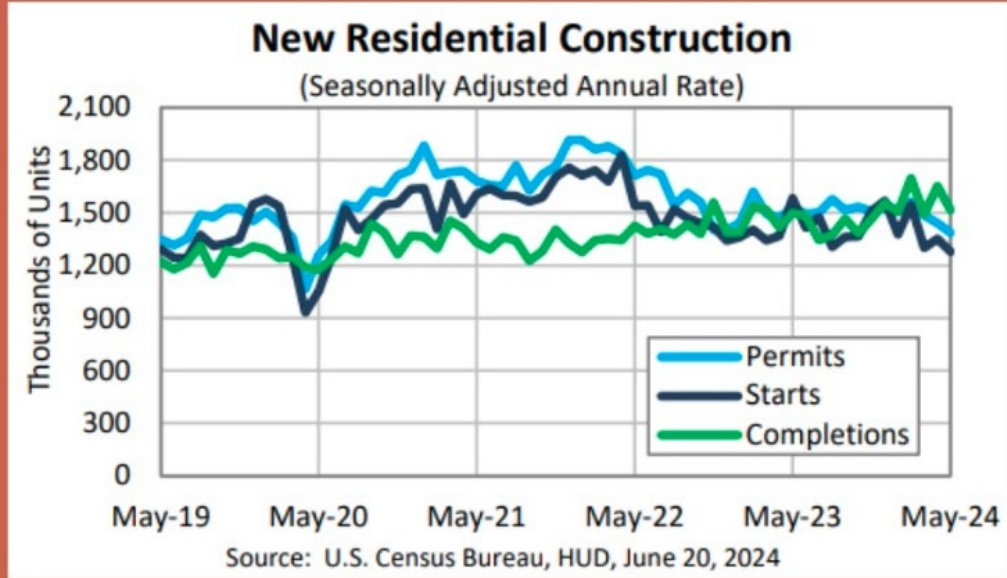
52 Week Range

5.76%  7.03%



# Construction

## May 2024



Building Permits: ↓ 3.8% MoM

Housing Starts: ↓ 5.5% MoM

Housing Completions: ↓ 8.4% MoM

Boston Trust

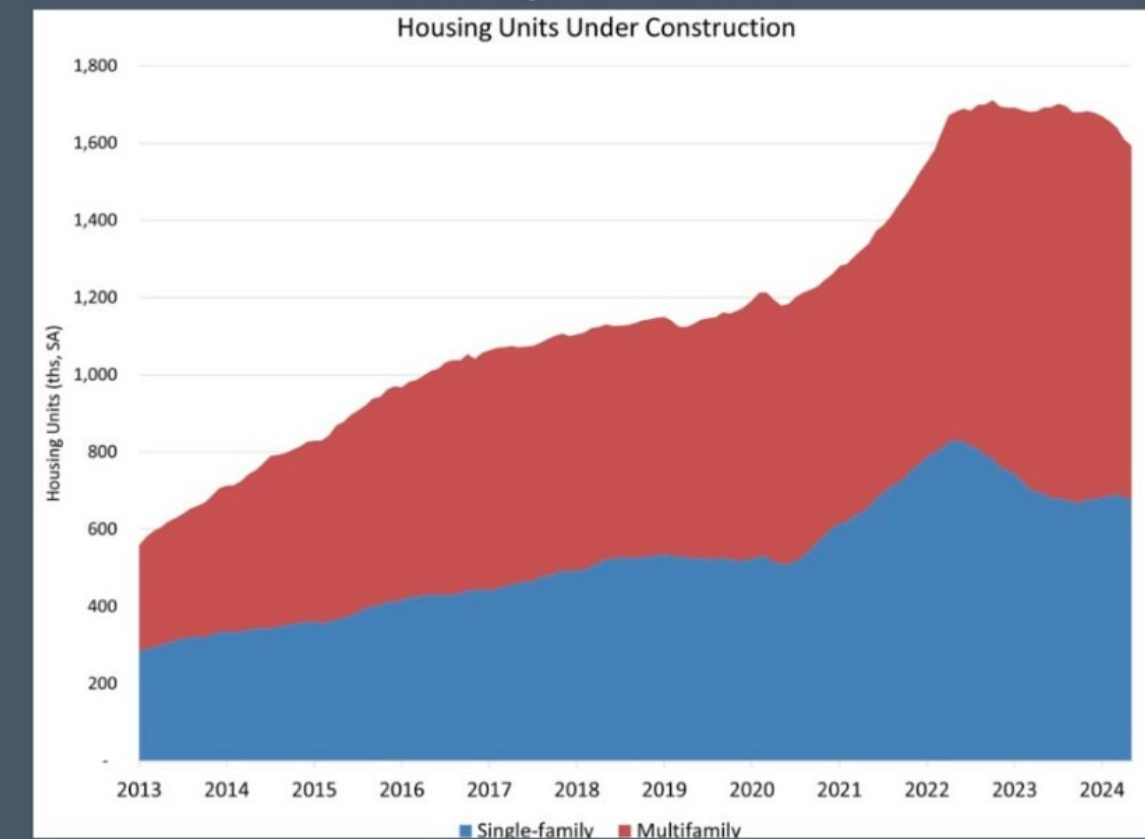
## U.S. CONSTRUCTION MATERIAL COST CHANGES

From Producer Price Index (PPI) Series

### May 2024

| Materials                   | MoM     | YoY     |
|-----------------------------|---------|---------|
| Asphalt                     | 3.2% ↑  | 5.2% ↑  |
| Paint Materials             | -3.7% ↓ | -7.2% ↓ |
| Softwood Lumber             | -5% ↓   | -8.1% ↓ |
| Hardwood Lumber             | 0.9% ↑  | 1.8% ↑  |
| Hardwood Flooring           | 0.2% ↑  | 0.8% ↑  |
| Millwork                    | -0.6% ↓ | -0.2% ↓ |
| Plywood                     | -0.4% ↓ | 1.9% ↑  |
| Plumbing Fixtures           | 0.2% ↑  | 1.5% ↑  |
| Heating Equipment           | -0.2% ↓ | 2.5% ↑  |
| Lighting Fixtures           | 0.8% ↑  | 2.6% ↑  |
| Cement                      | 0.4% ↑  | 6.8% ↑  |
| Copper Wire                 | 9.6% ↑  | 18% ↑   |
| Domestic Water Heaters      | 0%      | 0.1% ↑  |
| Hardware                    | 0.1% ↑  | -0.6% ↓ |
| Air Conditioning & Refridg. | 0.8% ↑  | 2.4% ↑  |
| Household Appliances        | -0.5% ↓ | -0.2% ↓ |
| Insulation Materials        | 0%      | 3.7% ↑  |

## May 2024



**SINGLE FAMILY:**

**MULTI-FAMILY:**





## Headquarters Location

100 Hallet Street, Suite 101  
Boston, MA 02124



## Contact

[dcarey@bostontrustcorp.com](mailto:dcarey@bostontrustcorp.com)  
508.298.4325 | 617.752.7000

[bostontrustcorp.com](http://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 maritime infrastructure. The text "Fast Financing you can Trust" is overlaid in a dark red, serif font across the middle of the image.

Fast Financing you can Trust