

Boston Trust

The background of the slide is a faded, light gray image of the Boston skyline and harbor. In the foreground, numerous sailboats are visible on the water. In the background, the dense city skyline of Boston is visible, with various skyscrapers and buildings. The overall tone is professional and serene.

September & October 2025

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

Boston Trust
Economic Snapshot

Boston Trust

Due to the recent government shutdown, several of the federal data sources we rely on are either delayed or temporarily inaccessible. As a result, some of the information we typically include is not yet available.

This email contains all currently released data for September and October 2025. As additional updates are published, we will incorporate them into upcoming Economic Recaps.

Thank you for your understanding!

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

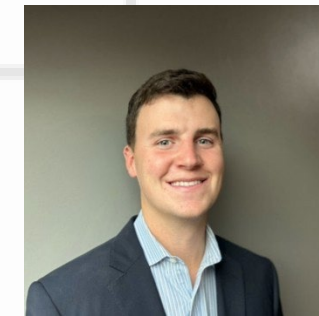
National home sales saw a modest 1.5% bump this September compared to last year, helped in part by easing mortgage rates and slightly better affordability. Mortgage News Daily reported that rates wrapped up August around 6.4%, and as of October 21st they've dipped to about 6.17%.

Buyers should keep their pre-approvals updated since rate shifts can change affordability quickly. For sellers, preparation is key. Choosing an experienced REALTOR can help you avoid the most common pitfalls and position your home to sell faster and for a stronger price.

Some buyers consider skipping their own agent to work directly with the listing agent, but it's important to remember that the listing agent's loyalty is to the seller. Going unrepresented can end up costing buyers financially—and possibly cost them the house entirely.

Massachusetts also rolled out a new home-inspection law on October 15, 2025, bringing notable changes for both buyers and sellers in real estate transactions.

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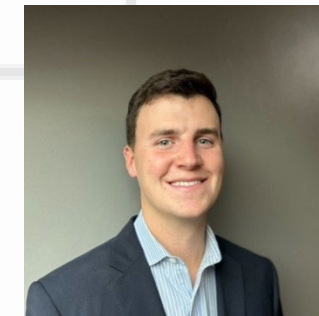
October edition of the Boston Trust Economic Snapshot: Housing, Rates & Construction Costs.

Existing-home sales in October 2025 ticked up again, rising 1.2% from the previous month and about 1.7% compared to last year. Softer mortgage rates helped keep buyers in the market despite broader economic uncertainty. Late-October data from Mortgage News Daily showed 30-year fixed rates hovering around the mid-6% range (roughly 6.13–6.36%), with the survey on 10/21/25 landing near 6.17%. As rates continue to shift, buyers should keep their pre-approvals current.

Sellers: don't underestimate the holiday market. Buyers touring homes during one of the busiest seasons tend to be serious and motivated, and warm seasonal décor can make your home feel especially inviting. If selling now aligns with your plans, there's no reason to hold off.

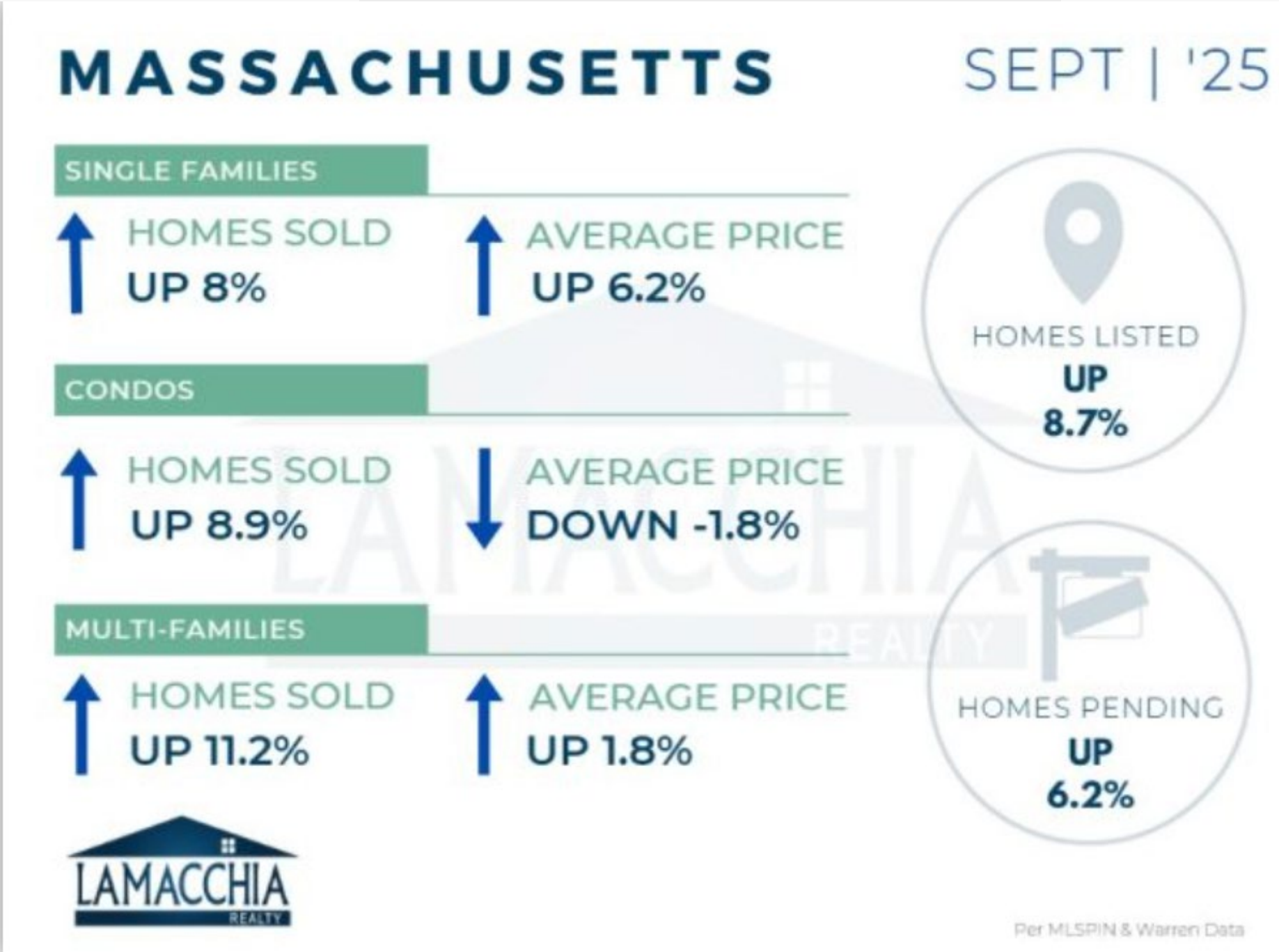
Buyers should also stay alert to the rising risk of wire fraud. Real estate closings involve large transfers of money, making them a target for cybercriminals. Always verify instructions with trusted contacts before sending funds to ensure your money goes exactly where it should.

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Massachusetts September 2025



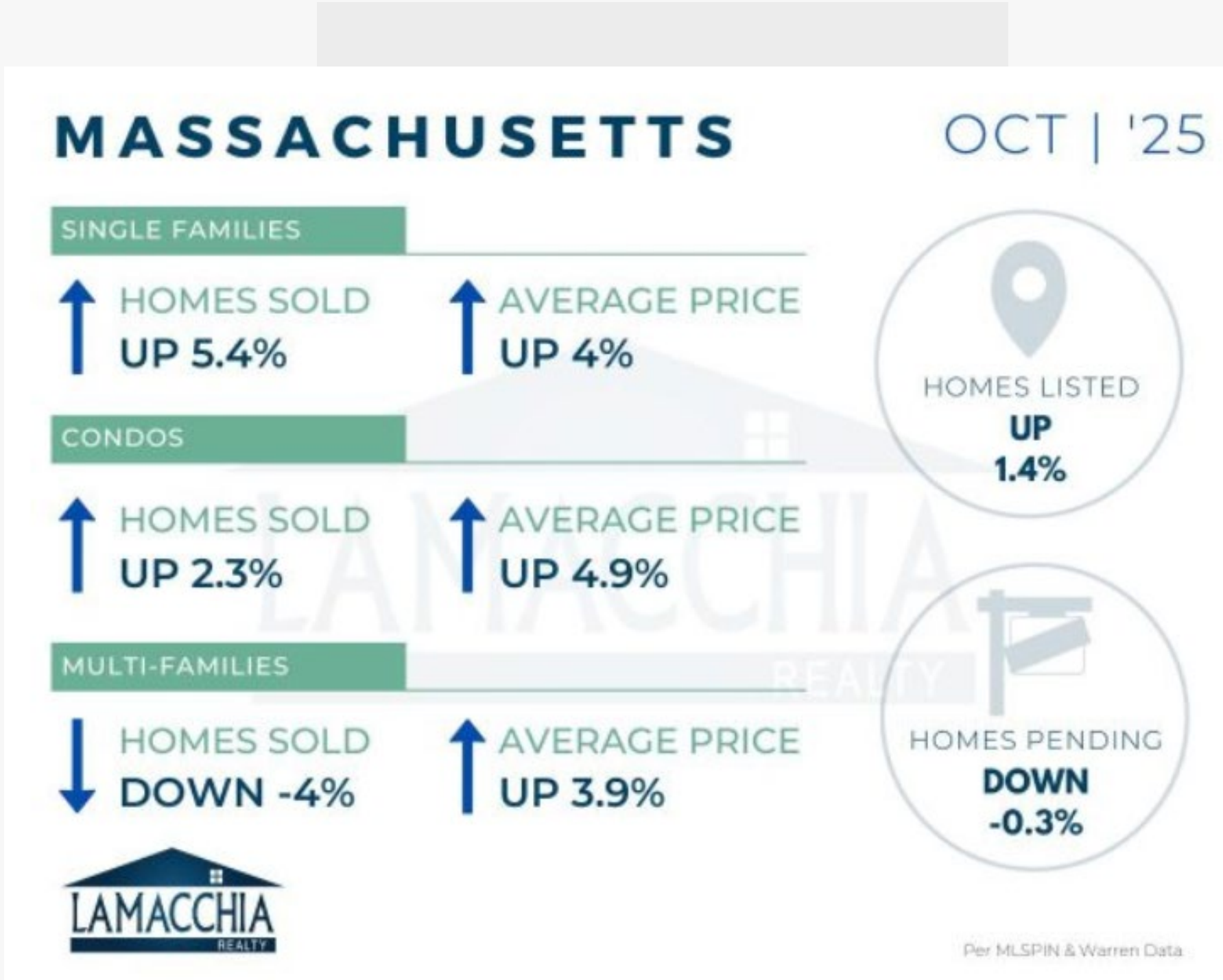
Across all property types, home sales climbed 8.5% year over year, reaching 5,904 in September 2025 compared to 5,439 a year earlier. Growth was seen across every housing category, reflecting steady buyer demand and continued market momentum heading into the fall season.

- Single families: 3,489 (2024) | 3,769 (2025)
- Condominiums: 1,478 (2024) | 1,610 (2025)
- Multi-families: 472 (2024) | 525 (2025)

The average home sale price rose 3.8% year over year, reaching \$741,551 in September 2025 compared to \$714,430 in September 2024. Prices for single-family and multi-family homes continued to climb, while condominium values saw a modest decline.

- Single families: \$739,436 (2024) | \$785,058 (2025)
- Condominiums: \$644,856 (2024) | \$633,407 (2025)
- Multi-families: \$747,450 (2024) | \$760,861 (2025)

Massachusetts October 2025



Home sales across all property types rose 3.8% compared to last October, climbing from 6,145 to 6,376 closings in October 2025. Single-family homes and condos saw increased activity, while multi-family sales slipped.

Single families: 3,947 (2024) | 4,162 (2025)
Condominiums: 1,648 (2024) | 1,686 (2025)
Multi-families: 550 (2024) | 528 (2025)

The average sale price climbed 4.3% from last year, rising to \$762,232 from \$731,065 in October 2024. All property types experienced price growth over the year.

Single families: \$764,328 (2024) | \$794,643 (2025)
Condominiums: \$651,601 (2024) | \$683,269 (2025)
Multi-families: \$730,464 (2024) | \$758,893 (2025)

National Mortgage Foreclosure & Delinquency

Boston Trust

September

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

National Delinquency Rate

The national mortgage delinquency rate edged down by 2 basis points in September to 3.42%. That’s 6 basis points lower than a year ago and 58 basis points below the level seen in September 2019, prior to the pandemic.

Both early-stage (30-day) and serious (90+ day) delinquencies declined month over month, reflecting ongoing stability in borrower performance. The vast majority of homeowners continue to keep up with their mortgage payments, underscoring the overall health and resilience of the housing market..

Foreclosures and Prepayments

Foreclosures: In Q3 2025, there were an estimated 103,000 foreclosure starts — up 23% from last year but still 18% below pre-pandemic 2019 levels. Active foreclosures increased 18% year over year, though volumes remain historically low. FHA loans make up a large share of the increase, accounting for 38% of active cases, while the return of VA foreclosures after last year’s pause contributed to the remaining rise.

Prepayments:

Prepayment activity ticked up in September, rising 8 basis points to a 0.74% single-month mortality (SMM) rate — about 15% higher than the same time last year. The increase reflects renewed movement in the market as mortgage rates began to ease in August, prompting some borrowers to refinance or pay off loans earlier..

	September 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):	3.42%	↓ -0.44%	↓ -1.75%	
Total U.S. foreclosure pre-sale inventory rate:	0.40%	↑ 5.69%	↑ 16.38%	
Total U.S. foreclosure starts:	42,000	↑ 43.51%	↑ 60.53%	
Monthly Prepayment Rate (SMM):	0.74%	↑ 11.72%	↑ 15.29%	
Total U.S. foreclosure sales:	7,200	↑ 2.74%	↑ 34.90%	
Number of properties that are 30 or more days past due, but not in foreclosure:	1,877,000	↓ -8,000	↓ -4,000	
Number of properties that are 90 or more days past due, but not in foreclosure:	477,000	↓ -5,000	↑ 1,000	
Number of properties in foreclosure pre-sale inventory:	222,000	↑ 12,000	↑ 34,000	
Number of properties that are 30 or more days past due or in foreclosure:	2,098,000	↑ 4,000	↑ 30,000	
Legend Low High				

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October

The national mortgage delinquency rate dipped to 3.34% in October, down 7 basis points from the previous month. That's also 11 bps lower than a year ago and remains well below pre-pandemic levels from October 2019. Both early delinquencies (30-day) and more serious 90-day-plus delinquencies improved over the month.

Foreclosures: The single month mortality (SMM) rate—an indicator of mortgage prepayments—rose to 1.01% in October, up 27 basis points. That’s the highest reading in roughly three and a half years and 16 bps above where it stood a year ago, even with similar interest rate conditions. While foreclosure starts dipped by about 9.8% from September, the broader upward trend remains. Compared to last year, foreclosure inventory has grown by roughly 37,000 homes (+19%) and completed foreclosure sales are up by about 1,900 (+32%).

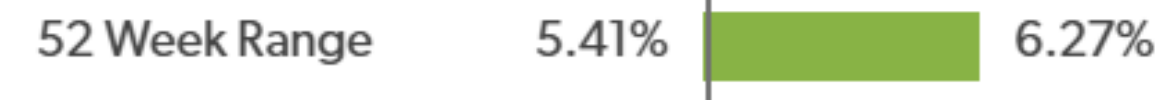
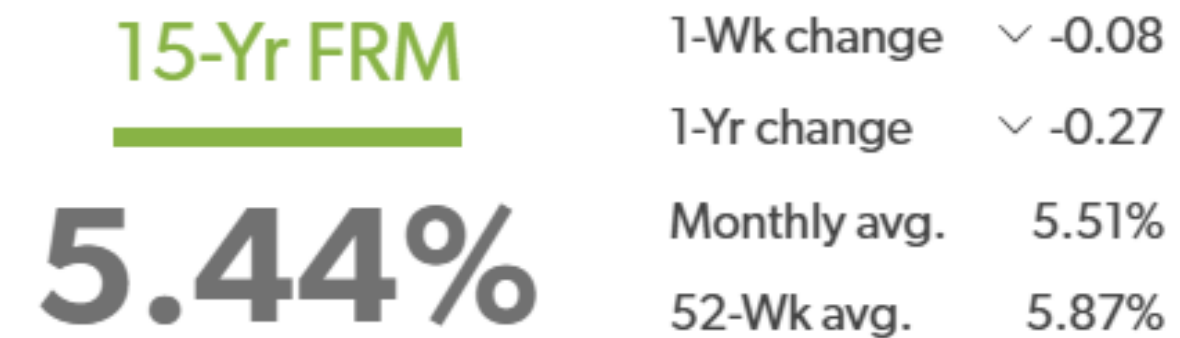
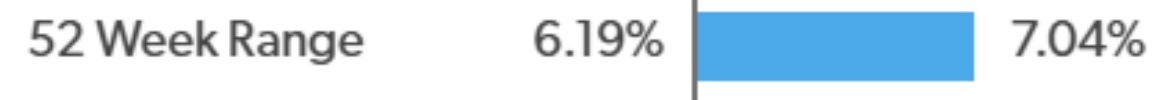
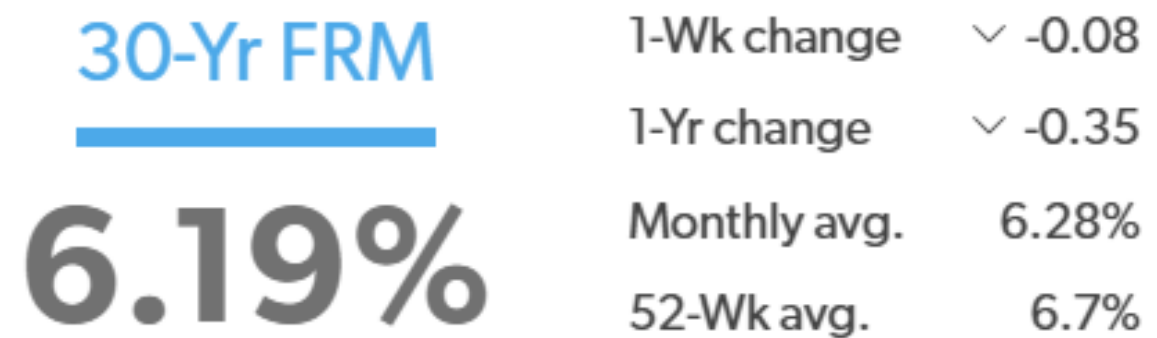
The single month mortality (SMM) rate—which reflects how quickly mortgages are being prepaid—jumped 27 basis points in October, reaching 1.01%. That’s the fastest prepayment pace seen in about three and a half years. It also sits roughly 16 bps higher than the rate recorded a year earlier, even though interest rate conditions are fairly similar. This uptick suggests more homeowners are taking advantage of small rate improvements or pursuing payoff options that weren’t as attractive in prior months.

United States Prime Rate

The Current U.S. (Fed) Prime Rate is: **7.00%**

October 29, 2025: The FOMC has voted to lower the target range for the fed funds rate to **3.75% - 4.00%**. Therefore, **the United States Prime Rate is now 7.00%**

The next FOMC meeting and decision on short-term interest rates will be on **December 10, 2025**.



Construction

U.S. CONSTRUCTION MATERIAL COST CHANGES		
From Producer Price Index (PPI) Series		
September 2025		
Materials	MoM	YoY
Asphalt	5.2% ↑	14.8% ↑
Paint Materials	0.2% ↑	2.7% ↑
Softwood Lumber	-3.4% ↓	-1.4% ↓
Hardwood Lumber	-0.1% ↓	6.3% ↑
Hardwood Flooring	0.3% ↓	2.2% ↑
Millwork	0.2% ↑	0.7% ↑
Plywood	-0.3% ↓	0.2% ↑
Plumbing Fixtures	0.3% ↑	6.9% ↑
Heating Equipment	-0.3% ↑	7.1% ↑
Lighting Fixtures	0.4% ↑	6.2% ↑
Cement	0.7% ↑	2.2% ↑
Copper Wire	-4.3% ↓	9.1% ↑
Domestic Water Heaters	0%	8.6% ↑
Hardware	0.5% ↑	6.4% ↑
Air Conditioning & Refridg.	0.1% ↑	5.1% ↑
Household Appliances	-0.4% ↓	1.6% ↑
Concrete Products	0.3% ↑	2% ↑

Headquarters Location

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An aerial photograph of a city skyline and harbor, likely New York City, with a semi-transparent overlay. The text "Fast Financing you can Trust" is centered in a red, serif font.

Fast Financing you can Trust