

Boston Trust



September 2023

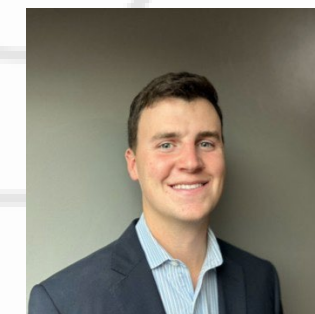
Economic Recap: Housing, Rates & Construction Costs National & Local

Boston Trust
Economic Snapshot |

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

Massachusetts real estate market remained competitive for buyers with fewer home sales and limited housing options. Some sellers were hesitant due to rising mortgage rates and low inventory, but personal reasons compelled others to sell. Home prices increased more slowly in September due to inflation and higher mortgage rates, making homes relatively affordable. Regional variations highlight the importance of staying informed. As we head into the final quarter of the year, seeking advice from real estate experts is crucial in this dynamic market.

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

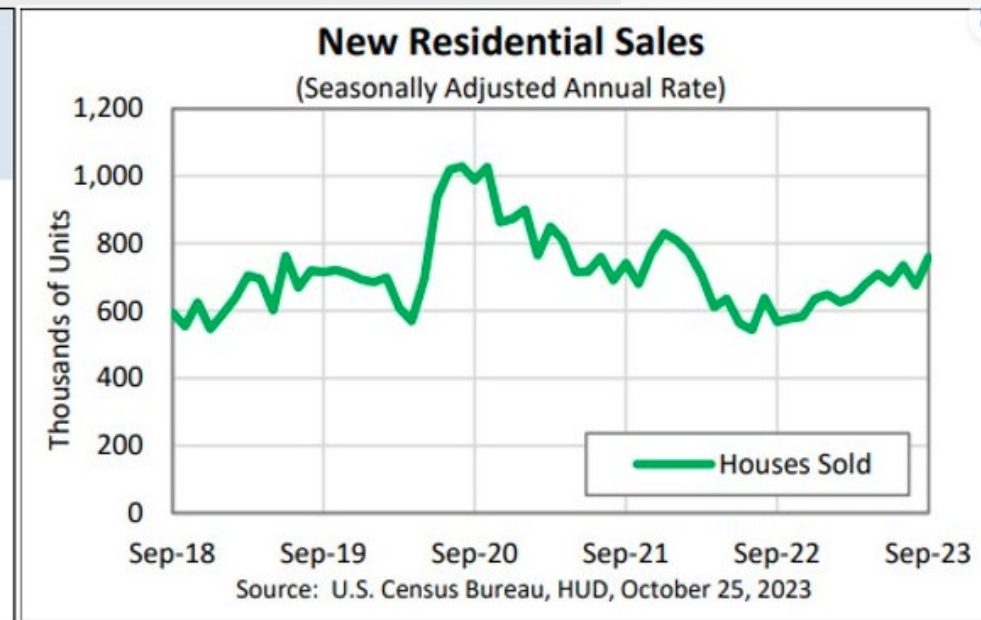
Monthly New Residential Sales, September 2023

October 31, 2023 – 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 September 2023:

NEW RESIDENTIAL SALES
SEPTEMBER 2023

New Houses Sold¹:	759,000
New Houses For Sale²:	435,000
Median Sales Price:	\$418,800
Next Release: November 27, 2023	

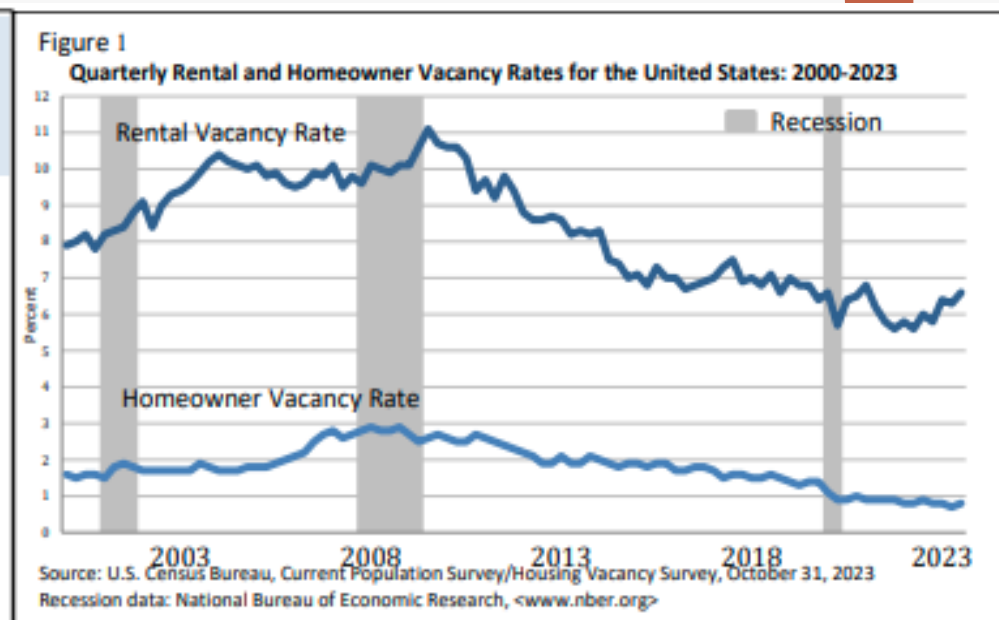
¹Seasonally Adjusted Annual Rate (SAAR)
²Seasonally Adjusted
 Source: U.S. Census Bureau, HUD, October 25, 2023



RESIDENTIAL VACANCIES AND HOMEOWNERSHIP
THIRD QUARTER 2023

Rental Vacancy Rate	6.6%
Homeowner Vacancy Rate	0.8%
Homeownership Rate	66.0%
Next release: January 30, 2024	

Data are not adjusted for seasonality.
 Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey, October 31, 2023



New Home Sales

In September 2023, the U.S. Census Bureau and the Department of Housing and Urban Development jointly reported that the annualized rate of new single-family home sales was 795,000. This marked a noteworthy increase of 12.3% when compared to the revised rate of 676,000 in August. Furthermore, it showed a substantial surge of 33.9% when compared to the estimated 567,000 new home sales in September 2022. These statistics underscore a significant upturn in the sales of new single-family homes during this period.

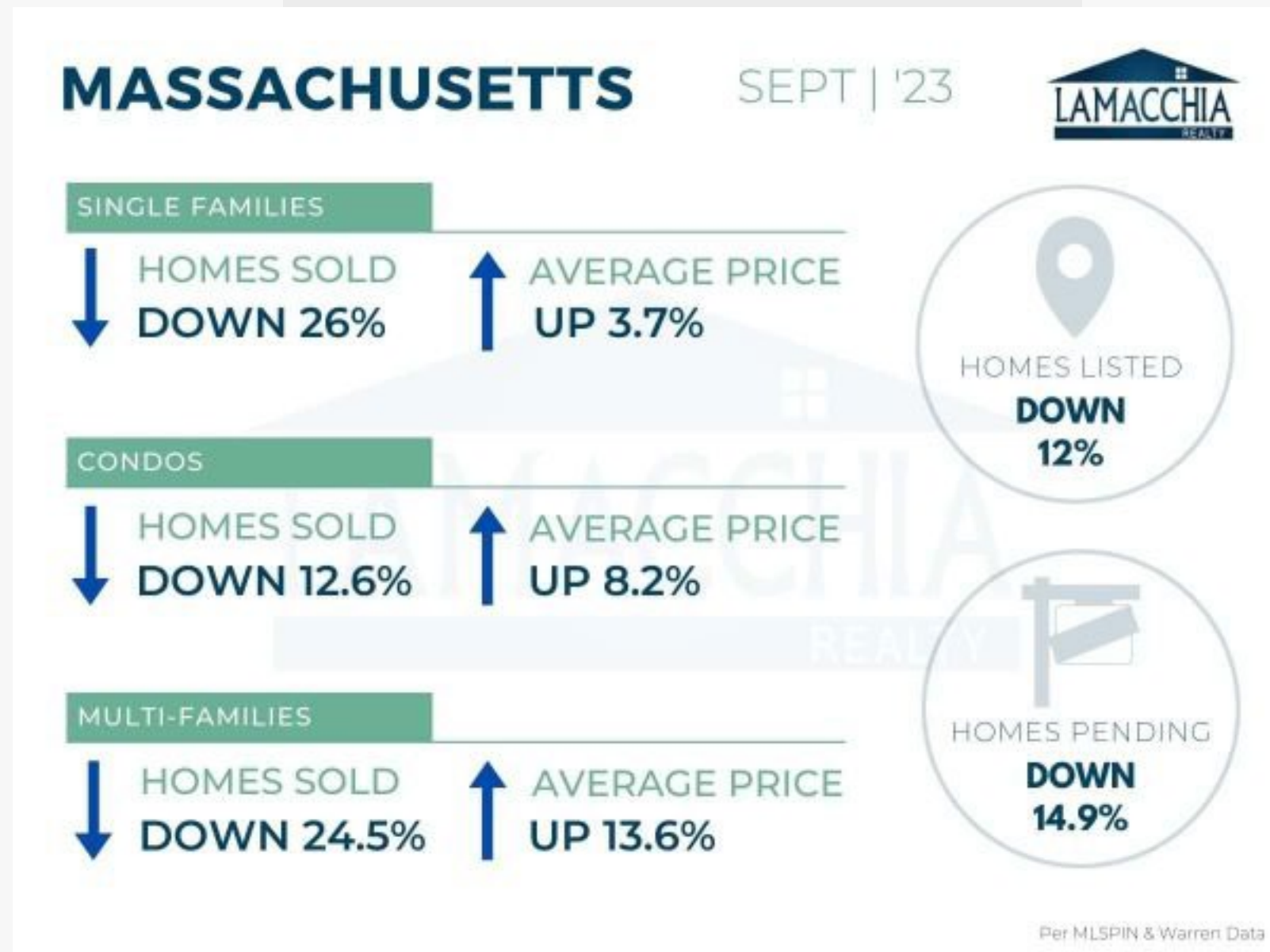
Sales Price

The median sales price of new houses sold in September 2023 was \$418,800. The average sales price was \$503,900.

For Sale Inventory and Months' Supply

The seasonally-adjusted estimate of new houses for sale at the end of September was 435,000. This represents a supply of 6.9 months at the current sales rate.

Massachusetts 2023



Year-over-year, there has been a 22.4% decline in home sales, with September 2023 recording 5,791 sales compared to 7,466 during the same period last year. This decline is observed across all property categories:

- Single-family homes experienced a decrease from 4,876 sales in 2022 to 3,608 in 2023.
- Condominium sales dropped from 1,908 in 2022 to 1,668 in 2023.
- Multi-family property sales saw a decline from 682 in 2022 to 515 in 2023.

The average sales price has shown a year-over-year increase of 5.2%, reaching \$684,121 in September 2023 compared to \$650,594 in September 2022. This upward trend in prices is consistent across all housing categories:

- Single-family homes saw an increase from \$682,549 in 2022 to \$707,647 in 2023.
- Condominium prices rose from \$578,845 in 2022 to \$626,077 in 2023.
- Multi-family property prices also experienced an increase, going from \$622,856 in 2022 to \$707,288 in 2023.

National Mortgage Foreclosure & Delinquency

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

	September 2023	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):	3.29%	↑ 3.67%	↑ 4.27%	
Total U.S. foreclosure pre-sale inventory rate:	0.40%	↓ -0.41%	↓ -7.18%	
Total U.S. foreclosure starts:	25,000	↓ -20.45%	↑ 4.81%	
Monthly Prepayment Rate (SMM):	0.45%	↓ -15.51%	↓ -25.74%	
Total U.S. foreclosure sales:	6,400	↓ -7.52%	↓ -6.42%	
Number of properties that are 30 or more days past due, but not in foreclosure:	1,749,000	↑ 64,000	↑ 96,000	
Number of properties that are 90 or more days past due, but not in foreclosure:	455,000	↑ 7,000	↓ -132,000	
Number of properties in foreclosure pre-sale inventory:	214,000	↓ -1,000	↓ -13,000	
Number of properties that are 30 or more days past due or in foreclosure:	1,963,000	↑ 64,000	↑ 83,000	

Legend
■ Low ■ High

In September, the national delinquency rate increased to 3.29%, which represents a 12-basis point (BPS) rise from August and a 13 BPS increase when compared to the same period last year. Notably, this marks only the second annual increase in the past 2.5 years, and it is the most significant increase observed during this period.

Freddie Mac reported that the Single-Family serious delinquency rate remained steady at 0.55%, the same as in August. When compared to September 2022, Freddie's rate has decreased, as it was at 0.67% during that time. This current rate is now below the pre-pandemic levels of 0.60%.

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

United States Prime Rate

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

September 20, 2023: The FOMC has voted to raise the target range for the fed funds rate to **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 **November 1, 2023**.

Primary Mortgage Market Survey®

U.S. weekly averages as of 10/26/2023

30-Yr FRM

7.79%

1-Wk change \wedge 0.16
 1-Yr change \wedge 0.71
 4-Wk avg. 7.62%
 52-Wk avg. 6.7%

52 Week Range

6.09%  7.79%

15-Yr FRM

7.03%

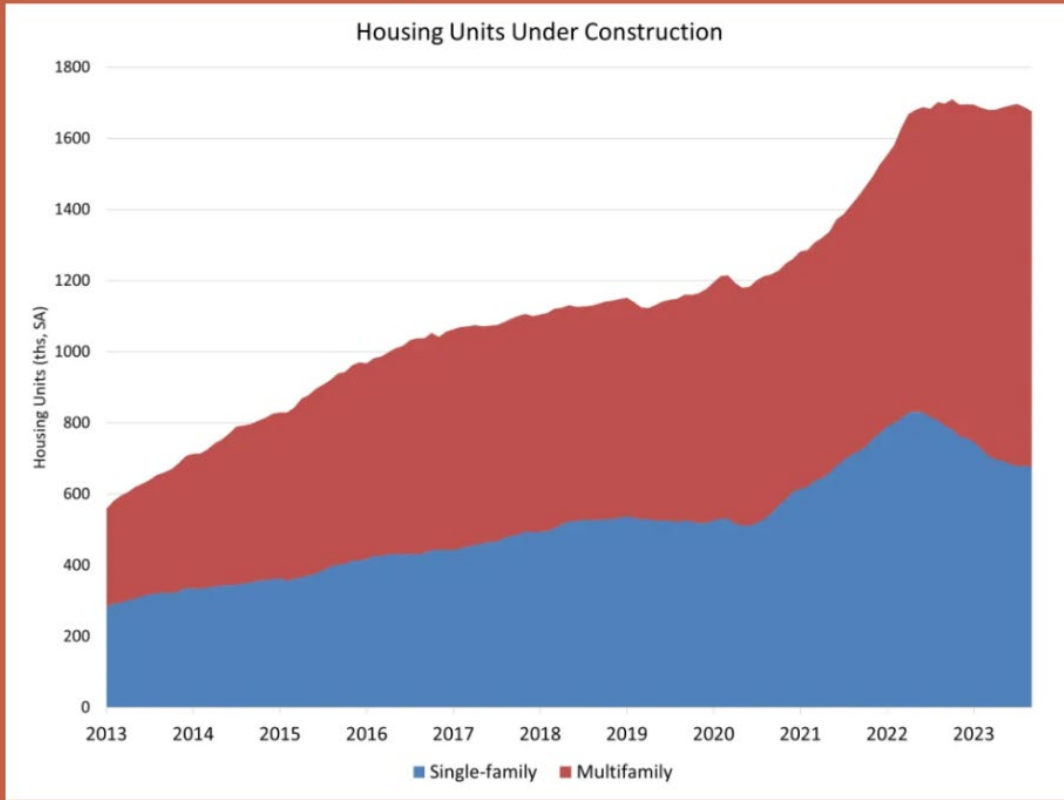
1-Wk change \wedge 0.11
 1-Yr change \wedge 0.67
 4-Wk avg. 6.91%
 52-Wk avg. 6.01%

52 Week Range

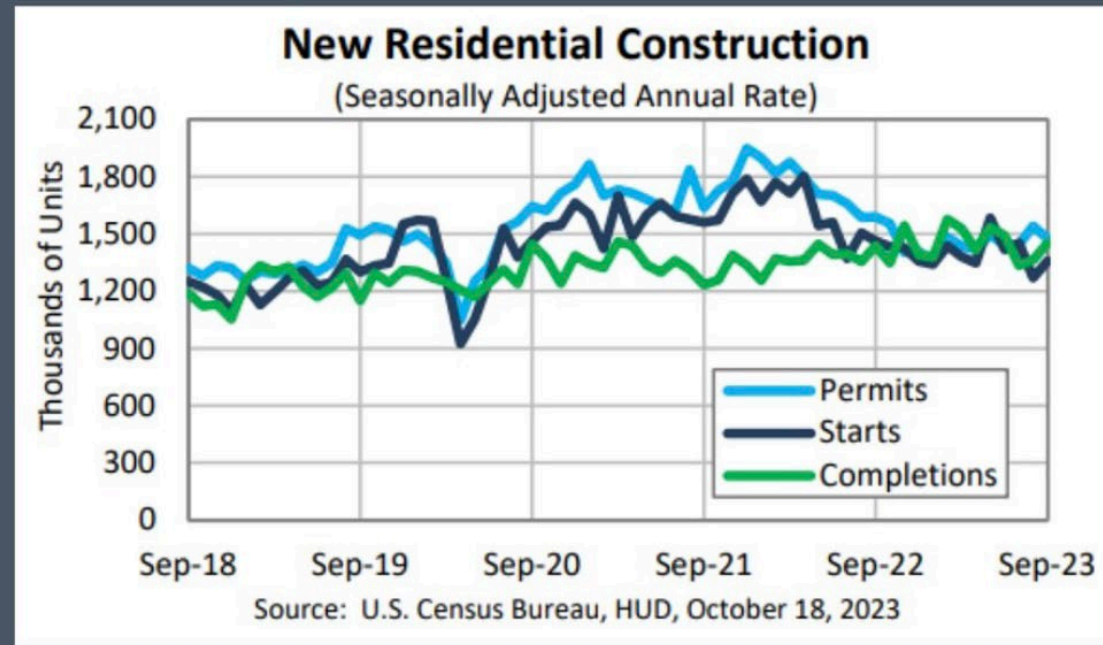
5.14%  7.03%

Construction

September 2023



September 2023



U.S. CONSTRUCTION MATERIAL COST CHANGES

From Producer Price Index (PPI) Series

September 2023

Materials	MoM	YoY
Asphalt	5.2% ↑	-25.7% ↓
Paint Materials	0	5.8% ↑
Softwood Lumber	1.3%	-15.2% ↓
Hardwood Lumber	1% ↑	-11.6% ↓
Hardwood Flooring	0.3% ↑	2.3% ↑
Millwork	0.2% ↑	-5.5% ↓
Plywood	0.1% ↑	-13% ↓
Plumbing Fixtures	0.3% ↑	1.8% ↑
Heating Equipment	-0.4% ↓	4.6% ↑
Lighting Fixtures	0.3% ↑	3.1% ↑
Cement	1% ↑	10.8% ↑
Copper Wire	0.1% ↑	3.2% ↑
Airconditioning & Refridg.	0.4% ↑	4.1% ↑
Household Appliances	0.1% ↑	2.1% ↑
Concrete Products	0.8% ↑	9.1% ↑
Gypsum Products	-0.6% ↓	-1.7% ↓
Insulation Materials	-0.2% ↓	1.6% ↓

SINGLE FAMILY:



MULTI-FAMILY:



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Building Permits: ↓ 4.4% MoM

Housing Starts: ↑ 7.0% MoM

Housing Completions: ↑ 6.6% MoM

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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 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