

# Boston Trust



December 2023

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

**Boston Trust**  
Economic Snapshot |

# Boston Trust

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

In December 2023, Massachusetts' real estate market faced ongoing challenges with limited housing inventory, intensifying buyer competition. Despite persistent issues, an increase in new listings provided hope, contributing to a more balanced market.

Sellers remained cautious amid fluctuating mortgage rates, while a sustained uptick in activity hinted at evolving market sentiment. Home prices continued to rise, but at a more restrained pace, addressing concerns about affordability due to inflation and construction costs. Regional differences underscored the need for tailored strategies, acknowledging diverse factors influencing specific areas within the state.

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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# Monthly New Residential Sales, December 2023

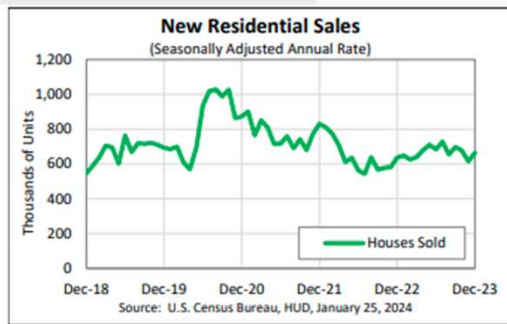
**January 25, 2023** – The U.S. Census Bureau and the U.S. Department of Housing and Urban Development (HUD) jointly announced the following new residential sales statistics for December 2023:



**NEW RESIDENTIAL SALES**  
**DECEMBER 2023**

**New Houses Sold<sup>1</sup>:** 664,000  
**New Houses For Sale<sup>2</sup>:** 453,000  
**Median Sales Price:** \$413,200  
**Next Release:** February 26, 2024

<sup>1</sup>Seasonally Adjusted Annual Rate (SAAR)  
<sup>2</sup>Seasonally Adjusted  
 Source: U.S. Census Bureau, HUD, January 25, 2024



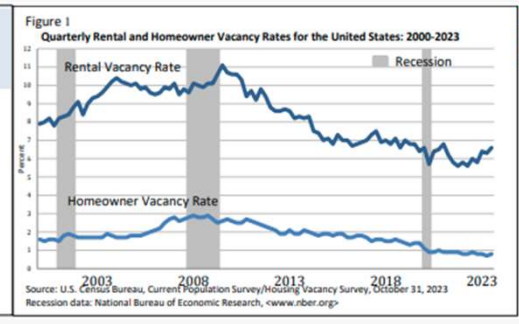


**RESIDENTIAL VACANCIES AND HOMEOWNERSHIP**  
**THIRD QUARTER 2023**

**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

New home sales in the United States were reported at a seasonally adjusted annual rate of 664,000. This represents an 8.0 percent increase ( $\pm 24.2$  percent)\* from the revised November rate of 615,000 and a 4.4 percent increase ( $\pm 20.6$  percent)\* from the December 2022 estimate of 636,000

## Sales Price

The median for new houses sold in December 2023 was \$413,200, while the average stood at \$487,300.

## For Sale Inventory and Months' Supply

As of the end of December, the seasonally-adjusted estimate of new houses available for sale was 453,000, translating to a supply of 8.2 months at the current sales rate. This data provides insights into the balance between housing inventory and demand in the market.

Source: <https://www.census.gov/economic-indicators/>

# Massachusetts 2023



In December 2023, home sales experienced a notable decline of 15.7% year-over-year, totaling 5,016 compared to 5,951 in the same period last year. This decrease was observed across all housing categories.

- Single-family homes: 3,838 sales in 2022 compared to 3,150 in 2023.
- Condominiums: 1,568 sales in 2022 compared to 1,350 in 2023.
- Multi-family properties: 545 sales in 2022 compared to 516 in 2023.

Despite the overall dip in sales, the average sales price saw a 3.4% year-over-year increase, reaching \$653,414 in December 2023 compared to \$632,182 in December 2022. Notably, prices rose for single-family homes and condos but decreased for multi-family properties.

- Average price for single-family homes: \$649,342 in 2022 | \$675,591 in 2023.
- Average price for condominiums: \$587,796 in 2022 | \$617,609 in 2023.
- Average price for multi-family properties: \$639,045 in 2022 | \$611,709 in 2023.

Massachusetts Housing Report

December 2023 Massachusetts Housing Report - Lamacchia Realty

Source Lamacchia Realty

# National Mortgage Foreclosure & Delinquency

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

Data as of Dec. 31, 2023

	December 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):	3.57%	↑ 5.55%	↑ 2.65%	
Total U.S. foreclosure pre-sale inventory rate:	0.40%	↓ -2.41%	↓ -10.22%	
Total U.S. foreclosure starts:	24,000	↓ -17.93%	↓ -15.46%	
Monthly Prepayment Rate (SMM):	0.39%	↑ 4.89%	↓ -4.68%	
Total U.S. foreclosure sales:	5,400	↓ -17.22%	↓ -11.54%	
Number of properties that are 30 or more days past due, but not in foreclosure:	1,906,000	↑ 105,000	↑ 81,000	
Number of properties that are 90 or more days past due, but not in foreclosure:	475,000	↑ 15,000	↓ -108,000	
Number of properties in foreclosure pre-sale inventory:	212,000	↓ -5,000	↓ -20,000	
Number of properties that are 30 or more days past due or in foreclosure:	2,120,000	↑ 100,000	↑ 61,000	

**Legend**  
■ Low ■ High

In December 2023, the national delinquency rate increased to 3.57%, up by 19 basis points from November, attributed to the month ending on a Sunday, causing payment processing delays. The 5.6% rise in delinquencies was higher than the December average but milder than Sundays in previous years.

Delinquencies increased moderately, driven by higher inflows and later-stage transitions, while cures from both early and late-stage delinquencies improved. Serious delinquencies (90+ days overdue) were at 475,000, a 19% decrease from December 2022.

Foreclosure activity saw a decline, with 24,000 foreclosure starts, an 18-month low. The total active foreclosures, at 212,000, were 25% below pre-pandemic levels.

Foreclosure completions in December were at 5,400, the fewest since February 2022. Prepayment activity increased by 4.9%, resulting in a 0.39% single-month mortality rate, influenced by improving interest rates but constrained by seasonal factors and housing market affordability pressures.

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

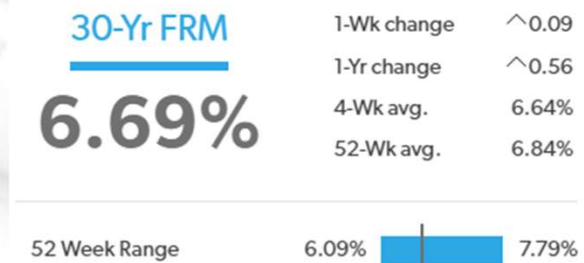
**The Current U.S. (Fed) Prime Rate is: 8.50%**

**December 13, 2023:** 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 January 31, 2023.

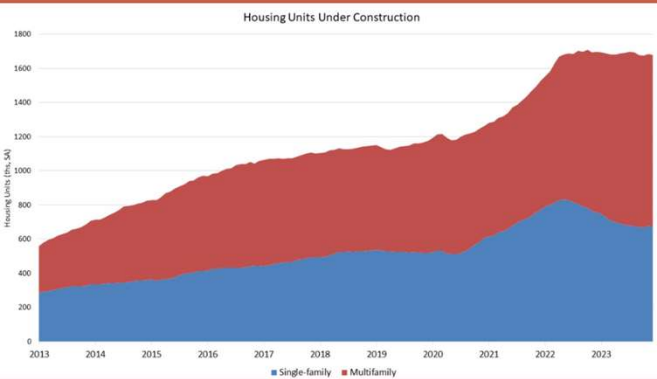
**Primary Mortgage Market Survey®**

U.S. weekly averages as of 01/25/2024



# Construction

December 2023

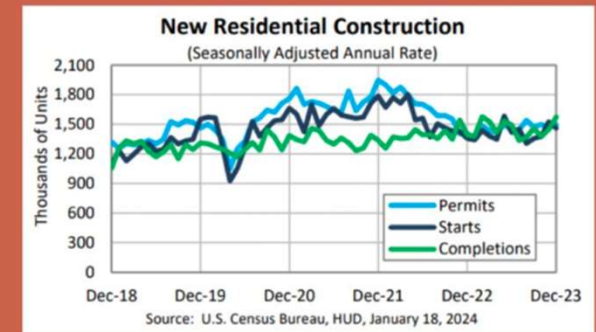


**U.S. CONSTRUCTION MATERIAL COST CHANGES**  
From Producer Price Index (PPI) Series

**December 2023**

Materials	MoM	YoY
Asphalt	2.2%	23.9%
Paint Materials	-0.1%	-3%
Softwood Lumber	-2.4%	-14.6%
Hardwood Lumber	-0.6%	-0.2%
Hardwood Flooring	0.1%	2%
Millwork	-0.3%	-3.4%
Plywood	-0.2%	-3.8%
Plumbing Fixtures	0.2%	1.5%
Heating Equipment	0.2%	2.4%
Lighting Fixtures	0.1%	3%
Cement	0.6%	8.2%
Hardware	-0.3%	1.1%
Airconditioning & Refridg.	-0.3%	3.8%
Household Appliances	-0.3%	1.6%
Concrete Products	0.1%	7.3%
Floor Coverings	0%	0.4%

December 2023



Building Permits: ↑ 1.9% MoM

Housing Starts: ↓ 4.3% MoM

Housing Completions: ↑ 8.7% MoM

## Headquarters Location

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An aerial, high-angle photograph of a city harbor, likely New York City. The image is heavily faded and has a light gray overlay. 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 superimposed in a red, serif font across the middle of the image.

Fast Financing you can Trust