

# Boston Trust



November 2023

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

**Boston Trust**  
Economic Snapshot |

# Boston Trust

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

In November, Massachusetts' real estate market grappled with ongoing challenges. Limited housing inventory intensified competition for buyers, yet an increase in new listings offered hope. Sellers cautiously navigated fluctuating mortgage rates, with a noticeable uptick in activity hinting at a shifting market sentiment.

Home prices continued their climb but at a more restrained pace due to inflation and construction costs. This moderated increase helps maintain some affordability. Regional differences persist, highlighting the need for tailored strategies.

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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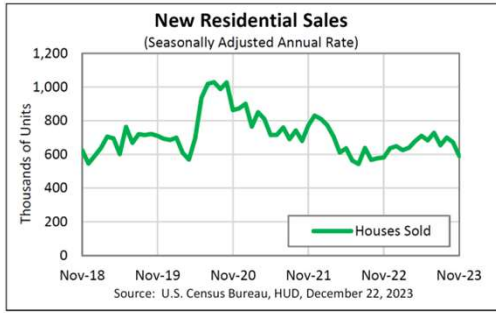
# Monthly New Residential Sales, October 2023

**November 27, 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 October 2023:

**NEW RESIDENTIAL SALES**  
**NOVEMBER 2023**

<b>New Houses Sold<sup>1</sup>:</b>	<b>590,000</b>
<b>New Houses For Sale<sup>2</sup>:</b>	<b>451,000</b>
<b>Median Sales Price:</b>	<b>\$434,700</b>
<b>Next Release: January 25, 2024</b>	

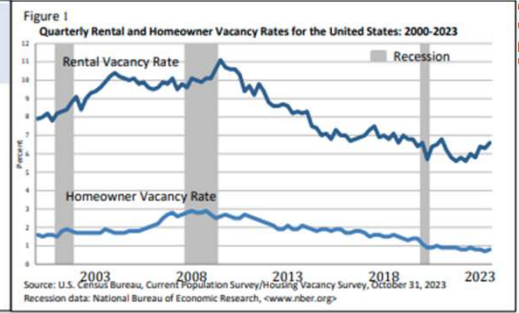
<sup>1</sup>Seasonally Adjusted Annual Rate (SAAR)  
<sup>2</sup>Seasonally Adjusted  
 Source: U.S. Census Bureau, HUD, December 22, 2023



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

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

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



## New Home Sales

In November 2023, sales of new single-family homes were reported at a rate of 590,000 on an annual basis, adjusted for seasonal variations. This represents a decrease of 12.2% from the revised October rate of 672,000. However, it's a modest increase of 1.4% compared to the November 2022 estimate of 582,000.

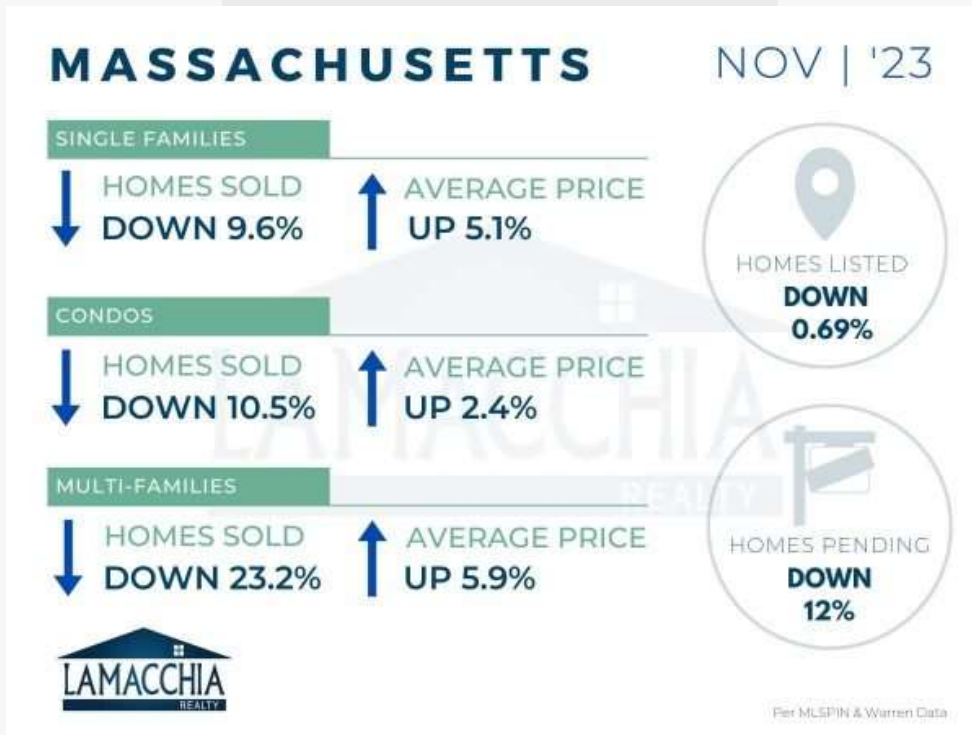
## Sales Price

The median sales price for these new homes sold in November 2023 was \$434,700. Additionally, the average sales price slightly exceeded that, standing at \$488,900.

## For Sale Inventory and Months' Supply

By the end of November, the seasonally adjusted estimate of new houses available for sale was 451,000. This inventory translates to a supply that could last for 9.2 months at the present rate of sales.

# Massachusetts 2023



In November 2023, home sales experienced an 11.2% year-over-year decline, dropping from 6,078 to 5,397 compared to November 2022. This decrease affected all property categories:

- Single-family home sales declined from 3,813 in 2022 to 3,447 in 2023.
- Condominium sales decreased from 1,662 in 2022 to 1,487 in 2023.
- Multi-family property sales dropped from 603 in 2022 to 463 in 2023.

Despite this decline in sales, there was a noteworthy 4.5% increase in the average sales price year-over-year, reaching \$669,783 in November 2023 compared to \$640,766 in November 2022. Across the property categories, prices also saw an upward trend:

- Single-family homes averaged \$663,821 in 2022, rising to \$697,656 in 2023.
- Condominium prices increased from \$594,726 in 2022 to \$608,752 in 2023.
- Multi-family property prices surged from \$621,874 in 2022 to \$658,276 in 2023.

Massachusetts Housing Report

November 2023 Massachusetts Housing Report - Lamacchia Realty

Source Lamacchia Realty

# National Mortgage Foreclosure & Delinquency

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

The national delinquency rate in November slightly increased to 3.39%, showing a 10 basis points decline from the same period last year. However, it stands 64 basis points lower than pre-pandemic levels.

VA loans witnessed early-stage delinquencies soaring to their highest non-pandemic levels since 2009 due to the impact of rising interest rates on newly originated loans.

Serious delinquencies, those 90+ days past due, rose to 459,000 but remain significantly lower, down by 21% (123,000 fewer) compared to November 2022.

Foreclosure starts decreased by 12.2% in November, totaling 29,000, while the active foreclosure inventory dropped to 216,000. Both these figures mark declines of 23% and 24%, respectively, compared to 2019 levels.

Continued pressure from seasonal homebuying patterns and the residual effects of 30-year rates exceeding 7.75% in the previous month contributed to a further decline in prepayment activity.

	November 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):	3.39%	↑ 3.95%	↓ -2.88%	
Total U.S. foreclosure pre-sale inventory rate:	0.41%	↓ -0.40%	↓ -8.18%	
Total U.S. foreclosure starts:	29,000	↓ -12.19%	↑ 6.70%	
Monthly Prepayment Rate (SMM):	0.37%	↓ -14.13%	↓ -11.08%	
Total U.S. foreclosure sales:	6,500	↑ 0.70%	↑ 3.81%	
Number of properties that are 30 or more days past due, but not in foreclosure:	1,804,000	↑ 70,000	↓ -24,000	
Number of properties that are 90 or more days past due, but not in foreclosure:	459,000	↑ 12,000	↓ -123,000	
Number of properties in foreclosure pre-sale inventory:	216,000	↓ -1,000	↓ -16,000	
Number of properties that are 30 or more days past due or in foreclosure:	2,020,000	↑ 69,000	↓ -39,000	

**Legend**  
■ Low ■ High

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

**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, 2024.

**Primary Mortgage Market Survey®**

U.S. weekly averages as of 01/04/2024



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An aerial, high-angle photograph of a city and its harbor, rendered in a light, faded, monochromatic style. The city skyline is visible in the background, with several tall buildings. In the foreground, a large body of water (the harbor) is visible, with a large ship docked at a pier. The overall scene is hazy and atmospheric.

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