

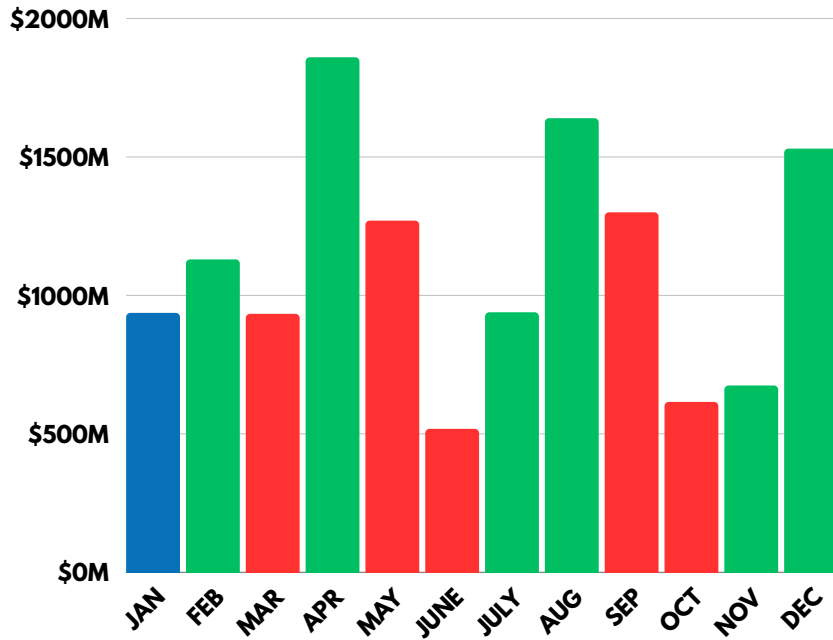


BUILDING PERMIT REPORT

END OF YEAR REPORT 2025



BOSTON PERMIT VALUATION 2025



Q1: 9,065 PERMITS | TOTAL VALUATION \$3.83B | AVG/PERMIT \$422.90K
 Q2: 9,554 PERMITS | TOTAL VALUATION \$4.45B | AVG/PERMIT \$465.32K
 Q3: 11,066 PERMITS | TOTAL VALUATION \$4.72B | AVG/PERMIT \$426.53K
 Q4: 10,457 PERMITS | TOTAL VALUATION \$3.23B | AVG/PERMIT \$308.68K

PERMIT DATA LAST 10 YEARS

<u>Year</u>	<u>Permits</u>	<u>Total Valuation</u>	<u>Avg/Permit</u>
2015:	48,719	\$12.26B	\$251.62K
2016:	50,033	\$12.50B	\$249.83K
2017:	50,474	\$15.11B	\$299.43K
2018:	49,120	\$14.73B	\$299.79K
2019:	50,676	\$14.46B	\$285.39K
2020:	35,897	\$11.19B	\$311.83K
2021:	41,546	\$15.43B	\$371.34K
2022:	44,032	\$23.58B	\$535.43K
2023:	42,078	\$21.36B	\$507.69K
2024:	40,839	\$16.45B	\$402.77K
2025:	40,142	\$16.23B	\$404.24K

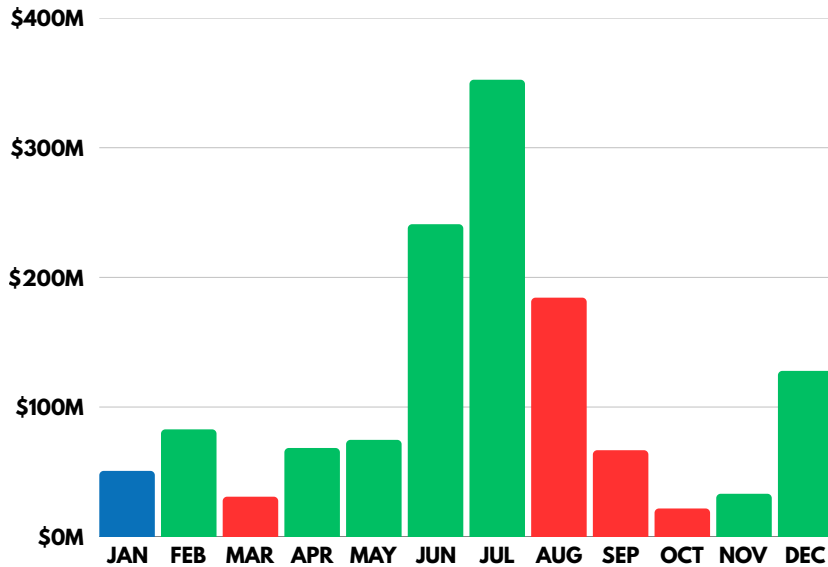
2025 Top Types of Work By Permit Valuation:

- NEW CONSTRUCTION | 49% OF PERMITS | \$7.96B
- ALTERATION & ADDITION | 51% OF PERMITS | \$8.27B

2025 Top Types of Work By Number of permits:

- NEW CONSTRUCTION | 1.4% OF PERMITS | 566
- ALTERATION & ADDITION | 98.6% OF PERMITS | 39,567

CAMBRIDGE PERMIT VALUATION 2025



Q1: 375 PERMITS | TOTAL VALUATION \$164.38M | AVG/PERMIT \$438.34K
Q2: 440 PERMITS | TOTAL VALUATION \$384.11M | AVG/PERMIT \$872.97K
Q3: 505 PERMITS | TOTAL VALUATION \$603.50M | AVG/PERMIT \$1.2M
Q4: 424 PERMITS | TOTAL VALUATION \$182.74M | AVG/PERMIT \$430.99K

PERMIT DATA LAST 7 YEARS (ALL AVAILABLE)

<u>Year</u>	<u>Permits</u>	<u>Total Valuation</u>	<u>Avg/Permit</u>
2019:	1,941	\$1.65B	\$850.51K
2020:	1,640	\$1.60B	\$975.68K
2021:	1,837	\$1.97B	\$1.07M
2022:	2,034	\$2.10B	\$1.03M
2023:	1,837	\$1.99B	\$1.08M
2024:	1,892	\$1.75B	\$926.96K
2025:	1,744	\$1.33B	\$765.33K

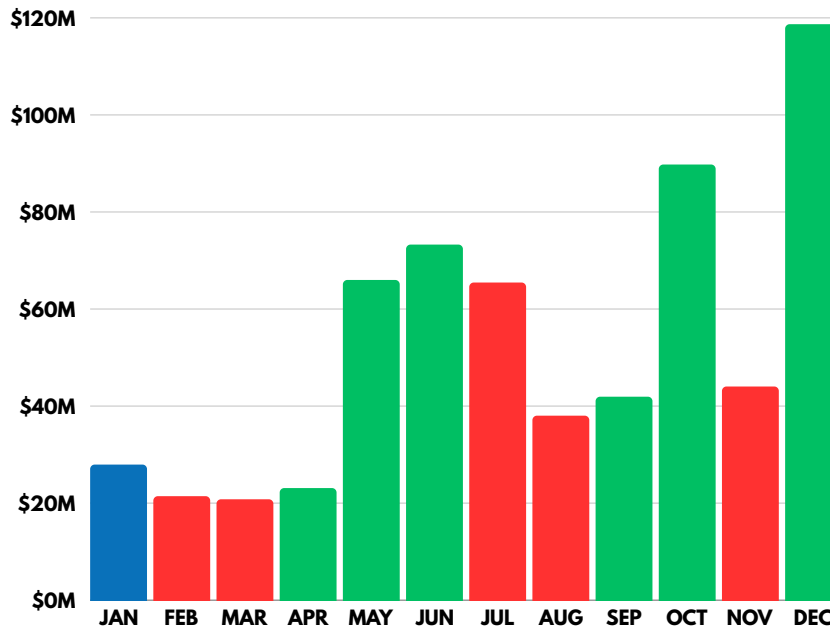
2025 Top Types of Work By Permit Valuation:

- NEW CONSTRUCTION | 26.1% OF PERMITS | \$348.17M
- ALTERATION & ADDITION | 73.9% OF PERMITS | \$986.57M

2025 Top Types of Work By Number of permits:

- NEW CONSTRUCTION | 1.6% OF PERMITS | 28
- ALTERATION & ADDITION | 98.4% OF PERMITS | 1,716

NEWTON PERMIT VALUATION 2025



Q1: 859 PERMITS | TOTAL VALUATION \$70.36M | AVG/PERMIT \$81.91K
Q2: 1,089 PERMITS | TOTAL VALUATION \$163.13M | AVG/PERMIT \$149.79K
Q3: 1,044 PERMITS | TOTAL VALUATION \$146.17M | AVG/PERMIT \$140.01K
Q4: 1,029 PERMITS | TOTAL VALUATION \$253.34M | AVG/PERMIT \$246.20K

PERMIT DATA LAST 9 YEARS (ALL AVAILABLE)

<u>Year</u>	<u>Permits</u>	<u>Total Valuation</u>	<u>Avg/Permit</u>
2016:	4,258	\$446.07M	\$104.76K
2017:	3,575	\$259.48M	\$72.58K
2018:	3,976	\$412.38M	\$103.71K
2019:	3,966	\$506.83M	\$127.79K
2020:	3,590	\$326.96M	\$91.07K
2021:	4,497	\$442.98M	\$98.50K
2022:	4,146	\$423.32M	\$102.10K
2023:	4,122	\$461.65M	\$112.00K
2024:	4,045	\$658.19M	\$169.39K
2025:	4,021	\$633.00M	\$157.42K

PERMITS NOT SORTED BY WORK TYPE

Not surprising to anyone, construction activity has slowed. Looking at the data we see total permits issued down across the three communities with Cambridge down 15% from its recent high and Boston down 21% from its recent high. We see total permits issued more accurate than total value of permits or average permit value as they are not as affected by inflation or abnormalities in the supply chain such as data centers severely driving up cost and duration of electrical equipment.

That said, the full set of indicators provides useful context. In Boston and Cambridge from 2022–2025 we see a steady decline in all categories; Permits Issued, Total Permit Value and Average Permit Value.

Boston	Total Permits	Total Value	Avg. Permit Value
2022:	44,032	\$23.58B	\$535.43K
2023:	42,078	\$21.36B	\$507.69K
2024:	40,839	\$16.45B	\$402.77K
2025:	40,142	\$16.23B	\$404.24K

Cambridge	Total Permits	Total Value	Avg. Permit Value
2022:	2,034	\$2.10B	\$1.03M
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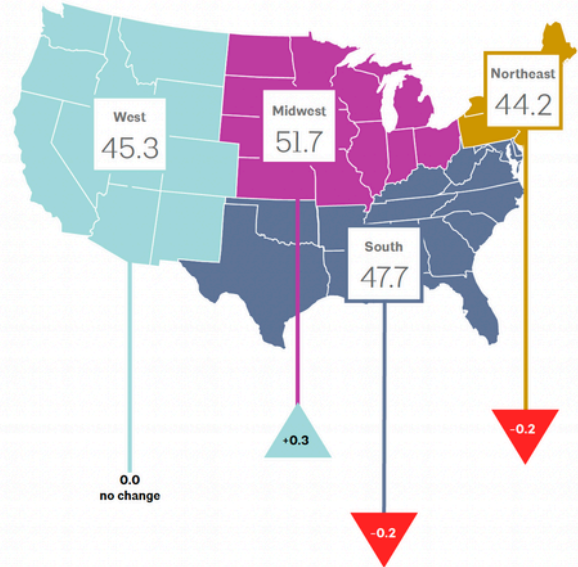
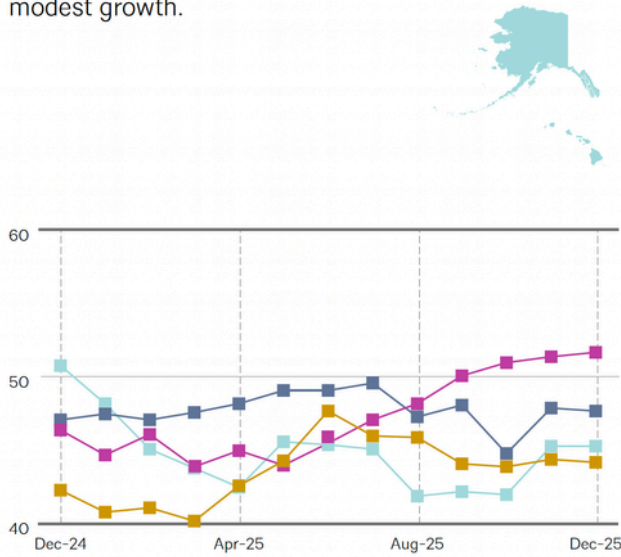
We see total permits issued as a broad construction market indicator. We also see total permit value as a broad construction market indicator but less precise due to inflation and supply chain sensitivity. Lastly we see average permit value as an indicator of new construction vs renovation. The big ticket new builds drive up average permit value and this checks with the Cambridge and Boston data of total number of new construction permits decreasing along with the average permit value.

Final comment here is that despite “total permit value” being susceptible to distortion by inflation and supply chain, it is very important in the sense that it affects the city’s budget. As the total permit value declines so do the permit fees and the city’s bottom line.



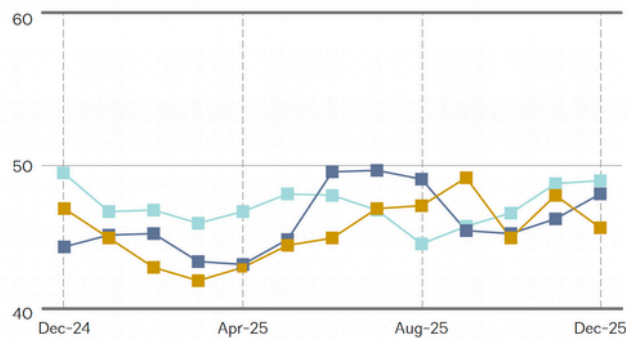
REGIONAL

Firms in the Midwest continue to report modest growth.



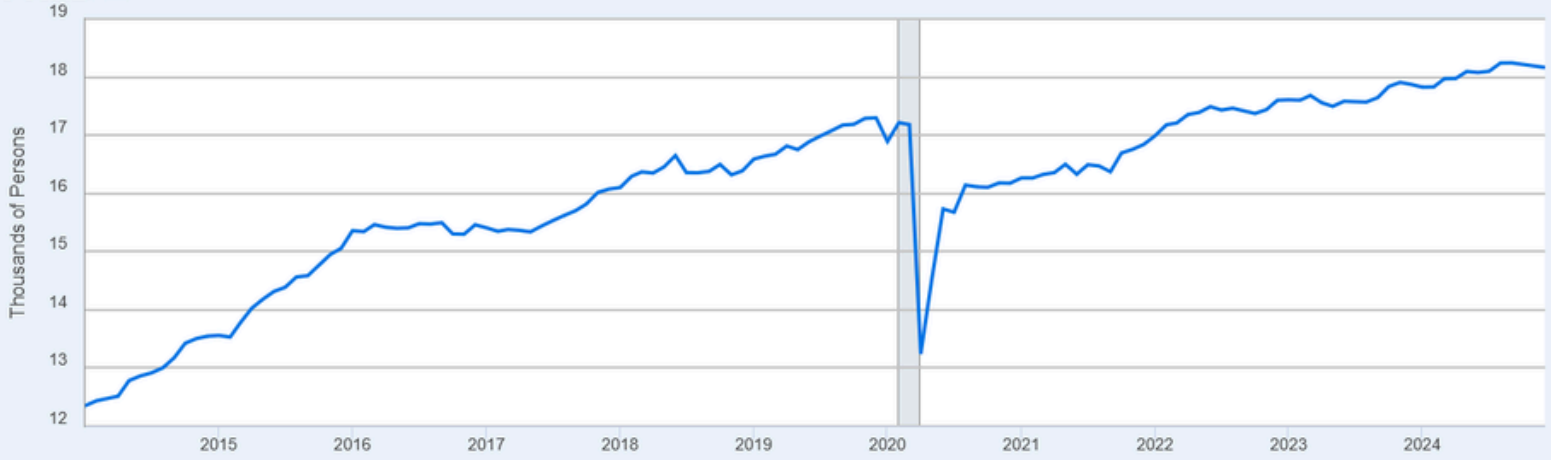
SECTOR

Business conditions remain soft at firms of all specializations.



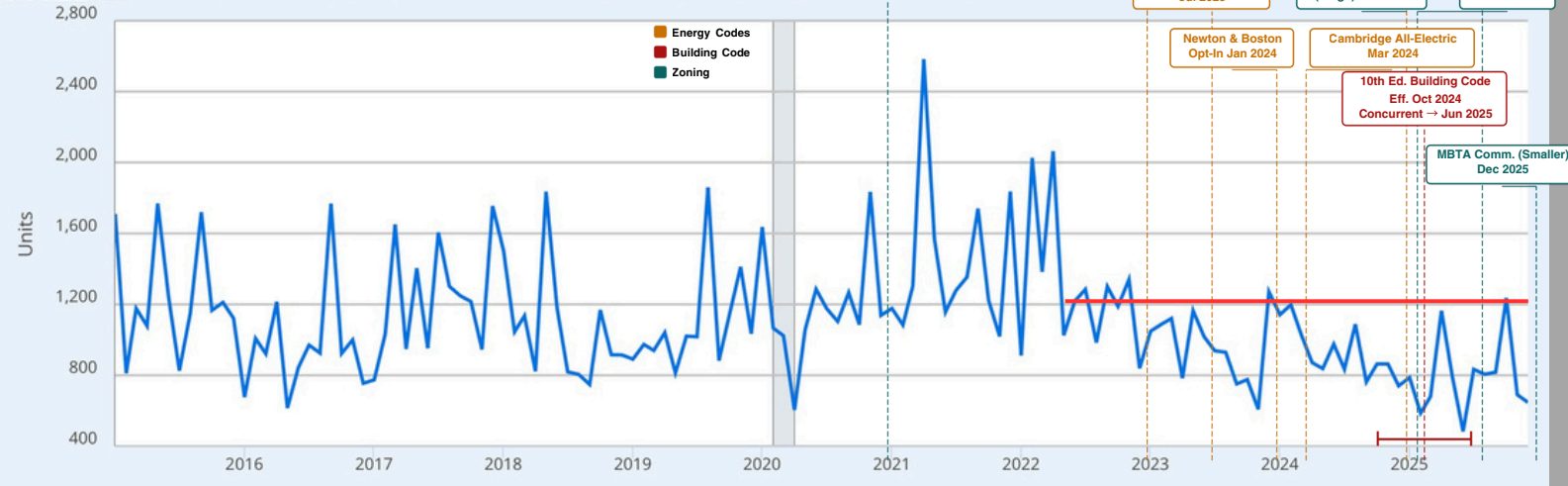
Source: AIA ABI December 2025

FRED — All Employees: Construction: Construction of Buildings in Boston-Cambridge-Newton, MA (NECTA Division)



Sources: Federal Reserve Bank of St. Louis; U.S. Bureau of Labor Statistics via FRED®

FRED — New Private Housing Structures Authorized by Building Permits for Boston-Cambridge-Newton, MA-NH (MSA)



Source: U.S. Census Bureau via FRED®

- Housing Choice Bill Simple Majority Jan 2021
- Stretch Code Res. Jan 2023
- Newton All-Electric Jan 2025
- Affordable Home Act Aug 2025
- Stretch Code Comm. Cambridge Opt-In Jul 2023
- Newton & Boston Opt-In Jan 2024
- Cambridge All-Electric Mar 2024
- 10th Ed. Building Code Eff. Oct 2024 Concurrent → Jun 2025
- MBTA Communities (Large) Dec 2024
- Merger / ADU Feb 2025
- MBTA Comm. (Smaller) Dec 2025



HOUSING DATA

Annual Rate for Housing Units Authorized in Permit-Issuing Places (last 10 years) [Thousands of Units]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2015	1,049	1,127	1,072	1,166	1,272	1,379	1,140	1,165	1,144	1,160	1,244	1,211
2016	1,171	1,172	1,118	1,160	1,205	1,208	1,198	1,201	1,303	1,254	1,230	1,248
2017	1,303	1,234	1,272	1,251	1,208	1,353	1,256	1,319	1,273	1,356	1,299	1,311
2018	1,317	1,321	1,385	1,378	1,338	1,345	1,334	1,273	1,314	1,272	1,340	1,317
2019	1,254	1,286	1,295	1,322	1,347	1,299	1,379	1,482	1,469	1,523	1,535	1,443
2020	1,495	1,455	1,346	1,076	1,250	1,334	1,546	1,533	1,636	1,613	1,703	1,752
2021	1,855	1,711	1,756	1,721	1,703	1,654	1,658	1,736	1,640	1,707	1,765	1,919
2022	1,920	1,857	1,868	1,859	1,704	1,737	1,703	1,557	1,600	1,594	1,401	1,410
2023	1,410	1,618	1,480	1,474	1,575	1,464	1,522	1,561	1,537	1,528	1,503	1,519
2024	1,545	1,577	1,476	1,459	1,407	1,461	1,436	1,476	1,434	1,428	1,508	1,480
2025	1,460	1,454	1,481	1,422	1,394	1,393	1,362	1,330	1,415	1,411	1,388	1,455

Source: United States Census Bureau

Nationally, from August 2019 through September 2022, monthly housing production ranged between 1.5M and 1.9M units—a notable increase compared to the 1M to 1.35M units produced monthly between 2015 and 2018. However, from 2023 through 2025, production has leveled off at approximately 1.5M units per month or lower.

The elevated output during the 2019–2022 period demonstrates that higher production levels are achievable, but current policy and market conditions appear to be limiting the pace at which new units can be delivered.

Two key factors are worth noting. First, interest rates dropped to approximately 2.65% in 2021, significantly lowering borrowing costs. Second, a number of states created Permit Extension Acts, extending the validity of previously issued permits, effectively reactivating projects that might have otherwise expired.

Looking ahead, it will be important to monitor how evolving building codes, new state laws related to ADUs and transit-oriented development, and locally upcoming ballot initiatives—particularly those addressing starter homes, housing on religious-owned land, and rent control—shape future housing production.

ABOUT US

MCC is a consulting firm solving regulatory, fire, building, and zoning code issues for general contractors, designers and owners in the commercial construction industry. We also provide construction education centered around commercial construction.



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THANK YOU FOR YOUR INTEREST

PREPARED BY: KAIDEN MASSEY

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