

**YARDI®** Matrix

# Boston Brawn

Multifamily Fall Report 2016

**Outer Rim Attracts  
Greatest Rental Growth**

**7,300 Units Expected in 2016**

**Fast Investor Pace  
Promises to Continue**

# BOSTON MULTIFAMILY

**YARDI®** Matrix

## Market Analysis

Fall 2016

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## Waterfront Fuels Market Demand

Boston's multifamily market continued to expand in 2016, especially the in-demand waterfront, although escalating rents have left the metro with an affordability problem. Additionally, the much-anticipated national moderation in rents has caught up with the metro, especially in the luxury Lifestyle segment.

Anchored by a litany of universities, which continue to provide a stream of highly skilled workers, Boston's economy is thriving. Driven forward by the education and health services, information, research and life sciences sectors, the metro is nonetheless rapidly adding jobs on both ends of the wage spectrum. This has intensified demand across asset classes, although developers continue to favor upscale projects and the antiquated city infrastructure badly needs updating. To address some of those concerns, the Massachusetts Bay Transportation Authority is in the permitting stages for the restoration of a commuter rail line linking the city to the state's South Coast.

Developers are focusing on upscale projects along the waterfront and in the downtown submarkets, where rents average well above \$2,000. As one of the country's core markets, Boston remains highly liquid, with institutional investors preferring its stability to the higher yields of nearby secondary locales. And the solid job market is driving strong demand, which should translate to a rent uptick of roughly 4.2% for 2016.

## Recent Boston Transactions

Windsor at Cambridge Park



City: Cambridge, Mass.  
Buyer: GID  
Purchase Price: \$215 MM  
Price per Unit: \$540,201

The Fairways



City: Derry, Mass.  
Buyer: Chartwell Holdings  
Purchase Price: \$100 MM  
Price per Unit: \$117,197

The Residences at Rivers Edge



City: Medford, Mass.  
Buyer: John Hancock Mutual Life Ins.  
Purchase Price: \$90 MM  
Price per Unit: \$406,757

Jack Flats



City: Melrose, Mass.  
Buyer: Mesirow Financial  
Purchase Price: \$80 MM  
Price per Unit: \$377,358