

YARDI **M**ATRIX
Data provided by **Pierce**-Eislen

Boston

Multifamily Summer Report 2015



**Multifamily Market is “Boston Strong”
Downtown Development Surging
Sales Volume, Pricing on the Rise**

BOSTON MULTIFAMILY

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Market Analysis

Summer, 2015

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Multifamily Market is “Boston Strong”

Boston’s multifamily market is bustling with activity, featuring an influx of renters, a huge amount of development and robust demand from investors. Rents are increasing steadily, although the rate of growth is limited by the lack of affordability for low- and middle-income residents.

Boston’s economy is strong, boosted by the vigor of main industries: education, biotechnology, finance and tourism. Job growth is broad-based. The metro has a large number of well-known universities – such as MIT and Harvard – that produce a highly educated and motivated workforce. The city center and seaport areas are teeming with cranes, with high-rise office, hotel and multifamily projects on the horizon. The development pipeline encompasses \$12 billion of projects with more than 20 million square feet of space.

Meanwhile, the city is bracing for a 25% increase in population over the next decade-plus, which is producing demand for housing. Coming off of several years of underdevelopment, there should be no trouble filling the large apartment construction pipeline. However, rent increases could be moderated by affordability issues. We expect rents will increase by 3.5% in 2015.

As one of the top U.S. core markets, investor demand for Boston multifamily is high, with sales volume only held back by the limited number of sellers. Property values are skyrocketing, with Class A properties selling for more than \$500,000 per unit, and no letup is in sight.

Recent Boston Transactions

315 on A



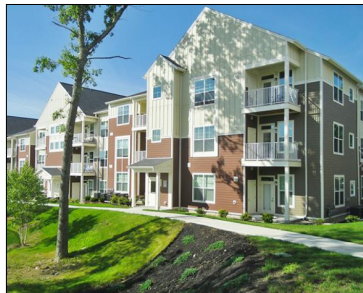
City: Boston, MA
Buyer: Equity Residential
Purchase Price: \$130 MM
Price per Unit \$644,926

Ten Faxon



City: Quincy, MA
Buyer: Greystar Real Estate Partners
Purchase Price: \$65 MM
Price per Unit: \$325,000

Woodview Legacy Farms



City: Hopkinton, MA
Buyer: Praedium Group
Purchase Price: \$60 MM
Price per Unit: \$247,917

Washington Mills



City: Lawrence, MA
Buyer: SMC Management
Purchase Price: \$18 MM
Price per Unit: \$112,903