



## MULTIFAMILY REPORT

# Boston Fundamentals Advance

June 2023

**Occupancy Above 96%**

**Rate Growth Accelerates**

**Construction Starts, Investment Soften**

# BOSTON MULTIFAMILY



## Demand Pushes Rents, Occupancy Endures

With occupancy at 96.6% in March, following a 30-basis-point year-over-year downtick, Boston still boasts one of the tightest rental markets in the U.S., behind only a few metros. The new leasing season invigorated rent growth, up 0.6% on a trailing three-month basis through April, and 5.2% year-over-year, to \$2,735. The national rate rose 0.2% on a three-month basis (3.2% year-over-year), to \$1,709.

Boston's jobless rate stood at 3.4% in March, slightly ahead of the state and national figures, both at 3.5%, according to data from the Bureau of Labor Statistics. Still, the job market has yet to reach pre-pandemic levels. Job growth further decelerated to 2.7%, or 81,200 jobs, in the 12 months ending in February, lagging the 3.4% U.S. rate. More than 40% of gains were in the city's two largest sectors—professional and business services (17,300 jobs) and education and health services (16,500 jobs). In recent months, Boston took the lead nationally for office stock under construction, with life science space accounting for most of the pipeline.

Development remained strong, with 1,328 units delivered through April—equal to 0.5% of total stock—and an additional 13,753 units underway. Yet, construction starts plummeted to a fraction of the volume recorded a year ago. Meanwhile, investment tapered off, with just \$287 million in multifamily assets trading through April, for a price per unit that rose 9.6% year-over-year.

## Market Analysis | June 2023

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### Recent Boston Transactions

#### The Eddy



City: Boston  
Buyer: Tishman Speyer  
Purchase Price: \$135 MM  
Price per Unit: \$521,236

#### Woodview at Legacy Farms



City: Hopkinton, Mass.  
Buyer: DSF Group  
Purchase Price: \$83 MM  
Price per Unit: \$343,752

#### Millside at Heritage Park



City: Canton, Mass.  
Buyer: Fidelity Investments  
Purchase Price: \$27 MM  
Price per Unit: \$443,750

#### Canton Estates



City: Canton, Mass.  
Buyer: Standard Communities  
Purchase Price: \$15 MM  
Price per Unit: \$235,385