

Yardi® Matrix

Boston Pushes On

Multifamily Report Summer 2019



Cost of Ownership Fuels Rental Demand

Rent Growth Hits Three-Year High

Employment Growth Decelerates

BOSTON MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2019

Contacts

Paul Fiorilla

Associate Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Jack Kern

Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Author

Alexandra Pacurar

Senior Editor

Surging Demand for Urban Living

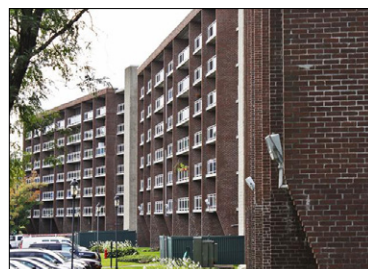
Boston's multifamily market maintained its healthy fundamentals in the first half of 2019. In June, year-over-year rent growth reached the highest value in nearly three years—3.8%—supported by high demand for upscale apartments in core submarkets, particularly in North End–Charlestown, home to the largest multifamily development underway, the 2,400 units within the Cambridge Crossing megaproject.

While employment growth slowed down, the metro continued to consolidate the main pillars of its economy, adding a total of 22,300 jobs in the 12 months ending in May. Education and health services (11,500), government (5,200) and professional and business services (5,000) led growth. Boston's tech market is among the nation's most competitive, with more graduates than available jobs. Nearly half of all Boston office leases in 2018 involved technology companies, according to a Cushman & Wakefield analysis that ranked the market fourth after Silicon Valley, Salt Lake City and San Francisco.

Almost 25,000 units were underway in Boston as of June and a total of 7,894 units are slated to come online this year for a new cycle peak. Even though demand should remain strong, particularly for upscale apartments, we expect rent growth to moderate slightly, at 3.5% for the whole of 2019.

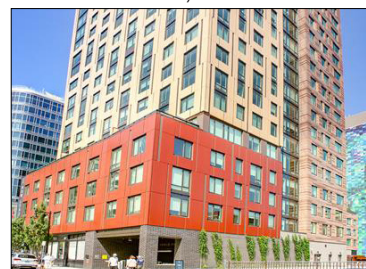
Recent Boston Transactions

Jefferson Hills



City: Framingham, Mass.
Buyer: DSF Group
Purchase Price: \$227 MM
Price per Unit: \$222,598

The Harlo Fenway



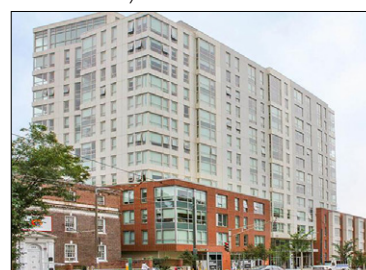
City: Boston
Buyer: Invesco Real Estate
Purchase Price: \$150 MM
Price per Unit: \$707,665

Mave



City: Stoneham, Mass.
Buyer: Wakefield Investments
Purchase Price: \$128 MM
Price per Unit: \$431,040

The Serenity



City: Boston
Buyer: Oxford Properties Group
Purchase Price: \$123 MM
Price per Unit: \$632,051