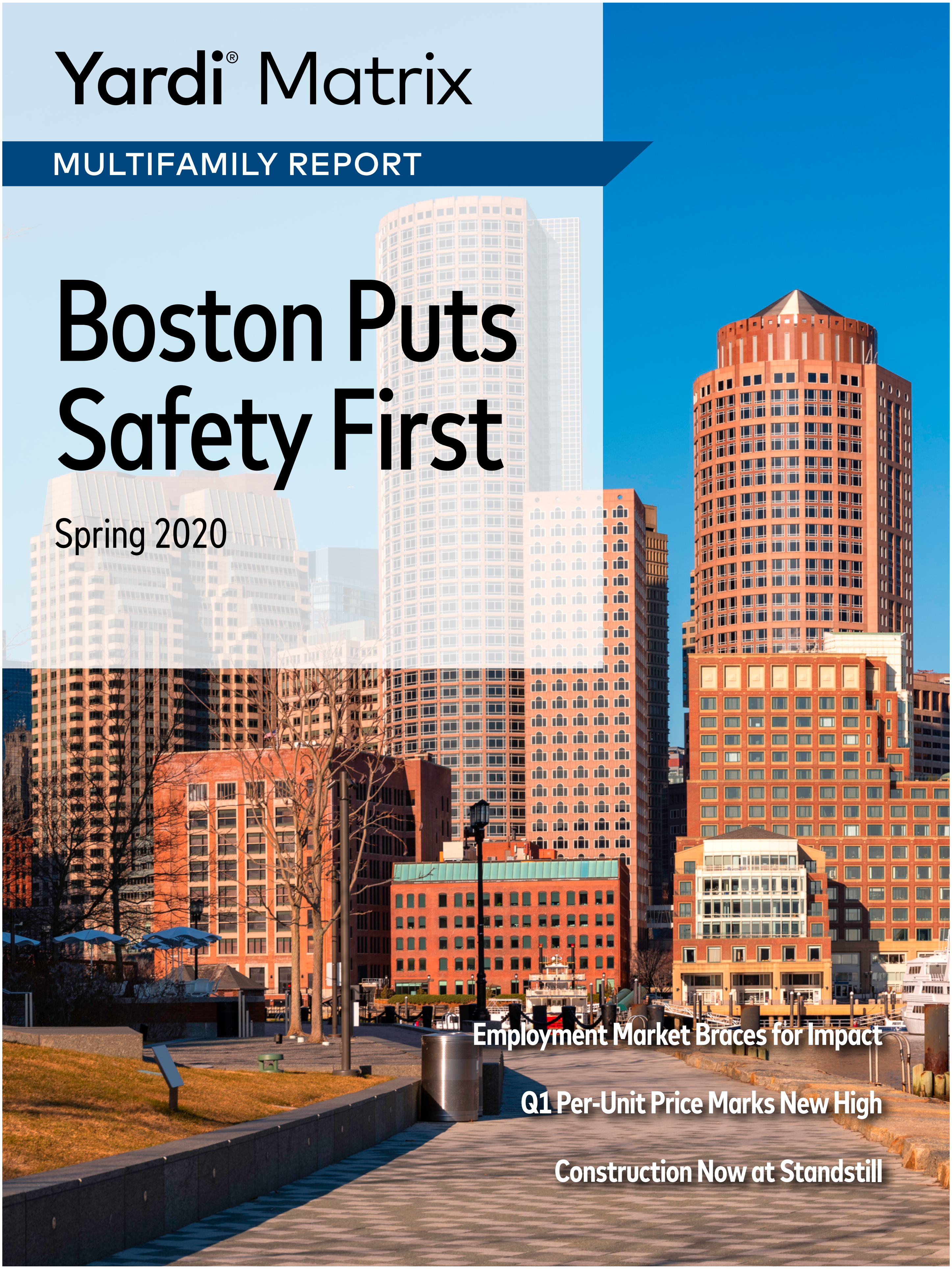
Yardi® Matrix

MULTIFAMILY REPORT

Boston Puts Safety First

Spring 2020



Employment Market Braces for Impact

Q1 Per-Unit Price Marks New High

Construction Now at Standstill

BOSTON MULTIFAMILY

Yardi® Matrix

Volatility Projected Across the Metro

What was on track to be a strong year for Boston's multifamily market has shifted since the onset of the COVID-19 pandemic. Still, first quarter data paints a picture of steady performance, with upcoming employment numbers expected to illustrate the impact of the health crisis in more concrete terms. The metro's average rent was up by 0.1% on a trailing three-month basis through March, 10 basis points below the U.S. rate, with the $2,309 average well above the $1,474 national rate.

Boston gained 50,400 jobs in 2019, accounting for a 1.5% year-over-year uptick as of December. Its largest sectors—education and health services and professional and business services—accounted for nearly two-thirds of gains. The coronavirus health crisis is anticipated to substantially affect the local economy; in the five weeks since the outbreak, more than 689,000 unemployment claims were filed, with blue-collar jobs hit the hardest. About one-quarter of the metro's employment was at risk as of April.

After 2019's $2.7 billion cycle peak in multifamily transactions, sales in 2020's first quarter totaled $314 million, with a per-unit price that rose by 35.7% to $399,228. Meanwhile, developers delivered 1,174 units and had another 21,387 underway. Both metrics will likely soften in the short term and sales will be delayed, as all construction, except emergency projects, has been suspended.

Market Analysis | Spring 2020

Contacts

Jeff Adler
Vice President & General Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(800) 303-615-3676

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

Ron Brock, Jr.
Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Author

Anca Gagiuc
Associate Editor

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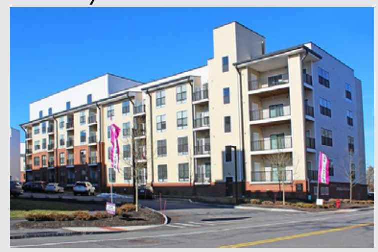
Recent Boston Transactions

The Royal Belmont

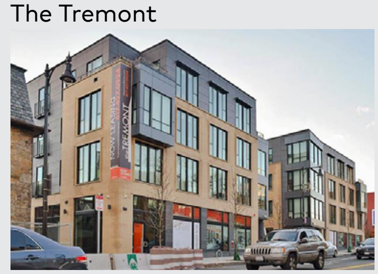


City: Belmont, Mass.
Buyer: Harbor Group International
Purchase Price: $121 MM
Price per Unit: $404,362

Jack Flats by Windsor

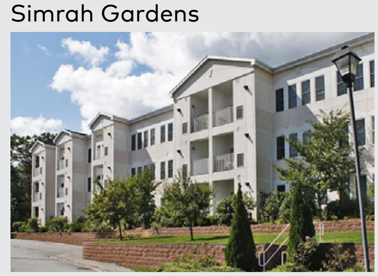
City: Melrose, Mass.
Buyer: GID
Purchase Price: $102 MM
Price per Unit: $479,717

The Tremont



City: Boston
Buyer: Wingate Cos.
Purchase Price: $37 MM
Price per Unit: $565,657

Simrah Gardens



City: Hudson, Mass.
Buyer: Jefferson Apartment Group
Purchase Price: $34 MM
Price per Unit: $212,025