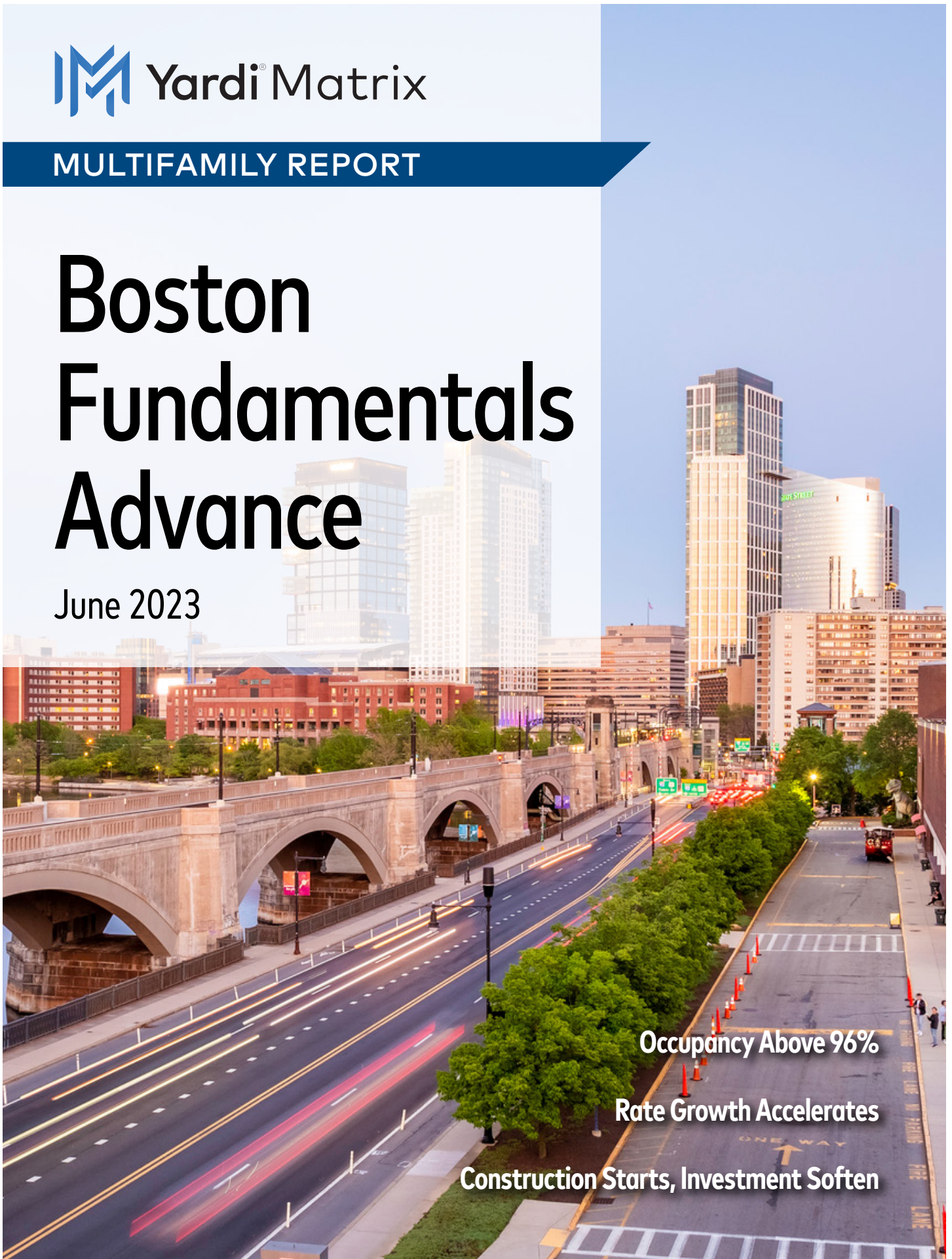




MULTIFAMILY REPORT

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



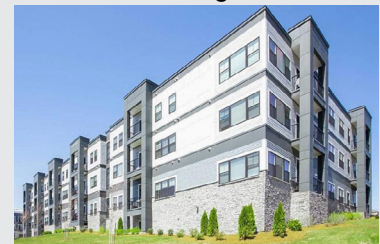
City: Boston
Buyer: Tishman Speyer
Purchase Price: \$135 MM
Price per Unit: \$521,236

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