

**Yardi® Matrix**

# **Boston Runs A Tight Ship**

**Multifamily Report Spring 2018**

**Employment, Population Gains Boost Demand**

**Professional, Business Services Lead Job Growth**

**Development Activity Remains Lofty**

# BOSTON MULTIFAMILY

Yardi® Matrix

## Market Analysis

Spring 2018

### 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

**Anca Gagiuc**

Associate Editor

## Construction Surge Tempers Rent Growth

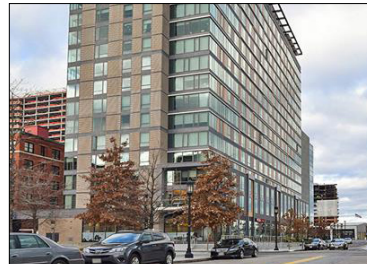
Despite the metro's traffic and accessibility issues, demand is on the rise, as both residents and companies are swarming to the city. This is putting further pressure on rents, already among the country's highest. Rental rates rose 2.1% to \$2,142 in the year ending in March, a growth rate surpassed only by New York, San Jose and San Francisco. And with developers heavily focusing on upscale properties, affordability issues continue to thicken.

Professional and business services led growth with the addition of 15,000 positions, more than double the number of jobs generated by the former top-performing education and health services sector. Intense development activity across the metro has also boosted the construction sector, which registered the highest uptick, at 5.6% year-over-year. Notable developments underway include MIT's Volpe Center project, consisting of 1.7 million square feet of commercial space and about 1,400 housing units, as well as the 4.5-acre Fenway Center project, in the works for nearly 20 years, which upon completion is set to deliver roughly 650 housing units and more than 200,000 square feet of commercial space.

Some \$300 million in multifamily assets traded in the first quarter, while the development pipeline remains high, with almost 15,000 units under construction. Yardi Matrix expects Boston rents to rise 2.6% in 2018.

### Recent Boston Transactions

Watermark Seaport



City: Boston  
Buyer: Clarion Partners  
Purchase Price: \$239 MM  
Price per Unit: \$690,029

The Commons at Windsor Gardens



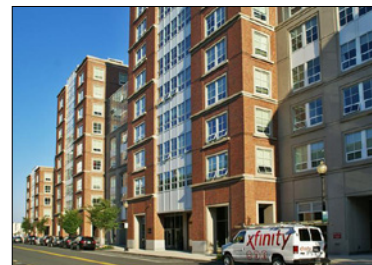
City: Norwood, Mass.  
Buyer: AllianceBernstein  
Purchase Price: \$199 MM  
Price per Unit: \$217,724

Cambridge Park



City: Cambridge, Mass.  
Buyer: Heitman  
Purchase Price: \$168 MM  
Price per Unit: \$538,462

Harborview at the Navy Yard



City: Charleston, Mass.  
Buyer: John Hancock Mutual Life  
Purchase Price: \$149 MM  
Price per Unit: \$666,295