



MULTIFAMILY REPORT

Boston's Growth Streak

February 2024



Occupancy Tops 96%

Per-Unit Price Marks New High

YoY Rent Growth Among Nation's Highest

BOSTON MULTIFAMILY



Limited Supply Keeps Rents Afloat

Boston's multifamily fundamentals proved resilient throughout 2023, with rent growth ending the year at 3.0%, while the national rate inched up just 0.3%. The metro remained one of the country's tightest rental markets, with the occupancy rate in stabilized properties at 96.5% in November, following a minor 10-basis-point decline over 12 months.

Job gains remained on a moderating trend in 2023, expanding 2.4% in the 12 months ending in October, or 80,500 net jobs, slightly ahead of the 2.3% national rate. Reflecting a tight market, Boston's unemployment rate stood at 2.7% in November, marking a 90-basis-point improvement since January. The metro outperformed the U.S. (3.7%) and the state (2.9%), according to data from the Bureau of Labor Statistics. Two sectors lost positions in the 12 months ending in October 2023—information (-1,400 jobs) and manufacturing (-100 jobs). Meanwhile, gains were led by the metro's largest sectors: education and health services (27,300 jobs) and professional and business services (12,700 jobs).

Deliveries fell to the lowest volume in a decade, with only 5,405 units coming online in 2023. As of December, developers had 18,416 units under construction, with starts picking up. Meanwhile, investors traded \$2.2 billion in multifamily assets in 2023. The price per unit rose 12% year-over-year, to \$417,852, more than double the \$185,172 U.S. figure.

Market Analysis | February 2024

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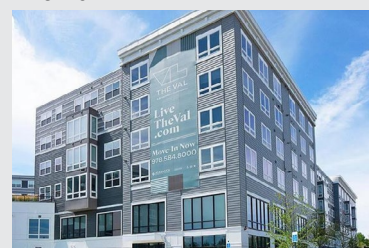
Recent Boston Transactions

Hanover North Cambridge



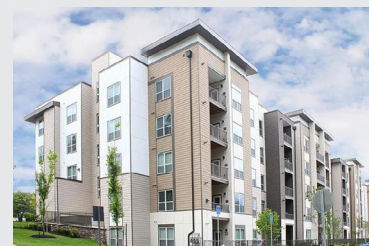
City: Cambridge, Mass.
Buyer: Goldman Sachs & Co.
Purchase Price: \$182 MM
Price per Unit: \$619,048

The Val



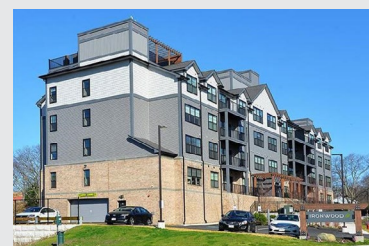
City: Billerica, Mass.
Buyer: Corcoran Cos.
Purchase Price: \$93 MM
Price per Unit: \$438,626

Talia



City: Marlborough, Mass.
Buyer: DSF Group
Purchase Price: \$74 MM
Price per Unit: \$328,997

Ironwood



City: Lynn, Mass.
Buyer: Forest Properties
Purchase Price: \$29 MM
Price per Unit: \$290,000