

Yardi® Matrix

# Boston's Bidding Wars

Multifamily Report Spring 2019

Property Values Spike Once More

Rent Growth Slated to Decelerate

Occupancy Stays  
High Despite Supply Surge

# BOSTON MULTIFAMILY

Yardi® Matrix

## Market Analysis

Spring 2019

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## Solid Fundamentals Draw Investors

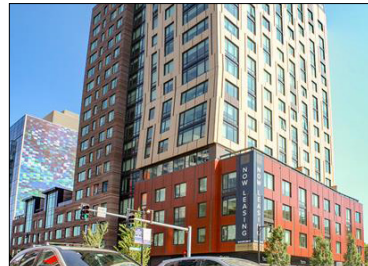
Boston's multifamily market remains healthy, thanks to a strong concentration of high-paying jobs supported by a knowledge-based economy, household formation and a high barrier to homeownership.

Professional and business services led employment growth in 2018, with the addition of 26,100 jobs, followed by education and health services (13,100) and construction (9,300). The metro's highly skilled workforce, business-friendly environment and thriving tech scene are prompting companies to expand here. Wayfair, the online retailer of home goods based in the Back Bay, announced a third location in the city, with plans to create 3,300 jobs statewide while retaining 3,809 existing positions. In January, Facebook opened a 130,000-square-foot office in Kendall Square, where it plans to grow from some 200 to more than 600 employees. In February, Google signed a 15-year lease to occupy 362,000 square feet at Kendall Center in Cambridge, bringing its total footprint in Boston to 800,000 square feet.

More than \$1.4 billion in assets traded in 2018, at an average per-unit price of \$315,324, a cycle peak due to tight supply of multifamily investments, steering buyers toward older and smaller properties. Considering the 8,250 units slated to come online in 2019, which would mark a new development cycle high, we expect rent growth to moderate slightly, to 2.7% for the year.

## Recent Boston Transactions

The Harlo Fenway



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

The Serenity



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

Halls at Manchester



City: Manchester, N.H.  
Buyer: DSF Group  
Purchase Price: \$89 MM  
Price per Unit: \$138,281

Cabot Crossing



City: Lowell, Mass.  
Buyer: JRK Property Holdings  
Purchase Price: \$42 MM  
Price per Unit: \$168,254