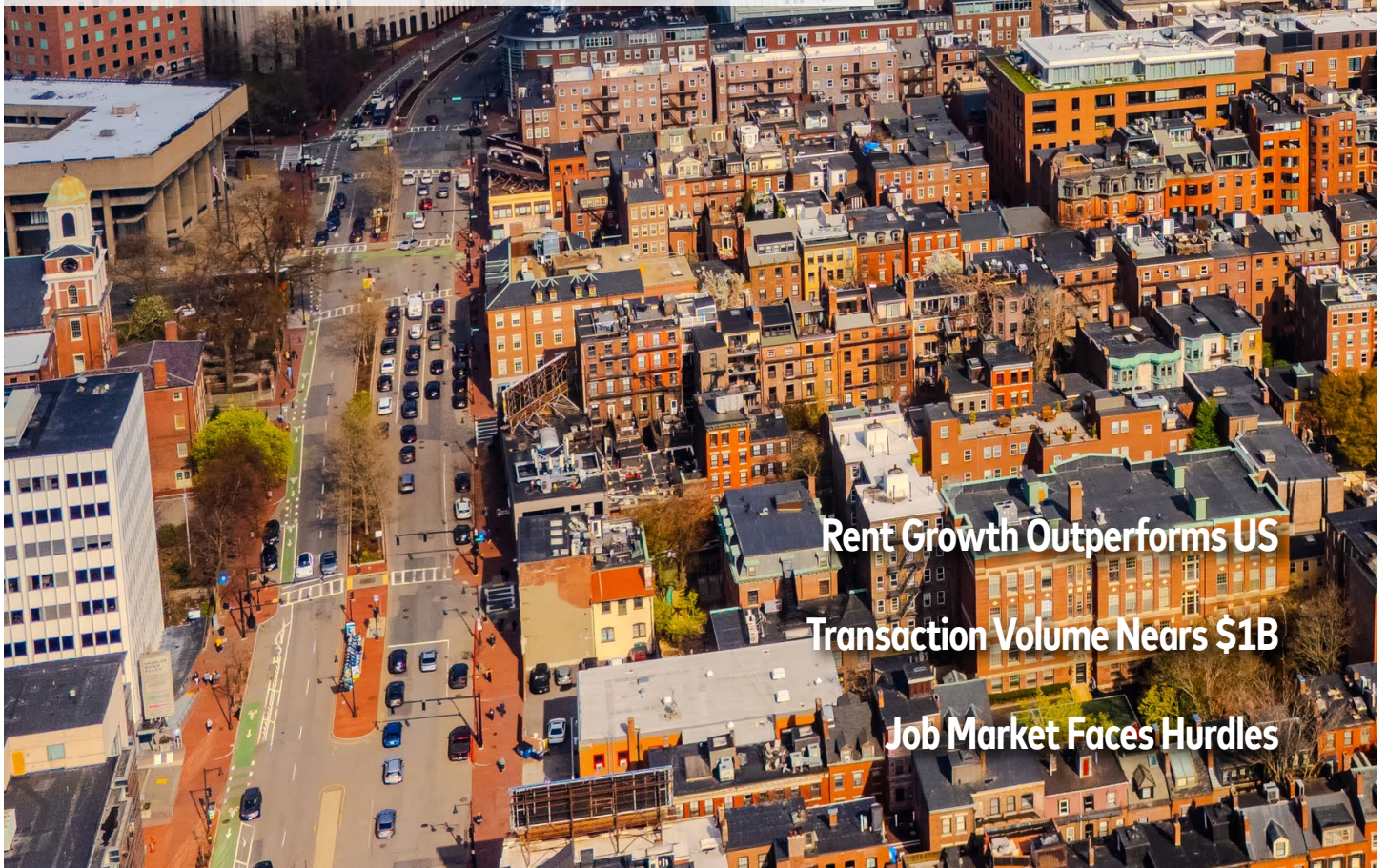




MULTIFAMILY REPORT

Compact Market In Boston

June 2025



Rent Growth Outperforms US

Transaction Volume Nears \$1B

Job Market Faces Hurdles

BOSTON MULTIFAMILY



Solid Occupancy Props Up Boston's Fundamentals

Boston's multifamily market was solid at the start of the new leasing season, with fundamentals steady despite sluggish job growth. Average advertised asking rents rebounded in the short term, up 0.6% on a trailing three-month basis through April, to \$2,924. Year-over-year growth was 1.8%, double the 0.9% U.S. rate. Meanwhile, the overall occupancy rate in stabilized properties remained strong, at 96.1% in March.

Employment growth was negative in Boston for the sixth consecutive month in February, down 0.1% year-over-year, or 2,000 net jobs. The unemployment rate rose to 4.5% in March, trailing the state (4.4%) and the U.S. (4.1%). Three sectors added jobs during the period, led by education and health services (10,400 jobs) and government (4,000 jobs). Of the five contracting sectors, leisure and hospitality (-4,600 jobs) and professional and business services (-3,500 jobs) posted the steepest declines. Cambridge, Seaport Innovation District and Fenway all feature notable projects under construction, including Fenway Center's \$1 billion second phase, and South Station Tower, which is slated to open in 2025.

Developers delivered 1,480 units through April and had another 15,920 units underway, but new construction is rapidly decelerating. Meanwhile, investors traded \$770 million, with the average price per unit up 6.8% year-to-date to \$419,792, nearly double the \$212,785 U.S. figure.

Market Analysis | June 2025

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Recent Boston Transactions

The Kendrick



City: Needham, Mass.
Buyer: Harbor Group International
Purchase Price: \$182 MM
Price per Unit: \$466,026

1330 Boylston



City: Boston
Buyer: MEAG
Purchase Price: \$145 MM
Price per Unit: \$725,000

The Commons at SouthField Highlands



City: South Weymouth, Mass.
Buyer: BlackRock
Purchase Price: \$103 MM
Price per Unit: \$456,195

Presidential Estates

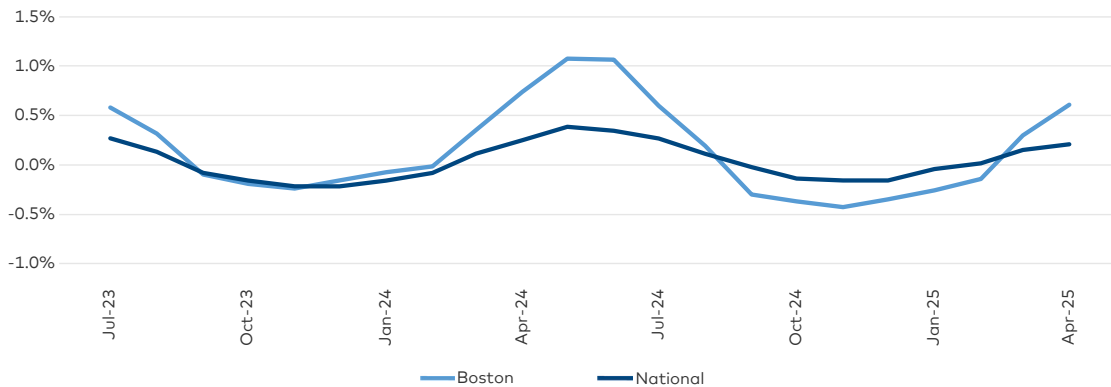


City: Quincy, Mass.
Buyer: SMG
Purchase Price: \$74 MM
Price per Unit: \$268,116

RENT TRENDS

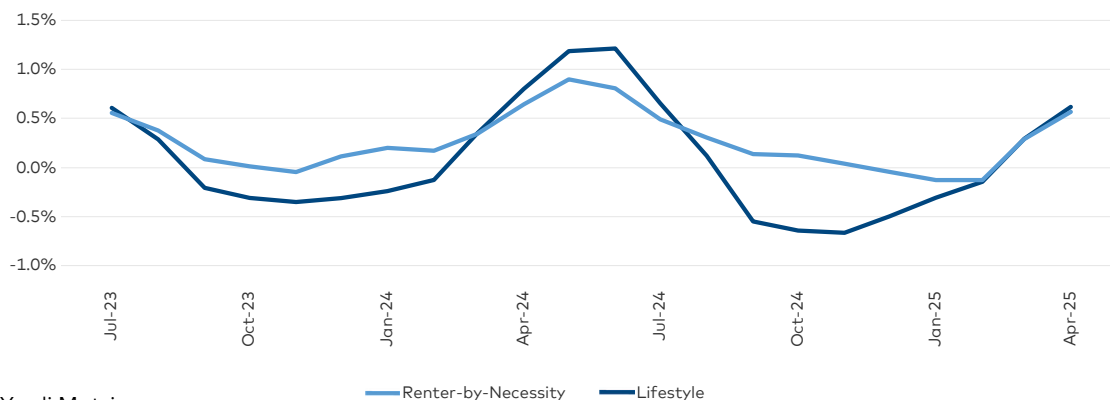
- ▶ Rent growth rebounded in Boston at the start of the new leasing season, building momentum after six months of negative values. The average asking rent was up 0.6% on a trailing three-month (T3) basis through April, to \$2,924. Meanwhile, the U.S. rate trailed, up 0.2% to \$1,736. On a year-over-year basis, Boston's advertised asking rents increased by 1.8%, double the 0.9% national rate.
- ▶ Average advertised asking rents rose equally across property segments, up 0.6%, on a T3 basis through April, to \$3,313 in Lifestyle, and to \$2,422 in Renter-by-Necessity. Rent performance was even across asset classes for the second consecutive month in April.
- ▶ Boston's occupancy rate in stabilized properties decreased 30 basis points year-over-year, to a still healthy 96.1% in March, well above the 94.4% national rate. Across segments, occupancy fell by 40 basis points to 96.4% in RBN and 20 basis points to 95.9% in Lifestyle.
- ▶ Of the 58 Boston submarkets tracked by Yardi Matrix, 13 posted declines in year-over-year performance, including the North End–Charlestown (-0.4% to \$3,996) and Somerville (-0.5% to \$3,522). All of the top five priciest submarkets in April recorded increases in the average asking rent and had average rates above the \$4,000 mark—led by the South End (3.4% to \$4,563), South Boston (2.6% to \$4,262) and Boston–Downtown (0.9% to \$4,178). Another 10 submarkets had average rents in the \$3,000 to \$3,996 range, and just five were below \$2,000.

Boston vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Boston Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- ▶ Boston's job growth fell 0.1% year-over-year for the fourth consecutive month in February, down 2,000 net jobs, while the national average moderated to a 0.9% increase. The unemployment rate in the metro stood at 4.5% in March, a 70-basis-point decrease since December, which placed it behind the state (4.4%) and the U.S. (4.1%).
- ▶ Only three sectors gained jobs year-over-year through February, led by Boston's largest sector—education and health services—which added 10,400 positions, followed by government (4,000 jobs) and financial activities (1,000). The steepest losses were recorded in leisure and hospitality (-4,600 jobs), professional and business services (-3,500) and manufacturing (-3,300).
- ▶ Backstage, Boston's CRE market is evolving. Last year, the metro led in office development, with 8.7 million square feet underway across three major hubs, according to Commercial Edge data: Cambridge, Seaport Innovation District and Fenway. Life science and mixed-use projects accounted for the bulk of the pipeline, featuring large developments such as Fenway Center's second phase, a \$1 billion investment set to deliver almost 1 million square feet of office and lab space; and South Station Tower, a 51-story, 1 million-square-foot mixed-use tower scheduled for completion this June. Recent completions serving the sector include the FORUM and Lilly Seaport Innovation Center, which added almost 700,000 square feet of lab and office space.

Boston Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	666.1	22.7%
90	Government	346.6	11.8%
55	Financial Activities	190.6	6.5%
80	Other Services	102.9	3.5%
40	Trade, Transportation and Utilities	422.5	14.4%
15	Mining, Logging and Construction	123.9	4.2%
50	Information	81	2.8%
30	Manufacturing	187.5	6.4%
60	Professional and Business Services	540.7	18.5%
70	Leisure and Hospitality	267.9	9.1%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- ▶ Boston's population increased by 9.4%, or 423,000 residents, between the 2010 U.S. Census, while the national growth rate was 8.9%. Similar population growth was recorded in other gateway markets, including San Francisco (10.5%), New York (6.5%) and Los Angeles (3.1%).

Boston vs. National Population

	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Boston Metro	4,832,346	4,854,808	4,912,030	4,912,449

Source: U.S. Census

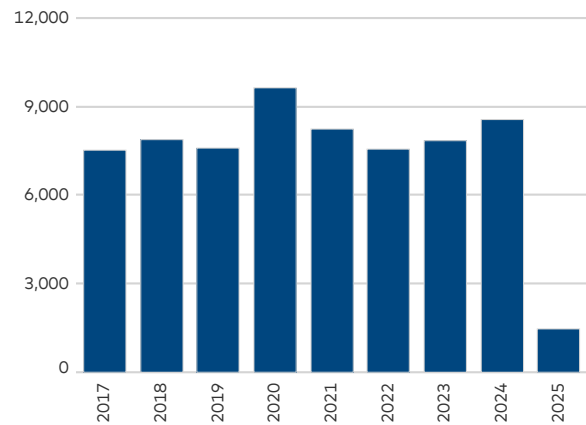
SUPPLY

- ▶ Developers delivered 1,480 units in 2025 through April, representing 0.5% of Boston's existing stock and trailing the 0.8% U.S. rate. The delivery rate has hovered around the 3.0% mark for the last three years, 30 basis points below the 10-year average. Incoming stock consisted of mostly Lifestyle apartments (79.8%), with just one-fifth split between RBN (13.4%) and fully affordable units (6.8%).
- ▶ The construction pipeline had 15,920 units underway as of April and another 88,000 units in the planning and permitting phases. RBN units accounted for a minor part of the pipeline (5.1%), with fully affordable at 16.2%, while the bulk remained in Lifestyle units (78.7%).
- ▶ New construction nearly halted in 2025 through April, with only 189 units across two properties, while in the same interval in 2024, 2,027 units across 12 properties had broken ground in Boston. This drop comes on the heels of two strong years in construction starts—7,383 units across 43 properties in 2024 and 6,480 units across 36 properties in 2023.
- ▶ Of the 58 submarkets tracked by Yardi Matrix, 37 had at least one 50-unit project under construction as of April. Developers were especially

active in East Boston–Chelsea, which posted a strong lead with 3,367 units underway, followed by Brighton (958 units) and Peabody (882 units).

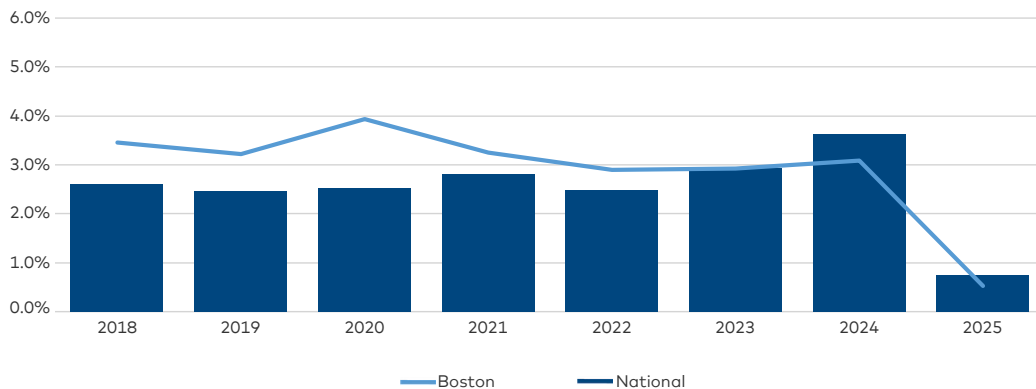
- ▶ The largest project delivered in 2025 through April was The 305, a 314-unit partially affordable property in Lakeview. Alliance Residential Co.'s asset includes 79 affordable units and was built with aid from a \$92.5 million construction loan issued by Santander Bank.

Boston Completions (as of April 2025)



Source: Yardi Matrix

Boston vs. National Completions as a Percentage of Total Stock (as of April 2025)

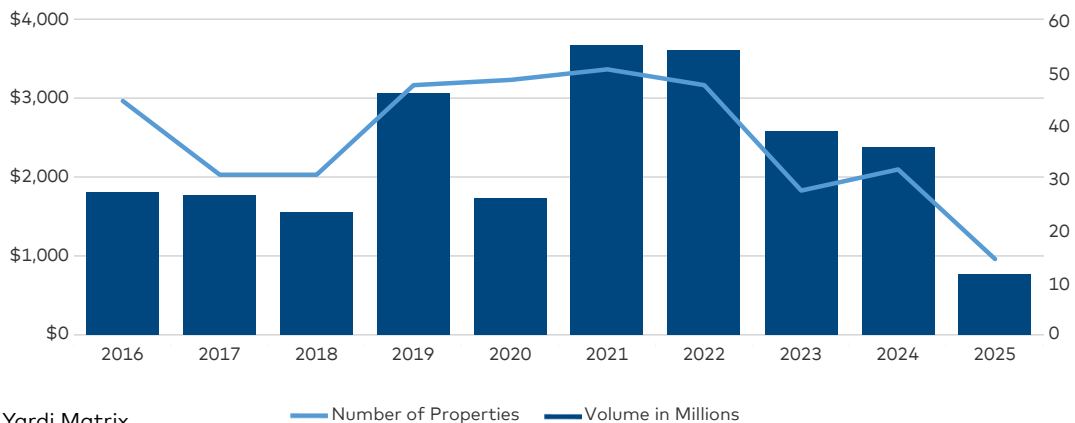


Source: Yardi Matrix

TRANSACTIONS

- ▶ Investors traded \$770 million in multifamily assets in 2025 through April, signaling some stability in Boston's investment market. The metro's annual average sales volume recorded over the past decade, including outlier years 2021 and 2022, stood at \$2.5 billion.
- ▶ Boosted by higher investor appeal for upscale Lifestyle assets, which accounted for three-quarters of the transactions recorded in 2025 through April, the average price per unit increased by 6.8% year-to-date to \$419,792. Meanwhile, the U.S. rate rose 10.1% to \$212,785.
- ▶ The largest sale recorded in 2025 through April was \$182 million, or 466,026 per unit, paid by Harbor International Group to Toll Brothers Apartment Living for a 390-unit partially affordable property in Newton. The sale was aided by a \$117 million Fannie Mae loan, originated by Newmark. Meanwhile, MEAG paid the highest per-unit price of \$725,000 for 1330 Boylston, a 200-unit property in Fenway Kenmore.

Boston Sales Volume and Number of Properties Sold (as of April 2025)



Source: Yardi Matrix

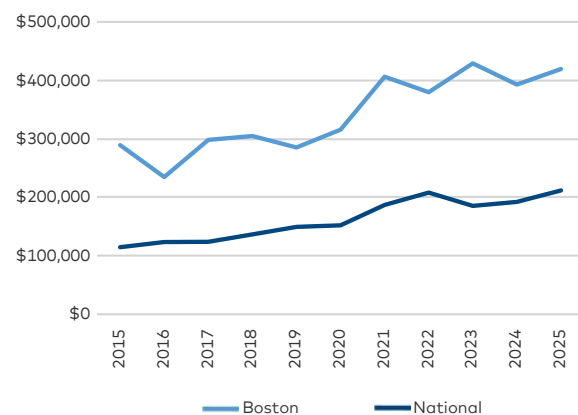
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Boston-Downtown	335
Waltham	335
East Boston-Chelsea	274
Weymouth	190
Newton	182
Peabody	162
Reading	156

Source: Yardi Matrix

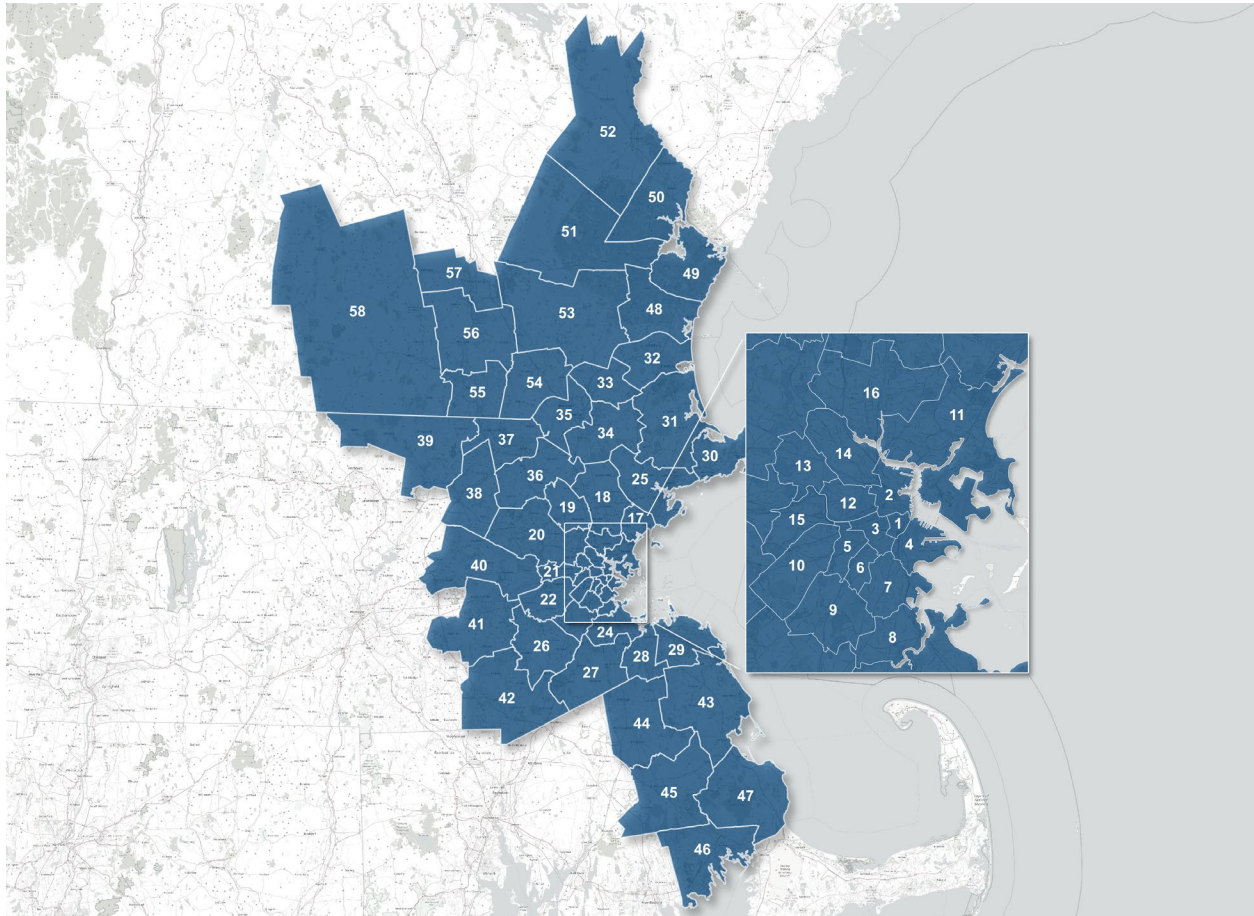
¹ From May 2024 to April 2025

Boston vs. National Sales Price per Unit



Source: Yardi Matrix

BOSTON SUBMARKETS



Area No.	Submarket
1	Boston-Downtown
2	North End-Charlestown
3	South End
4	South Boston
5	Fenway Kenmore
6	Roxbury
7	Mid Dorchester
8	Dorchester
9	Roslindale
10	Brookline
11	East Boston-Chelsea
12	Cambridge-South
13	Cambridge-North
14	Somerville
15	Brighton
16	Malden
17	Lynn
18	Reading
19	Woburn
20	Lakeview

Area No.	Submarket
21	Waltham
22	Newton
23	Dedham
24	Quincy
25	Peabody
26	Westwood
27	Stoughton
28	Weymouth
29	Cohasset
30	Gloucester
31	Ipswich
32	Amesbury
33	Haverhill
34	Andover
35	Lawrence
36	Tewksbury
37	Lowell
38	West Concord
39	Townsend
40	Marlborough

Area No.	Submarket
41	Framingham
42	Foxborough
43	Marshfield-Pembroke
44	Brockton
45	Middleborough
46	Wareham
47	Plymouth
48	Hampton
49	Portsmouth
50	Dover
51	Raymond-Newmarket
52	Rochester
53	Derry
54	Salem
55	Nashua
56	Merrimack
57	Manchester
58	Milford

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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