

Yardi® Matrix

Boston Keeps Up Its Momentum

Multifamily Report Fall 2019

Transaction Activity Accelerates

Occupancy Rate Tops National Average

Development Targets Urban Core

BOSTON MULTIFAMILY

Market Analysis

Fall 2019

Contacts

Paul Fiorilla

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

Laura Calugar

Senior Associate Editor

Demand, Supply Surge Together

Boston's rental market will end the year on a high note, backed by robust demographic and economic growth. Despite a consistent pipeline over several years, demand kept up the pace. As a result, rents rose 3.9% year-over-year through October 2019, while occupancy inched up 20 basis points to 96.6% in the 12 months ending in September.

Education and health services, and professional and business services accounted for two-thirds of jobs gained in the 12 months ending in September. The high-paying industries the region is known for are stimulating developers, who continue building large-scale, mixed-use projects. The Abbey Group is demolishing the former Boston Flower Exchange building to make room for a \$600 million commercial, tech and life science project. Shovels also hit the ground for the office component of the \$1.5 billion Bulfinch Crossing. Public projects are also in the works: The \$2.3 billion Green Line extension is roughly 20% complete and Logan International Airport is preparing for a \$2 billion upgrade over the next five years.

Nearly \$2.1 billion in multifamily assets changed ownership and more than 4,350 units came online in Boston in the first 10 months of 2019. However, considering the pace of job gains in burgeoning high-paying industries, we expect rent growth to remain robust going into 2020.

Recent Boston Transactions

The Commons at Windsor Gardens



City: Norwood, Mass.
Buyer: UDR
Purchase Price: \$270 MM
Price per Unit: \$295,405

Alterra at Overlook Ridge



City: Revere, Mass.
Buyer: Rockpoint Group
Purchase Price: \$206 MM
Price per Unit: \$284,972

The Chase at Overlook Ridge



City: Malden, Mass.
Buyer: Rockpoint Group
Purchase Price: \$120 MM
Price per Unit: \$181,222

Riverbend on the Charles



City: Watertown, Mass.
Buyer: Harbor Group International
Purchase Price: \$76 MM
Price per Unit: \$447,941