



MULTIFAMILY REPORT

Boston's Resurgence

February 2022



Biotech Boosts Recovery

Occupancy Rises Above 96%

Transaction Volume Marks New High

BOSTON MULTIFAMILY



Limited Stock Expansion Keeps Occupancy High

Boston's multifamily market showed the first signs of recovery at the start of 2021's second quarter and maintained a steady pace throughout the year. Mirroring the national trend, rent growth softened with the arrival of the winter season, and posted a 0.7% increase on a trailing three-month basis through December, 10 basis points above the U.S. rate. The average rent in the metro clocked in at \$2,514, well above the \$1,594 national figure. The occupancy rate in stabilized properties climbed 150 basis points in the 12 months ending in November, to 96.5%, led by robust demand for Lifestyle apartments.

Boston unemployment dropped to 4.3% in November 2021, almost on par with the U.S. rate. Hiring picked up pace, and the metro added 166,400 jobs in the 12 months ending in October, for a 7.3% expansion. Even though leisure and hospitality led gains (51,100 jobs), a surge in infections might stand as proof of a tough year ahead. One of the bright spots Boston's local economy is its biotech sector, which has experienced substantial growth in recent years.

Developers delivered just 5,259 units in 2021, marking one of the slowest years in a decade, with an additional 7,911 units under-way at the start of 2022. Transactions, on the other hand, marked a new high, totaling \$3.2 billion. The price per unit also rose considerably, surpassing the \$400,000 mark.

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Recent Boston Transactions

500 Ocean Avenue



City: Revere, Mass.
Buyer: Rockpoint Group
Purchase Price: \$158 MM
Price per Unit: \$518,033

Emery Flats



City: Woburn, Mass.
Buyer: AEW Capital Management
Purchase Price: \$92 MM
Price per Unit: \$457,500

The Preserve



City: Walpole, Mass.
Buyer: Starwood Capital Group
Purchase Price: \$88 MM
Price per Unit: \$292,000

The Eliot on Ocean



City: Revere, Mass.
Buyer: Invictus Real Estate
Partners
Purchase Price: \$84 MM
Price per Unit: \$434,794