



MULTIFAMILY REPORT

Boston: In Growth Mode

June 2022



Deliveries Soften, Occupancy Nears 97.0%

Short-Term Rent Gains Outperform the US

Transactions Activity Moderates

BOSTON MULTIFAMILY



Limited Supply Boosts Rents, Occupancy

Boston's strongest booster of rent development has remained the ongoing housing shortage, despite consistent deliveries during the pandemic. The metro has a tight rental market, with occupancy in stabilized properties up by 110 basis points in the 12 months ending in March, to 96.6%. This has bolstered the average rate, up 1.3% on a trailing three-month basis through April, to \$2,611.

Boston's unemployment rate stood at 3.3% in March, according to data from the Bureau of Labor Statistics, outperforming Massachusetts (4.3%) and the nation (3.6%). Employment expanded by 4.6%, or 160,800 jobs, in the 12 months ending in February, almost on par with the U.S. rate. The metro's economic recovery is well underway, with financial activities being the sole sector to contract (-2,200 positions). Leisure and hospitality led gains (63,000 jobs), but the most promising signs come from Boston's strong life sciences industry—which last year collectively raised more than \$13.6 billion across the state—and points to continued expansion.

Deliveries and construction starts softened in 2022, with just 479 units (0.2% of total stock) coming online and 365 units breaking ground through April. Another 17,820 units were underway. Meanwhile, investors traded \$565 million in multifamily assets—below the volume recorded during the same interval last year—for a price per unit that dropped slightly year-over-year, to \$323,890.

Market Analysis | June 2022

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Recent Boston Transactions

The Madison at Marshfield



City: Marshfield, Mass.
Buyer: TA Realty
Purchase Price: \$131 MM
Price per Unit: \$526,210

Countryside Village



City: Manchester, N.H.
Buyer: DSF Group
Purchase Price: \$122 MM
Price per Unit: \$271,205

Paddock Estates at Boxborough



City: Boxborough, Mass.
Buyer: Abacus Capital Group
Purchase Price: \$94 MM
Price per Unit: \$383,197

Riverwalk



City: Lawrence, Mass.
Buyer: Priderock Capital Partners
Purchase Price: \$75 MM
Price per Unit: \$365,196