

# Yardi® Matrix

# Steadying the Ship In Boston

## Multifamily Report Summer 2017

**Construction Activity  
Poised for Cyclical Peak**

**Economic Expansion  
Fuels Demand**

**Investors Target  
Value-Add Opportunities**



# BOSTON MULTIFAMILY

Yardi® Matrix

## Market Analysis

Summer 2017

### Contacts

#### Paul Fiorilla

Associate 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

#### Bogdan Odagescu

Senior Associate Editor

## Rent Growth Moderates; Demand Persists

Above-trend population gains and increasing job growth continue to make Boston one of the most stable multifamily markets in the U.S. Although rent gains have fallen to 2.3% year-over-year through June, demand remains healthy, supported by highly skilled workers, who are increasingly drawn to the metro's reputation as a regional powerhouse and global innovation hub.

Anchored by education and health services and professional and business services, Boston's diversified economy is adding both blue- and white-collar jobs. While developers bet on the city's stable, long-term fundamentals, a handful of large, mixed-use projects move closer to breaking ground. Massachusetts Institute of Technology (MIT) is pushing for the rezoning of Kendall Square, which would deliver 1.7 million square feet of office space and 1,400 residential units in Cambridge. The 775-foot-tall Winthrop Square, the 1.2 million-square-foot, multi-building Tremont Crossing and the 677-foot-tall South Station Tower are also set to change the metro's skyline.

Some \$350 million in multifamily assets traded in the first half of 2017, marking a slowdown after two years of intense market activity, as more investors focus on value-add plans. With 9,400 units expected to come online by year-end and rents contracting in some of the priciest submarkets, Yardi Matrix forecasts 1.1% rent growth for Boston in 2017.

### Recent Boston Transactions

The Commons at Windsor Gardens



City: Norwood, Mass.  
Buyer: AllianceBernstein  
Purchase Price: \$199 MM  
Price per Unit: \$217,724

The Fairways



City: Derry, N.H.  
Buyer: Chartwell Holdings  
Purchase Price: \$100MM  
Price per Unit: \$117,197

Neponset Landing



City: Quincy, Mass.  
Buyer: Gerding Edlen Development  
Purchase Price: \$90 MM  
Price per Unit: \$319,643

Highland Glen I



City: Westwood, Mass.  
Buyer: Beacon Communities  
Purchase Price: \$75 MM  
Price per Unit: \$416,667

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#### Hollie Zepke

Audience Development Specialist  
Hollie.Zepke@Yardi.com  
(800) 866-1124 x5389