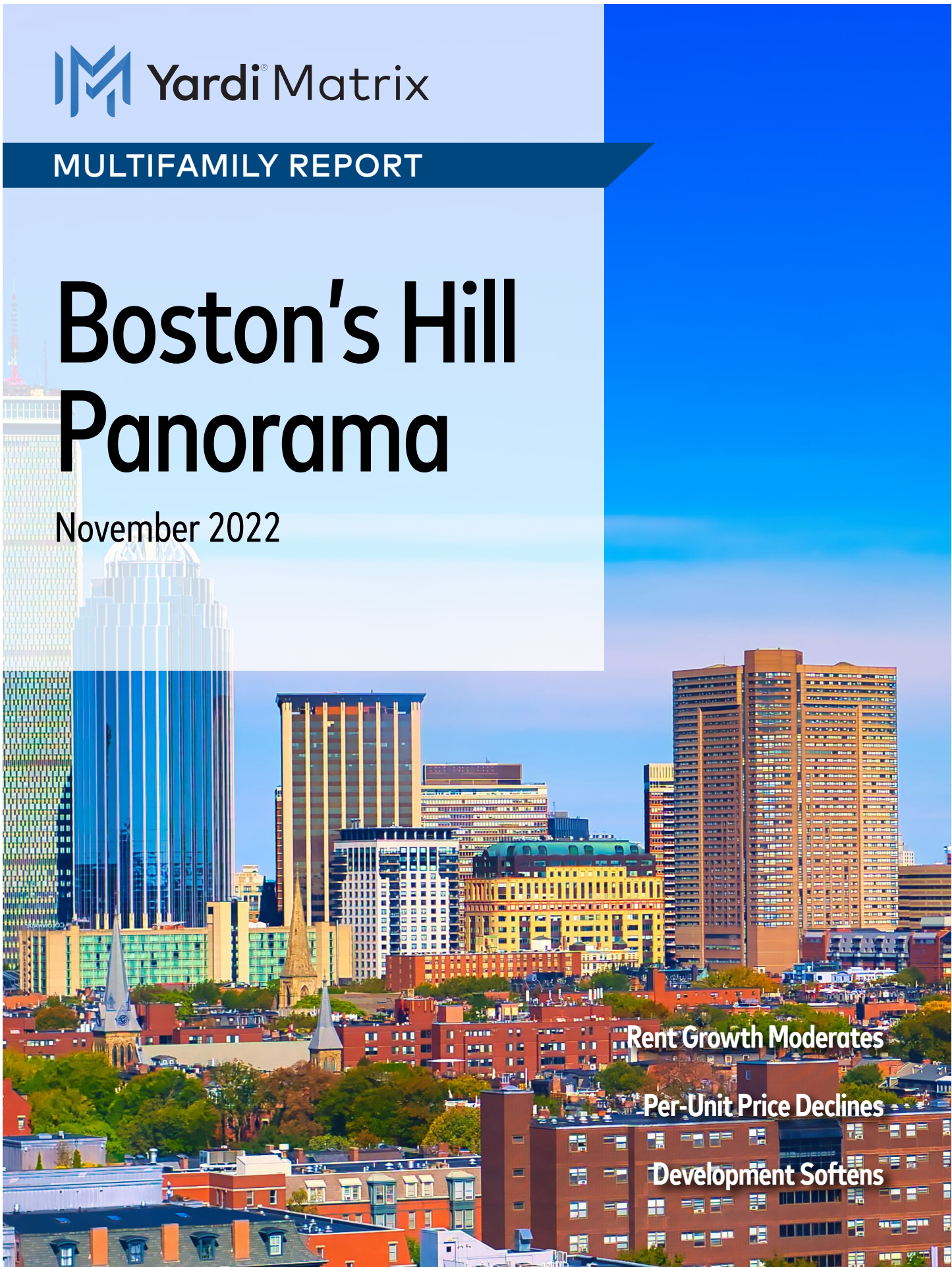




MULTIFAMILY REPORT

Boston's Hill Panorama

November 2022



Rent Growth Moderates

Per-Unit Price Declines

Development Softens

BOSTON MULTIFAMILY



Softening Across Fundamentals

Boston has been making good strides toward a full recovery, but economic cooling and the Federal Reserve's measures to stop inflation are causing a slowdown. This shift is reverberating across the multifamily market, which is already facing a dire housing shortage—with occupancy at 96.0% in August—and a high cost of living. Although rent development moderated in Boston—up 0.4% on a T3 basis through September—the environment has reignited talks about rent control. While no decision had been made as of September, the debate alone is already impacting the metro's pipeline.

The jobless rate in Boston stood at 3.0% in August, according to data from the Bureau of Labor Statistics, outperforming the state (3.6%) and nation (3.7%). Employment expanded by 4.7% in the 12 months ending in July, 20 basis points above the U.S. rate. Government and financial activities lost 6,300 jobs combined. The rebound in tourism helped leisure and hospitality drive growth, with 46,100 jobs gained, followed by professional and business services (35,400 jobs).

Development moderated, with 3,497 units delivered this year through September, roughly 60% of the volume recorded during the same period last year; another 16,231 units were underway. Investment surpassed \$2.5 billion, but most of the deals closed during the first half of the year. Meanwhile, the per-unit price decreased 6.8% year-over-year.

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Recent Boston Transactions

Bradlee Danvers



City: Danvers, Mass.
Buyer: UDR
Purchase Price: \$207 MM
Price per Unit: \$478,868

Heritage at Merrimack



City: Manchester, N.H.
Buyer: Priderock Capital Partners
Purchase Price: \$165 MM
Price per Unit: \$257,188

Ryder



City: Revere, Mass.
Buyer: Invesco Real Estate
Purchase Price: \$105 MM
Price per Unit: \$523,250

Radian Boston



City: Boston
Buyer: Pacific Life Insurance Co.
Purchase Price: \$98 MM
Price per Unit: \$406,250