



MULTIFAMILY REPORT

# Boston Economy Perseveres

February 2023

**Rate Gains Trail Nation**

**Construction Activity Moderates**

**Transactions Hot Off Another Solid Year**



# BOSTON MULTIFAMILY



## Rental Sector Stable Despite Slow Growth

Boston's multifamily fundamentals moderated in 2022, especially during the fourth quarter. Rents marked the second consecutive month of negative growth on a trailing three-month basis in December, down 0.6% to \$2,655, while the U.S. rate declined 0.2% to \$1,715. Still, the metro's rental market remains among the tightest in the country, with the occupancy rate in stabilized properties at 96.4%, following a 40-basis-point decline year-over-year as of November.

The unemployment rate in Boston was 2.7% in November, a significant improvement from the 4.4% rate registered in January, but still above pre-pandemic values, according to data from the Bureau of Labor Statistics. The state's unemployment clocked in at 3.4% in November and the U.S. rate stood at 3.6%. The job market posted a 4.2% expansion year-over-year as of October, leading the national rate by 10 basis points. Growth moderated in 2022, but remained steady in the 4% to 5% band, and despite the sustained performance, Boston has yet to recover all jobs lost during the pandemic.

Deliveries totaled 5,468 units in 2022, declining to the lowest volume since 2015, heavily favoring the Lifestyle segment. Some 15,400 units were underway, posting a sharp drop in the number of construction starts. Meanwhile, investment volume amounted to \$3.3 billion, and the price per unit decreased 2.3%, to \$382,575.

## Market Analysis | February 2023

### Contacts

#### Jeff Adler

Vice President & General  
Manager of Yardi Matrix  
[Jeff.Adler@Yardi.com](mailto:Jeff.Adler@Yardi.com)  
(303) 615-3676

#### Ron Brock, Jr.

Industry Principal, Matrix  
[JR.Brock@Yardi.com](mailto:JR.Brock@Yardi.com)  
(480) 663-1149 x2404

#### Doug Ressler

Media Contact  
[Doug.Ressler@Yardi.com](mailto:Doug.Ressler@Yardi.com)  
(480) 695-3365

#### Author

#### Anca Gagiuc

Senior Associate Editor

### Recent Boston Transactions

#### Bay Ridge at Nashua



City: Nashua, Mass.  
Buyer: Eagle Rock Properties  
Purchase Price: \$159 MM  
Price per Unit: \$384,058

#### Eagle Rock Apartments at MetroWest



City: Framingham, Mass.  
Buyer: Eagle Rock Properties  
Purchase Price: \$154 MM  
Price per Unit: \$363,208

#### The Avens at Dedham Station



City: Dedham, Mass.  
Buyer: Rockwood Capital  
Purchase Price: \$142 MM  
Price per Unit: \$499,123

#### Mosaic



City: Lynn, Mass.  
Buyer: Groma  
Purchase Price: \$67 MM  
Price per Unit: \$460,616