



MULTIFAMILY REPORT

Boston Slows Down

November 2024

Construction Starts Dwindle

Investment Activity Moderates

YoY Rent Growth Third Nationwide

BOSTON MULTIFAMILY



Softening Fundamentals Across Market

Boston's multifamily fundamentals softened at the end of the third quarter, as seasonal slowdowns began. Advertised asking rents were down 0.2% on a trailing three-month basis, to \$2,901, some 20 basis points lower than the U.S. rate. Boston placed third nationwide for year-over-year growth, up 3.4%, above the 0.9% national figure. The occupancy rate in stabilized properties stood at 96.6% as of September, above the 94.8% U.S. average.

In the 12 months ending in July, Boston's employment market gained 37,900 jobs, expanding 0.6% year-over-year. Education and health services led gains, with 21,900 new positions. The metro's unemployment rate was 4.3% as of August, 10 basis points above the national rate, according to the Bureau of Labor Statistics. The local economy could get a boost from the construction of a life science and advanced manufacturing campus in Bedford, Mass. The first phase came online in October, while the second one is slated for groundbreaking in 2025 and completion in 2026.

Developers completed 4,462 units in the first three quarters, a 1.6% expansion of existing stock, lagging the nation by 50 basis points. Transaction activity remained moderate, with \$1.3 billion in assets changing hands year-to-date through September. For comparison, the metro recorded an average of \$2.2 billion in deals over the past 10 years.

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Contacts

Jeff Adler

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

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x14006

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Madalina Pojoga
Associate Editor

Recent Boston Transactions

ReNew Waltham



City: Waltham, Mass.
Buyer: FPA Multifamily
Purchase Price: \$221 MM
Price per Unit: \$317,529

Luka on the Common



City: Boston
Buyer: Carmel Partners
Purchase Price: \$212 MM
Price per Unit: \$523,663

Velo



City: Boston
Buyer: Nuveen Real Estate
Purchase Price: \$103 MM
Price per Unit: \$410,000

The Point at Waltham



City: Waltham, Mass.
Buyer: Pantzer Properties
Purchase Price: \$91 MM
Price per Unit: \$466,667