



THE PUNCH LIST

Boston Multifamily

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Boston and Massachusetts Face Massive Housing Shortage: Can We Catch Up?

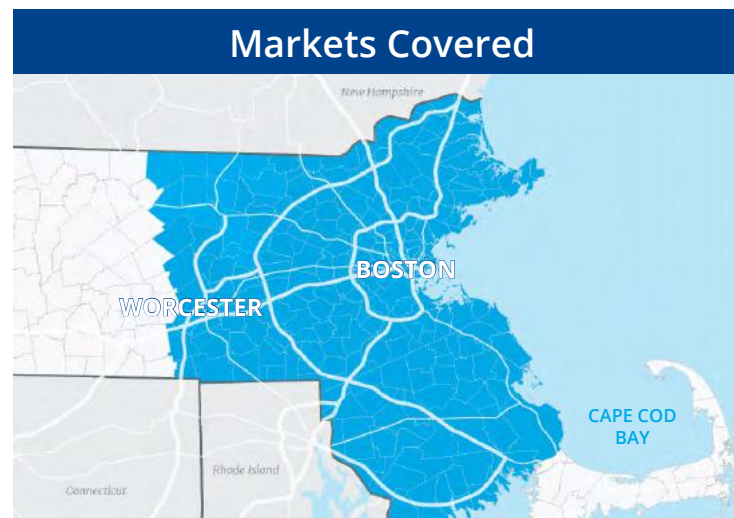
The Situation:

Boston and Massachusetts are facing a severe housing crisis. Since the pandemic, there have been growing concerns about affordability, and recent research paints a worse picture than initially thought. Multiple sources estimate the state needs an additional **200,000 housing units** by 2030 to meet affordability and competitive market demands. This is a staggering number.

For perspective, consider that Boston currently has a total of **296,035 housing units** (including apartments, condos, single-family homes, etc.). To reach equilibrium by 2030, we'd need to build the equivalent of **66% of Boston's existing housing stock** across the entire state – that's over **33,000 units per year** for the next six years!

The Challenge: Stalled Projects and Limited Pipeline

There's been discussion about Boston's "shadow inventory" – units approved or permitted but not under construction. As of July 2023, this inventory stood at **23,000 units**. While seemingly significant, even if all were built, it wouldn't cover even nine months of the needed annual construction. Looking at planned large-scale developments over the next ten years, they barely make a dent, providing only eight months' worth of inventory.

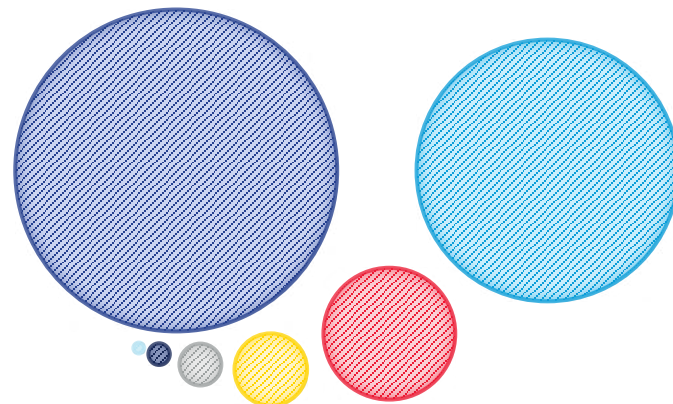


The Urgent Need for Increased Construction

The situation demands a significant increase in construction. To meet the gap, we'd essentially need to build the equivalent of three massive projects like Suffolk Downs every year for the next six years.

A Call to Action:

This is a critical moment for Massachusetts and Boston. Stakeholders, from developers to policymakers, must work together to remove obstacles, incentivize construction, and create a robust pipeline to address this urgent need. Only then can we achieve a housing market that fosters affordability and competitiveness.



- City of Boston Housing Units 2022 (296,000)
- Housing Units Needed by 2030 (200,000)
- 200 Units
- Suffolk Downs Project (10,000)
- Annual Pipeline Needed (33,000)
- Mary Ellen McCormick (3,016)
- Samuels Lynn Property (850)

State of the Market

Sources: CoStar, The Boston Globe, Federal Reserve Bank of Boston.

2
March 2024
Transactions

2
March 2023
Transactions

\$332,979
Average \$/Unit
T-12 Months

\$329
Average \$/SF
T-12 Months

200,000
MA Housing Inventory
Needed by 2030
Or 25,000 per year

↑\$2,794
Market Rent

↑\$3.14
Rent/SF

↓6.0%
Vacancy Rate

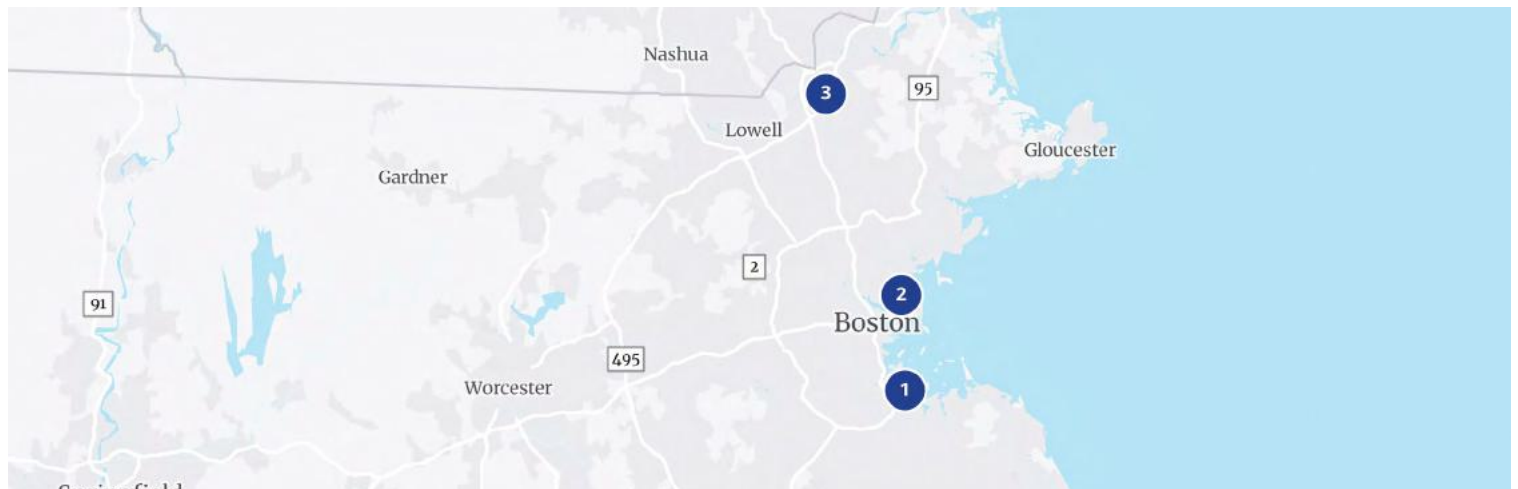
23,000
Units in Boston
Shadow Inventory
(Approved but not Under Construction)

Recent Multifamily Transactions

[Click here for additional transactions.](#)

	Property Name	Property Address	Units	SF	\$/SF	\$/Unit	Sale Price	Close Date	Buyer	Seller
1	Hillside Residences	23-31 Bridge St Quincy, MA	60	64,239	\$298	\$319,095	\$19,145,700	3/21/24	James Cohen	Geoffrey Arend
2	31-47 Louis St	31-47 Louis St Chelsea, MA	27	24,290	\$346	\$311,111	\$8,400,000	3/18/24	Coolidge Landing	Gerald Snerison
3	13-33 Jordan St	13-33 Jordan St Lawrence, MA	27	37,142	\$102	\$140,741	\$3,800,000	2/29/24	Arrowpoint Properties	Z4 Properties

Source: CoStar, April 2024.



Colliers Featured Investment Transactions

Sold

215 Fairmount Street
Lynn | 100 Units

Sold

570 Tremont Street #1
South End | Retail Condominium

In Contract

115 Boston Street
Dorchester | Development

Sold

20 Charlesgate W
Fenway | Rooming House

On Market

10 Railroad Street
Abington | Development



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News Stories That Shaped the Month

1



R&D Could Throw Lifeline to Sinking Suburban Office Sector

Read More in [Banker & Tradesman](#)

2



Massachusetts Launches Program to Help Turn Office Buildings into Housing

Read More in [WGBH](#)

3



We Have a Housing Shortage, but Homes Are on the Way

Read More in [The Boston Business Journal](#)

4



'It's an invasion.' In towns across Eastern MA resistance grows against state housing law.

Read More in [The Boston Globe](#)

5



Cambridge Should End Exclusionary Zoning in 2024

Read More in [Banker & Tradesman](#)

Our Services

Colliers has one of the largest and most experienced teams of multifamily advisors in the industry, strategically located in key markets around the globe. Our combination of market dominance, expertise and singular focus make us uniquely successful in helping our clients achieve their acquisition and/or disposition objectives. Whether selling a single asset or a national portfolio, our clients rely on combined resources to obtain the best market information and achieve the highest price. If expanding your portfolio is the objective, our local market relationships can help you identify and acquire properties that meet or exceed your investment goals.

- Market Analysis & Research
- Investment Sales
- Site Identification
- Structure & Negotiation of Land Purchase
- Zoning Analysis
- Development Pro Forma Analysis
- Debt Financing
- Rent Studies
- Broker's Opinion of Value
- Equity Placement

“ Opportunity comes from chaos, from disconnect.

- Sam Zell