



# THE PUNCH LIST

Boston Multifamily

February 2024

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# Boston Multifamily THE PUNCH LIST

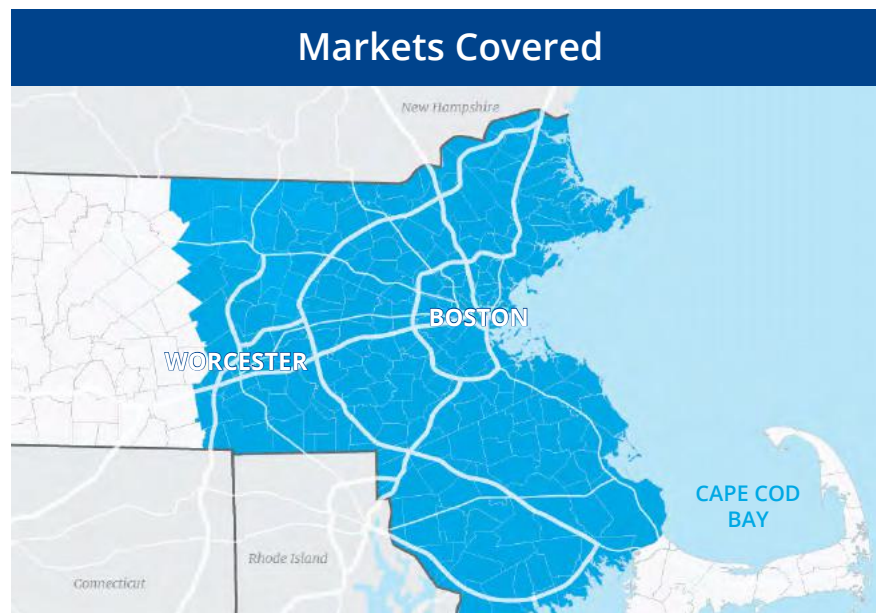
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## Weathering the Storm, Charting a Course for Stability

- **Uncertainty and Transition:** The market is in a period of transition due to rising construction costs, debt market turbulence, and new environmental regulations. Clarity and transparency are key concerns for investors and developers.
- **Challenges and Opportunities:** High interest rates, declining CRE values, and environmental regulations pose challenges, but also create opportunities for investors willing to write larger equity checks, manage complex situations, and look beyond Boston for better deals.
- **Focus on Affordable Housing:** The state and municipalities are making significant investments in affordable housing through various initiatives, but concerns remain about rising rents and displacement.

## Key Points:

- **Debt Market:** Debt is scarce and expensive due to relatively high interest rates. Banks are pulling back and requiring larger equity contributions.
- **Investment:** Transaction volume is historically low but may increase if the market stabilizes.
- **Prices:** Single-family home prices are flattening statewide, with some affluent towns experiencing declines.
- **Regulations:** New green building requirements and emissions reduction ordinances are adding costs and complexity to development.
- **Government Initiatives:** The state and federal governments are investing in affordable housing, but challenges remain due to limited supply and high construction costs.



## What's Next – Artificial Intelligence and Banking Stability

### State of the Market

Source: CoStar.

↓ **71%**  
2023 U.S. Multifamily  
Transactions

**363**  
Total Units Sold  
Jan 2024

↓ **10%**  
Q423 U.S. Multifamily  
Values

**\$459**  
Average \$/SF  
Jan 2024

**3**  
Multifamily Sales  
Jan 2024

↑ **\$2,746**  
Rent

**\$467,990**  
Average \$/Unit  
Jan 2024

↑ **5.9%**  
Vacancy Rate



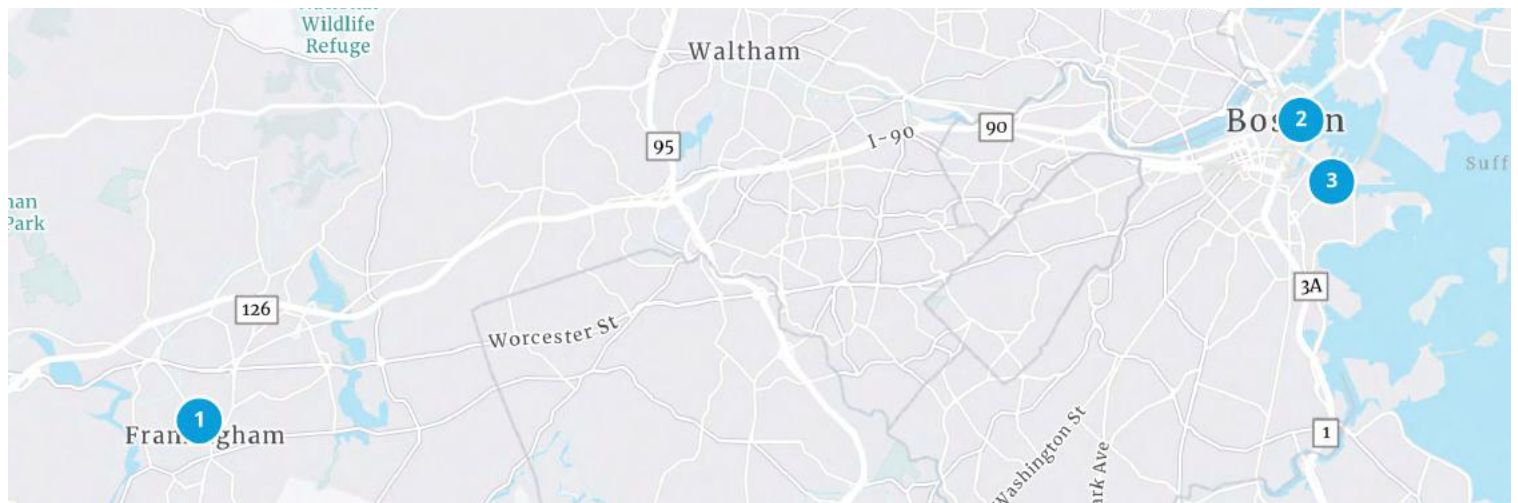


## Recent Multifamily Transactions

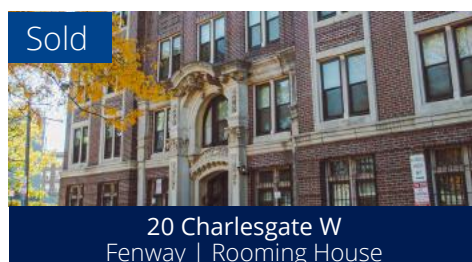
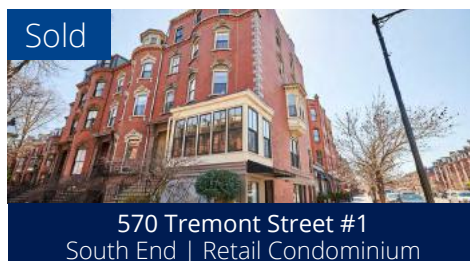
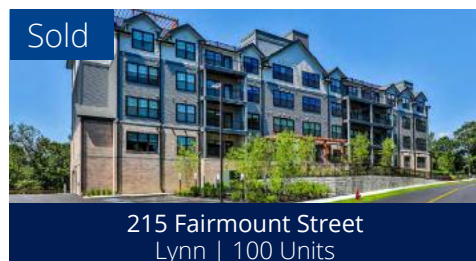
[Click here for additional transactions.](#)

	Property Name	Property Address	Units	SF	\$/SF	\$/Unit	Sale Price	Close Date	Buyer
1	Rose Garden Apartments	258-262 Union Ave Framingham, MA	72	70,551	\$234	\$229,167	\$16,500,000	1/30/24	Rockridge Real Estate
2	One India Apartments	1 India St Boston, MA	94	99,400	\$624	\$659,574	\$62,000,000	1/19/24	NTT Urban Development
3	Flats on D	407-415 D St Boston, MA	197	196,110	\$518	\$515,228	\$101,500,000	1/5/24	Eaton Vance

Source: CoStar, February 2024.



## Colliers Featured Investment Transactions





# THE PUNCH LIST

*News Stories That Shaped the Month*

1



Fed Stays Steady but Multifamily Cap Rates Keep Climbing

Read More in [Globest.com](https://www.globest.com)

2



Boston Median Condo Price Surpasses \$1M for First Time

Read More in [bisnow.com](https://www.bisnow.com)

3



What's Working and What's Not Working in CRE

Read More in [NAIOP.org](https://www.naiop.org)

4



MA Gov Healey's housing bond bill gets widespread support at hearing, but some hang-ups remain  
Read More in [masslive.com](https://www.masslive.com)

5



Movie | The Inundation District

Read More [HERE](#)

## 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



"Life is like an orchestra. If a man wants to lead he must turn his back on the crowd."

- Lawrence Welk