

# THE PUNCH LIST

Boston Multifamily

**Halftime**  
July 2024

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# Boston Multifamily THE PUNCH LIST



## Low Rates... Who Needs 'Em? Limited Supply Creates Dream Market

The Greater Boston multifamily market presents a unique situation. Contrary to expectations, rising interest rates driven by the Federal Reserve's inflation control measures have benefited multifamily investors.

### Impact of Higher Interest Rates

Single-family and condo sales activity has plummeted to record lows so far this year. This is because current homeowners are locked into historically low, long-term fixed mortgages around 4%. With current rates ranging from 6.50% to 7.50% for a 30-year fixed mortgage, there's little incentive for them to sell. This has led to a decrease in single-family and condo inventory, pushing prices to all-time highs.

### Shifting Tides in the Housing Market

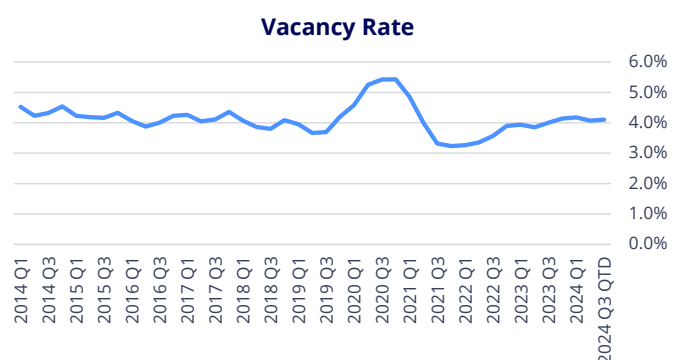
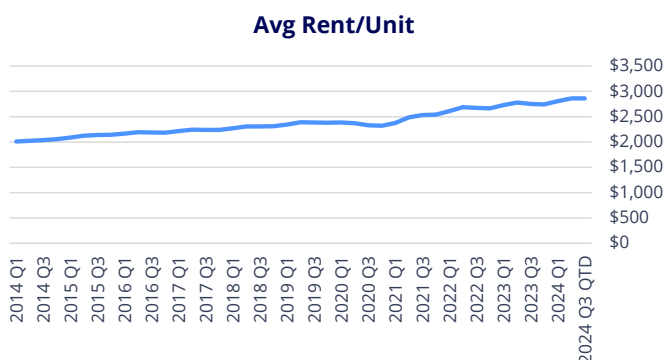
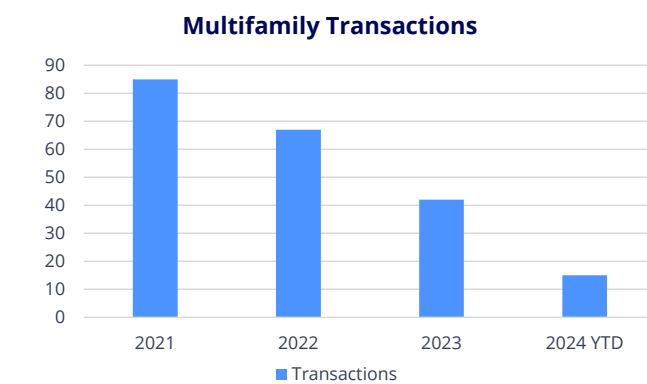
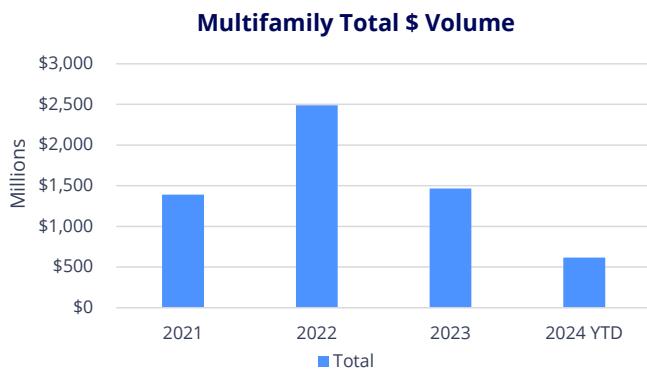
This scenario has a surprising consequence. Many potential home buyers, both first timers and others, are either priced out of the market entirely or forced to significantly adjust their housing affordability expectations. As a result, they're choosing to rent for longer periods at higher rates.

### Limited Supply Further Constrains the Market

Exacerbating the situation for aspiring homeowners is the limited development of new multifamily units. This is due to the combined effects of the higher cost of capital and rising land and construction costs. In fact, Greater Boston is experiencing some of the lowest rates of multifamily development per capita in the nation.

### A Strong Position for Multifamily Investors

The convergence of these factors has created an environment where well-managed and well-capitalized multifamily operations in the Greater Boston market are commanding historically high rents per square foot, experiencing low vacancy rates, and enjoying strong rent growth. With limited new competition entering the market, these operators can strategically raise rents and select high-quality tenants with strong financial profiles, further strengthening their position.



# State of the Market

Source: CoStar

**35<sup>th</sup>**  
MA Rank in U.S. for Building Housing

**15**  
Sales  
1<sup>st</sup> Half of 2024

**37**  
Sales  
1<sup>st</sup> Half of 2022

**↓ -59%**  
Change in Transactions from 2022 Peak

**↓ \$305**  
Average Sale \$/SF  
T-12 Months

**↓ \$314,046**  
Average Sale \$/Unit  
T-12 Months

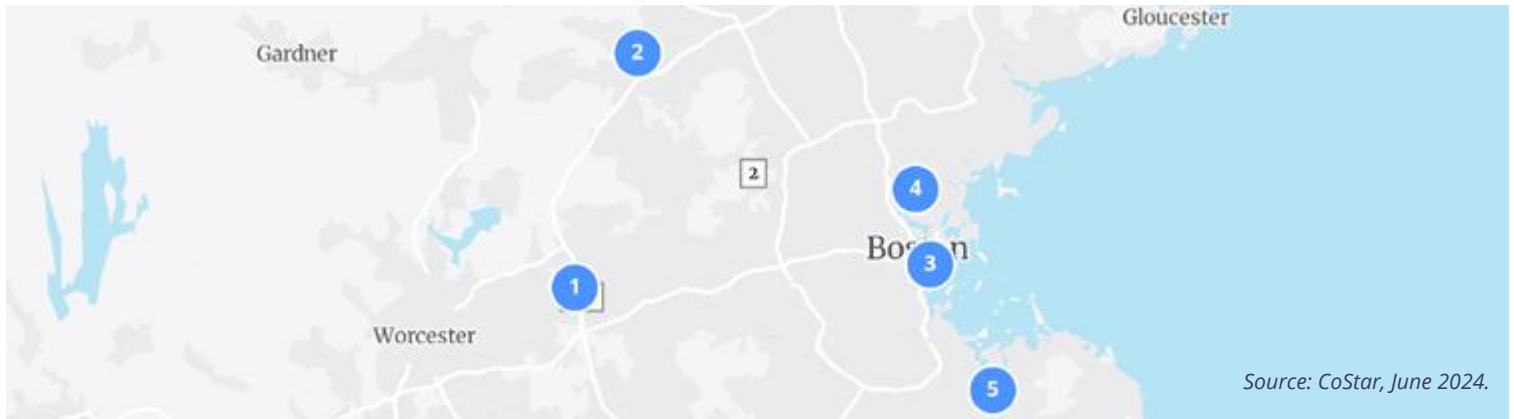
**↑ 4.07%**  
Greater Boston  
Vacancy Rate

**↑ \$2,863**  
Average Market Rent  
in Greater Boston

## Largest Multifamily Transactions of 2024 (January-June)

[Click here for additional transactions.](#)

	Property Name	Property Address	Units	SF	\$/SF	\$/Unit	Sale Price	Close Date	Buyer	Seller
1	The Point at Green District	1000 Green District Blvd Marlborough, MA	235	263,979	\$362	\$406,383	\$95,500,000	2/23/24	Pantzer Properties	Post Road Residential
2	Abbot Mill	1 Pleasant St Westford, MA	233	248,330	\$188	\$200,408	\$46,695,000	4/16/24	Aker Companies	Yule 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	Clarion Partners
4	Malden Square Apartments	480 Main St Malden, MA	195	214,337	\$373	\$410,000	\$79,950,000	5/9/24	Nuveen	DSF Group
5	The Helix	655 Washington St Weymouth, MA	160	160,000	\$392	\$391,531	\$62,645,000	4/30/24	EQR	Trinity Green



Source: CoStar, June 2024.



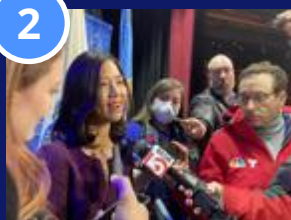
## THE PUNCH LIST

News Stories That Shaped the First Half of 2024



1 More Distress Looms in Multifamily Finance. Here's Why.

Read More in [Multi-Housing News](#)



2 Mayor Wu Aims to Build 3,000 New Public Housing Units, Boston's First in Decades

Read More in [Bisnow](#)



3 City of Boston Officially Launches New Planning Department

Read More in [bostonplans.org](#)



4 Is 'paper compliance' with the MBTA Communities law good enough?

Read More in [Commonwealth Beacon](#)



5 Stopping Boston's 'doom loop' means it must face its tax woes

Read More in [The Boston Globe](#)

# Colliers Featured Investment Transactions

**On Market**



1590 Blue Hill Avenue  
Boston | Development

**In Contract**



115 Boston Street  
Dorchester | Development

**In Contract**



35-41 Laurel Street  
Somerville | 12 Units

**Sold**



215 Fairmount Street  
Lynn | 100 Units

**Sold**



570 Tremont Street #1  
South End | Retail Condominium

**Sold**



20 Charlesgate W  
Fenway | Rooming House

## Colliers Spotlight

# 1590 BLUE HILL AVENUE

BOSTON, MA



### Transformative Mixed-Income Development Opportunity

	Building A	Building B
Address	Blue Hill Avenue	River Street
Units	65	100
Height	6 Stories < 70'	6 Stories < 70'
Ground Floor Gross SF	13,805	24,308
Floors 2-6 Gross SF	68,720	100,805
Total Development SF	82,525	125,113
Parking	0	44



“ Don't mistake activity for achievement. To produce results, tasks must be well organized and properly executed; otherwise, it's no different from children running around the playground—everybody is doing something, but nothing is being done; lots of activity, no achievement. ”

- John Wooden