

THE PUNCH LIST

Boston Multifamily

JULY 2023

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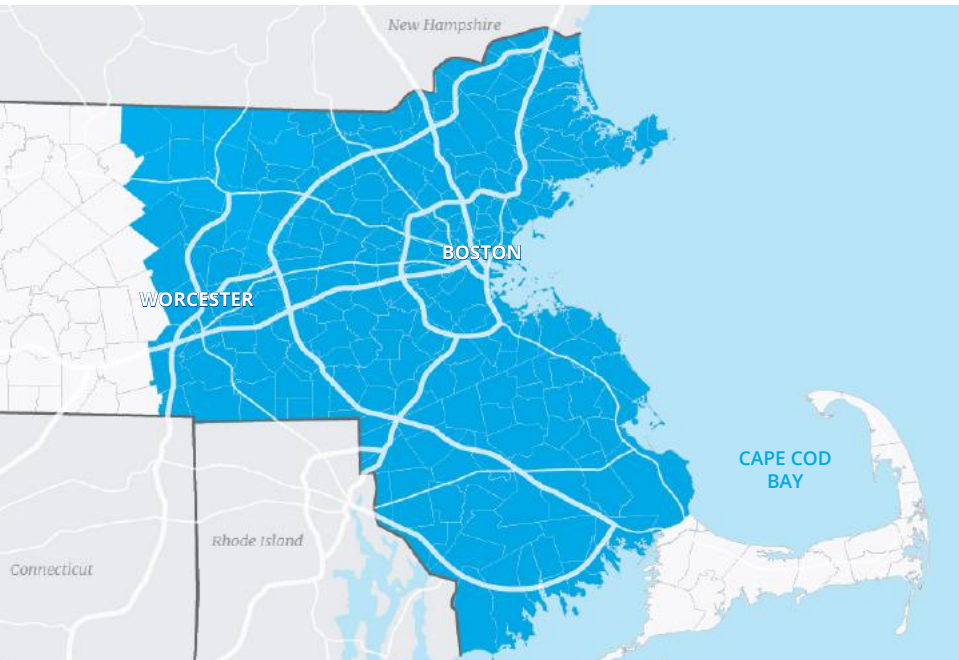
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MARKETS COVERED



In the second quarter of 2023 Boston's multifamily investment sales market was impacted by various factors such as high labor, construction, land, operating and financing costs, expanded cap rates, capital constraints, and looming changes in governmental policies and regulations. As a result, multifamily investment sales experienced a 55% decline (YOY) in 25+ unit assets year-to-date*. Despite the uncertainty, market fundamentals remained strong, with robust rent growth of 5.2% (YOY) driven by strong demand, limited future development, and increased interest rates making homeownership out of reach for many first-time buyers. Well located, amenity rich assets that did come to market continued to find a strong buyer pool. Changes in local government policies, including rent control and transfer taxes, stayed at the forefront and may alter capital flows in the future. Looking forward, two issues to consider are the impact of decarbonization on new development and whether tax incentives will spur office-to-residential conversions for office buildings not likely to recover in the post-pandemic market. While the market adjusts to changing dynamics, cautious optimism remains as the multifamily sector in Boston maintains its stable fundamentals and favorable market conditions.

STATE OF THE MARKET

11 Q2 2023 Transactions	18 Q2 2022 Transactions	39%↓ Transactions YOY
3.4%↑ Q2 Rent Growth	17 Transactions YTD	\$366 Average \$/SF YTD
\$371,905 Q2 Average \$/Unit	\$2,791 Rent \$/SF	5.2%↓ Vacancy

*CoStar

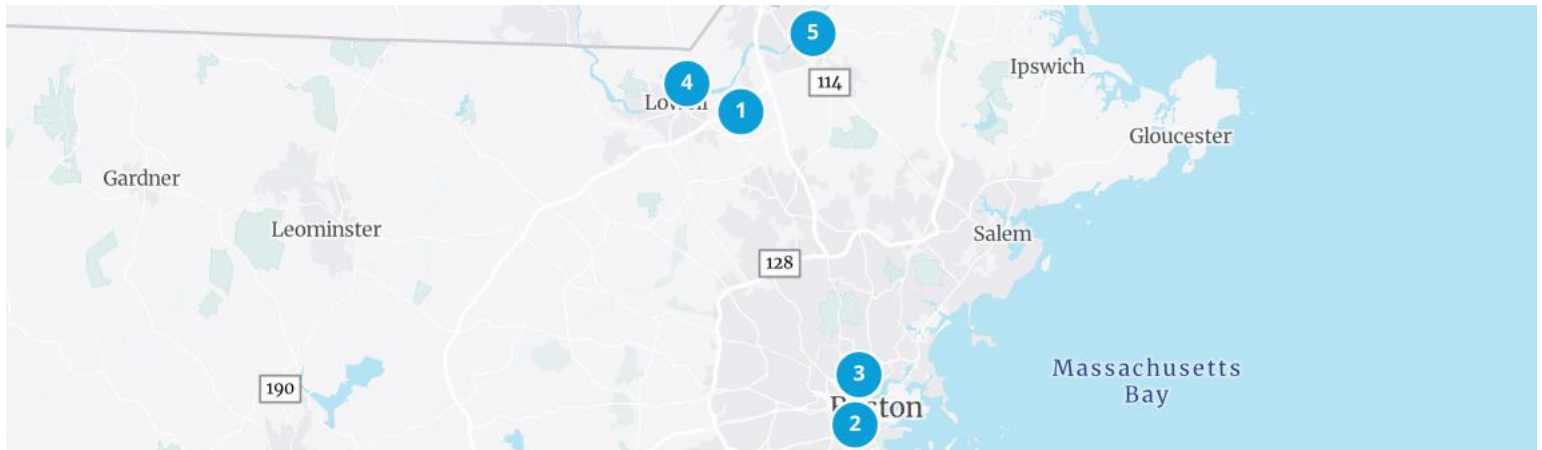
** Gagiuc, Anca. "Boston Fundamentals Advance." Yardi Matrix, June 2023

RECENT MULTIFAMILY TRANSACTIONS

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	Property Name	Property Address	Units	SF	\$/SF	\$/Unit	Sale Price	Close Date
1	Lodge at Ames Pond	1 Ames Hill Dr Tewksbury, MA 01876	364	382,446	\$354	\$372,158	\$135,465,396	6/29/2023
2	16 Westland Ave	16 Westland Ave Boston, MA 02115	55	38,430	\$601	\$420,000	\$23,100,000	6/28/2023
3	Revolution at Assembly Row	290 Revolution Dr Somerville, MA 02145	329	335,356	\$561	\$571,429	\$188,000,000	6/2/2023
4	134 Willard St	134 Willard St Lowell, MA 01850	48	31,224	\$271	\$176,377	\$8,466,088	5/30/2023
5	Legacy Park Apartments	112-114 Marston St Lawrence, MA 01841	104	98,295	\$219	\$206,731	\$21,500,000	5/22/2023

Source: CoStar, July 2023.



COLLIERS FEATURED INVESTMENT TRANSACTIONS

ON MARKET



115 Hampshire St
Cambridge | Mixed-Use

SOLD



639 Warren St
Roxbury | Land

SOLD



10 Sunnyside Ave
Arlington | Development

SOLD



136 Newbury St
Back Bay | Specialty

UNDER AGREEMENT

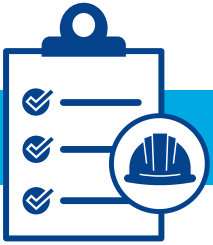


20 Charlesgate W
Fenway | Rooming House

UNDER AGREEMENT



115 Boston St
Dorchester | Land



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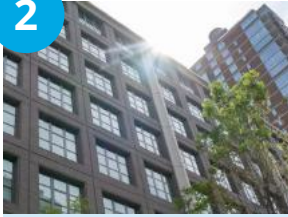
1



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- Market Analysis & Research
- Investment Sales
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- Zoning Analysis
- Development Pro Forma Analysis
- Debt Financing
- Rent Studies
- Broker's Opinion of Value
- Equity Placement

“Rates are temporary, basis is forever.” - Matt Sherry
Managing Director, Colliers