



THE PUNCH LIST

Boston Multifamily

June 2024

Contact Us:

Kendin Carr

Vice President
+1 617 678 0246
kendin.carr@colliers.com

Jeanne Pinado

Executive Vice President
+1 617 290 9133
jeanne.pinado@colliers.com

100 Federal Street, Floor 13
Boston, MA 02110
colliers.com

Colliers

Boston Multifamily THE PUNCH LIST



Maximizing Operational Efficiency in a Volatile Multifamily Market

As summer descends upon us, activity in the multifamily investment scene in Boston remains tempered. Rising interest rates continue to dampen the mood, slowing down transactions compared to 2022's peak. Even the multifamily development pipeline has stalled as developers struggle to make projects pencil.

However, existing multifamily owners might be entering a golden age. Rent growth has soared to record highs, averaging \$2,820 per unit (\$3.20/SF), exceeding pre-pandemic levels. Vacancy rates have also returned to normal after pandemic

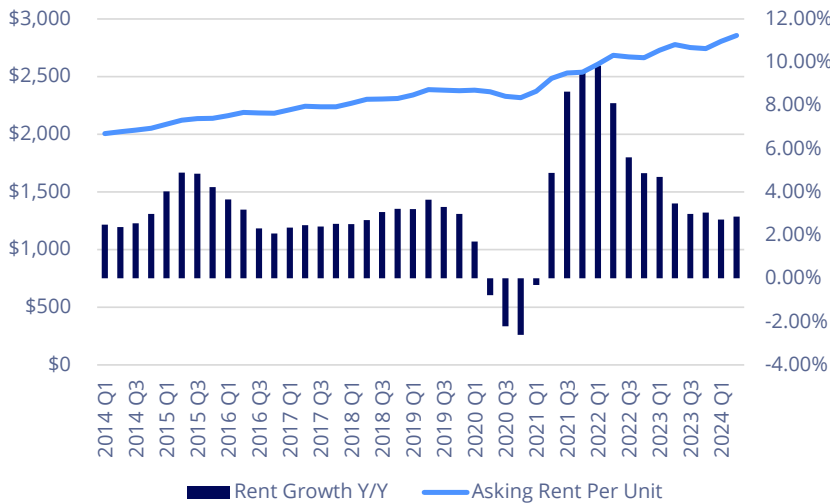
lows. Boston's strong job market, fueled by booming tech and life sciences, keeps demand high, while rising interest rates, construction costs, and permitting hurdles limit new supply.

Savvy owners are capitalizing on this by maximizing operational efficiency. Strategic rent adjustments ensure they capture market value without alienating tenants. Offering in-demand amenities like granite or quartz countertops and in-unit laundry justifies premium rents, while unique perks like dog grooming services set properties apart.

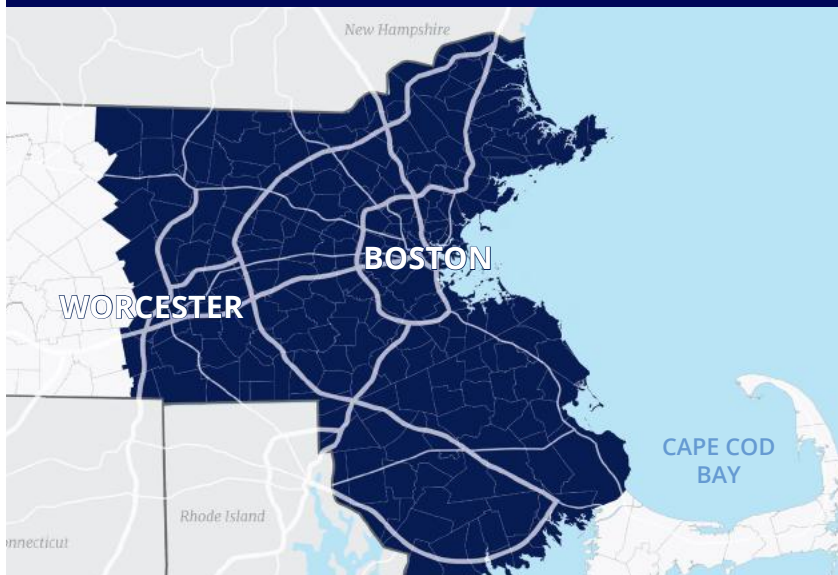
Beyond these tweaks, owners can further enhance returns through long-term strategies. Optimizing occupancy with proactive tenant retention and strategic lease renewals keeps income flowing. Investing in additional bedrooms or developing unused space can generate higher returns down the line.

At the same time, we have an affordability crisis and the long term economic health of the Boston regions hinges upon increasing the supply of housing. While the market adjusts, existing Boston multifamily owners have a unique opportunity. By implementing a combination of operational efficiencies and long-term value-enhancing strategies, they can navigate the changing landscape and potentially secure a unique window of profitability before 2024 completions and a potential slowdown in job growth has a softening effect.

Market Rent & Rent Growth



Markets Covered



State of the Market

Sources: CoStar, wallethub.com

1
May 2024
Transaction

2.80%
Rent Growth

↑\$3.21
Rent/SF

↑\$2,855
Market Rent

↑\$321
Average Sale \$/SF
T-12 Months

↑\$329,732
Average Sale \$/Unit
T-12 Months

715
Average Credit
Score USA
(FICO)

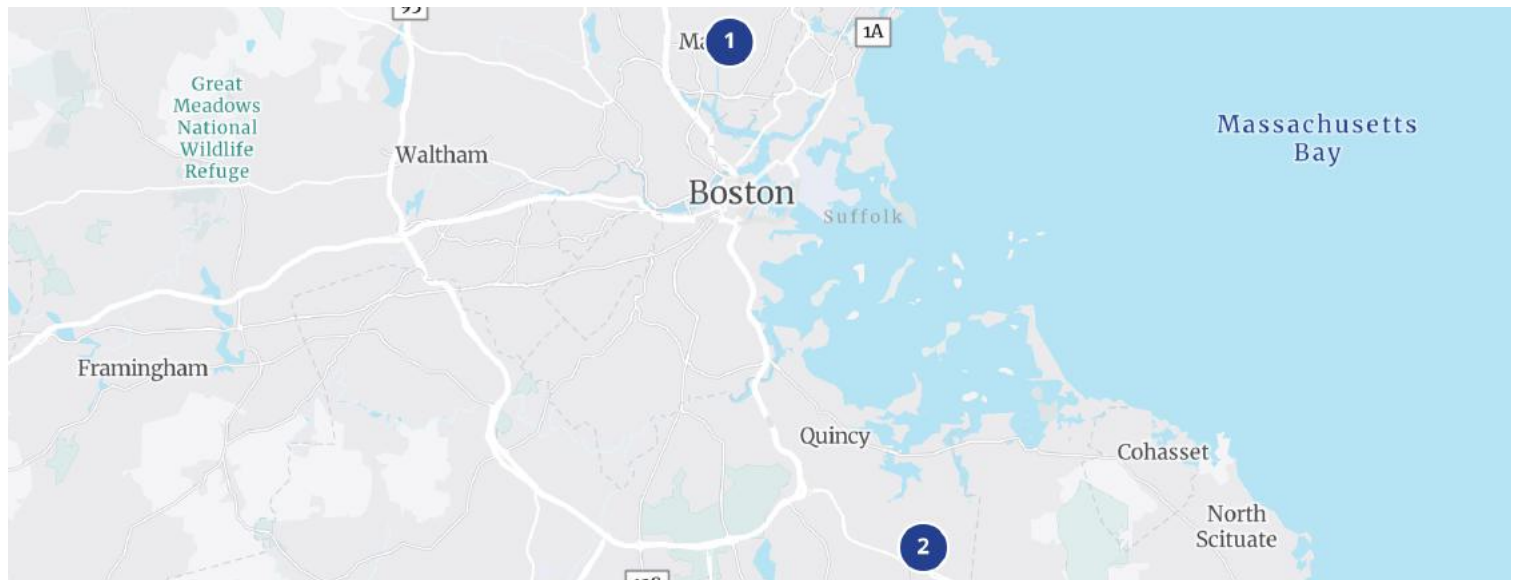
718
Average Credit
Score MA
(FICO)

Recent Multifamily Transactions

[Click here for additional transactions.](#)

	Property Name	Property Address	Units	SF	\$/SF	\$/Unit	Sale Price	Close Date	Buyer	Seller
1	Malden Square Apartments	480 Main St Malden, MA	195	214,337	\$373	\$410,000	\$79,950,000	5/9/24	Nuveen	DSF Group
2	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.



Colliers Featured Investment Transactions

On Market

1590 Blue Hill Avenue
Boston | Development

In Contract

115 Boston Street
Dorchester | Development

Sold

215 Fairmount Street
Lynn | 100 Units

Sold

570 Tremont Street #1
South End | Retail Condominium

Sold

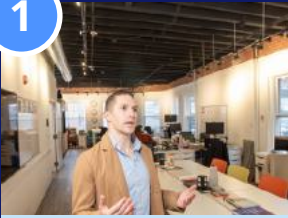
20 Charlesgate W
Fenway | Rooming House



THE PUNCH LIST

News Stories That Shaped the Month

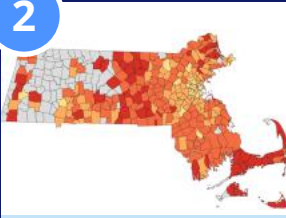
1



Boston's office-to-housing incentives are going away. Did they work?

Read More in [Boston Business Journal](#)

2



Town-by-town map: See where median home prices have risen the most

Read More in [The Boston Globe](#)

3



Housing Conversion Sought for South End Medical Building

Read More in [Banker & Tradesman](#)

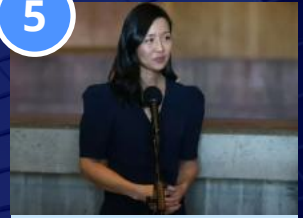
4



\$155M federal housing funds announced for Massachusetts

Read More in [WWLP](#)

5



Wu's tax plan sparking fierce pushback from business leaders

Read More in [The Boston Globe](#)

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

“ It is not the strongest of the species that survives, not the most intelligent that survives. It is the one that is the most adaptable to change.

- Charles Darwin