



THE PUNCH LIST

Boston Multifamily

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Regulations, Regulations, Regulations...

Massachusetts and the Federal Government recently introduced several regulations impacting multifamily development and investment. These regulations offer both potential benefits and drawbacks.

MBTA Communities

The MBTA Communities Act requires most Massachusetts towns near public transit to zone areas for apartment buildings by specific deadlines. This aims to increase housing supply, reduce traffic, and combat climate change. 177 communities are affected, with different deadlines based on proximity to transit. The first deadline, for rapid transit communities, was December 31st, 2023. *(Rapid transit communities: Braintree, Brookline, Cambridge, Chelsea, Everett, Malden, Medford, Milton, Newton, Quincy, Revere, Somerville)*

BERDO

The Boston Building Emissions Reduction and Disclosure Ordinance (BERDO) requires large buildings to cut greenhouse gas emissions gradually to net-zero by 2050. This applies to buildings over 15 units or 20,000 square feet. BERDO encourages building improvements to achieve this goal, which can benefit tenants, air quality, and the green economy. Building owners must report energy use annually, verify data, and comply with emissions limits starting in 2025 or 2030.

The CTA

The Corporate Transparency Act (CTA) aims to prevent money laundering, terrorism financing, and other financial crimes by requiring certain businesses to report information about their beneficial owners. This includes individuals who hold significant control or ownership in the company. By January 1, 2025 domestic and foreign businesses must report to FinCEN details about the business itself and any beneficial owners, including their name, address, and identification information. There are some exceptions, such as publicly traded companies and certain non-profits. This law is intended to increase transparency and make it harder for criminals to hide their activities behind anonymous companies.

The Stretch Code

Massachusetts has two building energy codes: the Base Code and the Stretch Code). The Base Code applies statewide, while the Stretch Code is optional for municipalities and has stricter energy efficiency requirements. As of December 2023, 272 cities and towns use the Stretch Code, while 50 only use the Base Code. Some have adopted a further specialized version with even stricter requirements. The goal is to reduce greenhouse gas emissions from new buildings. The codes achieve this by setting energy efficiency standards for various building types and sizes. They also encourage electric-powered buildings and future-proof mixed-fuel buildings for electrification. *(Acton, Aquinnah, Arlington, Amherst, Bedford, Belmont, Belmont, Boston, Brookline, Cambridge, Carlisle, Chelmsford, Concord, Lexington, Lincoln, Maynard, Medford, Needham, Newton, Northampton, Norwood, Sherborn, Somerville, Stow, Truro, Wakefield, Watertown, Wellesley, Wellfleet, and Worcester)*

These regulations create a complex environment for multifamily development. While they offer potential benefits like increased housing supply and sustainability, challenges like costs, uncertainty, and potential community resistance exist. Investors and developers will need to carefully consider these factors when making decisions in The Commonwealth.



State of the Market

Source: CoStar.

2
February 2024
Multifamily Sales

↑ 6.1%
Vacancy Rate

↑ \$2,764
Market Rent

↓ 14,294
Units Under Construction

12
MBTA Rapid Transit
Communities

71
MBTA Commuter Rail
Communities

29
Stretch Code+
Communities

1/1/2025
CTA Deadline

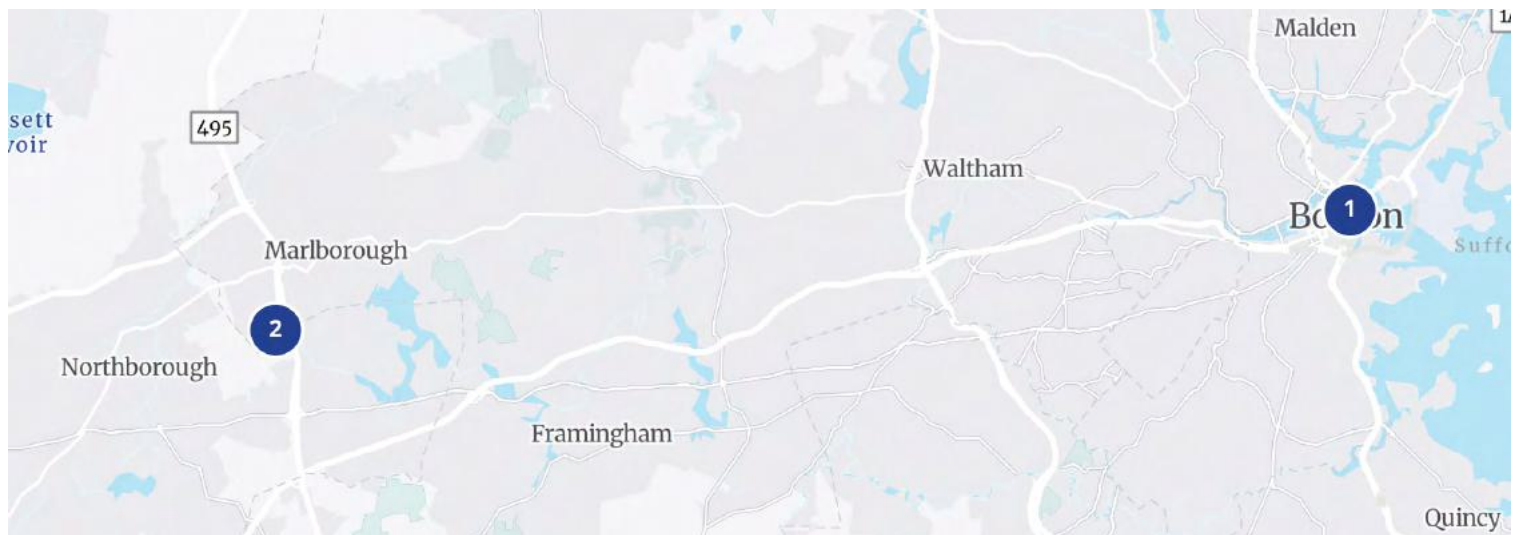
12/31/2025
MBTA Commuter Rail
Communities Deadline

Recent Multifamily Transactions

[Click here for additional transactions.](#)

	Property Name	Property Address	Units	SF	\$/SF	\$/Unit	Sale Price	Close Date	Buyer	Seller
1	The Sudbury*	100 Sudbury St Boston, MA	368	359,904	\$119	\$116,848	\$43,000,000	2/29/24	Carmel Partners	HYM
2	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

*Partial Sale
Source: CoStar, March 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

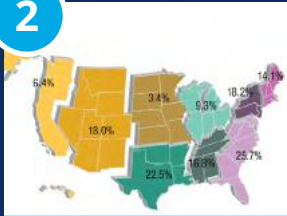
1



How Everett became a housing boomtown in the Boston area

Read More in [The Boston Globe](#)

2



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

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

3



MSCI: Boston CBD Sees Largest Drop In Commercial Property Prices Of Any Global City

Read More in [BISNOW](#)

4



'It Shut Down The Deal': High Multifamily Insurance Rates Threaten Transactions, Strain Budgets

Read More in [BISNOW](#)

5



Developer pulls Somerville 'tough tech' mega-campus proposal— for now

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

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



"A ship in harbor is safe, but that is not what ships are built for."

- John A. Shedd