

THE PUNCH LIST

Boston Multifamily

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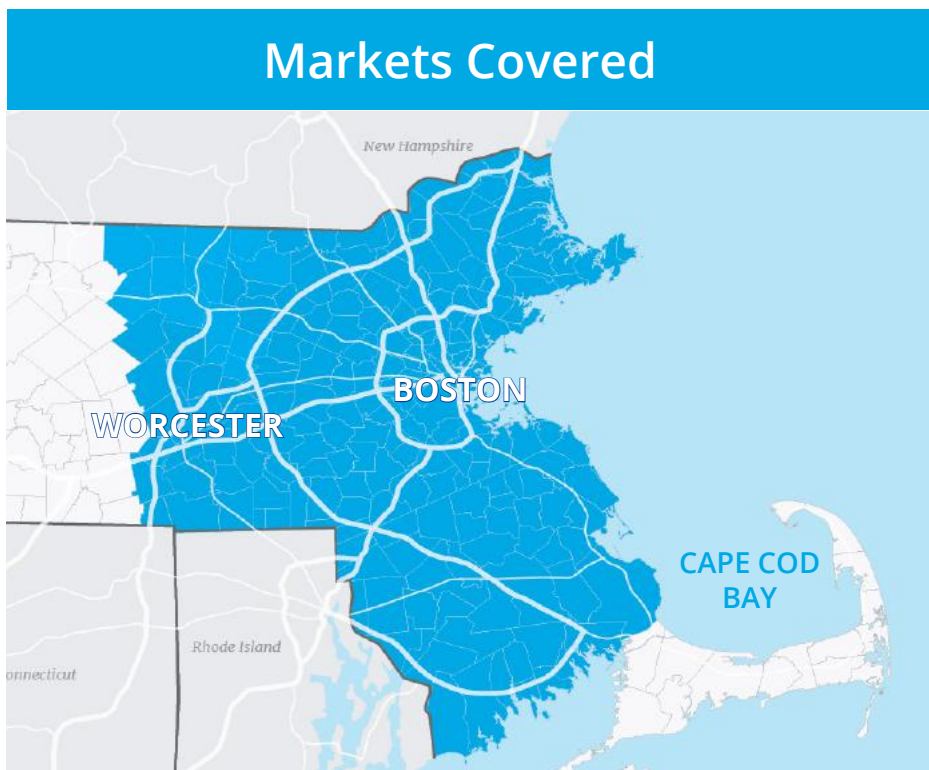
Office to Residential Conversion is Not a Panacea

We continue to experience a chronic housing shortage as the office market faces dramatic challenges due to the shift toward higher quality, amenity-rich assets that create a more engaging workplace. Record vacancy and decline in value, particularly in Class B assets, make the notion of office to residential conversion appealing.

However, this shift requires more than a change in function; it necessitates creating vibrant urban environments to attract residents able to pay rents that justify the conversion.

Most buildings don't work, but those that do require a \$450-650/SF investment depending on the extent of the renovation.. Cities like Boston, hope to incentive developers with tax breaks but financial feasibility is likely to require more along with flexible zoning and accelerated permitting. Boston's plan to offer to reduce real estate taxes by 75% over 29 years is a good start and officials anticipate a few but certainly not an overwhelming response to its conversion initiative.

With residential values in Boston in the \$500-600/SF range, investors are holding back, awaiting a further declines in our post-pandemic office market that would make conversions financially feasible. Office to residential conversions are certainly a piece of the puzzle in today's evolving real estate landscape, especially in markets like Boston.



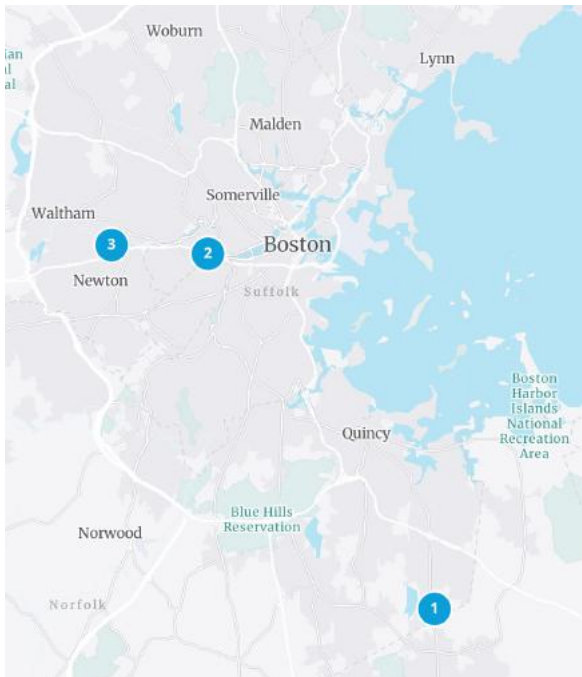
For more on office to residential conversions see our White Paper by Colliers Managing Director Frank Petz, Research Director Aaron Jodka, and Vice President Maren Reepmyer of SGA Architects [here](#).

Recent Multifamily Transactions

[Click here for additional transactions.](#)

	Property Name	Property Address	Units	SF	\$/Unit	\$/SF	Sale Price	Close Date	Buyer
1	The Point at Weymouth	39 Trotter Rd Weymouth, MA	237	322,174	\$294	\$399,156	\$94,600,000	07/28/23	Pantzer Properties
2	80 Gardner St	80 Gardner St Boston, MA	28	32,152	\$383	\$439,286	\$12,300,000	08/15/23	Alpha Management
3	175 Adams St	175 Adams St Newton, MA	31	33,000	\$341	\$362,903	\$11,250,000	08/15/23	Alpha Management

Source: CoStar, September 2023.



State of the Market

8 Transactions August 2022	2 Transactions August 2023	59 Units Sold August 2023	24 Transactions YTD 2023
47 Transactions YTD 2022	48% ↓ Transaction Volume	5.6% Vacancy Rate	
\$323,000 Average \$/Unit T - 12	\$320 Average \$/SF T - 12	\$2,765 Average Rent	\$3.11 Average Rent \$/SF

Trailing 12 months. Source: CoStar

Colliers Featured Investment Transactions

[Click for more information.](#)

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



THE PUNCH LIST

1



Rent control ballot measure in Massachusetts clears first hurdle

Read More in [The Boston Globe](#)

2



Federal Reserve raises interest rates to 22-year high

Read More in [The Wall Street Journal](#)

3



Boston proposing bold breaks for office-to-resi conversions

Read More in [The Real Deal](#)

4



In a city of 50,000 homes, we built five this year

Read More in [Cambridge Day](#)

5



New penalties for towns not following MBTA communities zoning law

Read More in [masslive.com](#)

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

“We don't have to be smarter than the rest. We have to be more disciplined than the rest.” - Warren Buffett