

BOSTON, MASSACHUSETTS

PROMISING OUTLOOK FOR MULTIFAMILY AMID ONGOING CONSTRUCTION WAVE

Apartment construction peaked in 2020, reflecting developers' strong confidence in the Boston multifamily market. Apartment builders brought over 9,700 units online last year, an annual increase of 64%. Deliveries outpaced leasing activity resulting in occupancy falling 90 basis points annually to 95.7% in December 2020. Simultaneously, effective rent lowered 5.0% to \$2,279 due in part to increases in monthly concessions by apartment operators. The rapid pace of rehiring and job creation following the loss of 572,000 jobs that occurred between February and May due to the pandemic lockdown inspires hope for the future. By the end of 2020, Boston employers recovered 39% of lost payrolls. This swift pace of recovery is needed as developers are scheduled to bring another 8,100 apartment units online over the next 12 months. A major surge in multifamily demand is expected in 2021 once COVID-19 is under control and daily life in Boston returns to normal. Additionally, rent growth is expected to return to pre-pandemic levels over the next two years. Multiple major development projects are ongoing in the metro, another sign of Boston's positive outlook. The next phase of the transformative Seaport District development is expected to be completed in 2021. In addition to expanding retail and office space, the completed development will add 3,000 new jobs to the metro, thanks to new tenants like Amazon.com Inc. and Massachusetts Mutual Life Insurance Company.



2021 MARKET AT A GLANCE



OCCUPANCY RATE

95.4%
Down 30 bps YOY



EFFECTIVE RENT

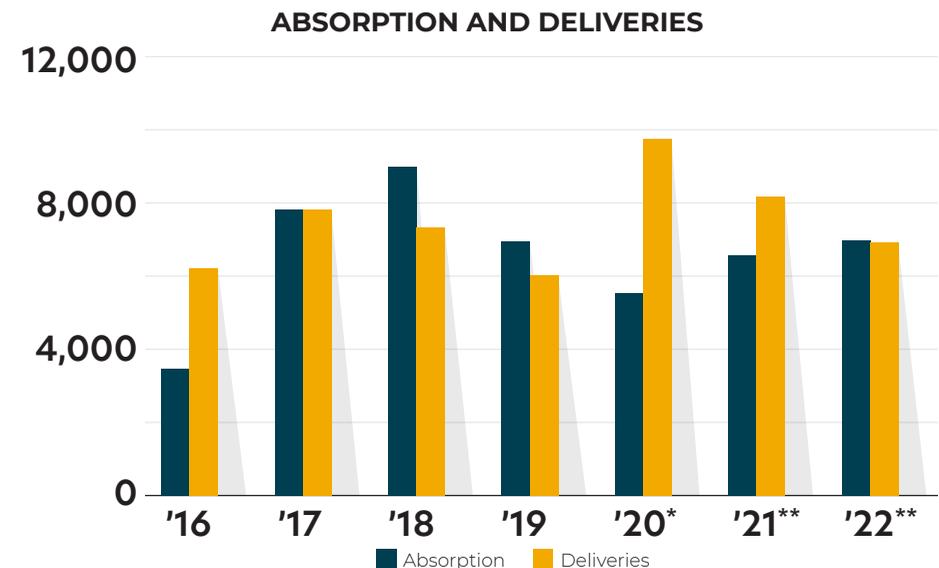
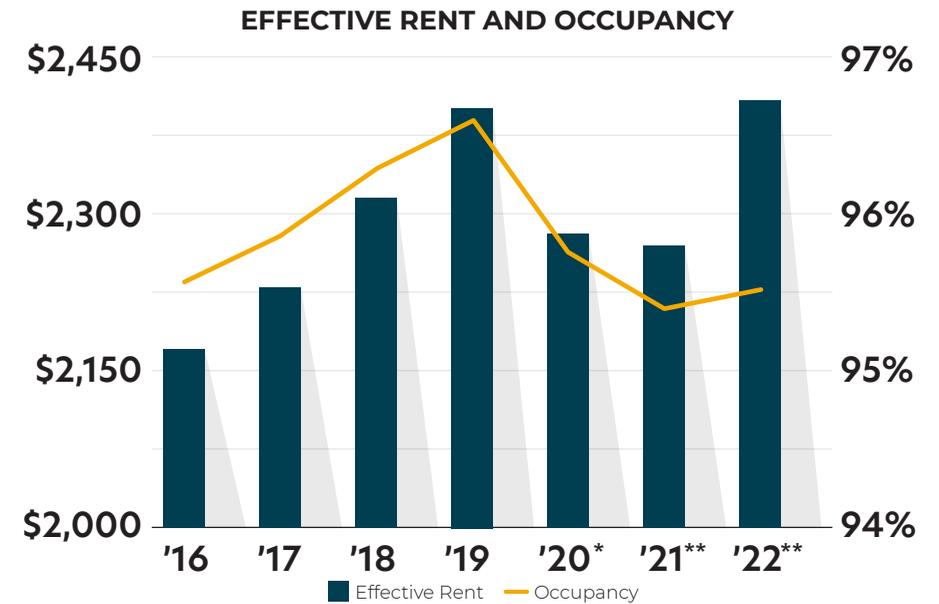
\$2,268
Down 0.5% YOY



RENT SHARE OF WALLET

29.3%
Down 170 bps YOY

MARKET TRENDS



Data and images pertaining to employment, income, permits, population, rents, single-family housing, and occupancy are year-end figures. Absorption, construction, and apartment sales figures are full-year totals. *Numbers for 2020 are projected values; **2021/2022 figures are forecast projections. Apartment market data criteria and methodologies vary by market.

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EMPLOYMENT TRENDS



2019	YOY CHANGE	2020*	YOY CHANGE	2021**
2,854,000	-12.2%	2,505,300	6.3%	2,664,000

2019	YOY CHANGE	2020	YOY CHANGE	2021
1.2%	980 BPS	11.0%	-360 BPS	7.4%

2019	YOY CHANGE	2020	YOY CHANGE	2021
4,878,600	0.5%	4,902,100	0.4%	4,923,500

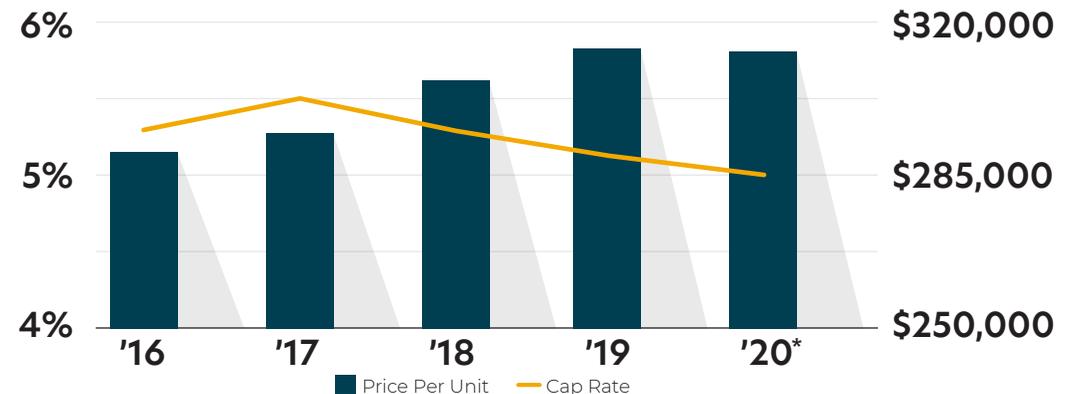
2019	YOY CHANGE	2020	YOY CHANGE	2021
1,898,700	0.7%	1,911,300	0.6%	1,921,900

2019	YOY CHANGE	2020	YOY CHANGE	2021
\$94,800	-7.0%	\$88,171	5.2%	\$92,733

SALES TRENDS

2019	YOY CHANGE	2020*
\$313,677	-0.2%	\$313,144

2019	YOY CHANGE	2020
5.1%	-10 BPS	5.0%



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