

BOSTON, MA

2023 MARKET AT A GLANCE

Occupancy Rate

96.5%



UNCHANGED YOY

Effective Rent

\$2,874



UP 3.4% YOY

Rent Share of Wallet

29.2%



DOWN 20 BPS YOY

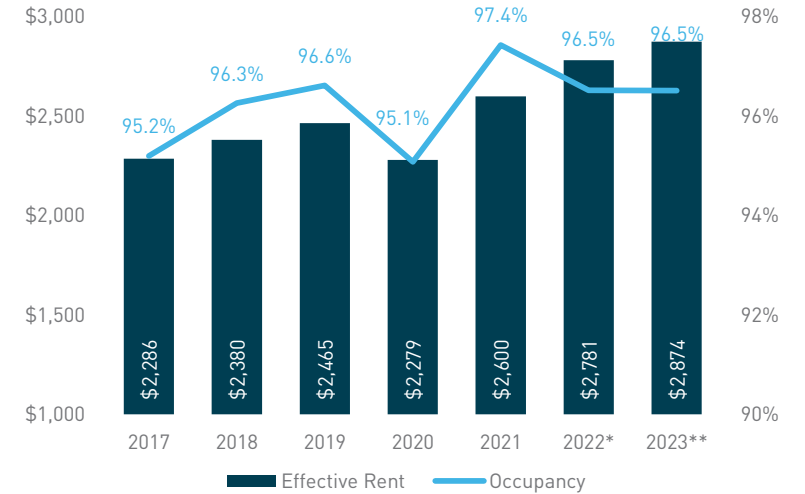
Population Growth and Hiring Support Apartment Inventory Surge

Employment is forecast to rise by 25,700 workers over the next four quarters, a gain of 0.9%, benefiting the apartment market. The region's vibrant economy has lured thousands of people to the region, and the metro area is expected to experience inward net migration of 36,700 residents over the next five years. Population growth driven in part by metrowide hiring will encourage developers to continue a multiyear trend of elevated apartment construction that began in 2015. Multifamily builders are active on 97 projects slated to deliver about 10,900 market-rate rentals in 2023. Developers will keep the pipeline full—another 7,700 units are likely to complete in 2024, and 37,200 units are in the planning stage. Apartment development will persist at a healthy clip around the expanding Longwood Medical and Academic area, which accounts for 1 out of every 10 jobs in Boston. Heightened deliveries across the metro will be met with strong demand, helping the 96.5% year-end occupancy rate to be on par with the prior year. The median household income in Boston is anticipated to advance 3.8% year over year, providing some relief to the projected 3.4% rise in monthly effective rent to \$2,874 by the fourth quarter. Renters in Boston will spend 29.2% of their household budget on rent, compared to the pre-pandemic average of 31.8% from 2010 to 2019. In the investment arena, the ongoing job creation and strong apartment fundamentals will support an average price per unit of \$498,037 this year with the cap rate up 10 basis points to 4.2%.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2022 are projected values. 2023 figures are forecast projections. The apartment sales information represents transactions of apartment properties with a sales price of \$2.5 million or more, unless otherwise indicated.

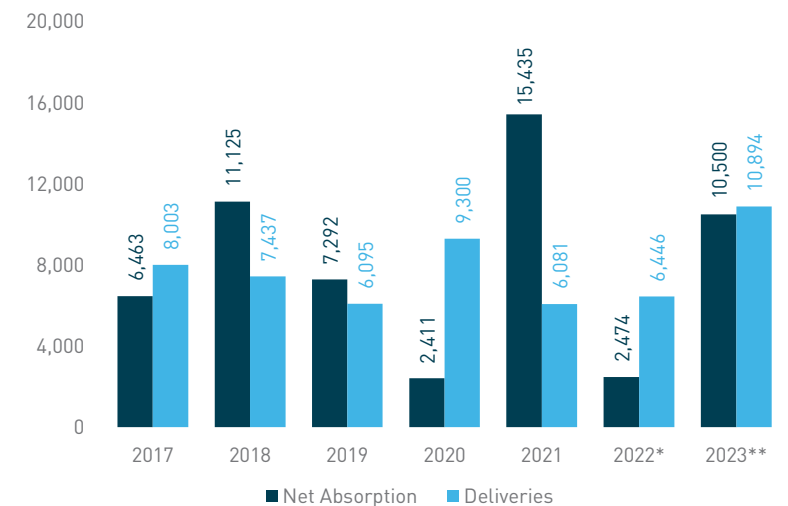
Apartment Trends

Effective Rent & Occupancy



*Projected **Forecast

Absorption & Deliveries

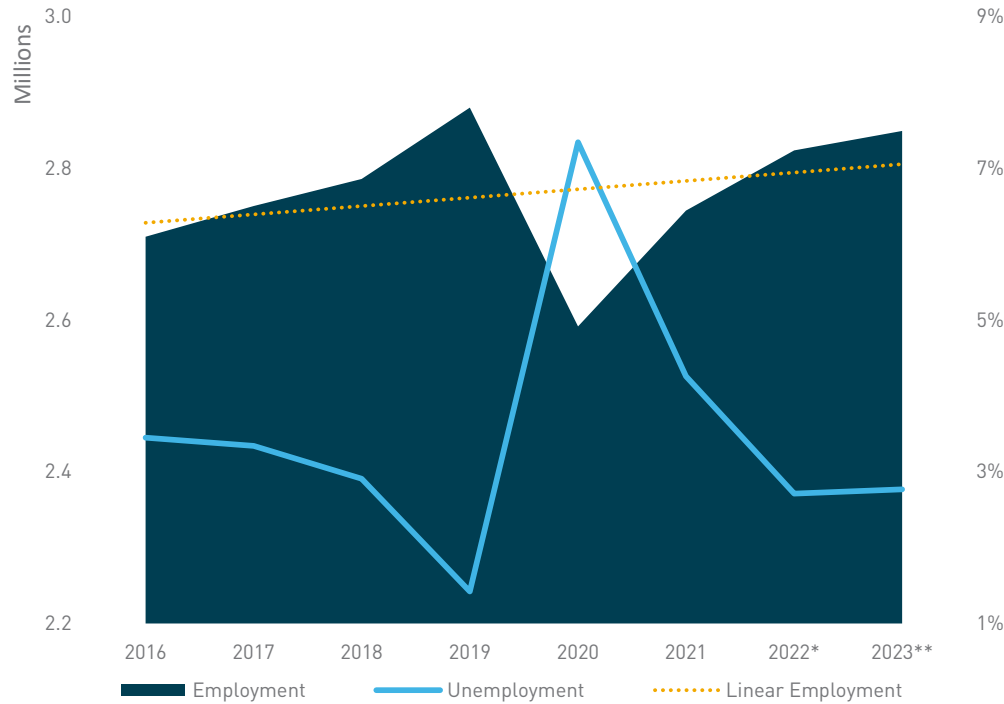


*Projected **Forecast

BOSTON, MA

Employment Trends

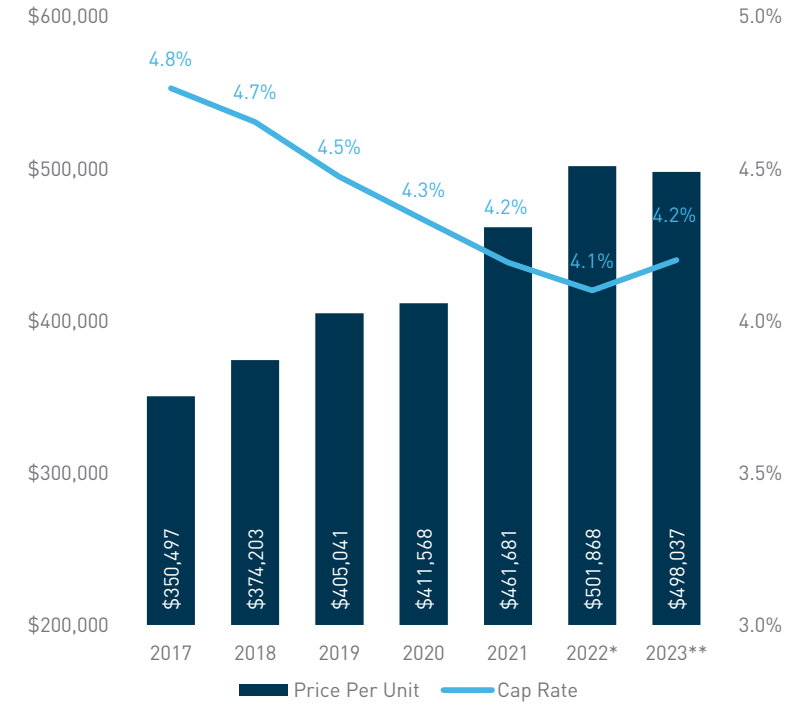
Market Employment Trends



*Projected **Forecast

Sales Trends

Price Per Unit & Cap Rate



*Projected **Forecast

<p>Employment</p> <p>2,848,900</p> <p>↑</p> <p>UP 0.9% YOY</p>	<p>Unemployment</p> <p>2.8%</p> <p>↑</p> <p>UP 10 BPS YOY</p>	<p>Median Household Income</p> <p>\$117,960</p> <p>↑</p> <p>UP 3.8% YOY</p>
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<p>Price Per Unit</p> <p>\$498,037</p> <p>↓</p> <p>DOWN 0.8% YOY</p>	<p>Cap Rate</p> <p>4.2%</p> <p>↑</p> <p>UP 10 BPS YOY</p>
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