



Investment property cap rate potential report – Greater Boston New Listings

Listing Activity	Zone	1	City	2019	March	Report #	17							Highlights
Property Location	List Status	List Price	Total Units	Total Beds	Market Income Est	Operating Exp. Est.	NOI Estimate	Cap Rate Estimate	Investment Rating	\$ per Bedroom	\$ PSF Liv Area	\$ per Room	\$ PSF Land	Highlights
South End	New	2395000	2	5	88920	32556	63774	2.66%	1-Poor	479000	1186	266111	2177	Current rents are below market
Winter Hill	BOM	950000	2	3	40320	17229	26451	2.78%	1-Poor	316667	408	86364	297	None
Magoun Sq	New	1200000	2	5	61560	22481	44209	3.68%	1-Poor	240000	458	109091	417	None
Teele Sq	BOM - PCG	1374900	2	6	69120	25539	49341	3.59%	1-Poor	229150	477	98207	438	None
Back Bay	New	6800000	6	8	187200	109309	93491	1.37%	1-Poor	850000	986	357895	2910	Current rents are above market
Magoun Sq	BOM - PCG	825000	2	3	40320	12348	31332	3.80%	1-Poor	275000	522	103125	321	None
Bay Village	New	2195000	4	3.5	114240	38540	85220	3.88%	1-Poor	627143	1155	199545	2436	Current rents are below market
Davis Sq	New	1375000	2	5	68400	26593	47507	3.46%	1-Poor	275000	547	137500	596	Current rents are above market

Properties highlighted in Green indicate properties with investment ratings of 3 or better, darker green shade is for an investment rating of 4 and the darkest green is for an excellent 5 investment rating

Every day new multifamily investment properties come on the market. After listening to my investor clients describe their challenges with quickly assessing which properties are worth pursuing and which ones are not I decided to do the leg work and provide a summary of some key data and cap rate estimations along with my rating of the investment opportunity from an overview of information provided in the listing along with utilizing neighborhood market rate estimates and expense estimates. This new listings report will provide a good look at the cap rate and income potential that buyers can expect from their investment for new properties to the market.

Investors should use this summary as a guide to target the highest rated opportunities first before spending cycles on the lower rated opportunities. You may have your own investment rating based on your risk tolerance levels and investment goals. Table 1 below provides the cap rate ratings used in this report.

Table 1: Cap Rate Range Ratings			Table 2: Identifies the different cities and neighborhoods that are included in each of the separate zones.		
Rating	Rating Title	Cap Rate Range	Zone #	Zone Location	Cities-Neighborhoods
5	Excellent	>7.0	1	City	Boston- Back Bay, Beacon Hill, Charlestown, Chinatown, Downtown, Fenway, Kenmore, Midtown, North End, Seaport District, South Boston, South End, Waterfront, West End; Cambridge, Somerville
4	Great	6.0-6.9	2	East	Boston-East Boston; Chelsea, Winthrop, Revere
3	Good	5.0-5.9	3	North	Everett, Malden, Medford
2	Average	4.0-4.9	4	West	Arlington, Belmont, Brookline, Newton, Waltham, Watertown, Boston – Allston, Brighton
1	Poor	<4.0	5	South	Boston-Dorchester, Hyde Park, Jamaica Plain, Mattapan, Roslindale, Roxbury, West Roxbury

*Data source for listings in this report including list price, number of units and number of bedrooms are from MLSPIN all other data is provided by

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