



Investment property cap rate potential report – Greater Boston New Listings

Listing Activity	Zone	1	City	2019	April	Report #	27							
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 Boston	New	1649000	3	6	86400	33665	59935	3.63%	1-Poor	274833	682	126846	1263	None
West Somerville	New	1175000	2	6	69120	27396	47484	4.04%	2-Average	195833	340	78333	310	None
Tufts	New	879900	2	5	54720	21439	37841	4.30%	2-Average	175980	395	79991	232	None
Spring Hill	BOM	4400000	8	14	198720	63085	152195	3.46%	1-Poor	314286	523	200000	1181	Current rents are above market
South Boston	New	1600000	3	8	108000	34129	82871	5.18%	3-Good	200000	528	114286	800	Current rents are below market
Inman Sq	New	2100000	2	6	71280	27864	49356	2.35%	1-Poor	350000	859	210000	802	None
Central Sq	New	1790000	2	8	102960	26846	84694	4.73%	2-Average	223750	498	127857	414	None
South End	New	2695000	6	10	207480	61557	163213	6.06%	4-Great	269500	539	134750	1604	Current rents are below 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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