



## Investment property cap rate potential report – Greater Boston New Listings

Listing Activity	Zone	1	City	2019	April	Report #	28							
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	1890000	3	7	97200	33124	72176	3.82%	1-Poor	270000	663	118125	698	None
East Somerville	BOM	999900	2	6	53760	20211	38029	3.80%	1-Poor	166650	411	62494	323	Current rents are below market
South End	New	4950000	2	6	102960	56144	55396	1.12%	1-Poor	825000	1407	380769	3667	None
South Boston	BOM	729000	2	4	57600	19880	42520	5.83%	3-Good	182250	420	104143	593	None
Harvard Sq	PCG	2549000	6	6	155520	54520	113960	4.47%	2-Average	424833	775	169933	1381	Price Drop \$200k
South End	PCG	1950000	2	3	65520	29442	41538	2.13%	1-Poor	650000	864	216667	3266	Price Drop \$150k
Spring Hill	New	1650000	2	6	69120	29093	45787	2.77%	1-Poor	275000	473	137500	190	Current rents are above market
Beacon Hill	New	2500000	5	4.5	154800	53557	114143	4.57%	2-Average	555556	919	178571	833	None

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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