



Investment property cap rate potential report – Greater Boston New Listings

Listing Activity	Zone	1	City	2019	April	Report #	31							
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
East Somerville	BOM	1699000	4	12	109200	39845	78455	4.62%	2-Average	141583	315	80905	210	Current rents are above market
Winter Hill	New	1599900	2	5	54720	19475	39805	2.49%	1-Poor	319980	452	159990	559	None
Kendall Sq	New	1700000	3	6	103680	33529	78791	4.63%	2-Average	283333	526	113333	556	None
Magoun Sq	New	849973	2	5	61560	21421	45269	5.33%	3-Good	169995	399	77270	248	Current rents are below market
Union Sq	New	1250000	2	8	84240	26726	64534	5.16%	3-Good	156250	413	89286	381	Current rents are below market
South End	New	4250000	5	5	140400	55558	96542	2.27%	1-Poor	850000	706	354167	3008	None
South Boston	New	985000	2	4	57600	20877	41523	4.22%	2-Average	246250	410	123125	687	None
Winter Hill	New	775000	2	4	46080	17533	32387	4.18%	2-Average	193750	382	77500	281	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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