



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

| Listing Activity  | Zone        | 1          | City        | 2019       | May               | Report #            | 45           |                   |                   |                |                 |             |             |                                |
|-------------------|-------------|------------|-------------|------------|-------------------|---------------------|--------------|-------------------|-------------------|----------------|-----------------|-------------|-------------|--------------------------------|
| 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                     |
| Winter Hill       | New         | 3350000    | 6           | 6          | 103680            | 49287               | 63033        | 1.88%             | 1-Poor            | 558333         | 433             | 90541       | 322         | Development Opportunity        |
| South Boston      | New         | 1599000    | 3           | 6          | 86400             | 34288               | 59312        | 3.71%             | 1-Poor            | 266500         | 428             | 99938       | 627         | None                           |
| South Boston      | New         | 1650000    | 4           | 5          | 93600             | 38012               | 63388        | 3.84%             | 1-Poor            | 330000         | 480             | 117857      | 441         | None                           |
| East Somerville   | New         | 1350000    | 2           | 9          | 71400             | 24322               | 53028        | 3.93%             | 1-Poor            | 150000         | 405             | 103846      | 393         | Current rents are above market |
| West Cambridge    | New - UAG   | 1495000    | 2           | 5          | 68400             | 23701               | 50399        | 3.37%             | 1-Poor            | 299000         | 445             | 106786      | 351         | None                           |
| Porter Sq         | New         | 1699900    | 3           | 5          | 79200             | 27096               | 58704        | 3.45%             | 1-Poor            | 339980         | 539             | 121421      | 425         | None                           |
| Porter Sq         | New         | 1900000    | 3           | 8          | 108000            | 34898               | 82102        | 4.32%             | 2-Average         | 237500         | 585             | 135714      | 505         | Current rents are above market |
| South Boston      | New         | 2000000    | 3           | 6          | 86400             | 37984               | 55616        | 2.78%             | 1-Poor            | 333333         | 617             | 166667      | 1569        | 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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