Investment property cap rate potential report – Greater Boston New Listings

Listing Activity	Zone	2	East	2019	April	Report #	20

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
Revere	New	644900	2	5	47880	18809	33061	5.13%	3-Good	128980	184	64490	143	None
Revere	New	629000	2	7	61320	21054	45376	7.21%	5-Excellent	89857	174	44929	48	None
Revere	PCG	369900	2	5	47880	16937	34933	9.44%	5-Excellent	73980	250	41100	110	Price Drop $30k
Chelsea	PCG	659000	3	4	43200	21322	25478	3.87%	1-Poor	164750	273	65900	141	Price Drop $40k
Chelsea	New	749000	4	6	60480	28167	37353	4.99%	2-Average	124833	272	53500	183	None
Beachmont	New	799900	3	7	68040	22444	51266	6.41%	4-Great	114271	253	61531	141	None
Chelsea	New	679900	3	9	71280	26799	50421	7.42%	5-Excellent	75544	225	45327	280	None
Revere	New	676000	2	4	42840	17611	28799	4.26%	2-Average	169000	314	61455	139	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