



Investment property cap rate potential report – Greater Boston New Listings

Listing Activity	Zone	1	City	2019	March	Report #	13							
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 End	New	2195000	6	6	168480	62085	120434.75	5.49%	3-Good	365833	604	548750	2208	Inspectional Services Violations
East Cambridge	New	1119900	2	6	76800	22153	61047.086	5.45%	3-Good	186650	500	101809	467	None
East Somerville	PCG	1597000	2	7	61320	21066	45363.568	2.84%	1-Poor	228143	451	122846	381	Price Drop \$102k
South Boston	BOM	550000	2	4	57600	19700	42700.072	7.76%	5-Excellent	137500	376	68750	359	License to Sell
South Boston	New	825000	1	4	48000	15400	36599.838	4.44%	2-Average	206250	476	117857	671	Single family potential conversion
Union Sq	New	1100000	2	5	61560	22863	43826.928	3.98%	1-Poor	220000	525	100000	393	None
Union Sq	New	4888000	11	27	331560	111935	247254.52	5.06%	3-Good	181037	440	85754	463	Current rents are below market
Prospect Hill	New	2750000	6	9	136080	54945	92474.792	3.36%	1-Poor	305556	446	114583	300	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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