



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

Listing Activity	Zone	1	City	2019	April	Report #	22							
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	2295000	2	5	88920	32556	63774.382	2.78%	1-Poor	459000	1137	255000	2086	Current rents are below market
East Somerville	New	1199000	2	6	55440	23176	36884.204	3.08%	1-Poor	199833	408	99917	333	None
South Boston	New	1350000	3	9	118800	36667	92032.792	6.82%	4-Great	150000	399	75000	877	None
Somerville	New	1280000	2	5	61560	25185	41504.92	3.24%	1-Poor	256000	444	116364	275	None
Union Sq	New	1299000	2	10	97200	32556	72743.936	5.60%	3-Good	129900	358	81188	374	None
Davis Sq	New	1250000	2	5	68400	25767	48333.252	3.87%	1-Poor	250000	437	96154	286	None
South Boston	New	1400000	3	3	64800	26694	43505.866	3.11%	1-Poor	466667	583	155556	1274	Current rents are above market
Davis Sq	New	1350000	3	3	64800	30156	40044.376	2.97%	1-Poor	450000	388	112500	312	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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