



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

Listing Activity	Zone	1	City	2019	May	Report #	39							
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	New	1480000	3	6	60480	27278	38242	2.58%	1-Poor	246667	398	98667	578	None
South Boston	New	1200000	1	0	12000	5281	7719	0.64%	1-Poor	#DIV/0!	410	133333	839	Development Opportunity
East Cambridge	New	2200000	4	8	115200	34354	90446	4.11%	2-Average	275000	534	122222	1200	None
Prospect Hill	New	1499000	2	5	61560	26247	40443	2.70%	1-Poor	299800	538	124917	344	Current rents are above market
Harvard Sq	BOM	2549000	6	6	155520	54520	113960	4.47%	2-Average	424833	775	169933	1381	Current rents are below market
Cambridge Highlands	New	4380000	5	13	141120	56498	96382	2.20%	1-Poor	336923	690	151034	744	Current rents are above market
East Cambridge	BOM	1639000	2	6	79200	23578	62222	3.80%	1-Poor	273167	382	149000	431	None
Spring Hill	New	1000000	3	6	77760	27285	56955	5.70%	3-Good	166667	397	83333	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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