Investment property cap rate potential report – Greater Boston New Listings

Listing Activity	Zone	1	City	2019	May	Report #	40

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
Back Bay	New	12900000	4	8	149760	60657	101583	0.79%	1-Poor	1612500	1055	444828	3969	None
South Boston	PCG - CTG	1100000	2	6	76800	23792	59408	5.40%	3-Good	183333	363	84615	407	Price Drop $100k
South Boston	BOM	1150000	3	5	79200	26906	58894	5.12%	3-Good	230000	365	82143	396	None
Riverside	New	1499000	2	3	55440	20167	39893	2.66%	1-Poor	499667	786	166556	510	None
Spring Hill	BOM - PCG	1525000	2	6	69120	29093	45787	3.00%	1-Poor	254167	438	127083	176	Price Drop $125k
Union Sq	PCG	1450000	3	9	106920	36639	79191	5.46%	3-Good	161111	362	80556	413	Price Drop $100k
Winter Hill	New	869900	2	6	61440	21023	45537	5.23%	3-Good	144983	413	86990	193	None
Winter Hill	New	2399000	3	9	95040	31412	71548	2.98%	1-Poor	266556	661	159933	737	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