



Investment property cap rate potential report – Greater Boston New Listings

Listing Activity	Zone	1	City	2019	May	Report #	46							
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
Spring Hill	New	1485000	2	8	86400	26151	67449	4.54%	2-Average	185625	376	92813	434	None
South Boston	New	1400000	2	5	68400	29192	44908	3.21%	1-Poor	280000	514	140000	500	Current rents are above market
West Somerville	New	1475000	3	6	69120	29396	45484	3.08%	1-Poor	245833	468	98333	339	None
Lechmere Sq	New	2400000	4	10	138000	41041	108459	4.52%	2-Average	240000	564	126316	585	Current rents are below market
Davis Sq	New	1399999	2	5	68400	27654	46446	3.32%	1-Poor	280000	413	107692	295	None
Magoun Sq	New	899999	2	3	45360	18687	30453	3.38%	1-Poor	300000	495	128571	443	Current rents are above market
South End	New	5995000	3	6	117000	56831	69919	1.17%	1-Poor	999167	1067	374688	2602	None
West Somerville	New	1199000	3	5	71280	28859	48361	4.03%	2-Average	239800	460	109000	240	Current rents are above 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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