



Investment property cap rate potential report – Greater Boston New Listings

Listing Activity	Zone	2	East	2019	April	Report #	18							
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
Chelsea	New	599000	2	5	41040	16844	27616.175	4.61%	2-Average	119800	300	54455	133	None
Chelsea	New	849900	3	7	59040	23809	40151.025	4.72%	2-Average	121414	258	65377	243	None
Revere	New	325000	2	4	40320	16631	27049.101	8.32%	5-Excellent	81250	169	40625	102	Rehab project
Revere	New	649000	2	7	57960	20211	42579.147	6.56%	4-Great	92714	181	49923	96	None
Chelsea	BOM	489000	2	5	41040	16409	28050.8	5.74%	3-Good	97800	208	48900	232	None
East Boston	New	799000	2	6	52920	17793	39536.79	4.95%	2-Average	133167	300	53267	320	None
Winthrop	New	700000	2	4	36720	18788	20992.488	3.00%	1-Poor	175000	250	70000	134	None
Chelsea	New	949000	3	9	71280	27942	49278.15	5.19%	3-Good	105444	236	52722	140	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

*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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