BOSTON, MA

2024 MARKET AT A GLANCE

OCCUPANCY RATE (Q4 2024)	EFFECTIVE RENT (Q4 2024)	RENT SHARE OF WALLET (Q4 2024)
95.9%	$3,020	30.9%
UP 40 BPS YOY	UP 3.3% YOY	UP 10 BPS YOY

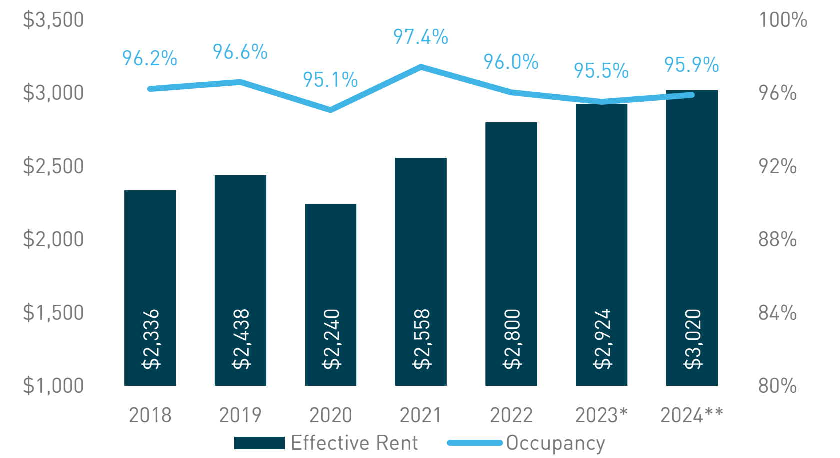
Strong Demographic Trends Will Lift the Multifamily Sector

As more people choose Boston to call home, the apartment market will benefit in 2024. Like many major metros experienced at the beginning of 2020, more people left Boston than moved to the area. That urban flight began to reverse last year as net migration to Boston shifted positive. This trend is expected to continue this year and contribute to an acceleration in household formation. After 0.2% expansion in 2023, the metro is forecast to gain 8,000 additional households for a 0.4% annual increase. Many of the households will choose to rent as the cost of homeownership rises amid higher lending costs, and active single-family listings are at approximately half the pre-pandemic levels. Also, single-family completions this year will be below average, following slower single-family starts in the last five years. While the single-family development has been sluggish, the multifamily sector has filled the housing gap. Nearly 8,500 units are scheduled to come online in 2024, the second consecutive year of rising deliveries. Builders will add new inventory to every submarket. The additional inventory will facilitate leasing activity as net absorption accelerates across the metro. Strong leasing activity will result in metrowide occupancy rising to an average of 95.9% in the fourth quarter of 2024. The 40-basis-point, year-over-year increase will move the occupancy rate closer to the 96% average in the five years leading up to 2020. The healthy occupancy amid robust inventory growth will underpin a 3.3% annual advancement in monthly effective rent to an average of $3,020 in the fourth quarter of 2024.

Unless noted otherwise, data and images pertaining to rent, occupancy, employment, unemployment, income, price per unit, and cap rate are year-end figures. Absorption and construction figures are full-year totals, unless noted otherwise. Numbers for 2023 are projected values. 2024 figures are forecast projections.

APARTMENT TRENDS

Effective Rent & Occupancy

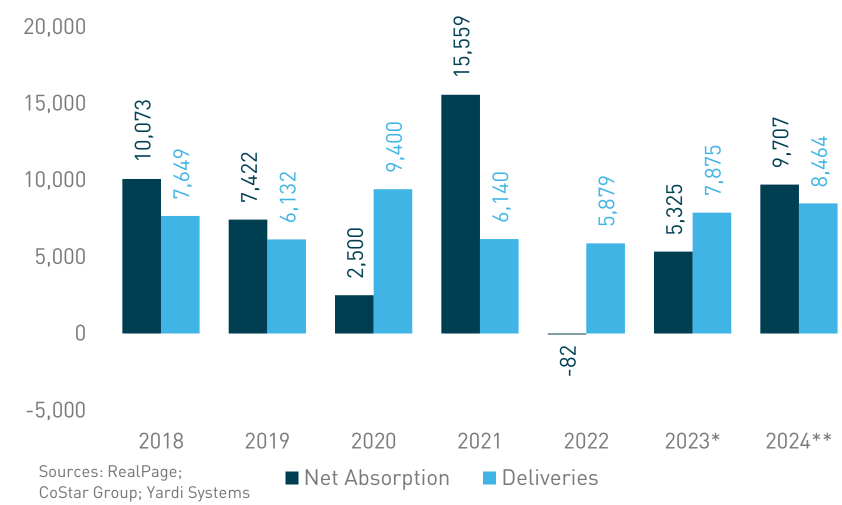


Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.

Absorption & Deliveries



Sources: RealPage; CoStar Group; Yardi Systems

*Projected **Forecast

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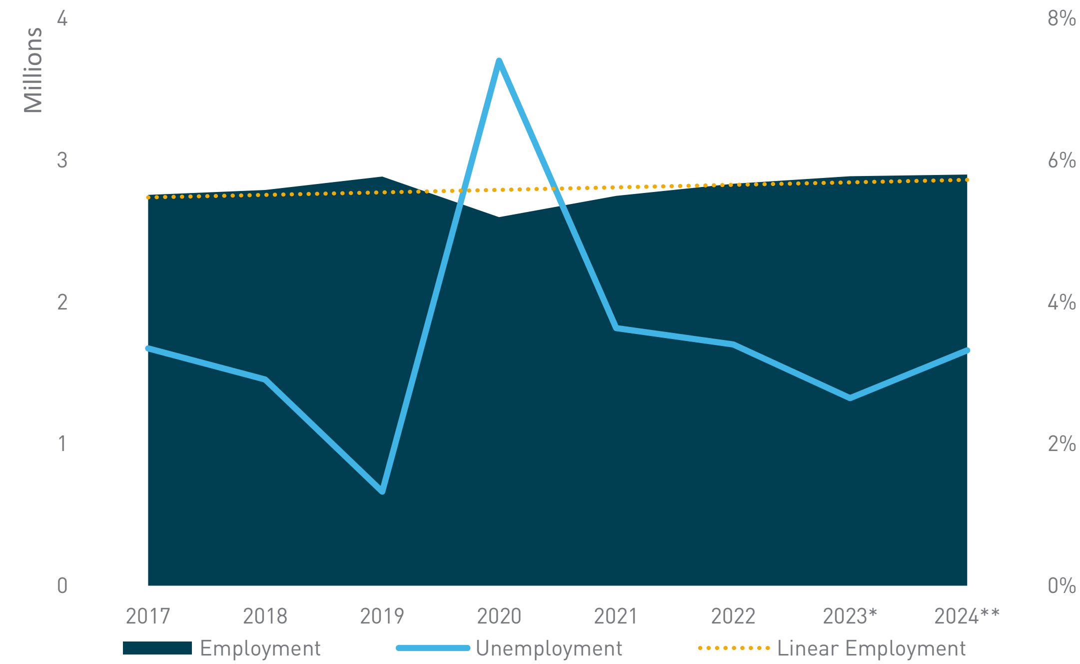
EMPLOYMENT TRENDS

Market Employment Trends

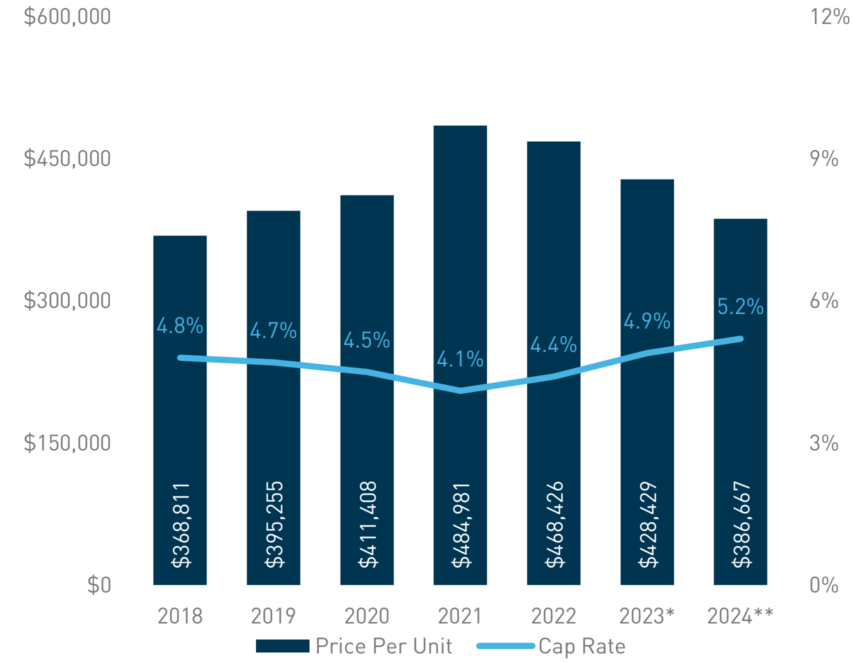


Source: Moody's Analytics

*Projected **Forecast

SALES TRENDS

Price Per Unit & Cap Rate



Sources: Berkadia; CoStar Group; MSCI

*Projected **Forecast

The apartment sales information represents transactions of apartment properties with a sales price of $2.5 million or more, unless otherwise indicated.

EMPLOYMENT (DEC. 2024)	UNEMPLOYMENT (DEC. 2024)	MEDIAN HOUSEHOLD INCOME (DEC. 2024 SAAR)	PRICE PER UNIT (2024 AVG.)	CAP RATE (2024 AVG.)
2,899,200	3.3%	$117,449	$386,667	5.2%
UP 0.4% YOY	UP 70 BPS YOY	UP 3.0% YOY	DOWN 9.7% YOY	UP 30 BPS YOY