

To Inform, Educate and Bring Together Members of RHA NextGen

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BOOTH #327**

Meet and Greet with NextGen'ers and learn about what exciting events we have on tap for 2019 --- and win prizes playing **NextGen Party Games**

Multifamily Industry Trends in the Boston Market

NextGen members and attendees at June's "First Look" event got to tour one of Boston's most breathtaking new apartment communities, the 38-story Avalon North Station and its stunning views of Boston. In addition to great food, drink and views, those who attended walked out with an extensive overview and analysis of the multifamily rental market in Boston and submarkets such as 128 North and MetroWest courtesy of **Mark Hickey, Real Estate Economist for the CoStar Group**. Below are some of his findings he spoke on:

Over the past five years, Boston has added over 30,000 apartment units, increasing the metro's commercial inventory (buildings with at least 5 units) by roughly 20%. That ranks 7th in country for inventory growth among the largest 50 metros. It proves that if rent levels justify construction, developers will find a way.

However, this construction has not been scattered evenly throughout the metro, but rather has been focused in a handful of neighborhoods in Boston and Cambridge such as the Seaport, Kendall Square, Fenway, and West Cambridge near Alewife Station amongst others.

Neighborhoods such as these have seen a dramatic slowdown in rent growth because of increased competition. A perfect example is Back Bay. There were only two buildings built in this cycle, but rents went from growing up by 3.5% per year from 2011-15, down to 2.3% per year since then. This is due in part as construction in other neighborhoods mentioned above has thinned the luxury rental pool. Class A properties have been struggling to even break 1% rental growth as almost all new construction has focused on high-end luxury no matter the neighborhood.



MARK HICKEY, Real Estate Economist, CoStar Group

Concessions were once a rare bird in the market. Now, they have almost become a common place in the market, and not just for properties in lease up. Existing buildings have to pivot towards this on a more frequent basis to try to prevent tenants from leaving to competing properties.

Much of the trends mentioned above have yet to trickle out to the more further out suburbs approaching the I-495 belt. Submarkets within close commuting proximity such as Quincy/Weymouth and Waltham/Watertown have seen concessions and free rent become a regular staple of the leasing cycle.

Boston will continue to see growth over the coming years, however rent growth for developers may be at a premium - good news however for renters!

Aaron Cornish, Director of Sales, BG Multifamily

How did you first get involved with the multifamily industry?

"As a leasing consultant for Riverstone over at Alta Indian Woods in Stoughton (now Greystar and Copper Mill Park). Took the job as an interim option, ended up loving it and never looked back!"

How different is the vendor side of the Industry compared with the management/leasing Side?

"Very similar actually, still using the same terms and using the same seasonal trends. I'd say the biggest difference most vendors who were once on the property side see is the travel. We are on the road a lot and always in a hurry to get to the next property so we can better serve all our clients. I do sometimes miss interactions with my former residents. It may seem difficult at times but when they're gone you'll miss them!"

Do you have any specific long term goals within the industry?

"I love providing solutions and taking part in the success of notable management companies around Boston. I hope to have a larger role in this, helping to develop and implement training programs for the new talent coming into multifamily housing."



How has NextGen and RHA Helped Your Career?

"As a vendor, joining NextGen and RHA has been incredibly helpful to get to where I am now. The relationships and mentorships truly motivated me to achieve more while also building the connections to find success."

2 Takeaways from APARTMENTALIZE

1. Need for Skilled Workers in the Industry

Maintenance workers, whether in the multifamily industry, or any other sector, are among the most skilled workers. However, as Dirty Jobs host Mike Rowe discussed at Apartmentalize, there is a drastic shortage of highly-skilled workers in the American workforce. Mike also has created an initiative to promote and educate young adults on the importance and great opportunities that highly-skilled trades possess.

2. Thoughtful Amenities and Services Matter

Newly constructed apartment communities almost always feature a fitness center, resident clubhouse/lounge, and other high-frequency amenities. "Service-Based Amenities" have become a new staple of newly-built communities and are projected to continue to be an integral part of resident satisfaction. These amenities include dog wash stations, automated package storage systems, dry cleaning, bike/kayak repair shops, 24/7 concierge, and much more. While measuring ROI on these amenities can be challenging, the resident satisfaction and retention that you will see in the coming months and years, will justify the initial investment!

Upcoming RHA and NextGen events

August 28th - Breakfast Buzz & Biz: Google AdWords
The Mastlight - Weymouth, MA

September 18th - RHA EXPO 2018
Hynes Convention Center - Boston

November 7th - Breakfast Buzz & Biz: Amenities Trends of 2018
Boston East Apartments - East Boston, MA

November 8th - Maintenance Mania Competition
The Lantana - Randolph

November 28th - RHA Presidents Awards Dinner
Intercontinental Hotel - Boston

We encourage and welcome any current NextGen members to join us at our Planning Committee meetings!

NextGen New Community Spotlight

200 Brookline at The Pierce
Boston, MA (Fenway) - Samuels & Associates

Of the many new additions to the Fenway area, the apartments at 200 Brookline offer spectacular views of Boston skyline, Charles River and Fenway Park. Once fully completed, amenities will include a rooftop pool, 18th floor lounge, arcade, theater room and 24-hour concierge. The apartments will feature granite countertops, stainless steel appliances, floor-to-ceiling windows with incredible views and hardwood floors.

To learn more visit: www.PierceBoston.com

