

BOSTON Q2 2026

Q2 2026 MULTIFAMILY MARKET SNAPSHOT

KEY TAKEAWAYS

1

Demand continues to outpace supply, with trailing 12-month absorption of 8,795 units exceeding 7,441 units delivered, supporting occupancy at a nationally top-tier 95.6%.

2

The construction pipeline is past peak, with trailing 12-month starts declining to 6,397 units from 7,584 a year ago while 14,218 units remain under construction (4.7% of inventory).

3

Rents have turned a corner, reaching \$2,902 per unit with 0.5% annual growth, a shift that comes as construction starts pull back sharply and the forward pipeline continues to thin.

AVERAGE RENT

\$2,902

ANNUAL RENT CHANGE

0.5%

OCCUPANCY RATE

95.6%

YOY OCCUPANCY CHANGE

+10 BPS

NET ABSORPTION

8,795 T4Q

UNIT COMPLETIONS

7,441 T4Q

DEMAND TRENDS

Boston absorbed 2,713 units in Q2 2026, up from 2,088 in the prior quarter. Trailing 12-month absorption of 8,795 units now runs roughly 14% above the market's 10-year average of 7,710 units, a clear sign of demand strength even with deliveries still elevated. That total also cleared the 7,441 units delivered over the same span, a meaningful shift from a year ago, when trailing demand stood at just 5,346 units.

Every one of Boston's 31 tracked submarkets posted positive trailing 12-month absorption, though the pace varied widely across the metro. 93 North (830 units) and Route 1 North (827 units) led the way, both benefiting from relative affordability and suburban renter migration. Everett/Malden/Medford/Melrose absorbed 755 units despite carrying 1,214 units under construction, reflecting resilient localized demand. Somerville/Charlestown absorbed 735 units, closely tracking its 664 units delivered.

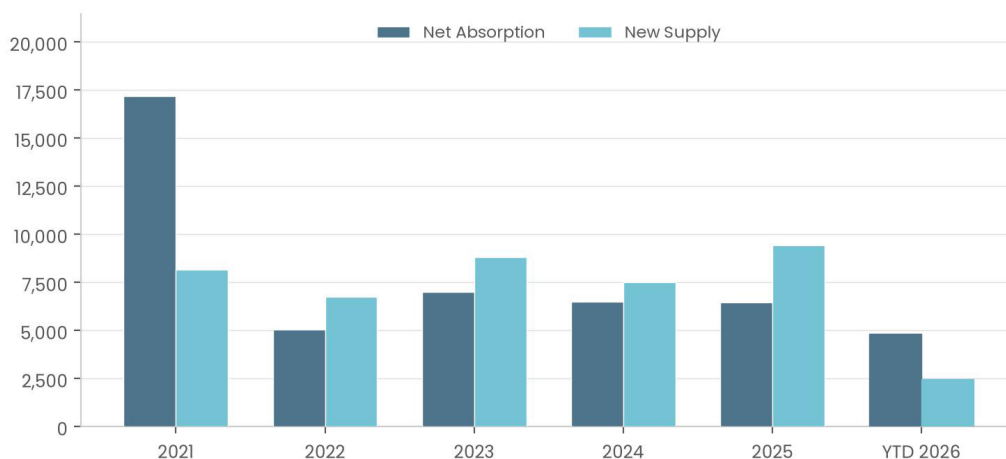
CONSTRUCTION TRENDS

Just 863 units were completed in Boston during Q2 2026, a sharp pullback from recent quarterly volumes. Trailing 12-month completions of 7,441 units remain elevated relative to long-term norms, though the quarterly pace has decelerated meaningfully. The 14,218 units currently under construction actually sit about 10% below the market's 10-year average of 15,825 units, indicating the pipeline is thinner than its own history would suggest, even as completions stay elevated through early 2027.

Critically, the forward pipeline is contracting. Trailing 12-month construction starts fell to 6,397 units, down 16% from a year earlier and roughly 25% below the market's 10-year average, signaling that developers are responding to tighter lending conditions and narrower underwriting margins. This pullback should translate into materially lower deliveries by late 2027, providing a clearer runway for rent recovery.

Pipeline concentration is notable. Somerville/Charlestown leads with 2,988 units under construction, followed by Chelmsford/Tyngsborough/Townsend (1,309 units), Everett/Malden/Medford/Melrose (1,214 units), and South Boston/Seaport (1,059 units), collectively accounting for roughly 46% of active construction. North Shore, which delivered 364 units over the past year, has maintained 96.8% occupancy, illustrating how submarkets with moderate supply can absorb deliveries without meaningful disruption.

UNIT COMPLETIONS VS NET ABSORPTION



NET ABSORPTION

2,713

UNIT COMPLETIONS

863 Q2 2026

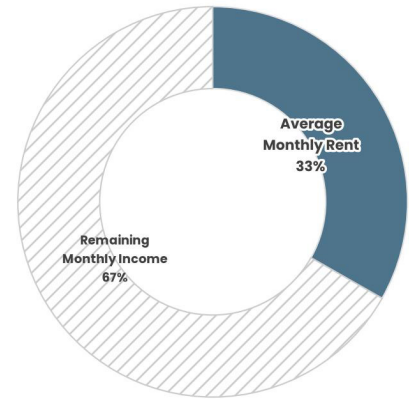
RENT TRENDS

Effective rents in Boston reached \$2,902 per unit in Q2 2026, up 2.6% from the prior quarter and 0.5% higher than a year ago. The rebound has been driven largely by tightening conditions in premium urban submarkets, where limited new supply is allowing owners to push rents even as pockets of the metro continue working through concessions tied to recent deliveries.

Nationally, Boston's 0.5% annual rent growth places it in the upper half of the 50 largest markets tracked. Within the Northeast specifically, Boston is outperforming Northern New Jersey, which remains in negative territory, and running just ahead of Lakewood-New Brunswick, NJ, while trailing only New York and Philadelphia among the region's major metros. With absorption outpacing deliveries and occupancy holding firm, landlords are regaining pricing power, particularly in supply-constrained submarkets.

Rent performance is split sharply across submarkets. South Boston/Seaport leads at \$4,565 per unit with 5.2% annual growth, followed by Brookline/Newton/Watertown (+4.8%), Alewife (+4.3%), and New Hampshire Beaches (+4.1%). However, 16 of 31 submarkets still post negative annual rent changes, including Chelmsford/Tyngsborough/Townsend (-5.9%) and South Plymouth County (-2.9%), indicating concession pressure persists in areas with elevated supply or lower demand intensity.

MONTHLY RENT AS SHARE OF INCOME



AVERAGE MONTHLY RENT
\$2,902

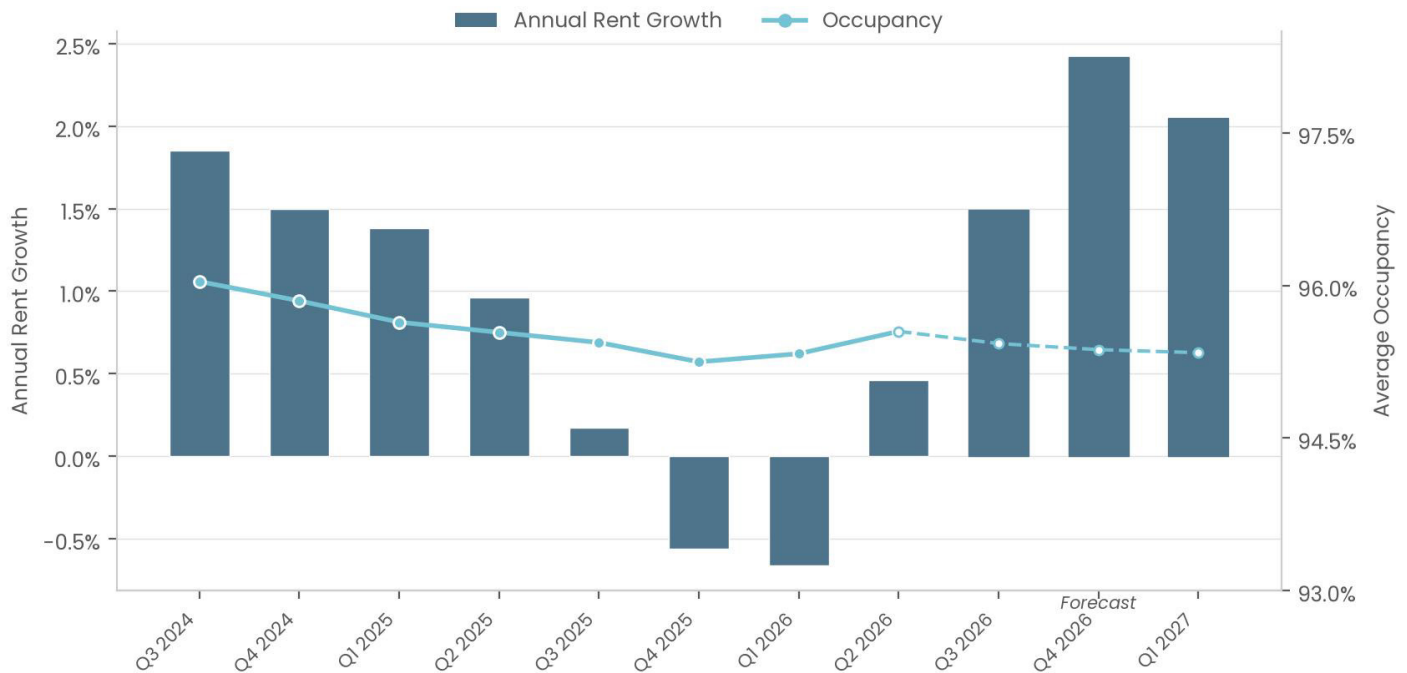
RENT & OCCUPANCY

SUBMARKET TOP 10 EFFECTIVE ANNUAL RENT GROWTH

#	Submarket	Inventory of Units	Q2 2026 Occupancy	Annual Occupancy Change	Q2 2026 Effective Annual Rent Growth	Annual Effective Rent/Unit
1	South Boston/Seaport	7,113	97.4%	0.8%	5.2%	\$4,565
2	Brookline/Newton/Watertown	12,045	93.0%	-1.0%	4.8%	\$3,602
3	Alewife	5,542	94.8%	0.5%	4.3%	\$3,380
4	New Hampshire Beaches	3,638	97.4%	-0.1%	4.1%	\$2,456
5	Harvard MIT	10,956	95.5%	0.7%	3.5%	\$3,790
6	Back Bay/South End	11,183	97.5%	0.5%	3.4%	\$4,178
7	Strafford County	6,906	97.7%	0.7%	1.8%	\$2,081
8	Downtown Boston	12,211	96.8%	0.4%	1.7%	\$4,098
9	JP/Roslindale/West Roxbury	7,622	95.8%	0.4%	1.7%	\$2,659
10	North Shore	15,475	96.8%	0.0%	1.7%	\$2,567

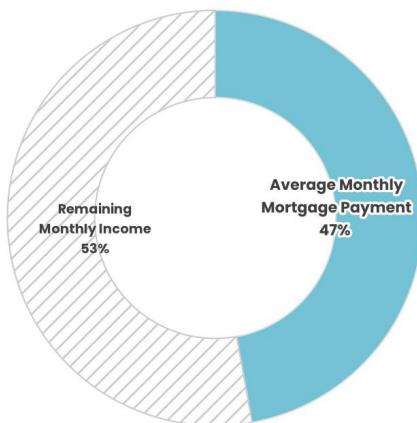
FULL SUBMARKET TABLE IN APPENDIX

ANNUAL RENT GROWTH AND OCCUPANCY



RENT & OCCUPANCY

OCCUPANCY TRENDS

MONTHLY MORTGAGE
AS SHARE OF INCOME

AVERAGE MONTHLY
MORTGAGE
\$4,118

Occupancy in Boston reached 95.6% in Q2 2026, up 30 basis points from the prior quarter and 10 basis points higher than a year ago. This positions Boston among the tightest markets in the country, ranking 8th nationally out of the 50 largest markets tracked. Occupancy has trended higher over the past several quarters, reflecting the market's ability to absorb new supply without meaningful vacancy deterioration, a testament to the depth and resilience of Boston's renter demand base.

The favorable demand-supply balance has been the primary driver of occupancy stability, and the substantial pipeline still working through construction will test the market's absorption capacity over the next several quarters. Sustained job growth and limited single-family alternatives in the metro should provide a buffer, but any softening in the labor market could expose pockets of vulnerability.

Submarket occupancy spans a 570 basis point range, from 97.7% in Strafford County to 92.0% in Roxbury/Dorchester. Premium urban submarkets are performing well, with Back Bay/South End (97.5%), South Boston/Seaport (97.4%), and Downtown Boston (96.8%) all exceeding the metro average.

MARKET OUTLOOK

Boston is entering a more balanced chapter after several years of heavy construction. The supply cycle is past peak, with construction starts declining even as a substantial pipeline continues to work through completion. Near-term deliveries will stay elevated, but the contracting pipeline signals that completions should decelerate materially by late 2027. With absorption already outpacing deliveries, the market is positioned for improving fundamentals as supply pressure recedes.

Rent growth should continue to build momentum through the balance of 2026 and into 2027, with forecasts suggesting annual growth reaching 2.1% by Q1 2027. The rent trajectory has already inflected from negative to positive, and as prior-year declines roll off trailing comparisons, headline growth figures should improve further. Occupancy is projected to hold near 95.3%, reflecting the absorption challenge posed by an estimated 6,841 additional units expected over the forecast horizon.

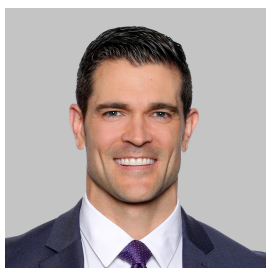
Boston's combination of top-tier occupancy, improving rent trajectory, and a declining starts pipeline creates a constructive backdrop. The primary risk lies in macroeconomic headwinds that could slow job growth and weaken absorption. Submarket selection remains critical. Supply-constrained areas like Back Bay/South End and Downtown Boston offer near-term pricing power, while pipeline-heavy submarkets such as Somerville/Charlestown will require sustained leasing velocity.

Sources: Costar; U.S. Census Bureau; Federal Reserve Bank of St. Louis; National Association of Realtors





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APPENDIX

SUBMARKET FUNDAMENTALS

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9	JP/Roslindale/West Roxbury	7,622	95.8%	0.4%	1.7%	\$2,659
10	North Shore	15,475	96.8%	0.0%	1.7%	\$2,567
11	East Boston/Chelsea	7,228	94.1%	-1.2%	1.6%	\$2,787
12	Somerville/Charlestown	7,643	96.4%	1.5%	1.5%	\$3,341
13	Waltham/Arlington/Belmont	9,746	95.4%	-0.2%	1.2%	\$3,005
14	Route 1 South	9,967	95.2%	0.4%	0.8%	\$2,698
15	Lowell/Dracut	7,617	96.8%	0.2%	0.0%	\$2,066
16	Fenway/Mission Hill	11,960	96.3%	0.0%	-0.2%	\$3,576
17	Lawrence/Haverhill	10,984	95.7%	-0.7%	-0.5%	\$2,177
18	Quincy/Milton/Randolph	13,811	95.7%	0.4%	-0.5%	\$2,652
19	Everett/Malden/Medford/Melrose	14,306	92.7%	-1.8%	-0.7%	\$2,754
20	93 North	9,688	96.5%	0.2%	-0.7%	\$2,798
21	495-South	5,711	94.8%	-0.9%	-0.8%	\$2,485
22	Burlington/Woburn	7,356	95.5%	-0.1%	-0.9%	\$2,880
23	Metro West	15,339	96.1%	0.1%	-1.0%	\$2,575
24	Allston/Brighton	12,585	94.8%	0.2%	-1.2%	\$2,893
25	Suburban Rockingham County	7,395	96.5%	0.1%	-1.2%	\$2,181
26	South Shore	12,165	95.1%	-0.2%	-1.5%	\$2,667
27	Route 2	5,236	96.8%	-0.2%	-2.0%	\$2,820
28	Roxbury/Dorchester	8,572	92.0%	1.8%	-2.2%	\$2,687
29	Route 1 North	15,242	94.6%	-0.5%	-2.7%	\$2,458
30	South Plymouth County	10,516	95.8%	-0.1%	-2.9%	\$2,423
31	Chelmsford/Tyngsborough/Townsend	5,571	95.6%	-0.1%	-5.9%	\$2,546