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## **Charlesgate Multifamily brokers \$5.85 million sale of 55-unit apartment building**

May 16, 2013 - Front Section

The 55-unit apartment building located at 5-15 Hancock St. was underperforming for the previous seller with below market rental rates. By examining the financials and analyzing current market conditions, Joe DiGangi and Bobby Quinn of Charlesgate Multifamily were able to deduce that an 8% increase in monthly rents to some units and some upgrades to the exterior and common areas would result in a 7% overall increase in gross rent. Additionally, they assumed that the building's current vacancy rate of 10% could be reduced by 60%.

In order to find this property for their client, the Charlesgate Multifamily team reached out to their network of industry professionals. At the conclusion of another transaction in Cambridge, they were able to work with the same broker to locate other assets their seller owned which they had interest in selling. Their buyer, after reviewing financials and viewing the property, put the building under agreement for \$5.85 million or \$106,363 per unit.

"As the number of opportunities for purchases in today's downtown multifamily market have dwindled, we are seeing increased activity in Greater Boston's emerging markets. Because of our knowledge of the market and experience over the past 10 years, we are well qualified to determine modifications and improvements that will help an asset fit into our investor's specifications," said DiGangi.

Before closing on the property, Charlesgate Multifamily performed a detailed area rental analysis to determine how they could best improve the profitability of the building by increasing rents. Through this analysis, it was determined that one-bedrooms in the building were being rented for approximately \$100 under market and the two-bedrooms almost \$150. By gradually raising these rents, the new owner will be able to see a dramatic 7% increase in the overall gross rent. Additionally, through improvements of the property's common areas, there should be a drastic improvement to the property's current vacancy rate of 90%.

Charlesgate Multifamily delivers client driven service specializing in the brokerage and asset management of residential multifamily properties valued from \$1 million to \$20 million. In addition to representing buyers and sellers of multifamily investment assets through the acquisition, asset management, strategic renovations, and disposition phases, the division has a vertically integrated approach with the property management and rental leasing divisions of Charlesgate Realty Group. Effectively servicing all facets of multifamily investment property in a coordinated way drives property values and increases investment returns for their clients.