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Slowing demand on multifamily housing – myth or truth?

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Multifamily housing in the Boston area has experienced some shifts in recent months, owing to a number of reasons, including new supply outpacing new demand and a predicted slowdown in job growth, but is it safe to say that the market remains relatively robust?

While some industry reports point to a softening market, the demand for multifamily housing continues to be strong, the primary reason being the cost of single-family homes in the Boston region. And it's not just homebuyers feeling the hard pinch of inflated free-standing home prices. Government regulations play a crucial role in determining housing supply and affordability; according to the National Association of Home Builders, regulations account for nearly 24% of the final price of a new single-family home.

Regulations for multi-family housing, however, are more flexible for a number of key reasons, with affordability challenges placing number one on that list. Multiple unit housing also addresses density issues, offers diverse housing options, and fosters equity by offering options for various family sizes and income levels.

Those categorized as millennial or Gen-Z now represent a significant percentage of renters. The often prohibitive (not to mention competitive) single-family pricing, a lack of urgency to be tied down to a permanent home, and a tendency to change jobs more often than that of generations past all contribute to a rise in the number of young renters.

The bottom line is that while challenges exist within the multi-family housing market, it remains in demand for those seeking convenient and affordable living options.

Don't forget to mark your calendars for the IREM Boston Chapter's 26th Annual Charity Golf Tournament, Corn Hole Tournament and Networking event on September 9th at Granite Links Golf Club in Quincy, Massachusetts. In addition to the tournament, the annual fundraiser will feature raffle prizes, a silent auction, lunch, dinner, music, and networking. Non-golfers can enjoy a corn-hole tournament at 3:30 p.m., followed by dinner. Proceeds from the event will benefit the IREM Foundation, a nonprofit public charity that provides scholarships and grants to those seeking a career in the real estate profession. Candidates for the 2025 IREM Boston Metropolitan Chapter No. 4 board of directors will be announced at the conclusion of the event. For more information, please visit www.iremboston.org.

I hope to see you there!

It was an extraordinary evening on July 11th at the IREM Boston Metropolitan Chapter No 4 networking event, made possible by our Friends of IREM and the members and board of directors. We also congratulated our new members on their commitment to their profession and express our sincere appreciation to all sponsors for their continued support.

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