



No vacancy: Downtown Hub rents hitting peak levels: Huge demand for high-end units

**By Jennifer Athas
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Renters looking to secure apartments may have a difficult time in Boston's downtown, with vacancy rates at the lowest they've been since 2002 and asking rents reaching all-time highs.

In the third quarter annual apartment forecast released by Marcus & Millichap's National Multi Housing Group, the 2011 outlook for Boston says, "employment gains in the professional and business service sector will fuel demand for luxury units in highly sought-after neighborhoods near major employers and entertainment districts, including Back Bay, Beacon Hill and the Financial District."

The forecast predicts Boston's apartment vacancy will drop to 4 percent by the end of the year and average asking rents will reach a record high \$1,762 per month. Demand is surging for luxury or top-tier properties and asking rents will soar to an average high of \$2,133 per month in this market.

In the luxury market, several top-tier downtown and Back Bay apartment buildings are seeing almost 100 percent occupancy with only two to three units available for the fall market.

The Mandarin Oriental in Boston's Back Bay has condominiums, hotel and rental residences and rates range from \$4,500 to \$15,000 per month.

"Presently we are 100 percent occupied and the luxury rental market remains strong and demand high," said Patricia Ranahan, marketing and leasing director at the Mandarin Oriental.

Also located in Back Bay is the newly constructed One Back Bay rental building developed by the Related Companies, who also developed the attached condominium tower, The Clarendon. Current average asking rents at One Back Bay are \$3,895 for one-bedrooms and \$5,995 for two-bedrooms per month.

"The Boston rental market is incredibly strong," said Daria Salusbury, senior vice president and head of leasing efforts at Related. "One Back Bay is essentially fully leased and we have seen healthy increases in rent over the past year. We have experienced very limited availability and tremendous interest."

Positioned in the heart Boston's Financial District is the Devonshire, a luxury rental apartment building, equipped with concierge, a rooftop pool and fitness center. This 462-unit property only has three apartments coming available in September. Current average asking rents at the property are \$2,815 for one-bedrooms and \$3,960 for two-bedrooms.

"The rental market in Boston has surged back to life this past year after several years of finding creative ways to attract and retain residents due to the poor economic climate and easy-to-get mortgages," said John Donovan, director of leasing and marketing at the Devonshire.