



## MULTIFAMILY REPORT

# Albuquerque Rents Rebound

September 2023

Rent Growth Outperforms Nation

Investment Pauses, PPU Steady

Construction Activity Dwindles



# ALBUQUERQUE MULTIFAMILY



## Rates Rise, Occupancy Endures

Albuquerque fundamentals fluctuated at the start of the third quarter. With no deliveries recorded through July, the average rent increased 0.7% on a trailing three-month basis, strongly outperforming the U.S. The rate also marked a solid 5.8% year-over-year increase. Still, the metro remained within the affordable range, with the average rent at \$1,327, trailing the \$1,729 national figure. The overall occupancy rate in stabilized properties slid 50 basis points in the 12 months ending in June, to 95.5%, with the upscale Lifestyle segment at a tighter 96.0%.

The unemployment rate rose to 4.2% in June, trailing the U.S. (3.6%) and the state (3.5%), according to data from the Bureau of Labor Statistics. Employment expanded just 1.8%, or 8,600 jobs, in the 12 months ending in May, well behind the 2.8% U.S. rate. All sectors gained jobs, except for trade, transportation and utilities, which shed 700 positions. Leisure and hospitality (3,100 jobs) led gains, followed by professional and business services (2,100 jobs).

Developers had 4,075 units under construction as of July, with no deliveries of more than 50 units recorded in the first seven months of 2023. The number of units developers broke ground on through July dwindled compared to the volumes recorded in recent years. Meanwhile, just one asset traded, at \$171,717 per unit. Interestingly, the price per unit at the end of 2022 marked a 25% yearly increase.

### Recent Albuquerque Transactions

#### Casa Loma



City: Santa Fe, N.M.  
Buyer: Cooper Street Capital  
Purchase Price: \$23 MM  
Price per Unit: \$171,717

## Market Analysis | September 2023

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