

YARDI® Matrix

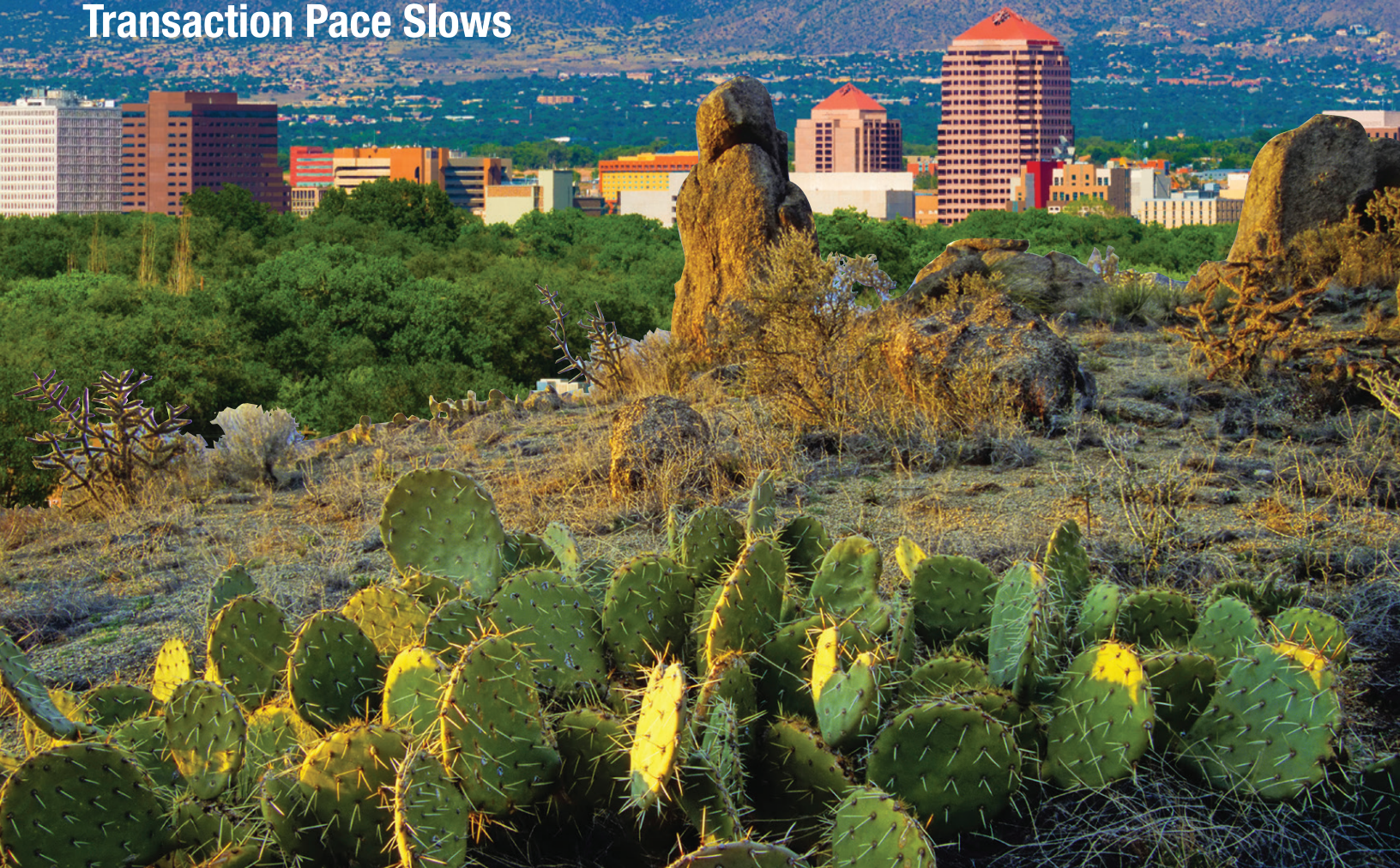
Albuquerque's Slow Growth

Multifamily Fall Report 2015

Health Care, Solar Energy
Lead Economy

Supply Stays Weak

Transaction Pace Slows



ALBUQUERQUE MULTIFAMILY

YARDI® Matrix

Market Analysis

Fall 2015

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Multifamily Growth Trails Nation

A slow-growth market to begin with, Albuquerque continues to suffer from limited job gains and population growth as the city battles its remote location, dependence on energy as a source of employment and concerns about homelessness and the crime rate, which is among the highest in the country.

The metro's energy-dependent economy was impacted by the decline in oil prices, with reduced investment in production and lower state and local government revenues. However, New Mexico is building its solar production segment, which already sports nearly 100 companies employing more than 1,600 people. New Mexico doubled its solar capacity in 2014, and is among the top 10 solar producers in the nation. Albuquerque is also in the process of developing a hub for research on the seven-acre Innovate ABQ site owned by the University of New Mexico.

Multifamily fundamentals have been slow to improve and are well behind the growth experienced in most of the country. Population growth is moderate and development is slowly picking up. Transaction volume has grown from the trough, but the metro has seen less of an uptick than other markets. Rent growth was just under 3% year-over-year through the third quarter, which might be impressive if not for the fact that it trails the national rate of 6.7%. We expect that rents will continue to grow modestly, by about 1.5% in 2016.

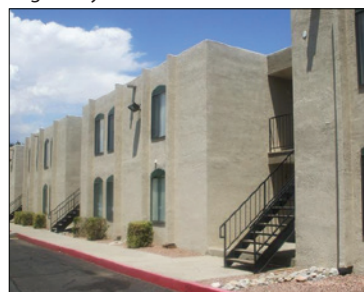
Recent Albuquerque Transactions

Cantata at the Trails



City: Albuquerque, N.M.
Buyer: ReNUE Properties
Purchase Price: \$ \$34 MM
Price per Unit: \$130,421

Sage Canyon



City: Albuquerque, N.M.
Buyer: Post Investment Group
Purchase Price: \$5 MM
Price per Unit: \$52,317

Oak Tree Park



City: Albuquerque, N.M.
Buyer: Summit Equity Investments
Purchase Price: -
Price per Unit: -

Sedona Ridge



City: Albuquerque, N.M.
Buyer: Monarch Inv and Mgt Group
Purchase Price: -
Price per Unit: -