

Yardi® Matrix

Quirky Albuquerque

Multifamily Report Summer 2018

Home Values Hit Cycle Peak

Investor Interest Remains Low

Job Growth Lags National Average

ALBUQUERQUE MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2018

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Duke City Seeks Solid Ground

Underperforming against the national average, Albuquerque's multifamily market continues to be one of the least dynamic in the country. The slow population growth, scarcity of new inventory and modest employment growth are among the reasons why activity in the metro is sluggish. However, the spillover effect is driving some growth in the southern and central submarkets, where several large investments are underway.

Job gains have been concentrated in the professional and business services and mining, logging and construction sectors. One Central—one of the largest public-private investments underway in downtown Duke City—is starting to materialize. The metro's new rapid transit system, which runs down the iconic Route 66 corridor, is expected to be in full service this year, which is likely to spur additional development. Los Lunas is another sought-after submarket, since Facebook began work on its \$28 billion data center. Here, a 1,420-acre rail-served industrial park is also attracting manufacturing and distribution companies.

Following 2015's cycle high of 1,223 units, deliveries have decelerated quickly. As of May, 1,122 units were under construction, but Yardi Matrix expects fewer than 700 of them to come online by year's end. Due to the shortage of new supply, we expect rents to rise 2.7% in 2018.

Recent Albuquerque Transactions

Diamond Mesa



City: Albuquerque, N.M.
Buyer: CFH Investment Partners
Purchase Price: \$58 MM
Price per Unit: \$127,692

Mountain Run



City: Albuquerque, N.M.
Buyer: Gelt
Purchase Price: \$51 MM
Price per Unit: \$107,277

Olympus Solaire



City: Albuquerque, N.M.
Buyer: Olympus Property
Purchase Price: \$28 MM
Price per Unit: \$114,415

Monterra



City: Albuquerque, N.M.
Buyer: Vukota Capital Management
Purchase Price: \$25 MM
Price per Unit: \$79,060