

Yardi® Matrix

Albuquerque's Toeing The Line

Multifamily Report Fall 2018

Occupancy Remains Stable

Limited Supply Puts Upward Pressure on Rents

Professional, Business Services Sector Leads Job Gains

ALBUQUERQUE MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2018

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Employment Regains Momentum

Duke City shows favorable multifamily fundamentals as once modest employment gains have significantly rebounded over the past year. Overall, rents rose 1.3% year-over-year through September to \$869, well below the national average of \$1,412. However, Albuquerque's relative affordability compared to nearby cities could prompt migration back into the state, as job creation continues at an above-trend rate.

Employment growth was up 1.5% year-over-year through July. The professional and business services sector led the way with the addition of 3,800 jobs, followed by construction and leisure and hospitality, each of which gained 1,300 jobs, a trend that will likely be maintained by Facebook's massive data center development in Los Lunas and Netflix's recent acquisition of ABQ studios. The entertainment production company is planning to invest \$1 billion at the facility over the next decade. A significant presence of the two tech giants may galvanize further growth.

The multifamily transaction volume hit \$242 million in 2018 through September. The bulk of the assets that changed hands was in lower-rated classes, pushing the per-unit price up by 3.3%, to \$82,272. With only 165 units delivered this year and roughly 900 underway, we expect rent growth to remain positive in 2018.

Recent Albuquerque Transactions

Allegro at Tanoan



City: Albuquerque, N.M.
Buyer: DiNapoli Capital Partners
Purchase Price: \$36 MM
Price per Unit: \$142,459

Wellington Place



City: Albuquerque, N.M.
Buyer: Comunidad Realty Partners
Purchase Price: \$29 MM
Price per Unit: \$103,014

The Enclave



City: Albuquerque, N.M.
Buyer: DiNapoli Capital Partners
Purchase Price: \$26 MM
Price per Unit: \$129,927

Mesa Verde



City: Albuquerque, N.M.
Buyer: ChadNic Properties
Purchase Price: \$21 MM
Price per Unit: \$86,694