

YARDI[®] Matrix

Albuquerque Brightens Up

Multifamily Summer Report 2016

**Health Care, Solar
Energy Buoy Economy**

**Supply Expands Amid
Tepid Rent Growth**

**Investor Interest
Heats Up**

ALBUQUERQUE MULTIFAMILY

YARDI® Matrix

Market Analysis

Summer 2016

Contacts

Paul Fiorilla

Associate Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Jack Kern

Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Author

Anca Gagiuc

Associate Editor

Albuquerque Seeks Picked-Up Pace

Despite its prime position at the center of the New Mexico Technology Corridor, a cluster of high-tech companies and government institutions along the Rio Grande, Albuquerque's multifamily market continues to struggle with limited population and employment growth, not to mention a crime rate ranking among the highest in the country.

Historically a ranching and mining state, New Mexico still gets a major economic contribution from its natural resources, despite the decline in oil prices. Renewable energy is an emerging force, as well. More than 110 solar power-related companies employing nearly 2,000 people call New Mexico home. In 2015, the state ranked 13th nationally in installed solar capacity. In Albuquerque, the University of New Mexico recently broke ground on Innovate ABQ, a \$35 million project envisioned as a research and innovation hub.

The metro's multifamily fundamentals are generally weak, in contrast to the gains seen in most metros. Population growth is feeble, but development is almost on par with the national growth rate. Transaction volume more than doubled from 2014 to 2015, a sign of rising interest from investors. On the minus side, rent growth was less than 1.5% year-over-year through July, disappointingly behind the national rate of 5.7%. We expect continued tepid growth of 1.0% in 2016.

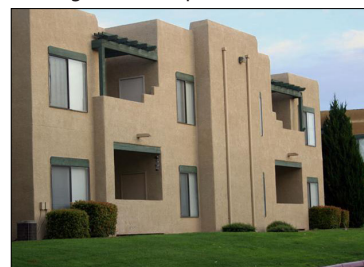
Recent Albuquerque Transactions

Cantata at the Trails



City: Albuquerque, N.M.
Buyer: ReNUE Properties
Purchase Price: \$34 MM
Price per Unit: \$130,769

San Miguel del Bosque



City: Albuquerque, N.M.
Buyer: Carter-Haston Real Estate Services
Purchase Price: \$31 MM
Price per Unit: \$87,078

Mesa del Oso



City: Albuquerque, N.M.
Buyer: Aragon Holdings
Purchase Price: \$30 MM
Price per Unit: \$135,746

Camino Real



City: Albuquerque, N.M.
Buyer: Maxus Realty Trust
Purchase Price: \$28 MM
Price per Unit: \$112,903