



MULTIFAMILY REPORT

Albuquerque Sticking It Out

Fall 2020



Unemployment Rate Climbs

Deliveries Slow Significantly

Investment Activity Dampened

ALBUQUERQUE MULTIFAMILY



Steady Demand Affords Rents Some Stability

The Albuquerque multifamily market was somewhat enduring during the third quarter of 2020. Amid elevated demand and limited inventory growth, the impact of the pandemic was less severe than the effect on coastal or tourism-heavy metros. As a result, rent performance remained positive, with rates up 0.6% to an overall average of \$957, on a trailing three-month basis through September.

For the first time since October 2012, job growth recorded negative levels in April, and further declined in the following months. According to preliminary Bureau of Labor Statistics data, the unemployment rate remained in the double digits in August, at 11.2%. Leisure and hospitality was hit hardest, but all sectors saw significant losses year-over-year through July. Several local and state initiatives were rolled out to help businesses in need. The Small Business Recovery Act of 2020 allocated \$400 million from the New Mexico State Severance Tax Fund to provide loans to businesses and nonprofits that have experienced financial hardship due to the health crisis.

Investment activity slowed considerably in 2020, totaling only \$62 million in the first three quarters. This followed two consecutive years of transaction volume over \$430 million. Deliveries also softened significantly, with only a 54-unit property coming online this year. Considering the pandemic's impact and the limited inventory, we expect rents to remain positive in 2020.

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Recent Albuquerque Transactions

SkyStone



City: Albuquerque, N.M.
Buyer: Kennedy Wilson
Purchase Price: \$44 MM
Price per Unit: \$174,997

Broadstone Heights



City: Albuquerque, N.M.
Buyer: Millburn & Co.
Purchase Price: \$40 MM
Price per Unit: \$185,185

Sage Canyon



City: Albuquerque, N.M.
Buyer: Engel Realty
Purchase Price: \$10 MM
Price per Unit: \$97,714

Casa Bella



City: Albuquerque, N.M.
Buyer: Greenwater Investments
Purchase Price: \$7 MM
Price per Unit: \$45,175