



MULTIFAMILY REPORT

Albuquerque: Increasing Attractions

April 2022

YoY Rent Growth in Double Digits

Employment Market in Recovery Mode

Investment Volume at All-Time High in 2021

ALBUQUERQUE MULTIFAMILY



Rental Stock Expansion Affects Occupancy

Albuquerque's recovery continued in 2021 and had a remarkable third quarter with elevated rent growth, as well as intense activity on both the development and investment fronts. However, rent gains moderated slightly during the winter, reacting to both incoming supply and seasonality. Rates rose just 0.2% on a T3 basis through February, to \$1,186, boosted by activity in the Renter-by-Necessity segment.

The year closed with the unemployment rate at 4.6%, a 4.0% improvement from January, according to data from the Bureau of Labor Statistics. Albuquerque's rate outperformed the state's (4.9%) but trailed the nation (3.9%). The job market grew by 4.5% in the 12 months ending in December, 10 basis points above the U.S. rate, with two sectors still in negative territory. Leisure and hospitality accounted for one-third of all jobs, followed by trade, transportation and utilities and construction, which added 3,500 positions each. Company expansions, including Amazon, Facebook and Netflix, point to continued economic development.

Developers had 2,074 units under construction as of February and another 7,700 units in the planning and permitting stages. This comes after 877 units delivered in 2021. Meanwhile, transaction volume marked an all-time high in 2021—\$544 million—and the price per unit inched up 4.1% year-over-year to \$125,949.

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Recent Albuquerque Transactions

Local 1896



City: Santa Fe, N.M.
Buyer: Benedict Canyon Equities
Purchase Price: \$37 MM
Price per Unit: \$233,974

Puerta del Sol



City: Albuquerque, N.M.
Buyer: DiNapoli Capital Partners
Purchase Price: \$15 MM
Price per Unit: \$107,804