

Yardi® Matrix

Slow Going in Albuquerque

Multifamily Report Fall 2017

Tight Inventory, Higher Rents

Occupancy Rising Amid Low Deliveries

Education, Health Care Strongest in Job Growth

ALBUQUERQUE MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2017

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

Laura Calugar

Associate Editor

Duke City Strives to End Woes

Albuquerque continues to be one of the less dynamic metros in the U.S. The long-lasting slowdown is due, in part, to a struggling job market. With one of the highest unemployment rates in the nation and moderate population growth, the metro's real estate fundamentals continue to lag those of neighboring areas.

Job gains have been limited, concentrated in the education and health services; financial activities; government; and trade, transportation and utilities sectors. The manufacturing sector has been experiencing a downturn in the metro during this cycle. Most recently, Intel laid off 700 employees. According to the state's economic development department, manufacturing employment is down 9% in New Mexico since 2012. On the other hand, Facebook announced that the first \$250 million phase of its data center is set to open late next year. The social networking company revealed plans to add a second building at its Los Lunas facility, bringing the center's total footprint close to 1 million square feet. More than 80% of the 650 workers who operate the facility are New Mexico residents.

Investment continues to be modest, but on the upswing, with \$202 million in multifamily assets trading through July, outpacing 2016's total transaction volume by nearly 69%. With no new stock so far this year and only 1,200 units underway, rents will most likely increase gradually. Yardi Matrix forecasts 3.1% rent growth for Albuquerque by year-end.

Recent Albuquerque Transactions

Mountain Run



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

Spain Garden



City: Albuquerque, N.M.
Buyer: DiNapoli Capital Partners
Purchase Price: \$40 MM
Price per Unit: \$80,444

The Retreat at Candelaria



City: Albuquerque, N.M.
Buyer: DiNapoli Capital Partners
Purchase Price: \$36 MM
Price per Unit: \$70,437

Prairie Hills



City: Albuquerque, N.M.
Buyer: Chartwell Capital Partners
Purchase Price: \$24 MM
Price per Unit: \$91,344

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Hollie Zepke

Audience Development Specialist
Hollie.Zepke@Yardi.com
(800) 866-1124 x5389