



MULTIFAMILY REPORT

Albuquerque Corrects Course

April 2024

Short-Term Rent Growth Trails US

New Construction Softens

Job Gains Trend Upward

ALBUQUERQUE MULTIFAMILY



Completions Spike, Demand Still Healthy

Albuquerque multifamily fundamentals were a mixed bag in 2023, but overall, the market remained healthy. Rents contracted under the pressure of robust supply, down 0.4% on a trailing three-month basis through February, to \$1,317, while the national rate ticked down 0.1%, to \$1,713. Still, occupancy endured, down just 30 basis points in the 12 months ending in February, to 94.9%.

Employment expanded by 2.4% last year, or 16,200 jobs, 40 basis points ahead of the U.S. rate. Since May 2023, the pace of job growth has been steadily improving. Meanwhile, the unemployment rate closed 2023 at 3.5%, following a year of fluctuation between 2.8% and 4.6%. The December figure placed the metro ahead of the U.S. (3.7%) and the state (4.0%). Last year, three sectors lost a combined 1,600 jobs: professional and business services, information and financial activities. Construction (4,100 jobs), government (3,900 jobs) and education and health services (3,400 jobs) led growth. Manufacturing also recorded solid advancements, and signs point to further growth. One such indicator is Maxeon Solar Technologies' plan for a \$1 billion investment in solar panel production.

This year through February, 240 units came online and another 3,892 were under construction. Following last year's decade-high delivery volume, construction starts softened. Meanwhile, transactions remained subdued, with just one property trading so far in 2024.

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Recent Albuquerque Transactions

The Overlook



City: Albuquerque, N.M.
Buyer: Bascom Group
Purchase Price: \$68 MM
Price per Unit: \$198,837

Villas Del Cielo



City: Albuquerque, N.M.
Buyer: Element Property Co.
Purchase Price: \$37 MM
Price per Unit: \$133,714

Arlo



City: Albuquerque, N.M.
Buyer: Engel Realty
Purchase Price: \$14 MM
Price per Unit: \$116,000