



MULTIFAMILY REPORT

# Albuquerque: Enduring Magnetism

September 2022

**Rent Expansion Ahead of Nation**

**Investment on Track to Surpass 2021 High**

**Deliveries Soften, Construction Remains Elevated**

# ALBUQUERQUE MULTIFAMILY



## Sustained Demand Boosts Rents

Albuquerque's momentous recovery that started in 2021's third quarter continued well into 2022, with cautioned moderation here and there. Rent growth remained slightly above the national rate for the third-consecutive month in July, when it rose 1.1% on a trailing three-month (T3) basis, to \$1,261. The strong performance is sustained by increasing demand paired with a tight inventory. The occupancy rate in stabilized properties stood at 96.6% as of June, down 20 basis points year-over-year but still healthy.

Unemployment stood at 4.6% in June, trailing the 3.6% U.S. rate but leading the 4.9% state figure. The job market maintained the lead over the U.S. for the sixth-straight month in May, when it posted a 6.0% year-over-year increase, or 18,300 jobs, well above the 4.7% U.S. rate. Mirroring the national trend, the recovery of the leisure and hospitality sector led gains, adding 7,800 jobs. Although the overall recovery is spotty—two sectors lost jobs and one remained flat—promising signs come from the tech industry, as several companies are expanding their footprints in the metro.

Deliveries softened, with just 65 units coming online this year through July, but the construction pipeline is robust, with 3,378 units underway. Meanwhile, investment surpassed \$502 million, nearing last year's \$549 million total, for a price per unit that increased by a hefty 55% year-over-year, to \$191,344.

## Market Analysis | September 2022

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### Recent Albuquerque Transactions

#### Vistas at Seven Bar Ranch



City: Albuquerque, N.M.  
Buyer: Continental Realty Advisors  
Purchase Price: \$129 MM  
Price per Unit: \$225,350

#### AYA ABQ



City: Albuquerque, N.M.  
Buyer: Kennedy Wilson  
Purchase Price: \$93 MM  
Price per Unit: \$184,722

#### Copper Ridge



City: Albuquerque, N.M.  
Buyer: Tower 16 Capital Partners  
Purchase Price: \$31 MM  
Price per Unit: \$173,595

#### Olympus Highlands North



City: Albuquerque, N.M.  
Buyer: Olympus Property  
Purchase Price: \$31 MM  
Price per Unit: \$334,420