



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