

Yardi[®] Matrix

Albuquerque's Good Year

Multifamily Report Winter 2019

Job Growth Accelerates

Stock Expansion Picks Up

Rent Surge Matches US Average

ALBUQUERQUE MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2019

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Employment Growth Brings Second Wind

Supported by recovering employment velocity, Albuquerque’s multifamily market had a relatively strong second half of 2018. The metro’s affordability—coupled with recent large investments in the area—has brought job growth in line with the U.S. average for the first time this cycle, boosting rental demand along the way.

Professional and business services led employment growth (4,900 jobs), followed by leisure and hospitality (2,700), government (1,500) and construction (1,000). Intel, one of the state’s largest technology employers, announced it is hiring again. The company decided to move the development of a new facility to its Rio Rancho plant. Giants Netflix and Facebook are also bringing growth and pushing the metro’s economy to a healthier state. The Horne Cos. began work on Sunport South Business Park, a future hub for e-commerce, warehousing, distribution and manufacturing.

Fueled by low levels of new stock and rising demand coming from traditionally high-income employment sectors, both home prices and rents are improving across the metro. As of December, 550 units were under construction, with roughly 270 expected to come online this year. Considering the sluggish pace of completions and improving economy, we expect Albuquerque rents to advance 2.8% in 2019.

Recent Albuquerque Transactions

Ventana Canyon



City: Albuquerque, N.M.
Buyer: Thayer Manca Residential
Purchase Price: \$34 MM
Price per Unit: \$128,283

Canyon Village



City: Los Alamos, N.M.
Buyer: Peak Capital Partners
Purchase Price: \$15 MM
Price per Unit: \$124,100

Sage Canyon



City: Albuquerque, N.M.
Buyer: Cooper Street Capital
Purchase Price: \$9 MM
Price per Unit: \$84,317

The Village at Tierra Antigua



City: Albuquerque, N.M.
Buyer: PASSCO Real Estate
Purchase Price: \$17 MM
Price per Unit: \$111,316