

Yardi® Matrix

Albuquerque: Take One

Multifamily Report Summer 2019



Rent Growth Exceeds Expectations

Investment Takes a Step Back

Development Remains Tepid

ALBUQUERQUE MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2019

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

Adina Marcut

Associate Editor

Rent Performance Stuns

Albuquerque's multifamily supply woes are a rent growth boon. Limited housing supply in the face of steady demand resulted in a strong rent increase of 4.9% year-over-year through July, as occupancy rose to 95.5%.

Still lagging the nation in employment growth, the metro is finally poised to see significant job gains, thanks to recent advances in its movie industry. The leisure and hospitality sector led growth with the addition of 2,900 jobs, up 5.2% year-over-year through June. The metro is poised to become a presence in the movie industry, due to the acquisition of ABQ Studios by Netflix, which has a long-term investment plan, and to NBCUniversal's plan to open a film and TV studio, a \$500 million, 10-year project. In addition, Presbyterian Hospital's multi-phase project is coming to fruition, with the opening of the first of three new care centers and a planned 11-story tower set to follow, at a cost of \$260 million.

Following what, by the metro's own lackluster standards, was a strong year for completions, only one property totaling 58 units was delivered during the first seven months of 2019. Transaction activity also slowed considerably, with just \$55 million in rental assets trading. While some 570 units are now underway, rent growth is expected to continue in 2019.

Recent Albuquerque Transactions

The Retreat at Candelaria



City: La Cuesta, N.M.
Buyer: Landmark Realty
Purchase Price: \$39 MM
Price per Unit: \$76,719

Ventana Canyon



City: Paradise Hills, N.M.
Buyer: Thayer Manca Residential
Purchase Price: \$34 MM
Price per Unit: \$128,282

Sombra del Oso



City: . Paradise Hills, N.M.
Buyer: DiNapoli Capital Partners
Purchase Price: \$31 MM
Price per Unit: \$91,162

Pearl at Spring Creek



City: Uptown, N.M.
Buyer: Landmark Realty
Purchase Price: \$21 MM
Price per Unit: \$67,081