

919-923 Alvarado SE
Albuquerque, NM 87108



Register for More Information: www.nmartment.com/alvarado

Seller Concession to Buyer: [NMAA Listing #2465923](#)

Seller financed 2 x fourplexes = 8 units

Units: 8

Size: 6,900

Land: 0.372 acres

Price: \$1,276,736

GRM: 9.50

Cap Rate: 6.48%

Cash on Cash: 6.75%

IRR after Tax: 18.50%

The Offering

On behalf of the owners, NM Apartment Advisors is excited to bring to market this opportunity to purchase two side by side fourplexes with two bedroom, one bathroom units. The units have been renovated and include washer/dyers.

Location

The property is located a couple of blocks from the Albuquerque Community Services headquarters as well as the major employment generator of the Max-Q business park/development.

Financing for the Investor

Seller is willing to offer financing for an investor with a 20.00% down payment 30 year amortization, 4.95% interest rate, 7 year balloon, subject to approval of the buyers credit report, financial statement and tax returns.



The Property

Address: 919-923 Alvarado SE

Number of units: 8

Year of construction: 1972 per county assessors records

Bldg. Size: 6,900 +/-

Site Size: 0.372 acres

Avg. Unit Size: 863 sf

UPC#s: 101805612123132306 & 101805612123732307

Legal: Lots 23 & 24, Block 4, Melendres Subdivision of Block 4 Virginia Place

Ask Price: \$1,276,736

\$/ unit: \$159,592

\$/sf: \$185.03

	Actual/Est (2024)	Proforma (2025)
Avg. Rent:	1,400	\$1,800
GRM:	9.50	7.39
Cap Rate Before reserves:	6.63%	7.50%
Cap Rate After reserves:	6.48%	7.34%
Year 1 NOI:	\$82,670	\$93,706
Cash on Cash:	6.75%	11.08%
Before Tax IRR:	22.4%	
After Tax IRR:	18.5%	

Annual Property Operating Data 919-923 Alvarado SE

NM Apartment Advisors Financial Overview for:

919 & 923 Alvarado SE

Prepared by: Todd Clarke CCIM

9/10/2024

"AS IS" Condition

Unit/Rent Summary

#	Type	Style	Approx Size	E			C		A		Total sf
				Actual Rent	Street Rate as	Market Rent	Actual Rent \$/sf	Total Actual	Total Max Rent for this type	Total Market Potential	
919A	2/1	washer/dryer incl	855	\$ 1,800	\$ 1,800	\$ 1,800	\$ 2.11	\$ 1,800	\$ 1,800	\$ 1,800	855
919B	2/1	washer/dryer incl	855	\$ 1,500	\$ 1,800	\$ 1,800	\$ 1.75	\$ 1,500	\$ 1,800	\$ 1,800	855
919C	2/1	washer/dryer incl	855	\$ 1,300	\$ 1,800	\$ 1,800	\$ 1.52	\$ 1,300	\$ 1,800	\$ 1,800	855
919D	2/1	washer/dryer incl	855	\$ 1,100	\$ 1,800	\$ 1,800	\$ 1.29	\$ 1,100	\$ 1,800	\$ 1,800	855
923A	2/1	washer/dryer incl	870	\$ 1,400	\$ 1,800	\$ 1,800	\$ 1.61	\$ 1,400	\$ 1,800	\$ 1,800	870
923B	2/1	washer/dryer incl	870	\$ 1,300	\$ 1,800	\$ 1,800	\$ 1.49	\$ 1,300	\$ 1,800	\$ 1,800	870
923C	2/1	washer/dryer incl	870	\$ 1,400	\$ 1,800	\$ 1,800	\$ 1.61	\$ 1,400	\$ 1,800	\$ 1,800	870
923D	2/1	washer/dryer incl	870	\$ 1,400	\$ 1,800	\$ 1,800	\$ 1.61	\$ 1,400	\$ 1,800	\$ 1,800	870
8	total units / Avg. Unit Siz		863	\$ 1,400	\$ 1,800	\$ 1,800	\$ 1.62	\$ 11,200	\$ 14,400	\$ 14,400	6,900
	Avg Actual Rent \$/sf=			\$ 1.62	\$ 2.09	\$ 2.09		\$ 134,400	\$ 172,800	\$ 172,800	6,960 per Assessor

Benchmarks

Offering Price	\$1,276,736		
\$/unit	\$159,592		
\$/sf	\$185.03	Actual	Proforma
GRM	9.50	7.39	
CAP Before Reserves	6.63%	7.50%	
CAP After Reserves	6.48%	7.34%	
Cash on Cash	6.75%	11.08%	
DCR=	1.26	1.43	



Income

1	A.	Total Potential Market Income	\$ 172,800	
2	B.	Less: loss to market lease	\$ -	0%
3	C.	Total Potential Income (Street)	\$ 172,800	
4	D.	Less: Loss to lease	\$ 38,400	22%
5	E.	Total Income	\$ 134,400	
6	F.	Less: vacancy	\$ -	0.0% Market average
7	G.	Effective Rental Income	\$ 134,400	
8	H.	Plus: Other Income	\$ -	
9	I.	Gross Operating Income	\$ 134,400	

Walk Score: 75, Transit Score: 35, Bike Score: 78

Expenses (Annual)	2023 Actual Estimate			Based on: 2023 Actuals/Estimates			Proforma 2024			Based on: Forthcoming yr.		
		\$/unit	%					\$/unit	%			
20 Real Estate Taxes	\$8,026	\$1,003	6%	2023 Tax Bill	\$21,875	\$2,734	13%	85% Sales Price				
21 Personal Property Taxes				assessed at \$398,150	\$5,150	\$644	3%	\$ 1,085,226 Potential assessment				
22 Property Insurance	\$5,000	\$625	4%	Actual 2023	\$18,522	\$2,315	11%	Potential 2024 = 2023 + 3%				
23 Property Management:												
24 Off Site Management	\$14,465	\$1,808	11%	10%, plus NMGR Tax	\$13,843	\$1,730	8%	Management @ 10% +NMGR				
25 Payroll-Onsite Personnel												
26 Expenses/Benefits												
27 Taxes/Workman's Compensation												
28 Repairs and Maintenance	\$13,440	\$1,680	10%	Est. 2023 Actual was \$2,400	\$7,416	\$927	4%	Potential 2024 = 2023 + 3%				
29 Utilities:												
30 Water, Sewer, & Garbage, Gas & Electric	\$7,200	\$900	5%	Actual 2023	\$1,030	\$129	1%	Potential 2024 = 2023 + 3%				
31 Gas					\$618	\$77	0%	Potential 2024 = 2023 + 3%				
41 Internet												
42 Pest Control	\$1,000	\$125	1%	2023 Estimate								
43 Unit Turnover												
44 Landscaping	\$600	\$75	0%	2023 Estimate								
45 Carpet Cleaning												
46 Internet				repairs+unit turn+reserve=8to10%								
48 Reserve for replacement	\$2,000	\$250	1%	new lender will require	\$2,000	\$250	1%	new lender will require				
49 Total Operating Expenses	\$51,730	\$6,466	38%		\$70,454	\$8,807	41%					
50 Net Operating Income	\$82,670	\$10,334			\$93,706			Potential Market less 5% vacancy + other income				
	ADS	Loan	LTV	Pmt	Term	Interest Rate						
Less: Annual Debt Service	\$65,422	\$ 1,021,389	80%	\$5,452	30	4.95%	\$65,422	\$ 1,021,389	80%	\$5,452	30	4.95%
Cash Flow Before Taxes	\$17,247				\$28,283							

Internal Rate of Return - 919-923 Alvarado SE

Internal Rate of Return Analysis

		Year						Calculated
		1	2	3	4	5	6	for 1st year of next owners, ownership
Total Potential Market Income	3.5% Increases	\$172,800	\$178,848	\$185,108	\$191,586	\$198,292	\$205,232	
2 Less: loss to market lease	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	
3 Total Potential Income (Max Rent)		\$172,800	\$178,848	\$185,108	\$191,586	\$198,292	\$205,232	
4 Less: Loss to lease	22.2%	\$38,400	\$39,744	\$41,135	\$42,575	\$44,065	\$45,607	
5 Total Income		\$134,400	\$139,104	\$143,973	\$149,012	\$154,227	\$159,625	
6 Less: vacancy	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	
7 Effective Rental Income		\$134,400	\$139,104	\$143,973	\$149,012	\$154,227	\$159,625	
8 Plus: Other Income	2.0% Increases	\$0	\$0	\$0	\$0	\$0	\$0	
9 Gross Operating Income		\$134,400	\$139,104	\$143,973	\$149,012	\$154,227	\$159,625	
Total Operating Expenses	2.0% Increases	\$51,730	\$52,765	\$53,820	\$54,897	\$55,995	\$57,114	
Net Operating Income		\$82,670	\$86,339	\$90,152	\$94,115	\$98,233	\$102,511	
		\$1,021,389						
Mortgage Balance		\$1,006,183	\$990,208	\$973,423	\$955,789	\$937,261		
ADS		\$65,422	\$65,422	\$65,422	\$65,422	\$65,422		
- Principal Reduction		\$15,206	\$15,976	\$16,785	\$17,634	\$18,527		
= Mortgage interest		\$50,217	\$49,447	\$48,638	\$47,788	\$46,895		
- cost recovery (annual)	27.5 yrs @ 80%	\$35,595	\$37,141	\$37,141	\$37,141	\$35,595	includes mid month	
= Taxable Income		-\$3,143	-\$249	\$4,373	\$9,186	\$15,742		
Tax on income at ordinary income rate of	35%	\$0	\$0	\$1,531	\$3,215	\$5,510		
NOI		\$82,670	\$86,339	\$90,152	\$94,115	\$98,233		
- Annual Debt Service		\$65,422	\$65,422	\$65,422	\$65,422	\$65,422		
= Cash Flow Before Tax		\$17,247	\$20,917	\$24,730	\$28,693	\$32,810		
- Less Ordinary Income Tax		\$0	\$0	\$1,531	\$3,215	\$5,510		
= Cash Flow After Tax		\$17,247	\$20,917	\$23,199	\$25,478	\$27,300		

Sales Worksheet

Calculation of Adjusted Basis

1 Basis at Acquisition	\$1,276,736
2 + Capital Additions	
3 -Cost Recovery (Depreciation) Taken	\$182,615
4 =Adjusted Basis at Sale	\$1,094,121

Calculation of Capital Gain

Disposition CAP Rate	6.5%
5 Sale Price	\$1,583,156
6 -Costs of Sale	\$126,652
7 -Adjusted Basis at Sale	\$1,094,121
8 =Gain or (Loss)	\$362,382
9 -Straight Line Cost Recovery (limited to gain)	\$182,615
# =Capital Gain from Appreciation	\$179,767

Calculation of Sales Proceeds after tax

# Sale Price	\$1,583,156
# -Cost of Sale	\$126,652
# -Mortgage Balance(s)	\$937,261
# =Sale Proceeds Before Tax	\$519,242
# -Tax: Straight Line Recapture at 25.0%	\$45,651
# -Tax on Capital Gains at 20.0%	\$35,953
# =SALE PROCEEDS AFTER TAX:	\$437,635

IRR Before tax = 22.4%

n	\$
0	\$ (255,347)
1	\$17,247
2	\$20,917
3	\$24,730
4	\$28,693
5	\$32,810 + \$519,242

IRR After tax = 18.5%

n	\$
0	\$ (255,347)
1	\$17,247
2	\$20,917
3	\$23,199
4	\$25,478
5	\$27,300 + \$437,635

As a commercial real estate investor, the federal tax code gives you three advantages compared to other investments including:

1. Deduct your annual mortgage interest before you calculate your taxable amount;
2. Deduct your cost recovery/depreciation before you calculate your taxable amount, in the future when you sell the property, you only pay back 25% of the benefit you received;
3. Your long term profit, or capital gain, is taxed at 20%

The combination of these benefits could help lower an investor's effective federal tax rate from 35% federal tax rate to only 17%.

Investor's Effective Tax Rate =

17%

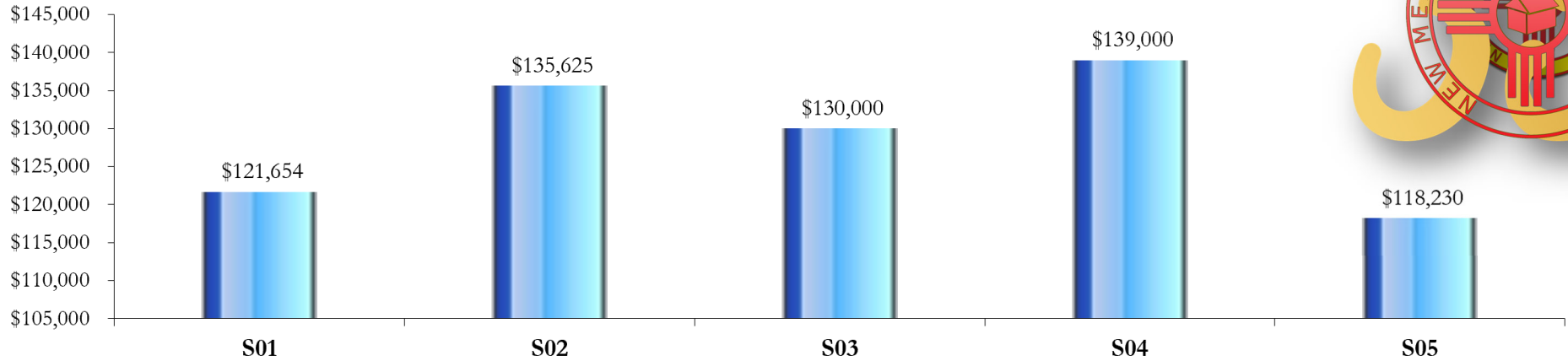
Comparable Sales - 919-923 Alvarado SE

Comparable Sales Analysis for:

919 & 923 Alvarado SE

Compiled by Todd Clarke CCIM

\$/unit



#	Name	Location	Units	Age	List Price	Sales Price	Sales Date	\$/unit	\$/sf	Avg. Rent	GRM	CAP *
S01	Seller REC 401 Georgia SE	Albuquerque	4	1980	\$ 486,614	\$ 486,614	4/12/2024	\$ 121,654	\$ 160	\$1,200	8.45	6.7%
S02		11912 Indian School NE Albuquerque	8	1977	\$ 1,175,000	\$ 1,085,000	3/26/2024	\$ 135,625	\$ 174	\$1,128	10.02	5.7%
S03		4619 9th NW Albuquerque	6	1950	\$ 750,000	\$ 780,000	11/30/2023	\$ 130,000	\$ 154	\$1,104	9.81	5.8%
S04		511 12th SW Albuquerque	5	1950	\$ 730,568	\$ 695,000	9/29/2023	\$ 139,000	\$ 198	\$1,066	10.87	5.2%
S05		423 Princeton SE Albuquerque	4	1940	\$ 508,245	\$ 472,920	7/25/2024	\$ 118,230	\$ 230	\$975	10.11	5.6%

Average SOLD					\$ 730,085	\$ 703,907		\$ 128,902	\$183	\$1,095	9.85	5.8%
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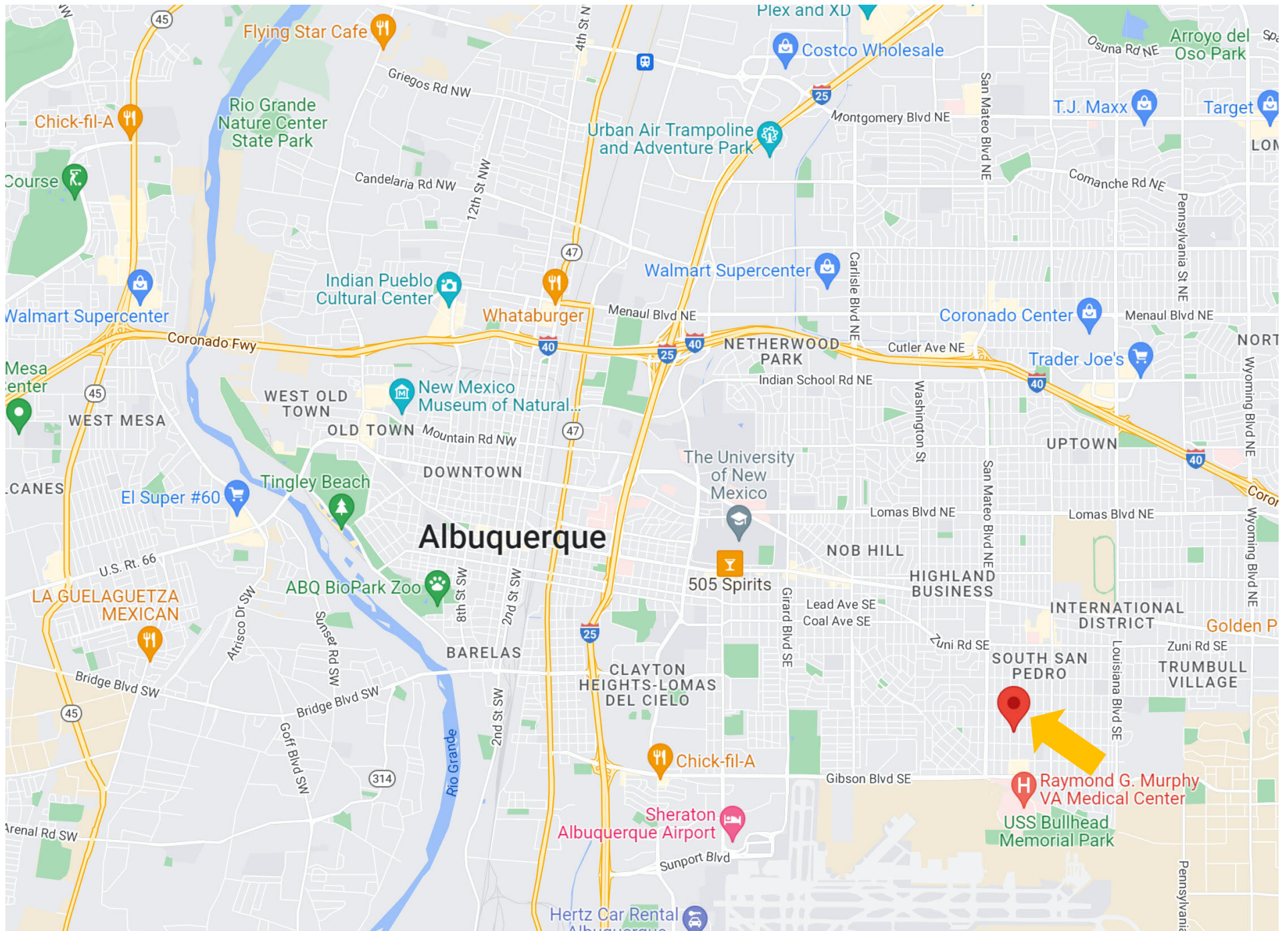
*imputed @ 5% vac, 40% exp

Subject Property	919 & 923 Alvarado SE		8		\$1,276,736			\$ 159,592	\$185	\$1,400	9.50	6.5%
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Average of Comparable SOLD applied to subject property

\$/unit	\$ 128,902	\$ 1,031,214
\$/sf	\$ 183.24	\$ 1,264,386
CAP (Actual)	5.8%	\$ 1,418,931
GRM (Actual)	9.85	\$ 1,323,889
Average=		\$1,259,605

Property Info - Area Map

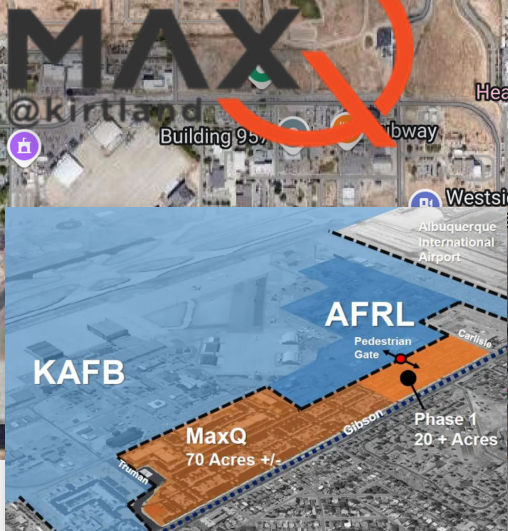


Property Info - Neighborhood Map



MaxQ@Kirtland is a 70-acre high-tech civilian commercial campus located on the Kirtland Air Force Base in Albuquerque, New Mexico, in the heart of Space Valley.

Adjacent to the Air Force Research Lab and its Directed Energy and Space Vehicles Research Directorates, MaxQ@Kirtland allows companies to build custom offices and facilities that are uniquely positioned for partnership with government customers and others advancing next-generation space exploration and development.
 —<https://maxqnm.com/d>



Property Info - CABQ - GIS

City of Albuquerque Property Report

Platted Parcel Address:	919 ALVARADO DR SE
Assessor Parcel Address:	919 ALVARADO DR SE
Report Date:	9/14/2024



www.cabq.gov/gis

Bernalillo County Assessor Ownership Data [\(Click here for more information\)](#)

Owner Name:	919-923 ALVARADO DR SE LLC		
Owner Address:	700 INDUSTRIAL AVE NE ALBUQUERQUE NM 87107-2277		
Uniform Property Code (UPC):	101805612123732307	Tax Year: 2024	Tax District: A1A
Legal Description:	* 024 004MELENDRES SUBDIVISION OF BLK 4 VIRGINIA PLACE		
Property Class: C	Document Number: 2022075665 081622 SW - EN	Acres: 0.186	

Albuquerque Planning and Zoning Data [Bernalillo County Planning and Zoning](#)

Jurisdiction: ALBUQUERQUE	Zone Atlas Page: L-18
IDO Zone District: R-MH	IDO District Definition: Multi-family High Density
Land Use: 01 Low-density Residential	Lot: 24 Block: 4 Subdivision: VIRGINIA PLACE ADDN REPLAT LOTS 24 & 25 BLK 4

Neighborhood Associations [Office of Neighborhood Coordination](#)

City Recognized Neighborhood Associations:	South San Pedro NA, South San Pedro NA
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Services

Police Beat: 334	Area Command: SOUTHEAST
Residential Trash Pickup and Recycling: Wednesday	

City Council Districts

City Council District: 6 - Nichole Rogers	Councilor Email: nrogers@cabq.gov
Policy Analyst: Paloma Garcia	Policy Analyst Phone #: 505-768-3100
Policy Analyst Email:	

Other Legislative Districts

US Congressional District:	1 - Melanie Stansbury
County Commission District:	3 - Adriann Barboa
NM House Of Representatives:	19 - Janelle I Anyanonu
NM Senate:	17 - Mimi Stewart

APS School Service Areas [Albuquerque Public Schools](#)

Elementary School: WHITTIER	Middle School: WILSON	High School: HIGHLAND
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FEMA Flood Zone: X	FEMA Flood Map Service Center
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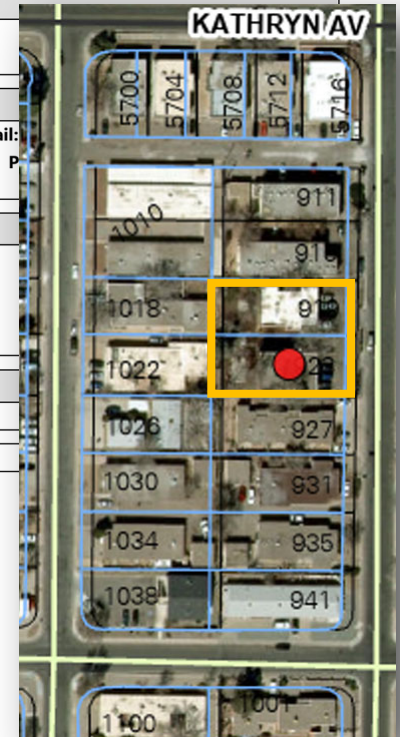
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Elementary School: WHITTIER	Middle School: WILSON
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FEMA Flood Zone: X



Property Photographs - Exterior



Property Photographs - Exterior



Property Photographs - Interior



Drone Photographs - 919-923 Alvarado SE



Neighborhood Development/Activity - ACS

City Marks New Era of Public Safety



June 30, 2024

ALBUQUERQUE – Today, Mayor Tim Keller along with about 400 members of the community celebrated a ribbon cutting ceremony in honor of the new headquarters for the Albuquerque Community Safety Department (ACS) located at 1210 San Mateo Blvd. SE.

ACS is a first-of-its-kind department, and these new headquarters are the first for an alternative health response department in nation. Since its inception two and a half years ago, ACS has responded to over 75,000 calls, employing an innovative behavioral health model with a non-law enforcement-led response. In prior years, many of these would have been calls fielded by first responders in the police and fire departments. Now, ACS diverts about 3,000 911 calls from those departments each month.

With its success as an innovated third branch of public safety, ACS has woven itself into the fabric of emergency response for the City of Albuquerque, but had no permanent home. The department had been leasing temporary space for its base of operations at the Gateway Center property. Now, ACS has its first permanent headquarters at a new 10,800-square-foot facility, located in the International District.

“Today marks a milestone for behavioral response departments all across the country.” said ACS Director Jodie Esquibel. “Our team takes incredible pride in being a national leader and we look forward to continuing our growth alongside the community.”

Mayor Tim Keller joins members of the community and ACS employees in ribbon cutting ceremony for new ACS Headquarters.

“Albuquerque is leading the nation in alternative first response, and ACS has become a blueprint for the rest of the country,” said Mayor Tim Keller. “By sending trained social workers and health workers to behavioral health calls, ACS has transformed public safety in Albuquerque, and now they have a permanent home base to continue growing and serving our community. ACS is here to stay.”

The community showed up to celebrate the milestone, enjoying free food, drinks, music and received a tour of the new facility, which along with housing ACS staff and programs, will also serve as a space for community resources and gatherings.

The new building has space for the growing number of ACS Responders, staff, and a dedicated space for training. It also holds a collaborative space where community members, community partners, Responders, and ACS Administrative staff will share ideas and work together to continue to serve our city.

Members of the community touring ACS Headquarters.

Being located in the International District Market means the new ACS headquarters will play an integral part in ensuring ACS is connected and engaged with the communities it serves. The \$10 million-dollar project was paid for with General Obligation Bonds.

The growth of ACS will continue when the Southwest Safety Center located just north of 98th and Rio Bravo opens its doors in 2025. This facility will be the first of its kind for Albuquerque as it will house APD, AFR and ACS staff.

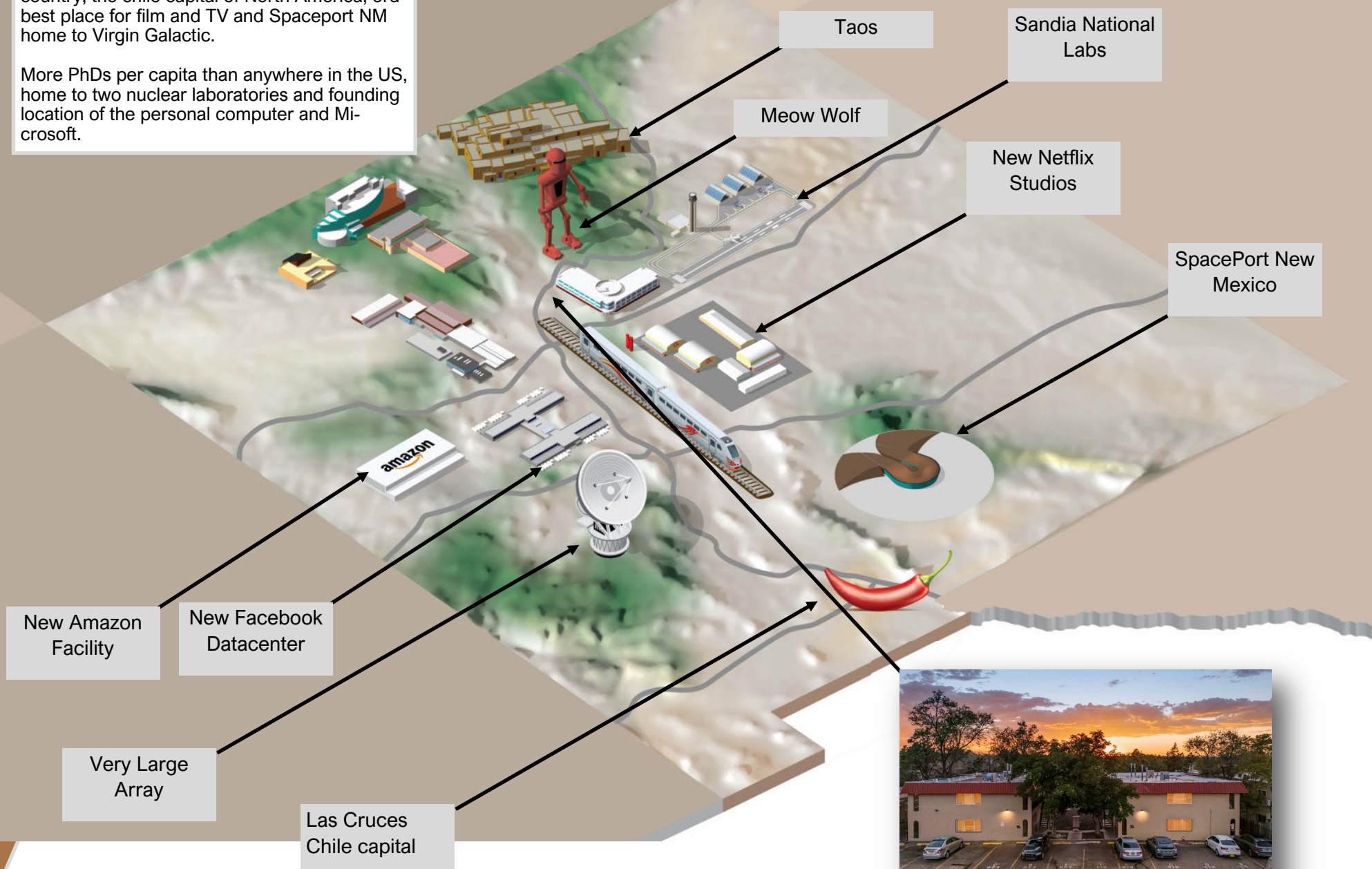
About Albuquerque Community Safety: ACS is the City of Albuquerque’s third branch of public safety. Responders take calls for service involving behavioral health, substance use, and other non-criminal and non-medical issues. Request an ACS Responder by calling 911 for emergencies and 311 for non-emergencies.

—<https://www.cabq.gov/acs/news/city-marks-new-era-of-public-safety>

New Mexico is on the international map

New Mexico is home to the oldest Capitol in the country, the Chile capital of North America, 3rd best place for film and TV and Spaceport NM home to Virgin Galactic.

More PhDs per capita than anywhere in the US, home to two nuclear laboratories and founding location of the personal computer and Microsoft.



Albuquerque's Economic Engines

Albuquerque offers a diversity of economic engines from Amazon, to Intel, to UNN/CNM to Facebook/Meta, Sandia National Laboratories to the downtown medical cluster (3 hospitals) to the Netflix studios.



NEW MEXICO PRODUCTIONS THAT HAVE WRAPPED

Name	NM crew	NM talent (performing artists)	NM background and extras
Paul's Promise aka "Retribution"	35	10	80
Them Covenant (Episode 8)	199	32	500
The Harder They Fall	350	25	100
Captive	22	4	15
Peace River	5	15	25
Roswell (Season 3)	275	110	2200
Canyon del Muerto	130	30	600
Third Story Automotive	0	4	0
Land of Dreams (Part 2)	30	20	150
Cry Macho	200	0	700
Intrusion	134	32	134
Meow Wolf Denver	150	60	75
Slayers	33	5	2
The Commando	35	14	28
Cleaning Lady (Pilot)	120	400	500
Cop Shop	51	27	30
Outer Range	428	7	1000
The Wrong Guy	20	10	5
Twalette	1	2	4
Better Call Saul (Season 6)	400	110	1500
Monogamy	35	11	30
Dr. Death (Season 1)	170	5	100
Holiday in Santa Fe	18	5	50
Dig	26	5	0
Surrounded	140	21	30
When You Finish Saving the World	110	13	80
The Ray	100	5	25
Lullaby	85	4	0
Total	3302	986	7963

Source: New Mexico Film Office

DMC



Sandia National Laboratories



Reasons to invest in Albuquerque, NM

Albuquerque is home to

Three of the six F.A.A.N.G. tech companies:



Facebook

Data Center

A



Distribution center under construction—announced 1,000

A

Apple

N



announced \$1 Billion of new programming

G

Google

Due to Sandia and Los Alamos National (nuclear) Laboratories - New Mexico has more PhDs per capita than any other state.

#3rd place in United States for Film and TV

The city has made a major investment in its transportation corridor - along historic Route 66 the new A.R.T. or Albuquerque Rapid Transit has been installed - a \$130M investment and upgrade into this transit corridor. Did you know that apartment communities in the top 10% of walk, bike or transit scores achieve 25% higher rents?

Albuquerque offers over 300 days of sunshine, ski and golf in the same day, hundreds of miles of biking/hiking trails, more parks/open space per person and North America's largest bosque forest.



Albuquerque, New Mexico in the news

- ☑ **9th best mid-sized city of the Future**
Foreign Direct Investment magazine—03/2015
- ☑ **6th best city to travel to for food snobs**
Travel+Leisure—03/2015
- ☑ **America's best city for Global Trade for Skilled Workforce**
Global Trade magazine—11/2014
- ☑ **3rd best city for rent growth**
All Property Management as reported in ABQ Journal—10/2013
- ☑ **6th best city in US for connecting workers to jobs using Public Transportation**
Brookings Institute—July 2012
- ☑ **One of the 10 best park systems in the nation**
Trust for Public Land—2012
- ☑ **3rd most fittest city**
Men's Fitness Magazine—2012
- ☑ **3rd best city to make movies**
Moviemaker.com—June 2012
- ☑ **Top 25 best places to Retire**
CNNMoney.com—Sept. 2011
- ☑ **15th best city in Bloomberg's Business Week (best cities)**
Bloomberg's Business Week—2011
- ☑ **#17th best bike friendly city**
Bicycling Magazine—2010
- ☑ **Top Ten for Being a Healthy Community**
Outside Magazine—#6—August 2009
- ☑ **One of the Best Cities in the Nation**
Kiplinger Magazine—#2—July 2009
- ☑ **Top 10 places to Live**
U.S. News & World Report—June 2009
- ☑ **AAA rates Albuquerque 2nd in vacation affordability**
American Automobile Association—June 2008
- ☑ **UNM Anderson School Ranked in Global 100**
Aspen Institute, October 2007

Kiplinger Millionaires in America 2020: All 50 States Ranked | Slide 9 of 52
44. New Mexico



MILLIONAIRE HOUSEHOLDS: 40,450
TOTAL HOUSEHOLDS: 813,135
Concentration of Millionaires: 4.97%
RANK: 44 (+1 from last year)
MEDIAN INCOME FOR ALL HOUSEHOLDS: \$47,169
MEDIAN HOME VALUE: \$174,700

New Mexico is a land of stark contrasts when it comes to its millionaire population. Los Alamos, New Mexico – best known for the world-famous Los Alamos National Laboratory – seems like an unlikely place to find a lot of millionaires. **But at 13.2%, it has the second-highest concentration of millionaires per capita of any city in the U.S.**

In addition to medicine, top-paying jobs are found in general internal medicine, engineering management and psychiatry.

Yet outside of Los Alamos, the state's concentration of millionaires puts it in the bottom 10 in the U.S. Fewer than 1 in 20 households claiming investable assets of \$1 million or more.

The upside of having fewer millionaires is that it helps keep a lid on living costs, which are 8.9% below the U.S. average.

For residents of all means, the Land of Enchantment is [somewhat tax-friendly](#), though [it's a mixed bag for retirees](#). Social Security benefits are subject to tax by the state, as are retirement account distributions and pension payouts.

Multifamily investment sales process and thoughts:

My name is Todd Clarke CCIM CIPS and I am a commercial Realtor who has been selling apartment investments for over 35 years. In that time, I have listed/sold over 17,505 units totaling \$833M in over 900 transactions. I also teach investment sales analysis for the CCIM institute (27 years, over 4,000 students in a dozen countries). I share this with you so you know that the balance of this document comes from experience, and my ideals about how the apartment business runs. This also gives you insight into how we counsel and advocate for our clients.

Most of your **Buyer's questions** about rents, expenses, and property info can be answered by downloading the flyer & APOD (Annual Property Operating Data) from the document center. **Please READ THEM. If you are new to investment sales, I am glad to assist you, but please know:**

Showings/Tours

Residents have rights under the NM Landlord Resident Relations act, and Landlords take that law seriously.

Many Landlords consider their residents to be their **customers**. They work hard to keep them **happy**. Any attempt by a 3rd party to visit the property without the Landlord's prior written approval jeopardizes the Landlord's and Resident's happy customer relationship.

Do not disturb the residents, do not walk the property. It is considered rude to do either, and many Sellers will refuse to work with Buyers who violate this provision.

Landlords (Sellers) rarely are willing to show a property prior to having an offer.

Where possible, we have included virtual tours in high definition – please look to the flyer for those links.

Sellers suggest Buyers make an offer subject to inspection and that the buyer work hard to consolidate their inspections and appraisal review on the same business day, to minimize the impact on the residents, who are the sellers clients.

Commercial vs. Residential Real Estate sales

Apartment investments are considered commercial real estate sales. Although the occasional apartment will sell to an owner/occupant, from the Seller's and Listing Broker's perspective, they approach the transaction in a business-like manner, where it is all about the numbers, and very little about the emotions.

Commercial brokers work regular business hours during business days, and so do most of their clients. Please do not write an offer with an expiration date on a weekend, or a response period of anything less than 3 business days. Please do not text, or expect return phone calls after regular business hours.

Offers

Commercial transactions often start with a two page letter of intent or LOI – this allows the parties to share the skeleton of a deal. If they can reach a meeting of the minds, they will then flesh out the details in a purchase and sale agreement. If your client chooses to do a letter of intent, please make sure your letter of intent form includes the basics like price, closing date, contingencies, and who pays what closings costs.

The current (2021) activity level from investors interest in our marketplace is three times higher than it was before then pandemic, which was 10 times higher than it was in 2016, our market is saturated with out of state investors, and I often tell buyers that they have a 1 in 10 chance of becoming an owner, where as everyone of my Sellers have a 1 in 1 chance of selling.

Please let your client know that I work with my clients on a merit based negotiation system - we do not play the high/low game, and my **listing agreement pre-authorizes me to let you know when a (low) offer is likely not to be responded to by my Seller, so call first before your client suggests a low ball offer.**

If your client's strategy is to count days on market and expect a discount, please let them know we specialize in helping our clients establish the leading edge of current market pricing, and our clients are prepared to wait for the right investor who can meet their deal goals.

The follow-up questions Sellers ask after what is the price is, does the Buyer know the market? Have they been here? Do they have a team (management, lender, etc.) in place? Be prepared to answer these questions an advocate for your buyer, particularly if there are multiple competing offers.

Most of my Sellers are as focused on certainty of closing as they are the price, so don't be surprised when we ask you for proof of funds of down payment and a prequal letter from a qualified lender.

The standard in commercial transactions is that the Buyer pays for their own inspections and financing costs, and issues raised by the Buyer's lender are the Buyers to deal with. As the seller is sharing the information on the property with the buyer, the expectation is the buyer will share all information with the seller so they can troubleshoot/problem solve together.

BID Process

If this property is being marketed with the BID process, then **the ask (start) price is set low** with the intention of garnering a lot of investor interest that will lead to multiple offers, a best and final round **with a final close price that is considerably higher than the original ask price**. This process may be new to you, but we have been using it for over 16 years. By participating in the BID Process, best case, your buyer becomes an owner, worst case they receive an education on current market conditions.

If the property is being marketed using the BID process, the tour date and time is the **only time** the property is available for a viewing. This is not an inspection. Please do not bring your vendors, inspectors, ladders, etc. This is not an open house, but a guided tour that lasts 10 to 20 minutes and allows you a chance to view the interior condition.

Client Control

Your client's actions represent you in this transaction, and your actions represent them. Please let your client know they have only one chance to make a good impression with my Sellers.

When in doubt, please ask for permission via email, **do not** take action and expect forgiveness from a Seller. Please let your clients know that their actions will be considered by the Seller when they review offers and rank them in likelihood to close.

Open invitation – on a monthly basis, we host a luncheon for brokers and property managers who have an interest in apartment investments – just email me for an invitation.

Please know that I love this business and I am glad to share my knowledge, expertise and enthusiasm with you and your Buyer. I want to help you, help them, to be a great landlord and investor.

I look forward to working on this transaction with you—Sincerely, **Todd Clarke CCIM CIPS**

Is the Seller offering a credit for a buyer to self represent or paying a fee for a buyer's broker?

NM Apartment Advisors has created a mechanism, where you can email 24/7 to discover what compensation/credit a seller is offering by sending an

Email to compensation@nmapartment.com with the subject: NMAA-2465923

To receive a document confirming buyer's broker compensation and/or buyer's credit from the seller for this listing.

Further Information

Do not walk property.

To register for additional information and the tour go to:
www.nmapartment.com/alvarado

Marketing Advisors

In the event of multiple offers, BID process will be used. Additional information on the sales process can be found at
www.nmapartment.com/bidprocess/bidprocess.pdf

The owner and property are represented by Todd Clarke CCIM of NM Apartment Advisors who has over 35 years of experience. If there is any information you need on the market, submarket, or the property, please do not hesitate to ask.

Todd Clarke  CCIM CIPS

CEO

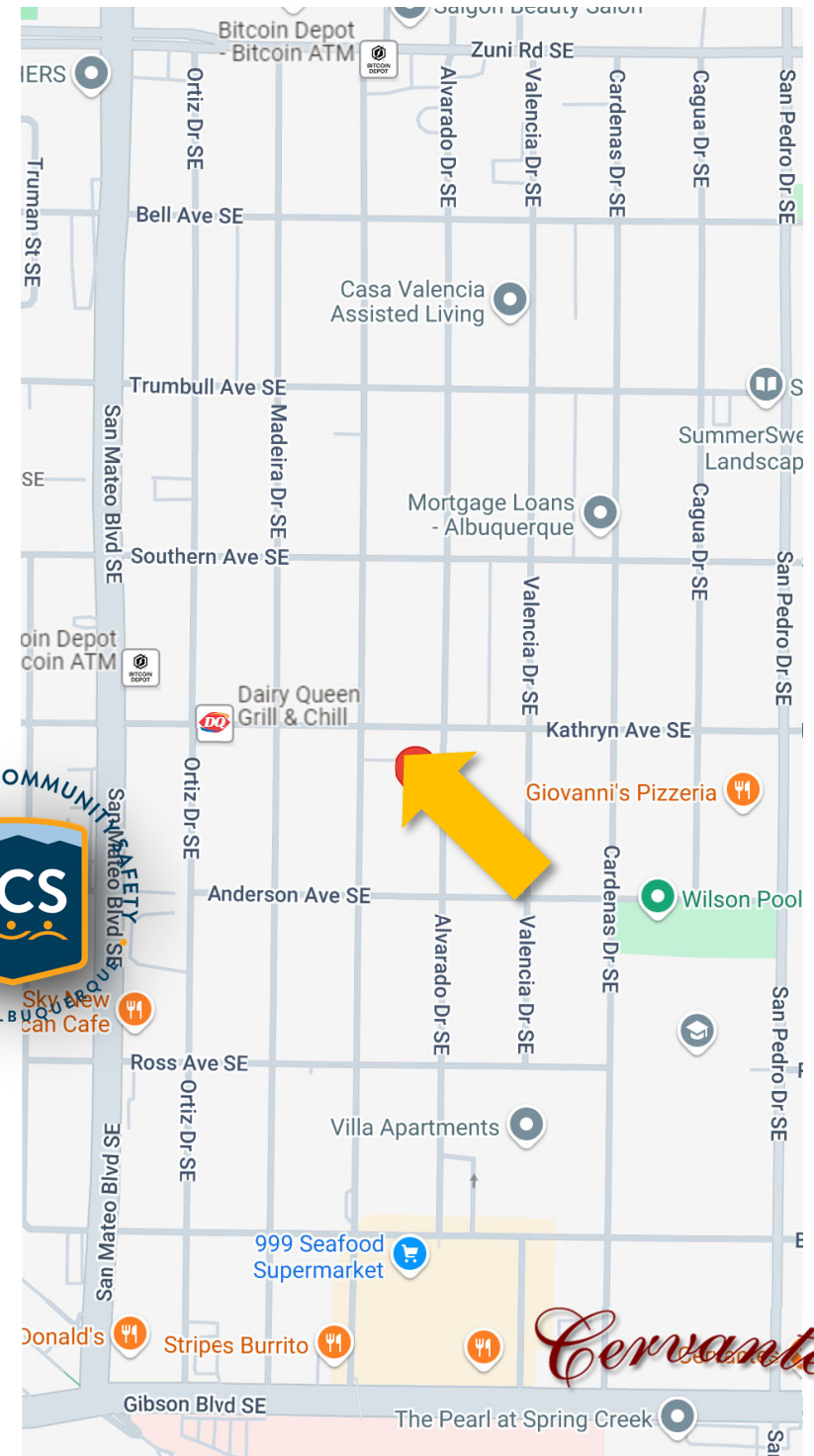
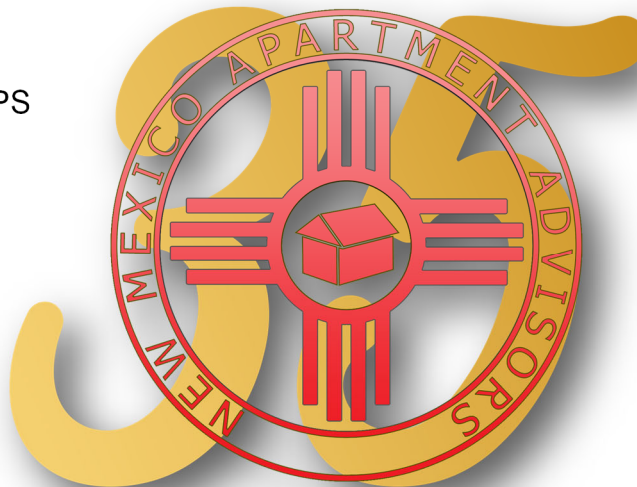
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