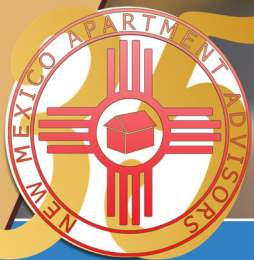


1322 & 1322.5 Fairhaven SW
Albuquerque, NM 87105



Register for additional confidential information: www.nmapartment.com/1322FairhavenSW

South Valley Duplex

Units: 2

Size: 2,059 sf

Land: 0.26 ac

Ask Price: \$216,063

GRM: 9.23

CAP: 5.73%

After Tax IRR: 11.1%

Property Information

On behalf of the owners, NM Apartment Advisors is honored to bring to market a rare opportunity to acquire a South Valley Duplex. Located at 1322 and 1322 1/2 Fairhaven and just a few minute drive to Old Town and Downtown, this well located property is also just steps from North America's largest bosque forest along the Rio Grand River.

The property offers two spacious three bedroom homes that are currently on month to month leases.

Full inspection reports are available to qualified investors and/or owner occupants who complete the online confidentially agreement at <http://www.nmapartment.com/1322FairhavenSW>

Do not wait out on this rare opportunity to acquire in an market with a significant housing shortage from all of the new Netflix, Amazon, Facebook(Meta) and Intel jobs, that has made the Greater Albuquerque Metro Area one of the top markets in the country for rent growth.



The Property

Address: 1322 & 1322.5 Fairhaven SW

Number of units: 2

Year of construction: 1939

Bldg. Size: 2,059 sf +/- 1,688 sf per Assessor

Site Size: 0.1561 acres

Avg. Unit Size: 1,030 sf

UPC: 101305605841321018

Legal: Lot 13A, Summary Plat Portions of Lots 13 and 14 Fairhaven Addition

Ask Price: \$216,063

\$/ unit: \$108,031

\$/sf: \$104.04

	2023 Actual	2024 Proforma
Avg Rent:	\$975	\$1,350
GRM:	9.23	6.67
Cap Rate Before reserves:	5.73%	9.31%
Cap Rate After Reserves:	5.50%	9.07%
Year 1 NOI:	\$11,883	\$19,605
Before Tax IRR:	14.4%	
After Tax IRR:	11.1%	

Annual Property Operating Data (APOD)

NM Apartment Advisors Financial Overview for:

1322 - 1322.5 Fairhaven SW

Prepared by: Todd Clarke CCIM

7/3/2024

Unit/Rent Summary

#	Type	Style	Approx Size	Actual Rent	Street Rate	Market Rent	Actual Rent \$/sf	Total Actual	Total Max Rent for this type	Total Market Potential	Total sf
1	1322	3br/1ba - mo/mo	1136	\$ 1,100	\$ 1,100	\$ 1,450	\$ 0.97	\$ 1,100	\$ 1,100	\$ 1,450	1,136
1	1322.5	3br/1ba - mo/mo	923	\$ 850	\$ 1,050	\$ 1,250	\$ 0.92	\$ 850	\$ 1,050	\$ 1,250	923
2	total units Averages =		1030	\$ 975	\$ 1,075	\$ 1,350	\$ 0.95	\$ 1,950	\$ 2,150	\$ 2,700	2,059 Per Owner
				Annualized =				\$ 23,400	\$ 25,800	\$ 32,400	1,688 Per Assessor

Benchmarks

Offering Price	\$216,063		
\$/unit	\$108,031		
\$/sf	\$104.94	Actual	Proforma
GRM	9.23	9.23	6.67
CAP Before Reserves	5.73%	5.73%	9.31%
CAP After Reserves	5.50%	5.50%	9.07%
Cash on Cash	-0.05%	-0.05%	14.25%
DCR=	1.00	1.00	1.65
Walk Score: 47; Bike Score: 56			



Income

1	A.	Total Potential Market Income	\$ 32,400	
2	B.	Less: loss to market lease	\$ 6,600	20.4%
3	C.	Total Potential Income (Street)	\$ 25,800	
4	D.	Less: Loss to lease	\$ 2,400	9.3%
5	E.	Total Income	\$ 23,400	
6	F.	Less: vacancy 5.0%	\$ 1,170	market vacancy
7	G.	Effective Rental Income	\$ 22,230	
8	H.	Plus: Other Income	\$ -	Pet Fees
9	I.	Gross Operating Income	\$ 22,230	Year End 2023 was \$28,654

Expenses (Annual)	Actuals/Estimates 05/01/2023 - 04/30/2024			Based on: Actuals/Estimates			Proforma 2024			Based on: Forthcoming yr. Income: Line C - F + H		
		\$/unit	%			%		\$/unit	%			%
20 Real Estate Taxes	\$2,709	\$1,355	12%	2022 Actual Taxes			\$1,649	\$825	5%	Based on 61% sales price		
21 Personal Property Tax				current assessment	\$216,500							
22 Property Insurance	\$1,856	\$928	8%	2023 Actual			\$1,912	\$956	6%	Potential 2024 = 2023 +3%		
23 Property Management:												
24 Off Site Management	\$1,595	\$798	7%	10% plus NMGRT			\$3,317	\$1,658	10%	Est @ 10% of TPM plus NMGRT		
25 Payroll-Onsite Personnel												
28 Repairs and Maintenance	\$1,556	\$778	7%	Est. Actual 2023 was \$1,103			\$1,603	\$801	5%	Potential 2024 = 2023 +3%		
29 Utilities:												
30 Water, Sewer, & Garbage	\$1,914	\$957	9%	Actual 2023			\$1,972	\$986	6%	Potential 2024 = 2023 +3%		
31 Gas												
32 Electric												
33 Telephone/Cable/Internet												
36 Accounting/Legal/Security												
37 Advertising/Licenses/ Commissions												
42 Pest Control	\$216	\$108	1%	Estimate			\$222	\$111	1%	Potential 2024 = 2023 +3%		
47 Reserve for replacement	\$500	\$250	2%	May be required by new lender			\$500	\$250	2%	May be required by new lender		
48 Total Operating Expenses	\$10,347	\$5,173	47%				\$11,175	\$5,587	34%			
50 Net Operating Income	\$11,883	\$5,942					\$19,605			Potential Market less 5% vacancy + other income		
	ADS	Loan	LTV	Pmt	Term	Interest Rate	ADS	Loan	LTV	Pmt	Term	Interest
Less: Annual Debt Service	Potential	\$11,910	\$ 162,047	75%	\$992	30	\$11,910	\$ 162,047	75%	\$992	30	6.20%
Cash Flow Before Taxes		-\$26					\$7,695					

Internal Rate of Return

		Year					Calculated for 1st year of next owners, ownership
		1	2	3	4	5	6
Total Potential Market Income	3.5% Increases	\$32,400	\$33,534	\$34,708	\$35,922	\$37,180	\$38,481
2 Less: loss to market lease	20%	\$6,600	\$6,831	\$7,070	\$7,318	\$7,574	\$7,839
3 Total Potential Income (Max Rent)		\$25,800	\$26,703	\$27,638	\$28,605	\$29,606	\$30,642
4 Less: Loss to lease	9%	\$2,400	\$2,484	\$2,571	\$2,661	\$2,754	\$2,850
5 Total Income		\$23,400	\$24,219	\$25,067	\$25,944	\$26,852	\$27,792
6 Less: vacancy	5%	\$1,170	\$1,211	\$1,253	\$1,297	\$1,343	\$1,390
7 Effective Rental Income		\$22,230	\$23,008	\$23,813	\$24,647	\$25,509	\$26,402
8 Plus: Other Income	2% Increases	\$0	\$0	\$0	\$0	\$0	\$0
9 Gross Operating Income		\$22,230	\$23,008	\$23,813	\$24,647	\$25,509	\$26,402
Total Operating Expenses	2% Increases	\$10,347	\$10,553	\$10,765	\$10,980	\$11,199	\$11,423
Net Operating Income		\$11,883	\$12,455	\$13,049	\$13,667	\$14,310	\$14,979
Mortgage Balance		\$160,130	\$158,091	\$155,922	\$153,614	\$151,160	
ADS		\$11,910	\$11,910	\$11,910	\$11,910	\$11,910	
- Principal Reduction		\$1,917	\$2,039	\$2,169	\$2,308	\$2,455	
= Mortgage interest		\$9,993	\$9,871	\$9,741	\$9,602	\$9,455	
- cost recovery (annual)	27.5 yrs @ 1. 80%	\$6,024	\$6,285	\$6,285	\$6,285	\$6,024	includes mid mont
= Taxable Income		-\$4,133	-\$3,702	-\$2,977	-\$2,221	-\$1,169	
Tax on income at ordinary income rate of	2. 35%	\$0	\$0	\$0	\$0	\$0	
NOI		\$11,883	\$12,455	\$13,049	\$13,667	\$14,310	
- Annual Debt Service		\$11,910	\$11,910	\$11,910	\$11,910	\$11,910	
= Cash Flow Before Tax		-\$26	\$545	\$1,139	\$1,757	\$2,400	
- Less Ordinary Income Tax		\$0	\$0	\$0	\$0	\$0	
= Cash Flow After Tax		-\$26	\$545	\$1,139	\$1,757	\$2,400	

Sales Worksheet

Calculation of Adjusted Basis

1 Basis at Acquisition	\$216,063
2 + Capital Additions	Electrical/roof
3 -Cost Recovery (Depreciation) Taken	\$30,904
4 =Adjusted Basis at Sale	\$185,159

Calculation of Capital Gain

Disposition CAP Rate	5.5%
5 Sale Price	\$272,343
6 -Costs of Sale	8.0% \$21,787
7 -Adjusted Basis at Sale	\$185,159
8 =Gain or (Loss)	\$65,396
9 -Straight Line Cost Recovery (limited to gain)	\$30,904
=Capital Gain from Appreciation	\$34,492

Calculation of Sales Proceeds after tax

Sale Price	\$272,343
-Cost of Sale	\$21,787
-Mortgage Balance(s)	\$151,160
= Sale Proceeds Before Tax	\$99,395
-Tax: Straight Line Recapture at	25.0% \$7,726
-Tax on Capital Gains at	20.0% \$6,898
= SALE PROCEEDS AFTER TAX:	\$84,771

IRR Before tax = 14.4%

n	\$
0	\$(54,016) includes renovation
1	-\$26
2	\$545
3	\$1,139
4	\$1,757
5	\$2,400 + \$99,395

IRR After tax = 11.1%

n	\$
0	\$(54,016) includes renovation
1	-\$26
2	\$545
3	\$1,139
4	\$1,757
5	\$2,400 + \$84,771

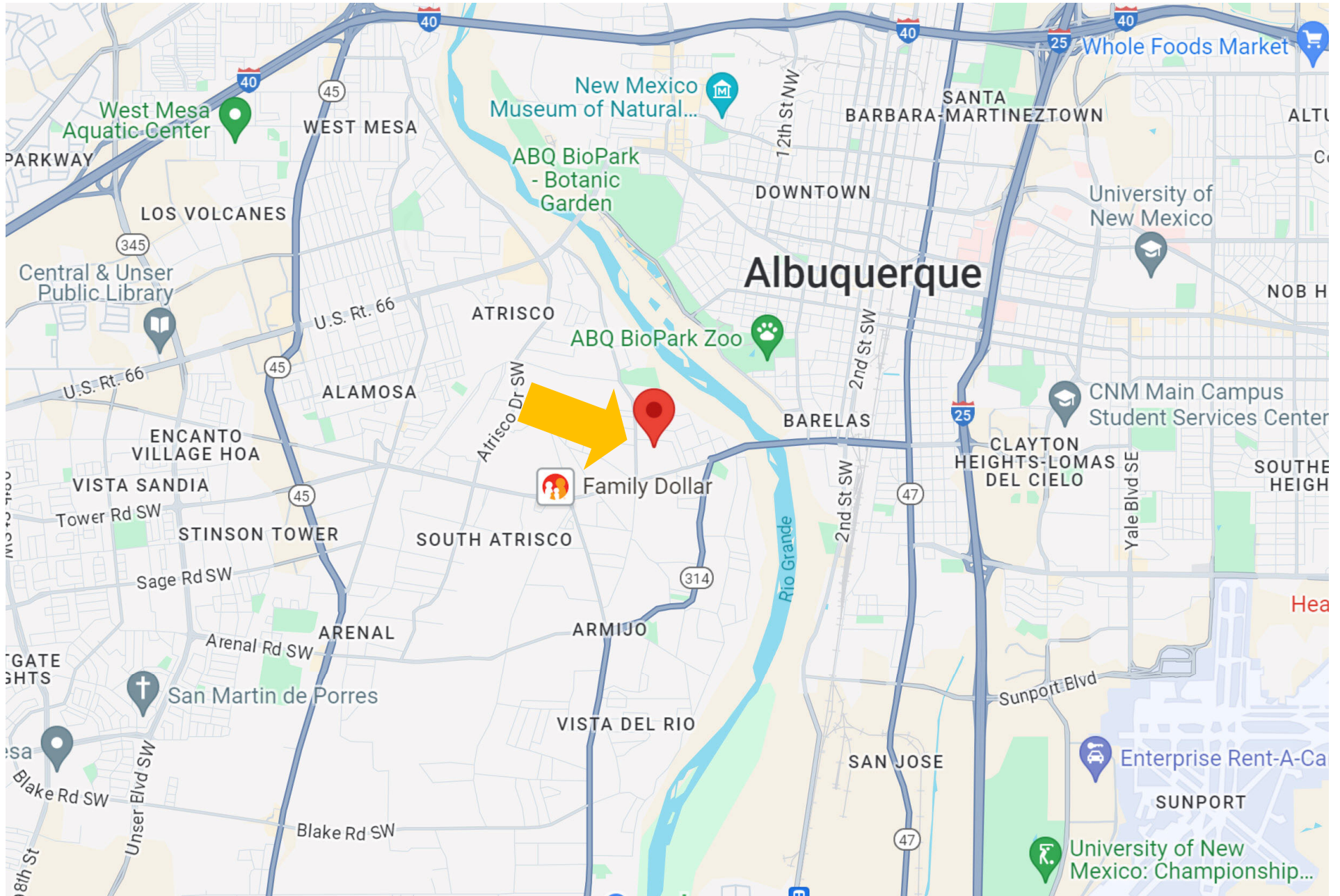
As a commercial real estate investor, the federal tax code gives you three advantages compared to other investments including:

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 24%.

Investor's Effective Tax Rate = 24%

Location - Large Map



Property Photographs - Drone



Drone Photos - note proximity to downtown



Property Photographs - Drone note rural setting



Property Photos



Platted Parcel Address: 1322 FAIRHAVEN AV SW
Assessor Parcel Address: 1322 FAIRHAVEN PL SW
Report Date: 7/3/2024
www.cabq.gov/gis

Bernalillo County Assessor Ownership Data

[Visit the Bernalillo County Assessor Office for more information.](#)

Owner Name: LOPEZ REBECCA & LOPEZ RICARDO D II
Owner Address: 9285 EDGEWOOD DR LA MESA CA 91941-5612
Uniform Property Code (UPC): 101305605841321018
Tax Year: 2024
Tax District: XIAM
Legal Description: * 13A SUMMARY PLAT PORTIONS OF LOTS 13 AND 14 FAIRHAVEN ADDITION
Property Class: R
Document Number: 2020094393 092220 PR - EN
Acres: 0.26

Albuquerque Planning and Zoning Data

Jurisdiction: UNINCORPORATED AREAS
IDO Zone District: N/A
IDO District Definition: N/A
Zone Atlas Page: [L-13](#)
Land Use: N/A
Lot: 13A
Block: 0000
Subdivision: FAIRHAVEN ADDN
[Bernalillo County Planning and Zoning](#)

Neighborhood Associations

City Recognized Neighborhood Associations: N/A
[Albuquerque Office of Neighborhood Coordination](#)

Services

Police Beat: 711
Area Command: SOUTH
Residential Trash Pickup and Recycling: N/A

City Council Districts

City Council District: N/A
Councilor Email Address: N/A
Policy Analyst: N/A
Policy Analyst Email Address: N/A
Policy Analyst Phone Number: N/A

Other Legislative Districts

US Congressional District: 2 - Gabriel Vasquez
County Commission District: 2 - Steven Michael Quezada
NM House Of Representatives: 14 - Miguel P. Garcia
NM Senate: 26 - Antonio "Moe" Maestas

APS School Service Areas

Elementary School: ARMUJO
Middle School: ERNIE PYLE
High School: RIO GRANDE
[Albuquerque Public Schools](#)

FEMA Flood Zone: X

[FEMA Flood Map Service Center](#)



Car-Dependent

Most errands require a car.



Bikeable

Some bike infrastructure.

Reasons to invest in Albuquerque, NM

Albuquerque is home to three of the six F.A.A.N.G. tech companies:

f Facebook Data Center

A **amazon** Distribution center under construction—announced 1,000

A Apple

N **NETFLIX** 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.**

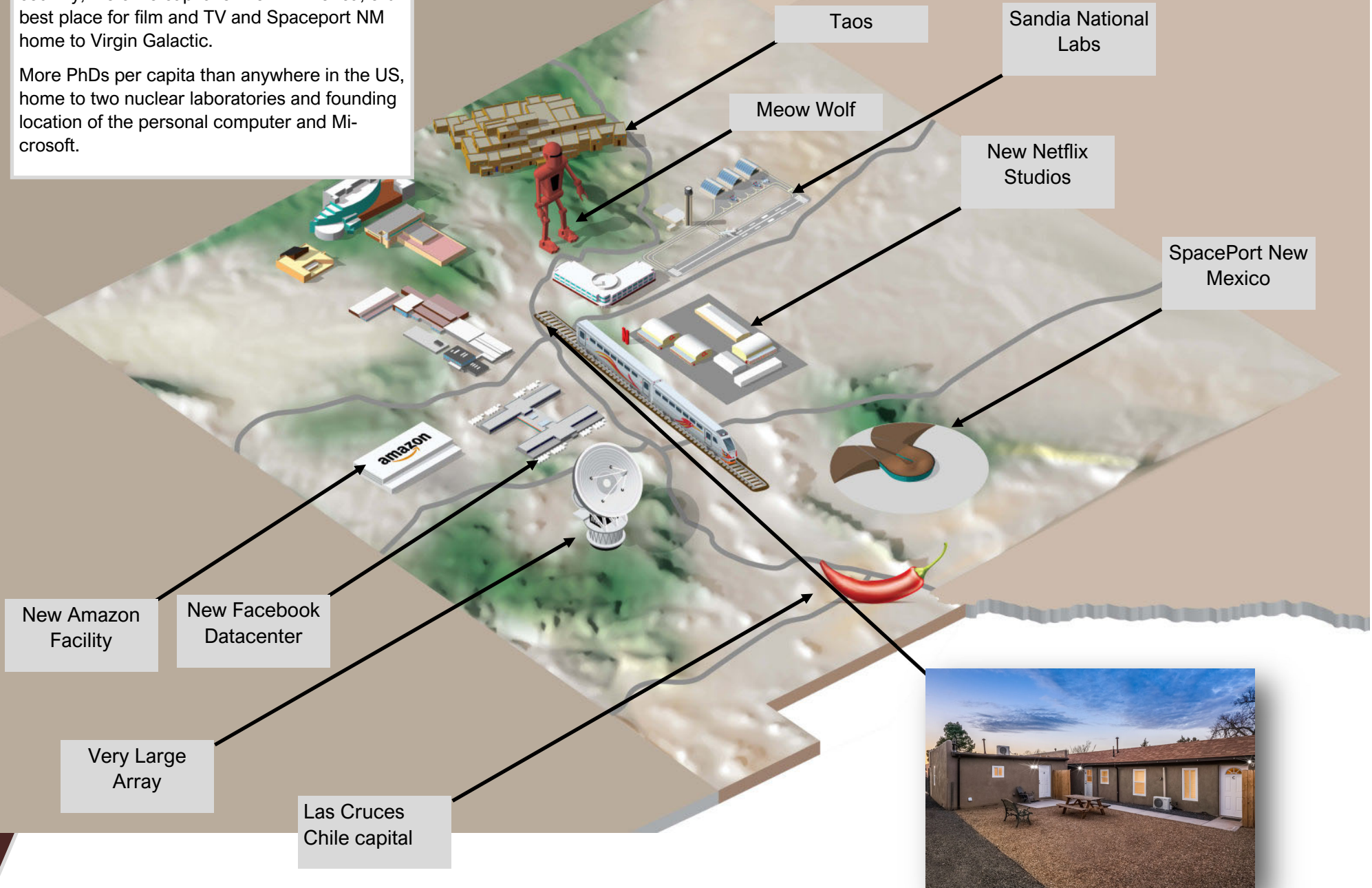
In addition to medicine, top-paying jobs are found in general internal medicine, engineering management and psychiatry.

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.

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.



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 34 years. In that time, I have listed/sold over 16,373 units totaling \$753M. I also teach investment sales analysis for the CCIM institute (26 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.

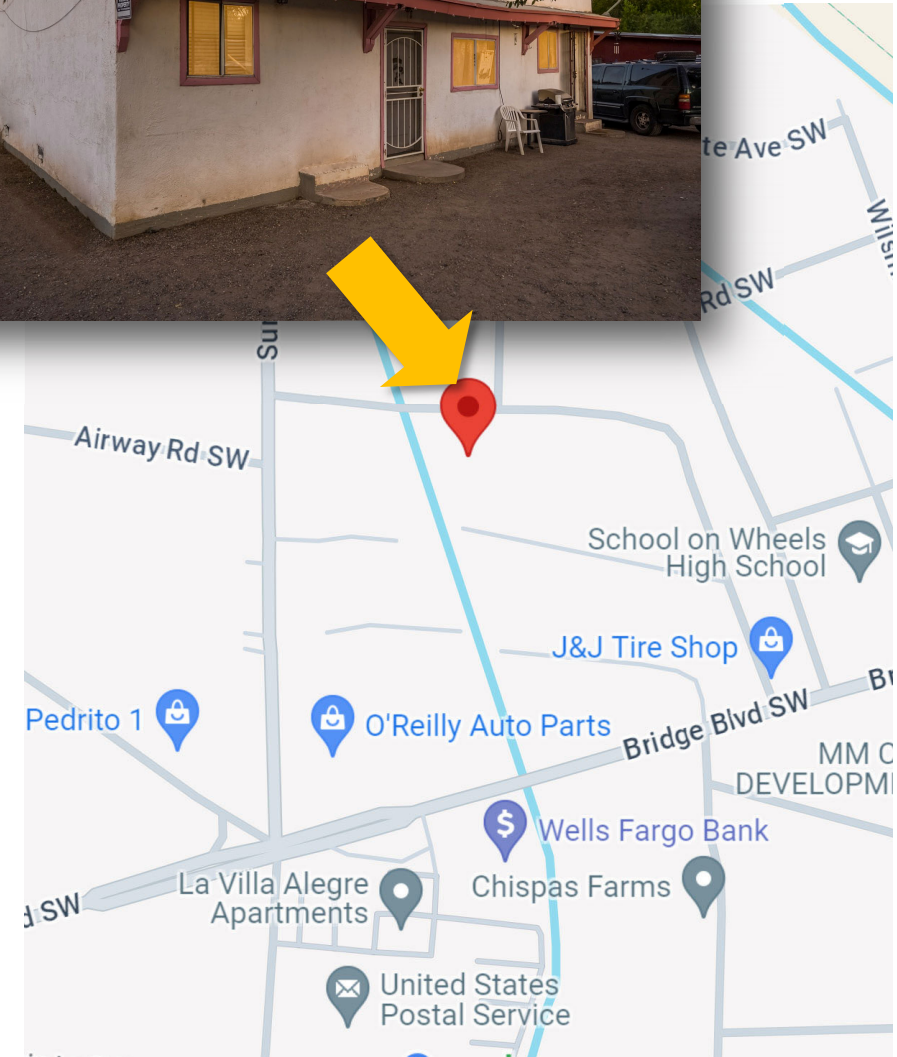
I look forward to working on this transaction with you—Sincerely, **Todd Clarke CCIM CIPs**

Further Information

Do not walk property, or disturb tenants.

To register for access to confidential documents go to:

www.nmapartment.com/1322FairhavenSW



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. If there is any information you need on the market, submarket, or the property, please do not hesitate to ask.

Todd Clarke 

CEO

NM Apartment Advisors Inc.

NMREC License #13711

505-440-TODD

tclarke@nmapartment.com

www.nmapartment.com

