

2250 S. Locust,  
Las Cruces, NM 88001



Register for Confidential Information: [www.nmapartment.com/2250SLocust](http://www.nmapartment.com/2250SLocust)  
Virtual Tour: [www.nmapartment.com/2250locust3d](http://www.nmapartment.com/2250locust3d)  
Seller Concession to Buyer: [NMAA Listing #2476250](#)

13 Units  
Size: 10,270 sf  
Land: 1.03 ac  
Price: \$1,499,890  
GRM: 10.70  
Cap Rate: 6.26%  
After Tax IRR: 11.90%

3 new units + 10 renovated units



# The Offering

Very rare opportunity to own such a well-located and unique apartment compound so close to NM State University. 2250 S. Locust boasts a diverse unit mix in an updated, soft gated community.

With 13 ground floor apartments with plenty of private parking right near each apartment's front door. Residents love the added privacy and security of patio home style living as much as they love the unique amenities and recent upgrades each unit offers.

The current owners have completed significant renovations and updates, including a new electrical service for 7 apartments. There are also multiple HVAC upgrades, including 3 new package units on 3 brand new 1 bedroom / 1 bath apartments.

More than one-half of the apartments have been renovated in the last 2 years, offering the next owner a clear pathway to easy further value add measures or a stabilized and well-maintained core asset. Equally, several significant but optional value add opportunities remain for the next owner, including creating additional common area amenities, adding a ca-sita-style unit to the compound, updating each unit with additional amenities, or renovating the 3 bedroom 2 bathroom main house for optimal performance.

Add that to an absolutely stellar NMSU location and you've got an investment opportunity that checks all boxes..

## Amazing amenity full location

This compound sits next door to the Icebox Brewery, a 1/4 mile to NMSU, a 1/2 a mile to I-25, with quick and easy access to shopping, cafes, restaurants, entertainment, and I-10. The location features a 87 Bike Score 72 Walk Score.

This is the Las Cruces multi-family investment opportunity you've been waiting for.



# The Property

**Address:** 2250 S. Locust

**Number of Units:** 13

**Year of construction:** 1962

**Bldg. Size:** 10,270 sf approx.

**Site Size:** 1.03

**Avg. Unit Size:** 790 sf

**UPC#:** 4-009-136-052-417

**Legal:** Section 21, Tract 23S , Range 2E, Inst# 2131656

**Ask Price:** \$1,499,890

**\$/unit:** \$115,376

**\$/sf:** \$146.05

	Actual/Est (2024)	Proforma (2025)
<b>Avg. Rent:</b>	\$898	\$1,126
<b>GRM:</b>	10.70	8.54
<b>Cap Rate Before reserves:</b>	6.45%	7.97%
<b>Cap Rate After reserves:</b>	6.25%	7.78%
<b>Year 1 NOI:</b>	\$93,924	\$116,667
<b>Cash on Cash:</b>	2.83%	8.95%
<b>Before Tax IRR:</b>	15.00%	
<b>After Tax IRR:</b>	11.90%	

# Annual Property Operating Data (APOD)

NM Apartment Advisors Financial Overview for:										2250 S. Locust St, Las Cruces			2250 S. Locust St, Las Cruces				
Prepared by: Todd Clarke CCIM										9/13/2024			"AS IS" Condition				
Unit/Rent Summary										E		C		A			
#	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	3/2	includes w/d connections	1,690	\$ 1,000	\$ 1,300	\$ 1,400	\$ 0.59	\$ 1,000	\$ 1,300	\$ 1,400	1,690						
2	2/1	includes w/d connections	900	\$ 895	\$ 995	\$ 995	\$ 0.99	\$ 895	\$ 995	\$ 995	900						
3	2/1	includes w/d connections	440	\$ 895	\$ 845	\$ 995	\$ 2.03	\$ 895	\$ 845	\$ 995	440						
4	2/1	includes w/d connections	900	\$ 825	\$ 995	\$ 995	\$ 0.92	\$ 825	\$ 995	\$ 995	900						
5	2/1	includes w/d connections	900	\$ 995	\$ 995	\$ 1,095	\$ 1.11	\$ 995	\$ 995	\$ 1,095	900						
6	2/1	includes w/d connections	900	\$ 1,000	\$ 995	\$ 1,095	\$ 1.11	\$ 1,000	\$ 995	\$ 1,095	900						
7	1/1		440	\$ 625	\$ 845	\$ 895	\$ 1.42	\$ 625	\$ 845	\$ 895	440						
8	1/1		440	\$ 745	\$ 845	\$ 895	\$ 1.69	\$ 745	\$ 845	\$ 895	440						
9	1/1		440	\$ 775	\$ 845	\$ 895	\$ 1.76	\$ 775	\$ 845	\$ 895	440						
10	1/1		440	\$ 745	\$ 845	\$ 895	\$ 1.69	\$ 745	\$ 845	\$ 895	440						
11N	1/1	includes w/d	600	\$ 1,060	\$ 1,060	\$ 1,495	\$ 1.77	\$ 1,060	\$ 1,060	\$ 1,495	600						
12N	1/1	includes w/d	600	\$ 1,060	\$ 1,060	\$ 1,495	\$ 1.77	\$ 1,060	\$ 1,060	\$ 1,495	600						
13N	1/1	includes w/d	600	\$ 1,060	\$ 1,060	\$ 1,495	\$ 1.77	\$ 1,060	\$ 1,060	\$ 1,495	600						
13	total units / Avg. Unit Size=			715	\$ 898	\$ 976	\$ 1,126	\$ 11,680	\$ 12,685	\$ 14,640	9,290						
	Avg Actual Rent \$/sf=			\$ 1.26	\$ 1.37	\$ 1.58	\$ 140,160	\$ 152,220	\$ 175,680								

Benchmarks			
Offering Price	\$1,499,890		
\$/unit	\$115,376		
\$/sf	\$161.45		
GRM	10.70	Actual	Proforma
CAP Before Reserves	6.45%	7.97%	
CAP After Reserves	6.25%	7.78%	
Cash on Cash	2.83%	8.95%	
DCR=	1.13	1.40	
Walk Score: 71, Bike Score: 87			



Income			
A.	Total Potential Market Income	\$ 175,680	
B.	Less: loss to market lease	\$ 23,460	13%
C.	Total Potential Income (Street)	\$ 152,220	
D.	Less: Loss to lease	\$ 12,060	8%
E.	Total Income	\$ 140,160	
F.	Less: vacancy	5.0% \$ 7,008	5% Market average
G.	Effective Rental Income	\$ 133,152	
H.	Plus: Other Income	\$ 6,000	RUBs
I.	Gross Operating Income	\$ 139,152	

Expenses (Annual)	Est. 2024			Based on:			Proforma 2025			Based on: Forthcoming yr.		
		\$/unit	%					\$/unit	%			
Real Estate Taxes	\$6,214	\$478	4%	2024 Actual Amount	\$13,143	\$1,011	7%	Assumes 85% of price				
Personal Property Taxes				assessed at \$602,789								
Property Insurance	\$5,852	\$450	4%	2024 Actual	\$6,028	\$464	3%	Potential 2025 = 2024 + 3%				
Property Management:												
Off Site Management	\$12,058	\$928	9%	Est. @ 10% +NMGRT	\$15,223	\$1,171	9%	Management @ 9% +NMGRT				
Payroll-Onsite Personnel												
Repairs and Maintenance	\$9,871	\$759	7%	2024 Actual	\$10,167	\$782	6%	Potential 2025 = 2024 + 3%				
Utilities:												
Water, Sewer, & Garbage	\$4,594	\$353	3%	2024 Actual	\$4,732	\$364	3%	Potential 2025 = 2024 + 3%				
Gas												
Electric	\$175	\$13	0%	2024 Actual	\$181	\$14	0%	Potential 2025 = 2024 + 3%				
Cable												
Telephone												
Landlord Standby												
Accounting and Legal												
Advertising/Licenses/ Commissions	\$120	\$9	0%	Est.	\$124	\$10	0%	Potential 2025 = 2024 + 3%				
Admin/Supplies												
Miscellaneous												
Contract Services:												
Internet												
Pest Control												
Unit Turnover												
Landscaping	\$3,600	\$277	3%	2024 Actual	\$3,708	\$285	2%	Potential 2025 = 2024 + 3%				
Carpet Cleaning												
Internet				repairs+unit turn+reserve=8to10%								
Reserve for replacement	\$2,925	\$225	2%	new lender will require	\$2,925	\$225	2%	new lender will require				
Total Operating Expenses	\$45,409	\$3,493	33%		\$56,229	\$4,325	32%					
Net Operating Income	\$93,743	\$7,211			\$116,667			Potential Market less 5% vacancy + other income				
Less: Annual Debt Service	\$83,116	\$ 1,124,918	75%	\$6,926 30 6.25%	\$83,116	\$ 1,124,918	75%	\$6,926 30 6.25%				
Cash Flow Before Taxes	\$10,627				\$33,551							

# Internal Rate of Return

## Internal Rate of Return Analysis

		Year						Calculated for 1st year of next owners, ownership
		1	2	3	4	5	6	
Total Potential Market Income	3.5% Increases	\$175,680	\$181,829	\$188,193	\$194,780	\$201,597	\$208,653	
2 Less: loss to market lease	13.4%	\$23,460	\$24,281	\$25,131	\$26,011	\$26,921	\$27,863	
3 Total Potential Income (Max Rent)		\$152,220	\$157,548	\$163,062	\$168,769	\$174,676	\$180,790	
4 Less: Loss to lease	7.9%	\$12,060	\$12,482	\$12,919	\$13,371	\$13,839	\$14,323	
5 Total Income		\$140,160	\$145,066	\$150,143	\$155,398	\$160,837	\$166,466	
6 Less: vacancy	5.0%	\$7,008	\$7,253	\$7,507	\$7,770	\$8,042	\$8,323	
7 Effective Rental Income		\$133,152	\$137,812	\$142,636	\$147,628	\$152,795	\$158,143	
8 Plus: Other Income	2.0% Increases	\$6,000	\$6,120	\$6,242	\$6,367	\$6,495	\$6,624	
9 Gross Operating Income		\$139,152	\$143,932	\$148,878	\$153,995	\$159,290	\$164,767	
Total Operating Expenses	2.0% Increases	\$45,409	\$46,317	\$47,243	\$48,188	\$49,152	\$50,135	
<b>Net Operating Income</b>		\$93,743	\$97,615	\$101,635	\$105,807	\$110,138	\$114,632	
Mortgage Balance		\$1,111,736	\$1,097,706	\$1,082,774	\$1,066,882	\$1,049,967		
ADS		\$83,116	\$83,116	\$83,116	\$83,116	\$83,116		
- Principal Reduction		\$13,182	\$14,030	\$14,932	\$15,892	\$16,915		
= Mortgage interest		\$69,934	\$69,086	\$68,184	\$67,223	\$66,201		
- cost recovery (annual)	27.5 yrs <b>1.</b> 80%	\$41,817	\$43,633	\$43,633	\$43,633	\$41,817	includes mid month	
= Taxable Income		-\$18,008	-\$15,104	-\$10,182	-\$5,049	\$2,120		
Tax on income at ordinary income rate of	<b>2.</b> 35%	\$0	\$0	\$0	\$0	\$742		
NOI		\$93,743	\$97,615	\$101,635	\$105,807	\$110,138		
- Annual Debt Service		\$83,116	\$83,116	\$83,116	\$83,116	\$83,116		
= <b>Cash Flow Before Tax</b>		\$10,627	\$14,500	\$18,519	\$22,691	\$27,022		
- Less Ordinary Income Tax		\$0	\$0	\$0	\$0	\$742		
= <b>Cash Flow After Tax</b>		\$10,627	\$14,500	\$18,519	\$22,691	\$26,280		

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 21%.

## Sales Worksheet

### Calculation of Adjusted Basis

1 Basis at Acquisition	\$1,499,890
2 + Capital Additions	
3 -Cost Recovery (Depreciation) Taken	\$214,533
4 =Adjusted Basis at Sale	\$1,285,357

### Calculation of Capital Gain

Disposition CAP Rate	6.3%
5 Sale Price	\$1,834,116
6 -Costs of Sale	\$146,729
7 -Adjusted Basis at Sale	\$1,285,357
8 =Gain or (Loss)	\$402,030
9 -Straight Line Cost Recovery (limited to gain)	\$214,533
=Capital Gain from Appreciation	\$187,496

### Calculation of Sales Proceeds after tax

Sale Price	\$1,834,116
-Cost of Sale	\$146,729
-Mortgage Balance(s)	\$1,049,967
= <b>Sale Proceeds Before Tax</b>	\$637,420
-Tax: Straight Line Recapture at	25.0% \$53,633
-Tax on Capital Gains at	20.0% \$37,499
= <b>SALE PROCEEDS AFTER TAX:</b>	\$546,287

IRR Before tax = 15.0%

n	\$	
0	\$	(374,973)
1		\$10,627
2		\$14,500
3		\$18,519
4		\$22,691
5		\$27,022 + \$637,420

IRR After tax = 11.9%

n	\$	
0	\$	(374,973)
1		\$10,627
2		\$14,500
3		\$18,519
4		\$22,691
5		\$26,280 + \$546,287

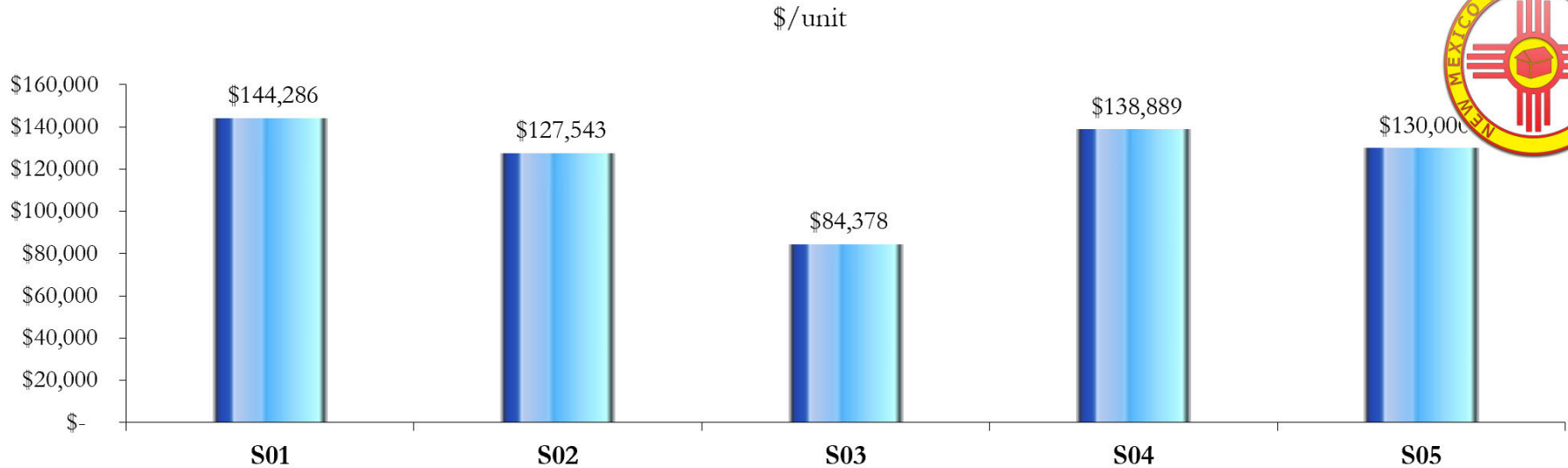
Investor's Effective Tax Rate = 21%

# Comparable Sales

## Comparable Sales Analysis for:

2250 S. Locust St, Las Cruces

Compiled by Todd Clarke CCIM



#	Name	Location	Units	Age	List Price	Sales Price	Sales Date	\$/unit	\$/sf	Avg. Rent	GRM	CAP *
S01		1550 Durazano	Las Cruces	7	\$ 1,090,143	\$ 1,009,999	12/29/23	\$ 144,286	\$ 137	\$1,096	10.97	6.5%
S02		1855 Girard NE	Albuquerque	20	\$ 2,520,856	\$ 2,550,856	10/30/23	\$ 127,543	\$ 165	\$870	12.21	5.4%
S03		1409 Girard NE	Albuquerque	23	\$ 1,940,692	\$ 1,940,692	10/16/23	\$ 84,378	\$ 202	\$694	10.13	5.8%
S04		354 Pueblo Solano	Village of Lc	9	\$ 1,250,000	\$ 1,250,000	3/17/23	\$ 138,889	\$ 288	\$1,003	11.54	6.2%
S05		3409 Tulane NE	Albuquerque	10	\$ 1,300,000	\$ 1,300,000	5/17/23	\$ 130,000	\$ 170	\$949	11.42	5.3%

<b>Average SOLD</b>					\$ 1,620,338	\$ 1,610,309		\$ 125,019	\$192	\$922	11.25	5.8%
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\*imputed @ 5% vac, 40% exp

<b>Subject Property</b>	2250 S. Locust St, Las		13		\$ 1,499,890			\$ 115,376	\$146	\$898	10.70	6.3%
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Average of Comparable SOLD applied to subject property

Average Rent for Sales =	\$922		
\$/unit	\$125,019	\$	1,625,247
\$/sf	\$ 192.40	\$	1,975,948
CAP (Actual)	5.8%	\$	1,605,191
GRM (Actual)	11.25	\$	1,498,493
<b>Average=</b>		\$	<b>1,676,220</b>

# 2250 Locust Unit & Property Makeup Info

## #1 (3/2 +/- 1,690sq/ft)

Fenced in back yard  
Basement that can be converted to another bedroom  
Dedicated laundry room W/washer and dryer hookups  
1 car carport W/storage room  
2 master cool units  
Gas furnace & water heater

## #2 (2/1 +/- 800sq/ft)

1 car carport W/storage room  
Washer/dryer hookups  
Gas furnace & water heater  
Vinyl and carpet flooring

## #3 (2/1 +/- 900sq/ft)

Fenced in backyard  
1 car carport W/storage room  
Dedicated laundry room W/washer and dryer hookups  
Master cool unit  
Gas furnace & water heater  
Vinyl and carpet flooring

## #4 (2/1 +/- 900sq/ft)

Fenced in backyard  
1 car carport W/storage room  
Dedicated laundry room W/washer and dryer hookups  
Master cool unit  
Gas furnace & water heater  
Vinyl and carpet flooring

## #5 (2/1 +/- 900sq/ft)

Fenced in backyard  
1 car carport W/storage room  
Dedicated laundry room W/washer and dryer hookups  
Master cool unit  
Gas furnace & water heater  
All vinyl plank flooring

## #6 (2/1 +/- 900sq/ft)

Fenced in backyard  
1 car carport W/storage room  
Dedicated laundry room W/washer and dryer hookups  
Master cool unit  
Gas furnace & water heater  
Vinyl and carpet flooring

## #7 (1/1 +/- 595sq/ft)

All electric W/upgraded 100 amp service  
Master cool unit  
Baseboard heaters  
Vinyl and carpet flooring

## #8 (1/1 +/- 595sq/ft)

All electric w/upgraded 100 amp service  
Master cool unit  
Baseboard heaters  
Vinal and carpet flooring

## #9 (1/1 +/- 595sq/ft)

All electric W/upgraded 100 amp service  
Master cool unit  
Baseboard heaters  
All vinyl plank flooring

## #10 (1/1 +/- 595sq/ft)

All electric W/upgraded 100 amp service  
Master cool unit  
Baseboard heaters  
All vinyl plank flooring

## #11 (New remodel: 1/1 +/- 600sq/ft)

All electric W/upgraded 100 amp new service  
HVAC package unit  
In unit stacked washer/dryer  
Shaker cabinets, laminate counters, & vinyl windows

## #12 (New remodel: 1/1 +/- 600sq/ft)

All electric W/upgraded 100 amp new service  
HVAC package unit  
In unit stacked washer/dryer  
Shaker cabinets, laminate counters, & vinyl windows

## #13 (New remodel: 1/1 +/- 600sq/ft)

All electric W/upgraded 100 amp new service  
HVAC package unit  
In unit stacked washer/dryer  
Shaker cabinets, laminate counters, & vinyl windows

## General Exterior & Misc.

There is a fenced in covered in pool W/a storage room that can be converted into a dog park, picnic and grilling area, outdoor workout area, storage rooms, and possibly a space to add another unit.

Parking in front of each unit as well as additional parking available.

.3 miles from NMSU

.6 miles to I-25 and 1.6 miles to I-10

Ice Box Brewery located right next door

.9 miles to Starbucks and other eateries

.3 miles to Toucan Market

2.8 miles to Walmart Supercenter

2.5 miles to the Downtown Plaza

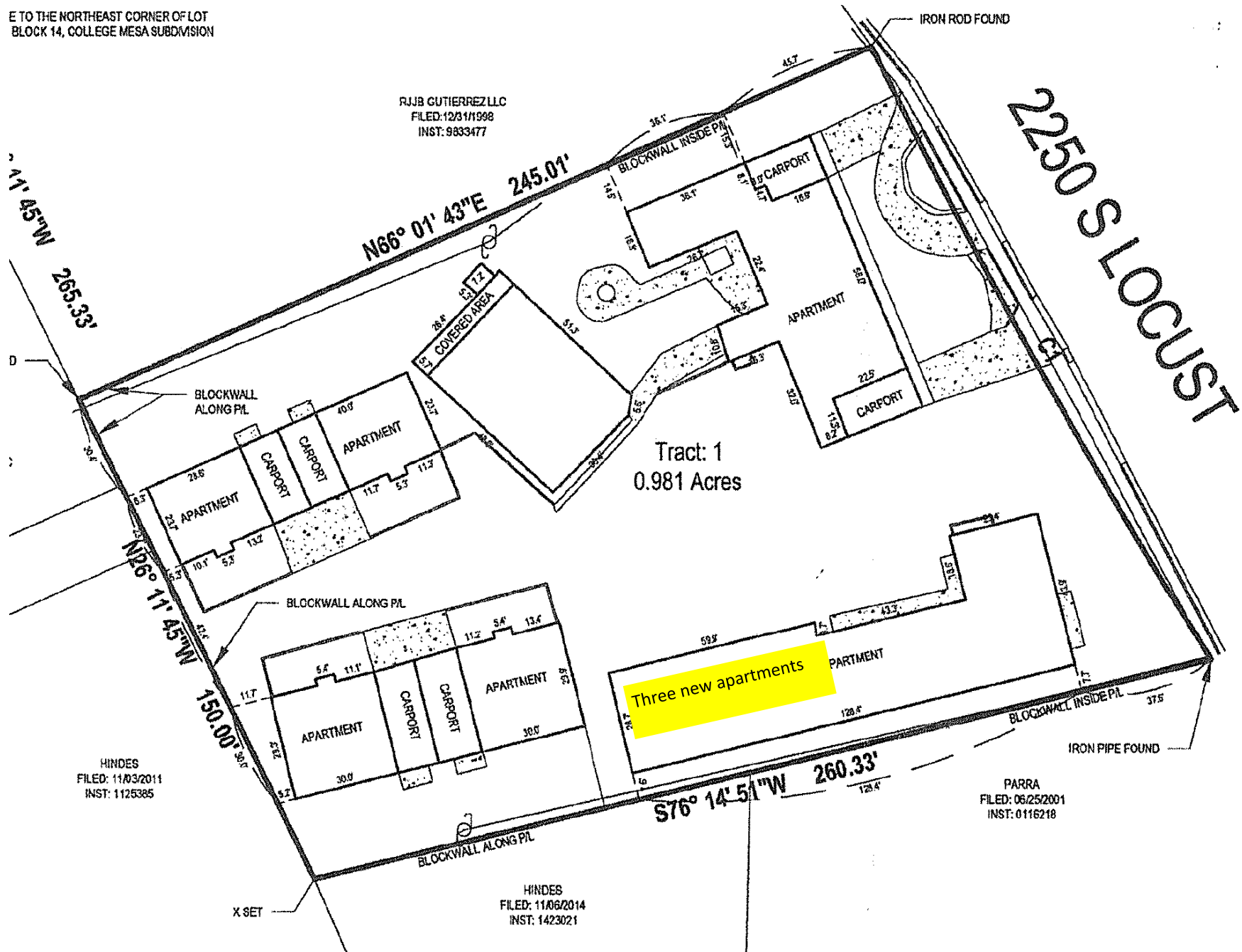
# Drone Photo – Unit Location Guide



# Survey

E TO THE NORTHEAST CORNER OF LOT  
BLOCK 14, COLLEGE MESA SUBDIVISION

RJJB GUTIERREZ LLC  
FILED: 12/31/1998  
INST: 9833477



HINDES  
FILED: 11/03/2011  
INST: 1125385

HINDES  
FILED: 11/06/2014  
INST: 1423021

PARRA  
FILED: 05/25/2001  
INST: 0116218

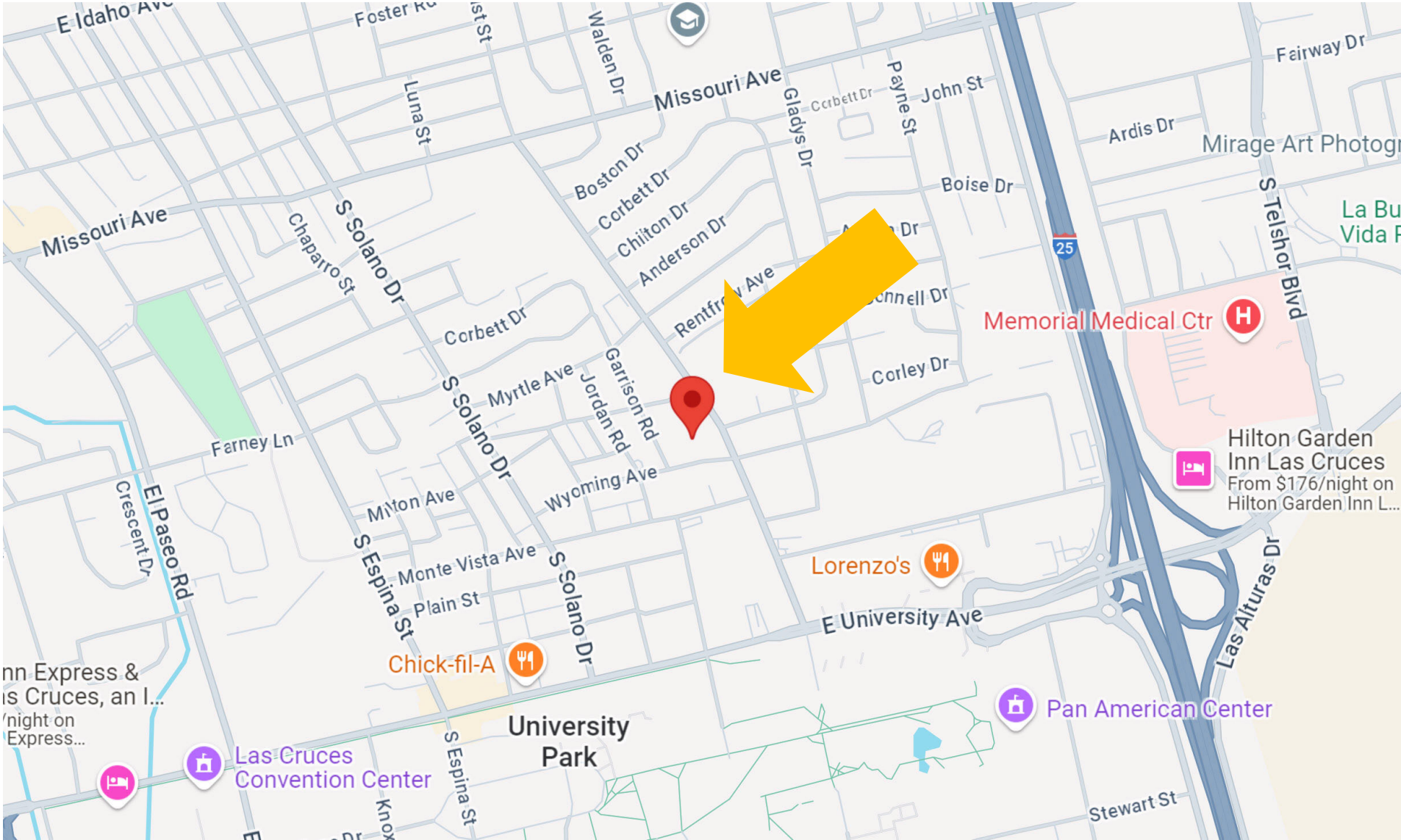
2250 S LOCUST

Tract: 1  
0.981 Acres

Three new apartments



# Property Info - Neighborhood Location



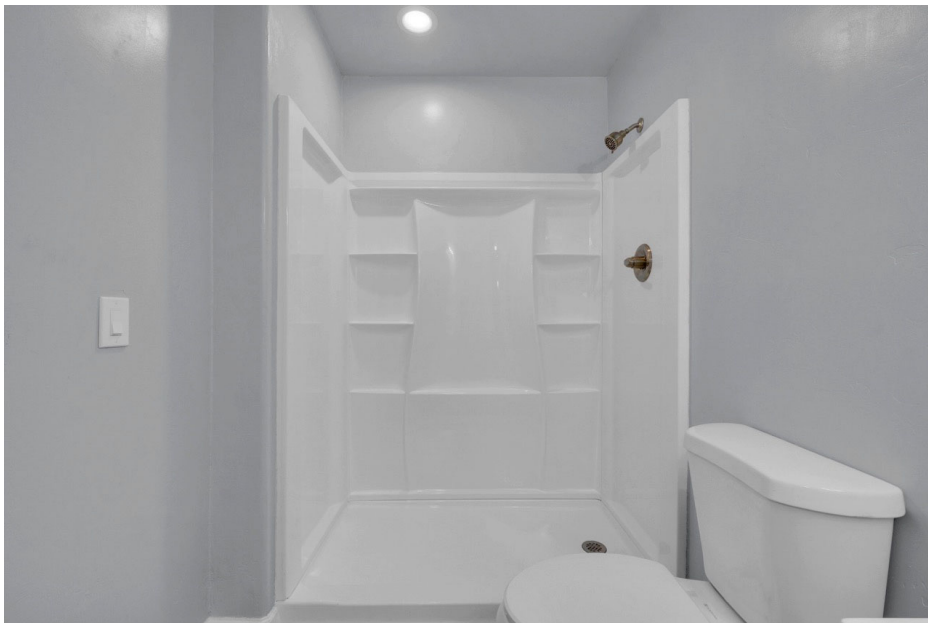
# Property Photographs - Exterior



# Property Photographs - (3) New units



# Property Photographs - (3) New units



# Property Photographs - (3) New units



# Property Photographs - (3) New units



# Property Photographs - Virtual Staged



# Assessor's Information - 2250 S. Locust, Las Cruces

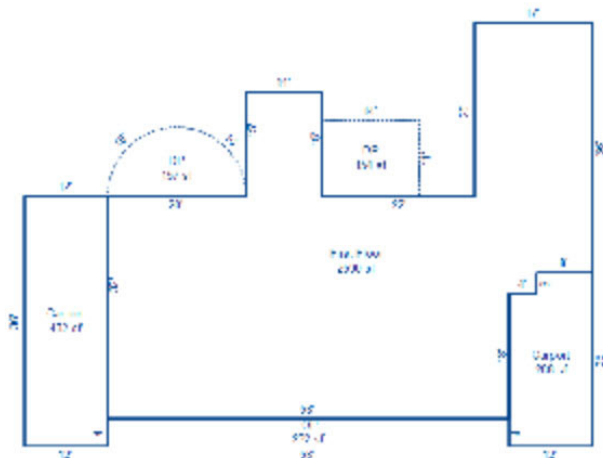
Account: R0214701 \*Mill Levy does not include Special District Rates such as: Lower Rio Grande Flood Levy, Hueco Levy, Mclead Watershed Levy, Caballo Soil and Water Conservation Levy, and La Union Watershed Levy.

Location	Owner Information	Assessment History															
Situs Address 2250 LOCUST ST APTS 1-9 Deed Holder Tax Area 2IN_R - 2IN_R Parcel Number 4-009-136-052-417 Legal Summary S: 21 T: 23S R: 2E INST #2131656	Owner Name EDGE CAPITAL IV LLC Owner Address 1324 6TH NW ALBUQUERQUE, NM 87102	Actual (2024 - Residential Cap applied) \$602,789 Primary Taxable \$200,930 Tax Area: 2IN_R Mill Levy: 30.927000															
<b>Neighborhood O08 - COLL-MESA-AR</b>		<table border="1"> <thead> <tr> <th>Type</th> <th>Actual</th> <th>Assessed</th> <th>SQFT</th> <th>Units</th> </tr> </thead> <tbody> <tr> <td>Residential Land</td> <td>\$131,826</td> <td>\$43,942</td> <td>43942.000</td> <td></td> </tr> <tr> <td>Residential Improvement</td> <td>\$470,963</td> <td>\$156,988</td> <td>8687.000</td> <td>10.000</td> </tr> </tbody> </table>	Type	Actual	Assessed	SQFT	Units	Residential Land	\$131,826	\$43,942	43942.000		Residential Improvement	\$470,963	\$156,988	8687.000	10.000
Type	Actual	Assessed	SQFT	Units													
Residential Land	\$131,826	\$43,942	43942.000														
Residential Improvement	\$470,963	\$156,988	8687.000	10.000													

Transfers							
Record Sequence	Reception Number	Book Page	Sale Date	Grantor	Grantee	Doc Type	Parcel Number
10	2131656		09/29/2021	NRP RENTALS LLC	EDGE CAPITAL IV LLC	A1	4009136052417
9	1901224		01/17/2019	HOUSE OF OXYMORONS LLC	NRP RENTALS LLC	A1	4009136052417
8	1527757			REICHERT, BARBARA J BARKER, JANET ROBIN REICHERT, JANET ROBIN	HOUSE OF OXYMORONS LLC	A1	4009136052417
7	1513504			REICHERT, BARBARA J BARKER, JANET R KING, RUTH B	REICHERT, BARBARA J BARKER, JANET R	A6	4009136052417
6	1426579			KING, JAMES W	KING, JAMES W KING, RUTH B	A1	4009136052417
5	0627831		07/27/2006	STATE OF NEW MEXICO	KING, JAMES W	C	4009136052417
4	9520127		09/15/1995	KING, JAMES W	KING, JAMES W ETAL KING, BEVERLY ETAL	A1	4009136052417
3	9520126		08/27/1982	KING, DOROTHY J	KING, JAMES W	A2	4009136052417
2	8109988		09/15/1981	KING, JAMES W, ETUX	KING, JAMES W, ETUX	A2	4009136052417
1	625567	B: 161 P: 313	01/06/1962	STULL BESSIE C	KING DORTHY J	A1	4009136052417

Tax Year		Taxes	Images		
			Photo	Sketch	GIS
*2024		\$6,214.16			
2023		\$6,033.16			

\* Estimated



**Very Walkable**

Most errands can be accomplished on foot.



**Very Bikeable**

Biking is convenient for most trips.





Las Cruces, nestled in the heart of southern New Mexico, captivates residents and newcomers alike with its unique blend of natural beauty, cultural richness, and a welcoming spirit. This charming city boasts a picturesque backdrop of the Organ Mountains, providing outdoor enthusiasts with countless hiking and recreational opportunities. It's vibrant arts scene, exemplified by the Mesilla Valley, beckons those seeking cultural immersion, while the annual Renaissance Arts Faire, downtown Farmers Market, freshly revitalized downtown scene, and the Dia de los Muertos celebrations add to its cultural charm.

Moreover, the cost of living in Las Cruces remains reasonable, and the city's commitment to education, anchored by New Mexico State University (NMSU), appeals to families and academics alike. With its sunny climate and strong sense of community, it's no wonder that people and Las Cruces an inviting and fulfilling place to call home.

The city is strategically positioned in southern New Mexico, offers residents an array of remarkable advantages due to its proximity to various significant destinations. Just a short drive away, the bustling city of El Paso, Texas, boasted with its diverse cultural and urban amenities, making it an accessible hub for entertainment and other employment opportunities. Meanwhile, Las Cruces stands as a gateway to scientific exploration, with NASA's White Sand Test Facility nearby, contributing to the city's appeal for science enthusiasts and professionals. The vast White Sands National Park, just a 45-minute drive away, renowned for its surreal gypsum dunes, provides residents with unique natural playground for hiking, photography, learning, and

# The Market—Las Cruces, NM

entertainment.

For those intrigued by military history and technology, the nearby White Sands Missile Range offers an unparalleled glimpse into cutting-edge research and testing. Additionally, Las Cruces finds itself at the forefront of space exploration, thanks to nearby Spaceport America, making it an exciting hub for commercial spaceflight ventures.

Boasting a diverse and resilient economy that draws strengths from various sectors, Las Cruces serves as a conduit for multiple job opportunities. Agriculture remains a significant contributor, with chile and pecan farming being notable staples. The presence of NMSU nurtures education and research related industries, fostering a skilled workforce. The city's proximity to the U.S.-Mexico border supports trade and commerce, with logistics and transportation playing a vital role. Healthcare and government sectors are also prominent employers, with institutions like Memorial Medical Center & Mountain View Hospital and government agencies providing stable jobs.

Being the 2nd largest city in the state, Las Cruces Public Schools provides close to 4,000 jobs to a wide array of individuals. Las Cruces' economic diversity and growth in sectors like education and healthcare have spurred job opportunities, increasing the demand for housing. NMSU plays a significant role in the need for off campus housing, both near and far from the main campus. Investing in multi-family properties in Las Cruces has proven to be a highly advantageous endeavor.

The city's steady population growth and economic diversification have led to a consistent demand for rental housing, ensuring a relatively stable rental income stream.

Las Cruces' affordable cost of living and lower property acquisition costs compared to larger metropolitan areas can make entry into the multi-family real estate market more accessible. Additionally, the city's pleasant climate, low crime rate, and proximity to various attractions make it an appealing location for tenants, further enhancing the market's potential for long term success.



## Las Cruces, New Mexico in the news

- ☑ 34th safest city in the U.S.-Wallet Hub: Oct 2022
- ☑ 4th Best Run City in the U.S., 2020, WalletHub
- ☑ 2019 APA-NM Planning Award for Innovation for the Las Cruces Arts and Cultural District
- ☑ 2019 Creative Tourism Award for "Best Strategy for Creative Tourism Development" from the Barcelona-based Creative Tourism Network
- ☑ #15 in nation as best place to retire 2018, TopRetirements.com
- ☑ 131 best cities in America to raise a family in 2023, Niche
- ☑ US News & World Report-10 cites for Real Estate Steals-Las Cruces
- ☑ Forbes/Milken Report-Best Small Metro Area for Business & Careers
- ☑ Forbes 4-#39 Best Small Places for Business and Careers
- ☑ CNN/Money-Top 25 Cities for Jobs



# 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 3<sup>rd</sup> 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](mailto:compensation@nmapartment.com) with the subject: [NMAA-2476250](mailto:NMAA-2476250)

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 or disturb residents.

To register for access to confidential documents go to:

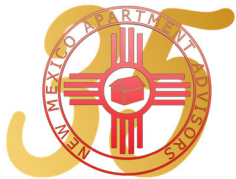
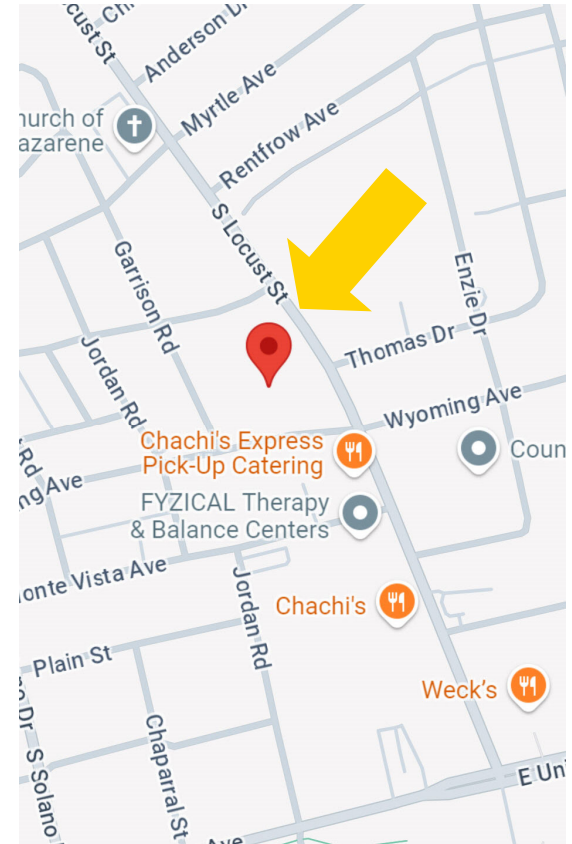
[www.nmapartment.com/2250SLocust](http://www.nmapartment.com/2250SLocust)

Virtual Tour: [www.nmapartment.com/2250locust3d](http://www.nmapartment.com/2250locust3d)

# 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](http://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 in marketing apartments, Kyle Deacon of Deacon Property Services, LLC, and Marvid Charlson of PMI of NM, who currently manages the property. If there is any information you need on the market, submarket, or the property, please do not hesitate to ask.



**Todd Clarke** 

CEO, Qualifying Broker

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NMREC License #13711

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