

4313 SabanaLoop SE,
Rio Rancho, NM 87124



4313

Register for confidential information: www.nmapartment.com/SabanaLoop4313

Virtual tour can be viewed at:

Units: 4

Size: 4,125 sf

Land: 0.23 ac

Price: \$699,500

GRM: 14.18

Cap Rate: 4.72%

Investment Summary

The Offering

On behalf of the owners, NM Apartment Advisors is excited to introduce a rare opportunity to own newer vintage, higher end, owner occupant fourplex.

These units were built in the early 2000's and catered to owner occupants looking for large 2 bedroom / 1.75 bathroom units as well as an even large 3 bedroom/ 2 bathroom unit.

Located in a growing area of Rio Rancho, close to great amenities and expanding employers, these rentals are well positioned for that owner occupant or investor who wants to take advantage of the coming rent increases from the continued expansion of Amazon, Netflix, Facebook, and Intel.



The Property

Address: 4313 Sabana Loop SE

Number of original units: 4

Year of construction: 2004 per county assessors records

Bldg. Size: 4,125 sf +/- per Owner

Site Size: .23 acres

Avg. Unit Size: 1,028 sf

UPC#: 1014068145360, R094248

Legal: Lot 13, Block 1, Sabana Grande Tract

Ask Price: \$699,500

\$/ unit: \$174,875

\$/sf: \$169.58

	Actual/Est (2023)	Proforma (2024)
Avg. Rent:	\$1,028	\$1,450
GRM:	14.18	10.05
Cap Rate Before reserves:	4.84%	6.99%
Cap Rate After reserves:	4.71%	6.86%
Year 1 NOI:	\$32,965	\$47,970
Cash on Cash:	1.92%	10.50%
Before Tax IRR:	10.9%	
After Tax IRR:	8.0%	

Annual Property Operating Data (APOD)

NM Apartment Advisors Financial Overview for:

4313 Sabana Loop SE, RR

Prepared by: Todd Clarke CCIM

5/20/2024

Unit/Rent Summary		E		C		A					
Unit #	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	
A	2br/1.75ba-5/1	\$895	1,000	\$ 980	\$ 980	\$ 1,450	\$ 0.98	\$ 980	\$ 980	\$ 1,450	1,000
B	2br/1.75ba		1,000	\$ 1,000	\$ 1,000	\$ 1,450	\$ 1.00	\$ 1,000	\$ 1,000	\$ 1,450	1,000
C	3br/1.75ba-5/1	\$995	1,125	\$ 1,100	\$ 1,100	\$ 1,450	\$ 0.98	\$ 1,100	\$ 1,100	\$ 1,450	1,125
D	2br/1.75ba		1,000	\$ 1,030	\$ 1,030	\$ 1,450	\$ 1.03	\$ 1,030	\$ 1,030	\$ 1,450	1,000
4	total units / Avg. Unit Size=		1,031	\$ 1,028	\$ 1,028	\$ 1,450		\$ 4,110	\$ 4,110	\$ 5,800	4,125
	Avg Actual Rent \$/sf=			\$ 1.00	\$ 1.00	\$ 1.41		\$ 49,320	\$ 49,320	\$ 69,600	

Benchmarks

Offering Price	\$699,500		
\$/unit	\$174,875		
\$/sf	\$169.58	Actual	Proforma
GRM	14.18	10.05	
CAP Before Reserves	4.84%	6.99%	
CAP After Reserves	4.71%	6.86%	
Cash on Cash	1.92%	10.50%	
DCR=	1.11	1.62	
Walk Score: 48			



Income

1	A.	Total Potential Market Income	\$ 69,600	
2	B.	Less: loss to market lease	\$ 20,280	29%
3	C.	Total Potential Income (Street)	\$ 49,320	
4	D.	Less: Loss to lease	\$ -	0%
5	E.	Total Income	\$ 49,320	
6	F.	Less: vacancy	\$ 2,466	5.0% 5% Market average
7	G.	Effective Rental Income	\$ 46,854	
8	H.	Plus: Other Income	\$ 360	
9	I.	Gross Operating Income	\$ 47,214	

Expenses (Annual)	EOY 2023			Based on: Estimate			Proforma 2024			Based on: Forthcoming yr.		
		\$/unit	%		\$/unit	%		\$/unit	%		Income: Line C - F + H	
20 Real Estate Taxes	\$4,439	\$1,110	9%	2023 Actual	\$8,433	\$2,108	12%	65% Value				
21 Personal Property Taxes				assessed at \$368,217								
22 Property Insurance	\$2,800	\$700	6%	Estimate	\$2,884	\$721	4%	Potential 2024= 2023 + 3%				
23 Property Management:												
24 Off Site Management				Likely owner occupant								
25 Payroll-Onsite Personnel												
28 Repairs and Maintenance	\$2,600	\$650	6%	Estimate	\$2,678	\$670	4%	Potential 2024= 2023 + 3%				
29 Utilities:												
30 Water, Sewer	\$1,200	\$300	3%	Estimate	\$1,236	\$309	2%	Potential 2024= 2023 + 3%				
31 Gas												
32 Electric												
33 Cable												
34 Refuse - Waste Management	\$1,680	\$420	4%	Estimate	\$1,730	\$433	2%	Potential 2024= 2023 + 3%				
37 Advertising/Licenses/ Commissions												
38 Admin/Supplies												
39 Miscellaneous	\$150	\$38	0%	Est.	\$155	\$39	0%	Potential 2024= 2023 + 3%				
40 Contract Services:												
41 Internet												
42 Pest Control	\$480	\$120	1%	Est.	\$494	\$124	1%	Potential 2024= 2023 + 3%				
45 Carpet Cleaning												
46 Internet				repairs+unit turn+reserve=8to10%								
48 Reserve for replacement	\$900	\$225	2%	new lender will require	\$900	\$225	1%	new lender will require				
49 Total Operating Expenses	\$14,249	\$3,562	30%		\$18,510	\$4,628	27%					
50 Net Operating Income	\$32,965	\$8,241			\$47,970			Potential Market less 5% vacancy + other income				
Less: Annual Debt Service	\$29,604	\$ 524,625	75%		\$29,604	\$ 524,625	75%					
Cash Flow Before Taxes	\$3,361				\$18,366							

Internal Rate of Return (IRR)

Calculated
for 1st year
of next
owners,
ownership

Sales Worksheet

		Year					
		1	2	3	4	5	6
Total Potential Market Income	2.5% Increases	\$69,600	\$71,340	\$73,124	\$74,952	\$76,825	\$78,746
2 Less: loss to market lease	29.1%	\$20,280	\$20,787	\$21,307	\$21,839	\$22,385	\$22,945
3 Total Potential Income (Max Rent)		\$49,320	\$50,553	\$51,817	\$53,112	\$54,440	\$55,801
4 Less: Loss to lease	0.0%	\$0	\$0	\$0	\$0	\$0	\$0
5 Total Income		\$49,320	\$50,553	\$51,817	\$53,112	\$54,440	\$55,801
6 Less: vacancy	5.0%	\$2,466	\$2,528	\$2,591	\$2,656	\$2,722	\$2,790
7 Effective Rental Income		\$46,854	\$48,025	\$49,226	\$50,457	\$51,718	\$53,011
8 Plus: Other Income	2.0% Increases	\$360	\$367	\$375	\$382	\$390	\$397
9 Gross Operating Income		\$47,214	\$48,393	\$49,601	\$50,839	\$52,108	\$53,408
Total Operating Expenses	2.0% Increases	\$14,249	\$14,534	\$14,825	\$15,121	\$15,424	\$15,732
Net Operating Income		\$32,965	\$33,858	\$34,776	\$35,717	\$36,684	\$37,676
Mortgage Balance		\$515,184	\$505,370	\$495,170	\$484,567	\$473,546	
ADS		\$29,604	\$29,604	\$29,604	\$29,604	\$29,604	
- Principal Reduction		\$9,441	\$9,813	\$10,201	\$10,603	\$11,021	
= Mortgage interest		\$20,163	\$19,790	\$19,403	\$19,001	\$18,583	
- cost recovery (annual)	27.5 yrs 1. 80%	\$19,502	\$20,349	\$20,349	\$20,349	\$19,502	includes mid mor
= Taxable Income		-\$6,700	-\$6,281	-\$4,977	-\$3,633	-\$1,401	
Tax on income at ordinary income rate of	2. 35%	\$0	\$0	\$0	\$0	\$0	
NOI		\$32,965	\$33,858	\$34,776	\$35,717	\$36,684	
- Annual Debt Service		\$29,604	\$29,604	\$29,604	\$29,604	\$29,604	
= Cash Flow Before Tax		\$3,361	\$4,255	\$5,172	\$6,114	\$7,080	
- Less Ordinary Income Tax		\$0	\$0	\$0	\$0	\$0	
= Cash Flow After Tax		\$3,361	\$4,255	\$5,172	\$6,114	\$7,080	

Calculation of Adjusted Basis

Basis at Acquisition	\$699,500
+ Capital Additions	
-Cost Recovery (Depreciation) Taken	\$100,051
=Adjusted Basis at Sale	\$599,449

Calculation of Capital Gain

Disposition CAP Rate	4.7%
Sale Price	\$799,474
-Costs of Sale	\$63,958
-Adjusted Basis at Sale	\$599,449
=Gain or (Loss)	\$136,067
-Straight Line Cost Recovery (limited to gain)	\$100,051
=Capital Gain from Appreciation	\$36,016

Calculation of Sales Proceeds after tax

Sale Price	\$799,474
-Cost of Sale	\$63,958
-Mortgage Balance(s)	\$473,546
= Sale Proceeds Before Tax	\$261,970
-Tax: Straight Line Recapture at	25.0% \$25,013
-Tax on Capital Gains at	20.0% \$7,203
= SALE PROCEEDS AFTER TAX:	\$229,754

IRR Before tax = 10.9%

n	\$
0	\$(174,875)
1	\$3,361
2	\$4,255
3	\$5,172
4	\$6,114
5	\$7,080 + \$261,970

IRR After tax = 8.0%

n	\$
0	\$(174,875)
1	\$3,361
2	\$4,255
3	\$5,172
4	\$5,172
5	\$6,114 + \$229,754

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

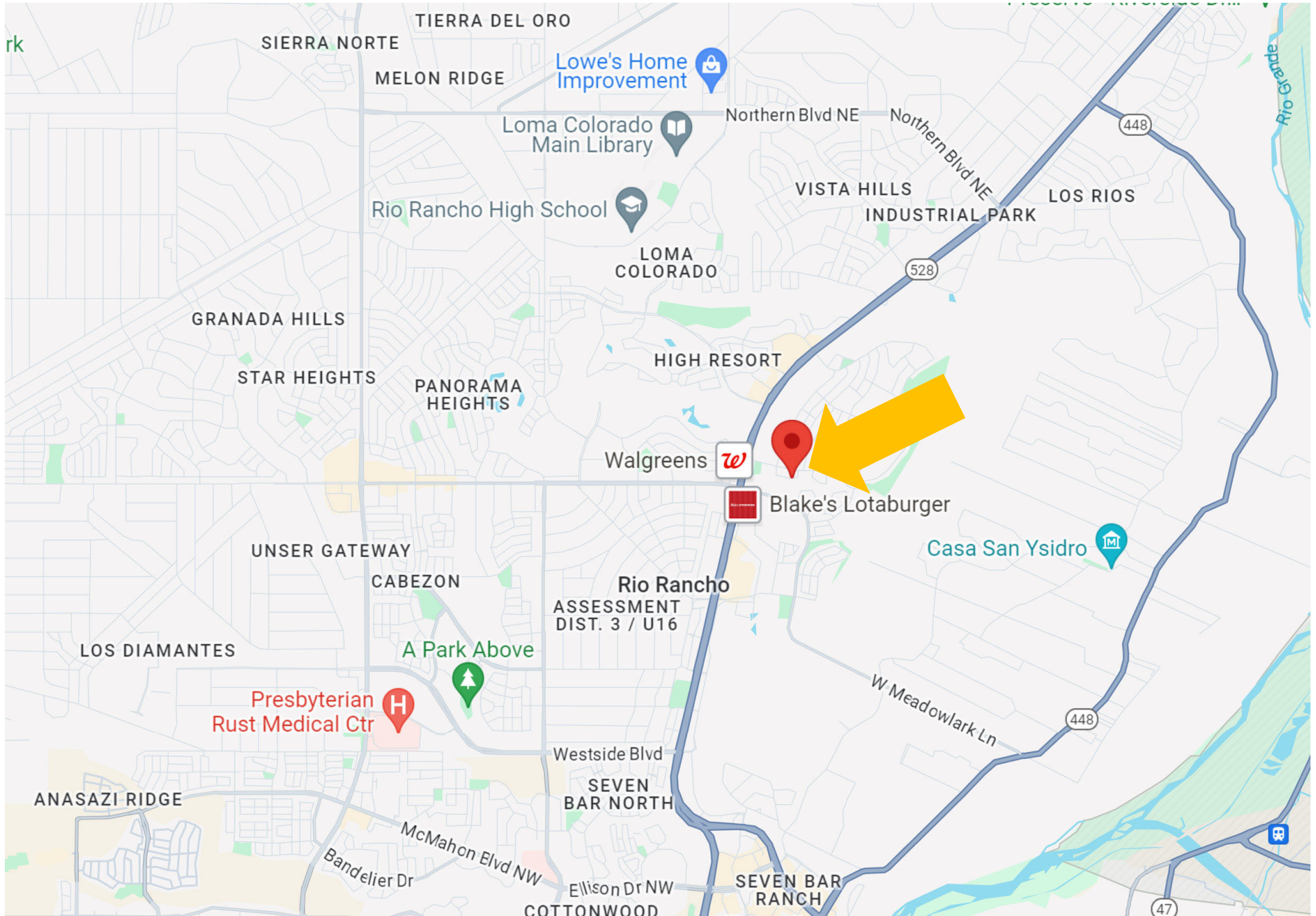
1. Deduct your annual mortgage interest before you calculate your taxable amount;
2. Deduct your cost recovery/depreciation before you calculate your taxable amount, in the future when you sell the property, you only pay back 25% of the benefit you received;
3. Your long term profit, or capital gain, 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 26%.

Investor's Effective Tax Rate =

26%

Property Info - Location



Property Drone Shot - Drone Image



Property Info - Survey



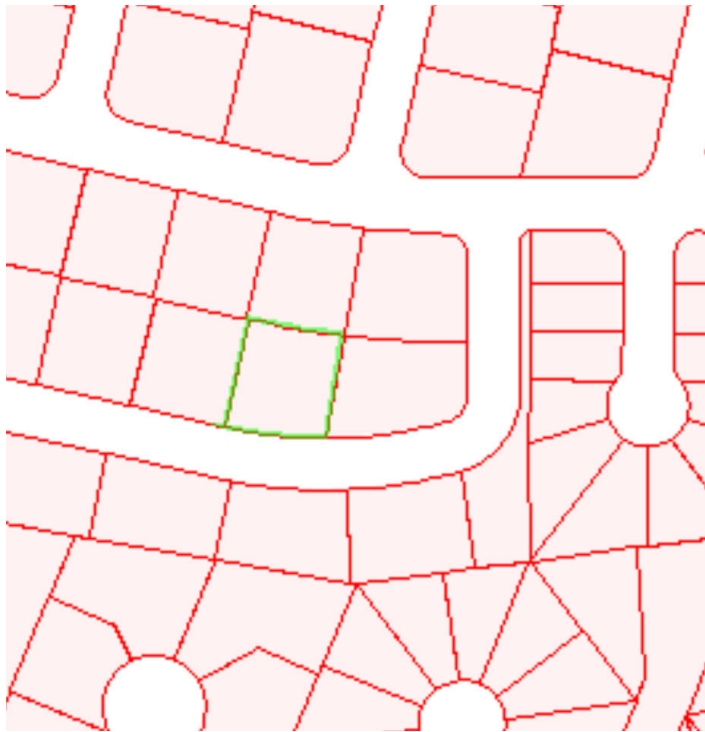
Property Photographs - Exterior



Property Info - GIS

Location	Owner Information	Assessment History
Parcel Number 1-014-068-145-360 Tax Area 510CSH_R - 510CSH_R Situs Address 4313 SABANA LOOP Legal Summary Legal: Subd: SABANA GRANDE TRACT Block: 1 Lot: 13	Owner Name NAISBITT, MARK A Owner Address 2110 S 1125 E BOUNTIFUL, UT 84010-2330 UNITED STATES OF AMERICA	Actual Value (2023 - Residential Cap applied) \$368,217 Primary Taxable \$122,739 Tax Area: 510CSH_R Mill Levy: 36.167

Type	Actual	Assessed	Acres	SQFT	Units
Residential Land	\$36,596	\$12,199	0.231	10062.000	1.000
Residential Improvement	\$331,621	\$110,540		4262.000	4.000

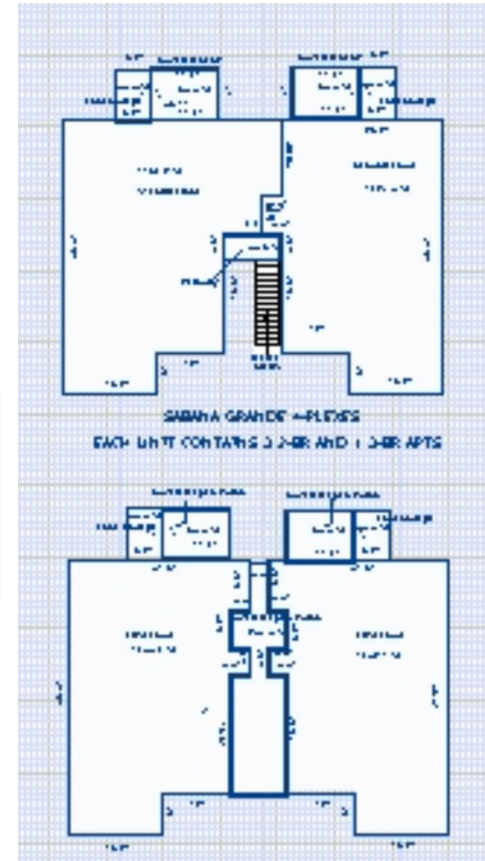


[More about 4313 Sabana Loop Southeast](#)

Walk Score
48

Car-Dependent

Most errands require a car.



Which city is most family friendly – Albuquerque or Rio Rancho?

Feb 25, 2016, 7:01am MST

INDUSTRIES & TAGS Residential Real Estate, Crime

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Juliana Vadnais
Digital Producer
Albuquerque
Business First



Albuquerque is home to some great hospitals, a growing food and beer scene and an emerging digital presence. But when it comes to family-friendliness, particularly for young families, where does the city stack up?

A new study released by Apartment List, ranked 474 U.S. cities for young family-friendliness. Both Albuquerque and Rio Rancho landed on the list, although at very opposite ends of the spectrum. Albuquerque fell in at No. 426, while Rio Rancho, a stone's throw away, landed on the list at No. 37.



A new list ranks U.S. cities on young family friendliness.
ANDY DEAN | THINKSTOCKPHOTOS.COM

Apartment List, a national apartment locator company, took into account four main factors that it said are important to families. Those factors were: safety, weighted at 35 percent, housing cost, (30 percent) school quality, (25 percent) and child friendliness, (10 percent). Apartment List gathered information from the FBI, U.S. Census Bureau, and used high school graduation rates for the ranking.

Albuquerque received scores (the higher the number the better) of 6.8 for crime, 47.1 for child friendliness, 12.2 for education and 44.3 for housing cost. The city ended with a total score of 23.4 and a "D" letter grade. Rio Rancho received a score of 80.3 for crime, 80.4 for child friendliness, 57.8 for education and 92 for housing cost, or an "A-" grade.

Santa Fe and Las Cruces also made the list at 401 and 402, respectively.

Five of the top 10 best cities for young families were in Texas, with Allen, Texas, coming in first. St. Louis was named the worst city for young families.

You can reach Juliana at 505-348-8313 or jvadnais@bizjournals.com

RIO RANCHO AT A GLANCE

Facts and Figures

- 103 sq. miles of land
- Incorporated in 1981
- 30 minutes from ABQ Sunport
- 3rd largest city in NM
- Median Age of Population: 35.1
- Top-notch educational system - est. 1994
- Average Household Income: \$69,250

How does Rio Rancho Rank?

- New Mexico Ranks 1st for Job Growth – US Dept of Commerce, 2015
- New Mexico 8th for Tax-Friendly State – Kiplinger's, 2015
- New Mexico Ranked 6th Best for Clean Tech Activity – Clean Edge, 2014
- New Mexico Ranked Among Tax Friendly States – Kiplinger's, October 2013
- Rio Rancho Ranked 58th Best Place to Live – Money Magazine, 2012
- NM Ranked 10th for Sustainability – Site Selection, July 2011
- NM Ranked 10th Among States for Lowest Tax Burden – Tax Foundation, July 2011
- New Mexico Ranked Best Domestic Travel Destination – Global Traveler, January 2011
- Rio Rancho Ranked America's 51st Best Place to Live – #51 – CNN Money, 2010
- Rio Rancho Ranked Among Best Small Cities – Money, July 2010
- Four New Mexico Colleges Ranked Among Forbes' Best – Forbes, August 2010
- Rio Rancho Ranked 83rd for Best Places to Live and Launch – CNN Money, 2008

Climate

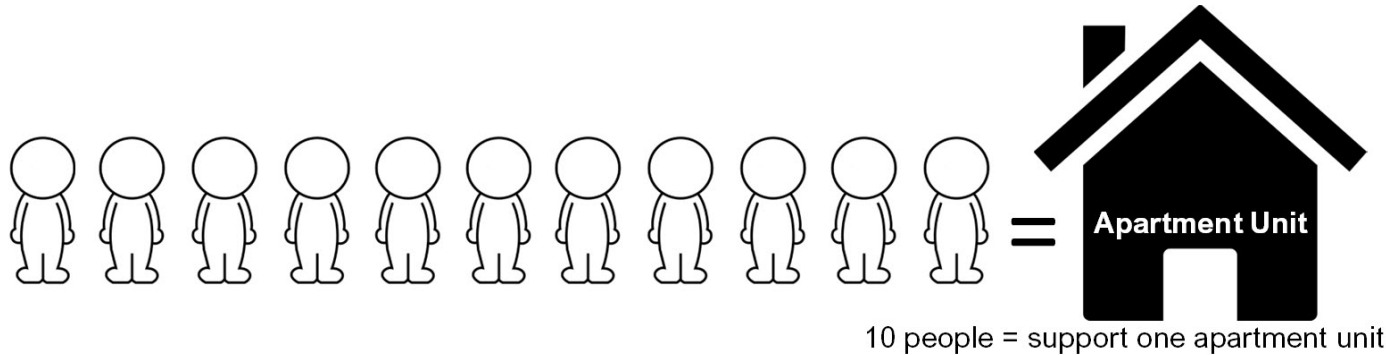
- More than 300 days of sunshine each year
- Annual precipitation: 9 inches
- Summer temperatures: 65° - 95°
- Winter temperatures: 23° - 47°

Representative Activity

- \$150 million Rust Medical Center
- New Sandoval Regional Medical Center
- HP technical/sales support center
- New UNM West Campus
- Central New Mexico Community College
- New 171,000 SF Lowe's store
- Central Business District development
- New \$105 million high school
- New City Main Library
- Indoor Aquatic Recreation Center

Source: Springer5.com

Rio Rancho Apartment Demand Infographic



$$\begin{aligned}
 \text{Demand} &= \text{Rio Rancho 2010 population} \\
 \text{Supply} &= \text{Demand} / 10 = 8,752 \text{ units}^* \\
 \text{GAP} &= \text{Demand} - \text{Supply} = \underline{-3,010 \text{ units}} \\
 &= 5,742 \text{ units}
 \end{aligned}$$

Growth Outlook by County

	2008 Population	2035 Population	Numeric Growth	Pace of Growth
MRCOG Region	883,901	1,552,125	668,224	75.6%
Bernalillo County	649,916	1,037,719	387,803	59.7%
Sandoval County	127,928	309,356	181,428	141.8%
Torrance County	17,923	27,836	9,913	55.3%
Valencia County	77,545	160,532	82,987	107.0%
Southern Santa Fe	10,589	16,682	6,093	57.5%

Region level forecast developed by UNM-GPS. County level forecast by MRCOG based on land use constraints, plans, and policies.

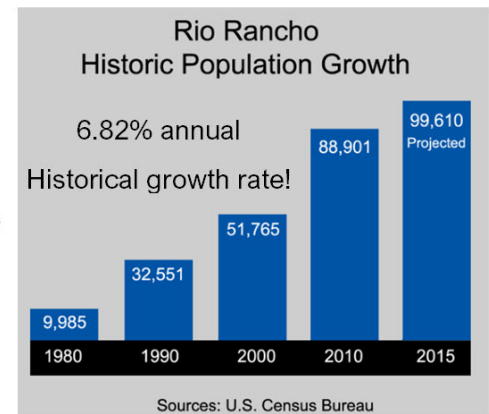


Mid-Region Council of Governments

The City of Rio Rancho has a multifamily housing shortage as it is in need of an additional 5,742 apartment units. Couple that with forecasted population growth of 141.8% between now and 2035 and the need for additional housing units is even more severe.

Investors in the Rio Rancho apartments should be able to capitalize on this growth.

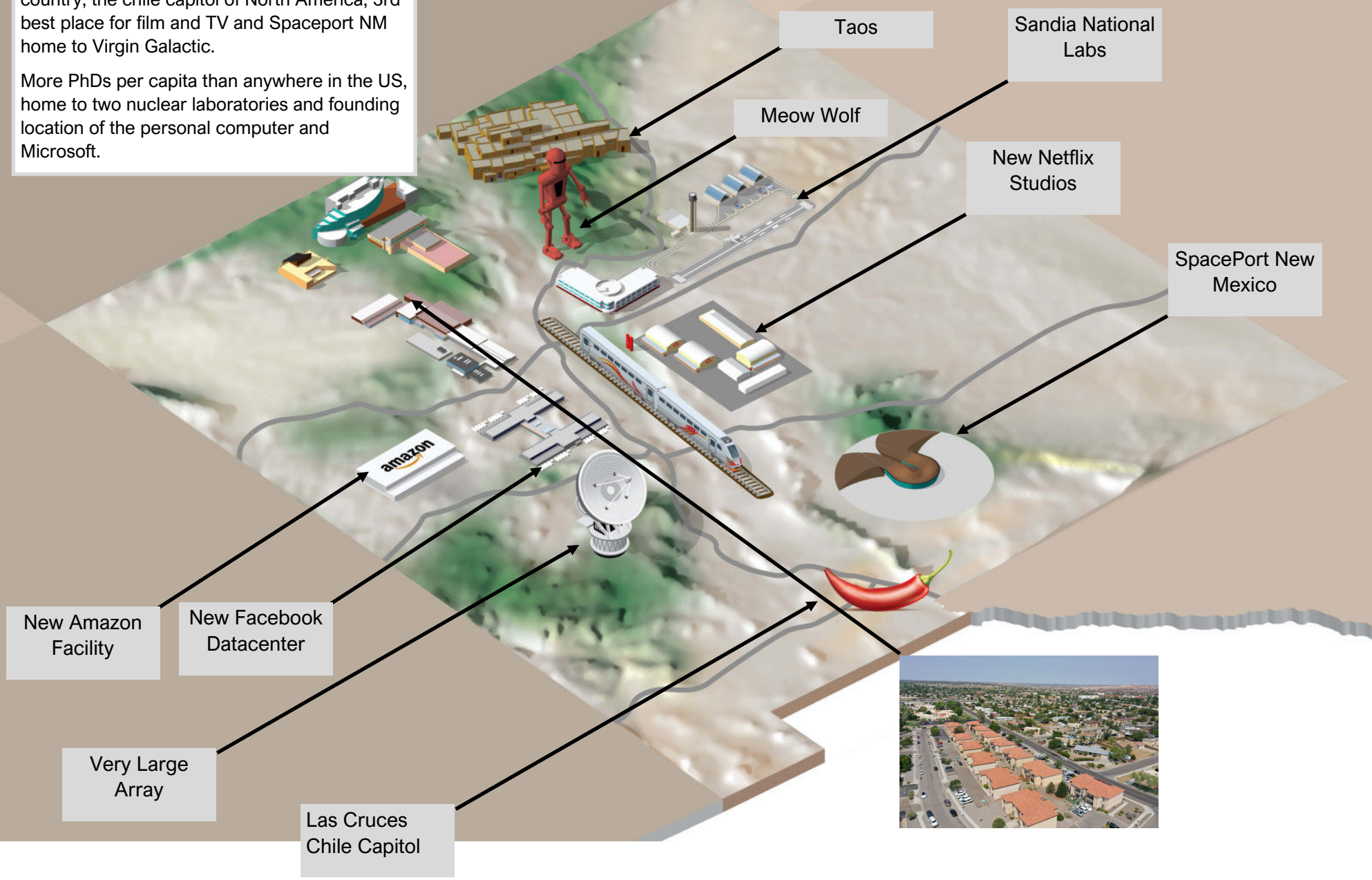
* 2020 population is forecast to be 93,318 which equates to an additional 579 units of demand.



New Mexico is on the international map

New Mexico is home to the oldest Capitol in the country, the Chile Capitol 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.



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 Market—Albuquerque, NM

Although the rest of the country might know Albuquerque for its award winning TV Show, Breaking Bad, astute investors are looking at Albuquerque as the place to invest.

With neither a boom or bust mentality, Albuquerque has a strong record of rent increases and a lack of new product. This results in high barriers to entry for competing apartments making multifamily investment a solid choice.

Thanks to major employers like Sandia National Laboratories and Intel Albuquerque is home to more PhD's per capita than in any city in North America.

Albuquerque has an exceptional quality of living, offering over 147 miles of hiking and biking trails inside the city as well as mile high Sandia mountains, and North America's largest cottonwood forest, Albuquerque is known for its 300+ days of sunshine, skiing and golf in the same day, stunning sunsets, and abundance of outdoor activities, Albuquerque is the amenity for most apartment residents.



filmnewmexico



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- ☑ **UNM Anderson School Ranked in Global 100**
Aspen Institute, October 2007

- ☑ **Forbes Ranks Albuquerque #8 in Best Cities for Jobs**
Forbes, October 2007
- ☑ **UNM Schools Ranked Among Best**
Hispanic Business- September 2007
- ☑ **Albuquerque Named 25th Among America's Hottest Job Markets**
Washington Business Journal—BizJournal September 2007
- ☑ **Albuquerque Named Among the 50 Best Adventure Towns**
National Geographic Magazine, September 2007
- ☑ **New Mexico Ranked Fifth Nationally for Manufacturing Momentum**
Business Facilities, June 2007
- ☑ **Albuquerque Ranked #9 Among Cities for Most Educated Workforce**
Business Facilities- June 2007
- ☑ **New Mexico Ranked #7 for Pro-Business Climate (#1 in the Southwest)**
Business Facilities, June 2007
- ☑ **Albuquerque Ranked #2 Arts Destination**
AmericanStyle Magazine, June 2007
- ☑ **Albuquerque Named Among the Top 20 Metros for Nanotech**
Wilson Center's Project on Emerging Nanotechnologies, May 2007
- ☑ **Albuquerque Named one of the Top 20 Midsize Cities for Doing Business**
Inc.com, April 2007
- ☑ **Albuquerque Fittest City in the Nation**
Men's Fitness, March 2007
- ☑ **Albuquerque One of America's 50 Hottest Cities,**
Expansion Management, February 2007
- ☑ **Albuquerque Named a Top 10 City for Movie Making,**
MovieMaker Magazine, Winter 2007
- ☑ **Albuquerque Ranked 3rd Smartest City to Live,**
Kiplinger's Personal Finance, May 2006
- ☑ **Albuquerque One of the Top Metros in U.S. Overall for Public Schools**
- Expansion Management, May 2006
- ☑ **Bizjournals Survey Ranks Albuquerque 18th for Jobs,**
BizJournals, November 2006
- ☑ **Albuquerque Best in Nation for Business and Careers**
Forbes, May 2006
- ☑ **Forbes Magazine Ranks Albuquerque as 5th Best Metro Overall and Lowest Cost City for Doing Business-** *Forbes, May 2005*

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 17,426 units totaling \$826M. 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**

Further Information

Do not disturb residents. Contact listing agent for additional information and register online for confidential documents: www.nmapartment.com/SabanaLoop4313

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

Todd Clarke 

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