

306 - 310 Vassar Dr SE
Albuquerque, NM 87106



Register for additional information: www.nmapartment.com/vassar306

Seller Concession to Buyer: NMAA-2486306

Virtual Tour: www.nmapartment.com/3dvassar308

UNM / CNM 14-plex

Units: 14

Size: 6,081 sf

Land: 0.326 ac

Ask Price: \$1,201,246

GRM: 9.09

CAP: 6.78%

IRR After Tax 9.8%

Property Information

On behalf of the owners, NM Apartment Advisors and Deacon Property Services are excited to bring to market this UNM / CNM 14-plex. Sited on two separate lots just 3 blocks to UNM, this unique complex offers two single family homes and a 12 Unit complex of updated studio apartments.

306 Vassar SE is a smartly remodeled, open concept 2 bedroom / 1 bath cottage with private parking and a wraparound yard on its own lot. 310 Vassar is an updated 3 bedroom / 2 bath bungalow. 312 Vassar features 12 updated studio apartments – each with the same accommodating and pragmatic floor plan with unique custom touches and character in each apartment. All units have thermal windows. 310 and 312 Vassar both have newer roofs. You'll also find lots of other updates throughout each unit.

Exceptional UNM/ CNM location with R-ML Zoning on both lots and plenty of off-street parking to accommodate all tenants and their visitors. This unique compound offers the rare opportunity for both a quality core asset with room for natural rent growth and plenty of value add opportunity – including adding additional units while continuing to update the existing buildings.



The Property

Address:	306-310 Vassar Dr SE
Number of units:	14
Year of construction:	1916, 1926, 1977
Bldg. Size:	6,081 sf +/-
Site Size:	0.326 acres
Avg. Unit Size:	434 sf
Zoning:	IDO R-ML
UPC#:	101605723214431818 101605723213831819
Legal:	Lot 4, 5, Block 27, University Heights Addition

Ask Price: \$1,201,246

\$/ unit: \$85,803

\$/sf: \$206.33

	Actual	Proforma
Avg Rent:	\$786	\$884
GRM:	9.09	8.09
Cap Rate Before reserves:	6.78%	7.12%
Cap Rate After Reserves:	6.49%	6.83%
Year 1 NOI:	\$77,981	\$82,057
Before Tax IRR:	13.40%	
After Tax IRR:	9.80%	

Internal Rate of Return

		Year						Calculated for 1st year of next owners, ownership
		1	2	3	4	5	6	
1 Total Potential Market Income	5.0% Increases	\$148,488	\$155,912	\$163,708	\$171,893	\$180,488	\$189,512	
2 Less: loss to market lease	8.5%	\$12,588	\$13,217	\$13,878	\$14,572	\$15,301	\$16,066	
3 Total Potential Income (Max Rent)		\$135,900	\$142,695	\$149,830	\$157,321	\$165,187	\$173,447	
4 Less: Loss to lease	2.8%	\$3,789	\$3,978	\$4,177	\$4,386	\$4,606	\$4,836	
5 Total Income		\$132,111	\$138,717	\$145,652	\$152,935	\$160,582	\$168,611	
6 Less: vacancy	5.0%	\$6,606	\$6,936	\$7,283	\$7,647	\$8,029	\$8,431	
7 Effective Rental Income		\$125,505	\$131,781	\$138,370	\$145,288	\$152,553	\$160,180	
8 Plus: Other Income	2.0% Increases	\$2,054	\$2,095	\$2,137	\$2,180	\$2,223	\$2,268	
9 Gross Operating Income		\$127,560	\$133,876	\$140,507	\$147,468	\$154,776	\$162,448	
Total Operating Expenses	2.0% Increases	\$61,060	\$62,281	\$63,527	\$64,798	\$66,094	\$67,415	
Net Operating Income		\$66,499	\$71,594	\$76,980	\$82,670	\$88,683	\$95,033	
Mortgage Balance		\$885,487	\$869,046	\$851,548	\$832,924	\$813,102		
ADS		\$71,318	\$71,318	\$71,318	\$71,318	\$71,318		
- Principal Reduction		\$15,447	\$16,441	\$17,499	\$18,624	\$19,822		
= Mortgage interest		55,871	\$54,877	\$53,820	\$52,694	\$51,496		
- cost recovery (annual)	27.5 yrs @ 80%	33,491	\$34,945	\$34,945	\$34,945	\$33,491	includes mid mo	
= Taxable Income		22,862	-\$18,228	-\$11,785	-\$4,969	\$3,696		
Tax on income at ordinary income rate of	35%	\$0	\$0	\$0	\$0	\$1,293		
NOI		\$66,499	\$71,594	\$76,980	\$82,670	\$88,683		
- Annual Debt Service		\$71,318	\$71,318	\$71,318	\$71,318	\$71,318		
= Cash Flow Before Tax		-\$4,819	\$276	\$5,662	\$11,352	\$17,364		
- Less Ordinary Income Tax		\$0	\$0	\$0	\$0	\$1,293		
= Cash Flow After Tax		-\$4,819	\$276	\$5,662	\$11,352	\$16,071		

Sales Worksheet

Calculation of Adjusted Basis

1 Basis at Acquisition	\$1,201,246
2 + Capital Additions	
3 -Cost Recovery (Depreciation) Taken	\$171,817
4 =Adjusted Basis at Sale	\$1,029,429

Calculation of Capital Gain

Disposition CAP Rate	6.5%
5 Sale Price	\$1,463,920
6 -Costs of Sale	\$117,114
7 -Adjusted Basis at Sale	\$1,029,429
8 =Gain or (Loss)	\$317,378
9 -Straight Line Cost Recovery (limited to gain)	\$171,817
10 =Capital Gain from Appreciation	\$145,561

Calculation of Sales Proceeds after tax

11 Sale Price	\$1,463,920
12 -Cost of Sale	\$117,114
13 -Mortgage Balance(s)	\$813,102
14 =Sale Proceeds Before Tax	\$533,705
16 -Tax: Straight Line Recapture at 25.0%	\$42,954
17 -Tax on Capital Gains at 20.0%	\$29,112
18 =SALE PROCEEDS AFTER TAX:	\$461,639

2.
3.

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 27%.

IRR Before tax =		13.4%
n	\$	
0	\$	(300,312)
1		-\$4,819
2		\$276
3		\$5,662
4		\$11,352
5		\$17,364 +
		\$533,705

IRR After tax =		9.8%
n	\$	
0	\$	(300,312)
1		-\$4,819
2		\$276
3		\$5,662
4		\$5,662
5		\$11,352 +
		\$461,639

Investor's Effective Tax Rate = 27%

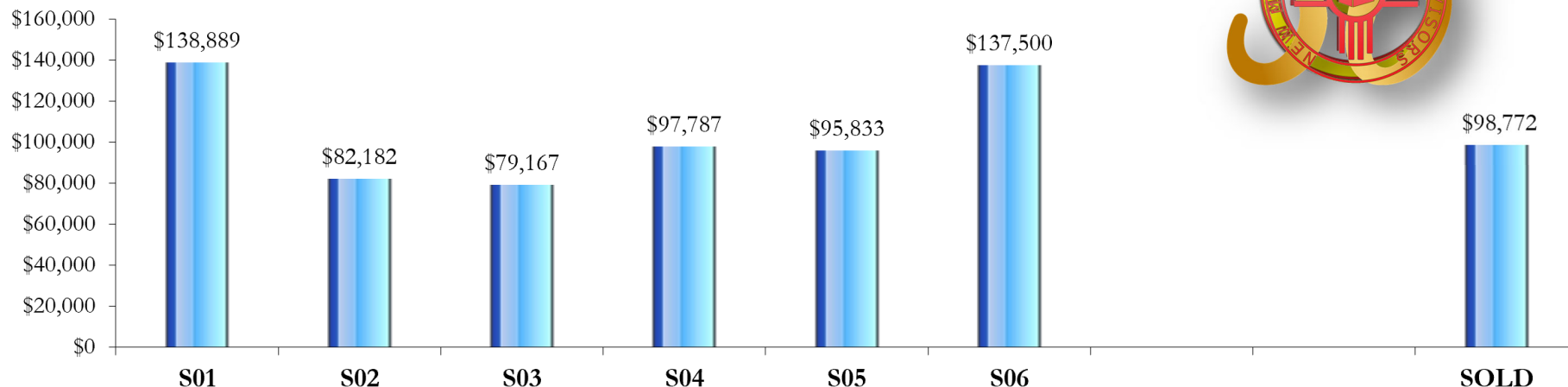
Comparable Sales

Comparable Sales Analysis for:

Vassar 14

Compiled by Todd Clarke CCIM

\$/unit



#	Name	Add#	Street	QD	Units	List Price	Sales Price	Sales Date	\$/unit	\$/sf	Avg. Rent	GRM	CAP
S01		354	Pueblo Solano	NW	9	\$ 1,250,000	\$ 1,250,000	3/17/23	\$138,889	\$ 288.00	\$1,003	11.54	6.2%
S02		1440	Vassar	SE	16	\$ 1,314,914	\$ 1,314,914	10/16/23	\$82,182	\$ 199.00	\$676	10.13	5.8%
S03		5900	Marble	NE	24	\$ 1,360,000	\$ 1,900,000	9/18/23	\$79,167	\$ 97.00	\$668	9.87	4.5%
S04	Valencia Park	924	Valencia	SE	20	\$ 1,955,736	\$ 1,955,736	9/29/23	\$97,787	\$ 111.00	\$825	9.88	
S05		1404	Silver	SW	12	\$ 1,212,000	\$ 1,150,000	1/8/24	\$95,833	\$ 191.67	\$806	9.91	5.8%
S06		1309	San Mateo	SE	16	\$ 2,400,000	\$ 2,200,000	2/14/24	\$137,500	\$ 152.78	\$1,162	9.86	5.8%

* imputed from 5% cac, 40% exp

SOLD					16				\$ 98,772	\$ 177	\$796	10.27	5.6%
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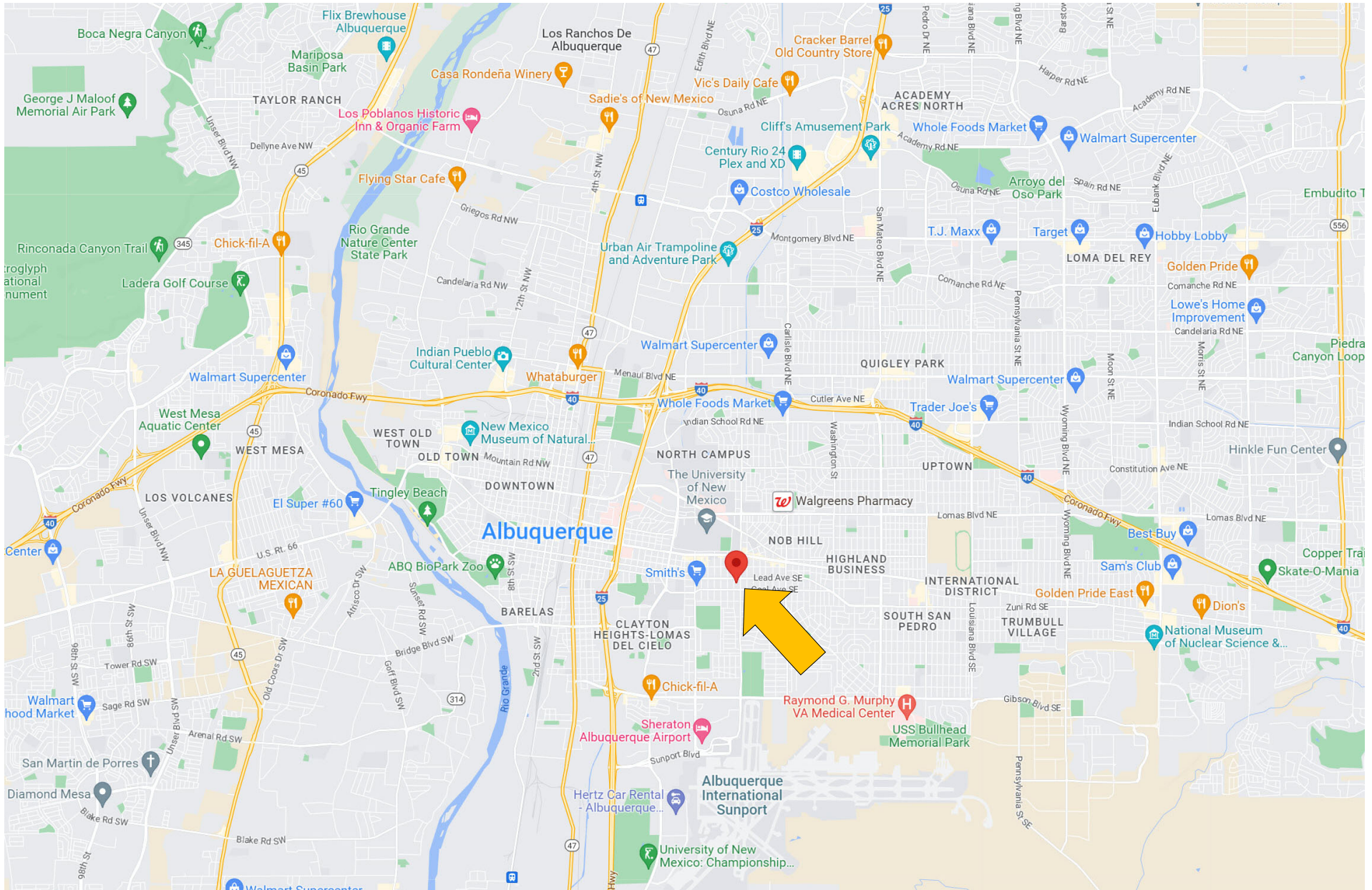
Subject	Vassar 14	306-310	Vassar SE		14	\$ 1,201,246			\$ 85,803	\$ 206	\$786	9.09	6.5%
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Average of Comparable SOLD applied to subject property

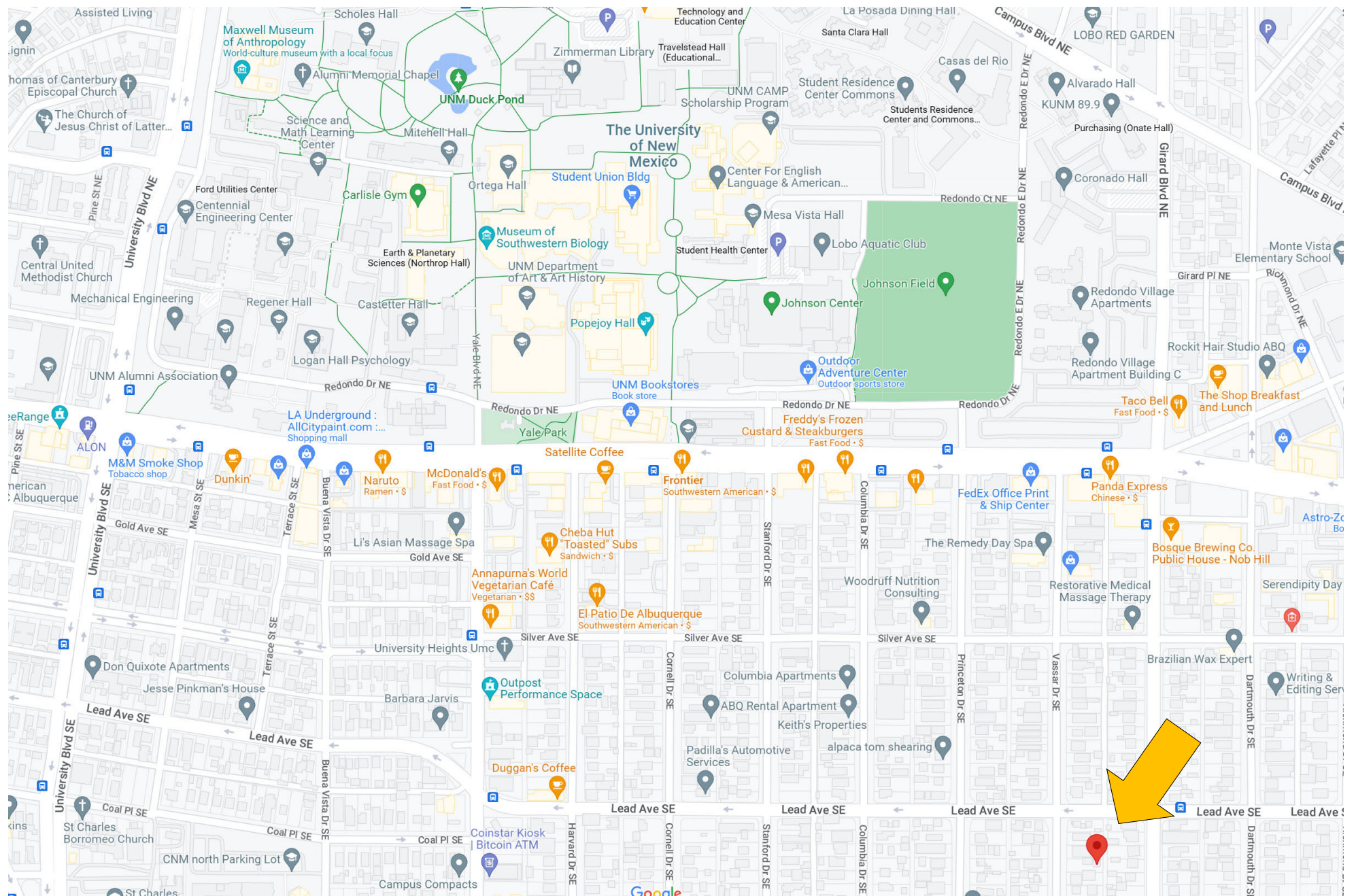
\$/unit	\$ 98,772	\$ 1,382,802
\$/sf	\$ 177.33	\$ 1,032,435
CAP (Actual)	5.6%	\$ 1,401,730
GRM (Actual)	10.27	\$ 1,309,484

Average= \$ 1,281,613

Location - UNM



Location - Neighborhood



CABQ - GIS Information

City of Albuquerque Property Report

[Download Property Report \(PDF\)](#)

Platted Parcel Address: 306 VASSAR DR SE
Assessor Parcel Address: 306 VASSAR DR SE
Report Date: 3/6/2023
www.cabq.gov/gis

Bernalillo County Assessor Ownership Data

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

Owner Name: LANTHONY INVESTMENTS LLC
Owner Address: 1501 ARCHULETA DR NE ALBUQUERQUE NM 87112-6375
Uniform Property Code (UPC): 101605723214431818
Tax Year: 2022
Tax District: A1A
Legal Description: * 004 027UNIVERSITY HTS ADD
Property Class: R
Document Number: 2019080388 092019 WD - EN
Acres: 0.163

Albuquerque Planning and Zoning Data

Jurisdiction: ALBUQUERQUE
IDO Zone District: [R-ML](#)
IDO District Definition: Multi-family Low Density
Zone Atlas Page: [K-16](#)
Land Use: 02 | Multi-family
Lot: 4
Block: 27
Subdivision: UNIVERSITY HEIGHTS
[Bernalillo County Planning and Zoning](#)

Neighborhood Associations

City Recognized Neighborhood Associations: [University Heights NA](#)
[Albuquerque Office of Neighborhood Coordination](#)

Services

Police Beat: 323
Area Command: SOUTHEAST
Residential Trash Pickup and Recycling: Wednesday

City Council Districts

City Council District: [6 - Pat Davis](#)
Councilor Email Address: patdavis@cabq.gov
Policy Analyst: Sean Foran
Policy Analyst Email Address: seanforan@cabq.gov
Policy Analyst Phone Number: 505-768-3152

Other Legislative Districts

US Congressional District: 1 - Melanie Stansbury
County Commission District: 3 - Adriann Barboa
NM House Of Representatives: 18 - Gail Chasey
NM Senate: 16 - Antoinette Sedillo Lopez

APS School Service Areas

Elementary School: MONTE VISTA
Middle School: JEFFERSON
High School: ALBUQUERQUE
[Albuquerque Public Schools](#)

FEMA Flood Zone: X

[FEMA Flood Map Service Center](#)

Walk Score
84

Very Walkable

Most errands can be accomplished on foot.

Transit Score
44

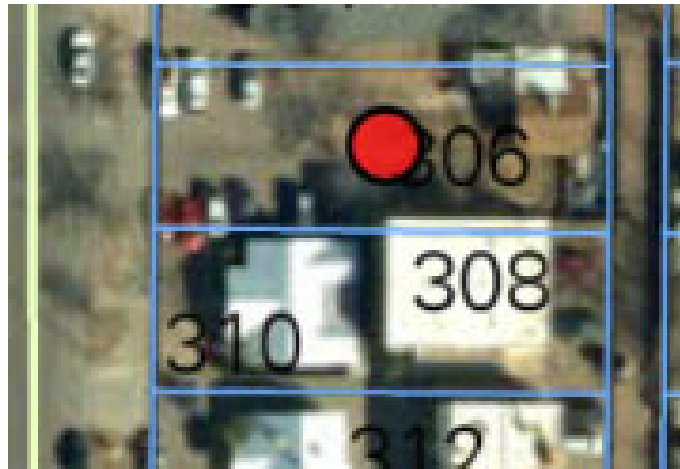
Some Transit

A few nearby public transportation options.

Bike Score
92

Biker's Paradise

Daily errands can be accomplished on a bike.



City of Albuquerque Property Report

[Download Property Report \(PDF\)](#)

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Property Photographs - Drone

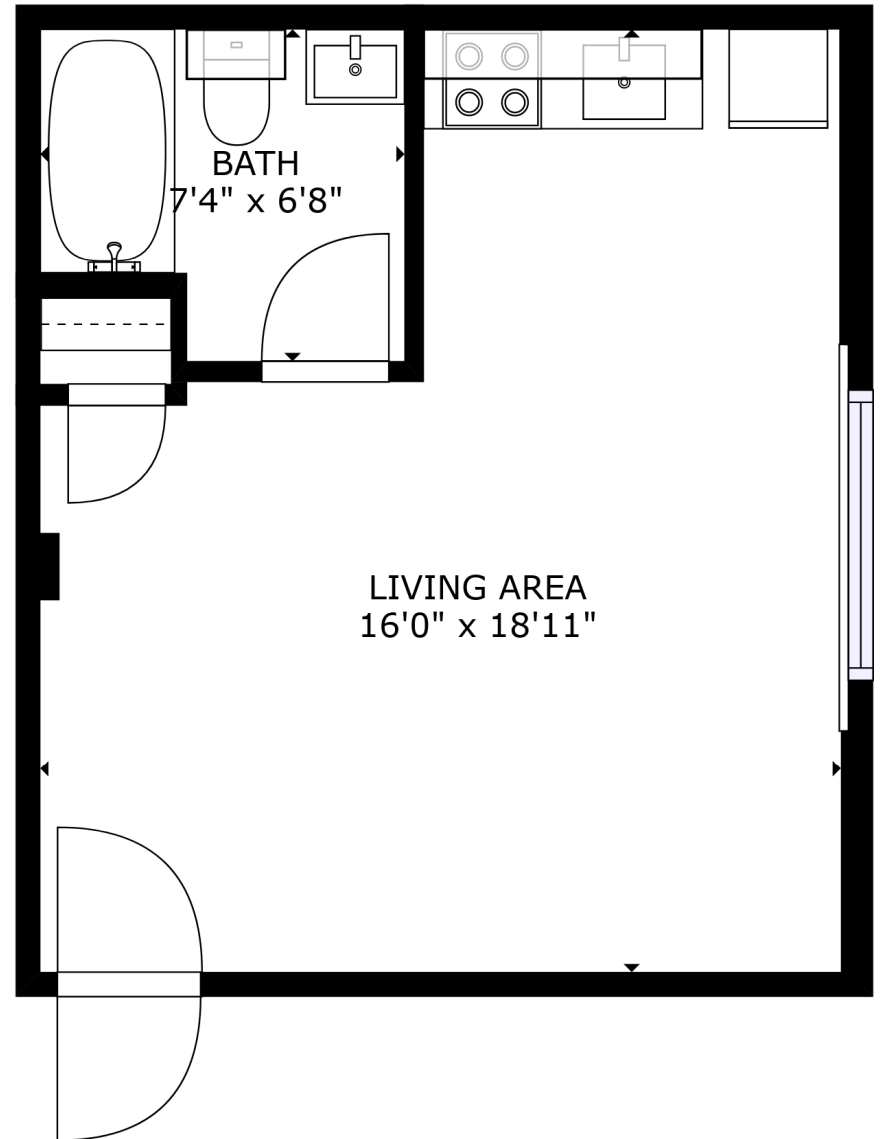
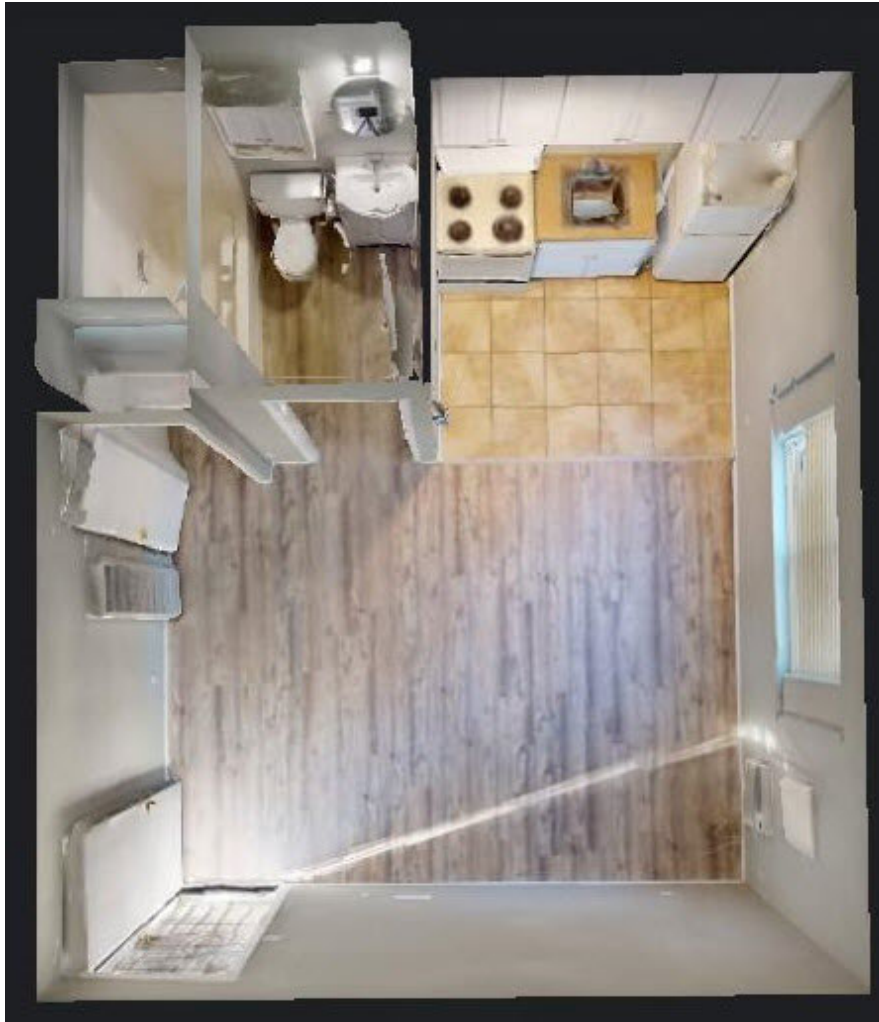


Property Photos



Floorplan - 308 Vassar SE, Apt 4

Measurements are Approximate



Virtual Tour: www.nmapartment.com/3dvassar308

Property Photographs - 306 Vassar SE - Apt 4



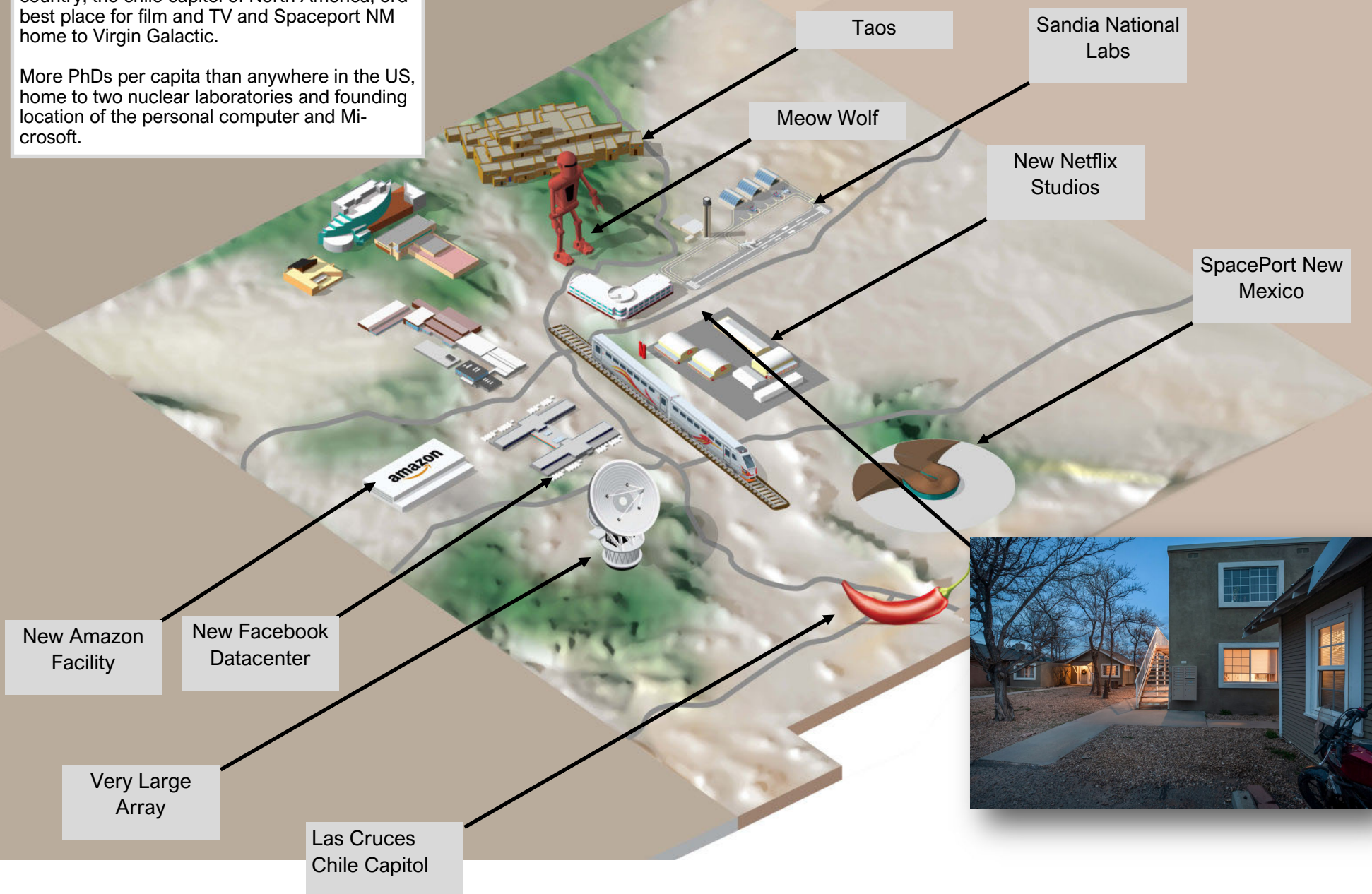
Property Photographs - 306 Vassar SE - Apt 4



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.



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



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

- ☑ **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**
- ☑ **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**
- ☑ **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,**
- ☑ **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 / thoughts:

My name is Todd Clarke CCIM CIPS and I am a commercial Realtor who has been selling apartment investments for over 36 years. In that time, I have listed/sold over 18,016 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-2486306** 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 tenants.

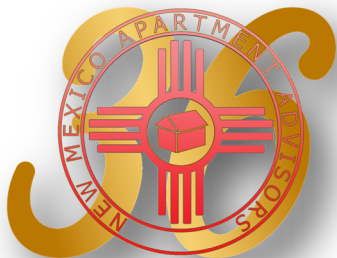
To register for access to confidential documents go to:

www.nmapartment.com/vassar306

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 and Kyle Deacon of Deacon Property Services. 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.
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505-440-TODD
tclarke@nmapartment.com
www.nmapartment.com



Kyle Deacon

Qualifying Broker
Deacon Property Services, LLC
NMREC Lic. #15579
505-878-0100
kyled@deaconnm.com
www.deaconpropertyservices.com

