

HOUSING CRISIS

More inventory the real key to tackling soaring rents

There's a housing crisis in Albuquerque, and it doesn't just involve those living on the streets or in their cars.

Out of sight but top of mind for untold thousands of New Mexicans are soaring rental costs. According to [Rent.com](#), the average monthly rent for a one-bedroom apartment in the Duke City has gone up 42% during the pandemic. Mayor Tim Keller says rent in Albuquerque has increased an average of 22% just this year.

Renters of one-bedroom apartments in Albuquerque are paying an average monthly rent of \$1,155. That's up from \$1,064 a year ago and \$812 at the outset of the pandemic.

According to Albuquerque leaders, half of all renters in the city are paying more than 30% of their monthly income for housing — in addition to higher prices for everything else amid the worst inflation in 40 years. That's unsustainable.

The New Mexico Supreme Court in 2020 placed a moratorium on eviction cases related to nonpayment of rent. It was a necessary pandemic safeguard, but the moratorium was phased out this spring and now many Albuquerque residents are seeing their monthly rental costs increase by more than \$200.

A lot of renters are making hard choices, such as Albuquerque's Mia Augustson, who told a Journal reporter she and her spouse have given up their car, put off some health care and called off a planned 20th anniversary celebration after their landlord raised their rent earlier this year by more than \$200.

And while the idea of rent control emerged in Albuquerque as a remedy, it's a seeming short-term fix with long-term negative consequences. It bears pointing out that efforts at rent control in major cities across the U.S. have failed to address the need for more, and more affordable, housing inventory while creating an underground subleasing market.

In fact, local commercial developers and apartment managers say that even the words "rent control" have a chilling effect on expanding housing stock. The last thing the city needs is to put up a "closed for business" sign to investors and developers when the Albuquerque area needs between 13,000 and 33,000 more units. The City Council was correct to overwhelmingly reject a rent control resolution last month by a 7-2 vote.

So what should be done?

The Keller administration has proposed a Housing Forward ABQ initiative that could help with what the mayor calls the "low-hanging fruit" of converting hotels/motels into apartments. If successful, the effort could increase some housing stock in the short term, revitalize blighted areas, keep private properties on the tax rolls and ramp up housing and construction jobs through training programs.

It's an interesting proposition because the city has had real successes converting problem and underutilized properties.

For example, the Metro Redevelopment Agency in 2016 purchased and rehabilitated the blighted El Vado motel into a boutique hotel with commercial tenants.

The El Vado Place apartments have 32 units, 24 of which are affordable.

A similar development is underway for the Imperial Inn in East Downtown. It is a mixed-use development with 16 residential suites, 52 guest rooms, and more than 4,000 square feet of rentable commercial space for retail and restaurants. And the Sundowner was formerly a 110-room motor-court motel on Route 66 that was rehabilitated in 2014 into 71 mixed-income rental units, 60 of which are affordable.

All were vacant or run-down before their conversions, and all are public-private partnerships.

The aim of the city's Housing Forward ABQ initiative is to create 5,000 new housing units by 2025 above what the private housing market will provide. Two years ago, a study found Albuquerque was shy 15,500 affordably priced units to meet the need of its poorest residents. Albuquerque officials say that gap has only widened, and Keller recently said "this is a massive problem structurally."

The initiative also includes converting commercial and office buildings into apartments, and modifications of the city's Integrated Development Ordinance to allow for more "casitas" on single-family properties and to adjust parking requirements to promote higher-density housing. It makes sense to update the IDO to allow more flexibility, such as not requiring full kitchen facilities in converted housing units. For many, a microwave and toaster oven suffice in place of a full oven and stove.

And there is clearly a need. The City Council has appropriated \$15 million for housing vouchers, but city leaders say it's often difficult for voucher recipients to find rental properties that accept them. Meanwhile, city leaders estimate there are 22,000 unhoused households needing permanent supportive housing.

Keller says about 40 new people move into the Albuquerque area every day. Todd Clark of New Mexico Apartment Advisers points out jobs from Netflix, Amazon, Facebook and Intel are great, but they also create pressure on the housing market. "The reason we have double-digit rent growth and 30% appreciation in single-family (units) is because we have all these phenomenal new jobs that our economy hasn't seen in well over a decade," he said.

And a housing shortage makes it more difficult to create and attract jobs.

Albuquerque, like many other cities in New Mexico, has underutilized commercial and office properties. Downtowns are struggling all over the state and need revitalization. And the housing crisis needs to be addressed to meet immediate housing needs — from perennially expensive Santa Fe to the currently booming oil patch.

Albuquerque's effort at public-private property conversions could fill in the immediate gaps and work as a template for other communities. Only through boosting the housing inventory will skyrocketing rental costs stabilize and ensure more people have a steady place to live.