

# Apartment luncheon

**NM Apartment Advisors Client Update  
June 2024 Dashboard**

20,771 units

Demand based on next 3 years of employment (see page 3)

8th

ABQ is the #8 most affordable city to live in (per Red Fin—2/20/2024) - <https://www.redfin.com/blog/affordable-places-to-live-in-the-southwest/>

41M

Increase in population for USA between 2024 to 2054, based on Congressional Budget Office report - <https://www.cbo.gov/system/files/2024-01/59973-Demographic-Outlook.pdf>

41%

of consumers feel uncertain about their ability to pay rent or their mortgage payment (as of 9/2023) which is up from 35% in August of 2021.

\$1,672

Highest two bedroom rent in ABQ - FAR NE heights submarket.

\$515,600/unit

For recent sale in Irvine, CA from Denver based REIT buyer <https://www.globest.com/2024/02/20/here-are-the-six-priciest-apartments-sold-in-2023/>

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Film & TV		
City	Spot	Category
Albuquerque	#2	Big Cities
Santa Fe	#1	Small Cities
Las Cruces	#8	Small Cities

"Best Places to Live/Work" as a Filmmaker according to Movie Maker Magazine

1.25-2.5 days

# of work days American's prefer to work remotely (Economist)

Rents Across NM

Las Cruces vs. ABQ

\$1,331 vs. \$1,503

Average two bedroom rent

Top Issues for 2024

#1

**Insurance** - the industry is seeing 2-4 fold increases in premium, and in some cases, outright cancellations.

#2

**Property tax**/disclosure and transfer tax - the assessor's are aggressively going after short term rentals, commercial properties and full disclosure of all sales.

#3

**Voting/politics**  
According to the economist, 51% of Earth's population votes this year (and in the USA, 66% believe this is not an adequate supply of affordable homes, and 78% of them believe its due to high housing costs) \*NAR/Morning Consult report

#4

**Small Pockets in rental market** until full recovery is in place from actors/writers strike - likely beginning of Q3-2024

#5

**NAR Settlement** - Potential changes for buyers/brokers/ buyers agency.

36%

Number of single family homes for rent that are asking \$2,100 or higher. Total count 124 down to 64 from December 2023 to April 2024

24

Fourplexes for sale in ABQ Area residential MLS increased from 7 December 2023

66%

Of American's who believe there is not an adequate supply of affordable housing.

78%

Of American's believe high housing costs are the primary cause lack of affordable housing.

Page - 1 -

35 Years. As we enter our 35th year of selling apartment investments, we wanted to thank our clients for allowing us to serve you in the sale of your apartment investments.

- Todd & Kahleelah Clarke

6/27/2024

1

## Question for attendees?

- Interest rates are they going up, down or sideways?
- What do you make of the Federal Reserve policy meeting on 7/31?

ECONOMY

Why inflation is losing its punch – and why things could get even better

July 12, 2023 - 5:38 PM ET  
Heard on All Things Considered  
 Scott Horsley

▶ 3-Minute Listen ▶ PLAYLIST ⌵ ⌶ ⌵

A person pumps gas at a BP gas station in Brooklyn, N.Y., on June 12. Annual inflation eased to 3% in June, the lowest in over two years, and there's hope that it could go lower.  
Michael M. Santiago/Getty Images

Inflation has been bruising Americans for more than two years – and it's finally losing some of its punch.

The Labor Department reported Wednesday that the consumer prices in June were up just 3% from a year ago – the smallest annual increase since March 2021. What's more, forecasters say inflation could fall further in the months to come.

**Econ70 - Home of GraphsandLaughs**  
[www.econ70.com](http://www.econ70.com)  
Elliot F. Eisenberg, Ph.D.  
elliott@graphsandlaughs.net  
(202) 306 2731

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2

## New Fed terminology

- 2008 – extend and pretend
- 2023 – expand and land  
-- *Ron DeVries MAI, IRR*



3

## Oh no!

ALM | Globest

### National Alert

ANALYSIS



#### **This is What the End of Extend and Pretend Looks Like**

By Erik Sherman

Big banks are trying to unload loans before they're forced to recognize a loss.

[Read More](#)



ANALYSIS



#### **KKR Pays \$2.1B for Apartment Portfolio**

By Erika Morphy

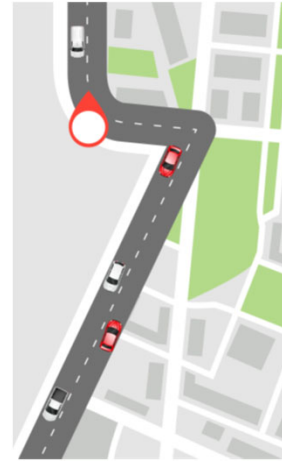
Like Blackstone's AIR Communities deal, this transaction boosts hope that

[Read More](#)

4

## Forecast 2023 – Agenda/Roadmap

- A. Introductions
- B. Demand
- C. Supply
- D. Rent Growth/surveys
- E. Las Cruces the next ABQ? – find out on 9/30
- F. Opportunity Enterprise fund \$134M



5

### IIB.

## Supply / Demand

Jobs Drive Housing



6

## 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 new jobs
- A** Apple announced \$1 Billion of new programming
- 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 than any other city in North America and the 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 fitness 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—March—August 2009*
- One of the Best Cities in the Nation  
*Kiplinger Magazine—March—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  
*Agnes Institute, October 2007*

**Kiplinger**  
Millionaire in America 2020 All 50 States Ranked (Slide 9 of 12)  
**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 - 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 it vestable assets of \$1 million or more.

The upside of having fewer millionaires is that it helps keep a lid on living costs, which are 8.9% below the U.S. average.

For residents of all means, the Land of Enchantment is somewhat tax-friendly, though it's a mixed bag for retirees. Social Security benefits are subject to tax by the state, as are retirement account distributions and pension payouts.




7

# Digital Marketing

## Bay Area customer acquisition firm plans 100 jobs in Downtown Albuquerque

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Albuquerque was selected, Keim said, because it was best fit in terms of workforce and culture.  
IMAGE PROVIDED BY GETTY IMAGES (JAMES BREY)

By Collin Kriebbe - Technology reporter, Albuquerque Business First  
May 13, 2021, 8:33pm EDT

**IN THIS ARTICLE**

**Katy Keim**  
Person

A Bay Area company helping clients acquire new customers plans scores of jobs in Downtown Albuquerque.

The company, LQ Digital, uses various digital tactics to help clients attract more business, including search engine optimization and marketing, social media and contact center services. By the end of the year, LQ plans to have built a workforce of 100 in Albuquerque, adding to its nationwide workforce of about 300, according to CEO Katy Keim.



8



# An old favorite

## Intel expanding in NM



Intel's Keyvan Esafarjani, senior vice president for manufacturing and operations, gives the thumbs up as a speech by Gov. Michelle Lujan Grisham is applauded at a press conference Monday in Rio Rancho.

### Plant in Rio Rancho to become global hub, with 700 permanent, 1,000 construction jobs

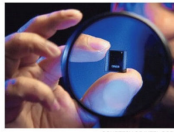
Copyright © 2021 Albuquerque Journal  
BY KEVIN ROBINSON-AVILA  
JOURNAL STAFF WRITER

Intel Corp. announced on Monday morning its first multi-billion dollar investment in Rio Rancho in more than a decade to convert its local factory into a global manufacturing hub for the company's new "Foveros" technology.

Company executives unveiled the \$3.5 billion investment at an outdoor news conference at the

plant with Gov. Michelle Lujan Grisham and other state and local officials. The investment will generate 700 new high-paying permanent positions here, plus about 1,000 construction jobs.

It's the largest such commitment to Intel's New Mexico operations since at least 2009, and the largest single investment here to date since the company opened the Rio Rancho plant in 1980, Intel executives



COURTESY OF INTEL CORP.

A fingernail-sized processor made with Intel's new "Foveros" technology is shown. It involves a new type of packaging architecture that stacks computing chips on top of each other to pack many more transistors in less space on each microprocessor.

See INTEL p. A4

### JOBS

## Intel looks to hire manufacturing technicians at Rio Rancho facility

By: Fallon Fischer  
Posted: Jul 14, 2023 / 01:56 PM MDT  
Updated: Jul 14, 2023 / 06:44 PM MDT

RIO RANCHO, N.M. (KRQE) – Intel will host a "MEGA Hiring Event" to recruit manufacturing technicians to work at the company's manufacturing facility in Rio Rancho. Intel is looking to hire individuals interested in joining the semiconductor manufacturing sector.

# Facebook



COURTESY OF FACEBOOK

An artist's rendering shows what the first six buildings at the data center in Los Lunas will look like when they are completed. The last two buildings are under construction, and Facebook plans to add up to six more if the the Los Lunas Village Council approves Facebook's latest series of industrial revenue bonds in March.

## Facebook is seeking bonds for expansion

## NETFLIX Expansion



- Second HQ
- Multiple new sound stages
- Completion summer 2024
- Hiring soon thereafter



11

## When will the storm/strike pass?

Actors & Writers' strike: What's at stake and how it could disrupt ~~Hollywood~~

Los Angeles Times

ABQ



- Impact is being felt in furnished rentals



12

# Good news



NEW MEXICO'S LEADING NEWS SOURCE  
ALBUQUERQUE JOURNAL  
WEDNESDAY MAY 27, 2023  
FINAL

## Amazon coming to ABQ's West Side

465,000-square-foot warehouse to provide 1,000 full-time jobs

### Amazon to expand ABQ presence

**DISTRIBUTION**

Amazon is adding to its Albuquerque presence with the addition of a delivery station and a fulfillment center, the company said March 4.

The delivery station near Bluewater Road NW and Airport Drive

will speed up deliveries, speed up fulfillment and speed up delivery. The station center - a planned 270,000-square-foot warehouse - is expected to open later this year. The fulfillment center is expected to open later this year. The station center is a critical piece to Amazon's "middle mile" where packages are transported between Amazon sites before



**Amazon delivers great news**

Just when the metro area needed a boost, one of the world's largest companies announced plans recently to open a facility on the West Side of Albuquerque that will result in a thousand new full-time jobs. Each of the Amazon warehouse employees will earn at least \$15 an hour, equivalent to \$31,200 annually, well above the state and the city's minimum wages. The influx of new jobs is great news after weeks of harsh economic developments that put more than 145,000 New Mexicans out of work.

The news got even better last week when a public records request by the Journal's Jessica Dyer revealed the five-story warehouse initially measured at 465,000 square feet will actually have 2.58 million square feet of usable floor area, equivalent to 14 Walmart Supercenters, making it one of the biggest buildings in the state. That's quite an investment in New Mexico, and cause to lift our face masks and shout "Hooryay!"

Construction work began in March at the site near Atrisco Vista and Interstate 40, an industrial area home to Tempur-Pedic and Pottery. Expected to open by late 2023, the Amazon warehouse didn't receive any state or county economic development incentives, although the Bernalillo County Commission recently approved a \$6.5 million series of infrastructure upgrades to the Atrisco Vista corridor to help spur development of multiple parcels in the industrial park, including Amazon's. That's a win-win because the county has been working for years to upgrade the corridor.

Bernalillo County Manager Julie Morgan Baca calls the project a "big deal." It is. Welcome to Albuquerque, Amazon!

13

# DEMAND: F.A.A.N.G effect

Demand – these jobs have been publicly announced in local/national media:

EBA For Albuquerque Area	updated 2/2023				EBM (Bernalillo County)	
	# of new jobs	Basic	Non Basic	Total	7.84	1.00
<b>F.A.A.(I).N.G effect</b>					54,681	2,834
Facebook Construction (est.)	500	N	500	500		57,515
Facebook Data Center Operations	35	Y	35	35		
Fidelity Investments	240	S	106	134		2.17
Amazon Fulfillment Center - Project Chico	1,500	Y	1,500	1,500		124,808
Amazon Sortation Center - Project Nico	200	Y	200	200		2.52
Amazon Los Lunas - Project Charlie	600	Y	600	600		
Amazon Airport	?					49,527
Intel Construction	1,000	N	1,000	1,000		65%
Intel Expansion	750	Y	750	750		32,193
NBC Universal Studio	330	Y	330	330		
Netflix Construction	1,000	N	1,000	1,000		
Netflix Production	1,500	Y	1,500	1,500		35%
Lanes Industries	70	Y	70	70		17,334
LQ Digital	100	Y	100	100		95%
Blue Halo additional jobs (over 260)	64	Y	64	64		
MTX Group Inc (Downtown)	250	Y	250	250		
Manna Capital LL	950	Y	950	950		
Curia	270	Y	270	270		
Vexus Fiber Optic	200	N	200	200		
KAFB Space Force	100	Y	250	250		
	9,659	-	6,975	2,834		18,247
<b>EBM (Bernalillo County)</b>					7.84	1.00
Total New Jobs			54,681	2,834		57,515

**Demand 18,247 rental units**

14

## DEMAND: F.A.A.N.G effect

EBA For Albuquerque Area						6/17/2024				
	# of new jobs	Basic	Basic Jobs	Non Basic Jobs	Total Jobs	EBM (Bernalillo County)				
F.A.A.(I)N.G effect						13,734	-	10,437	3,297	13,734
Facebook Construction (est)	500	N		500	500			754	1.00	
Facebook Data Center Operations	35	Y	35		35			81,823	3,297	85,120
Fidelity Investments	240	S	106	134	240					217
Amazon Fulfillment Center - Project Chico	1,500	Y	1,500		1,500					184,711
Amazon Sortation Center - Project Nico	200	Y	200		200					2,52
Amazon Los Lunas - Project Charlie	600	Y	600		600					73,298
Amazon Airport	9				9					65%
Intel Construction	1,000	N		1,000	1,000					47,644
Intel Expansion	750	Y	750		750					35%
NBC Universal Studio	330	Y	330		330					25,654
Netflix Construction	1,000	N		1,000	1,000					95%
Netflix Production	1,500	Y	1,500		1,500					27,005
Luau Industries	70	Y	70		70					5,872
LQ Digital	100	Y	100		100					21,133
Blue Halo additional jobs (over 260)	64	Y	64		64					
MTX Group Inc (Downtown)	250	Y	250		250					
Manna Capital LL	950	Y	950		950					
Cuata	270	Y	270		270					
Venets Fiber Optic	200	N		200	200					
Belen - WindTurbine Manufacturer	250	Y	250		250					
Mason Solar at Mesa Del Sol - \$1B	1,800	Y	1,800		1,800					
Bright Green Growth Expansion										
Mesa Antenna Tech (Germany)	62	Y	62		62					
ICaros Power	25	Y	25		25					
Australia based hydrogen company- Star Scientific	200	Y	200		200					
New Westside Film Studio / Sound Stage /Mill (Mesa Studios)										
UNM Hospital Critical Care Towers	700	N		700	700					
Aztec Solar HQ - \$50M	300	Y	300		300					
CineLease \$95M expansion	12	Y	12		12					
Wind farm on 9 acres on west Central - Sun Lasso	1	Y	1		1					
Spring Oaks Capital LLC	200	N		200	200					
SolAero RockLab - Semiconductors	100	Y	100		100					
KAFB - Defense Threat Reduction Agency	300	N		150	150					
KAFB Space Force-Delta 11 - 2025	225	Y	225	112	112					
	13,734		10,437	3,297	13,734					

Demand 21,333 rental units

15

## Supply 2022-2024

Supply -this supply research was collected by researchers working for CASA NM PAC

Community Name	Address	Zip Code	Submarket	Status	# of Units	Type	Data Source(s)
Allaso High Desert	6605 Tempton St. NE	87111	Faz NE Hts	Under construction	281	Market rate	ORB website, site signage
Allaso Journal Center	7800 Headline Blvd. NE	87109	North I-25	Under construction	158	Market rate	ORB website, site signage
Allaso Vineyards	8901 Holly Ave. NE	87122	Faz NE Hts	Under construction	111	Market rate	Site signage
District 505 Tower 10 Apts.	3301 Central Ave. NE (300 San Mateo)	87108	Nob Hill	Under construction	130	Market rate	DRB filings
Markana Uptown	6500 Americas Parkway NE	87110	Uptown	Under construction	192	Market rate	ORB website, site signage
Markana Flats	7050 Constitution Ave. NE	87110	Uptown	Under construction	151	Market rate	ORB website, site signage

**GAP/Opportunity – the difference between Demand and Supply**

<b>Demand 2023-2025 =</b>	17,334	units	at 100% occupancy
less Supply 2023	3,522	units	Completed, in lease-up or under construction
less Supply 2024	1,279	units	
<b>= GAP</b>	<b>12,533</b>		Remaining Units to hit 100% occupancy

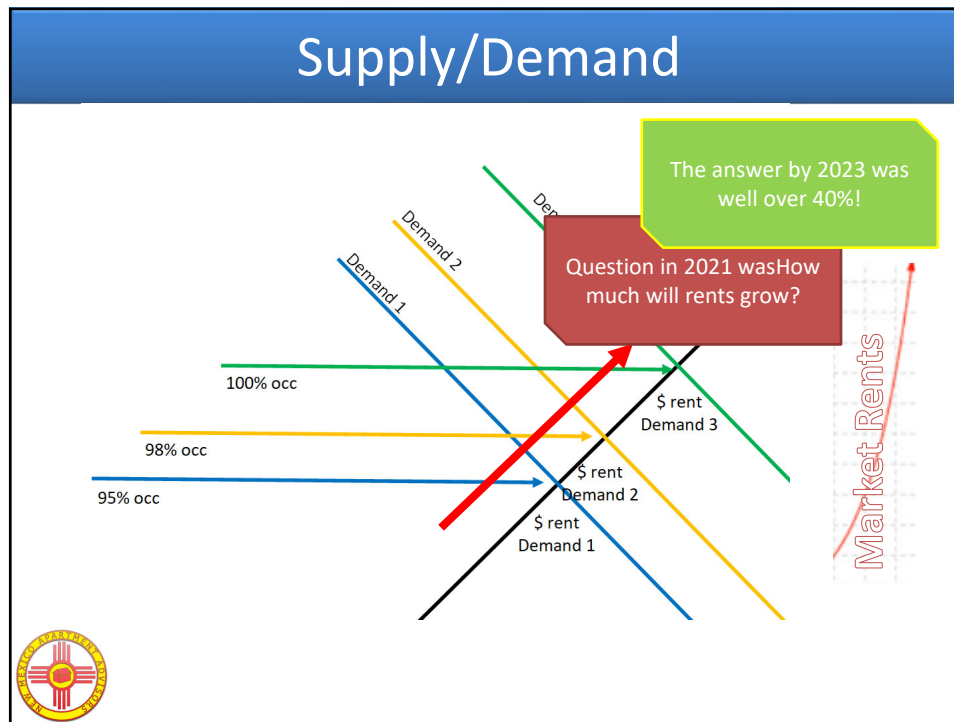
<b>Demand 2023-2025 =</b>	18,247	units	at 95% occupancy
less Supply 2023	3,522	units	Completed, in lease-up or under construction
less Supply 2024	1,279	units	
<b>= GAP</b>	<b>13,446</b>		Remaining Units to hit 95% occupancy

<b>Mayors 2022 Housing Goal</b>	5,000		
less Supply 2023	3,522	units	Completed, in lease-up or under construction
less Supply 2024	1,279	units	
<b>= GAP</b>	<b>199</b>		Remaining Units

16



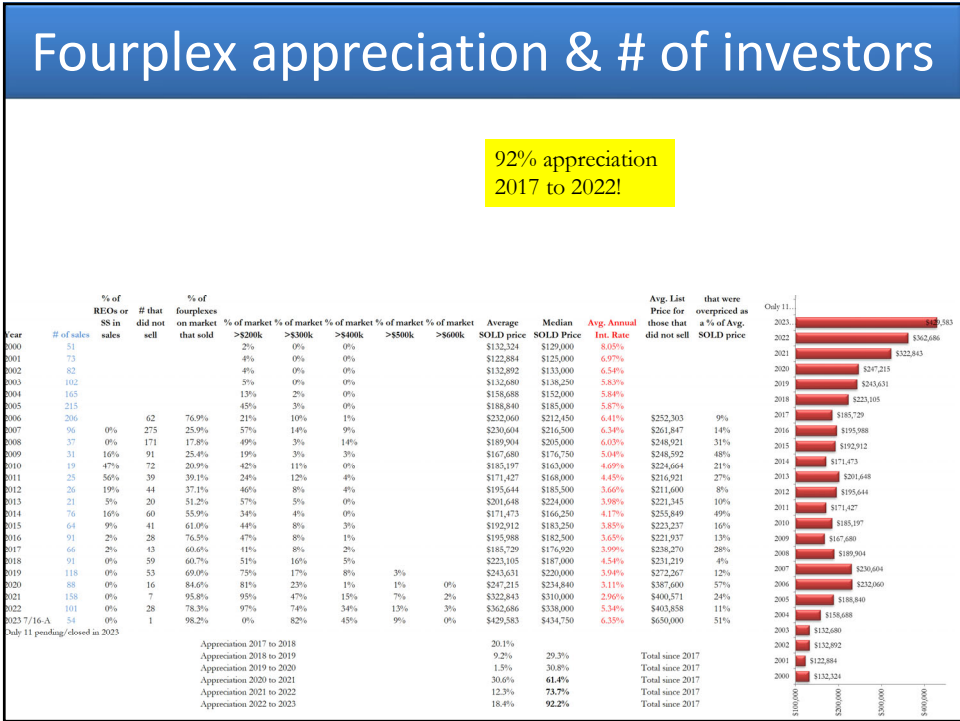


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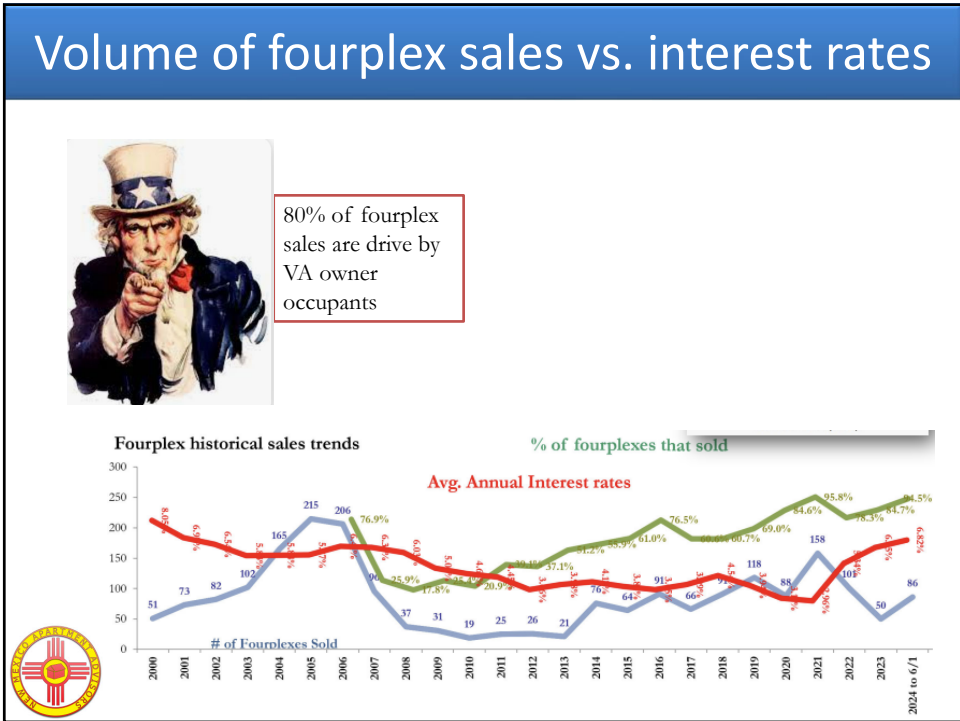
## S>D = only solution

- “When a sellers’ market exists, prices may move high enough to bring about the production of new buildings.” – Arthur Weimer, author, Principles of Urban Real Estate (1948)
- Although recent rent growth has outstripped global inflation trends, over the last 20 last years the rent growth has been only 2.5% annually. This includes global pandemic when many residents utilized the moratorium on evictions to go months, or even years without paying rent.
- The solution for today’s housing crisis is a simple formula: Supply > Demand

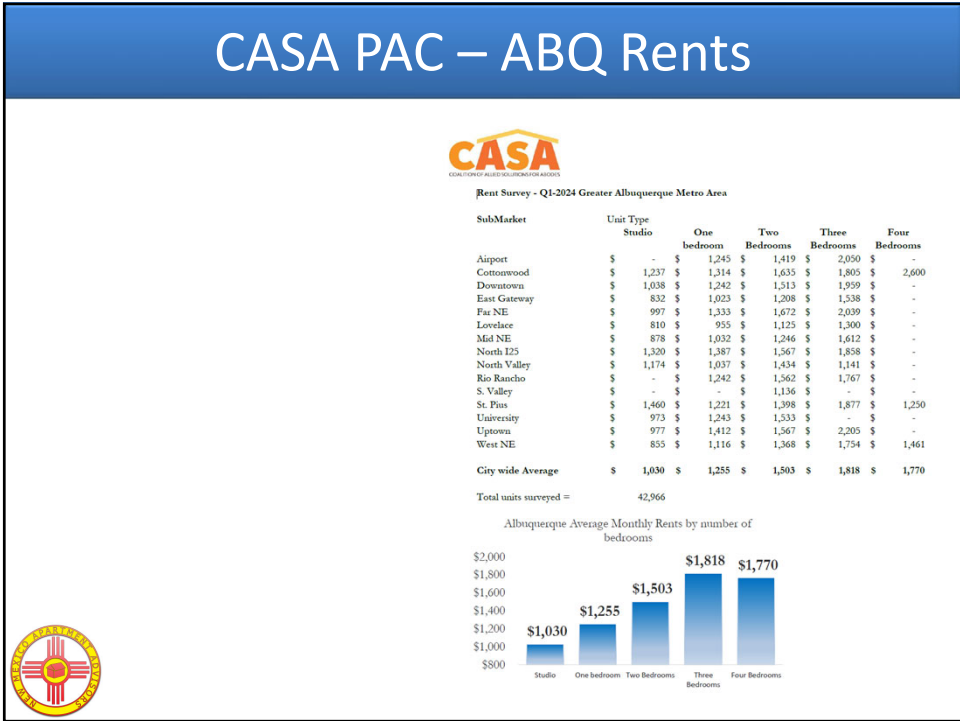
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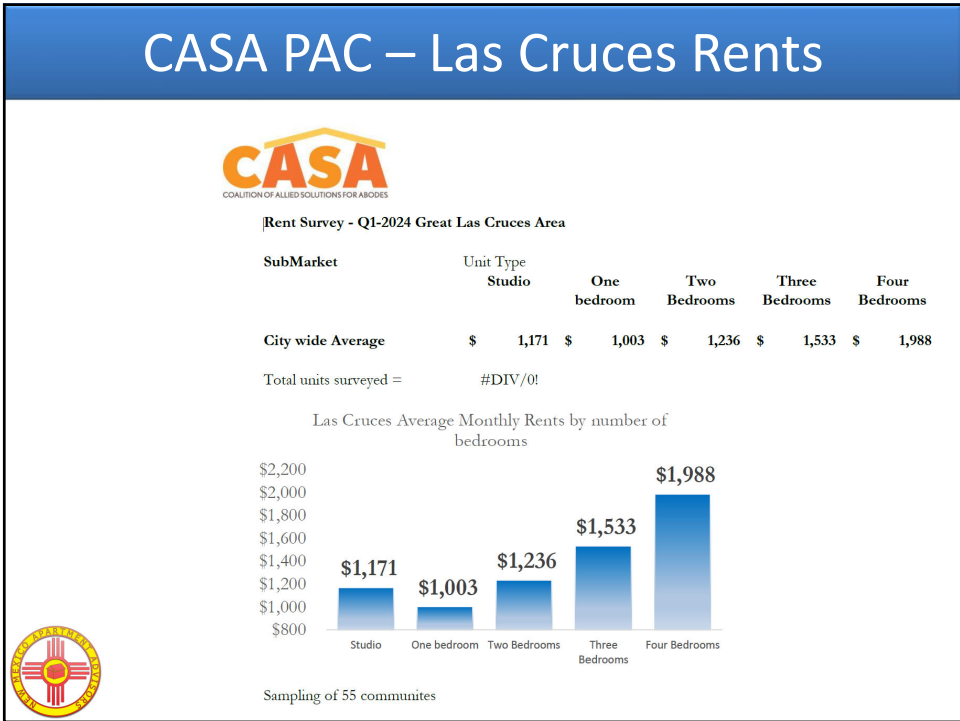
19



20



21



22

## Marvid – excited about Las Cruces

- Multifamily market is thriving (City of LC estimates a shortage of 5,600 housing units-April 2023)
- Approx. 45% of Las Cruces population is of a tenant classification.
- Population: Approx 115,000 with an average 1.05% annual population growth
- Las Cruces rental market ranks #1 for fastest growing rent nationwide
- <https://www.youtube.com/watch?v=HTdrhde0ZHK>
- Rental rate growth (20%-30%). Stabilizing a bit now but now returning back to 2019 numbers.
- Purchase and rehab yielding higher ARV rent numbers (30%-45% increase) and overall property value (25%-45% increase).
- Spring/Summer months yield highest and best
- Evictions in a post-covid world
- Are not as challenging due to the moratorium lift in 2022.
- Diligence up front when qualifying and screening prospective tenants is crucial (Gross 3x the rental amount, co-signers, rental history, & landlord verifications).
- Average eviction process takes a month to a month and a half
- Evictions are not positive for tenants or landlords
- Push to extend the eviction process failed at state legislature
- Efforts to communicate, set up payment arrangements, provide access/knowledge to tenants about rental assistance programs are crucial in an attempt to alleviate the eviction process.



### Las Cruces ranks No. 1 for fastest growing rent nationwide

"Your kind of everyday rentals, smaller scale places that don't have a lot of resources or amenities but can be great affordable apartment options and on the higher end of the market, you got premium communities that have lots of amenities and a lot of services," Said Dwellsy CEO and Founder Jonas Bordo. Telling KTSM they are seeing more ...

23

## ULI NM: EnergyPlex Housing Summit – Hobbs, NM

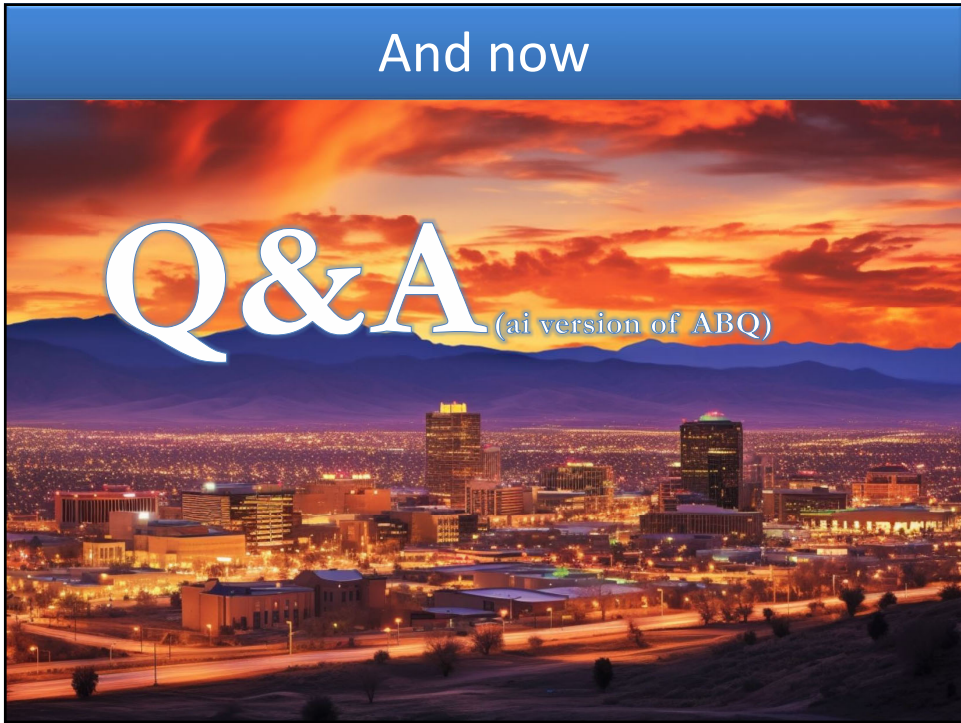
August 20 @ 10:00 am - 2:00 pm



24



25



26