

Good morning!

When I was a kid, my juvenile friends often repeated a joke about why New Mexico was so dry, the punchline of which was an unsavory suggestion about the actions of Oklahoma and Texas.

### **A tale of two states...**

As an adult, I now know that while New Mexico is balanced between two states of strong influence, those states are California and Texas. Since we are the 3rd best place in the country for film/TV production, I often look to Variety Magazine to see what the Hollywood crowd has to say about our state. Once the furor of the Rust movie trial dies down, I expect us to get more recognition for the \$575M that Netflix has invested in productions and the billions of dollars in new studios, mill and a large office building - <https://variety.com/2024/biz/news/netflix-albuquerque-studios-expansion-new-mexico-1236050499>

Speaking of film and TV production, local high(er) end rents/occupancy are bobbling on Hollywood returning to work - the strike has been over for few months, but another contract expires this month and the real question is when will they return to work full time and at full capacity? <https://www.npr.org/2024/06/25/nx-s1-5017892/hollywood-writers-strike-anniversary-jobs-layoffs>

### **Property tax season**

Our office is in the middle of property tax protest season and I have never experienced the hostility to the tax payer that we are seeing now, from a handful of assessors offices.

Forbes indicates property taxes are increasing all over - <https://www.forbes.com/sites/patrickgleason/2024/06/25/property-tax-burdens-are-rising-so-is-interest-in-reining-them-in/>

Just a stray thought, what if we followed North Dakotas lead and abolished property taxes entirely, would you as a landlord pass that savings on to your residents? The North Dakota initiative states that "The measure is simple and does two things: it provides huge relief by using excessive state revenue to replace what we are currently paying in property taxes" more info at - <https://www.endpropertytax.com/> . North Dakota and New Mexico are two of the highest oil producing states in the country and are experiencing budget surpluses.

### **Changes to how Realtors handle their business with clients.**

The National Association of Realtors and Department of Justice have update on changes to the real estate industry. The latest update indicates that the buyers broker compensation field will be removed in August. I will be sending out a separate email on what this means with an addendum to our listing agreement allowing you to choose the buyers brokers compensation.

### **Lanes, Trains and Automobiles...**

Your thoughts are worth a quarter billion dollars! You can impact how \$250M is spent on our transit expansion/infrastructure by completing the MRCOG 2045 survey <https://live.metroquestsurvey.com/?u=p3h3g#!/?p=web>

ABQ Ride is updating its transit plan which can be viewed at <http://www.abqrideforward.com/>

Related to transportation - congrats to our friends who run the RailRunner commuter train - which just celebrated its 18th anniversary - (<https://www.riometro.org/395/New-Mexico-Rail-Runner-Express>)

And if you want to ride the train next week with an ultra bright group of people, join ULI NM as we take the train to Santa Fe on July 16th, to see how the Santa Fe Rail yard has evolved - <https://newmexico.uli.org/events/detail/7E4FE2AA-C083-4E3A-A521-EA6971FD7EC6/> (this is often one of my favorite days of the year!)

### **Education**

Would you like to expand your analysis skills and understand what drives investors to one market over the another? If so, the LAX CCIM Chapter is hosting the CCIM 102 market analysis course next week in Los Angeles, and I will be teaching with fellow Southern California based instructor, Gary Martinez - register here - <https://ccim.my.site.com/CCIMCommunity/s/community-event?id=a1UTR000001ErtW2AS>

(this course provided the tools we needed to forecast the current housing shortage - all the way back in 2021 - video on that can be found here - <http://www.nmapartment.com/gaargreat>)

### **Successful buyers are looking at the runway as they custom craft deals**

Finally, in an effort to decode the minds of the 2,555 investors who are circling our market, waiting for the announcement of interest rate relief (decrease), fellow broker, and property management guru, Kyle Deacon, encouraged NM Apartment Advisors to analyze recent closings, not based on CAP rate trends, but rather the runway each deal offered for the buyer to increase their rate of return. The punchline is that Mr. Deacon was correct- the average upside in value for buyers who closed on deals was 31.25%. (summary analysis attached). If you want your property sold/closed in 2024, let's schedule a zoom or call to review the findings and how it applies to your property. If this intrigues you, please email or use calend.ly to setup an zoom meeting or phone call at

<http://www.nmapartment.com/runway>

We continue to be very optimistic about the strength of the market and collaborating with you and Buyers to create custom fit deals.

Thanks,

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