

2007

New Mexico's Apartment Resource | www.nmapt.com

UPTOWN vs. DOWNTOWN, and the Urban Living Trend



Kent Collins
Developer
ABQ Uptown

UPTOWN

The Uptown Albuquerque neighborhood has become a center for private employment, shopping and convenient transportation linkages to the entire region over the last 20 years. Currently over 40,000 people work in the Uptown area in 2.6

million square feet of commercial office space. There are over 2.2 million square feet of national and local shopping and dining establishments in the commercial center of the neighborhood. Uptown is the geographic center of Albuquerque.

With the recent opening of ABQ Uptown, a 220,000 sq. ft main-street oriented lifestyle center with restaurants and retail in the heart of Uptown, the neighborhood is making the transition to a more urban mixed-use place. The next phase in this transition will be the impending construction of the first upscale oriented apartments at ABQ Uptown Village at Uptown Loop Road just north of Indian School. This 198-unit apartment community will begin construction in early 2007.

Future development in Uptown will include a new hotel, more restaurants and other residential opportunities. Stay tuned.



THE EVOLUTION OF URBAN HOUSING IN ALBUQUERQUE

Albuquerque is a changing city. As a 4th generation native, our family has watched the city grow and change for almost one hundred years.

When my mom was in high school, San Mateo was an unpaved road – by the time I was in high school, Academy was mostly unpaved east of Wyoming, and Tramway was a two lane road that did just that – took you to the Tram.

Fast forward to today and the city has grown to the mountains, and beyond, to the volcanoes, and beyond, abutting the military reservation to the south, and the Indian reservations to the north. This fifty year quest to be close to the natural amenities our fair city offers has led to a doubling of commute times.

The combination of increasing commute times and the volatility of gasoline prices has many households looking at their lifestyle and overhead to see if a new housing type might better fit their needs. As a home owner or renter, you could reduce your daily drive from 25 minutes to 2. When you multiply that through a years driving it totals 9 days... **What would you do with an additional 9 days every year?**

The stage is set for the demand for **Urban Housing**— frequently in the form of loft or condominium buildings.

Urban housing often conveys images of big cities like New York, Boston, or Miami with their towering hi-rises, but in its simplest form, urban housing is housing that offers services, amenities, and culture within walking distance of your front door.

Continued on the last page...



Todd Clarke
CCIM/CEO
NM Apartment

DOWNTOWN

Nationally, more and more housing buyers and renters are choosing homes with the key amenity of having some (if not most) of life's daily needs within walking distance, and having other mobility options like quality rail transit. This choice is being sought by all age groups and all demographic categories.

In Albuquerque, Downtown and the historic and redeveloping neighborhoods around Downtown have the urban street grid at walkable scale in place - and new or rehabilitated places to live, work, shop, and play are beginning to appear. The Rail Runner commuter rail is operating and will be expanded, and the Modern Streetcar Project may come to Central Avenue and the Airport. These pieces of rail "infrastructure" will attract higher density housing and new or expanded businesses and shops.

Many exciting new retailers are coming to Uptown, and there is a good job base there, but in terms of walk ability and mobility options other than driving, it does not offer them at this time.

Some home buyers and renters will choose Downtown, and some will choose Uptown, it depends upon their lifestyle preference. The good news is that a walkable Albuquerque with quality transit is possibly in our future, as it was in our past. This is a new choice for Albuquerque citizens.



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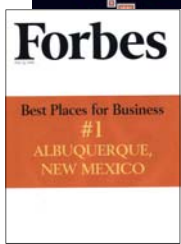
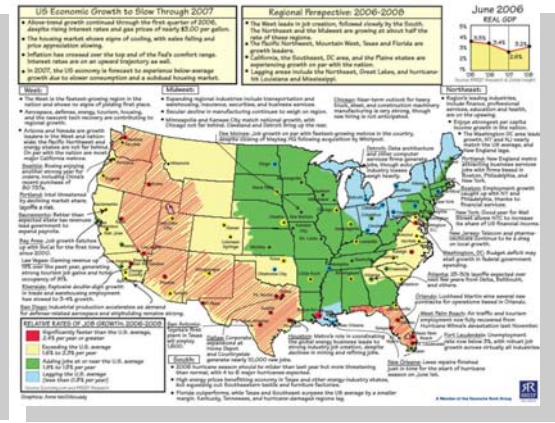
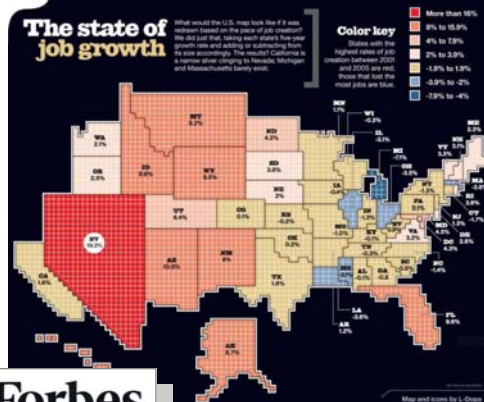
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As seen in the
Albuquerque Journal

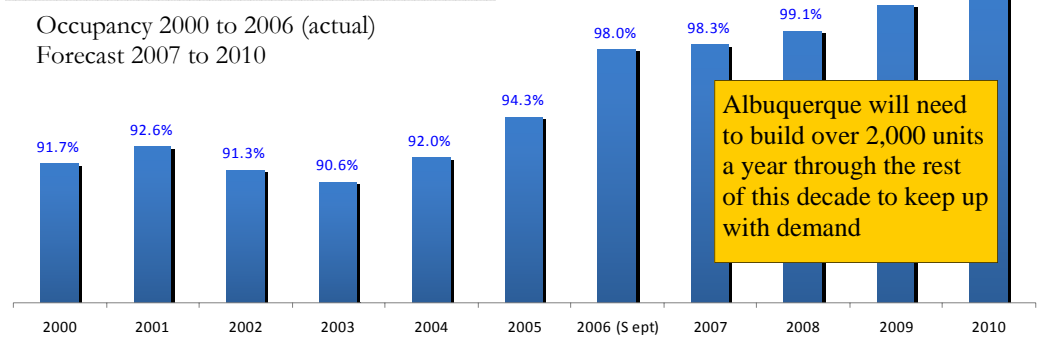
“NO Vacancy” - Portions of this newsletter were covered in the Albuquerque Journal’s Business Outlook on December 12th, 2007

Albuquerque and New Mexico have been on the national radar for the last 3 years—primarily due to our better than average national job growth coupled with rising occupancy and rents.

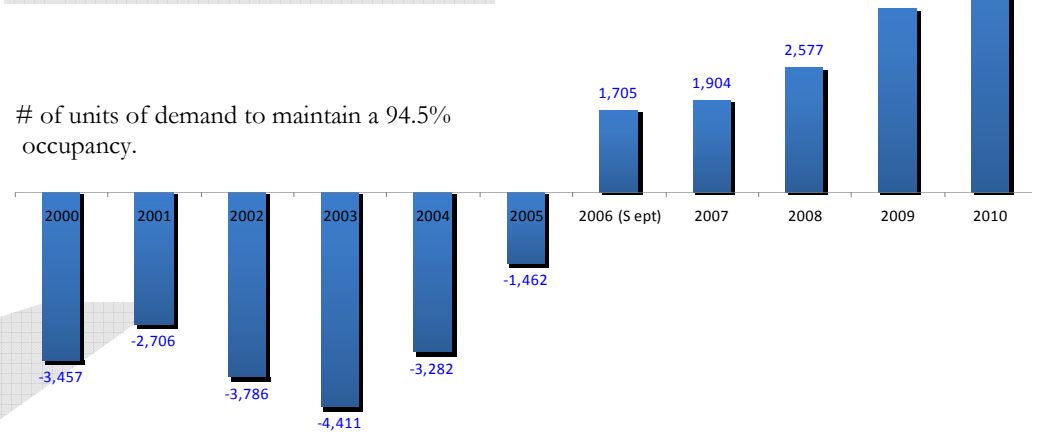


New employment growth from companies like Eclipse Aviation, Tesla Cars, and Intel are fueling demand for apartments at a rate not seen in over 12 years.

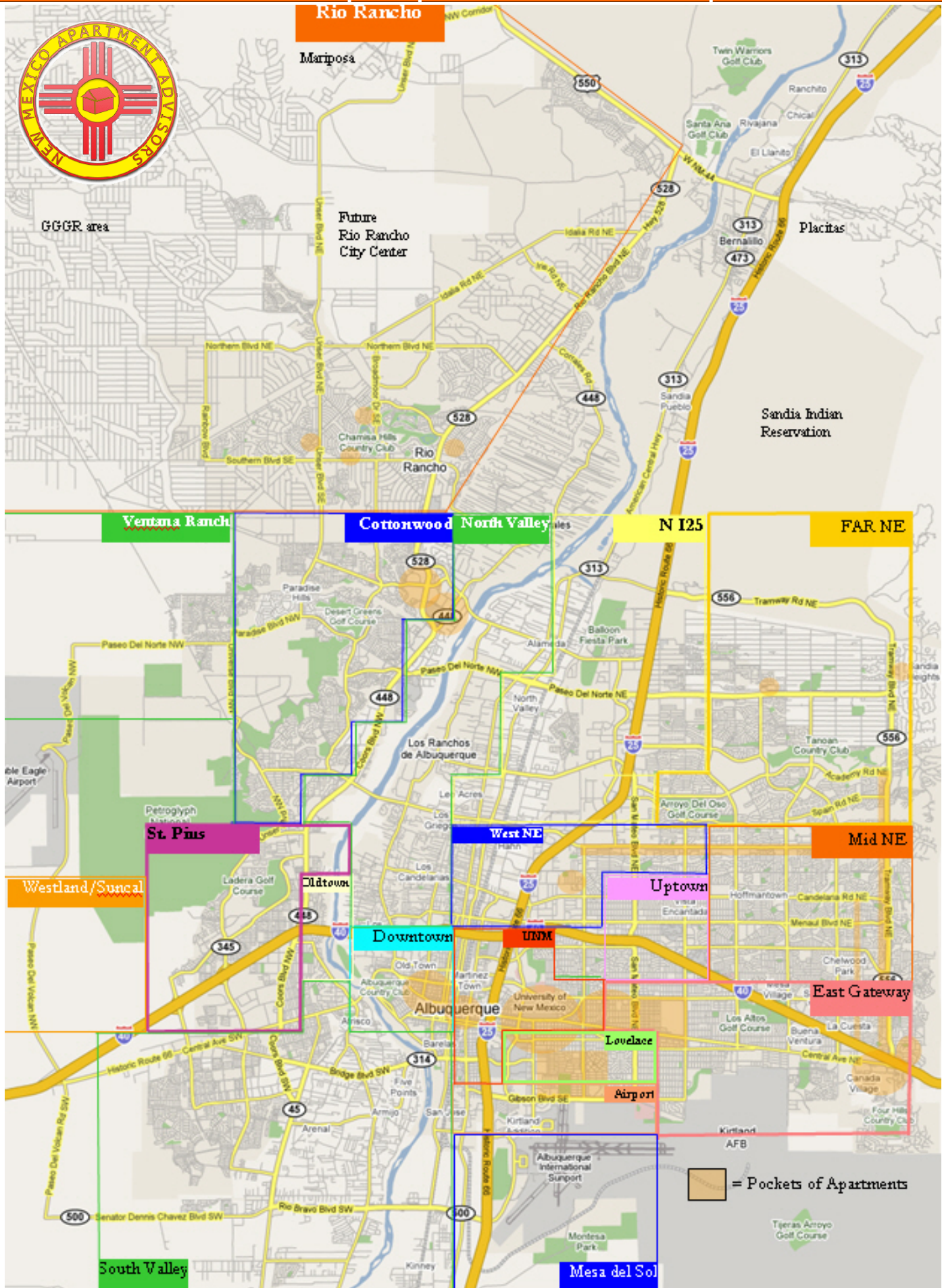
Apartment Occupancy



Apartment Gap Analysis

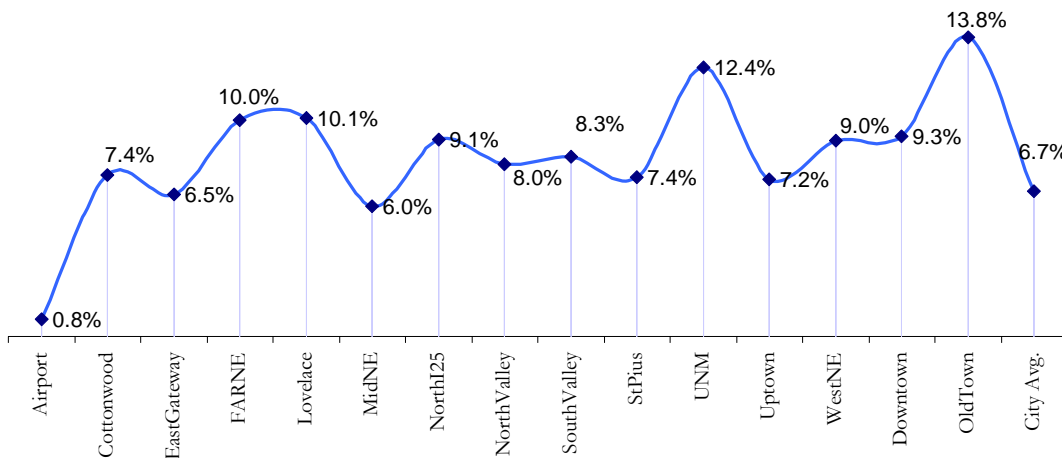


Albuquerque Submarket Map



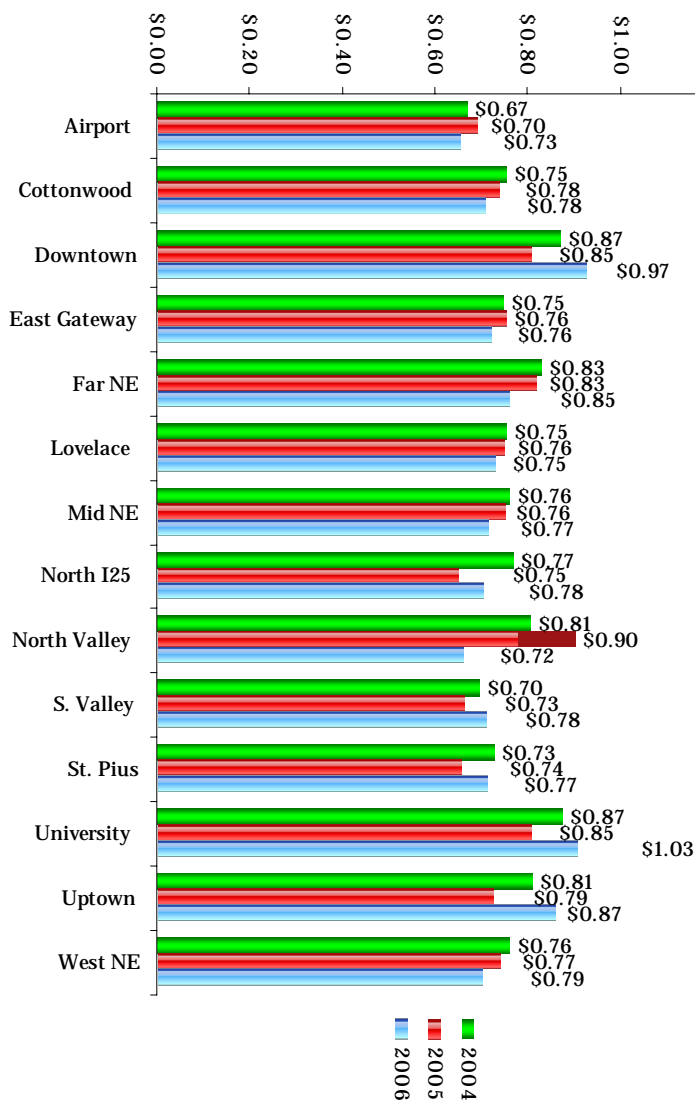
Breakdown by submarket

Single Family Appreciation - 1993-2006

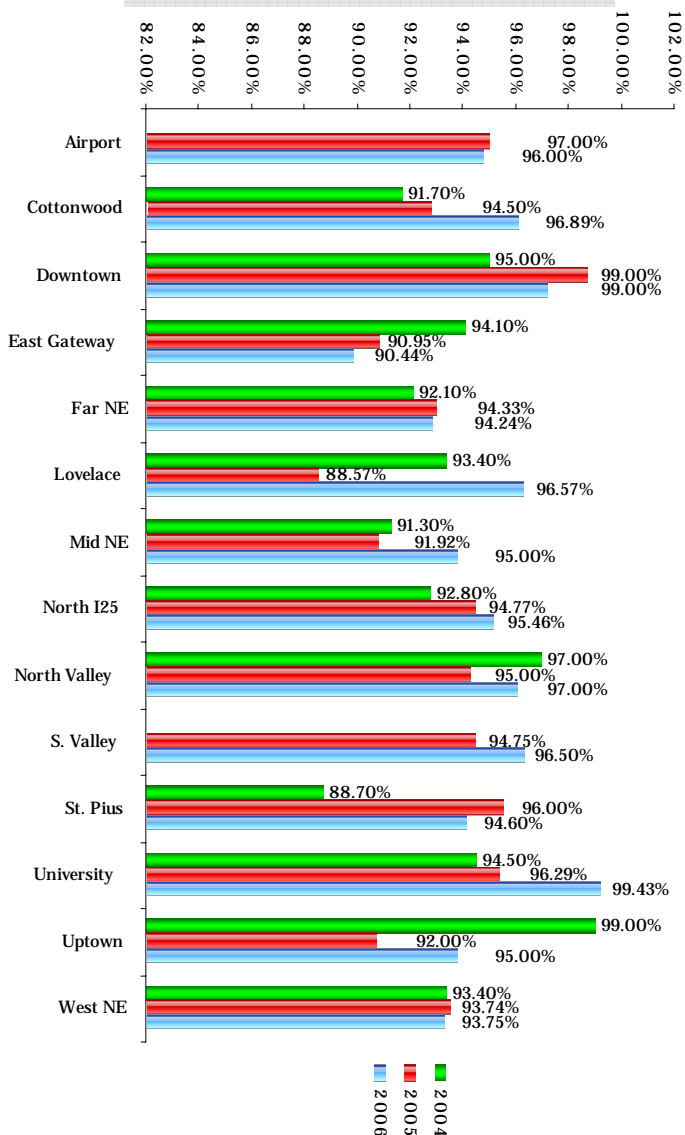


Appreciation statistics are collected from some 90,000+ home sales of existing inventory in the Albuquerque MSA. They do not reflect new construction, nor is any adjustment made for changing sizes or demographics trends.

Rents per SF



Occupancy



Uptown, Downtown and Urban housing types (cont.)

Those who walk to work, use public transit, have one car in their family, or just don't need a backyard are often the first demographic niches to try out urban housing.

As Downtown Albuquerque continues its renaissance of redevelopment, we are not seeing the empty nester demographic flock to it as a lifestyle of choice like the downtown revitalization forefathers envisioned. Anecdotal evidence indicates that while the downtown "grunge" factor gives our downtown a gritty big city feel, many empty nesters prefer safety over big city, and are waiting to see what squeaky clean Uptown can offer.

Landing New Mexico's only lifestyle center - ABQ Uptown is a major coup for Uptown - although its opening occurred as Winrock's occupancy sun is setting. This mirrors the

1960s trend of Downtowns sunset as Uptown's sun was starting to rise.

Seven years into its 10 year plan, Downtown has achieved many of its goals, including the development of several urban housing communities, but it is still lacking a viable retail core. The Downtown Action Team will add a retail specialist this year to assist their retail efforts.

Uptown on the other hand, has similar demographics to downtown, but with the added advantage of two million square feet of retail, easier freeway access and neighborhood associations slightly less political than Downtown's.

Downtown's long term competitive advantage is the zoning and fast track development process entitled in the Downtown

2010 plan.

Uptown is working on another rewrite of its sector development plan, which seeks to limit retail and encourage the development of other product types, ignoring the market and making the development process more burdensome.

As both submarkets evolve into the next generation of real estate - one component is certain; their occupancy, rents, and values will continue to lead the City.

NM Apartment Advisors offers a landlord toolkit, a buyers toolkit, and the most comprehensive overview of apartments in NM. More info at www.nmapt.com



Clients of NM Apartment Advisors receive quarterly submarket updates like the one above for the Uptown submarket.

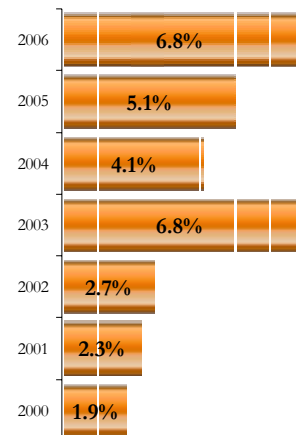
Sales Information

Historical price per unit 2000 to 2006 by submarket

Submarket	2000	2001	2002	2003	2004	2005	2006
Airport				\$42,500			\$42,750
Cottonwood	\$37,500	\$30,682				\$75,000	\$75,175
Downtown	\$36,576	\$44,022	\$36,914	\$42,832	\$45,489	\$51,732	\$55,466
East Gateway	\$28,046	\$28,801	\$27,292	\$28,651	\$31,389	\$38,167	\$43,060
Far NE	\$77,035	\$47,101	\$53,484		\$86,680	\$95,000	\$100,225
Lovelace	\$30,071	\$26,232	\$35,218	\$52,499	\$37,043	\$47,537	\$57,698
Mid NE	\$40,020	\$34,891	\$40,603	\$40,491	\$50,090	\$62,770	\$68,611
North I25			\$21,624	\$23,982	\$29,179	\$44,413	\$94,523
North Valley			\$21,624	\$36,724	\$52,740	\$55,283	\$56,393
Rio Rancho		\$29,625	\$23,365	\$31,432		\$61,875	\$115,000
South Valley	\$19,177	\$31,550	\$40,000	\$56,717	\$35,938	\$53,636	\$108,612
St. Pius			\$40,000	\$44,132	\$48,839	\$54,020	
University	\$47,819	\$38,813	\$46,327	\$35,972	\$58,065	\$70,621	\$36,000
Uptown	\$33,193	\$44,167	\$34,773	\$30,750	\$70,000	\$63,125	\$55,552
West NE	\$54,925	\$43,076	\$41,663	\$30,750	\$42,845	\$52,987	\$62,920
Average	\$36,970	\$35,239	\$36,277	\$38,748	\$41,099	\$48,842	\$56,246

* empty fields indicate submarkets that had no apartment sales that year

Market Churn—% of total units sold each year



“Apartments are our lifeblood. In addition to representing our clients in the acquisition and disposition of apartments—our team owns, manages, lives in, consults on and volunteers on behalf of New Mexico’s apartments”

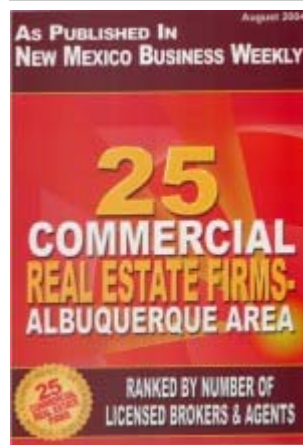


“Based on our positive experience with Todd, we would return to him for any future real estate need, (and) I would recommend Todd for any real estate venture.”
- Ken Williams

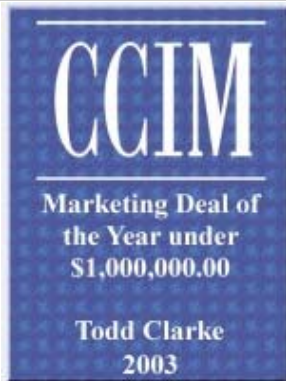


“His unflagging energy and pursuit on our behalf was very impressive (and) I am convinced you have, within your organization, the best of the best in Albuquerque.”
- Bill & Marlene Goebel

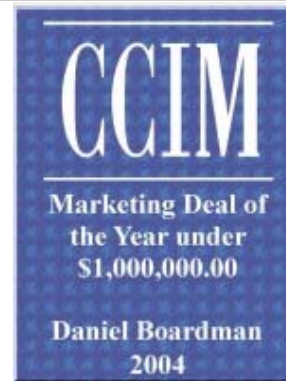
“Just recently I have benefited greatly from the bid/auction technique utilized by Todd Clarke. My duplex sold for ABOVE the listed price by 5%. It sold within a month of listing. I would rather sun bathe in August on a black tar roof than have to make a real estate transaction without Todd Clarke.”
- Steven Rudnitzky



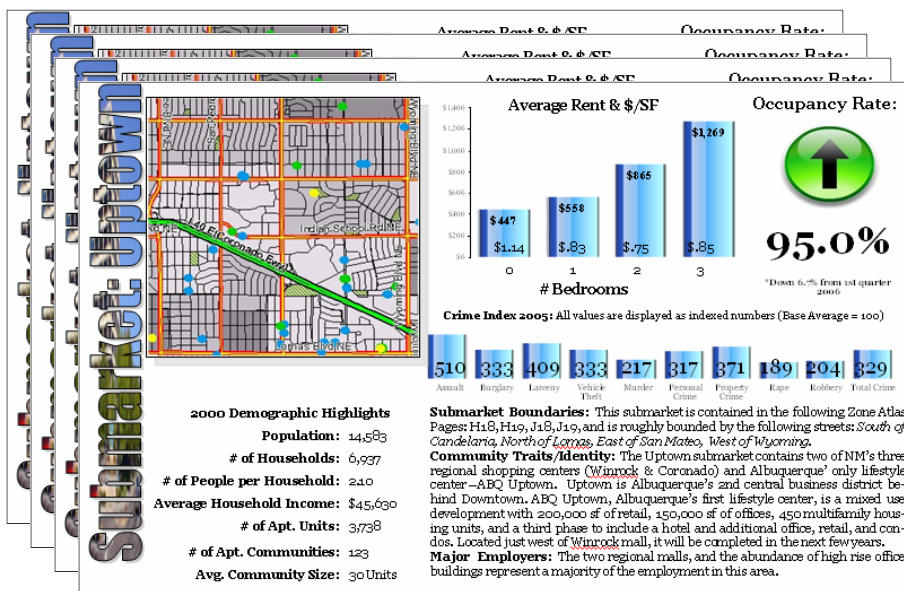
“I was very satisfied with Alice, you've got a winner there. She's a great gal, she knows what the hell she's doing. The other realtor that had the client, she really spurred him on, he didn't know what the hell he was doing. I'm very satisfied with your firm, and I would be glad to refer people to you.”
- Arlo Murken, Realtor/Investor



“We will be forever grateful and appreciative of all he did for us. We are convinced the sale would not have been consummated without his diligence.”
- Bob & Judy Geilenfeldt, Owners, Statewide Insurers, Inc.



A quote on the bid process from a fellow agent
“...you guys rock, you really have it together, I love your professionalism, it is refreshing to work with someone at the top of their game...”
- Julie Carrasco - Agent - Premier GMAC



NM Apartment Advisors provides its clients with quarterly submarket cards like the one featured to the left.

Additional resources include:

- Marketing Timing Analysis
- Submarket appreciation comparisons
- Property Tax Analysis
- Property Position Statements
- Apartment Shopping Reports
- Client Portfolio Analysis
- Quarterly Rent & Occupancy Surveys
- Buyers Toolkit
- Sellers bible

Want to be a client? Need information? Call or email us today!