

2450 Floral Rd NW
Albuquerque, NM 87104

Ideal for
owner
occupant



Register for additional information: www.nmapartment.com/2450floral

Virtual Tour House: www.nmapartment.com/floral3d

Owner Occupant Duplex in North Valley

Units: 2

Size: 2,786 sf

Land: 0.1515 ac

Ask Price: \$550,000

GRM: 11.18

CAP Rate: 5.33%

After tax IRR: 14.0%

Property Information

On behalf of the owners, NM Apartment Advisors is pleased to present this North Valley duplex. Located in the Duranes neighborhood and just north of Old Town, and a long block west of the stunning Rio Grande Boulevard corridor, this property is well positioned for someone who wants easy access to the Bosque trail head or the downtown central business district.

The main house, Unit AB, is a three bedroom, two bathroom beauty with hardwoods floors which faces Floral Road. Unit C is a two story 3 bedroom, two bathroom unit that faces Rose Avenue.

The great Albuquerque area continues to under go a significant housing shortage of over 13,000 rental housing units due to the new Netflix, Intel, Facebook (Meta) and Amazon jobs.

Located at the intersection of Rose Avenue and Floral Road and in the Floral Gardens subdivision, do not miss out on the opportunity to make this community your new Eden!



The Property

Address: 2450 Floral Rd NW

Number of units: 2

Year of construction: 1946

Bldg. Size: 2,786 sf +/-

Site Size: 0.1515 acres

Avg. Unit Size: 1,393 sf

UPC#: 101305903017632123

Legal: Lot 43, Floral Gardens Subdivision

Ask Price: \$550,000

\$/ unit: \$275,000

\$/sf: \$197.42

	Actual	Proforma
Avg Rent:	\$2,050	\$2,150
GRM:	11.18	10.66
Cap Rate Before reserves:	5.33%	5.64%
Cap Rate After Reserves:	5.25%	5.55%
Year 1 NOI:	\$28,883	\$30,546
Before Tax IRR:	17.5%	
After Tax IRR:	14.0%	

Annual Property Operating Data (APOD)

NM Apartment Advisors Financial Overview for:

2450 Floral Rd NW

Prepared by: Todd Clarke CCIM

9/5/2023

"As-Is"

Unit/Rent Summary								E	C	A	
#	Type	Lease	Approx Size	Actual Rent	Street Rate	Market Rent	Actual Rent \$/sf	Total Actual	Total Max Rent for this type	Total Market Potential	Total sf
1	AB	3br/2ba	1,286	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1.48	\$ 1,900	\$ 1,900	1,900	1,286
1	C	3br/2ba	1,500	\$ 2,200	\$ 2,200	\$ 2,400	\$ 1.47	\$ 2,200	\$ 2,200	\$ 2,400	1,500
2	total units / average rents =			\$ 2,050	\$ 2,050	\$ 2,150		\$ 4,100	\$ 4,100	\$ 4,300	2,786
Avg. Unit Size=			1,393 sf	Annualized =				\$ 49,200	\$ 49,200	\$ 51,600	

Benchmarks

Offering Price	\$550,000		
\$/unit	\$275,000		
\$/sf	\$197.42	Actual	Proforma
GRM	11.18	11.18	10.66
CAP Before Reserves	5.33%	5.33%	5.64%
CAP After Reserves	5.25%	5.25%	5.55%
Cash on Cash New Loan	-3.63%	-3.63%	-2.42%
DCR=	0.85	0.85	0.90
Walkscore: 56, Transit score: 32, Bike Score: 82			



Income

1	A.	Total Potential Market Income	\$ 51,600	
2	B.	Less: loss to market lease	\$ 2,400	5%
3	C.	Total Potential Income (Street)	\$ 49,200	
4	D.	Less: Loss to lease	\$ -	0%
5	E.	Total Income	\$ 49,200	
6	F.	Less: vacancy 5.0%	\$ 2,460	
7	G.	Effective Rental Income	\$ 46,740	
8	H.	Plus: Other Income	\$ -	
9	I.	Gross Operating Income	\$ 46,740	

Expenses (Annual)		EOY 2022		Based on: Estimates/Actuals		Proforma 2023		Based on: Forthcoming yr.	
		\$/unit	%			\$/unit	%		
20	Real Estate Taxes	\$4,907	\$2,454	10%	2022 Actual Amount	\$5,055	\$2,527	10%	Potential 2023 = 2022 + 3%
21	Personal Property Taxes				assessed at \$309,300				
22	Property Insurance	\$1,672	\$836	4%	Estimate	\$1,722	\$861	3%	Potential 2023 = 2022 + 3%
23	Property Management:								
24	Off Site Management	\$5,036	\$2,518	11%	10% plus NMGR	\$5,282	\$2,641	10%	10% plus NMGR
25	Payroll-Onsite Personnel								
26	Expenses/Benefits								
27	Taxes/Workman's Compensation								
28	Repairs and Maintenance	\$3,272	\$1,636	7%	Estimate	\$3,370	\$1,685	7%	Potential 2023 = 2022 + 3%
29	Utilities:								
30	Water, Sewer, & Garbage	\$1,620	\$810	3%	Estimate	\$1,669	\$834	3%	Potential 2023 = 2022 + 3%
31	Gas & Elec								
40	Contract Services:								
41	Internet								
42	Pest Control	\$900	\$450	2%	Estimate	\$927	\$464	2%	Potential 2023 = 2022 + 3%
43	Unit Turnover								
44	Landscaping								
45	Carpet Cleaning								
46	Internet				repairs+unit turn+reserve=8to10%				
48	Reserve for replacement	\$450	\$225	1%	new lender will require	\$450	\$225	1%	new lender will require
49	Total Operating Expenses	\$17,857	\$8,928	38%		\$18,474	\$9,237	36%	
50	Net Operating Income	\$28,883	\$14,442			\$30,546			Potential Market less 5% vacancy + other income
	Less: Annual Debt Service	\$33,875	\$ 412,500	75%		\$33,875	\$ 412,500	75%	
	Cash Flow Before Taxes	-\$4,992				-\$3,328			

Internal Rate of Return

		Year	1	2	3	4	5	6	Calculated for 1st year of next owners, ownership
Total Potential Market Income	4.5% Increases		\$51,600	\$53,922	\$56,348	\$58,884	\$61,534	\$64,303	
2 Less: loss to market lease	4.7%		\$2,400	\$2,508	\$2,621	\$2,739	\$2,862	\$2,991	
3 Total Potential Income (Max Rent)			\$49,200	\$51,414	\$53,728	\$56,145	\$58,672	\$61,312	
4 Less: Loss to lease	0.0%		\$0	\$0	\$0	\$0	\$0	\$0	
5 Total Income			\$49,200	\$51,414	\$53,728	\$56,145	\$58,672	\$61,312	
6 Less: vacancy	5.0%		\$2,460	\$2,571	\$2,686	\$2,807	\$2,934	\$3,066	
7 Effective Rental Income			\$46,740	\$48,843	\$51,041	\$53,338	\$55,738	\$58,247	
8 Plus: Other Income	2.0% Increases		\$0	\$0	\$0	\$0	\$0	\$0	
9 Gross Operating Income			\$46,740	\$48,843	\$51,041	\$53,338	\$55,738	\$58,247	
Total Operating Expenses	2.0% Increases		\$17,857	\$18,214	\$18,578	\$18,950	\$19,329	\$19,715	
Net Operating Income			\$28,883	\$30,629	\$32,463	\$34,388	\$36,409	\$38,531	
			\$412,500						
Mortgage Balance			\$402,072	\$391,029	\$379,333	\$366,947	\$353,830		
ADS			\$33,875	\$33,875	\$33,875	\$33,875	\$33,875		
- Principal Reduction			\$10,428	\$11,043	\$11,695	\$12,386	\$13,117		
= Mortgage interest			\$23,447	\$22,831	\$22,179	\$21,489	\$20,757		
- cost recovery (annual)	27.5 yrs	1. 80%	\$15,334	\$16,000	\$16,000	\$16,000	\$15,334	includes mid mont	
= Taxable Income			-\$9,898	-\$8,202	-\$5,716	-\$3,100	\$318		
Tax on income at ordinary income rate of		2. 35%	\$0	\$0	\$0	\$0	\$111		
NOI			\$28,883	\$30,629	\$32,463	\$34,388	\$36,409		
- Annual Debt Service			\$33,875	\$33,875	\$33,875	\$33,875	\$33,875		
= Cash Flow Before Tax			-\$4,992	-\$3,245	-\$1,412	\$514	\$2,535		
- Less Ordinary Income Tax			\$0	\$0	\$0	\$0	\$111		
= Cash Flow After Tax			-\$4,992	-\$3,245	-\$1,412	\$514	\$2,423		

Sales Worksheet

Calculation of Adjusted Basis

Basis at Acquisition	\$550,000
+ Capital Additions	
-Cost Recovery (Depreciation) Taken	\$78,668
=Adjusted Basis at Sale	\$471,332

Calculation of Capital Gain

Disposition CAP Rate	5.3%
Sale Price	\$733,720
-Costs of Sale	\$58,698
-Adjusted Basis at Sale	\$471,332
=Gain or (Loss)	\$203,690
-Straight Line Cost Recovery (limited to gain)	\$78,668
=Capital Gain from Appreciation	\$125,022

Calculation of Sales Proceeds after tax

Sale Price	\$733,720
-Cost of Sale	\$58,698
-Mortgage Balance(s)	\$353,830
=Sale Proceeds Before Tax	\$321,192
-Tax: Straight Line Recapture at	\$19,667
-Tax on Capital Gains at	\$25,004
=SALE PROCEEDS AFTER TAX:	\$276,521

IRR Before tax = 17.5%

n	\$
0	\$ (137,500)
1	-\$4,992
2	-\$3,245
3	-\$1,412
4	\$514
5	\$2,535 + \$321,192

IRR After tax = 14.0%

n	\$
0	\$ (137,500)
1	-\$4,992
2	-\$3,245
3	-\$1,412
4	\$514
5	\$2,423 + \$276,521

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 20%.

Investor's Effective Tax Rate =

20%

Comparable Sales

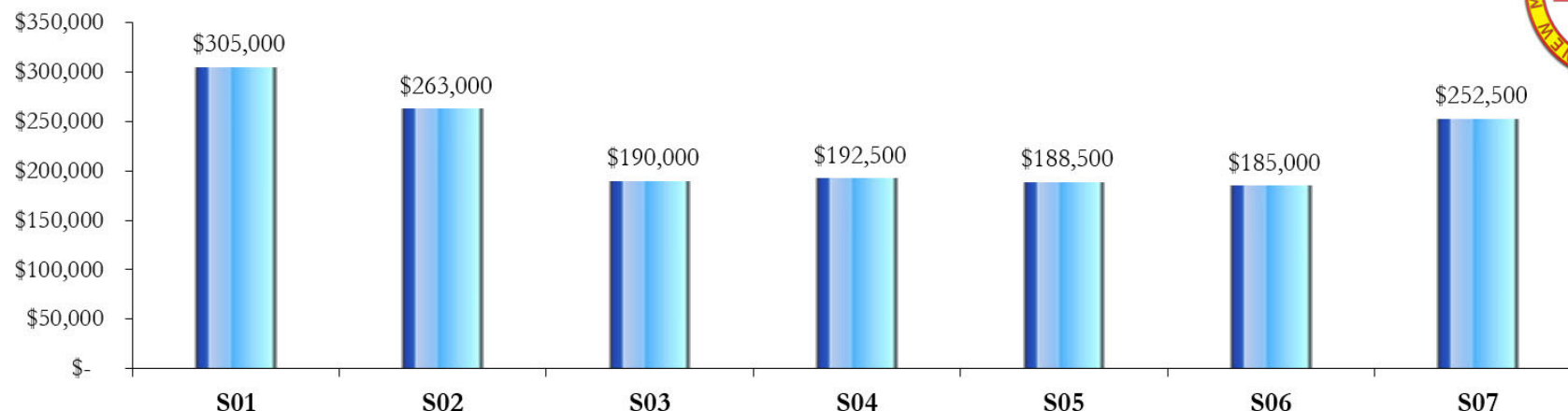
Comparable Sales Analysis for:

2450 Floral Rd NW

Compiled by Todd Clarke CCIM



\$/unit



#	Name	Location	Units	Age	List Price	Sales Price	Sales Date	\$/unit	\$/sf	Avg. Rent	GRM	CAP *
S01		220 Hazeldine SE	2	2021	\$ 599,900	\$ 610,000	3/13/23	\$ 305,000	\$ 274			
S02		908 Commercial	2	1901	\$ 595,000	\$ 526,000	4/12/23	\$ 263,000	\$ 274			0.0%
S03		1608 Lead SE	2	1939	\$ 395,000	\$ 380,000	7/6/23	\$ 190,000	\$ 228	\$1,200	13.19	4.3%
S04		411 Girard SE	2	1930	\$ 385,000	\$ 385,000	PENDING	\$ 192,500	\$ 354	\$2,500	6.42	8.9%
S05		1728 Patrick Place NW	2	1947	\$ 399,000	\$ 377,000	PENDING	\$ 188,500	\$ 203	\$1,150	13.66	4.2%
S06		508 Vassar SE	2	1945	\$ 385,000	\$ 370,000	8/24/23	\$ 185,000	\$ 222	\$1,012	15.23	3.7%
S07		204 Richmond SE	2	1948	\$ 509,900	\$ 505,000	10/3/22	\$ 252,500	\$ 255	\$2,215	9.50	6.0%

Subject Property	2450 Floral Rd NW	2	1977	\$	550,000			\$ 275,000	\$197	\$2,050	11.18	5.3%
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Average of Comparable SOLD applied to subject property

Average Rent for Sales = \$1,615

\$/unit \$225,214 \$ 450,429

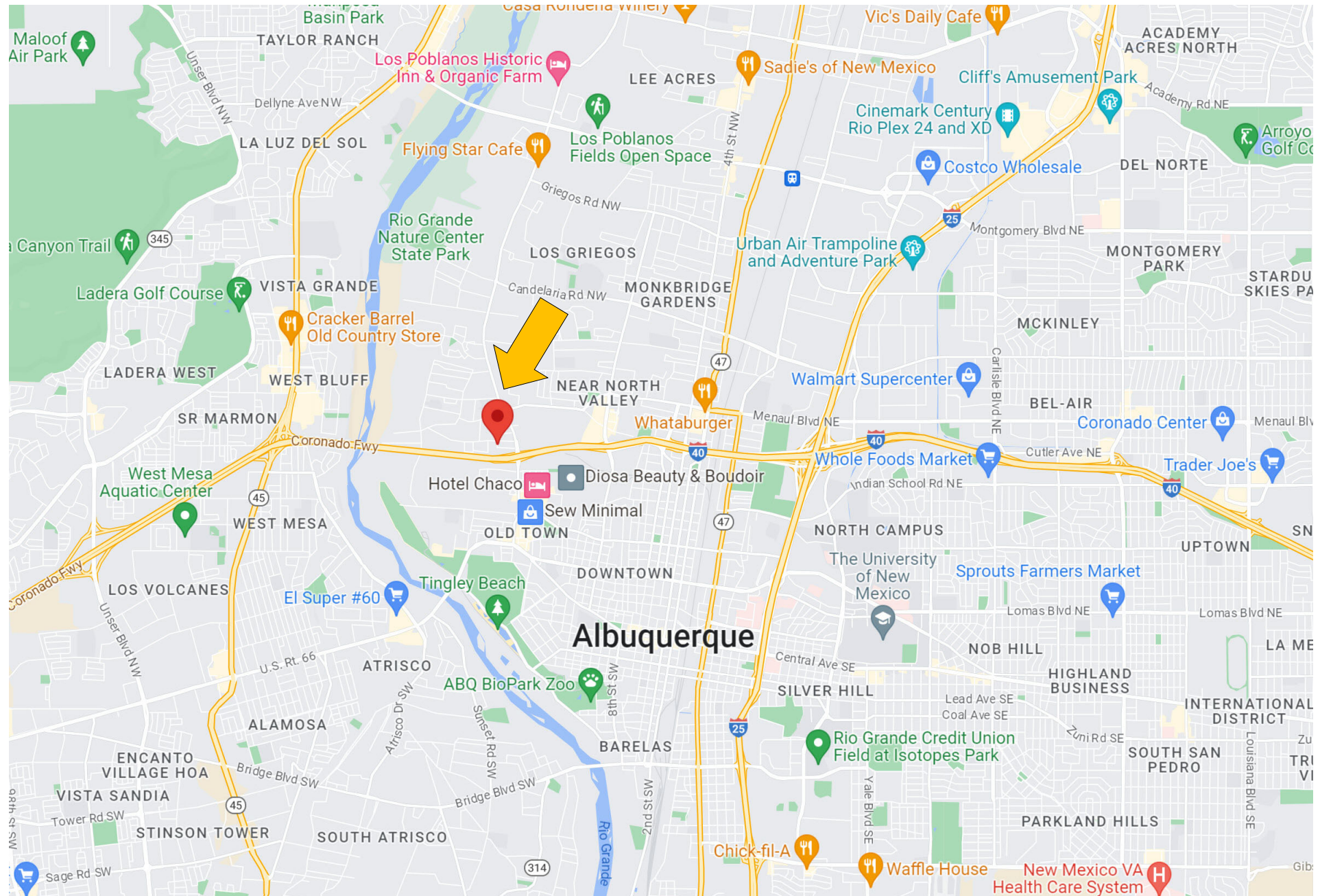
\$/sf \$ 258.39 \$ 719,873

CAP (Actual) 4.5% \$ 639,054

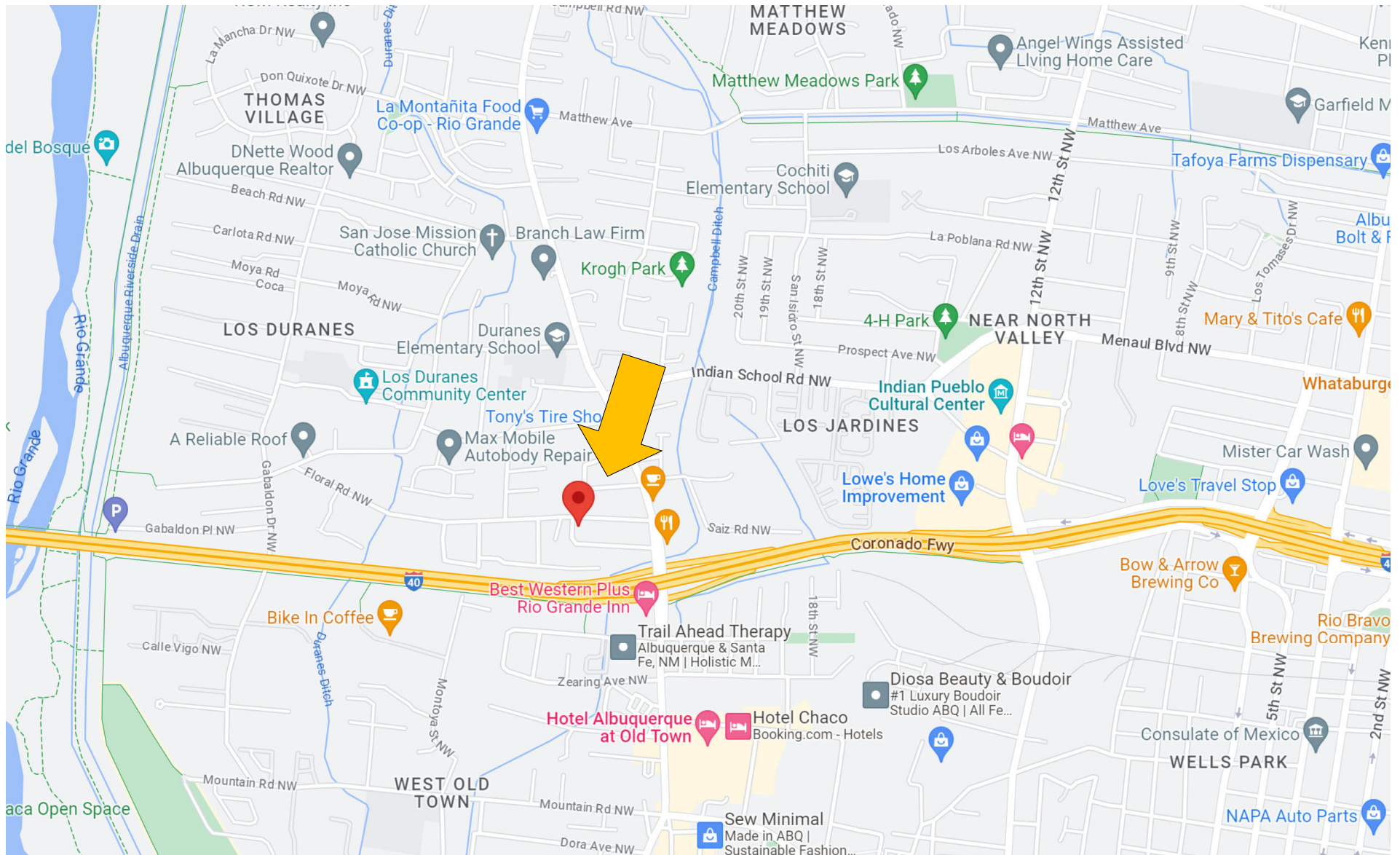
GRM (Actual) 11.60 \$ 542,222

Average= \$ 587,894

Location - North Valley



Location - Neighborhood



Property Photographs - Drone



Property Photographs - Drone



Property Photos



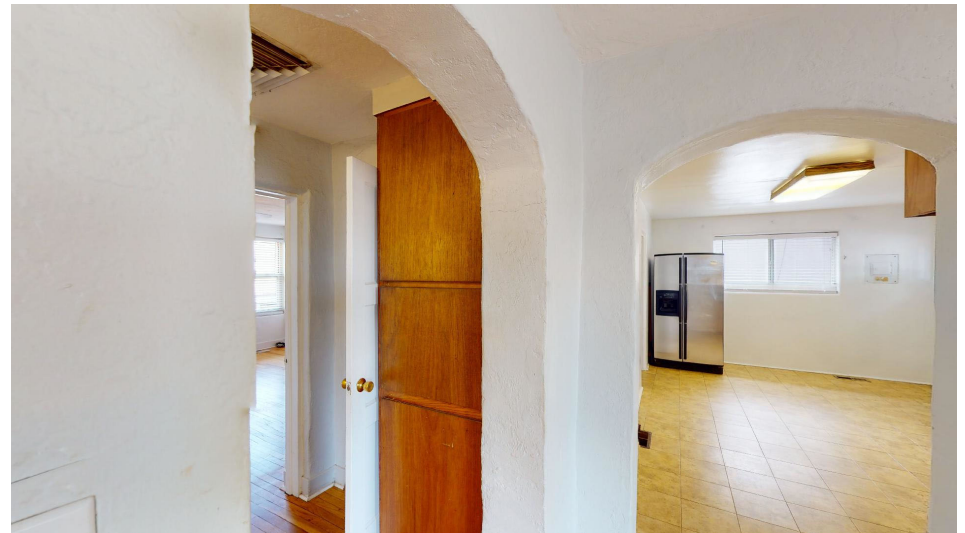
Property Photographs - 2020



Property Photographs - Interiors



Property Photographs - Interiors



Property Photographs - Interiors



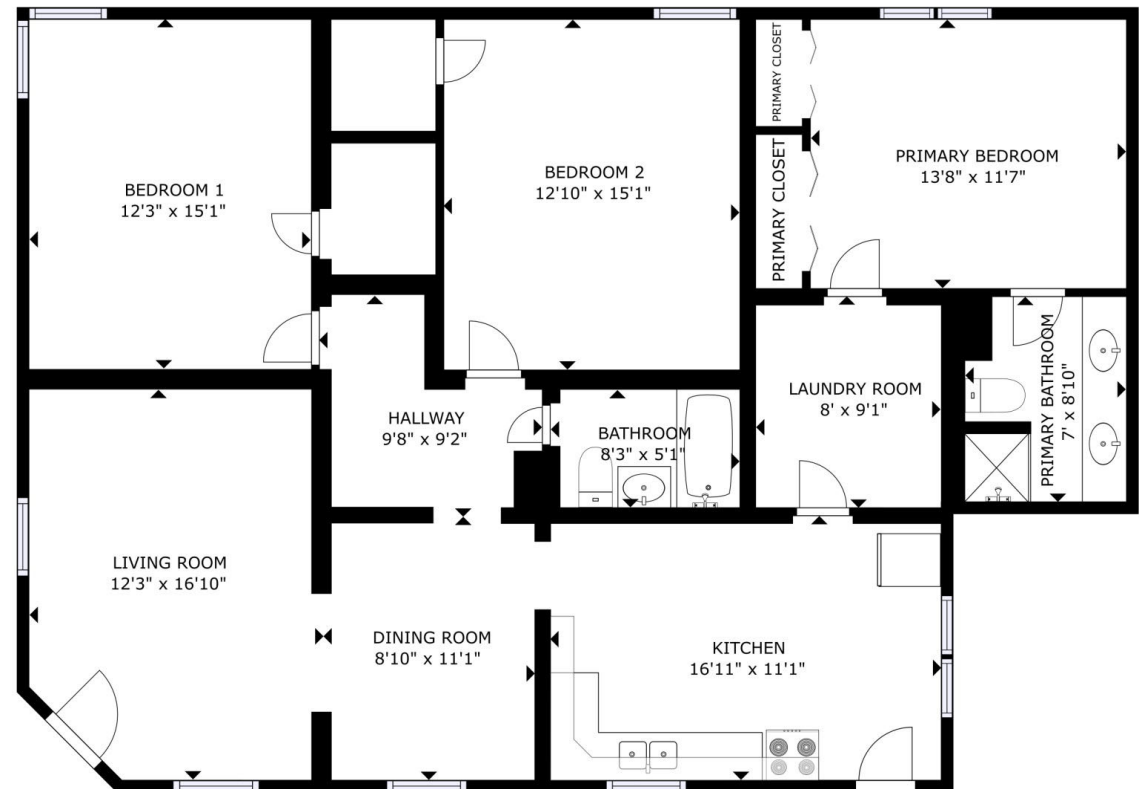
Property Photographs - Interiors



Property Photographs - Interiors



Floorplan - House



Virtual Tour: www.nmapartment.com/floral3d

Measurements are Approximate

Platted Parcel Address: 2450 FLORAL RD NW
Assessor Parcel Address: 2450 FLORAL RD NW
Report Date: 8/12/2023
www.cabq.gov/gis

Bernalillo County Assessor Ownership Data

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

Owner Name: MCSORLEY JOSEPH V C/O JARAMILLO FREDDY & NICOLE
Owner Address: 1113 MONTOKA ST NW ALBUQUERQUE NM 87104-1969
Uniform Property Code (UPC): 101305903017632123
Tax Year: 2023
Tax District: A1AM
Legal Description: * 043 FLORAL GARDENS SUBD
Property Class: R
Document Number: See Bernalillo County Assessor Record Search Portal
Acres: 0.1515

Albuquerque Planning and Zoning Data

Jurisdiction: ALBUQUERQUE
IDO Zone District: [R-1B](#)
IDO District Definition: Single-Family (Medium Lot)
Zone Atlas Page: [H-13](#)
Land Use: 01 | Low-density Residential
Lot: 43/JOE'S HOUSE
Block: 0000
Subdivision: FLORAL GARDENS
[Bernalillo County Planning and Zoning](#)

Neighborhood Associations

City Recognized Neighborhood Associations: [Los Duranes NA](#)
[Albuquerque Office of Neighborhood Coordination](#)

Services

Police Beat: 235
Area Command: VALLEY
Residential Trash Pickup and Recycling: Thursday

City Council Districts

City Council District: [2 - Isaac Benton](#)
Councilor Email Address: ibenton@cabq.gov
Policy Analyst: Nathan A. Molina
Policy Analyst Email Address: namolina@cabq.gov
Policy Analyst Phone Number: 505-768-3332

Other Legislative Districts

US Congressional District: 1 - Melanie Stansbury
County Commission District: 1 - Barbara Baca
NM House Of Representatives: 11 - Javier Martinez
NM Senate: 10 - Katy M. Duhigg

APS School Service Areas

Elementary School: DURANES
Middle School: GARFIELD
High School: VALLEY
[Albuquerque Public Schools](#)

FEMA Flood Zone: X
[FEMA Flood Map Service Center](#)



Somewhat Walkable

Some errands can be accomplished on foot.



Some Transit

A few nearby public transportation options.



Very Bikeable

Biking is convenient for most trips.

Reasons to invest in Albuquerque, NM

Albuquerque is home to

Three of the six F.A.A.N.G. tech companies:



Facebook

Data Center

A



Distribution center under construction—announced 1,000

A

Apple

N



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 and North America's largest bosque forest.

Forbes

Best Places for Business

#1

ALBUQUERQUE,
NEW MEXICO

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

Kiplinger

Millionaires in America 2020: All 50 States Ranked | Slide 9 of 52

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, New Mexico – 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.**

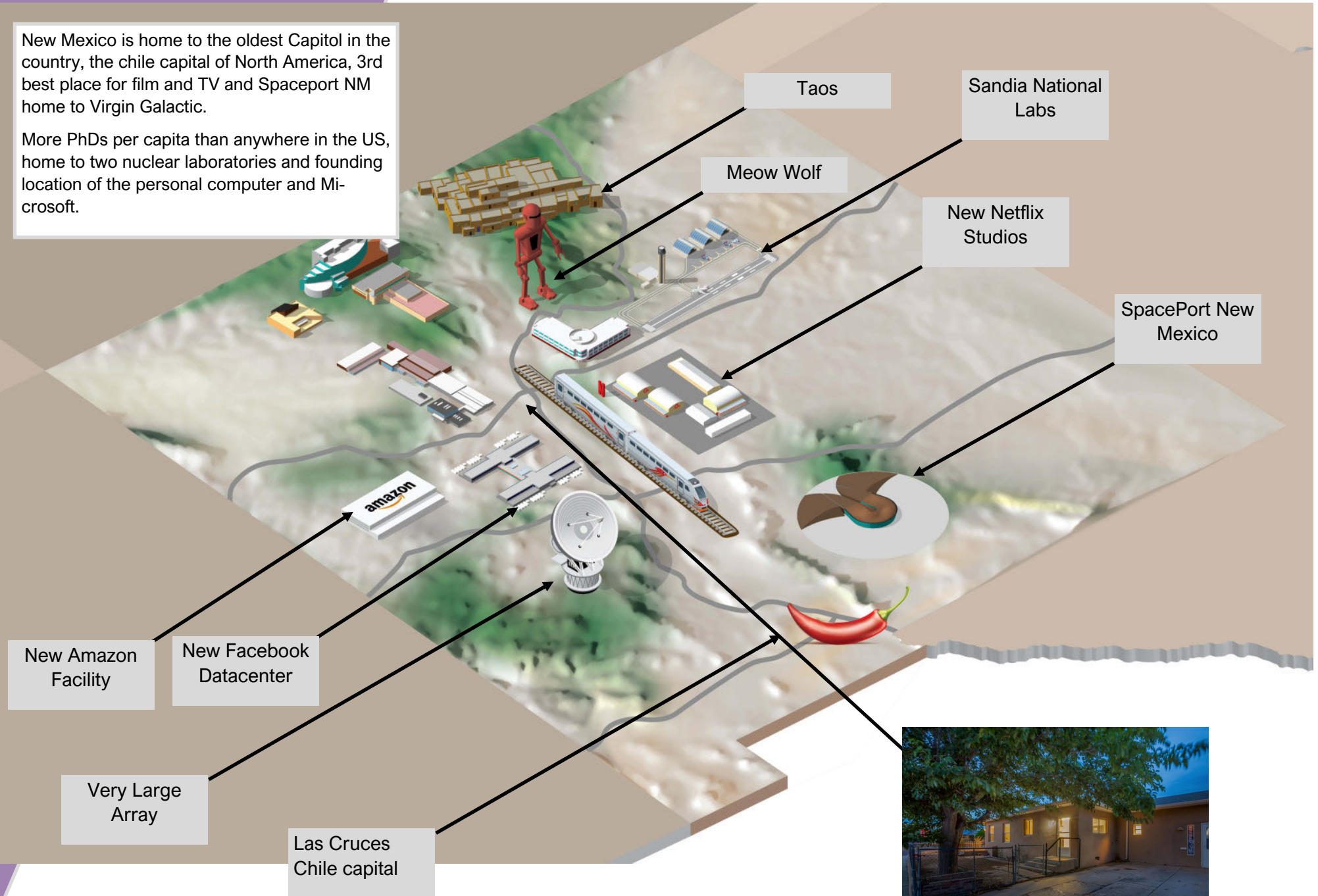
In addition to medicine, top-paying jobs are found in general internal medicine, engineering management and psychiatry.

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 investable assets of \$1 million or more.

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.



Multifamily investment sales process and thoughts:

My name is Todd Clarke CCIM CIPS and I am a commercial Realtor who has been selling apartment investments for over 34 years. In that time, I have listed/sold over 16,280 units totaling \$739M. I also teach investment sales analysis for the CCIM institute (26 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**

Further Information

Do not walk property, or disturb tenants.

To register for access to confidential documents go to:

www.nmapartment.com/2450floral

Virtual Tour House:

www.nmapartment.com/floral3d

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. 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.

NMREC License #13711

505-440-TODD

tclarke@nmapartment.com

www.nmapartment.com

