

**La Joya Street development site
Española, Santa Fe County, NM 86632**



Additional resources

Register for More Information: www.nmapartment.com/lajoya

**Development site for 66 multifamily
units in underserved market**

**Potential
Units: 66**

**Land Size: 11.33 acres
In Two parcels**

Ask Price: \$1,100,000

**Zoning: R-6 Urban
Residential**

The need: Northern NM is in a housing shortage following the statewide shortage of over 32,000 units

EDITORIAL

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 reporter's put off anniversary their rent And wh

querque a long-term effort U.S. have affordable ground su

In fact, I managers a chilling thing the sign to inv area need City Coun rent contr

So what The Kel forward the mayor hotels/mo could incr revitalize the tax ro jobs thro

It's an it had real s lized prop For exa 2016 parcel hotel into

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.

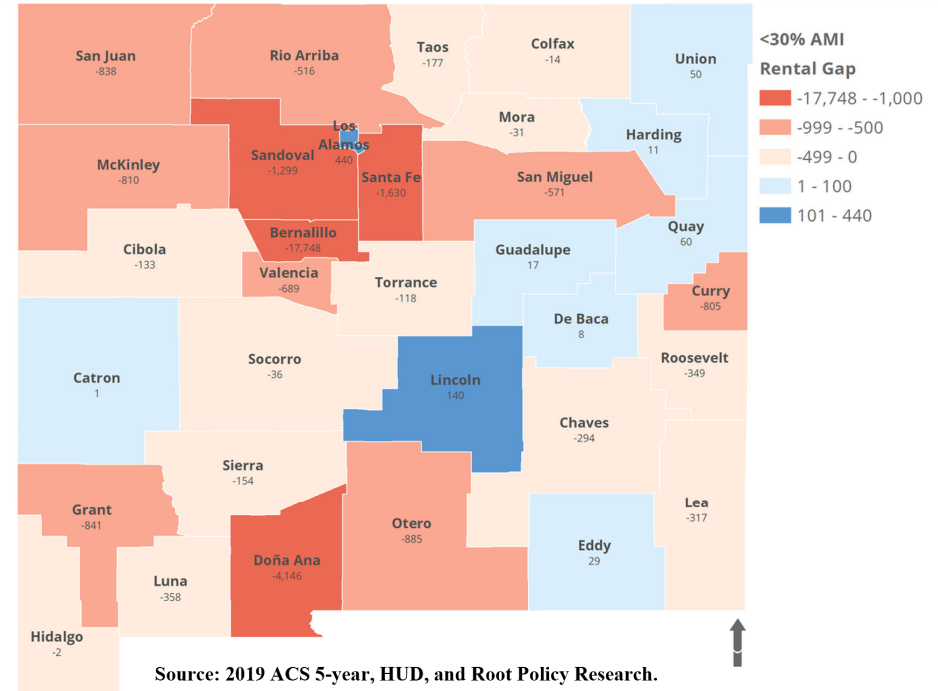
The aim of the city's Housing Forward ABQ initiative is to create 5,000 new housing units by 2025 above what the private housing market will provide. Two years ago, a study found Albuquerque was shy 15,500 affordably priced units to meet the need of its poorest residents. Albuquerque officials say that 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

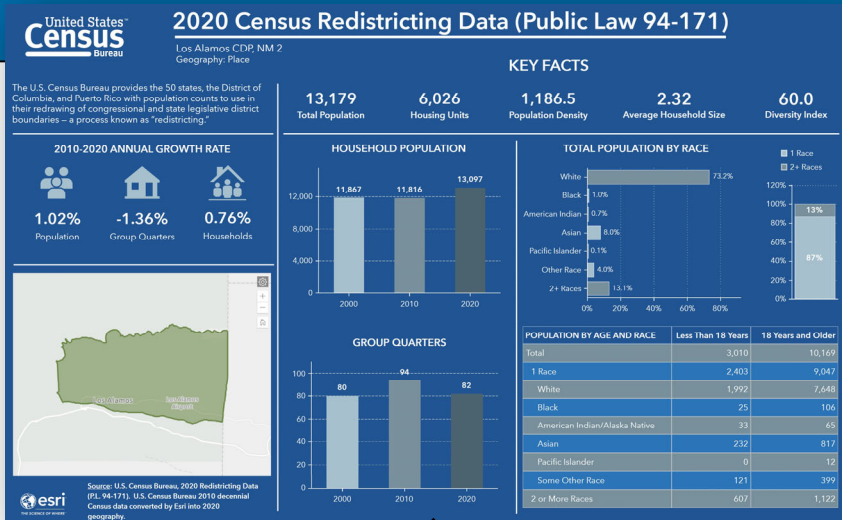


Current 0-30% AMI Rental "Gap" = 32,000 rental units, 2019

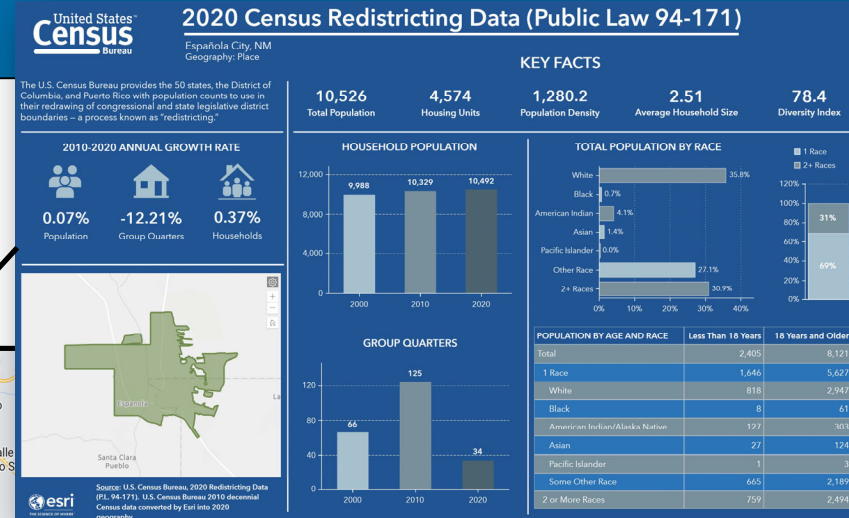
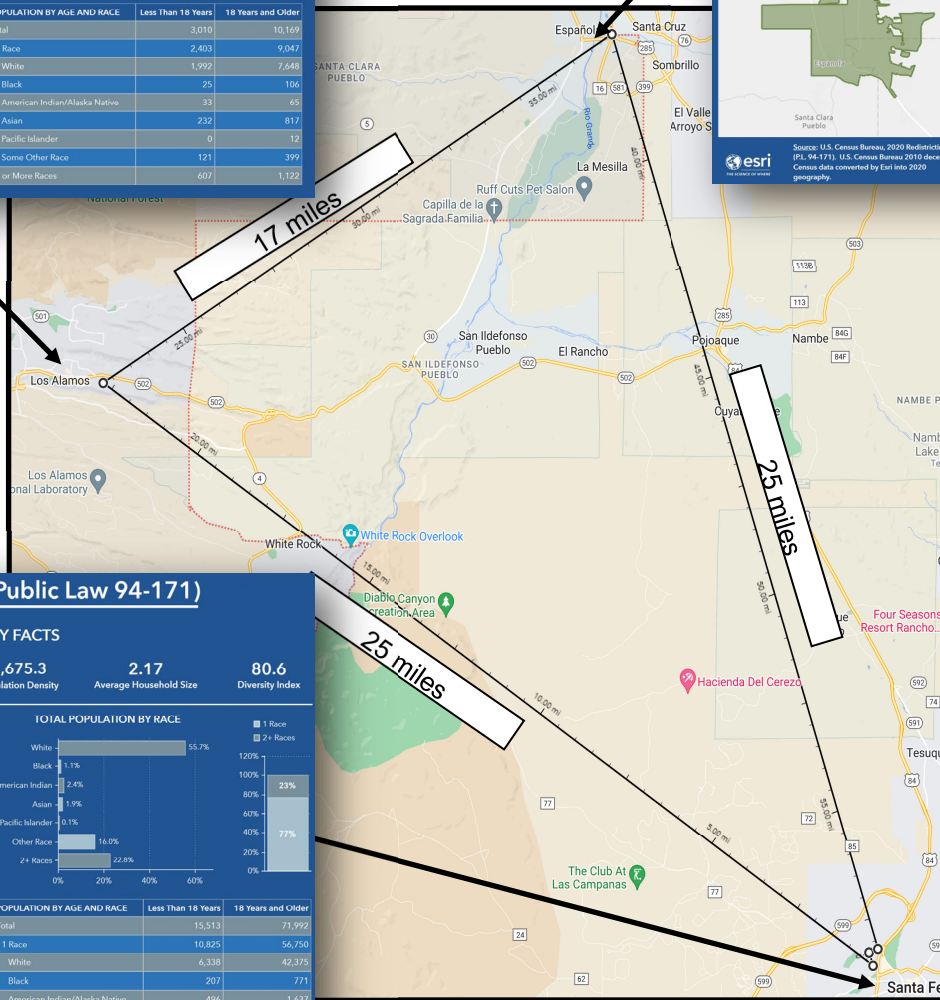
Gaps represent the difference between the state's lowest income renters and the number of affordable units to house them. Negative numbers indicate a shortage of affordable units



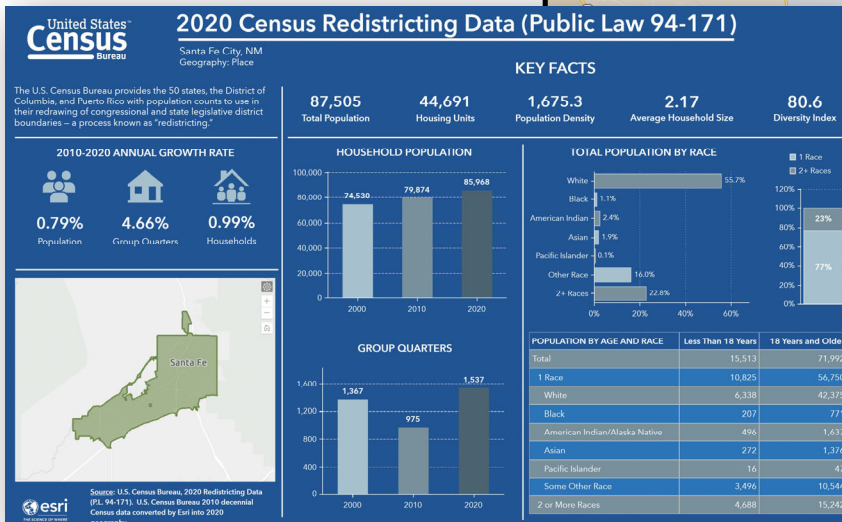
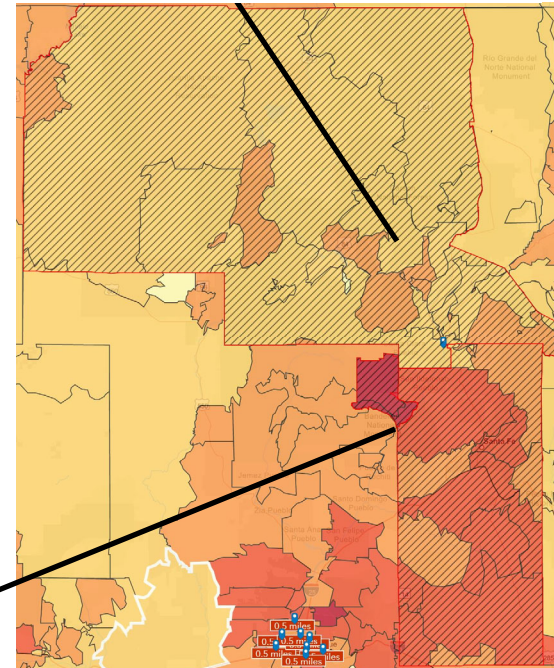
Understanding the geography of the Santa Fe, Espanola, Los Alamos employment triangle



The Los Alamos, Espanola, Santa Fe triangle contains the states capital, the Las Alamos National (Nuclear) Laboratories and the agricultural focused community of Espanola, NM.



These three cities are the largest in northern New Mexico and when we include their counties of Los Alamos, Rio Arriba and Santa Fe, the total population is 217,008 with an median age of 45 and an average household income of \$101,364



For Sale - The Gathering

A 11.33 acre development site, plans, market study for 66 units

Located in Santa Fe County at 1000 La Joya , Espanola, NM 86632

Development Highlights

Ask price : **\$1,100,000 ***

\$/unit: \$16,667

\$/acre: \$97,087

\$/sf: \$2.23

Projected Average \$1,825
Rent:

Projected Rent per sf \$2.61

Total Bldg. Size 46,200

Zoning: R-6 Urban
Residential

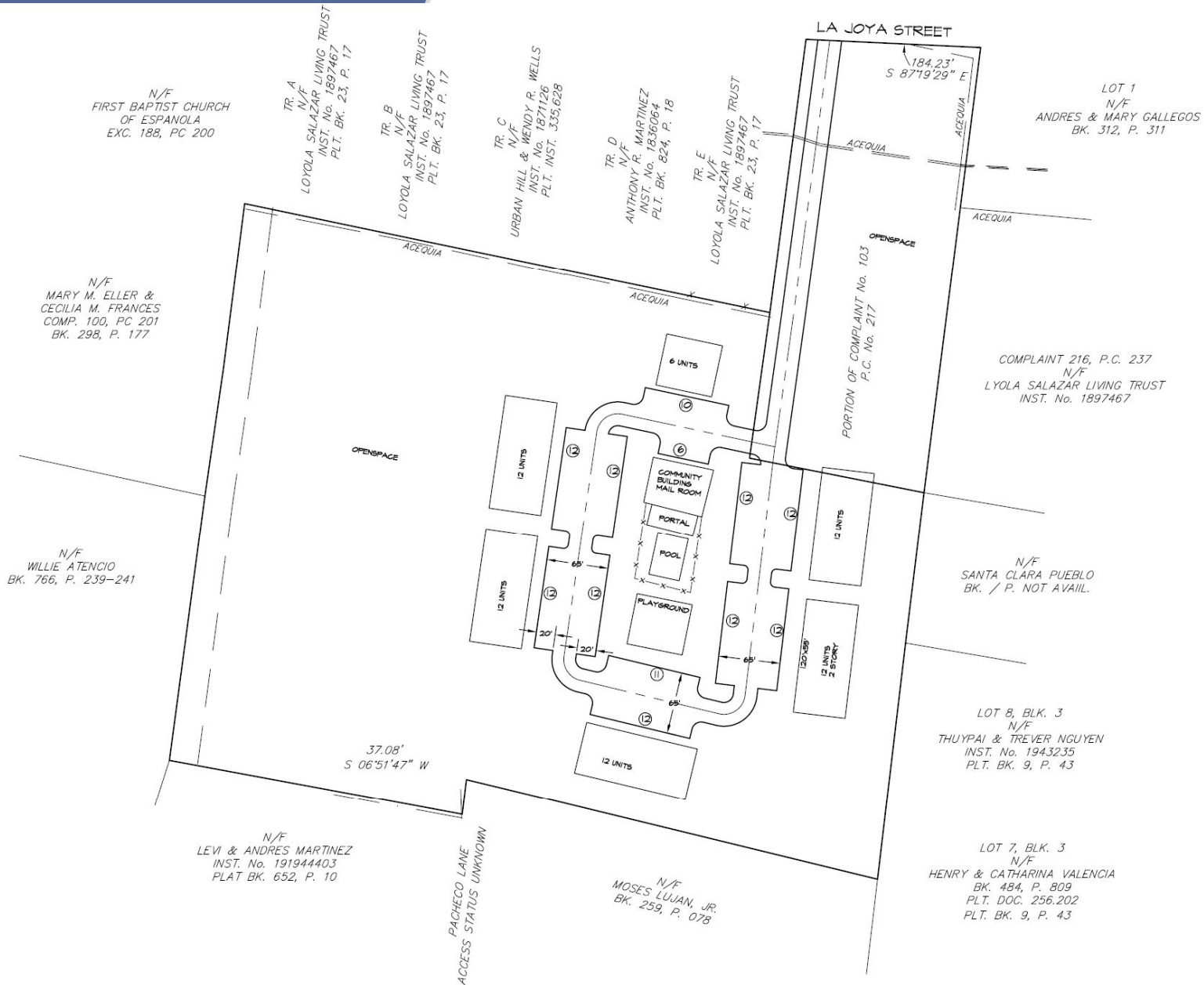
NM Apartment Advisors is proud to bring to 11.33 acre development site zoned R-6 Urban residential preliminary site plan in a high barrier to entry geography with high demand.

Current owners have held this land in their family for generations and used it for cattle grazing.

As the area expands and prepares to absorb thousands of potential jobs from Los Alamos National Laboratories, the site is well positioned to offer housing.



Potential Site plan for 66 rental units



ACREAGE: 11.133 ACRES

ZONING R-6 URBAN RESIDENTIAL

PERMITTED UNITS $11.133 \times 6 = 66$ UNITS

SETBACK: 15' FRONT
5' REAR
10' SIDE

MAX. COVERAGE: 40%

MAX HEIGHT: 35'

66 UNITS

135 PARKING SPACES

REVISIONS	
DATE	BY

DESIGN ENGINEERING

441 LUISA STREET, SUITE E
SANTA FE, NEW MEXICO 87505
(505) 981-9551

LUCERO FAMILY TRUST PROPERTY

CONCEPTUAL APARTMENT EX

SCALE _____ DWT _____



1"=50'
PEDR CASE #



Potential Site plan for 66 rental units

Financial Analysis Executive Summary 66 units in Espanola, NM

Community Summary

Community Name:	66 units in Espanola, NM
Address:	Espanola
Developer:	0
Date of Analysis:	1/0/1900
Est. Project Start:	1/2/2024
# of Units:	66
Gross Building Area:	46,200 +/- sf
Total Land Area:	484,823 +/- sf

Financial Summary

Market Value Using CAP=	\$ 16,406,135	Value 2 years after construction
Market Value using Back Door Approach =	\$ 11,829,840	
Total Development Expense =	\$ 11,793,346	includes land
Most that can be paid for land using back door approach =	\$ 1,136,494	\$2.34 /sf \$17,220 /unit
Minium Rent needed to make deal viable using Front Door Approach =	\$ 1,910	\$2.73 /sf

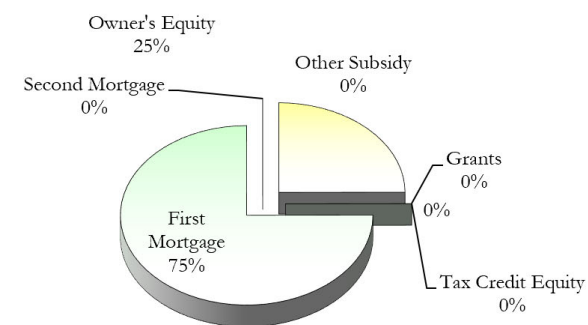
Financial Benchmarks Based on Back Door Value		Definitions
GRM=	8.18	Price / Annual
CAP RATE=	6.90%	Net Income /
Cash On Cash=	8.29%	CFBT / Dow
5 Yr IRR=	38.7%	Return on inv
10 Yr IRR=	27.2%	Return on inv
Expenses/unit=	\$7,811	
Price/Sf =	\$256	
Price/Unit=	\$179,240	
Overall DCR=	1.43	Debt Coverag
Overall LTV=	75%	Income and A Loan to Value

Register for documents available to qualified developers in confidential document center:

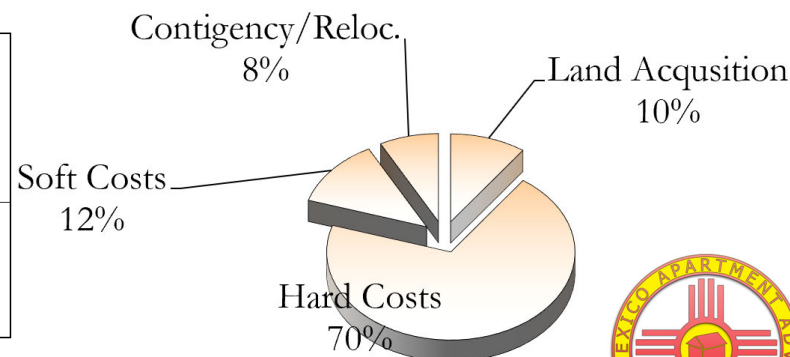
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Financial Analysis - Sources and Uses - 66 units in Espanola, NM

Potential Sources			
Equity	Owner's Equity	\$ 2,952,728	25%
	Grants	\$ -	0%
	Tax Credit Equity	\$ -	0%
	Other Subsidy	\$ -	0%
Debt	First Mortgage	\$ 8,872,380	75%
	Second Mortgage	\$ 1,183	0%
	Total	\$ 11,826,291	100%



Projected Uses			
Land Acquisition	\$	1,167,000	10%
Hard Costs	\$	8,254,557	70%
Soft Costs	\$	1,461,424	12%
Contingency/Reloc.	\$	910,365	8%
SubTotal	\$	11,793,346	100%
<hr/>			
Potential Profit	\$	32,945	
Total	\$	11,826,291	

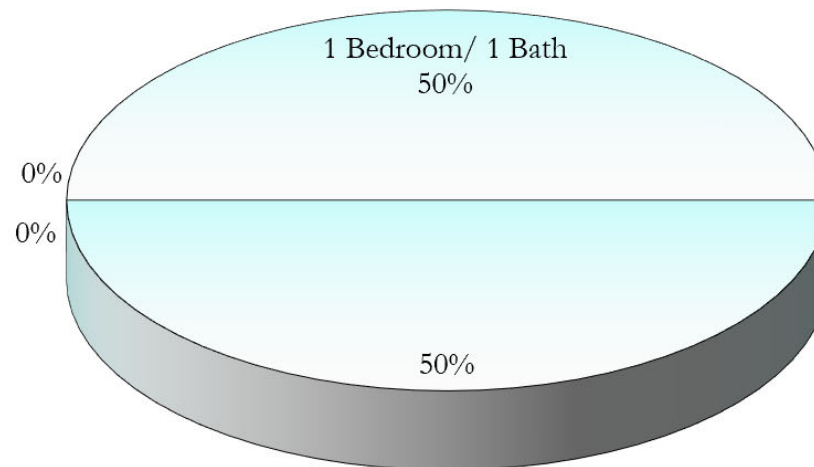


Suggested Unit Mix for 66 rental units

Financial Analysis Unit Mix:

Unit ID	Unit Type	Style	# of Units	Square Feet	Rent	Rent/ SF	Total Square Feet		Total Monthly Rent	Total Annual Rent
1.2	1 Bedroom/ 1 Bath		33	600	\$1,650	\$2.75	19,800 sf		\$54,450	\$653,400
2.0	2 Bedroom/ 1 Bath		33	800	\$2,000	\$2.50	26,400 sf		\$66,000	\$792,000
			Totals	66	Avg. =	\$1,825	46,200 sf		\$120,450	\$1,445,400
			Averages		Avg. \$/sf =	\$2.61	700 sf		\$1,825	

Unit Mix Summary



Financial Analysis for 66 rental units

		Financial Analysis - 5 Year Forecast - 66 units in Espanola, NM					Financial Analysis - 10 Year Forecast - 66 units in Espanola, NM					
Line Item		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Market Rents		\$ 1,445,400	\$ 1,503,216	\$ 1,563,345	\$ 1,625,878	\$ 1,690,914	\$ 1,758,550	\$ 1,828,892	\$ 1,902,048	\$ 1,978,130	\$ 2,057,255	\$ 2,139,545
Scheduled Market Rent Increases		\$ -	Remains flat after first year, covered in Market Rent Growth (above line)									
Projected Market Rents		\$ 1,445,400	\$ 1,503,216	\$ 1,563,345	\$ 1,625,878	\$ 1,690,914	\$ 1,758,550	\$ 1,828,892	\$ 1,902,048	\$ 1,978,130	\$ 2,057,255	\$ 2,139,545
Acquisition Costs												
Cost (bldg)												
Land	\$1,100,000	\$ 23.81	\$ 16,667	9.3%								
Existing Structures	\$0											
Demolition	\$0											
Other (legal, title, due diligence)	\$67,000	\$ 1.45	\$ 1,015	0.6%								
Subtotal	\$1,167,000											
Development Hard Costs												
New Construction	\$5,707,440	\$ 123.54	\$ 86,476	48.4%								
8' to 9' ceilings	\$60,060	\$ 1.30	\$ 910	0.5%	\$1.30sf x sf							
Club house	\$600,000	\$ 12.99	\$ 9,091	5.1%	\$150/sf							
Internet/Wifi	\$15,000	\$ 0.32	\$ 227	0.1%	est.							
Landscaping	\$175,000	\$ 3.79	\$ 2,652	1.5%								
Parking Lot	\$1,212,057	\$ 26.24	\$ 18,365	10.3%	est.							
Pool												
Finish upgrades	\$470,000	\$ 10.17	\$ 7,121	4.0%								
Lead Based Paint Risk Assessment												
Lead Based Paint Interim Controls or Abatement												
Lead Based Paint Clearance Testing												
Demolition												
Soil Testing												
Construction Loan Origination Fee												
On Site improvements	\$15,000	\$ 0.32	\$ 227	0.1%								
General Requirements												
Construction Interest												
Excise Tax												
Land Fill Fee												
Builders Risk												
Other												
Other												
Other												
Other												
Subtotal	\$8,254,557	\$ 178.67	\$ 125,069	70.0%								
Related Soft Costs												
Phase I Environmental Site Assessment	\$3,500	\$ 0.08	\$ 53	0.0%								
Architectural - Design	\$405,000	\$ 8.77	\$ 6,136	3.4%	DPS							
Architectural - Supervision	\$45,000	\$ 0.97	\$ 682	0.4%	est							
Initial Flood Insurance Premium	\$0											
Permanent Loan Origination Fee	\$25,000	\$ 0.54	\$ 379	0.2%	from input model							
Title Insurance	\$20,000	\$ 0.43	\$ 303	0.2%								
Recording & Legal Fee's	\$50,000	\$ 1.08	\$ 758	0.4%								
Building Permit Fee	\$20,000	\$ 0.43	\$ 303	0.2%								
Attorney's Fees	\$15,000	\$ 0.32	\$ 227	0.1%								
Property Appraisal	\$5,000	\$ 0.11	\$ 76	0.0%								
Market Study	\$21,000	\$ 0.45	\$ 318	0.2%								
Cost Estimating Fee												
BSPRA/SPRA (Identify of Interest)												
Impact Fee's												
Developer's Management Fee	\$100,000	\$ 2.16	\$ 1,515	0.8%								
Builder's Profit	see sources and uses											
Consultant Fee's	\$15,000	\$ 0.32	\$									
Audit Fee	\$4,000	\$ 0.09	\$									
Finance Fee to Lender	\$85,000											
Interest Carry (8%, 9 months, 75% LTV, on hard costs)	\$371,455											
Less Lease Up Income (avg. rent x 25% occ x 12 months)	-\$361,350											
Affirmative Marketing Fee												
Sales tax on hard costs	\$577,819	\$ 12.51	\$									
Insurance during construction	\$60,000	\$ 1.30	\$									
Subtotal	\$1,461,424	\$ 31.63	\$									
Contingency / Developer's fee / Relocation												
Temporary Relocation Expenses												
Permanent Relocation Expenses												
Contingency	\$660,365	\$ 14.29	\$ 10,006	5.6%								
Developer Fee's	\$250,000	\$ 5.41	\$ 3,788	2.1%								
Subtotal	\$910,365	\$ 19.70	\$ 13,793	7.7%								
Total Total		\$11,793,346	\$ 255.27	\$ 178,687	100.0%							

Register for documents available to qualified developers in confidential document center:

www.nmapartment.com/lajoya



Front Door Approach analysis 66 rental units

Front Door Approach : 66 units in Espanola, NM *

*approximations

Land Cost	\$	1,100,000
Hard Costs	\$	8,254,557
Soft Costs	\$	1,461,424
Contingency/Relocation Expenses	\$	910,365
Total Project Costs	\$	11,726,346

Equity Required \$2,931,587
x
Targeted Cash on Cash 15.0%
=
Equity Cash Flow \$439,738

\$8,845,010 Loan Amount
x
5.0% Mortgage Constant:
=
\$442,250 Annual Debt Service

Required NOI	\$	881,988
+ Expenses	\$	515,500
= Gross Operating Income	\$	1,397,489
+Vacancy and Credit Losses		5.0%
- Other Income	\$	41,997
=Potential Rental Income	\$	1,513,038
/ number of units		66
=		

Avg. Monthly Rent needed \$ 1,910.40

Avg. Monthly Rent per SF needed \$2.73 /sf

Front Door Approach

Takes inputed land, acquisition, and development expenses

Partitions total by debt & equity components

multiplies components by desired debt/equity yields

Derives NOI
Builds up to Gross Income

Divide by # of Units & 12 months for average monthly rent needed



Back Door Approach to land value analysis 66 rental units

Back Door Approach : 66 units in Espanola, NM *
*approximations

Potential Rental Income	\$	1,445,400
Vacancy Loses		5.0%
Effective Rental Income	\$	1,289,875
Other Income	\$	41,997
Gross Operating Income	\$	1,331,872
Operating Expenses	\$	515,500
Net Operating Income	\$	816,372

Back Door Approach

Takes inputted rents
deducts expnses
services NOI

Partitions NOI into
ADS & CFBT

Divides ADS & CFBT
by equity/Debt yields

Arrives at Maximum
Amount for equity and debt
components

Total

Divided by size of land

Annual Debt Service \$653,098

Cash flow before Tax \$163,274

/

Cash on Cash Target 15.00%

=

Justified Equity Amount \$1,088,496

Debt Cover Ratio 1.25

Annual Debt Service \$653,098

/

Mortgage Constant 6.08%

=

Justified Loan Amount \$10,741,344

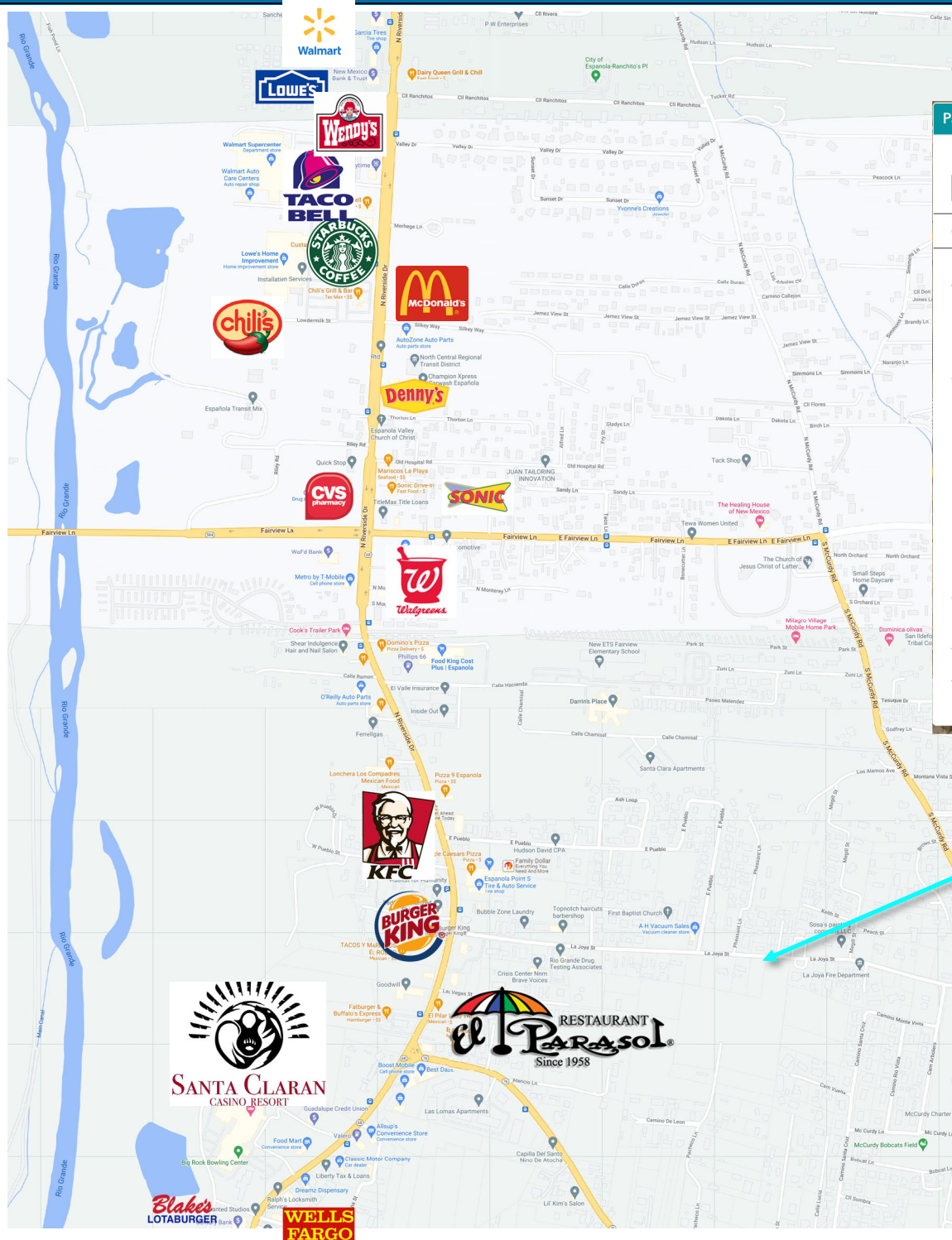
Justified Total Cost	\$	11,829,840
Development Budget	\$	11,793,346
Surplus/Shortfall	\$	36,494
All Costs except Land	\$	10,693,346

Justified Land Cost	\$	1,136,494
Per Sf	\$	2.34
Per Acre	\$	102,111
Per Unit	\$	17,220



Location Map for subject site

The subject site is located within a few blocks of Espanola's main street with easy access to shopping, employment, and restaurants of a local, regional and national level.



Parcel Search

Search for an address or locate on map

0 SANTA CRUZ

< Tax Parcels

174655616 - REAL - 0 SANTA CRUZ, ESPANOLA

Parcel Number: 174655616

UPC: 104712047040000000

[See Sketch and Property Description Information](#)

Physical Address:

0 SANTA CRUZ
ESPANOLA, NM 87532

Owner Name:

LUCERO, ANDRES T & CELSA B

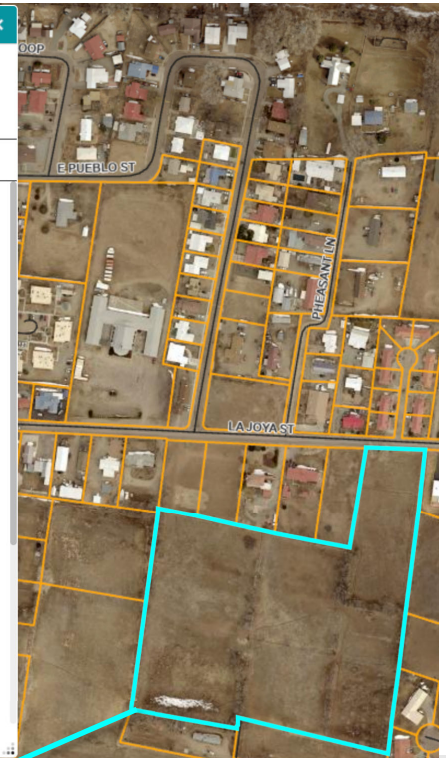
Owner Mailing Address:

PO BOX 14
SANTA CRUZ, NM 87567

Tax Code Area: 18-N

Legal Description:

TR-267 & 267A B-222 PG-432 T20N R 8E S 2 NE 11.62 AC.
IRRIGATED LAND
Acres: 11.6200



ABOUT PD&R RESEARCH & PUBLICATIONS DATASETS PD&R STUDIES

2021 and 2022 Small DDAs and QCTs

LIHTC developers—the site is just outside of a qualified census tract.

Hide the overview

The 2022 Qualified Census Tracts (QCTs) and Outfall Development Areas (DDAs) are effective January 1, 2022. The 2022 designations use data from the 2010 Decennial census designation methodology is explained in the federal Register notice published September 8, 2021.

Map Options

- ☐ 13 Legend Zoom Levels
- ☐ Show Outfall Development Areas (Zoom 7+)
- ☒ Color QCT Qualified Tracts (Zoom 7+)
- ☐ Show QCT Outline (Zoom 11+)
- ☐ Show FMR Outlines (Zoom 4+)
- ☐ Show LIHTC Projects (Zoom 11+)

Click here for full screen map

Select Year

2022

2021

Map Satellite

Walmart Supercenter

El Llano

Espanola Valley High School

El Paraiso

Days Inn by Wyndham Espanola

Presbyterian Espanola Hospital

San Juan

Cuartelez

Northern Rio Grande

Sombrillo

Reasons to invest in Santa Fe County/Espanola, NM



Los Alamos National Laboratory

70 4.0 ★★★★★

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Headquarters
Los Alamos, NM

As the area's largest employer, Los Alamos National Labs (LANL) is located in a geographical limited area and has been pushing jobs and facilities down off the hill into Santa Fe, and rumored new developments in Espanola.

Revenue
\$500M to \$1B (USD)

Employees
10,000+

NEW MEXICO TRUE

Espanola

The City of Española is the southernmost point of the Española Valley on the Rio Grande.



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.

Espanola is situated at the border of Rio Arriba and Santa Fe Counties. It sits halfway between Santa Fe and Taos, and 30 minutes from Los Alamos. The city itself is bordered by the centuries-old Santa Clara and Ohkay Owingeh Pueblos, the original peoples of this land. Española was the original capital of the first European settlement in the United States. Originally called San Gabriel, it was settled in 1598 in the Yungue Uingue (Ohkay Owingeh) Pueblo near the joining of the Rio Chama and Rio Grande. It was here that the first Spanish settlement of Nuevo Mexico was established at the end Camino Real trade route traversing the route from Mexico to Ohkay Owingeh.

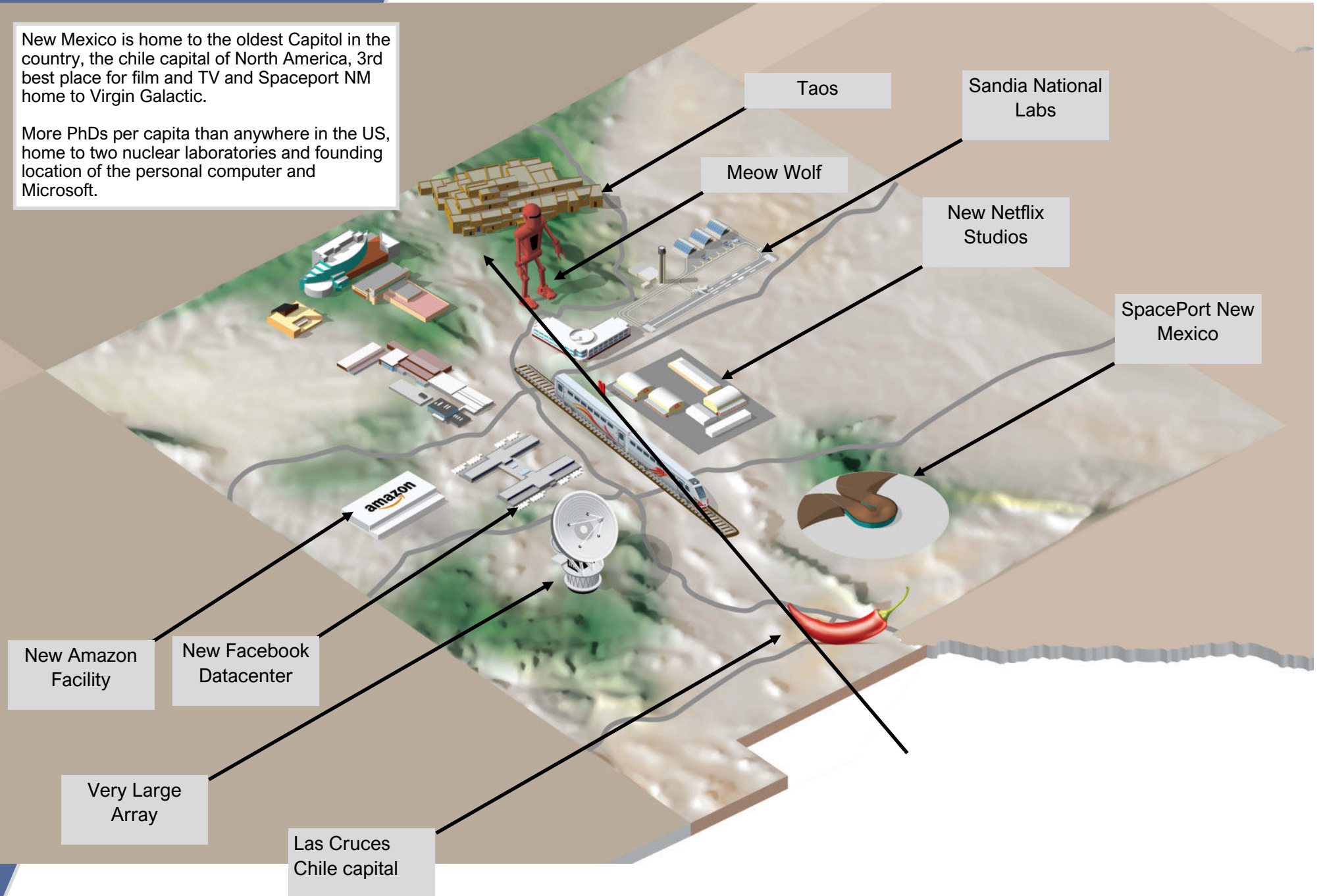
The Española Valley honors and supports cultural diversity, blending its roots of Hispanic and Native American cultures to create a rich tapestry of traditions and distinctive cuisine. It seamlessly blends the old and the new, with ancient pueblo architecture, colonial churches, historic cultural sites, New and Old Mexican restaurants, and modern breweries and wineries.

Where Cultures Unite Considered the first European capital of New Mexico and less than an hour north of Santa Fe, the City of Española celebrates the blending of Native, Spanish, and American cultures in the verdant Río Grande Valley. On Sundays from mid-June through October, the Española Farmers Market showcases the area's rich agricultural bounty and its fantastic car culture. (Don't miss the free chile roasting on Labor Day and horno-baked goodies year-round.)

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.



Santa Fe County, NM - Potential Site plan for 66 rental units



Todd Clarke 

CEO & Qualifying Broker
NM Apartment Advisors Inc.
NMREC License #13711
505-440-TODD
tclarke@nmapartment.com
www.nmapartment.com

**Additional analysis and information available for
qualified developers who register for at
www.nmapartment.com/lajoya**