

1132 Palomas Dr SE
Albuquerque, NM 87108



Register for More Information: www.nmapartment.com/palomas1132

International District 10-plex

Units: 10

Size: 7,646 sf

Land: 0.52 ac

Price: \$949,530

GRM: 9.97

Cap Rate: 6.04%

Cash on Cash: 2.76%

IRR after Tax: 14.8%

The Offering

On behalf of the owners, NM Apartment Advisors is excited to bring to market this opportunity to purchase this 10-plex with two bedroom, one bathroom units. The property includes two fourplexes and one duplex.

This owner has made numerous renovations to the property, but that still leaves a 12% upside in rents.

This 10-plex is located in an area of that has had major announcements of new employment. Couple that with the impact of the citywide expansion of Netflix, Facebook, Intel and Amazon and this property is well positioned to enjoy the forthcoming wave of appreciation and rent growth.



The Property

Address: 1132 Palomas Dr SE

Number of units: 10

Year of construction: 1958 per county assessors records

Bldg. Size: 7,646 +/-

Site Size: 0.5579 acres

Avg. Unit Size: 765 sf

UPC#s: 101805610814831601

Legal: Lots 8, 9 & 10, Block 12
Virginia Place Addition

Ask Price: \$949,530

\$/ unit: \$94,053

\$/sf: \$124.19

	Actual/Est (2022)	Proforma (2023)
Avg. Rent:	\$808	\$925
GRM:	9.79	8.55
Cap Rate Before reserves:	6.04%	7.14%
Cap Rate After reserves:	5.80%	6.91%
Year 1 NOI:	\$41,111	\$48,409
Cash on Cash:	2.76%	7.18%
Before Tax IRR:	18.5%	
After Tax IRR:	14.8%	

Internal Rate of Return - 1132 Palomas Dr SE

		Year	1	2	3	4	5	6	Calculated for 1st year of next owners, ownership
Total Potential Market Income	4.0% Increases		\$111,000	\$115,440	\$120,058	\$124,860	\$129,854	\$135,048	
2 Less: loss to market lease	1.3%		\$1,440	\$1,498	\$1,558	\$1,620	\$1,685	\$1,752	
3 Total Potential Income (Max Rent)			\$109,560	\$113,942	\$118,500	\$123,240	\$128,170	\$133,296	
4 Less: Loss to lease	11.5%		\$12,558	\$13,060	\$13,583	\$14,126	\$14,691	\$15,279	
5 Total Income			\$97,002	\$100,882	\$104,917	\$109,114	\$113,479	\$118,018	
6 Less: vacancy	5.0%		\$4,850	\$5,044	\$5,246	\$5,456	\$5,674	\$5,901	
7 Effective Rental Income			\$92,152	\$95,838	\$99,671	\$103,658	\$107,805	\$112,117	
8 Plus: Other Income	2.0% Increases		\$468	\$478	\$487	\$497	\$507	\$517	
9 Gross Operating Income			\$92,620	\$96,316	\$100,159	\$104,155	\$108,312	\$112,634	
Total Operating Expenses	2.0% Increases		\$37,547	\$38,298	\$39,064	\$39,846	\$40,643	\$41,455	
Net Operating Income			\$55,073	\$58,017	\$61,094	\$64,310	\$67,669	\$71,179	
Mortgage Balance			\$702,554	\$692,420	\$681,714	\$670,404	\$658,456		
ADS			\$48,522	\$48,522	\$48,522	\$48,522	\$48,522		
- Principal Reduction			\$9,593	\$10,134	\$10,706	\$11,310	\$11,948		
= Mortgage interest			\$38,929	\$38,388	\$37,816	\$37,212	\$36,574		
- cost recovery (annual)	27.5 yrs	1.	\$26,473	\$27,623	\$27,623	\$27,623	\$26,473	includes mid mon	
= Taxable Income			-\$10,329	-\$7,993	-\$4,344	-\$525	\$4,622		
Tax on income at ordinary income rate of		2.	\$0	\$0	\$0	\$0	\$1,618		
NOI			\$55,073	\$58,017	\$61,094	\$64,310	\$67,669		
- Annual Debt Service			\$48,522	\$48,522	\$48,522	\$48,522	\$48,522		
= Cash Flow Before Tax			\$6,551	\$9,495	\$12,572	\$15,788	\$19,147		
- Less Ordinary Income Tax			\$0	\$0	\$0	\$0	\$1,618		
= Cash Flow After Tax			\$6,551	\$9,495	\$12,572	\$15,788	\$17,529		

Sales Worksheet

Calculation of Adjusted Basis

1 Basis at Acquisition	\$949,530
2 + Capital Additions	
3 -Cost Recovery (Depreciation) Taken	\$135,814
4 =Adjusted Basis at Sale	\$813,716

Calculation of Capital Gain

Disposition CAP Rate	5.8%
5 Sale Price	\$1,227,216
6 -Costs of Sale	\$98,177
7 -Adjusted Basis at Sale	\$813,716
8 =Gain or (Loss)	\$315,322
9 -Straight Line Cost Recovery (limited to gain)	\$135,814
=Capital Gain from Appreciation	\$179,508

Calculation of Sales Proceeds after tax

Sale Price	\$1,227,216
-Cost of Sale	\$98,177
-Mortgage Balance(s)	\$658,456
=Sale Proceeds Before Tax	\$470,582
-Tax: Straight Line Recapture at	25.0%
-Tax on Capital Gains at	20.0%
=SALE PROCEEDS AFTER TAX:	\$400,727

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%.

IRR Before tax =	18.5%
n	\$
0	\$ (237,383)
1	\$6,551
2	\$9,495
3	\$12,572
4	\$15,788
5	\$19,147 + \$470,582

IRR After tax =	14.8%
n	\$
0	\$ (237,383)
1	\$6,551
2	\$9,495
3	\$12,572
4	\$12,572
5	\$15,788 + \$400,727

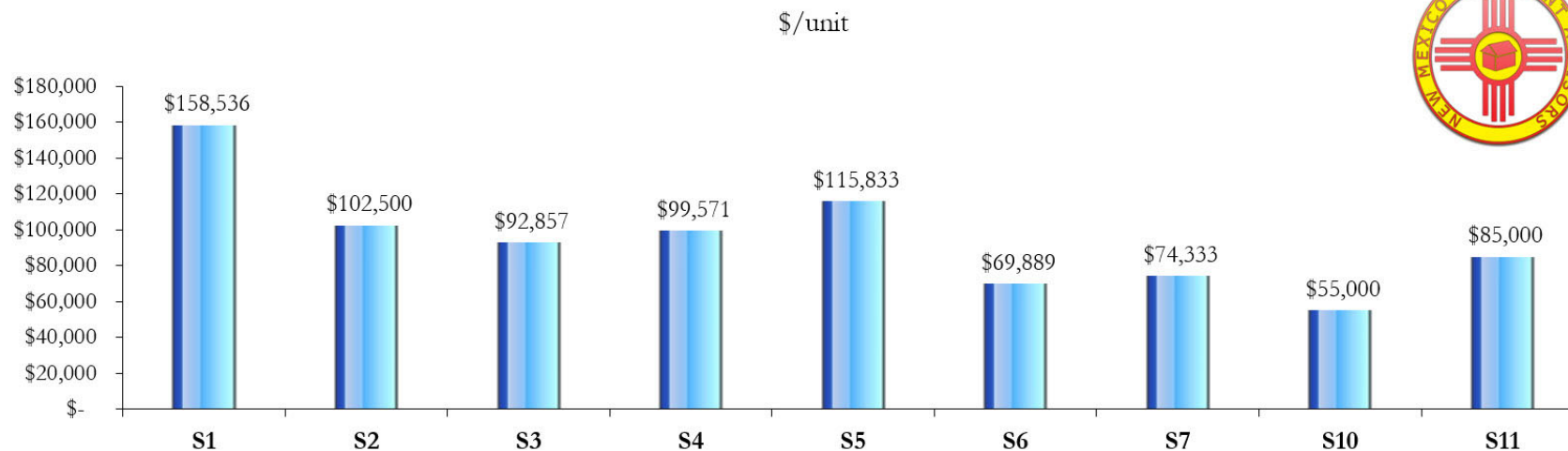
Investor's Effective Tax Rate = 20%

Comparable Sales - 1132 Palomas Dr SE

Comparable Sales Analysis for:

1132 Palomas SE

Compiled by Todd Clarke CCIM



#	Name	Location	Units	Age	List Price	Sales Price	# of garages	Sales Date	\$/unit	\$/sf	Avg. Rent	GRM	CAP *
S1		2307 New York SW	8	1936	\$ 1,293,000	\$ 1,268,288	0	6/27/2022	\$ 158,536	\$ 264	\$1,200	11.01	5.2%
S2		1410 Truman SE	8	1979	\$ 860,000	\$ 820,000		9/8/2022	\$ 102,500	\$ 131	\$794	10.76	5.3%
S3		1340 San Mateo SE	7	1957	\$ 708,022	\$ 650,000		12/20/2022	\$ 92,857	\$ 122	\$829	9.33	6.1%
S4		2115 Gold SE	7	1940	\$ 697,000	\$ 697,000		1/31/2022	\$ 99,571	\$ 261	\$788	10.53	5.4%
S5		1023 2nd SW	6	1901	\$ 695,000	\$ 695,000		10/21/2022	\$ 115,833	\$ 154	\$933	10.34	5.5%
S6		302 Virginia NE	9	1955	\$ 629,900	\$ 629,000		7/20/2022	\$ 69,889	\$ 175	\$500	11.65	4.9%
S7		2129 Coal SW	9	1930	\$ 669,070	\$ 669,000		1/21/2022	\$ 74,333	\$ 130	\$689	8.99	6.3%
S10		4408 2nd NW	14	1965	\$ 725,000	\$ 770,000		8/1/2022	\$ 55,000	\$ 97	\$650	7.05	8.1%
S11		1110 Dr. Martin Luther	9	1958	\$ 740,000	\$ 765,000		3/28/2022	\$ 85,000	\$ 129	\$624	11.35	5.0%

Comps	Average								\$ 94,836	\$163	\$779	10.11	5.8%
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*imputed @ 5% vac, 40% exp

Subject Property	1132 Palomas SE	10			\$ 949,530				\$ 94,953	\$124	\$808	9.79	5.8%
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Average of Comparable SOLD applied to subject property

Average Rent for Sales = \$779

\$/unit \$ 94,836 \$ 948,356

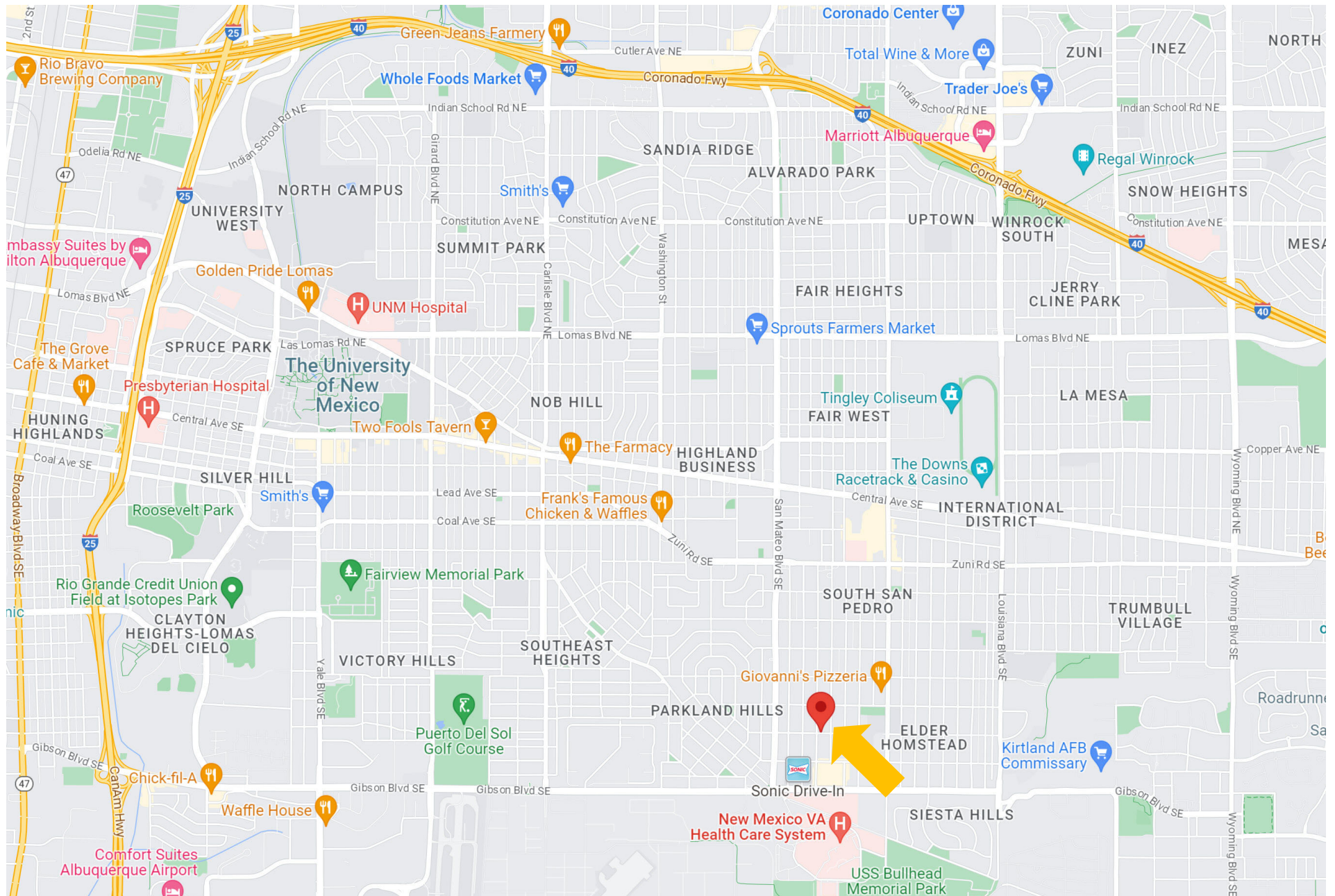
\$/sf \$ 162.67 \$ 1,243,757

CAP (Actual) 5.8% \$ 955,957

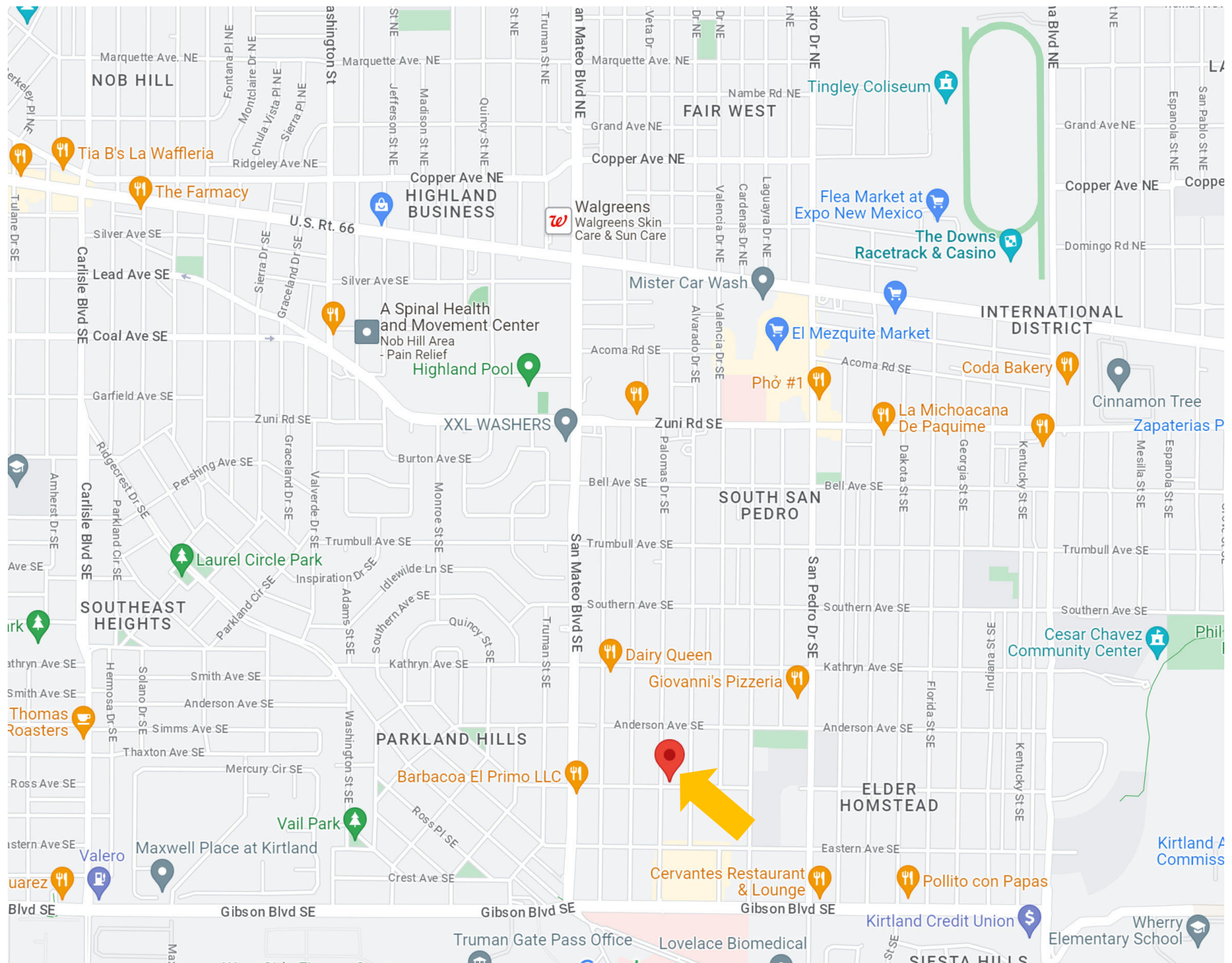
GRM (Actual) 10.11 \$ 931,875

Average= \$ 1,019,986

Property Info - Area Map



Property Info - Neighborhood Map



Interior Photographs - 1132 Palomas Dr SE



Interior Photographs - 1132 Palomas Dr SE



Property Photographs - Interior - 1132 Palomas



Drone Photographs - 1132 Palomas Dr SE



Property Info - GIS

Platted Parcel Address: 1132 PALOMAS DR SE
Assessor Parcel Address: 1132 PALOMAS DR SE
Report Date: 6/7/2023
www.cabq.gov/gis

Bernalillo County Assessor Ownership Data

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

Owner Name: ESQUIBEL TONY & VENTO GIANCARLO ESQUIBEL
Owner Address: 8319 GALLATIN RD DOWNEY CA 90240-2803
Uniform Property Code (UPC): 101805610814831601
Tax Year: 2023
Tax District: A1A
Legal Description: * 008 012VIRGINIA PL L9 & 10
Property Class: R
Document Number: See Bernalillo County Assessor Record Search Portal
Acres: 0.5579

Albuquerque Planning and Zoning Data

Jurisdiction: ALBUQUERQUE
IDO Zone District: [R-MH](#)
IDO District Definition: Multi-family High Density
Zone Atlas Page: [L-18](#)
Land Use: 02 | Multi-family
Lot: 9
Block: 12
Subdivision: VIRGINIA PLACE ADDN
[Bernalillo County Planning and Zoning](#)

Neighborhood Associations

City Recognized Neighborhood Associations: [South San Pedro NA](#)
[Albuquerque Office of Neighborhood Coordination](#)

Services

Police Beat: 334
Area Command: SOUTHEAST
Residential Trash Pickup and Recycling: Wednesday

City Council Districts

City Council District: 6 - [Pat Davis](#)
Councilor Email Address: patdavis@cabq.gov
Policy Analyst: Sean Foran
Policy Analyst Email Address: seanforan@cabq.gov
Policy Analyst Phone Number: 505-768-3152

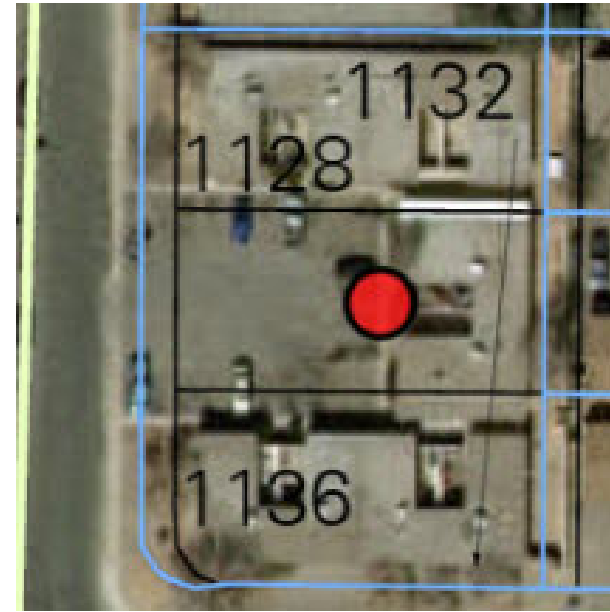
Other Legislative Districts

US Congressional District: 1 - Melanie Stansbury
County Commission District: 3 - Adriann Barboa
NM House Of Representatives: 19 - Janelle I Anyanonu
NM Senate: 17 - Mimi Stewart

APS School Service Areas

Elementary School: WHITTIER
Middle School: WILSON
High School: HIGHLAND
[Albuquerque Public Schools](#)

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



Very Walkable

Most errands can be accomplished on foot.



Some Transit

A few nearby public transportation options.



Very Bikeable

Biking is convenient for most trips.

Neighborhood Development/Activity - Mixed Use

Developer plans to add new residential and retail development to food truck park in Albuquerque's International District



By [Collin Krabbe](#)
Technology reporter,
Albuquerque Business First
Oct 22, 2020, 5:30pm EDT

A new residential and retail development located at 1000 San Mateo Blvd. SE is expected to cost between \$3 and \$4 million. Construction could begin in a year or so.

For the past three weeks, an undeveloped lot in Albuquerque's International District has provided a space for food trucks to offer socially-distanced dining during the pandemic. But in a year or so, an Albuquerque economic development organization plans to add a new mixed-use development there, while making Food Hub ABQ a permanent fixture.

The International District Economic Development group says it has a residential and retail development located at 1000 San Mateo Blvd. SE in the works. The development will be lo-

cated in the same lot as IDED's temporary Food Hub ABQ, which is offering space for food trucks to set up shop.

Founded in 2019 by [Alex Horton](#), the IDED is an economic development organization which offers resources for entrepreneurs. It operates the International District HUB business center near the intersection of Wyoming Blvd. and Central Ave.

Horton said the Food Hub, which debuted at the beginning of October, will be part of the larger development which will offer a dozen retail spaces for small businesses. It will also have a dozen studio apartments, Horton said.

Plans for the development are still in the early stages. IDED plans to begin construction on the residential and retail structure in about one year, Horton said.

Santa Fe-based B.PUBLIC Prefab is working with IDED to develop a site plan, said B.PUBLIC co-owner and CEO [Edie Dillman](#). IDED plans to spend \$3 to \$4 million on the project and plans to solicit bids for contractors, Horton said.

INED plans to make the food truck park permanent installation. To achieve that, the Food Hub will close on Nov. 14 as IDED seek approval from the city to make it a permanent fixture.

Horton said the temporary setup is "kind of the pilot to see what is working and what do we need." Plans call for the Food Hub to reopen in March 2021 after making infrastructure improvements.

The park plans to charge a \$100 monthly fee per truck in the future. It has a rotating queue of trucks with different types of food including barbecue, Jamaican jerk chicken and curry, Horton said.

"Our goal is to expose customers to a variety of cuisines prepared by New Mexicans while allowing these food truck 'micro businesses' to grow," Horton said in a statement.

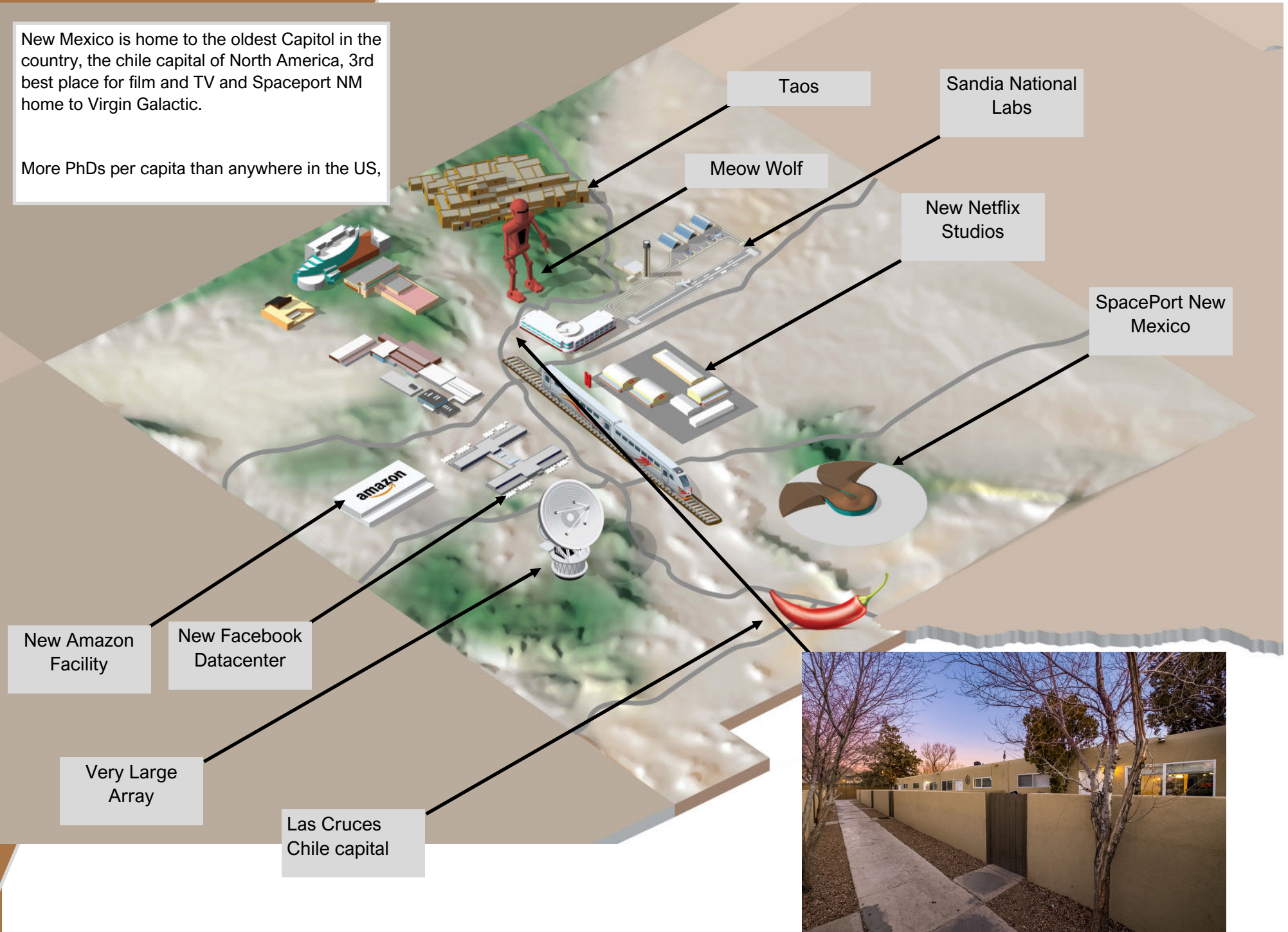
The Food Hub is currently open Thursday through Saturday from 11 a.m. to 2 p.m., and again from 4:30 p.m. to 9 p.m. It also offers Sunday brunch from 11 a.m. to 2 p.m.

INED has partnered with Albuquerque tech firm Addmi for contactless ordering at the Food Hub. Addmi, founded in 2015, provides point-of-sale software for restaurants. It was founded by [Andy Lim](#), who also started Albuquerque software firm Lavu.

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,



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.

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 33 years. In that time, I have listed/sold over 15,160 units totaling \$548M. I also teach investment sales analysis for the CCIM institute (25 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 trouble-shoot/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 residents.

To register for additional information go to:

www.nmapartment.com/palomas1132

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 Advisors who has over 34 years of experience. 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

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www.nmapartment.com

