

Apartment properties still attracting out of state buyers

BY MIBAN KAMERICK | NEWSPHAF

A flurry of recent apartment sales indicates Albuquerque continues to be a magnet for investors in multifamily properties.

Buyers of both market-rate complexes and affordable properties are being drawn to the city from New York, Chicago and California by high occupancies and affordable capitalization rates (the rate of return a property will produce), say the experts.

"We are still outperforming many of the other southwest markets in the region," says Bill Fox with **Henricks & Partners**. He recently sold the Alta Vista apartments at 4200 Spanish Blvd. NE to **Pacific Cap Properties** from Portland. "It makes us kind of a preferred market to look at. Our histo-

ry has been slow steady growth."

New Mexico also is one of only a handful of states that has had positive job growth in this region, says Todd Clarke, a multifamily consultant and principal of **MM Apartments Inc.** The buyers study things like employment dynamics when looking for good rates of return. They also are investors who are selling properties that are appreciating quickly in overheated real estate markets like California and need to plow their proceeds into another investment to avoid tax consequences.

California investors also want to sell at the top of the market, but they don't want to reinvest in an overheated market, especially with the possibility of rising interest rates, Fox says.

Clarke's firm just sold the 14-unit Alhambra Apartments on Indian School Road near Moon Street NE. The listing price was \$62,500 per unit and the buyer was from California. **NM Apartments** has listed three more complexes of similar size with prices ranging from \$675,000 to \$1.2 million.

Suzanne Awen and Rick Brown with **The Vaughan Company** and Peter Pineda with **Maestas & Ward Commercial Real Estate** sold two apartment buildings recently, one at 511-513 Candelaria Road NE, to a group that includes a couple from here and their relatives from California. The other, at 1301-1335 Ortiz, sold to Colorado investors. Awen and Bowan have also sold two other properties recently, including a 28-unit

complex at 5410 Phoenix Ave. NE to a California buyer and a 54-unit property at 3308 Morris St. NE to Colorado investors. Most are long-term holders who will be in the market for a few years.

This market is also attractive to firms like **PacificCap Properties Group**, which has purchased four properties here, spent millions on renovating them and made them affordable rental units. There is a need in Albuquerque, and the state has been a good place to work, says Amy Dickerson, vice president of portfolio development for **PacificCap**, which is working on acquiring a fifth property in Albuquerque and is exploring projects in Santa Fe.

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