



MULTIFAMILY REPORT

Albuquerque Cools Slightly

September 2026

H1 Asking Rent Gains Top 2025

Employment Growth Remains Weak

Starts Retreat After Delivery High

ALBUQUERQUE MULTIFAMILY



Improving Rents On Heels Of Delivery Wave

Albuquerque multifamily fundamentals remained mixed at the beginning of the third quarter, as short-term rent growth stayed positive on the heels of a much softer 2025. Average advertised asking rents rose 0.2%, on a trailing three-month basis, to \$1,402, matching the U.S. increase to \$1,771. Year-over-year, asking rents declined 0.8%, while the U.S. saw a 0.2% gain. The occupancy rate in stabilized assets slid 30 basis points over 12 months, to 94.3% as of June.

Albuquerque employment fell 0.8% through May, while the U.S. figure contracted 0.1%. The metro's unemployment rate reached 4.9% in June, slightly above New Mexico's 4.8% and the 4.2% national figure. The metro lost 2,700 net jobs in the 12 months ending in May, as gains in four sectors—led by education and health services and trade, transportation and utilities—were outweighed by losses across several others, with the steepest drops in professional and business services and mining, logging and construction. Project advancements include a groundbreaking date for Pacific Fusion's Mesa del Sol campus and city approval for the first phase of Mantis Space's R&D and manufacturing facility at Copper Pointe.

Albuquerque developers added 481 units in 2026 through July, while another 2,136 units were under construction, as deliveries dropped sharply after a record 2025. Investment remained muted, with \$60 million in sales through July and the average price per unit down 30% from 2025, to an average of \$127,643.

Market Analysis | September 2026

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Recent Albuquerque Transactions

Arrowhead Ridge



City: Rio Rancho, N.M.
Buyer: Lincoln Avenue Capital
Purchase Price: \$25 MM
Price per Unit: \$136,761

Villa de San Felipe

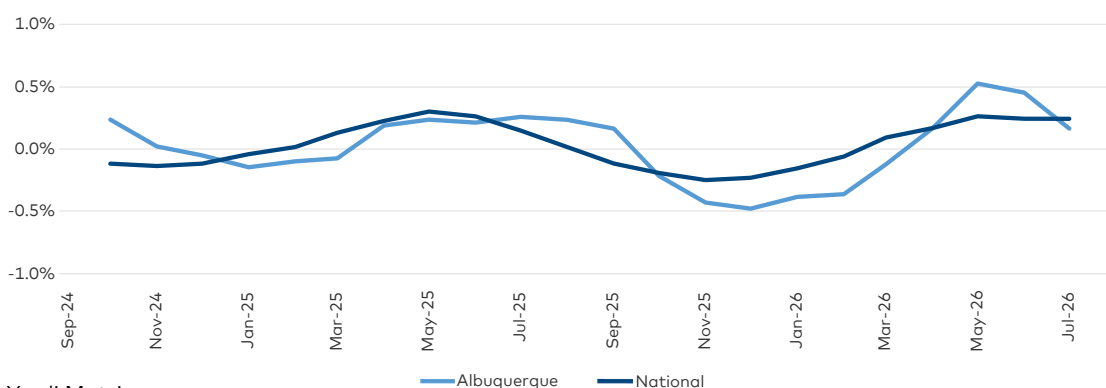


City: Albuquerque, N.M.
Buyer: Laurel Property Group
Purchase Price: \$12 MM
Price per Unit: \$77,174

RENT TRENDS

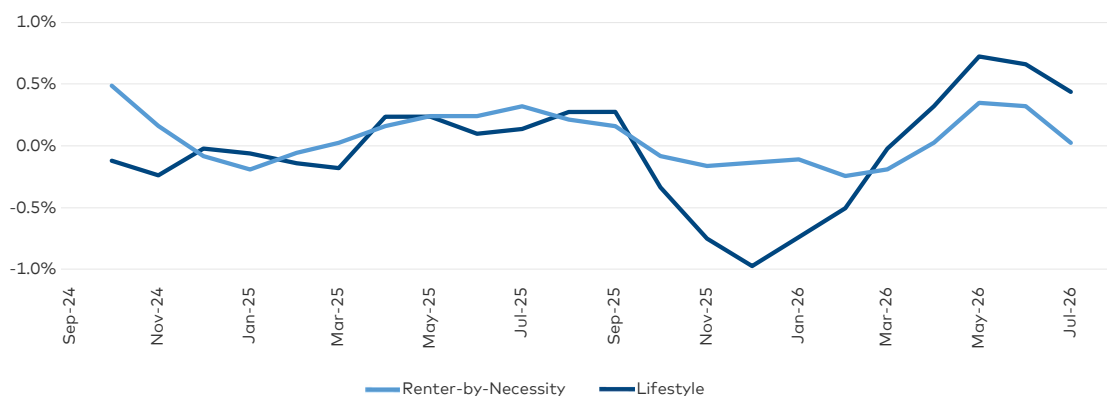
- ▶ Albuquerque average advertised asking rents rose 0.2%, on a trailing three-month (T3) basis through July, to \$1,402, matching the U.S. increase to \$1,771. T3 growth slowed from 0.5% in May and June, following a stronger spring ramp-up than a year earlier. Still, year-over-year, Albuquerque rents declined 0.8%, while the U.S. rate rose 0.2%.
- ▶ Lifestyle advertised asking rents rose 0.4%, on a T3 basis through July, to \$1,683, while working-class Renter-by-Necessity rates were flat, at \$1,242. The split widened during the spring: Lifestyle growth accelerated to 0.7% as of May before moderating, while RBN peaked at 0.4% and lost all momentum by July. This marked a reversal from 2025, when RBN generally matched or outpaced Lifestyle through the spring and summer.
- ▶ The occupancy rate in stabilized properties slid 30 basis points year-over-year, to 94.3% in June. Lifestyle occupancy edged up 10 basis points to 94.7%, while RBN occupancy declined 60 basis points, to 94.1%.
- ▶ Eleven of Albuquerque's 21 submarkets tracked by Yardi Matrix posted year-over-year rent gains through July. Albuquerque-Uptown led with a 6.0% increase to \$1,136, followed by South Valley (3.8% to \$1,266) and Albuquerque-Montgomery (2.6% to \$1,144). Albuquerque-South remained the priciest submarket at \$1,963, despite a 0.7% decline, followed by Los Alamos (-9.6% to \$1,784).

Albuquerque vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Albuquerque Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- Albuquerque employment was down 0.8% through May, marking a steeper decline than the 0.1% U.S. contraction. The metro's unemployment rate reached 4.9% in June, up 50 basis points year-over-year. That was slightly above both New Mexico's 4.8% and the 4.2% U.S. rate, according to preliminary Bureau of Labor Statistics data.
- Albuquerque lost 2,700 net jobs in the 12 months ending in May. Education and health services (2,300 jobs) and trade, transportation and utilities (1,100) led gains. However, these were outweighed by losses in five sectors, including professional and business services (-4,000), mining, logging and construction (-1,200) and government (-900), highlighting weakness across several sectors dependent on federal spending and project-based work.
- CRE drivers include Pacific Fusion's roughly \$1 billion, 225,000-square-foot research and manufacturing campus at Mesa del Sol, set to break ground in late August, with more than 200 permanent jobs planned. Mantis Space advanced its Albuquerque expansion in April with city approval for a first-phase, 20,000-plus-square-foot R&D and satellite-component manufacturing facility at Copper Pointe, while BlackVe announced a 50,000-square-foot spacecraft manufacturing expansion expected to create 152 jobs. The projects reinforce advanced energy, aerospace and defense as the metro's strongest sources of new investment.

Albuquerque Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	86.7	17.9%
40	Trade, Transportation and Utilities	79.6	16.5%
70	Leisure and Hospitality	58	12.0%
50	Information	6.6	1.4%
55	Financial Activities	22.1	4.6%
80	Other Services	16.7	3.5%
30	Manufacturing	17	3.5%
90	Government	98.6	20.4%
15	Mining, Logging and Construction	29.4	6.1%
60	Professional and Business Services	69	14.3%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- Albuquerque's 2024 population stood at 1,081,532, up from 1,077,826 in 2023, for a gain of 3,706 residents or 0.3%, reflecting modest but steady growth. That's in line with the metro's gradual recovery, but still rests well below the 1.0% U.S. rate of growth.

Albuquerque vs. National Population

	2021	2022	2023	2024
National	331,449,281	335,040,000	336,800,000	340,003,797
Albuquerque Metro	1,071,039	1,074,499	1,077,826	1,081,532

Source: U.S. Census

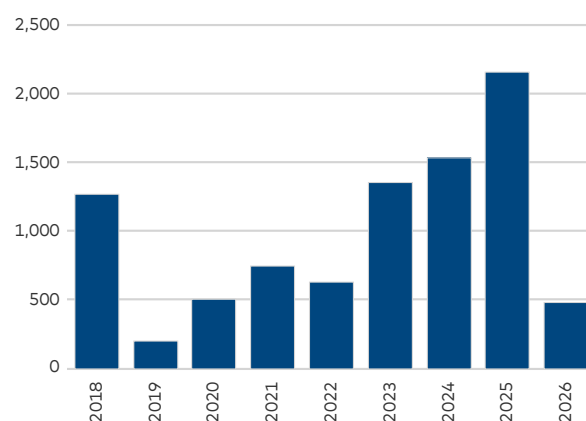
SUPPLY

- Albuquerque added 481 units in 2026 through July, equal to 0.8% of stock and below the 1.1% U.S. rate. All deliveries were Lifestyle units, with no RBN or fully affordable completions. Deliveries slowed considerably after 2,155 units came online in 2025, marking the highest annual total in more than a decade.
- Developers had 2,136 units under construction as of July, while the longer-term pipeline remained sizable, with some 12,000 units in the planning and prospective stages. The under-construction pipeline was composed of 61% of units in Lifestyle projects, 33.2% in fully affordable projects and 5.8% in RBN developments.
- Construction starts dropped significantly in 2026, down more than 80%, to 222 units across three properties. Last year, 1,173 units across five properties broke ground through July.
- Active construction was recorded in six submarkets as of July, with Santa Fe accounting for 943 apartments, or 44% of the total. Albuquerque-South Valley (340 units) and Albuquerque-North Valley (299) followed.
- This year, the metro recorded two Lifestyle completions through July: the 332-unit Arcadia

in Santa Fe and the 149-unit Hill in Los Alamos. Arcadia is owned by DeBartolo Development and was built with aid from a \$58.6 million loan issued by PNC Bank.

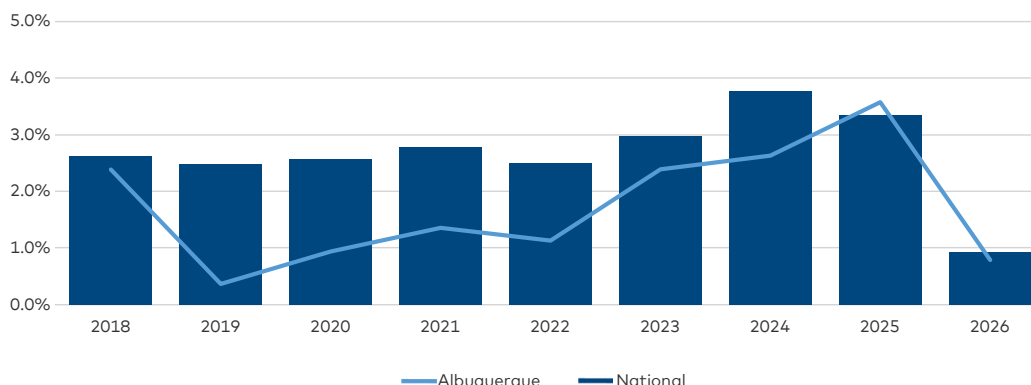
- The largest project underway as of July was Solwyn, a 330-unit Abacus Capital Group property that includes 49 affordable units. The project was financed with an undisclosed amount from a \$51 million construction line of credit provided by Independent Bank.

Albuquerque Completions (as of July 2026)



Source: Yardi Matrix

Albuquerque vs. National Completions as a Percentage of Total Stock (as of July 2026)

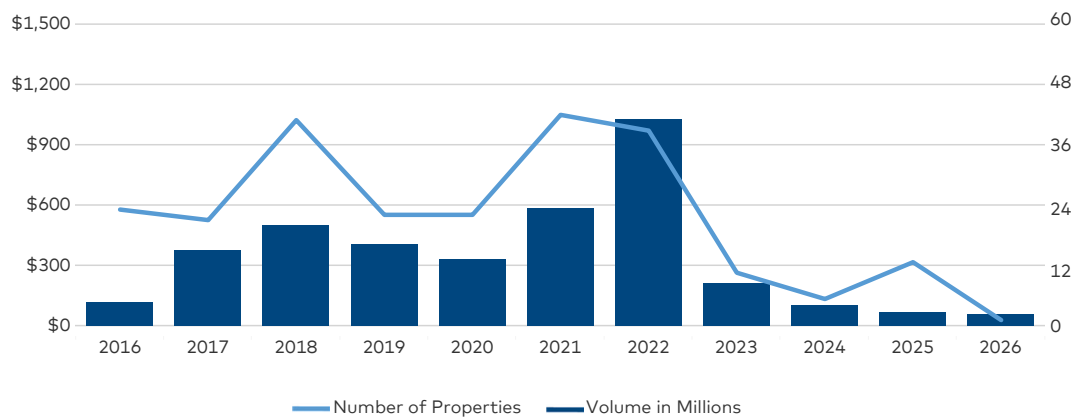


Source: Yardi Matrix

TRANSACTIONS

- ▶ Albuquerque sales totaled \$60.4 million in 2026 through July across just three transactions. In comparison, the annual volume averaged \$348 million from 2016 to 2020, before the post-pandemic surge and subsequent investment slowdown.
- ▶ The average price per unit fell 30% from year-end 2025, to \$127,643 through July 2026. Meanwhile, the U.S. figure decreased 7.5%, to an average of \$185,325. All three Albuquerque con-
- firmed sales of 50-plus units involved RBN properties, which also contributed to the relatively low local pricing.
- ▶ One of Albuquerque's most notable recent transactions was the sale of Arrowhead Ridge in Rio Rancho, N.M. April Housing sold the community to Lincoln Avenue Capital. The 180-unit, fully affordable property was acquired with help from an \$18.5 million loan originated by National Equity Fund.

Albuquerque Sales Volume and Number of Properties Sold (as of July 2026)



Source: Yardi Matrix

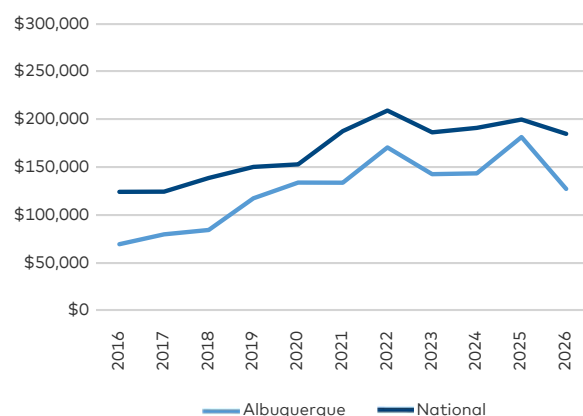
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Albuquerque–Paradise Hills	25
Santa Fe	23
Albuquerque–Academy	22
Albuquerque–Central	12

Source: Yardi Matrix

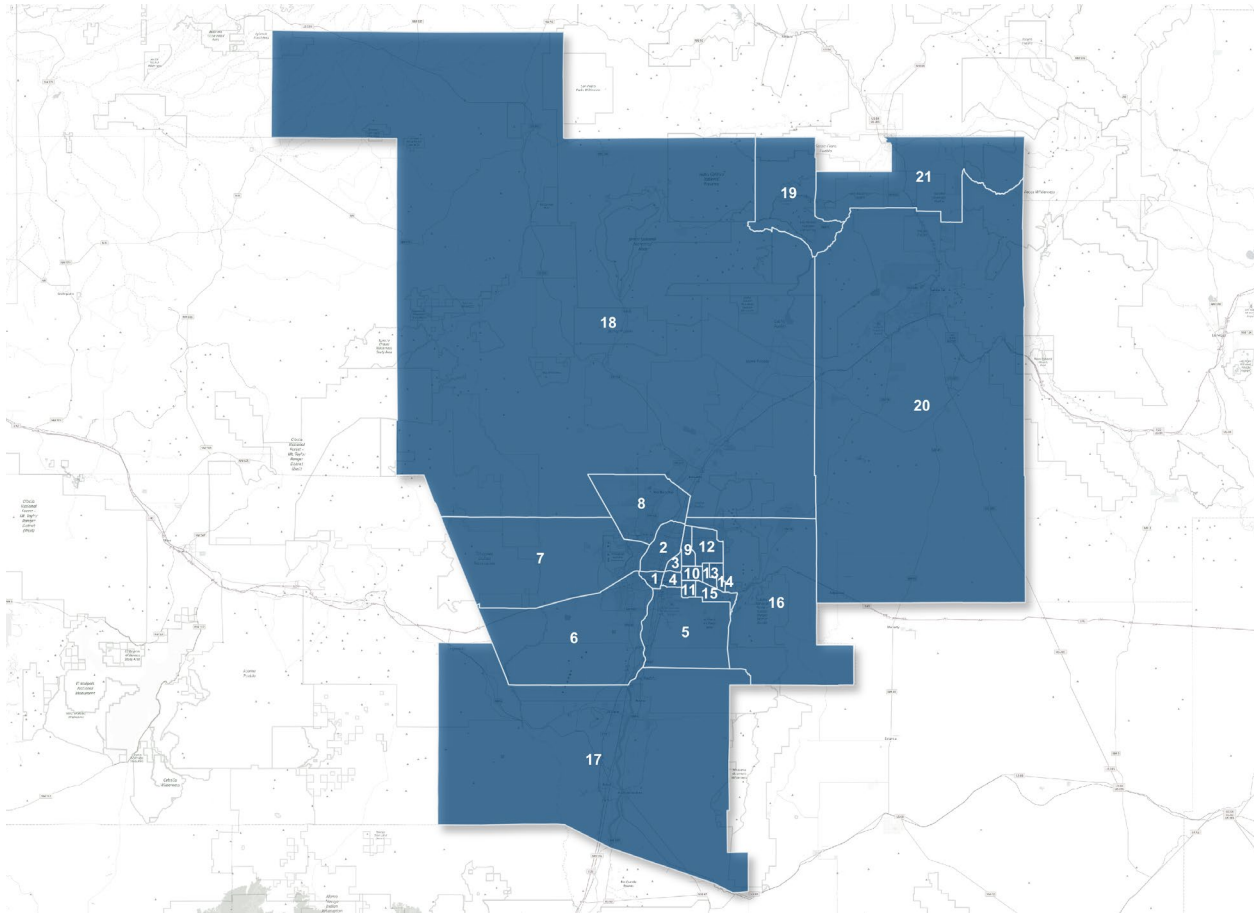
¹ From August 2025 to July 2026

Albuquerque vs. National Sales Price per Unit



Source: Yardi Matrix

ALBUQUERQUE SUBMARKETS



Area No.	Submarket	Area No.	Submarket
1	Albuquerque-Central	12	Albuquerque-Northeast
2	Albuquerque-North Valley	13	Albuquerque-La Cuesta
3	Albuquerque-Montgomery	14	Albuquerque-Chelwood Park
4	Albuquerque-University	15	Albuquerque-Southeast
5	Albuquerque-South	16	Bernalillo County-East
6	Albuquerque-South Valley	17	Valencia County
7	Albuquerque-Westside	18	Sandoval County
8	Albuquerque-Paradise Hills	19	Los Alamos
9	Albuquerque-Academy	20	Santa Fe
10	Albuquerque-Uptown	21	Espanola
11	Albuquerque-International District		

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent.

Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

To learn more about Yardi® Matrix and subscribing, please visit www.yardimatrix.com or call Ron Brock, Jr., at 480-663-1149 x14006.



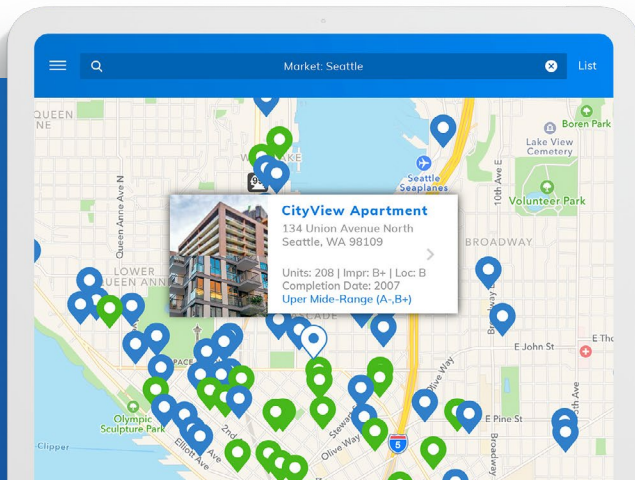
Yardi® Matrix

Power your business
with the industry's
leading data provider



MULTIFAMILY KEY FEATURES

- Pierce the LLC every time with true ownership and contact details
- Leverage improvement and location ratings, unit mix, occupancy and manager info
- Gain complete new supply pipeline information from concept to completion
- Find acquisition prospects based on in-place loans, maturity dates, lenders and originators
- Access aggregated and anonymized residential revenue and expense comps



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