



NM Apartment Advisors Client Update April 2024 Dashboard

18,220 units

Demand based on next 3 years of employment (see page 4)

8th

ABQ is the #8 most affordable city to live in (per Red Fin—2/20/2024)- <https://www.redfin.com/blog/affordable-places-to-live-in-the-southwest/>

41M

Increase in population for USA between 2024 to 2054, based on Congressional Budget Office report - <https://www.cbo.gov/system/files/2024-01/59697-Demographic-Outlook.pdf>

41%

of consumers feel uncertain about their ability to pay rent or their mortgage payment (as of 9/2023) which is up from 35% in August of 2021.

\$1,746

Highest two bedroom rent in ABQ - North I-25 submarket.

\$515,600/unit

For recent sale in Irvine, CA from Denver based REIT buyer <https://www.globest.com/2024/02/20/herere-the-six-priciest-apartments-sold-in-2023/>

Todd Clarke CIPS

CEO

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Years. As we enter our 35th year of selling apartment investments, we wanted to thank our clients for allowing us to serve you in the sale of your apartment investments.
- Todd & Kahleetah Clarke

Film & TV

City	Spot	Category
Albuquerque	#2	Big Cities
Santa Fe	#1	Small Cities
Las Cruces	#8	Small Cities

“Best Places to Live/Work” as a Filmmaker according to Movie Maker Magazine

1.25-2.5 days

of work days American’s prefer to work remotely (Economist)

Rents Across NM

Las Cruces vs. ABQ

\$1,278 vs. \$1,494

Average two bedroom rent per CASA NM PAC Survey

Top Issues for 2024

#1

Insurance - the industry is seeing 2-4 fold increases in premium, and in some cases, outright cancellations.

#2

Property tax/disclosure and transfer tax - the assessor’s are aggressively going after short term rentals, commercial properties and full disclosure of all sales.

#3

Voting/politics
According to the economist, 51% of Earths population votes this year (and in the USA, 66% believe thir is not an adequate supply of affordable homes, and 78% of them believe its due to high housing costs) *NAR/Morning Consult report

#4

Small Plateau in rental market until full recovery is in place from actors/writers strike - likely beginning of Q2-2024

#5

NAR Settlement - Potential changes for buyers brokers/ buyers agency.

36%

Number of single family homes for rent that are asking \$2,100 or higher. Total count 124 down to 64 from December 2023 to April 2024

19

Fourplexes for sale in ABQ Area residential MLS Increase from 7 December 2023

66%

Of American’s who believe there is not an adequate supply of affordable housing.

78%

Of American’s believe high housing costs are the primary cause lack of affordable housing.



NM Apartment Advisors Client Update April 2024

Bridge to the future housing market

Market Dashboard

Avg. rent (ABQ)	\$1,367
Submarket with highest avg. rent:	North I-25 \$1,618
Avg. Price Fourplex	\$408,808
Fourplex appreciation 2023	12.7%
Fourplex appreciation 2017-2023	86.4%
# of active investors in market	2,456
Increase in investor interest since 1st week of pandemic	756%



AI art created by Todd Clarke using Midjourney for this newsletter

Please accept my apologies that I have not done a market update in a few months. Every month, I keep a list of stories and articles that shape that months update with insights into how that might impact the housing market. Recently, I have been buried with the shifting political landscape on rent control, property sale disclosures, property transfer tax and increase assessed values and only today did I finally have some clarity. You may recall, last newsletter, I shared with you that I felt like our market was on a bridge, the market had an optimistic future in front of us or the market could just disappear off a cliff and I used AI software to create the image on the left. Not too long after than, the Economist felt the same way and created their graphic on the right and the good news is the landing on the other side is in sight!

That said, as we start to enter Q2-2024, I feel very optimistic about the market and the level of activity that spring has brought to us. Additionally, the Federal reserve has indicated they will be reducing interest rates 3 times in the coming year, if you look at their meeting



schedule and you believe they would be foolish to reduce rates right after election day, that means we have a 75% change of reductions in the 4 meetings between now and then. Until then I remain very optimistic, about the market.

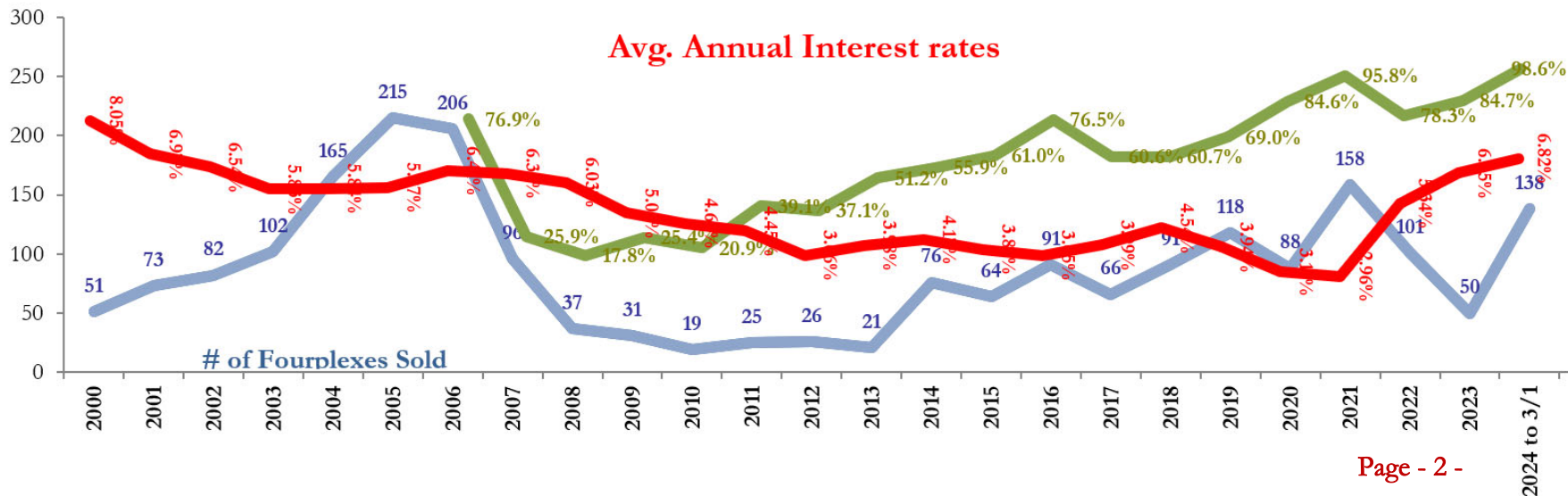
Sincerely,

Todd Clarke CCIM CIPSCEO
NM Apartment Advisors Inc.
(505) 440-TODD

“The market has seen a significant uptick in the volume of sales in Q3 of 2023, matching the volume of 2022 and making up for a slow Q1-2023. It would appear investors have hit fatigue on waiting for changing interest rates.”
-Todd Clarke

Fourplex historical sales trends

% of fourplexes that sold

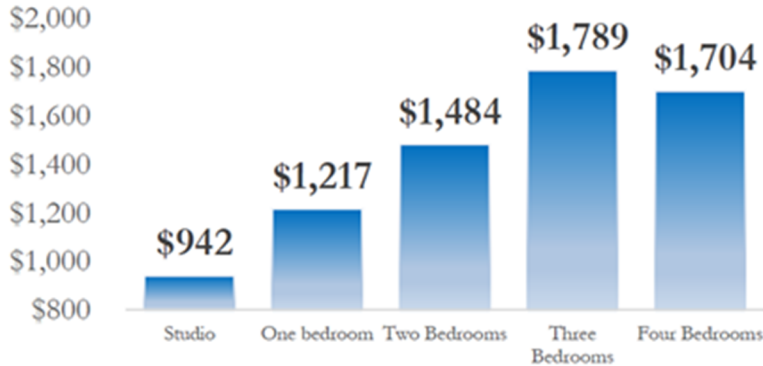




NM Apartment Advisors Client Update Bridge to the future housing market

April 2024

Albuquerque Average Monthly Rents by number of bedrooms



Rent survey info courtesy CASA NM PAC

Key dates for 2024

- 4/10/2024 CPI data released
- 5/1/2024 Federal Reserve meets
- 5/15/2024 CPI data released
- 6/12/2024 CPI data released
- 6/12/2024 Federal Reserve meets
- 7/11/2024 CPI data released
- 7/31/2024 Federal Reserve meets
- 8/14/2024 CPI data released
- 9/11/2024 CPI data released
- 9/18/2024 Federal Reserve meets
- 10/20/2024 CPI data released
- 11/5/2024 Federal Elections
- 11/6/2024 Federal Reserve meets
- 11/13/2024 CPI data released
- 12/11/2024 CPI data released
- 12/18/2024 Federal Reserve meets

The **Federal Reserve** has indicated they are likely going to announce three decreases in interest rates this coming year.

There are only 4 meetings/opportunities for them to do so before the election on 11/5.

Does that mean there is a chance of interest rate decreases this year?

75%



Rent Survey - Q2-2023 Greater Albuquerque Metro Area

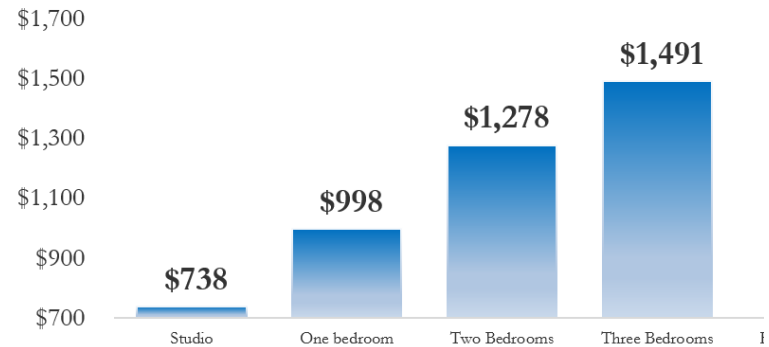
SubMarket	Unit Type			
	Studio	One bedroom	Two Bedrooms	Three Bedrooms
Airport	\$ -	\$ 1,139	\$ 1,536	\$ 2,150
Cottonwood	\$ -	\$ 1,343	\$ 1,691	\$ 1,803
Downtown	\$ 873	\$ 1,190	\$ 1,520	\$ 2,051
East Gateway	\$ 834	\$ 997	\$ 1,129	\$ 1,231
Far NE	\$ 1,104	\$ 1,343	\$ 1,677	\$ 2,158
Lovelace	\$ 754	\$ 904	\$ 1,050	\$ 1,300
Mid NE	\$ 900	\$ 1,010	\$ 1,273	\$ 1,549
North I25	\$ 1,420	\$ 1,378	\$ 1,746	\$ 2,131
North Valley	\$ 895	\$ 969	\$ 1,220	\$ 1,258
Rio Rancho	\$ 1,045	\$ 1,269	\$ 1,367	\$ 1,485
S. Valley	\$ -	\$ 1,041	\$ 1,178	\$ 1,283
St. Pius	\$ 905	\$ 1,322	\$ 1,442	\$ 1,654
University	\$ 967	\$ 1,327	\$ 1,558	-
Uptown	\$ 1,017	\$ 1,369	\$ 1,626	\$ 2,734
West NE	\$ 892	\$ 1,096	\$ 1,297	\$ 1,532
City wide Average	\$ 942	\$ 1,217	\$ 1,484	\$ 1,789

Total units surveyed = 43,439

Rent Survey - Q1-2024 Great Las Cruces Area

SubMarket	Studio	One bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms
City wide Average	\$ 738	\$ 998	\$ 1,278	\$ 1,491	

Las Cruces Average Monthly Rents by number of bedrooms



Sampling of 55 communities



Latest info on employment growth, how it translates to housing demand and recent media coverage:

EBA For Albuquerque Area

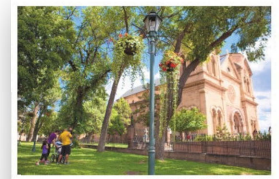
	3/15/2024				
	# of new jobs	Basic	Basic Jobs	Non Basic Jobs	Total Jobs
F.A.A.(I).N.G effect					
Facebook Construction (est.)	500	N		500	500
Facebook Data Center Operations	35	Y	35		35
Fidelity Investments	240	S	106	134	240
Amazon Fulfillment Center - Project Chico	1,500	Y	1,500		1,500
Amazon Sortation Center - Project Nico	200	Y	200		200
Amazon Los Lunas - Project Charlie	600	Y	600		600
Amazon Airport	?				
Intel Construction	1,000	N		1,000	1,000
Intel Expansion	750	Y	750		750
NBC Universal Studio	330	Y	330		330
NetFlix Construction	1,000	N		1,000	1,000
NetFlix Production	1,500	Y	1,500		1,500
Lancs Industries	70	Y	70		70
LQ Digital	100	Y	100		100
Blue Halo additional jobs (over 260)	64	Y	64		64
MTX Group Inc (Downtown)	250	Y	250		250
Manna Capital LL	950	Y	950		950
Curia	270	Y	270		270
Vexus Fiber Optic	200	N		200	200
Belen - WindTurbine Manufacturer	250	Y	250		250
Maxeon Solar at Mesa Del Sol - \$1B	1,800	Y	1,800		1,800
Bright Green Grants Expansion					
Mtex Antenna Tech (Germany)	62	Y	62		62
Kairos Power	25	Y	25		25
Australia based hydrogen company- Star Scientific Ltd.	200	Y	200		200
New Westside Film Studio/Sound Stage/Mill (Mesa Studios)					
CineLease \$95M expansion	12	Y	12		12
Wind farm on 9 acres on west Central - Sun Lasso - \$2C	1	Y	1		1
KAFB Space Force	100	Y	250		250
	12,009	-	9,325	2,834	12,159

EBM (Bernalillo County)

Total New Jobs			73,105	2,834	75,939
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EBM (Bernalillo County)

Total New Jobs	7.84	1.00	73,105	2,834	75,939
P/E Ratio =					2.17
Total New People					164,788
# of persons per household					2.52
Total New Households					65,392
% that own					65%
# of new single family residences needed					42,505
% that rent					35%
# of new apartments needed at 100% occupancy					22,887
Occupancy Rate at ideal market balance					95%
# of new apartments needed at 95% occupancy					24,092
# of apartments built in 2020-2024					5,872
NEW Gap					18,220



COURTESY OF TOURISMSANTAFE
The Cathedral Basilica of St. Francis of Assisi, near the Santa Fe Plaza, draws thousands of tourists each year. Santa Fe was named the No. 2 Best City in the United States by Travel + Leisure.

Travel + Leisure survey ranks SF at No. 2 for best city in the US

Also named No. 21 best city in the world

BY ADRIAN GOMEZ
JOURNAL ARTS EDITOR
Do you know the way to... Santa Fe? According to Travel + Leisure, the world does. The magazine's annual 2023 World's Best Awards reader survey ranks Santa Fe as the No. 2 Best City in the United States.

It's up one spot from the 2022 survey and behind Charleston, South Carolina. On a larger scale, The City Different ranked No. 21 in the 25 Best Cities in the World Overall. Oaxaca, Mexico, came in at No. 1 in the category.

"Culture hubs with culinary appeal proved irresistible, with Oaxaca, Charleston, Istanbul, and Hobart all emerging victorious in their respective regions. Mexico earned five spots on the global list of favorites — the most of any country — while Japan came in close behind with three," the survey stated.

According to the magazine, spanning 122 category lists, this year's survey results yielded many surprises, including a new airline claiming the No. 1 spot for Best International Airline for the first time in 28 years and a new winner in the Best Mega-Ship Ocean Cruise Line category. Two categories were introduced this year, Best Luxury Villa Rental

See SANTA FE >> A4

A4 ALBUQUERQUE JOURNAL METRO & NM

Arcosa seeks to fill 250 positions

Hiring event will take place June 27

BY MATTHEW NARVAIZ
JOURNAL STAFF WRITER

Arcosa Wind Towers will host a job fair in Belen next week to help fill some of the 250 positions announced as part of its expansion into central New Mexico.

The event takes place from 11 a.m. to 6 p.m. Tuesday at the Belen Business Center, 719 S. Main St.

The company looks to hire anywhere from welders to maintenance and quality technicians, according to Indsed.

The job fair follows the expansion announcement from Texas-based Arcosa Inc. — the parent company of Arcosa Wind Towers — in March when it said it would open a wind tower production facility as soon as next year and hire 250 employees for the facility.

Arcosa's expansion into Belen — its soon-to-be open facility is located at the former Kester ball-

ing in the Rio Grande Industrial Park — is one of the largest announced in the state this year, as the company plans to pour \$55 million to \$60 million into the build-out.

The expansion is aided by \$4 million in Local Economic Development Act funds from the state, which will be disbursed as the company meets economic development benchmarks. And the City of Belen also plans to assist Arcosa's facility through industrial revenue bonds, or IRBs, which typically lower property and gross receipts taxes for expanding businesses.

The expansion for Arcosa comes as the company prepares for \$750 million in wind tower orders, mostly in the southwest. Deliveries of those orders are expected to begin next year and go through 2028, the company said.

Matthew Narvaiz covers the economy, courts and health care for the Albuquerque Journal. He can be reached at mnarvaiz@albuquerquejournal.com or @mattnarvaiz on Twitter.



Arcosa plans to fill many of the 250 positions



NM Apartment Advisors Client Update April 2024

Recent Closings by NM Apartment Advisors Inc.

Deal activity continues to flow:

“Our team has never been busier servicing all this new buyer activity and the ensuing management assignments”

- Kyle Deacon

Todd Clarke CCIM CIPs

CEO

NM Apartment Advisors Inc.

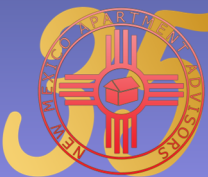
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Recent Closings by NM Apartment Advisors Inc. from across New Mexico:
Price per units ranged from \$26,923 to \$280,000 with an average of \$111,776

Name	Address	City	# of units	Ask Price vs. Close Price as %	Cap rate	Buyer Profile
Tower 10	300 San Mateo NE	Albuquerque	115	340%		Redevelopment
Girard	1409 Girard NE / 1440 Vassar	Albuquerque	39	103%	5.70%	1031 - all studios
Sunset Gardens	3410-3438 Thaxton SE	Albuquerque	32	89%	6.90%	New Loan
Diamonds - Bart Prince designed	1830 Vassar NE	Albuquerque	32	92%	6.30%	Cash
	5900 Marble NE	Albuquerque	24	144%	4.50%	1031
Valencia Park	924 Valencia SE	Albuquerque	20	100%	4.50%	1031 seller financed
Redwoods	1855 Girard NE	Albuquerque	20	101%	5.40%	Cash
Bart Prince designed	3409 Tulane NE	Albuquerque	10	100%	5.30%	All Cash Treatment Center
	2314 Garfield SE	Albuquerque	6	142%	4.20%	Cash
	511-9 12th SW	Albuquerque	5	95%	5.80%	1031
	5305 El Encanto	Albuquerque	4	99%	6.80%	Owner Occupant
	12204 Menaul NE	Albuquerque	3	100%	4.90%	Owner occupant
	1718 Silver SE	Albuquerque	3	95%	6.10%	Owner Occupant
	354 Pueblo Solano	Village	9	100%	6.20%	1031 All Cash
	1028 Bender	Hobbs	26	93%	7.90%	Seller Finance
	2510 Espina	Las Cruces	21	99%	6.70%	New Loan
	1550 Durazano	Las Cruces	7	100%	6.50%	1031 All Cash
	199 Willoughby	Las Cruces			5.90%	New Loan
Taos Sun God	919 Paseo Del Pueblo Norte	Taos	56	87%		Redevelopment into 36 units
	1015 Calle de Oro	Taos	20	108%	6.90%	All cash 1031
	111 Elidio Lane	Taos	9	108%	8.30%	All cash 1031
	122 Morada	Taos	6	108%	8.35%	All cash 1031

