



MARKET AT A GLANCE



OCCUPANCY RATE **94.3%**
Up **50 bps** since 1Q18



EFFECTIVE RENT **\$809**
Up **4.1%** since 1Q18

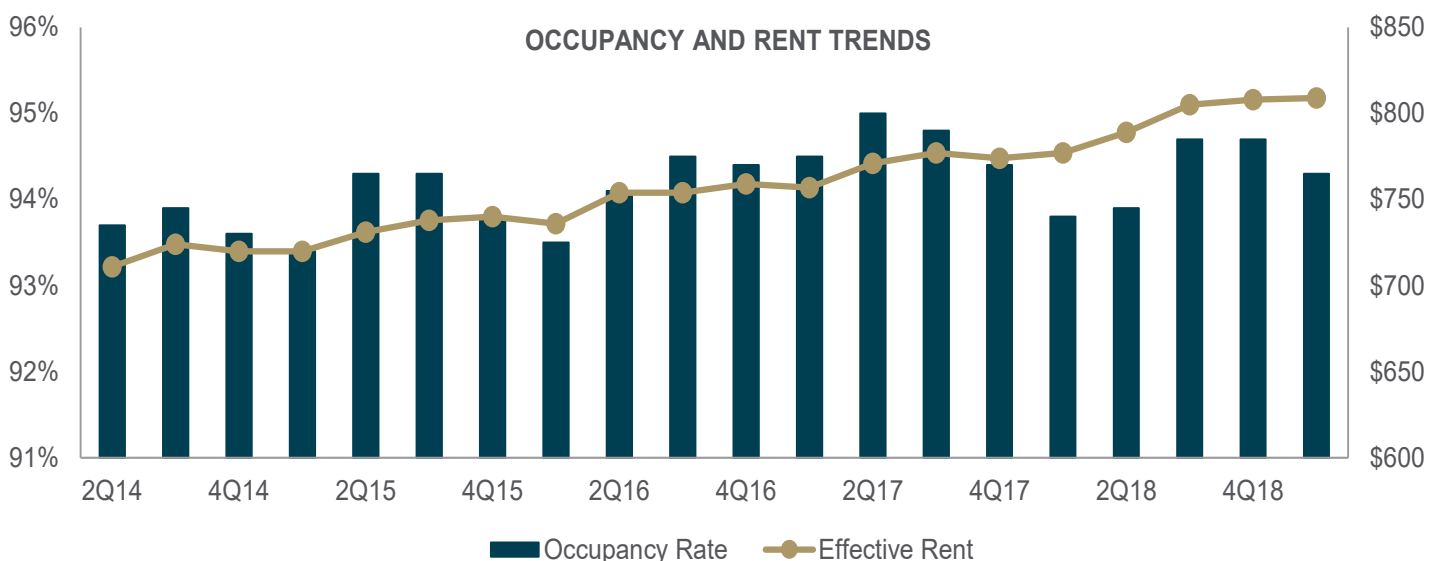


TOTAL INVENTORY **56,089**

OCCUPANCY AND RENT TRENDS

EFFECTIVE RENT RISES 4.1% ANNUALLY AS ABSORPTION NEARS 700 UNITS

Local apartment fundamentals continued on an upward track in the last four quarters. Builders delivered 402 apartments in the Albuquerque metro area in the four quarters ending in March of this year. More than 80% of new inventory was in the North Valley submarket among two developments: the 226-unit Broadstone Northpoint and the 232-unit Markana apartment communities. Renters occupied 677 apartments across the metro since the first quarter of 2018. The heightened demand pushed average occupancy up 50 basis points annually to 94.3% in March 2019. Meanwhile, operators taking advantage of healthy apartment demand raised rent 4.1% over the last four quarters, resulting in average effective rent of \$809 per month by March. Over the next four quarters, 50 apartments are slated for delivery in the metro area, and four apartment communities comprising a total of 718 units are scheduled to break ground, though the earliest lease date expected among these developments will not be until the third quarter of 2020. Eight apartment communities are in the early planning stages and could break ground after 2019.



ALBUQUERQUE

MULTIFAMILY REPORT

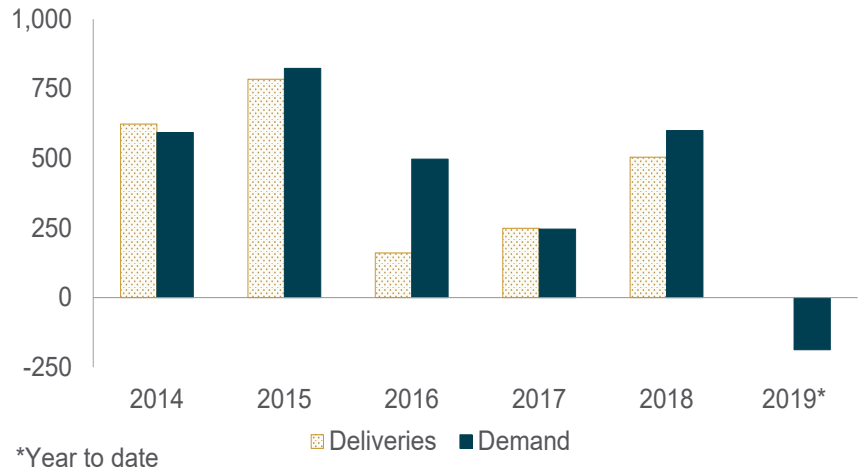
DELIVERIES AND DEMAND



DELIVERIES 0
Units YTD



NET ABSORPTION -187
Units YTD



ECONOMIC TRENDS

2018 **UNEMPLOYMENT*** 2019
5.5% **-70 BPS CHANGE** 4.8%

2018 **EMPLOYMENT*** 2019
393.6k **0.5% CHANGE** 395.7k

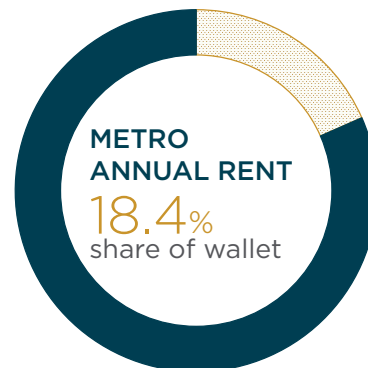
2018 **EXISTING SFH SALES**** 2019
15.1k **-9.9% CHANGE** 13.6k

2018 **MEDIAN SFH PRICE**** 2019
\$203.3k **2.0% CHANGE** \$207.4k

2018 **10-YEAR TREASURY**** 2019
2.84% **-30 BPS CHANGE** 2.57%

*January; **March

Albuquerque area employment increased 0.5% in the last 12 months as businesses and institutions created 2,100 jobs through January 2019. Job creation centered around the leisure and hospitality and the education and health services sectors. Leisure and hospitality companies hired 2,200 workers since January 2018, a 5.0% annual increase. Institutions in the education and health services segment broadened payrolls 2.8% with 1,800 new jobs. In the professional and business services sector, 700 positions were filled, a 1.1% gain. These additions to the local workforce were partially offset by layoffs in several other employment sectors, including the largest segment, government. Two recent mass-hiring announcements bode well for the local apartment market as workers are gradually recruited over the next several years. Netflix Inc. plans to hire 1,000 workers over the next 10 years at its new production hub in Mesa Del Sol Innovation Park, south of Albuquerque International Sunport. In Downtown Albuquerque, professional services provider TaskUs LLC will create 700 new jobs over the next five years.



ALBUQUERQUE

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q19	ANNUAL	1Q19	ANNUAL
Downtown Albuquerque/University	93.5%	94.7%	2.1%	4.4%	\$766	\$800	-53	188	0	66
Kirtland/Four Hills	94.9%	94.7%	2.0%	3.4%	\$707	\$731	-42	-14	0	0
North Valley	93.7%	93.7%	3.1%	3.3%	\$789	\$815	20	315	0	336
Northeast Heights	94.5%	94.2%	3.7%	6.5%	\$859	\$915	-41	-25	0	0
Uptown	92.7%	93.6%	2.1%	2.7%	\$669	\$687	-19	87	0	0
Westside/Rio Rancho	93.9%	95.1%	2.4%	3.8%	\$858	\$891	-52	125	0	0
TOTALS	93.8%	94.3%	2.6%	4.1%	\$777	\$809	-187	677	0	402



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