



MARKET AT A GLANCE



OCCUPANCY RATE **95.6%**
Up **80 bps** since 3Q18



EFFECTIVE RENT **\$849**
Up **4.7%** since 3Q18

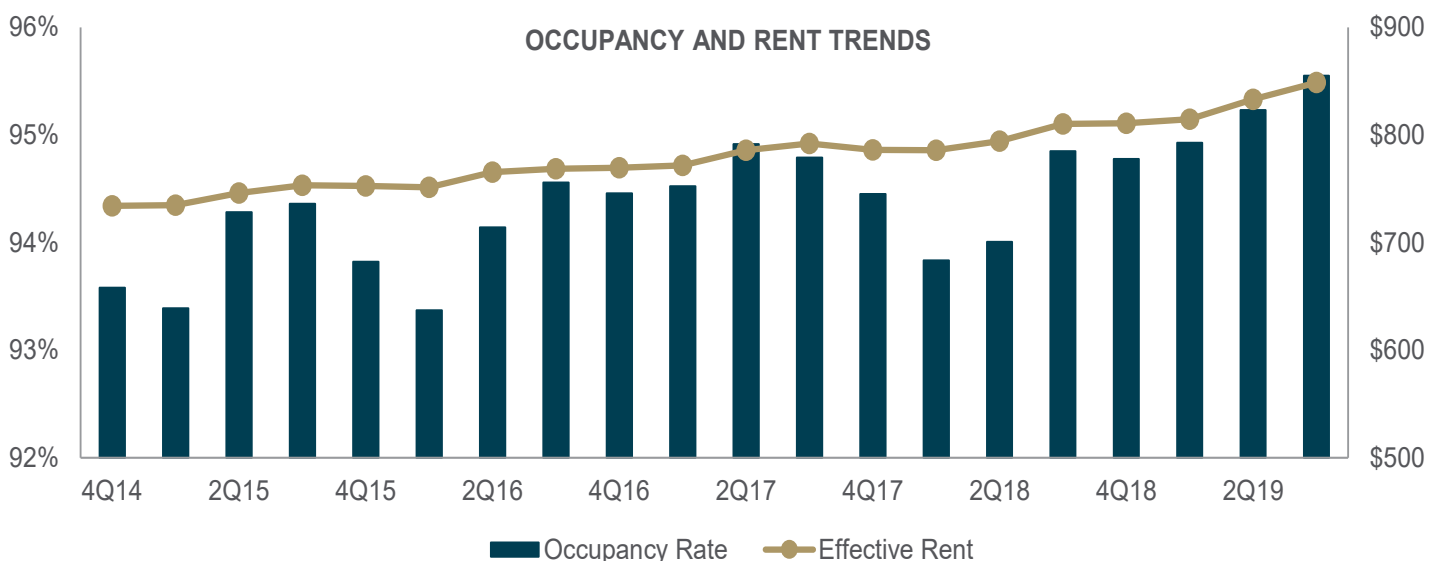


TOTAL INVENTORY **56,295**

OCCUPANCY AND RENT TRENDS

APARTMENT FUNDAMENTALS FLOURISH AS THE SINGLE-FAMILY MARKET SLOWS

The Albuquerque apartment market benefited from sustained job growth and an 8.3% annual increase in the median single-family home price. Apartment absorption through the third quarter of 2019 remained strong while single-family sales velocity decreased 6.2% year over year. Overall apartment occupancy averaged 95.6% in September 2019, an 80-basis-point annual gain and the highest quarterly occupancy rate since the end of 2010. Part of this increase was attributed to a short-term drop-off in completions following an annual average of 500 units delivered from 2014 to 2018. Effective rent growth also reflected the health of the local apartment market. In the last four quarters, effective rent advanced 4.7% to \$849 per month. The two highest-rent submarkets, Northeast Heights and Westside/Rio Rancho had the greatest rates of rent growth. The Franz 58-unit apartment community, completed in the third quarter, was the only contributor to deliveries in the metro so far in 2019, and no additional completions are anticipated for the balance of this year. In 2020, 222 units are scheduled for completion, and eight apartment communities representing more than 1,000 units could break ground by year-end 2021.



ALBUQUERQUE

MULTIFAMILY REPORT

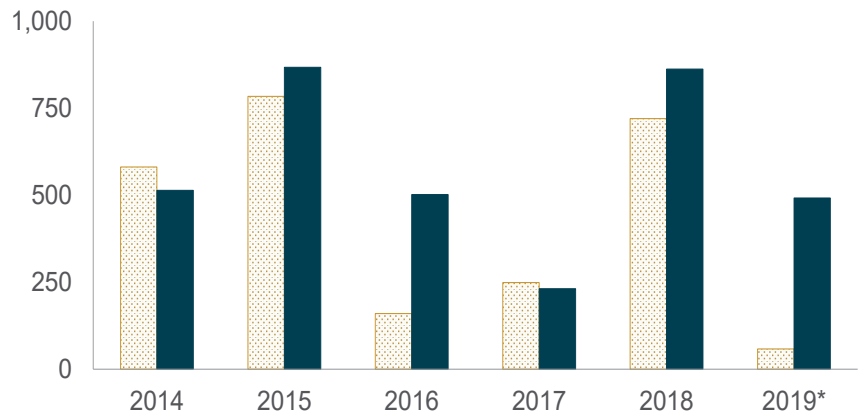
DELIVERIES AND DEMAND



DELIVERIES 58
Units YTD



NET ABSORPTION 492
Units YTD



*Year to date

■ Deliveries ■ Demand

ECONOMIC TRENDS

2018 **UNEMPLOYMENT*** 2019
4.6% **10 BPS** 4.7%
CHANGE

2018 **EMPLOYMENT*** 2019
393.4k **0.9%** 396.8k
CHANGE

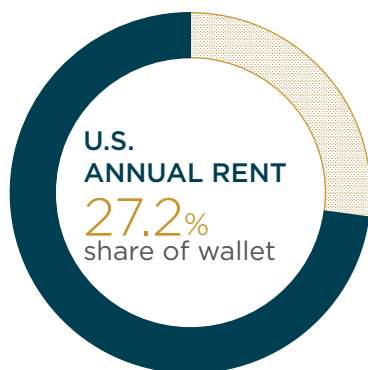
2018 **EXISTING SFH SALES**** 2019
14.5k **-6.2%** 13.6k
CHANGE

2018 **MEDIAN SFH PRICE**** 2019
\$204.9k **8.3%** \$221.9k
CHANGE

2018 **10-YEAR TREASURY**** 2019
3.00% **-130 BPS** 1.70%
CHANGE

*July; **September

Local employment expanded 0.9% in the 12 months ending in July 2019 as 3,400 new jobs were created. Approximately 8,200 new workers were hired among the education and health services, the professional and business services, and the leisure and hospitality sectors. Contraction in five other employment sectors partially offset that growth. Meanwhile, mass hiring announcements continued. Except for the hundreds of high-paying jobs being filled this year at Intel Corporation and Sandia National Laboratories, most of the other large job announcements indicated gradual staff increases over several years. While seemingly underwhelming, the upsides to the incremental growth are the spillover from massive local investments and the potential for sustained apartment demand over the next several years. These announcements include 1,000 positions filled at Netflix Inc. by 2028, TaskUs LLC's addition of 700 workers through 2024, 330 new jobs at the NBCUniversal Albuquerque production headquarters in the next 10 years, and 120 jobs created at Jabil Inc. through 2024.



ALBUQUERQUE

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q18	3Q19	3Q18	3Q19	3Q18	3Q19	3Q19	ANNUAL	3Q19	ANNUAL
Downtown Albuquerque/University	94.5%	95.6%	2.3%	4.3%	\$798	\$832	148	207	58	91
Kirtland/Four Hills	95.4%	95.8%	4.4%	3.6%	\$735	\$761	1	30	0	0
North Valley	94.3%	95.5%	1.7%	5.1%	\$855	\$898	34	200	0	85
Northeast Heights	95.5%	96.6%	2.2%	6.0%	\$896	\$949	46	94	0	0
Uptown	93.6%	92.7%	-0.8%	3.4%	\$665	\$688	54	-84	0	0
Westside/Rio Rancho	96.1%	97.2%	3.9%	5.4%	\$897	\$945	-46	117	0	0
TOTALS	94.8%	95.6%	2.3%	4.7%	\$810	\$849	236	563	58	176

BERKADIA[®]

CORPORATE HEADQUARTERS

521 Fifth Avenue
20th Floor
New York, NY 10175
(646) 600-7800 | Fax: (646) 600-7838
www.Berkadia.com

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