



MARKET AT A GLANCE



OCCUPANCY RATE **94.5%**
Up **60 bps** since 3Q16



ASKING RENT **\$827**
Up **2.0%** since 3Q16



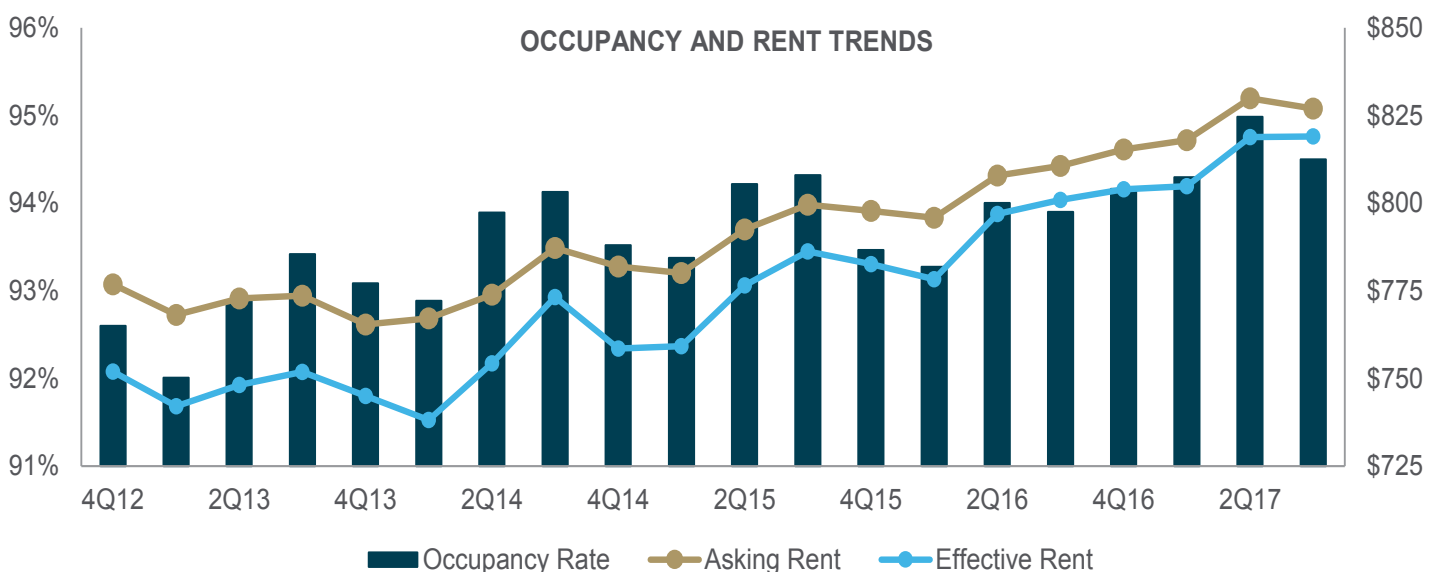
CONCESSIONS **1.0%**
Down **10 bps** since 3Q16

OCCUPANCY AND RENT TRENDS

RENT APPRECIATION SUPPORTED BY JOB GROWTH, APARTMENT DEMAND

Multifamily builders delivered the last 22 units at The Aspens II apartment community in northwest Albuquerque in the third quarter of this year, completing the 160-unit development. The Aspens II comprised the majority of the 217 apartments delivered metrowide in the last four quarters. For the remainder of 2017, approximately 90 additional apartments are slated for delivery among the Broadstone Northpoint and Markana apartment communities.

Apartment demand in the last 12 months outpaced completions by a wide margin as 639 additional units were occupied. The elevated leasing activity resulted in a 60-basis-point annual increase in occupancy to 94.5% in September of this year. Since September of 2016, the occupancy rate increased in all five submarkets in the metro area. Meanwhile, asking rent reached \$827 per month, a 2.0% annual increase. Rent appreciation accelerated from 1.7% growth in the prior year. The average renter concession dipped 10 basis points to 1.0% of asking rent, bringing average effective rent to \$819 per month in September.



ALBUQUERQUE

MULTIFAMILY REPORT

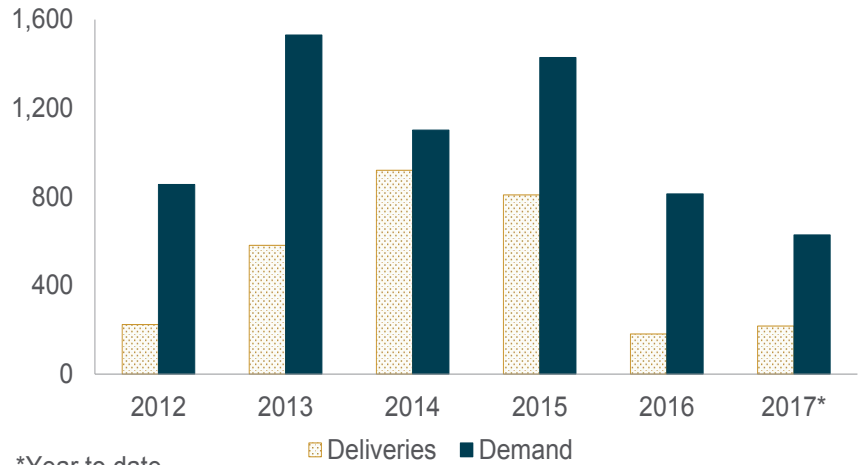
DELIVERIES AND DEMAND



DELIVERIES 217
Units YTD



NET ABSORPTION 628
Units YTD



*Year to date

ECONOMIC TRENDS

2016 6.1% **UNEMPLOYMENT*** 2017 5.8%
-30 BPS CHANGE

2016 389.6k **EMPLOYMENT*** 2017 393.8k
1.1% CHANGE

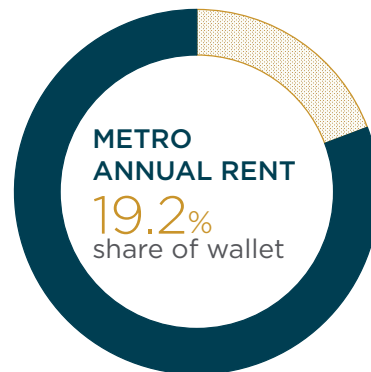
2016 13.8k **EXISTING SFH SALES**** 2017 14.3k
3.6% CHANGE

2016 \$188.4k **MEDIAN SFH PRICE**** 2017 \$193.7k
2.8% CHANGE

2016 1.63% **10-YEAR TREASURY**** 2017 2.20%
60 BPS CHANGE

*August; **September

Businesses and institutions in the Albuquerque metro area created 4,200 jobs in the 12 months ending in August of this year, a 1.1% annual increase. Expansion was greatest in the education and health services sector, where 2,100 workers were hired, a 3.2% year-over-year gain. The greatest rate of growth was in the financial activities industry, a 6.6% increase as 1,200 positions were filled. Companies in the professional and business services sector added 600 workers to payrolls, equating to a 1.0% annual increase. The trade, transportation, and utilities segment rounded out the growing sectors with 0.2% expansion following the addition of 100 jobs. A boost in leisure and hospitality industry employment is anticipated when the Santa Ana Star Casino begins hiring 200 workers in spring 2018 upon completion of an adjoining 204-room hotel. In Los Lunas, essential rail infrastructure was recently completed at the Central New Mexico Rail Park, enabling significant, long-term, manufacturing and logistics development at the 1,400-acre industrial park.



ALBUQUERQUE

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
Downtown/Southwest	94.7%	95.2%	12.5%	2.6%	\$855	\$877	44	53	0	0
North Central	94.1%	94.5%	-0.7%	4.0%	\$758	\$788	-25	42	0	0
Northeast	93.9%	94.3%	-6.1%	1.4%	\$836	\$847	-146	41	0	0
Northwest	93.5%	93.8%	8.1%	4.4%	\$889	\$928	-126	230	22	217
Southeast	93.4%	95.5%	-4.3%	-1.1%	\$696	\$688	266	273	0	0
TOTALS	93.9%	94.5%	1.4%	2.0%	\$811	\$827	13	639	22	217



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