



Santa Fe Multifamily Market Report

END OF YEAR 2022

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Current Market Trends

The multifamily housing market in Santa Fe, New Mexico is strong and growing. The city has seen an increase in demand for multifamily housing in recent years, as more people move to the area for its cultural attractions and outdoor recreation. With its attractive location, low vacancy rate, and increasing supply of housing, the city is an attractive option for investors and renters alike. This demand has caused vacancy rates to steadily decline and rental rates to increase. The vacancy rate is currently below 3% and average rental rates are \$1,500/month.

Low vacancies and higher rental rates have continued to favor new development. The city is currently experiencing a construction boom, with numerous new multifamily housing developments in the works. There are currently 1,549 affordable and market rate units under construction with an additional 1,000 units in the planning process. The average price per unit sales price continued to increase 7.29% between 2021 and 2022, from \$194,000/unit in 2021 to \$208,000/unit in 2022.

2023 Forecast

Looking into 2023 prospective buyers are encountering the compounded effects of a price run-up and recent surge in mortgage rates. Adding to those challenges is a growing concern over a potential recession. The average 30-year fixed-rate mortgage entered 2023 above 6 percent, and could remain heightened as the Federal Reserve continues to fight inflation.

Higher interest rates have a two-fold impact on commercial real estate. Apartment rents significantly undercut monthly mortgage payments on average reinforcing the desirability of apartments. At the same time, investors are also facing steeper capital costs. This is especially notable for sectors with lower cap rates like multifamily, a byproduct of strong sale price appreciation over the past several years. While the long-term demand outlook for apartments is favorable, limited margins between recent cap rates and financing costs is a current constraint.



2022 Multifamily Sales

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Address	City	Sale Price	Price/Unit	Price/SF	# Units	Closed	Built	SqFt	Studio	1 Bed	2 Bed	Rent Studio	Rent 1 Bed	Rent 2 Bed
117 Coronado	Santa Fe	\$1,059,000	\$353,000	\$389	3	5/12/2022	1950	2,722						
708 Agua Fria	Santa Fe	\$919,000	\$306,333	\$405	3	4/4/2022	1910	2,271		2	1		\$1,150	\$1,575
501 Caminito De Norbert	Santa Fe	\$595,000	\$297,500	\$322	2	2/25/2022	1955	1,846		2				
234 Anita	Santa Fe	\$867,000	\$289,000	\$276	3	1/19/2022	1935	3,141		1	2			
1624 Brae Street	Santa Fe	\$550,000	\$275,000	\$303	2	8/30/2022	1932	1,814		1	1			
149 Fiesta St	Santa Fe	\$742,261	\$247,420	\$210	3	7/8/2022	1946	3,534		2	1			
314 Camino Alire	Santa Fe	\$700,000	\$233,333	\$318	3	8/26/2022	1951	2,200	1	2				
613 Salazar Street	Santa Fe	\$660,000	\$220,000	\$273	3	9/23/2022	1935	2,421	1	1	1	\$710	\$915	
304 Irvine Street	Santa Fe	\$657,000	\$219,000	\$316	3	12/21/2022	1967	2,081						
3561 Agua Fria	Santa Fe	\$648,500	\$216,167	\$213	3	6/27/2022	1967	3,050	1	2				
120 W Santa Fe Avenue	Santa Fe	\$2,150,000	\$215,000	\$283	10	10/3/2022	1955	7,592			10			
4309 Calle Andrew	Santa Fe	\$855,000	\$213,750	\$232	4	8/8/2022	1994	3,689			4			\$1,350
753 Dunlap Street	Santa Fe	\$600,000	\$200,000	\$227	3	12/12/2022	1935	2,639	1	1	1			
1618 W Alameda	Santa Fe	\$595,000	\$198,333	\$325	3	2/15/2022	1940	1,828		3			\$1,495	
714 Baca St	Santa Fe	\$593,000	\$197,667	\$232	3	4/27/2022	1949	2,560	1		2	\$795		\$1,250
1530 Fifth	Santa Fe	\$591,000	\$197,000	\$300	3	5/12/2022	1949	1,968		3			\$2,100	
504 Kathryn	Santa Fe	\$585,000	\$195,000	\$290	3	5/27/2022	1950	2,016		2	1		\$775	\$1,000
153 E Lupita Rd	Santa Fe	\$725,000	\$181,250	\$155	4	2/11/2022	1975	4,675	1	1	2	\$750	\$1,100	\$1,800
1601 Agua Fria	Santa Fe	\$899,000	\$179,800	\$263	5	6/3/2022	1950	3,420	1	2	2	\$950	\$1,350	\$1,400
2366 Camino Capitan	Santa Fe	\$719,000	\$179,750	\$254	4	9/23/2022	1980	2,835		3	1			
702 Columbia St	Santa Fe	\$525,000	\$175,000	\$226	3	8/19/2022	1955	2,322						
752 Agua Fria	Santa Fe	\$700,000	\$175,000	\$238	4	12/8/2022	1930	2,938		4				
2732 Galisteo	Santa Fe	\$680,000	\$170,000	\$239	4	6/6/2022	1979	2,851		2	2		\$660	\$850
645 W San Francisco St	Santa Fe	\$500,000	\$166,667	\$296	3	3/7/2022	1942	1,687	1	2		\$950	\$1,000	
1319 Luana	Santa Fe	\$1,475,000	\$163,889	\$161	9	8/8/2022	1978	9,184			9			\$1,100
755 Dunlap	Santa Fe	\$1,100,000	\$110,000	\$235	10	9/29/2022	1930	4,682	2	8				
733 & 735 Columbia	Santa Fe	\$500,000	\$45,455	\$103	11	11/16/2022	1950	4,842		10				
Average		\$784,806	\$208,160	\$262	4									

The average price per unit sales price continued to increase 7.29% between 2021 and 2022, from \$194,000/unit in 2021 to \$208,000/unit in 2022.

Development Report

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Rental Status	Property Name	Address	City	Unit Count	Property Status	Developer	Est. Completion Date
Market Rate	Las Soleras Drive Village	5300 Las Soleras Drive	Santa Fe	332	Under Construction	DeBartolo Development	03/01/2024
Partially Affordable	Presidium Casa Siena	5750 Airport Road	Santa Fe	171	Under Construction	Presidium Group	03/01/2024
Market Rate	Acequia Lofts	2725 Agua Fria Street	Santa Fe	120	Under Construction	Tierra Concepts	08/31/2023
Fully Affordable	Lamplighter Inn	2405 Cerrillos Rd	Santa Fe	58	Under Construction	JL Gray	
Market Rate	Madera Apartments	2525 S Meadows	Santa Fe	218	Under Construction	Thrive Development	1/1/2024
Market Rate	Oslo Santa Fe Quality Inn Redevelopment	3470 Cerrillos Road	Santa Fe	80	Under Construction	Mountain Classic Real Estate	02/28/2023
Market Rate	Turquesa	4700 Wagon Road	Santa Fe	240	Under Construction	Abacus Capital Group	03/31/2023
Market Rate	5201 Beckner	5201 Beckner Road	Santa Fe	330	Under Construction	Abacus Capital Group	03/01/2024
Fully Affordable	Nueva Acequia	Airport Road & Camino de Jacobo	Santa Fe	106	Prospective	Yes Housing	
Partially Affordable	Midtown Santa Fe	1600 St. Michaels Drive	Santa Fe	63	Prospective	City of Santa Fe	
Partially Affordable	Zia Station	South St Francis Drive & West Zia Road	Santa Fe	392	Prospective	SF Brown	
Market Rate	Rufina Street	2868 Rufina Street	Santa Fe	68	Prospective	Homewise	
Market Rate	Casa Verde	7261 Airport Road	Santa Fe	221	Prospective	Orion West	
Market Rate	Plaza Contenta Apartments	6260 Jaguar Dr	Santa Fe	132	Prospective	Tierra Concepts	



Green - Under Construction (1,549 Units)

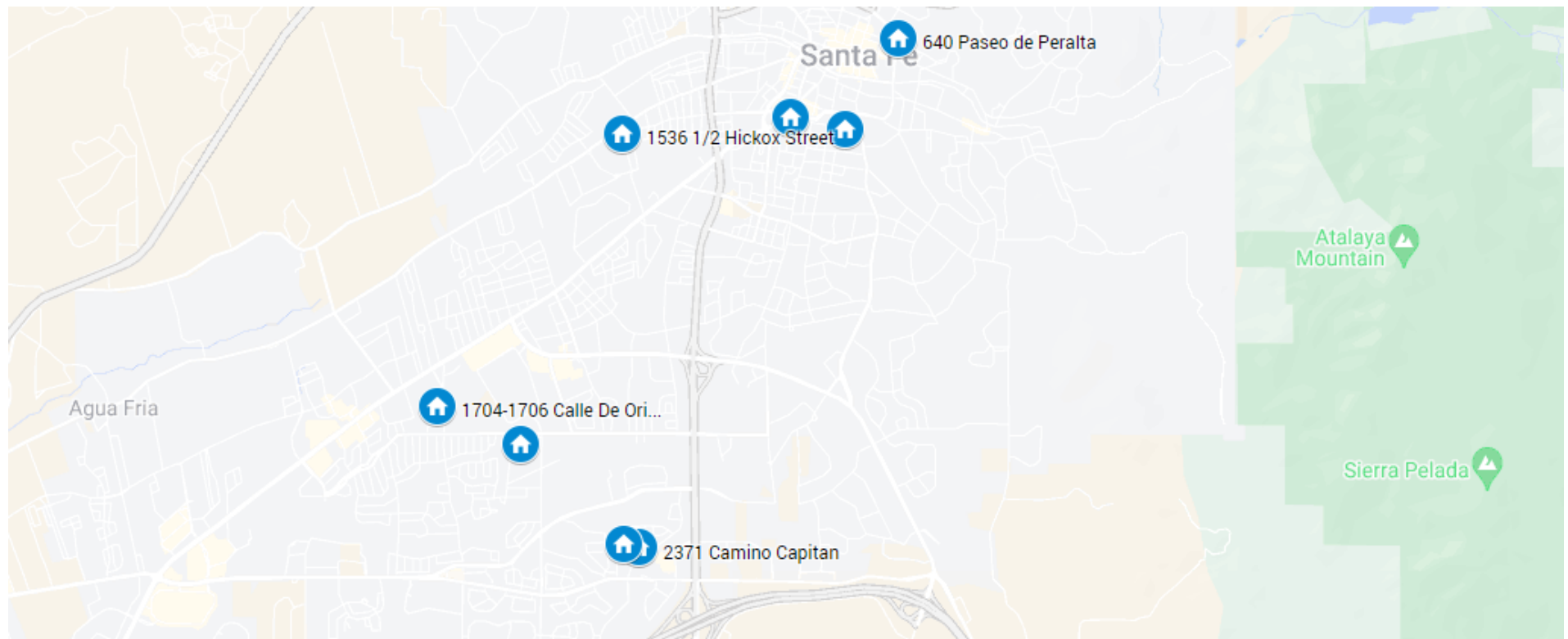
Red - Prospective (982 Units)

Currently Listed For Sale

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Address	City	State	Zip	Price	Price/Unit	Price/SF	# Units	SqFt	Studio	1 Bed	2 Bed	3 Bed	Built
640 Paseo de Peralta	Santa Fe	NM	87501	\$1,750,000	\$875,000	\$526	2	3,328			2		1900
1433 Paseo de Peralta	Santa Fe	NM	87501	\$1,350,000	\$450,000	\$375	3	3,600			2	1	1920
136 Santa Fe E	Santa Fe	NM	87505	\$1,500,000	\$300,000	\$427	5	3,509		5			1930
1536 1/2 Hickox Street	Santa Fe	NM	87505	\$525,000	\$262,500	\$268	2	1,962			2		1975
1704-1706 Calle De Oriente Norte	Santa Fe	NM	87507	\$479,000	\$239,500	\$223	2	2,148			2		1987
2111 Los Pinos Court	Santa Fe	NM	87505	\$700,000	\$233,333	\$250	3	2,800	1	1	1		1977
2396 Camino Capitan	Santa Fe	NM	87505	\$800,000	\$200,000	\$234	4	3,420			4		1980
2371 Camino Capitan	Santa Fe	NM	87505	\$659,000	\$164,750	\$292	4	2260		4			1980



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Apartment Loan Interest Rates and Terms

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Although interest rates depend on the underwriting of the property's location, LTV, DSCR, borrower's experience and financial strength, as well as any required loan features, below are interest rates that are representative of good-quality apartment complexes in major markets with strong borrowers. However, keep in mind that because several underwriting factors affect final pricing, actual interest rates may be higher or lower than what is listed below.

Conventional Loan Rates:	6.38% - 9.00%	Insurance Rates :	5.88% - 7.89%
Private Banking Rates	6.13% - 8.00%	FHA Rates :	5.01% - 5.86%
CMBS Rates :	6.01% - 7.20%	Freddie Mac SBL Rates :	6.01% - 6.50%
Fannie Mae DUS Rates :	5.30% - 6.52%	Mezzanine Rates :	7.70% - 11.51%
Freddie Mac Standard Rates :	5.75% - 6.21%	USDA Rates	7.00% - 10.00%
Construction Rates :	8.50% - 13.50%	Bridge Rates	8.81% - 17.81%

U.S. 10 Year Treasury (US10Y:Tradeweb)

undefined
Last | 12:01 PM EST
3.528% +0.044 (0.00%
1 Year





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PROFESSIONAL EXPERIENCE

Jacob Rocker is an expert in the acquisition and disposition of investment property throughout New Mexico. Mr. Rocker's career in Real Estate spans a decade and he was recruited to Real Estate Advisors due to his extensive knowledge of the Real Estate industry. Through his energy, innovation, and client centric approach to the business, Mr. Rocker is committed to maximizing client value by providing custom fit services tailored to the specific needs of each property owner.

Mr. Rocker has achieved the Certified Commercial Investment Member designation (CCIM), is an active member of the Apartment Association of New Mexico (AANM), and the National Association Industrial Office Properties group (NAIOP). He holds a Masters in Science of Finance and Real Estate from the University of Arizona and a BA degree in Journalism from Arizona State University. He holds a real estate license in New Mexico, Colorado and Arizona.

He currently runs a monthly meetup group focused on commercial investment in Santa Fe. For more information on how to attend please visit www.meetup.com/multifamilymasters-com-santa-fe-nm/

PROFESSIONAL AFFILIATIONS/ACCREDITATIONS

- Certified Commercial Investment Member (CCIM)
- Commercial Association of Realtors (CARNM)
- Multi Family Masters - Santa Fe
- Apartment Association of NM Affordable Housing Committee

INVESTMENT PROPERTY SALES

Commercial real estate investors naturally want to maximize their Return on Investment by selling and buying at the optimal time and at the best price.

Our disciplined approach to owner representation is based on the philosophy that positive outcomes are the product of hard work, good planning, and timely implementation. Each assignment we undertake involves a detailed marketing plan developed with the property owner, which provides our brokers and clients with a means of measuring progress. REA has a unique understanding of how to properly position and present an asset to maximize the value for our client.

Market Insights

Go to our Market Insights webpage for comprehensive information on the market and specific types of properties. Our Capital Markets Value Maximizer is a disciplined approach to owner representation based on the philosophy that results are the product of in-depth market knowledge, good planning and timely implementation.

www.reanm.com/market-insights

Property Search

To Assist you in your research, we have provided you with the following Property Search link. Our Value Creation Marketing Strategy is a proactive Data Driven Marketing Platform relating to the leasing and sale of income properties. Our unique process is designed to increase achievable rental rates and sales price by expanding the number of prospects, lower leasing and sale cost and increase market knowledge. Whether you are an investor or occupier of commercial real estate, knowledge of available properties and space in the market is critical to understanding your market position.

www.reanm.com/property-search

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Our reputation, for creating sound solutions for our clients' challenges through application of our knowledge and experience is widely respected. Whether you are an occupier of commercial real estate, a private owner in our local market or an institutional investor with a multimarket presence, our professionals are ready to help.

www.reanm.com/contact